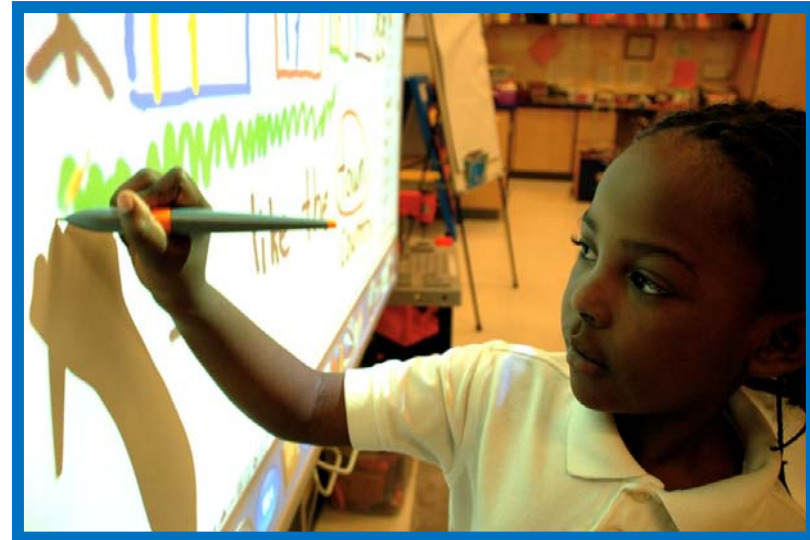


Buffalo City School District



July 1, 2015 – December 31, 2015

QUARTERLY REPORT

“Putting children and families first to ensure high academic achievement for all”

BOARD OF EDUCATION MEMBERS

James M. Sampson, President, West District

Jason M. McCarthy, Vice-President of Executive Affairs, North District

Dr. Theresa Harris-Tigg, Vice-President of Student Achievement, East District

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Ameer Dunston, Student Representative

Mary Ruth Kapsiak, Central District

Dr. Barbara A. Nevergold, Member-at-Large

Carl P. Paladino, Park District

Patricia A. Pierce, Member-at-Large

Lawrence Quinn, Member-at-Large

SUPERINTENDENT

Dr. Kriner Cash

INTERIM CHIEF FINANCIAL OFFICER

Geoffrey F. Pritchard, CPA

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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

JULY 1, 2015 – DECEMBER 31, 2015

At this point in the fiscal year, the Buffalo City School District (the “District”) is projecting a relatively flat budgetary variance. During the second quarter, a budget amendment of \$2.4 million was recorded to recognize the Bullet aid received by the District for three of its high schools that are phasing out and for additional aid for contractual nursing costs in excess of the current Health Services grant. Additionally, some budget transfers have been processed to offset negative variances and funds have been transferred from the \$3.0 million contingency expense account.

The 2015-16 budget was adopted with several new initiatives, including the addition of 241 Full Time Equivalent staff (FTEs) in the following instructional initiatives: the expansion of the Emerson School of Hospitality, a Newcomer Academy at Lafayette High School, expanded supports for English Language Learner (ELL) students under Part 154 of the Commissioner’s Regulations, an initial phase-in of the District’s Physical Education Plan, and additional Special Education position not budgeted in the prior year. The District adopted the budget anticipating an operating deficit of \$8.4 million, resulting in appropriated fund balance of that amount. Therefore, on a Generally Accepted Accounting Principles (GAAP) basis, the District anticipates a deficit of \$8.4 million in addition to the budgetary variances discussed in this report.

Subsequent to the adoption of the 2015-16 budget, additional priorities were added, including 19 additional Physical Education Teachers, 15 FTEs at the new Pathways Academy at East High School for over age and under credited students, while additional FTE’s were added to support ELLs, Special Education and within the school based budgets for positions not originally in the 2015-16 budget. While many of these increases have been offset by open positions through the first two quarters, these additional costs will become the baseline initiatives for the 2016-17 budget if the intention is to maintain them in the future. Fortunately, the District had included a contingency of \$3.0 million in the budget to help offset some of the current negative budgetary variances. With the hiring of a permanent Superintendent in August 2015, additional budgetary controls have been implemented to limit any new additions to the budget and to address budgetary gaps that present themselves in the quarters ahead. Because of the urgency of the reforms needed, the District is exploring an initiative to expand the Pathways Academy to three more schools through a virtual learning software for the remainder of the year. This is expected to be paid for through budgetary savings in other accounts and will be monitored closely during the third and fourth quarters.

Additional information on individual revenue and expenditure categories can be found on pages 2-6 through 2-11.

This report is divided into the following sections: Section I - Quarterly Budget Summary and Section II - Quarterly Statement of Cash Flows.

The Quarterly Budget Summary identifies the major categories of revenues and expenditures. Each category presents the following: the actual for the 2014-15 fiscal year, the 2015-16 original and modified budgets (includes carryover encumbrances, budget transfers between accounts and budget modifications to date), actual expenditures and revenues through December 31, 2015 and the projected amounts for the year ending June 30, 2016. At the request of the BFSAs staff, the categories are provided on both a current year only and GAAP basis (includes carryover encumbrances).

To assist in monitoring the District’s budget throughout the year, the District has established quarterly budgets based on the anticipated timing of cash receipts and disbursements, historical trends and accrual entries. The analysis of the budget to date compared to actual balances begins on page 2-10.

The Quarterly Statement of Cash Flows indicates that net cash flow through the second quarter was unfavorable as compared to the projections by \$2.5 million. The total receipts were favorable by \$5.1 million in the second quarter, compared to negative \$18.7 in the first quarter, due mainly to the second quarter receipt of Title I funding that had previously been withheld by NYSED. Cash expenditures were \$7.6 million more than predicted due to the timing of payments, which compares to a negative \$2.3 million in the first quarter. Total net cash activity for the year is currently projected to be a positive \$7.1 million, with an ending cash balance of \$215.5 million.

The following table shows the total annual budget, actual balances through the second quarter, total projections for the year ending June 30, 2016 and the associated variances. The amounts exclude carry over encumbrances (non-GAAP basis).

	2015-16 BUDGET	2015-16 ACTUAL YTD 12/31/15*	2015-16 PROJECTED FYE 6/30/2016	2015-16 VARIANCE 6/30/2016
<u>GENERAL FUND:</u>				
Revenues	828,213,270	246,814,557	824,813,270	(3,400,000)
Expenditures	828,213,270	316,221,670	824,313,163	3,900,107
Net Surplus/(Deficit)	0	(69,407,113)	500,107	500,107
<u>GRANTS:</u>				
Revenues	126,229,651	23,644,158	126,229,651	0
Expenditures	126,229,651	39,329,766	126,229,651	0
Net Surplus/(Deficit)	0	(15,685,608)	0	0
<u>FOOD SERVICE:</u>				
Revenues	38,492,497	10,818,194	38,492,497	0
Expenditures	38,492,497	11,479,036	38,492,497	0
Net Surplus/(Deficit)	0	(660,842)	0	0
<u>GRAND TOTALS</u>				
REVENUES	992,935,418	281,276,909	989,535,418	(3,400,000)
EXPENDITURES	992,935,418	367,030,472	989,035,311	3,900,107
NET SURPLUS/ (DEFICIT)	0	(85,753,563)	500,107	500,107

* AS OF JANUARY 14, 2016 IN MUNIS

Budget modifications were made in accordance with GAAP for encumbrances (commitments related to unperformed contracts, i.e. open purchase orders) outstanding at the end of the previous fiscal year. In accordance with accounting standards related to encumbrances, encumbrances outstanding at year-end are reported as a reservation of fund balance since they do not constitute expenditures or liabilities. As of the first day of the subsequent year, the budget is automatically amended (increased) by the encumbrances outstanding at the end of the previous fiscal year. The associated expenditures are recorded in the year the purchase is made and are funded by the Reserve for Encumbrances carried over from the previous fiscal year.

A reconciliation of the original budget to the modified budget is as follows:

	General Fund	Food Service Fund
Original Budget	\$825,813,270	\$38,492,497
Add: Carryover encumbrances outstanding December 31, 2015	2,721,223	195,462
Add: General Fund Budget Amendment as of December 31, 2015	2,400,000	0
Modified Budget, December 31, 2015	\$830,934,493	\$38,687,959

SECTION I
QUARTERLY BUDGET SUMMARY



DETAILED ANALYSIS OF GENERAL FUND REVENUES JULY 1, 2015 THROUGH DECEMBER 31, 2015

REVENUES:	ACTUAL 2014-15	ORIGINAL BUDGET 2015-16	MODIFIED BUDGET 2015-16	ACTUAL TO DATE 12/31/15*	PROJECTED TOTAL FYE 6/30/16**	PROJECTED 6/30/16 (UNDER)/OVER BUDGET
GENERAL FUND:						
REAL PROPERTY TAX	\$ 70,322,758	\$ 70,322,758	\$ 70,322,758	\$ 40,564,846	\$ 70,322,758	\$ -
ERIE COUNTY SALES TAX	40,167,930	\$ 42,000,000	42,000,000	16,584,662	42,000,000	-
FEDERAL MEDICAID REIMBURSEMENT	718,231	3,000,000	3,000,000	465,523	3,000,000	-
FEDERAL EMERG DISASTER ASSIST (FEMA)	184,507	-				
STATE AID						
BASIC FORMULA, EXCESS COST & LOTTERY AIDS	659,234,782	683,863,369	683,863,369	178,337,503	680,363,369	(3,500,000) A
OTHER STATE AID	2,043,605	1,800,000	4,200,000	4,305,989	4,300,000	100,000 B
TOTAL STATE AID	661,278,386	685,663,369	688,063,369	182,643,492	684,663,369	(3,400,000)
OTHER(TUITION, MISC, TRANSFERS)	14,903,584	16,455,143	16,455,143	6,556,034	16,455,143	-
FUND BALANCE (BUDGETARY ONLY)	-	8,372,000	8,372,000	-	8,372,000	-
TOTAL GENERAL FUND REVENUES	\$ 787,575,396	\$ 825,813,270	\$ 828,213,270	\$ 246,814,557	\$ 824,813,270	(3,400,000)

* As of January 14, 2016

** Projections are based on available data and are subject to change.

A State aid fluctuates during the year and current projected shortfalls can reverse; however there are negative budgetary variances in transportation aid, due to final 2014/15 expenditures coming in less than projected. Additionally, several of the formula aids are projecting less than originally budgeted, most notably excess cost aid.

B The District amended the budget to recognize the \$2.4 million in Bullet aid received in the first quarter.

DETAILED ANALYSIS OF GENERAL FUND EXPENDITURES

JULY 1, 2015 THROUGH DECEMBER 31, 2015

EXPENDITURES:	(GAAP BASIS) ACTUAL 2014-15	CURRENT YEAR ONLY (NON-GAAP BASIS)					INCLUDES CARRY OVER ENCUMBRANCES (GAAP BASIS)				
		ORIGINAL BUDGET 2015-16	MODIFIED BUDGET 2015-16	ACTUAL TO DATE 12/31/15	PROJECTED TOTAL FYE 6/30/16*	PROJECTED FYE 6/30/16 UNDER/(OVER) BUDGET	MODIFIED BUDGET 2015-16	ACTUAL TO DATE 12/31/15	PROJECTED TOTAL FYE 6/30/16*	PROJECTED FYE 6/30/16 UNDER/(OVER) BUDGET	
GENERAL FUND:											
EMPLOYEE COMPENSATION:											
BTF (TEACHERS)	\$ 166,864,523	\$ 170,061,776	\$ 171,105,845	\$ 67,685,352	\$ 171,705,845	\$ (600,000)	\$ 171,105,845	\$ 67,685,352	\$ 171,705,845	\$ (600,000)	C
BTF (TEACHERS) - OTHER COMPENSATION	8,816,575	9,121,830	9,016,830	4,092,701	9,016,830	0	9,016,830	4,092,701	9,016,830	0	
SUBSTITUTES	6,846,914	6,467,168	6,526,046	2,837,526	7,126,046	(600,000)	6,526,046	2,837,526	7,126,046	(600,000)	D
BCSA (ADMINISTRATORS)	17,968,718	19,320,213	19,388,014	9,060,264	19,388,014	0	19,388,014	9,060,264	19,388,014	0	
PCTEA (WHITE COLLAR)	15,524,625	17,303,505	17,426,391	7,570,056	16,926,391	500,000	17,426,391	7,570,056	16,926,391	500,000	E
BEST (TEACHER AIDES)	5,821,396	7,610,568	7,443,681	2,756,913	7,443,681	0	7,443,681	2,756,913	7,443,681	0	
BEST (TEACHING ASSISTANTS)	6,228,493	5,805,529	5,996,417	2,290,450	5,996,417	0	5,996,417	2,290,450	5,996,417	0	
TAB (BUS AIDES)	5,125,940	5,204,780	5,204,780	1,736,433	5,204,780	0	5,204,780	1,736,433	5,204,780	0	
TRADES (CARPENTERS, PLUMBERS)	2,571,310	2,609,054	2,434,734	1,279,869	2,634,734	(200,000)	2,434,734	1,279,869	2,634,734	(200,000)	F
LOCAL 264 (BLUE COLLAR)	2,574,981	3,024,129	2,901,833	1,267,339	2,901,833	0	2,901,833	1,267,339	2,901,833	0	
LOCAL 409 (ENGINEERS)	3,355,288	3,421,472	3,421,472	1,553,816	3,421,472	0	3,421,472	1,553,816	3,421,472	0	
EXEMPT & BOARD MEMBERS	2,320,736	3,064,660	3,007,160	1,178,279	2,907,160	100,000	3,007,160	1,178,279	2,907,160	100,000	E
MISCELLANEOUS ITEMS	368,889	400,930	481,193	330,045	481,193	0	481,193	330,045	481,193	0	
OVERTIME	2,557,643	2,067,262	2,296,882	1,210,735	2,296,882	0	2,296,882	1,210,735	2,296,882	0	
TOTAL EMPLOYEE COMPENSATION	\$ 246,946,031	\$ 255,482,876	\$ 256,651,278	\$ 104,849,777	\$ 257,451,278	\$ (800,000)	\$ 256,651,278	\$ 104,849,777	\$ 257,451,278	\$ (800,000)	
EMPLOYEE BENEFITS:											
CIVIL SERVICE RETIREMENT	\$ 6,076,286	\$ 6,287,557	\$ 6,287,557	\$ 3,136,061	\$ 6,287,557	\$ 0	\$ 6,287,557	\$ 3,132,692	\$ 6,287,557	\$ 0	
TEACHERS RETIREMENT	35,051,261	27,696,894	27,842,742	11,023,574	27,922,302	(79,560)	27,842,742	11,027,895	27,922,302	(79,560)	G
SOCIAL SECURITY	18,936,013	19,557,028	19,639,675	8,029,866	19,700,875	(61,200)	19,639,675	8,029,866	19,700,875	(61,200)	G
HEALTH INSURANCE - EMPLOYEES	50,807,859	54,674,460	54,961,455	22,926,418	54,561,455	400,000	54,961,455	22,926,418	54,561,455	400,000	H
HEALTH INSURANCE - RETIREES	61,618,266	68,483,281	68,483,281	30,958,956	67,683,281	800,000	68,483,387	30,959,062	67,683,387	800,000	H
TERMINATION PAY	2,676,574	4,060,000	4,060,000	1,315,493	4,060,000	0	4,060,000	1,315,493	4,060,000	0	
OTHER BENEFITS	8,186,931	12,367,536	12,417,320	6,580,746	12,117,320	300,000	12,417,380	6,580,805	12,117,380	300,000	I
TOTAL EMPLOYEE BENEFITS	\$ 183,353,190	\$ 193,126,756	\$ 193,692,030	\$ 83,971,114	\$ 192,332,790	\$ 1,359,240	\$ 193,692,196	\$ 83,972,231	\$ 192,332,956	\$ 1,359,240	
OTHER:											
TRANSPORTATION	\$ 40,226,216	\$ 46,700,266	\$ 46,576,431	\$ 8,019,913	\$ 45,776,431	\$ 800,000	\$ 46,586,976	\$ 8,020,075	\$ 45,786,976	\$ 800,000	J
UTILITIES	8,696,694	9,676,407	9,676,407	2,391,795	9,676,407	0	9,722,154	2,401,639	9,722,154	0	
TUITION	31,705,598	33,443,560	33,443,560	6,755,035	33,443,560	0	33,444,730	6,756,205	33,444,730	0	
CONTRACTS - CUSTODIAN	18,335,348	18,551,378	18,530,309	8,346,039	18,730,309	(200,000)	18,640,893	8,346,039	18,840,893	(200,000)	K
EQUIPMENT	1,630,017	1,873,951	1,852,279	180,110	1,852,279	0	2,112,766	354,001	2,112,766	0	
CONTRACTS - MISCELLANEOUS	15,569,802	16,488,308	17,932,851	4,259,848	17,382,851	550,000	18,530,309	4,491,445	17,980,309	550,000	L
RESERVE FOR CONTINGENCY	0	3,000,000	2,390,867	0	2,390,867	0	2,390,867	0	2,390,867	0	M
RENTAL CONTRACTS	8,300,435	8,160,163	8,170,873	2,022,440	8,170,873	0	8,181,294	2,023,423	8,181,294	0	
REPAIRS & MAINTENANCE & RELATED	1,894,896	1,948,283	1,948,994	491,806	1,948,994	0	2,110,939	602,938	2,110,939	0	
TEXTBOOKS	2,965,670	3,469,383	2,673,375	1,103,731	2,673,375	0	3,112,132	1,528,567	3,112,132	0	
SUPPLIES & MISC RELATED ITEMS	7,467,804	8,529,964	9,312,041	3,011,992	9,312,041	0	10,395,984	3,831,923	10,395,984	0	
CHARTER SCHOOLS	98,415,397	103,500,000	103,500,000	52,654,785	103,700,000	(200,000)	103,500,000	52,654,785	103,700,000	(200,000)	N
DEBT SERVICE	120,017,355	118,722,975	118,722,975	37,782,310	118,722,975	0	118,722,975	37,782,310	118,722,975	0	
INTERFUND	4,706,741	3,139,000	3,139,000	380,975	3,139,000	0	3,139,000	1,943	3,139,000	0	
TOTAL OTHER	\$ 359,931,973	\$ 377,203,638	\$ 377,869,962	\$ 127,400,779	\$ 374,529,095	\$ 3,340,867	\$ 380,591,019	\$ 128,795,293	\$ 377,250,152	\$ 3,340,867	
TOTAL GENERAL FUND EXPENDITURES	\$ 790,231,193	\$ 825,813,270	\$ 828,213,270	\$ 316,221,670	\$ 824,313,163	\$ 3,900,107	\$ 830,934,493	\$ 317,617,302	\$ 827,034,386	\$ 3,900,107	
							Difference to original budget	\$ 2,721,223 (Carryover encumbrances)			

All projections are based on data available as of January 14, 2016 and are subject to change.

DETAILED ANALYSIS OF GENERAL FUND EXPENDITURES – CONTINUED

C	The District has added approximately 60 BTF positions that were not in the adopted 15/16 budget. These include 19 Physical Education Teachers, 14 for the Pathways Academy at East High School, along with additional Special Education and English Language Learner Teachers. These increases are offset by vacant positions and budgetary transfers from the contingency account.
D	Substitute teacher expenditures are running higher than budget due mainly to budgeted but vacant teacher positions being filled by substitute teachers.
E	Savings are projected due to vacant staff positions.
F	Based on current projections of spend, Heating, Plumbing and Electric trades are expected to exceed budget.
G	Based on the projected additional teachers compensation, the Teachers Retirement System and Social Security Expenditures are expected to exceed their budgets.
H	Employee Health Insurance is still trending to be slightly under budget for the year based on current actual spend. Retiree health insurance is trending below budget due to conversions of retirees to the more cost effective Forever Blue plan.
I	Fewer layoffs and improved processes surrounding unemployment have resulted in full year unemployment projection below budget.
J	Lower fuel costs are resulting in a favorable budget variance in transportation
K	There are additional operating costs related to school 8, which was not expected to remain in the District's possession during the 15/16 fiscal year.
L	The District's contract for the 5 year building condition survey is expected to come in below budget for a savings of \$550,000, while several other contract expenditures lines are trending under budget; Additional legal costs related to union contract negotiations and JSCB litigation are \$400,000 above budget. Nursing contracts are \$1,200,000 over budget since the District was informed that the additional state aid for nursing, and the related costs, should be accounted for in the General fund, instead of the Grants fund. A budget amendment has eliminated this \$1.2 million variance causing the net positive budget variance in the account.
M	The District budgeted a contingency account to offset any unanticipated expenditures. Since there are deficits projected in some accounts, the contingency account will be utilized to offset those overages. A portion has been transferred in the second quarter and the remainder will be transferred by the fourth quarter.
N	The charter tuition negative variance in the first quarter has been significantly reduced as actual charter school students have declined during the second quarter.

DETAILED ANALYSIS OF SPECIAL REVENUE FUNDS JULY 1, 2015 THROUGH DECEMBER 31, 2015

SPECIAL REVENUE FUNDS:	(GAAP BASIS)			ACTUAL TO DATE 12/31/15*	PROJECTED TOTAL FYE 6/30/16	PROJECTED FYE 6/30/16 UNDER/(OVER) BUDGET
	ACTUAL 2014-15	ADOPTED BUDGET 2015-16	MODIFIED BUDGET 2015-16			
<u>REVENUES:</u>						
TOTAL GRANTS (15-16 ONLY)	119,807,539	117,202,854	126,229,651	23,644,158	126,229,651	-
TOTAL FOOD SERVICE REVENUES	27,689,656	38,492,497	38,492,497	10,818,194	38,492,497	-
GRAND TOTAL REVENUES (ALL FUNDS)	\$ 935,072,591	\$ 981,508,621	\$ 992,935,418	\$ 281,276,910	\$ 989,535,418	\$ (3,400,000)
<u>EXPENDITURES:</u>						
TOTAL GRANTS (15-16 ONLY)	119,807,539	117,202,854	126,229,651	39,329,766	126,229,651	-
TOTAL FOOD SERVICE EXPENDITURES**	28,247,806	38,492,497	38,687,959	11,625,574	38,687,959	-
GRAND TOTAL EXPENDITURES (ALL FUNDS)	\$ 938,286,538	\$ 981,508,621	\$ 995,852,103	\$ 368,572,642	\$ 991,951,996	\$ 3,900,107

* As of January 14, 2016 in MUNIS.

** Excluding carry over encumbrances, expenditures to date were \$11,479,036.21

**ANALYSIS OF GENERAL FUND REVENUES
BUDGET TO DATE COMPARED TO ACTUAL TO DATE
JULY 1, 2015 THROUGH DECEMBER 31, 2015**

Monthly projections are generally on a cash basis; except for June when the majority of year end accruals are posted.
Detailed information on variances expected at year end can be found on page 2-6.

	2015-16 Adopted Budget	2015-16 Revised Budget	Budget to Date	Actual to Date	Variance
REAL PROPERTY TAX	70,322,758	70,322,758	40,564,841	40,564,846	5
ERIE COUNTY SALES TAX	42,000,000	42,000,000	16,506,000	16,584,662	78,662
FEDERAL MEDICAID	3,000,000	3,000,000	1,650,000	465,523	(1,184,477)
STATE AID	683,863,369	683,863,369	181,264,913	178,337,503	(2,927,410)
OTHER STATE AID/FED (FEMA)	1,800,000	4,200,000	1,000,000	4,305,989	3,305,989
OTHER (TUITION, INTERFUND, MISC)	16,455,143	16,455,143	1,600,289	6,556,034	4,955,745
APPROP FUND BALANCE (BUDGETARY ONLY)	8,372,000	8,372,000	-	-	-
TOTAL GENERAL FUND	825,813,270	828,213,270	242,586,043	246,814,557	4,228,515

**ANALYSIS OF GENERAL FUND EXPENDITURES
BUDGET TO DATE COMPARED TO ACTUAL TO DATE
JULY 1, 2015 THROUGH DECEMBER 31, 2015**

Monthly projections are generally on a cash basis; except for June when the majority of year end accruals are posted.
Detailed information on variances expected at year end can be found on page 2-7.

EXPENDITURES:	GAAP BASIS	Adopted Budget 2015- 16	Modified Budget 2015-16	CURRENT YEAR ONLY BASIS		Variance
	Actual 2014-15			Budget to date	Actual to date	
EMPLOYEE COMPENSATION:						
BTF (TEACHERS)	\$ 166,864,523	\$ 170,061,776	\$ 171,105,845	\$ 67,710,440	\$ 67,685,352	\$ 25,088
BTF (TEACHERS) - OTHER COMPENSATION	8,816,575	9,121,830	9,016,830	3,640,998	4,092,701	(451,703)
SUBSTITUTES	6,846,914	6,467,168	6,526,046	2,543,343	2,837,526	(294,183)
BCSA (ADMINISTRATORS)	17,968,718	19,320,213	19,388,014	9,420,516	9,060,264	360,252
PCTEA (WHITE COLLAR)	15,524,625	17,303,505	17,426,391	8,286,225	7,570,056	716,169
BEST (TEACHER AIDES)	5,821,396	7,610,568	7,443,681	2,873,062	2,756,913	116,149
BEST (TEACHING ASSISTANTS)	6,228,493	5,805,529	5,996,417	2,336,811	2,290,450	46,360
TAB (BUS AIDES)	5,125,940	5,204,780	5,204,780	1,809,100	1,736,433	72,667
TRADES (CARPENTERS, PLUMBERS)	2,571,310	2,609,054	2,434,734	1,226,786	1,279,869	(53,083)
LOCAL 264 (BLUE COLLAR)	2,574,981	3,024,129	2,901,833	1,387,535	1,267,339	120,196
LOCAL 409 (ENGINEERS)	3,355,288	3,421,472	3,421,472	1,655,612	1,553,816	101,797
EXEMPT & BOARD MEMBERS	2,320,736	3,064,660	3,007,160	1,502,554	1,178,279	324,274
MISCELLANEOUS ITEMS	368,889	400,930	481,193	326,603	330,045	(3,442)
OVERTIME	2,557,643	2,067,262	2,296,882	1,303,941	1,210,735	93,206
TOTAL EMPLOYEE COMPENSATION	\$ 246,946,031	\$ 255,482,876	\$ 256,651,278	\$ 106,023,526	\$ 104,849,777	\$ 1,173,749
EMPLOYEE BENEFITS:						
CIVIL SERVICE RETIREMENT	6,076,286	6,287,557	6,287,557	3,698,847	3,136,061	562,786
TEACHERS RETIREMENT	35,051,261	27,696,894	27,842,742	11,456,150	11,023,574	432,576
SOCIAL SECURITY	18,936,013	19,557,028	19,639,675	8,085,317	8,029,866	55,451
HEALTH INSURANCE - EMPLOYEES	50,807,859	54,674,460	54,961,455	23,076,279	22,926,418	149,861
HEALTH INSURANCE - RETIREES	61,618,266	68,483,281	68,483,281	32,400,873	30,958,956	1,441,917
TERMINATION PAY	2,676,574	4,060,000	4,060,000	856,717	1,315,493	(458,776)
OTHER BENEFITS	8,186,931	12,367,536	12,417,320	6,507,029	6,580,746	(73,717)
TOTAL EMPLOYEE BENEFITS	\$ 183,353,190	\$ 193,126,756	\$ 193,692,030	\$ 86,081,212	\$ 83,971,114	\$ 2,110,098
OTHER:						
TRANSPORTATION	40,226,216	46,700,266	46,576,431	9,619,613	8,019,913	1,599,700
UTILITIES	8,696,694	9,676,407	9,676,407	2,862,866	2,391,795	471,071
TUITION	31,705,598	33,443,560	33,443,560	7,357,583	6,755,035	602,548
CONTRACTS - CUSTODIAN	18,335,348	18,551,378	18,530,309	8,098,552	8,346,039	(247,487)
EQUIPMENT	1,630,017	1,873,951	1,852,279	320,610	180,110	140,500
CONTRACTS - MISC & CONTINGENCY	15,569,802	16,488,308	17,932,851	4,756,469	4,259,848	496,621
RESERVE FOR CONTINGENCY	-	3,000,000	2,390,867	-	-	-
RENTAL CONTRACTS (EQUIPMENT, FACILITY)	8,300,435	8,160,163	8,170,873	1,841,917	2,022,440	(180,523)
REPAIRS & MAINTENANCE & RELATED	1,894,896	1,948,283	1,948,994	806,403	491,806	314,597
TEXTBOOKS	2,965,670	3,469,383	2,673,375	958,752	1,103,731	(144,979)
SUPPLIES & MISC RELATED ITEMS	7,467,804	8,529,964	9,312,041	4,514,915	3,011,992	1,502,923
CHARTER SCHOOLS	98,415,397	103,500,000	103,500,000	52,145,000	52,654,785	(509,785)
DEBT SERVICE	120,017,355	118,722,975	118,722,975	38,071,902	37,782,310	289,592
INTERFUND	4,706,741	3,139,000	3,139,000	172,500	380,975	(208,475)
TOTAL GENERAL FUND	\$ 790,231,193	\$ 825,813,270	\$ 828,213,270	\$ 323,631,821	\$ 316,221,670	\$ 7,410,150

**BUFFALO CITY SCHOOL DISTRICT
EMPLOYMENT LEVELS IN ALL FUNDS
2015-2016**

TYPE OF POSITION	UNION	ORIGINAL BUDGET 2015-16	REVISED BUDGET 2015-16	POSITIONS FILLED AS OF SECOND QUARTER**	FAVORABLE (UNFAVORABLE) VARIANCE
TEACHERS	BTF	3,467.5	3,511.1	3,486.9	24.2
ADMINISTRATORS	BCSA	239.6	240.9	240.0	0.9
CIVIL SERVICE EMPLOYEES	PCTEA	465.0	478.6	421.0	57.6
TEACHING ASSISTANTS	BEST	482.9	479.1	481.0	(1.9)
TEACHER AIDES	BEST	399.0	407.0	392.0	15.0
TRADESMEN		29.0	29.0	28.0	1.0
BLUE COLLAR	LOCAL 264	104.0	101.0	88.0	13.0
CUSTODIAL ENGINEERS	LOCAL 409	62.0	62.0	55.0	7.0
EXEMPT & BOARD MEMBERS		34.0	35.0	31.0	4.0
TOTAL Full Time Equivalent (FTE) *		5,283.0	5,343.7	5,222.9	120.8

*FTE does not include hourly bus aides, food service workers, adult education teachers or per diem substitute teachers.

**Per FTE Summary dated January 4, 2016.

**BUFFALO CITY SCHOOL DISTRICT
EMPLOYMENT LEVELS IN GENERAL FUND
2015-2016**

TYPE OF POSITION	UNION	ORIGINAL BUDGET 2015-16	REVISED BUDGET 2015-16	POSITIONS FILLED AS OF SECOND QUARTER**	FAVORABLE (UNFAVORABLE) VARIANCE
TEACHERS	BTF	2,994.0	3,013.0	3,001.8	11.2
ADMINISTRATORS	BCSA	196.1	196.1	199.6	(3.5)
CIVIL SERVICE EMPLOYEES	PCTEA	365.0	367.0	332.7	34.3
TEACHING ASSISTANTS	BEST	292.5	285.0	291.8	(6.8)
TEACHER AIDES	BEST	394.5	402.0	387.0	15.0
TRADESMEN		29.0	29.0	28.0	1.0
BLUE COLLAR	LOCAL 264	75.0	72.0	63.0	9.0
CUSTODIAL ENGINEERS	LOCAL 409	61.0	61.0	54.0	7.0
EXEMPT & BOARD MEMBERS		34.0	34.0	30.0	4.0
TOTAL Full Time Equivalent (FTE)*		4,441.1	4,459.1	4,387.9	71.2

*FTE does not include hourly bus aides, food service workers, adult education teachers or per diem substitute teachers.

**Per FTE Summary dated January 4, 2016.

**BUFFALO CITY SCHOOL DISTRICT
EMPLOYMENT LEVELS IN GRANTS
2015-2016**

TYPE OF POSITION	UNION	ORIGINAL BUDGET 2015-16	REVISED BUDGET 2015-16	POSITIONS FILLED AS OF SECOND QUARTER**	FAVORABLE (UNFAVORABLE) VARIANCE
TEACHERS	BTF	473.5	498.1	485.1	13.0
ADMINISTRATORS	BCSA	43.6	44.9	40.4	4.5
CIVIL SERVICE EMPLOYEES	PCTEA	88.0	99.6	78.4	21.2
TEACHING ASSISTANTS	BEST	189.4	193.1	188.3	4.8
TEACHER AIDES	BEST	3.5	4.0	4.0	0.0
CUSTODIAL ENGINEERS	LOCAL 409	1.0	1.0	1.0	0.0
EXEMPT & BOARD MEMBERS		0.0	1.0	1.0	0.0
TOTAL Full Time Equivalent (FTE) *		798.9	841.7	798.2	43.5

*FTE does not include hourly bus aides, food service workers, adult education teachers or per diem substitute teachers.

**Per FTE Summary dated January 4, 2016.

**BUFFALO CITY SCHOOL DISTRICT
EMPLOYMENT LEVELS IN FOOD SERVICE
2015-2016**

TYPE OF POSITION	UNION	ORIGINAL BUDGET 2015-16	POSITIONS FILLED AS OF SECOND QUARTER**	FAVORABLE (UNFAVORABLE) VARIANCE
CIVIL SERVICE EMPLOYEES	PCTEA	12.0	10.0	2.0
TEACHING ASSISTANTS	BEST	1.0	1.0	-
TEACHER AIDES	BEST	1.0	1.0	-
BLUE COLLAR	LOCAL 264	29.0	25.0	4.0
TOTAL Full Time Equivalent (FTE) *		43.0	37.0	6.0

*FTE does not include hourly bus aides, food service workers, adult education teachers or per diem substitute teachers.

**Per FTE Summary dated January 4, 2016.

SECTION II

QUARTERLY STATEMENT OF CASH FLOWS



BUFFALO CITY SCHOOL DISTRICT CASH FLOW ANALYSIS NARRATIVE JULY 1, 2015 – DECEMBER 31, 2015

The statement of cash flow records all receipts and disbursements of the General Fund, Special Aid Fund and Food Service Fund. The Capital Fund is not recorded in the cash flow statement because bond activities are maintained with separate accounting.

The net cash flow through the second quarter was unfavorable as compared to the projections by \$2.5 million. The total receipts anticipated were favorable by \$5.1 million. Expenditures were \$7.6 million more than predicted due mainly to the timing of payments. The following is a detailed analysis:

CASH RECEIPTS:

Basic Formula Aid

This line item consists of General Fund Revenue from the State of New York for formula driven aids.

The Basic Formula Aid was unfavorable by \$3.0 million due to the timing of payments established by the SED along with New York State making a determination to fund a larger portion of aid through Lottery Aid as opposed to its General Fund.

Lottery Aid

This is also part of the General Fund Revenue.

Lottery aid is unfavorable through December by \$3.8 million through December.

Erie County Sales Tax

This pertains to the District's allocation of Sales Tax.

Sales Tax receipts were essentially in line with projections, coming in \$0.1 million above plan.

Miscellaneous – State and Federal Aid

This category represents revenue from the Special Aid Fund, Food Service Fund and Medicaid of the General Fund.

The favorable variance of \$7.4 million is largely due to the timing of cash receipts for grants received from the State. The previously withheld funding on the Title I grant was received during the second quarter and Title I cash receipts are close to budget through the second quarter.

Other

This category contains a wide variety of miscellaneous cash receipts for copies, prior year reimbursements, transfers, etc.

The timing of these miscellaneous items is difficult to predict and the variance to date is favorable by \$4.4 million.

CASH DISBURSEMENTS:

Total actual cash disbursements through December 31, 2015 were greater than originally projected by \$7.6 million. This is attributed to higher than budgeted salaries offset by lower disbursements for current year services and supplies.

Salary and Benefits

All salary and benefits of General Fund, Special Aid Fund and Food Service Fund are recorded in this line.

This category was unfavorable by \$9.3 million due to the school calendar changing after the cash flow budget was adopted. The actual cash flow included an additional pay period in September that was not budgeted. This difference will reverse itself as the year progresses.

Termination Pay

Payment to employees upon retirement that is contractually obligated is recorded in this line.

The largest portion of these payments were paid in the first quarter and is currently favorable by \$0.7 million.

PY Accounts Payable

This represents cash disbursements in 2015-16 for 2014-15 invoices. This category is unfavorable by \$0.8 million.

Services and Supplies

This category was favorable by \$2.2 million largely due to the timing of vendor payments.

Charter Schools

This category was unfavorable by \$0.4 million largely due to higher than budgeted charter school enrollment in the first quarter.

QUARTERLY CASH FLOW STATEMENT
For the Period July 1, 2015 – December 31, 2015
(in thousands)

	ORIGINAL PROJECTION YTD Q2	TOTAL YTD Q2	VARIANCE TO PROJECTION	REVISED* PROJECTION FYE 2015-16
BEGINNING CASH & INVESTMENTS**	\$208,383	\$208,383	\$0	\$208,383
CASH RECEIPTS:				
Basic Formula Aid	89,700	86,741	(2,959)	440,511
Lottery Aid Advance	53,751	50,026	(3,725)	84,022
Property Taxes <small>(Less Capital Debt)</small>	29,759	29,760	1	59,517
Erie County Sales Tax	21,199	21,267	68	41,009
Miscellaneous - State and Federal Aid:	85,167	92,528	7,361	161,103
Other	12,561	16,905	4,344	24,308
TOTAL CASH RECEIPTS	292,137	297,227	5,090	810,470
CASH DISBURSEMENTS:				
Salary & FICA - Regular	155,550	164,830	(9,280)	355,980
Termination Pay	3,700	2,960	740	3,520
PY Accounts Payable	25,500	26,272	(772)	26,272
Services & Supplies - Regular	139,400	137,207	2,193	313,607
Charter Schools	52,200	52,654	(454)	103,954
TOTAL CASH DISBURSEMENTS	376,350	383,923	(7,573)	803,333
NET INCREASE (DECREASE) IN CASH	(84,213)	(86,696)	(2,483)	7,137
ENDING CASH & INVESTMENTS	\$124,170	\$121,687	(\$2,483)	\$215,520

* As of January 14, 2016