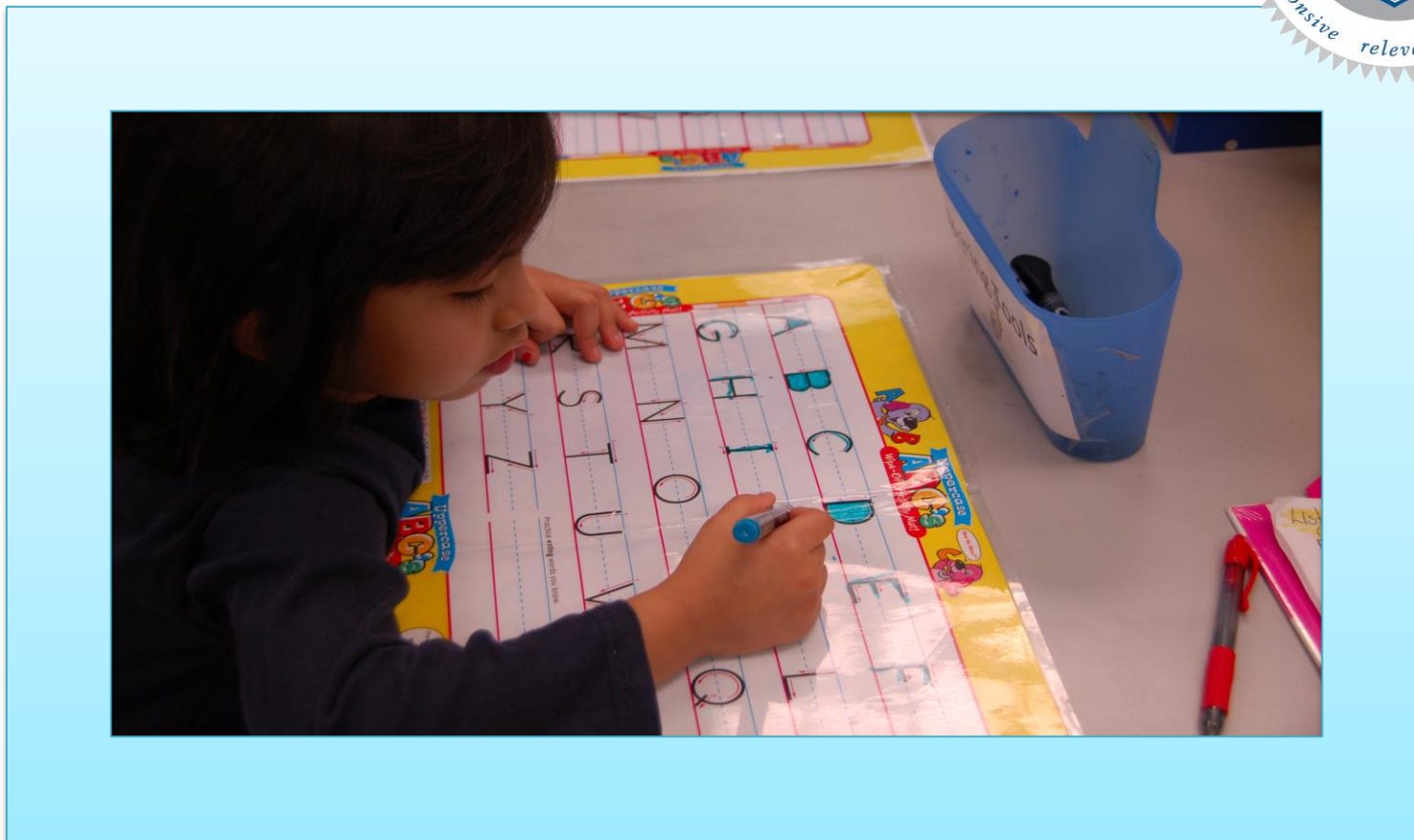


Buffalo City School District



July 1, 2016 – March 31, 2017

QUARTERLY REPORT

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

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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

JULY 1, 2016 – MARCH 31, 2017

Through the third quarter, the District's General Fund is projecting a favorable budgetary variance of \$11.5 million overall, which compares to a \$6.2 million favorable variance projected after the second quarter—an improvement of \$5.3 million. The \$11.5 million is not a true surplus; it is a favorable budgetary variance that indicates projected fund balance usage will be less than budgeted. These projections include the planned usage of \$40.5 million in fund balance for the cost of the settled teachers' contract added to the original budgeted fund balance of \$9.8 million, bringing the total to \$50.3 million. These current projections indicate that \$38.8 million of the \$50.3 million in budgeted fund balance will be utilized for the full 2017/18 fiscal year. These projections could materially change based on unanticipated future events, but are based on information and projections available as of April 2017.

The third quarter report includes the impact of the teachers' contract settled on October 17, 2016 and the most up to date projections of its cost for the full fiscal year:

Analysis of Teacher Contract Cost in the General Fund (in millions)			
	Current Projection	Original Projection	Explanatory Notes
Amount of the budget amendment, the planned usage of fund balance:	40.5	40.5	
Projected allocation of the budget amendment to expenditure accounts:			
Regular teacher salaries and ancillary	16.4	21.0	Based on fewer teacher positions in the general fund than the original contract cost projections; offset by higher ancillary costs
One-time teacher step bonus and retiree payments	19.9	19.5	
Health insurance	(5.3)	(7.8)	\$2.9 million in contributions and \$2.4 million in reduced premium equivalent rates are projected.
Social Security	2.8	3.1	
Teachers Retirement System	1.9	4.7	
Held in contingency for grant salaries	1.9	-	Some grants may not be able to absorb increased teacher salaries; therefore, it is possible these costs may shift to the general fund. \$1.9 million is an estimate of that amount.
Total projected costs:	37.6	40.5	
Remainder - projected savings to return to fund balance or other uses:	2.9	-	

In addition to the \$2.9 million projected favorable budget variance related to teacher costs, there are favorable variances netting to \$8.6 million in other expenditure accounts. These include: a large favorable variance in retiree health insurance of \$4.0 million due in large part to the voluntary Medicare Advantage enrollment program and lower than budgeted retiree counts; \$2.0 million favorable variance in charter tuition as projected charter school enrollment has come in 180 pupils lower than budget; a combined \$2.6 million favorable variance in regular salary lines, including overtime, for non-teaching positions due to vacancies and favorable salary differentials, while savings of \$1.0 million each are projected in contract costs and other benefits. These variances are offset by substitute teacher expenses which are projected to be \$1.4 million over budget, due in large part to higher teachers FTE vacancies that drive these costs. Expenditure variances are fully detailed on pages 2-8 and 2-9.

All of these costs will continue to be monitored closely throughout the remainder of the year, as additional budgetary savings will reduce the reliance on fund balance usage and therefore increase the amount of rainy day funds available in future years. Additionally, the District is starting a focused review of several high dollar spend operational programs, which we hope will yield significant savings in the coming years. As the fund balance specifically identified for the settlement of union contracts will likely be spent down within two to three years, it will be imperative that the District closely scrutinizes all spending and that it maximizes the yield on existing spending. These cost controls are in addition to efforts underway to increase revenues from the State, City or outside foundations in the coming years. These items and many more will be incorporated into the upcoming four year plan expected to be approved by June 30, 2017.

2016-17 is the first year of the New Education Bargain (NEB), and the general fund includes approximately \$16.4 million in additional budgeted spending in the NEB, while another \$3.7 million is funded through Title I. As shared with the Board throughout the year, the early results are impressive, with Rigorous Early Elementary Education showing significant reductions in class size in grade K through grade 1, while the Strong Community Schools Initiative has rolled out several well received new programs and has enlisted partners in the four community school zones in the following industries: healthcare, higher education and financial institutions. Initial returns on Extended Learning Time, New Innovative High Schools and Services for Our Needy Children and Families are also positive. Additional updates are planned at upcoming Board meetings.

Through three quarters, revenues are projecting close to budget, with small positive variances projected in Medicaid and Erie County Sales Tax adding up to \$0.7 million, while State revenues are projected to be \$2.0 million under budget for the full year.

Additional information on individual revenue and expenditure categories can be found on pages 2-7 through 2-12.

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 2015-16 fiscal year, the 2016-17 original and modified budgets (includes carryover encumbrances, budget transfers between accounts and budget modifications to date), actual expenditures and revenues through March 31, 2017 and the projected amounts for the year ending June 30, 2017. At the request of the BFS 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 2-11.

Overall, the General Fund has added 86 FTEs to the original budget through March 2017. Most of the net growth in FTEs is related to the Community Schools Program, which did not allocate FTEs when the budget adopted since the plan was still being developed. Additional increases supporting English Language Learners and equity in the schools were also added. Actual FTEs are below original and revised FTE budgets through the third quarter. FTE details can be found on pages 2-13 to 2-16.

The Quarterly Statement of Cash Flows indicates that net cash flow through the third quarter was favorable as compared to original projections by \$16.5 million, with total receipts being favorable by \$11.3 million, while expenditures were \$5.2 million less than originally projected. Total net cash activity for the year is currently projected to be a negative \$62.3 million, with an ending cash balance of \$188.6 million. This decline in cash is mainly the result of the settlement of the BTF contract and the pay down of relatively high accounts payable balances at the end of the 2015-16 year which had increased the cash balances at June 30, 2016. Cash flow details can be found on pages 2-18 to 2-20

The following table shows the total annual budget, actual balances through the third quarter, total projections for the year ending June 30, 2017 and the associated variances. The amounts exclude carry over encumbrances (non-GAAP basis).

	2016-17 MODIFIED BUDGET	2016-17 ACTUAL YTD 03/31/17*	2016-17 PROJECTED FYE 6/30/2017	2016-17 VARIANCE 6/30/2017
<u>GENERAL FUND:</u>				
Revenues	893,400,000	661,543,272	892,140,000	(1,260,000)
Expenditures	893,400,000	616,706,302	880,655,000	12,745,000
Net Surplus/(Deficit)	0	44,836,970	11,485,000	11,485,000
<u>GRANTS:</u>				
Revenues	126,995,789	43,899,805	126,995,789	0
Expenditures	126,995,789	66,291,781	126,995,789	0
Net Surplus/(Deficit)	0	(22,391,976)	0	0
<u>FOOD SERVICE:</u>				
Revenues	39,770,935	18,893,617	39,770,935	0
Expenditures	39,770,935	19,632,456	39,770,935	0
Net Surplus/(Deficit)	0	(738,839)	0	0
<u>GRAND TOTALS</u>				
REVENUES	1,060,166,724	724,336,694	1,058,906,724	(1,260,000)
EXPENDITURES	1,060,166,724	702,630,539	1,047,421,724	12,745,000
NET SURPLUS/ (DEFICIT)	0	21,706,155	11,485,000	11,485,000

* AS OF APRIL 24, 2017 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	\$852,900,000	\$39,770,935
Additional Budget Amendment	40,500,000	0
Add: Carryover encumbrances outstanding March 31, 2017:	4,149,737	312,988
Modified Budget, March 31, 2017	\$897,549,737	\$40,083,923

SECTION I
QUARTERLY BUDGET SUMMARY



DETAILED ANALYSIS OF GENERAL FUND REVENUES JULY 1, 2016 THROUGH MARCH 31, 2017

REVENUES:	ACTUAL 2015-16	ORIGINAL BUDGET 2016-17	MODIFIED BUDGET 2016-17	ACTUAL TO DATE 03/31/17*	PROJECTED TOTAL FYE 6/30/17**	PROJECTED 6/30/17 (UNDER)/OVER BUDGET
GENERAL FUND:						
Real Property Tax	\$ 70,322,758	\$ 70,322,758	\$ 70,322,758	\$ 55,443,802	\$ 70,322,758	\$ -
Erie County Sales Tax	42,362,699	42,000,000	42,000,000	26,649,540	\$ 42,300,000	300,000 A
Federal Fiscal Stabilization	-	-	-	-	-	-
Federal Medicaid Reimbursement	1,822,326	2,500,000	2,500,000	2,637,145	\$ 2,900,000	400,000 A
Federal Emergency Disaster Assist (FEMA)	61,502	-	-	-	-	-
STATE AID						
Basic Formula, Excess Cost & Lottery Aids	675,797,909	708,432,658	708,432,658	562,727,826	\$ 706,472,658	(1,960,000) B
Other State Aid	5,111,823	5,781,100	5,781,100	5,148,363	\$ 5,781,100	-
TOTAL STATE AID	680,909,732	714,213,758	714,213,758	567,876,189	712,253,758	(1,960,000)
Other (Tuition, Misc., Transfers)	17,243,389	14,033,484	14,033,484	8,936,596	14,033,484	-
Fund Balance (Budgetary Only)	-	9,830,000	50,330,000	-	50,330,000	- C
Serial Bonds	-	-	-	-	-	-
TOTAL GENERAL FUND REVENUES	\$ 812,722,406	\$ 852,900,000	\$ 893,400,000	\$ 661,543,272	\$ 892,140,000	(1,260,000)

* As of April 24, 2017

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

A	Based on current projections, both Erie County Sales Tax and Medicaid revenues are projected to exceed their budgets.
B	State aid fluctuates during the year and current projected shortfalls may reverse themselves, however there are negative variances in special services aid and several student-based reimbursement aids that are likely to end the year under budget, so we are projecting a \$2.0 million shortfall in State Aid.
C	The District budget has been amended to increase appropriated fund balance by \$40.5 million, to a total of \$50.3 million.

DETAILED ANALYSIS OF GENERAL FUND EXPENDITURES JULY 1, 2016 THROUGH MARCH 31, 2017

EXPENDITURES:	CURRENT YEAR ONLY (NON-GAAP BASIS)						INCLUDES CARRY OVER ENCUMBRANCES (GAAP BASIS)				
	(GAAP BASIS) ACTUAL 2015-16	ORIGINAL BUDGET 2016-17	MODIFIED BUDGET 2016-17	ACTUAL TO DATE 03/31/17	PROJECTED TOTAL FYE 6/30/17*	PROJECTED FYE 6/30/17 UNDER/(OVER) BUDGET	MODIFIED BUDGET 2016-17	ACTUAL TO DATE 03/31/17	PROJECTED TOTAL FYE 6/30/17*	PROJECTED FYE 6/30/17 UNDER/(OVER) BUDGET	
	GENERAL FUND:										
EMPLOYEE COMPENSATION:											
BTF (Teachers)	\$ 170,426,053	\$ 178,423,480	\$ 192,296,581	\$ 128,525,603	\$ 191,796,581	\$ 500,000	\$ 192,296,583	\$ 128,525,603	\$ 191,796,583	\$ 500,000	D
BTF (Teachers) - Other Compensation	9,499,889	8,823,300	31,701,652	27,372,845	31,701,652	0	31,701,652	27,372,845	31,701,652	0	E
Substitutes	7,547,662	6,663,078	6,712,295	5,209,664	8,112,295	(1,400,000)	6,712,295	5,209,664	8,112,295	(1,400,000)	F
BCSA (Administrators)	18,656,715	19,220,037	20,534,119	14,179,688	20,434,119	100,000	20,534,119	14,179,688	20,434,119	100,000	G
PCTEA (White Collar)	15,470,882	17,648,196	17,612,490	11,295,146	16,512,490	1,100,000	17,612,490	11,295,146	16,512,490	1,100,000	G
BEST (Teacher Aides)	6,658,452	6,966,985	8,982,171	5,354,972	8,382,171	600,000	8,982,171	5,354,972	8,382,171	600,000	G
BEST (Teaching Assistants)	5,971,702	8,241,079	6,851,654	4,018,850	6,251,654	600,000	6,851,654	4,018,850	6,251,654	600,000	G
TAB (Bus Aides)	4,479,854	5,292,095	5,284,067	3,086,254	5,284,067	0	5,284,067	3,086,254	5,284,067	0	G
Trades (Carpenters, Plumbers)	2,739,407	3,109,843	3,059,843	2,038,909	2,989,843	70,000	3,059,843	2,038,909	2,989,843	70,000	G
Local 264 (Blue Collar)	2,503,237	2,700,059	2,470,336	1,646,620	2,470,336	100,000	2,470,336	1,646,620	2,370,336	100,000	G
Local 409 (Engineers)	3,269,230	3,421,306	3,636,532	2,310,534	3,536,532	100,000	3,636,532	2,310,534	3,536,532	100,000	G
Exempt & Board Members	2,810,939	3,641,250	3,693,750	2,484,465	3,618,750	75,000	3,693,750	2,484,465	3,618,750	75,000	G
Miscellaneous Items	466,693	398,036	383,811	262,393	383,811	0	383,811	262,393	383,811	0	G
Overtime	1,943,771	937,979	1,626,740	1,268,254	1,726,740	(100,000)	1,626,740	1,268,254	1,726,740	(100,000)	H
TOTAL EMPLOYEE COMPENSATION	\$ 252,444,485	\$ 265,486,723	\$ 304,846,041	\$ 209,054,196	\$ 303,101,041	\$ 1,745,000	\$ 304,846,043	\$ 209,054,196	\$ 303,101,043	\$ 1,745,000	
EMPLOYEE BENEFITS:											
Civil Service Retirement	\$ 5,738,815	\$ 5,810,000	\$ 5,848,750	\$ 3,944,790	\$ 5,848,750	\$ 0	\$ 5,848,750	\$ 3,944,790	\$ 5,848,750	\$ 0	I
Teachers Retirement	27,291,956	26,000,000	27,611,120	18,067,242	27,611,120	0	27,613,693	18,069,815	27,613,693	0	I
Social Security	19,306,590	20,364,973	22,804,937	15,892,934	22,804,937	0	22,804,937	15,892,934	22,804,937	0	I
Health Insurance - Employees	53,513,220	59,258,388	54,808,740	41,818,084	54,808,740	0	54,808,740	41,574,084	54,808,740	0	J
Health Insurance - Retirees	61,433,960	70,726,000	70,726,000	47,961,462	66,726,000	4,000,000	70,726,000	48,705,462	66,726,000	4,000,000	K
Termination Pay	4,014,233	3,960,000	3,960,000	865,377	3,960,000	0	3,960,000	865,377	3,960,000	0	L
Other Benefits	9,496,515	12,324,500	12,765,737	7,976,359	11,765,737	1,000,000	12,765,737	7,976,359	11,765,737	1,000,000	L
TOTAL EMPLOYEE BENEFITS	\$ 180,795,290	\$ 198,443,861	\$ 198,525,284	\$ 136,526,248	\$ 193,525,284	\$ 5,000,000	\$ 198,527,857	\$ 137,028,821	\$ 193,527,857	\$ 5,000,000	
OTHER:											
Transportation	\$ 45,216,889	\$ 47,987,836	\$ 48,042,889	\$ 14,732,088	\$ 48,042,889	\$ 0	\$ 48,045,618	\$ 14,734,737	48,045,618	\$ 0	M
Utilities	6,848,481	8,709,845	8,575,830	4,269,545	8,475,830	100,000	8,766,413	4,441,004	8,666,413	100,000	M
Tuition	31,124,345	33,573,960	33,473,960	16,185,795	33,473,960	0	33,487,822	16,199,657	33,487,822	0	M
Contracts - Custodian	18,109,188	18,794,701	18,810,811	12,792,048	18,810,811	0	18,810,811	12,792,048	18,810,811	0	M
Equipment	1,737,906	3,066,096	3,465,697	1,544,329	3,465,697	0	3,876,505	1,938,652	3,876,505	0	M
Contracts - Miscellaneous	15,962,924	16,604,644	19,251,529	5,976,579	18,251,529	1,000,000	19,812,974	6,296,554	18,812,974	1,000,000	N
Reserve For Contingency	0	9,212,271	5,297,428	0	2,397,428	2,900,000	5,297,428	0	2,397,428	2,900,000	O
Rental Contracts	7,816,455	6,969,257	6,974,257	3,615,412	6,974,257	0	7,155,140	3,767,508	7,155,140	0	O
Repairs & Maintenance & Related	2,132,053	2,454,196	2,783,101	1,097,847	2,783,101	0	3,087,021	1,365,402	3,087,021	0	O
Textbooks	2,291,025	3,003,893	3,372,591	1,804,077	3,372,591	0	4,309,129	2,646,672	4,309,129	0	O
Supplies & Misc. Related Items	8,480,495	8,627,186	10,015,051	4,962,845	10,015,051	0	11,561,445	6,415,825	11,561,445	0	O
Charter Schools	103,970,846	109,561,554	109,561,554	88,917,419	107,561,554	2,000,000	109,561,554	88,917,419	107,561,554	2,000,000	P
Debt Service	117,997,871	117,128,977	117,128,977	114,735,417	117,128,977	0	117,128,977	114,735,417	117,128,977	0	O
Interfund	5,552,819	3,275,000	3,275,000	492,456	3,275,000	0	3,275,000	492,456	3,275,000	0	O
TOTAL OTHER	\$ 367,241,296	\$ 388,969,416	\$ 390,028,675	\$ 271,125,858	\$ 384,028,675	\$ 6,000,000	\$ 394,175,837	\$ 274,743,353	\$ 388,175,837	\$ 6,000,000	
TOTAL GENERAL FUND EXPENDITURES	\$ 800,481,071	\$ 852,900,000	\$ 893,400,000	\$ 616,706,302	\$ 880,655,000	\$ 12,745,000	\$ 897,549,737	\$ 620,826,369	\$ 884,804,737	\$ 12,745,000	
							Difference to original budget	\$ 4,149,737 (Carryover encumbrances)			

All projections are based on data available as of April 24, 2017 and are subject to change.

BCSD QUARTERLY REPORT 03/31/17; SUBMITTED 04/27/17

DETAILED ANALYSIS OF GENERAL FUND EXPENDITURES – CONTINUED

D	Budget amounts for BTF compensation have been amended to their projected total spend for the year as of December 2016. Based on current staffing projections, an overall savings is projected in the regular compensation line.
E	This account includes one time payments of \$16.8 million for the teacher step bonuses and \$3.0 million for the retiree bonus, both resulting from the settled teacher contract.
F	Substitute teacher costs are projected to exceed budget, largely due to vacant positions.
G	Based on vacancies and salary differentials, there are favorable budget variances projected for most bargaining units.
H	Overtime is projecting to exceed budget. Contributing factors include vacancies, along with budget allocations from the new Community Schools initiative (\$122k) and extended learning time (\$150k) that were budgeted in master accounts and allocated to overtime accounts after the general fund budget was adopted. It is anticipated that any remaining overages will be covered by savings from vacant positions.
I	Teachers Retirement System and Social Security expenditures have been modified for the increased teacher salaries; no additional variances are projected at this time.
J	The Employee Health Insurance budget was reduced by \$4.8 million for the impact of the new teachers' contract and other adjustments; no additional variances are projected at this time.
K	Retiree Health Insurance is projecting below budget through the third quarter. Favorable results from the continued voluntary conversion of retirees to the Medicare Advantage product are the most significant driver of savings, while projected retirements didn't materialize.
L	Other employee benefits includes unemployment expense, which has been below budget through the third quarter.
M	Utilities may come in slightly under budget, but the final invoices from winter may impact this projection.
N	The timing of contract expenditures can fluctuate significantly throughout the year, but based on current projections, these expenditures are trending under budget.
O	The reserve for contingency includes \$5.3 million in excess fund balance approved but not allocated to teacher salary and benefit lines. It is anticipated that a portion of this will be used to cover shortfalls in Grants as a result of teaching staff salaries exceeding grant budgets, amounting to approximately \$1.7 million. An additional \$0.7 million reserved for other costs, with the difference being a cost savings for the District.
P	Total tuition payments to charter schools are projected to be below budget through the third quarter. Enrollment numbers are roughly 180 pupils below budget through March, and 250 below the initial invoice totals in July 2017 from the Charter Schools.

**DETAILED ANALYSIS OF SPECIAL REVENUE FUNDS
JULY 1, 2016 THROUGH MARCH 31, 2017**

SPECIAL REVENUE FUNDS:	(GAAP BASIS)			ACTUAL TO DATE 03/31/17*	PROJECTED TOTAL FYE 6/30/17	PROJECTED FYE 6/30/17 UNDER/(OVER) BUDGET
	ACTUAL 2015-16	ADOPTED BUDGET 2016-17	MODIFIED BUDGET 2016-17			
REVENUES:						
Total Grants (16-17 Only)	89,912,854	113,700,230	126,995,789	43,899,805	126,995,789	-
Total Food Service Revenues	29,029,459	39,770,935	39,770,935	18,893,617	39,770,935	-
GRAND TOTAL REVENUES (All Funds)	\$ 931,664,719	\$ 1,006,371,165	\$ 1,060,166,724	\$ 724,336,694	\$ 1,058,906,724	\$ (1,260,000)
EXPENDITURES:						
Total Grants (16-17 Only)	111,119,662	113,700,230	126,995,789	66,291,781	126,995,789	-
Total Food Service Expenditures**	29,900,258	39,770,935	40,083,923	19,876,186	40,083,923	-
GRAND TOTAL EXPENDITURES (All Funds)	\$ 941,500,991	\$ 1,006,371,165	\$ 1,064,629,449	\$ 706,994,337	\$ 1,051,884,449	\$ 12,745,000

* As of April 24, 2017

** Excluding carry over encumbrances, expenditures to date were \$19,632,456

**ANALYSIS OF GENERAL FUND REVENUES
BUDGET TO DATE COMPARED TO ACTUAL TO DATE
JULY 1, 2016 THROUGH MARCH 31, 2017**

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.

	2016-17 Adopted Budget	2016-17 Revised Budget	Budget to Date	Actual to Date	Variance
Real Property Tax	70,322,758	70,322,758	55,443,802	55,443,802	-
Erie County Sales Tax	42,000,000	42,000,000	26,082,000	26,649,540	567,540
Federal Medicaid	2,500,000	2,500,000	525,000	2,637,145	2,112,145
State Aid	708,432,658	708,432,658	561,100,807	562,727,826	1,627,019
Other State Aid/Fed (FEMA)	5,781,100	5,781,100	3,493,359	5,148,363	1,655,004
Other (Tuition, Interfund, Misc)	14,033,484	14,033,484	5,780,907	8,936,596	3,155,689
Approp Fund Balance (Budgetary Only)	9,830,000	50,330,000	-	-	-
TOTAL GENERAL FUND	852,900,000	893,400,000	652,425,875	661,543,272	9,117,397

**ANALYSIS OF GENERAL FUND EXPENDITURES
BUDGET TO DATE COMPARED TO ACTUAL TO DATE
JULY 1, 2016 THROUGH MARCH 31, 2017**

**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 2-8.**

EXPENDITURES:	GAAP BASIS	Adopted Budget 2016-17	Modified Budget 2016-17	CURRENT YEAR ONLY BASIS		Variance
	Actual 2015-16			Budget to date	Actual to date	
EMPLOYEE COMPENSATION:						
BTF (Teachers)	\$ 170,426,053	\$ 178,423,480	\$ 192,296,581	\$ 129,813,470	\$ 128,525,603	\$ 1,287,867
BTF (Teachers) - Other Compensation	9,499,889	8,823,300	31,701,652	28,419,645	27,372,845	1,046,800
Substitutes	7,547,662	6,663,078	6,712,295	4,851,014	5,209,664	(358,650)
BCSA (Administrators)	18,656,715	19,220,037	20,534,119	14,820,297	14,179,688	640,609
PCTEA (White Collar)	15,470,882	17,648,196	17,612,490	12,374,580	11,295,146	1,079,434
BEST (Teacher Aides)	6,658,452	6,966,985	8,982,171	5,688,441	5,354,972	333,469
BEST(Teaching Assistants)	5,971,702	8,241,079	6,851,654	4,624,509	4,018,850	605,659
TAB (Bus Aides)	4,479,854	5,292,095	5,284,067	3,465,485	3,086,254	379,231
Trades (Carpenters, Plumbers)	2,739,407	3,109,843	3,059,843	2,236,562	2,038,909	197,653
Local 264 (Blue Collar)	2,503,237	2,700,059	2,470,336	1,771,874	1,646,620	125,254
Local 409 (Engineers)	3,269,230	3,421,306	3,636,532	2,657,885	2,310,534	347,351
Exempt & Board Members	2,810,939	3,641,250	3,693,750	2,627,385	2,484,465	142,920
Miscellaneous Items	466,693	398,036	383,811	304,482	262,393	42,089
Overtime	1,943,771	937,979	1,626,740	1,424,846	1,268,254	156,592
TOTAL EMPLOYEE COMPENSATION	\$ 252,444,485	\$ 265,486,723	\$ 304,846,041	\$ 215,080,475	\$ 209,054,196	\$ 6,026,279
EMPLOYEE BENEFITS:						
Civil Service Retirement	5,738,815	5,810,000	5,848,750	4,200,414	3,944,790	255,625
Teachers Retirement	27,291,956	26,000,000	27,611,120	21,544,688	18,067,242	3,477,447
Social Security	19,306,590	20,364,973	22,804,937	16,453,656	15,892,934	560,722
Health Insurance - Employees	53,513,220	59,258,388	54,808,740	41,913,651	41,818,084	95,567
Health Insurance - Retirees	61,433,960	70,726,000	70,726,000	51,095,249	47,961,462	3,133,787
Termination Pay	4,014,233	3,960,000	3,960,000	1,119,003	865,377	253,626
Other Benefits	9,496,515	12,324,500	12,765,737	9,501,278	7,976,359	1,524,919
TOTAL EMPLOYEE BENEFITS	\$ 180,795,290	\$ 198,443,861	\$ 198,525,284	\$ 145,827,939	\$ 136,526,248	\$ 9,301,692
OTHER:						
Transportation	45,216,889	47,987,836	48,042,889	33,490,545	14,732,088	18,758,457
Utilities	6,848,481	8,709,845	8,575,830	5,222,272	4,269,545	952,727
Tuition	31,124,345	33,573,960	33,473,960	15,732,761	16,185,795	(453,034)
Contracts - Custodian	18,109,188	18,794,701	18,810,811	12,727,009	12,792,048	(65,039)
Equipment	1,737,906	3,066,096	3,465,697	898,614	1,544,329	(645,715)
Contracts - Misc & Contingency	15,962,924	16,604,644	19,251,529	15,292,534	5,976,579	9,315,955
Reserve For Contingency	-	9,212,271	5,297,428	-	-	-
Rental Contracts (Equipment, Facility)	7,816,455	6,969,257	6,974,257	4,855,258	3,615,412	1,239,846
Repairs & Maintenance & Related	2,132,053	2,454,196	2,783,101	2,011,322	1,097,847	913,475
Textbooks	2,291,025	3,003,893	3,372,591	2,361,134	1,804,077	557,057
Supplies & Misc Related Items	8,480,495	8,627,186	10,015,051	7,217,087	4,962,845	2,254,242
Charter Schools	103,970,846	109,561,554	109,561,554	90,936,089	88,917,419	2,018,670
Debt Service	117,997,871	117,128,977	117,128,977	114,794,880	114,735,417	59,463
Interfund	5,552,819	3,275,000	3,275,000	535,000	492,456	42,544
TOTAL GENERAL FUND	\$ 800,481,071	\$ 852,900,000	\$ 893,400,000	\$ 666,982,919	\$ 616,706,302	\$ 50,276,618

**BUFFALO CITY SCHOOL DISTRICT
EMPLOYMENT LEVELS IN ALL FUNDS
2016-2017**

TYPE OF POSITION	UNION	ORIGINAL BUDGET 2016-17	REVISED BUDGET 2016-17	POSITIONS FILLED AS OF THIRD QUARTER**	FAVORABLE (UNFAVORABLE) VARIANCE - TO ORIGINAL BUDGET	FAVORABLE (UNFAVORABLE) VARIANCE TO REVISED BUDGET
TEACHERS	BTF	3,544.3	3,602.1	3,532.9	11.4	69.2
ADMINISTRATORS	BCSA	242.2	254.2	250.0	(7.8)	4.2
CIVIL SERVICE EMPLOYEES	PCTEA	476.6	473.6	427.0	49.6	46.6
TEACHING ASSISTANTS	BEST	584.0	500.1	455.0	129.0	45.1
TEACHER AIDES	BEST	348.5	451.4	469.0	(120.5)	(17.6)
TRADESMEN		33.0	33.0	32.0	1.0	1.0
BLUE COLLAR	LOCAL 264	100.0	97.0	80.0	20.0	17.0
CUSTODIAL ENGINEERS	LOCAL 409	59.0	59.0	55.0	4.0	4.0
EXEMPT & BOARD MEMBERS		38.9	41.9	40.1	(1.2)	1.8
TOTAL Full Time Equivalent (FTE)*		5,426.5	5,512.3	5,341.0	85.5	171.3

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

**Per FTE Summary dated April 6, 2017.

**BUFFALO CITY SCHOOL DISTRICT
EMPLOYMENT LEVELS IN GENERAL FUND
2016-2017**

TYPE OF POSITION	UNION	ORIGINAL BUDGET 2016-17	REVISED BUDGET 2016-17	POSITIONS FILLED AS OF THIRD QUARTER**	FAVORABLE (UNFAVORABLE) VARIANCE - TO ORIGINAL BUDGET	FAVORABLE (UNFAVORABLE) VARIANCE TO REVISED BUDGET
TEACHERS	BTF	3,088.0	3,145.8	3,059.6	28.4	86.2
ADMINISTRATORS	BCSA	206.0	218.0	206.2	(0.2)	11.8
CIVIL SERVICE EMPLOYEES	PCTEA	377.1	374.1	335.7	41.4	38.4
TEACHING ASSISTANTS	BEST	392.9	309.0	281.3	111.6	27.7
TEACHER AIDES	BEST	345.0	447.9	463.0	(118.0)	(15.1)
TRADESMEN		33.0	33.0	32.0	1.0	1.0
BLUE COLLAR	LOCAL 264	71.0	68.0	53.0	18.0	15.0
CUSTODIAL ENGINEERS	LOCAL 409	58.0	58.0	54.0	4.0	4.0
EXEMPT & BOARD MEMBERS		37.5	40.5	38.6	(1.1)	1.9
TOTAL Full Time Equivalent (FTE)*		4,608.5	4,694.3	4,523.4	85.1	170.9

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

**Per FTE Summary dated April 6, 2017.

**BUFFALO CITY SCHOOL DISTRICT
EMPLOYMENT LEVELS IN GRANTS
2016-2017**

TYPE OF POSITION	UNION	POSITIONS BUDGETED 2016-2017	ACTUAL POSITIONS FILLED AS OF THIRD QUARTER**	VARIANCE
TEACHERS	BTF	456.3	473.3	(17.0)
ADMINISTRATORS	BCSA	36.2	43.8	(7.6)
CIVIL SERVICE EMPLOYEES	PCTEA	87.5	80.3	7.2
TEACHER ASSISTANTS	BEST	190.1	172.7	17.4
TEACHER AIDES	BEST	2.5	4.0	(1.5)
CUSTODIAL ENGINEERS	LOCAL 409	1.0	1.0	0.0
EXEMPT & BOARD MEMBERS		1.5	1.6	(0.1)
TOTAL Full Time Equivalent (FTE) *		775.1	776.7	(1.6)

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

**Per payroll dated April 6, 2017

**BUFFALO CITY SCHOOL DISTRICT
EMPLOYMENT LEVELS IN FOOD SERVICE
2016-2017**

TYPE OF POSITION	UNION	ORIGINAL BUDGET 2016-17	POSITIONS FILLED AS OF THIRD QUARTER**	FAVORABLE (UNFAVORABLE) VARIANCE
CIVIL SERVICE EMPLOYEES	PCTEA	12.0	11.0	1.0
TEACHING ASSISTANTS	BEST	1.0	1.0	-
TEACHER AIDES	BEST	1.0	2.0	(1.0)
BLUE COLLAR	LOCAL 264	29.0	27.0	2.0
TOTAL Full Time Equivalent (FTE) *		43.0	41.0	2.0

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

**Per FTE Summary dated April 6, 2017.

SECTION II

QUARTERLY STATEMENT OF CASH FLOWS

BUFFALO CITY SCHOOL DISTRICT CASH FLOW ANALYSIS NARRATIVE JULY 1, 2016 – MARCH 31, 2017

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 third quarter was favorable as compared to the original projections by \$16.5 million. The total projected receipts were favorable by \$11.3 million, while expenditure disbursements were \$5.2 million less than originally projected.

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 1.9 million more than the projected payments expected from the SED due to timing.

Lottery Aid

This is also part of the General Fund Revenue.

New York State makes an annual determination in September of how much cash it will use from the Lottery Aid fund as opposed to its General fund. Lottery Aid is currently at the projection.

Erie County Sales Tax

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

Sales Tax receipts were slightly above projections, coming in \$0.2 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 \$7.3 million is largely due to the timing of cash receipts for Title I grants.

Other

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

The timing of these miscellaneous items are difficult to predict and the favorable variance is currently \$1.9 million.

CASH DISBURSEMENTS:

Total actual cash disbursements through March 31, 2017 were less than originally projected by \$5.2 million. This is attributed to lower than budgeted termination pay due to fewer retirements as well as lower disbursements for current year and prior year services and supplies with the exception of salary & benefit payments to date.

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 \$19.2 million due to the additional cash payments to teachers resulting from the settlement of the BTF contract in October, the Step Bonus in December and the one time payment to retired teachers in January.

Termination Pay

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

The third quarter was favorable by \$1.1 million as there were fewer retirements than anticipated.

PY Accounts Payable

This represents cash disbursements in 2016-17 for 2015-16 invoices. This category was favorable by \$3.5 million as some payments had not yet been distributed as of the end of the third quarter.

Services and Supplies

This category was favorable by \$17.6 million largely due to the timing of vendor payments, particularly for transportation vendors.

Charter Schools

This category was favorable by \$2.3 million largely due to actual enrollment being under budget through the third quarter.

QUARTERLY CASH FLOW STATEMENT
For the Period July 1, 2016 – March 31, 2017
(in thousands)

	ORIGINAL PROJECTION YTD Q3	TOTAL YTD Q3	VARIANCE TO PROJECTION	REVISED* PROJECTION FYE 2016-17
BEGINNING CASH & INVESTMENTS	\$250,884	\$250,884	\$0	\$250,884
CASH RECEIPTS:				
Basic Formula Aid	377,963	379,922	1,959	468,370
Lottery Aid Advance	69,675	69,597	(78)	89,911
Property Taxes <small>(Less Capital Debt)</small>	44,640	44,640	-	59,520
Erie County Sales Tax	31,200	31,432	232	42,032
Miscellaneous - State and Federal Aid:	102,944	110,245	7,301	149,245
Other	16,964	18,856	1,892	20,356
TOTAL CASH RECEIPTS	643,386	654,692	11,306	829,434
CASH DISBURSEMENTS:				
Salary & FICA - Regular	277,848	297,016	(19,168)	420,506
Termination Pay	3,800	2,724	1,076	2,874
PY Accounts Payable	40,000	36,512	3,488	36,512
Services & Supplies - Regular	234,300	216,711	17,589	324,560
Charter Schools	91,250	88,997	2,253	107,247
TOTAL CASH DISBURSEMENTS	647,198	641,960	5,238	891,699
NET INCREASE (DECREASE) IN CASH	(3,812)	12,732	16,544	(62,265)
ENDING CASH & INVESTMENTS	\$247,072	\$263,616	\$16,544	\$188,619

* As of April 24, 2017