

Buffalo City School District



July 1, 2017 – September 30, 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, 2017 – SEPTEMBER 30, 2017

As of the end of the first quarter, the Buffalo City School District (the “District”) general fund is projecting a slightly positive budgetary variance for the full year, of approximately \$0.3 million. There are several factors contributing to this, which are more fully outlined in the following pages. Sales tax revenues are projecting over budget by approximately \$0.5 million. Total state aid is projecting \$0.4 million under budget mainly due to transportation aid, which is \$1.4 million under budget due to final 2016-17 transportation costs, which drive 2017-18 revenues, being under budget. This was partially offset by an unbudgeted \$1.0 million bullet aid allocation obtained by our local State delegation. State revenue projections can fluctuate during the year based on the submission of State aid data on September 30, 2017, along with subsequent revisions, while county sales tax is dependent on economic conditions, so current projections will be revised at least quarterly.

On the expense side, the Board approved a budget transfer to move \$0.5 million from substitute teacher expense, \$2.0 million from employee health insurance, and \$2.0 million from retiree health insurance into the District’s contingency account (total transfer of \$4.5 million), where it will remain, unless the initiatives in the District’s four year financial plan to reduce those costs are unsuccessful. As of the end of the first quarter, retiree health insurance projections are matching the new reduced target, while employee health insurance is projecting to be \$0.5 million over its reduced budget and substitute teacher costs are projecting to be \$0.1 million over its reduced budget. However, there is still a net savings to the District as \$4.5 million remaining in contingency relates to these items. It is early in the year, particularly with only one month of the school year completed to project substitute costs, and teachers health insurance contributions for 2017-18 have not yet been in place for a full month.

Overtime is currently projecting to be approximately \$0.2 million over budget as significant overtime costs were incurred over the summer to ready the schools for the start of the school year and to complete a project to identify surplus textbooks at schools. Charter school tuition expense is currently projecting to be \$0.5 million under budget. Again, this is based on only two of six total invoices received from charter schools, but the original budget of 9,000 charter school pupils is projecting to be 8,965, or less by 35 pupils. Charter pupils tend to fluctuate throughout the year and typically start above budget and drop throughout the year, as pupils return to the District.

There is typically a budgetary savings resulting from vacant positions each year; however, at this point, it is too early to estimate that number with any certainty. As of September 30, 2017, there are many reported vacancies across nearly all FTE categories in the general fund. This is typical in the September month as much of the school staffing is still being completed and recorded in the system. Additionally, in the general fund, there are approximately 21 new FTE positions that were not in the original adopted budget. These positions were added for reasons of equity or special education compliance. As is typically the case, these new positions are charged against the budget contingency initially, until budgetary savings for vacancies or other savings are confirmed in the second and third quarters.

On September 20, 2017, the District and Buffalo Council of Supervisors and Administrators (BCSA) ratified a new contract, replacing the existing contract that had expired more than 13 years earlier on July 1, 2004. The new contract has a term of July 1, 2017 to September 1, 2020. This contract included no retroactive pay for the period of July 1, 2004 through August 27, 2017, a 12% raise effective August 28, 2017, a signing bonus based on years of service in the BCSA union, an increase in longevity for central office administrators to match school administrators, a 7% employee contribution for health insurance for active Administrators at ratification, while new administrators are required to pay 11.5% of their health insurance. There were several other monetary and non-monetary changes in the contract, including reduced time off and reduced workers comp benefits and changes in the way payments for unused paid time off are calculated. In 2018-19 and 2019-20, Administrators will receive 2.5% and 2.75% salary increases, respectively, while their health insurance contributions increase to 8% and then 9% for BCSA members at ratification and 13% and 15% for BCSA members hired after ratification.

EXECUTIVE SUMMARY - CONTINUED

The net cost of the BCSA contract in 2017-18, \$4.4 million, is expected to cost \$3.9 million in the general fund, with those funds already being budgeted as part of the \$6.4 million contingency account in the original general fund budget. The grants fund is projected to pick up the remaining \$0.5 million. The total projected net costs of the contract over four years, including both general fund and grants funds are as follows (in thousands):

	Costs					Savings			Net contract cost
	Salary and other comp	Signing bonus	Fringe	Suppl. benefits	Total costs	Health insurance	Workers comp / sick payout	Total savings	
2017/18	2,998	1,100	723	32	4,854	(427)	(44)	(470)	4,384
2018/19	4,302	-	759	39	5,101	(630)	(44)	(674)	4,427
2019/20	5,161	-	911	46	6,118	(715)	(45)	(761)	5,357
3 year total (contract term)	12,462	1,100	2,394	117	16,073	(1,772)	(133)	(1,905)	14,168
2020/21	5,161	-	911	46	6,118	(745)	(45)	(790)	5,328
4 year total	17,623	1,100	3,305	163	22,191	(2,517)	(179)	(2,695)	19,495

This is the second full year of the New Education Bargain (NEB), which we refer to as “The Year of Instruction”. At this point, the NEB is so ingrained in the educational experience of our students and our budget, that it can no longer be reported as a discrete expenditure grouping. However, a few items to note: in 2017-18, the District has expanded the reduced class size initiative to grades K-2, several new innovative high schools are in process of expansion, while the community schools initiative has added two new schools to that program.

EXECUTIVE SUMMARY - CONTINUED

Additional information on individual revenue and expenditure categories can be found on pages 2-7 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 2016-17 fiscal year, the 2017-18 original and modified budgets (includes carryover encumbrances, budget transfers between accounts and budget modifications to date), actual expenditures and revenues through September 30, 2017 and the projected amounts for the year ending June 30, 2018. At the request of the BFS staff, the categories are provided on both a current year only and GAAP basis (includes carryover encumbrances).

This quarterly report now includes a detail of changes from the original to modified general fund budget. There are thousands of individual lines in the budget and frequently information necessary to allocate all funds is unavailable until well after the budget is adopted, while major events, such as the settlement of a union contract, often happen after the budget is adopted. Those changes fall into several categories: Board approved transfers, the impact of the BCSA contract, final allocations of funds from the original school based budget and community schools budgets, departmental transfer requests, and unbudgeted requests used to address equity in the schools and mandate compliance. This document can be found on page 2-12.

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 2-14.

The Quarterly Statement of Cash Flows starting on page 2-21 indicates that net cash flow through the first quarter was favorable as compared to the projections by \$15.0 million. The total receipts anticipated were favorable by \$2.8 million, while expenditures were \$12.2 million less than budgeted due to the timing of accounts payable payments and lower than expected payroll spending during the summer months. Total net cash activity for the year is currently projected to be a negative \$62.4 million, with an ending cash balance of \$173.5 million.

EXECUTIVE SUMMARY - CONTINUED

The following table shows the total annual budget, actual balances through the first quarter, total projections for the year ending June 30, 2018 and the associated variances. The amounts exclude carry over encumbrances (non-GAAP basis).

	2017-2018 Original Budget	2017-2018 Modified Budget	2017-2018 Actual YTD 9/30/2017*	2017-2018 Projected FYE 6/30/2018	2017-2018 Variance 6/30/2018
GENERAL FUND:					
Revenues	894,200,000	894,200,000	76,094,143	894,320,000	120,000
Expenditures	894,200,000	894,200,000	132,361,404	894,000,000	200,000
Net Surplus/(Deficit)	-	-	(56,267,261)	320,000	320,000
GRANTS:					
Revenues	120,028,990	143,777,745	9,656,775	143,777,745	-
Expenditures	120,028,990	143,777,745	14,489,295	143,777,745	-
Net Surplus/(Deficit)	-	-	(4,832,520)	-	-
FOOD SERVICE:					
Revenues	35,850,833	35,850,833	1,484,976	35,850,833	-
Expenditures	35,850,833	35,850,833	3,249,885	35,850,833	-
Net Surplus/(Deficit)	-	-	(1,764,908)	-	-
GRAND TOTALS					
Revenues	1,050,079,823	1,073,828,578	87,235,894	1,073,948,578	120,000
Expenditures	1,050,079,823	1,073,828,578	150,100,584	1,073,628,578	200,000
Net Surplus/(Deficit)	-	-	(62,864,690)	320,000	320,000

* As of October 23, 2017 in Munis

EXECUTIVE SUMMARY - CONTINUED

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	\$894,200,000	\$35,850,833
Add: Carryover encumbrances outstanding September 30, 2017:	3,053,874	211,597
Modified Budget, September 30, 2017	\$897,253,874	\$36,062,430

SECTION I
QUARTERLY BUDGET SUMMARY



DETAILED ANALYSIS OF GENERAL FUND REVENUES JULY 1, 2017 THROUGH SEPTEMBER 30, 2017

REVENUES:	Actual 2016-17	Original Budget 2017-18	Modified Budget 2017-18	Actual to Date 09/30/17*	Projected Total FYE 6/30/18**	Projected 6/30/18 (Under)/Over Budget
GENERAL FUND:						
State Aid:						
Foundation Aid	\$ 494,327,488	\$ 510,904,788	\$ 510,904,788	\$ 29,994,447	\$ 510,904,788	\$ -
Building Aid	115,496,716	115,829,339	115,829,339	6,800,165	115,829,339	-
Other Formula Aid	95,361,737	104,171,393	104,171,393	6,115,745	103,791,393	(380,000) A
Charter School Transitional and Suppl. Aid	7,446,421	11,190,415	11,190,415	656,972	11,190,415	-
Total State Aid	712,632,362	742,095,935	742,095,935	43,567,330	741,715,935	(380,000)
Real Property Tax and STAR	70,322,758	70,822,758	70,822,758	25,896,114	70,822,758	-
Erie County Sales Tax	43,389,176	42,400,000	42,400,000	5,109,626	42,900,000	500,000 B
Federal Medicaid Reimbursement	4,165,222	2,600,000	2,600,000	763,104	2,600,000	-
Other (Tuition, Misc., Transfers)	17,110,291	14,281,307	14,281,307	757,969	14,281,307	-
Total State Aid and Other Revenues	847,619,810	872,200,000	872,200,000	76,094,143	872,320,000	120,000
Fund Balance (Budgetary Only)	-	22,000,000	22,000,000	-	22,000,000	-
Total Revenues and Fund Balance	\$ 847,619,810	\$ 894,200,000	\$ 894,200,000	\$ 76,094,143	\$ 894,320,000	\$ 120,000

* As of October 23, 2017

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

A	The District has received \$1.0 million in bullet aid from the NYS Assembly and \$20,000 from the NYS Senate. These amounts were not budgeted. However, based on actual transportation aid filing data, the projected transportation revenue is going to be \$44.9 million, which is \$1.4 million less than the data included in the 17-18 State budget.
B	Based on final 2016-17 results and County projections, there is an increase projected in the Erie County Sales Tax revenues for 2017-18.

DETAILED ANALYSIS OF GENERAL FUND EXPENDITURES JULY 1, 2017 THROUGH SEPTEMBER 30, 2017

Expenditures	(GAAP Basis) Actual 2016-17	Current Year Only (Non-GAAP Basis)					Includes Carry Over Encumbrances (GAAP Basis)			
		Original Budget 2017-18	Modified Budget 2017-18	Actual to Date 09/30/17	Projected Total FYE 6/30/18*	Projected FYE 6/30/18 Under/(Over) Budget	Modified Budget 2017-18	Actual to Date 09/30/17	Projected Total FYE 6/30/18*	Projected FYE 6/30/18 Under/(Over) Budget
General Fund:										
Employee Compensation:										
BTF (Teachers)	\$ 190,418,851	\$ 209,088,647	\$ 208,744,797	\$ 14,073,579	\$ 208,744,797	\$ -	\$ 208,744,797	\$ 14,073,579	\$ 208,744,797	\$ -
BTF (Teachers) - Other Compensation	30,953,372	9,234,201	9,291,543	1,710,796	9,291,543	-	9,291,543	1,710,796	9,291,543	-
Substitutes	7,922,255	6,665,635	6,179,075	384,733	6,279,075	(100,000)	6,179,075	384,733	6,279,075	(100,000)
BCSA (Administrators)	19,882,390	19,941,362	24,026,804	3,987,292	24,026,804	-	24,026,804	3,987,292	24,026,804	-
PCTEA (White Collar)	15,707,724	17,873,204	17,860,577	3,428,597	17,860,577	-	17,860,577	3,428,597	17,860,577	-
BEST (Teacher Aides)	7,538,564	10,246,653	10,573,705	630,665	10,573,705	-	10,573,705	630,665	10,573,705	-
BEST (Teaching Assistants)	5,885,890	6,004,594	6,099,449	454,824	6,099,449	-	6,099,449	454,824	6,099,449	-
TAB (Bus Aides)	4,719,378	5,513,234	5,513,234	109,402	5,513,234	-	5,513,234	109,402	5,513,234	-
Trades (Carpenters, Plumbers)	3,015,503	3,169,376	3,169,376	662,095	3,169,376	-	3,169,376	662,095	3,169,376	-
Local 264 (Blue Collar)	2,250,930	2,640,913	2,640,913	467,166	2,640,913	-	2,642,035	467,166	2,642,035	-
Local 409 (Engineers)	3,231,454	3,488,182	3,497,798	612,843	3,497,798	-	3,497,798	612,843	3,497,798	-
Exempt & Board Members	3,589,745	3,964,376	4,026,601	808,070	4,026,601	-	4,026,601	808,070	4,026,601	-
Miscellaneous Items	320,803	358,045	358,045	249,644	358,045	-	358,045	249,644	358,045	-
Overtime	1,676,226	1,570,290	1,587,833	470,290	1,787,833	(200,000)	1,587,833	470,290	1,787,833	(200,000)
Total Employee Compensation	297,113,086	299,758,712	303,569,750	28,049,995	303,869,750	(300,000)	303,570,872	28,049,995	303,870,872	(300,000)
Employee Benefits:										
Civil Service Retirement	5,077,201	6,290,000	6,333,254	978,580	6,333,254	-	6,333,254	978,580	6,333,254	-
Teachers Retirement	28,054,789	24,125,000	24,527,146	2,068,263	24,527,146	-	24,527,146	2,068,263	24,527,146	-
Social Security	22,657,636	22,925,000	23,251,495	2,125,238	23,251,495	-	23,251,495	2,125,238	23,251,495	-
Health Insurance - Employees	54,894,007	53,521,143	51,532,333	16,667,714	52,032,333	(500,000)	51,532,333	16,667,714	52,032,333	(500,000)
Health Insurance - Retirees	64,031,598	68,063,000	66,063,000	16,427,469	66,063,000	-	66,063,000	16,427,469	66,063,000	-
Termination Pay	2,532,382	4,350,000	4,350,000	922,837	4,350,000	-	4,350,000	922,837	4,350,000	-
Other Benefits	10,178,301	12,770,500	13,020,396	4,935,704	13,020,396	-	13,020,571	4,935,844	13,020,571	-
Total Employee Benefits	187,425,915	192,044,643	189,077,624	44,125,804	189,577,624	(500,000)	189,077,799	44,125,944	189,577,799	(500,000)
<i>Continued on the Next Page</i>										

All projections are based on data available as of October 23, 2017 and are subject to change.

DETAILED ANALYSIS OF GENERAL FUND EXPENDITURES – CONTINUED

Expenditures	(GAAP Basis) Actual 2016-17	Current Year Only (Non-GAAP Basis)					Includes Carry Over Encumbrances (GAAP Basis)				
		Original Budget 2017-18	Modified Budget 2017-18	Actual to Date 09/30/17	Projected Total FYE 6/30/18*	Projected FYE 6/30/18 Under/(Over) Budget	Modified Budget 2017-18	Actual to Date 09/30/17	Projected Total FYE 6/30/18*	Projected FYE 6/30/18 Under/(Over) Budget	
General Fund Continued											
Other:											
Transportation	46,398,814	48,470,098	48,510,187	897,794	48,510,187	-	48,527,646	899,251	48,527,646	-	
Utilities	7,968,046	9,372,319	9,369,819	958,175	9,369,819	-	9,437,199	978,171	9,437,199	-	
Tuition	32,697,634	33,369,960	33,369,960	457,187	33,369,960	-	33,383,576	470,803	33,383,576	-	
Contracts - Custodian	18,781,134	18,816,280	18,816,280	3,501,778	18,816,280	-	18,816,280	3,501,778	18,816,280	-	
Equipment	2,900,037	1,578,445	2,054,041	46,876	2,054,041	-	2,436,030	59,032	2,436,030	-	
Contracts - Miscellaneous	26,026,270	20,842,925	20,191,836	126,581	20,191,836	-	21,342,051	368,593	21,342,051	-	
Reserve For Contingency	-	6,360,000	4,756,132	-	4,256,132	500,000	4,756,132	-	4,256,132	500,000	
Rental Contracts - Facilities	2,640,716	2,795,374	2,795,374	581,350	2,795,374	-	2,795,374	581,350	2,795,374	-	
Rental Contracts - Equipment & Services	4,301,313	3,664,174	3,664,174	309,185	3,664,174	-	3,665,083	309,855	3,665,083	-	
Repairs & Maintenance & Related	2,817,593	3,819,370	3,823,925	200,576	3,823,925	-	4,149,405	282,832	4,149,405	-	
Textbooks	3,459,003	2,844,225	3,416,978	158,942	3,416,978	-	3,829,991	350,427	3,829,991	-	
Supplies & Misc. Related Items	6,663,233	7,186,925	7,504,334	878,771	7,504,334	-	7,938,220	968,592	7,938,220	-	
Software	2,882,140	2,554,859	2,557,895	732,467	2,557,895	-	2,806,525	957,647	2,806,525	-	
Charter Schools	106,377,849	123,825,000	123,825,000	39,235,438	123,325,000	500,000	123,825,000	39,235,438	123,325,000	500,000	
Debt Service	117,103,118	113,706,691	113,706,691	12,088,048	113,706,691	-	113,706,691	12,088,048	113,706,691	-	
Interfund	2,719,593	3,190,000	3,190,000	12,436	3,190,000	-	3,190,000	12,436	3,190,000	-	
Total Other	383,736,494	402,396,645	401,552,626	60,185,604	400,552,626	1,000,000	404,605,203	61,064,254	403,605,203	1,000,000	
Total General Fund Expenditures	\$ 868,275,495	\$ 894,200,000	\$ 894,200,000	\$ 132,361,404	\$ 894,000,000	\$ 200,000	\$ 897,253,874	\$ 133,240,194	\$ 897,053,874	\$ 200,000	
							Difference to original budget	\$ 3,053,874 (Carryover encumbrances)			

All projections are based on data available as of October 23, 2017 and are subject to change.

DETAILED ANALYSIS OF GENERAL FUND EXPENDITURES – CONTINUED

C	The District is working on several cost savings initiatives with respect to Substitute teachers. However, through the first quarter, this account is projecting to be \$0.1 million over the modified budget, which includes a \$0.5 million reduction from the adopted budget. This will continue to be monitored and reported on.
D	The District and BCSA ratified a new contract on September 20, 2017. The budget has been modified to include the costs of the contract. The overall net cost to the general fund is budgeted at \$3.9 million.
E	Though early in the year, overtime is projected to exceed budget, which at the present rate is estimated at approximately \$0.2 million. The largest variances are in Equipment Repair (Cost Center 3H) and Service Center (Cost Center 3W). The Plant department is investigating this now.
F	The Employee Health Insurance budget was reduced by \$2.0 million for a Board approved budget amendment as a goal for cost reductions in 2017-18. In addition, the impact of the ratified BCSA contract is expected to reduce the budget by \$0.3 million. As of the end of the first quarter, initial full year projections indicate that this line will overspend the revised budget by \$0.5 million. If the higher projections continue, the District may need to transfer funds from the contingency to cover the shortfall; however, it is too early in the year to be certain.
G	Modified budget includes a \$2.0 million targeted reduction to retiree health insurance approved by the board. As of the first quarter, projections are matching this modified budget.
H	The reserve for contingency includes \$6.4 million adopted budget, plus \$4.5 million transferred in from the substitute teacher budget, active health insurance and retiree health insurance. \$3.9 million has been transferred out for the BCSA contract. Additionally, \$2.2 million was transferred out for unbudgeted requests, leaving \$4.8 million in the account. The unbudgeted requests includes an overage of \$0.6 million for the science textbook adoption, along with additional staffing needed for equity and compliance (8.9 teachers, 12.0 aides/assistants, plus benefits). It is quite possible that savings throughout the year will cover these costs, but at this time, these unbudgeted positions were funded through the contingency. Additionally, in the event that active employee health insurance ends the year \$0.5 million over budget, that amount will be transferred out to cover the shortfall.
I	It is early in the year, with only two of six invoice periods completed, but total tuition payments to charter schools are projected to be below budget through the first quarter by a approximately 35 pupils.

ORIGINAL TO MODIFIED BUDGET CHANGES GENERAL FUND EXPENDITURES THROUGH SEPTEMBER 30, 2017

Current Year Only (Non-GAAP Basis)							
Expenditures	Original Budget 2017-18	Board Budget Modification	BCSA Contract Net Costs	School Based Budget and Community School Alloc	Departmental Transfers	Unbudgeted Requests	Modified Budget 2017-18
General Fund							
Employee Compensation:							
BTF (Teachers)	\$209,088,647			\$ (968,199)		\$ 624,349	\$208,744,797
BTF (Teachers) - Other Compensation	9,234,201			88,150	(30,808)		9,291,543
Substitutes	6,665,635	(500,000)		13,440			6,179,075
BCSA (Administrators)	19,941,362		3,368,988	678,546		37,908	24,026,804
PCTEA (White Collar)	17,873,204				(12,627)		17,860,577
BEST (Teacher Aides)	10,246,653			41,468	6,526	279,058	10,573,705
BEST (Teaching Assistants)	6,004,594			7,160	21,995	65,700	6,099,449
TAB (Bus Aides)	5,513,234						5,513,234
Trades (Carpenters, Plumbers)	3,169,376						3,169,376
Local 264 (Blue Collar)	2,640,913						2,640,913
Local 409 (Engineers)	3,488,182			9,616			3,497,798
Exempt & Board Members	3,964,376				62,225	-	4,026,601
Miscellaneous Items	358,045		-				358,045
Overtime	1,570,290			35,157	(17,614)	-	1,587,833
Total Employee Compensation	299,758,712	(500,000)	3,368,988	(94,662)	29,697	1,007,015	303,569,750
Employee Benefits:							
Civil Service Retirement	6,290,000					43,254	6,333,254
Teachers Retirement	24,125,000		334,521			67,625	24,527,146
Social Security	22,925,000		252,358			74,137	23,251,495
Health Insurance - Employees	53,521,143	(2,000,000)	(254,533)			265,723	51,532,333
Health Insurance - Retirees	68,063,000	(2,000,000)					66,063,000
Termination Pay	4,350,000					-	4,350,000
Other Benefits	12,770,500		198,666		78	51,152	13,020,396
Total Employee Benefits	192,044,643	(4,000,000)	531,012	-	78	501,891	189,077,624
Other:							
Transportation	48,470,098			47,996	(7,907)		48,510,187
Utilities	9,372,319				(2,500)		9,369,819
Tuition	33,369,960						33,369,960
Contracts - Custodian	18,816,280						18,816,280
Equipment	1,578,445			500,000	(24,404)		2,054,041
Contracts - Miscellaneous	20,842,925			(651,568)	479		20,191,836
Reserve For Contingency	6,360,000	4,500,000	(3,900,000)			(2,203,868)	4,756,132
Rental Contracts - Facilities	2,795,374						2,795,374
Rental Contracts - Equipment & Services	3,664,174						3,664,174
Repairs & Maintenance & Related	3,819,370				4,555		3,823,925
Textbooks	2,844,225			16,412	(78,060)	634,401	3,416,978
Supplies & Misc. Related Items	7,186,925			184,659	72,189	60,561	7,504,334
Software	2,554,859			(2,837)	5,873		2,557,895
Charter Schools	123,825,000						123,825,000
Debt Service	113,706,691						113,706,691
Interfund	3,190,000						3,190,000
Total Other	402,396,645	4,500,000	(3,900,000)	94,662	(29,775)	(1,508,906)	401,552,626
Total General Fund Expenditures	\$894,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$894,200,000

**DETAILED ANALYSIS OF SPECIAL REVENUE FUNDS
JULY 1, 2017 THROUGH SEPTEMBER 30, 2017**

	(GAAP Basis)				Projected Total FYE 6/30/18	Projected FYE 6/30/18 (Under)/Over Budget
	Actual 2016-17	Adopted Budget 2017-18	Modified Budget 2017-18	Actual to Date 09/30/17*		
All Funds:						
REVENUES:						
Total General Fund	847,619,810	894,200,000	894,200,000	76,094,143	894,320,000	120,000
Total Grants (17-18 Only)	115,532,761	120,028,990	143,777,745	9,656,775	143,777,745	-
Total Food Service Revenues	29,619,253	35,850,833	35,850,833	1,484,976	35,850,833	-
GRAND TOTAL REVENUES (All Funds)	\$ 992,771,824	\$ 1,050,079,823	\$ 1,073,828,578	\$ 87,235,894	\$ 1,073,948,578	\$ 120,000

	(GAAP Basis)				Projected Total FYE 6/30/18	Projected FYE 6/30/18 Under/(Over) Budget
	Actual 2016-17	Adopted Budget 2017-18	Modified Budget 2017-18	Actual to Date 09/30/17*		
All Funds:						
EXPENDITURES:						
Total General Fund	868,275,495	894,200,000	897,253,874	133,240,194	897,053,874	200,000
Total Grants (17-18 Only) ***	115,532,761	120,028,990	143,777,745	14,489,295	143,777,745	-
Total Food Service Expenditures**	30,613,466	35,850,833	36,062,430	3,249,885	36,062,430	-
GRAND TOTAL EXPENDITURES (All Funds)	\$ 1,014,421,722	\$ 1,050,079,823	\$ 1,077,094,049	\$ 150,979,374	\$ 1,076,894,049	\$ 200,000

* As of October 23, 2017

** Excluding carry over encumbrances, expenditures to date were \$3,228,700

*** Large increase from Adopted to Modified Budget is mainly the result of two large grants: The new Community Schools Grant (\$13.3 million) and Phase I of the Smart Schools Investment Plan (\$10.0 million)

**ANALYSIS OF GENERAL FUND REVENUES
BUDGET TO DATE COMPARED TO ACTUAL TO DATE
JULY 1, 2017 THROUGH SEPTEMBER 30, 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.

	2017-18 Adopted Budget	2017-18 Revised Budget	Budget to Date	Actual to Date	Variance
Total State Aid	742,095,935	742,095,935	42,072,501	43,567,330	1,494,829
Real Property Tax	70,822,758	70,822,758	25,896,114	25,896,114	-
Erie County Sales Tax	42,400,000	42,400,000	5,003,200	5,109,626	106,426
Federal Medicaid	2,600,000	2,600,000	442,000	763,104	321,104
Other (Tuition, Interfund, Misc)	14,281,307	14,281,307	767,881	757,969	(9,912)
Total State Aid and Other Revenues	872,200,000	872,200,000	74,181,696	76,094,143	1,912,447
Approp Fund Balance (Budgetary Only)	22,000,000	22,000,000	-	-	-
Total Revenues and Fund Balance	894,200,000	894,200,000	74,181,696	76,094,143	1,912,447

**ANALYSIS OF GENERAL FUND EXPENDITURES
BUDGET TO DATE COMPARED TO ACTUAL TO DATE
JULY 1, 2017 THROUGH SEPTEMBER 30, 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 pages 2-9 and 2-11.**

EXPENDITURES:	GAAP BASIS		Adopted Budget 2017-18	Modified Budget 2017-18	CURRENT YEAR ONLY BASIS		Variance
	Actual 2016-17				Budget to date	Actual to date	
EMPLOYEE COMPENSATION:							
BTF (Teachers)	\$ 190,418,851	\$ 209,088,647	\$ 208,744,797	\$ 14,363,589	\$ 14,073,579	\$ 290,010	
BTF (Teachers) - Other Compensation	30,953,372	9,234,201	9,291,543	1,698,570	1,710,796	(12,226)	
Substitutes	7,922,255	6,665,635	6,179,075	245,726	384,733	(139,007)	
BCSA (Administrators)	19,882,390	19,941,362	24,026,804	4,287,883	3,987,292	300,591	
PCTEA (White Collar)	15,707,724	17,873,204	17,860,577	3,678,197	3,428,597	249,600	
BEST (Teacher Aides)	7,538,564	10,246,653	10,573,705	740,737	630,665	110,072	
BEST(Teaching Assistants)	5,885,890	6,004,594	6,099,449	425,543	454,824	(29,281)	
TAB (Bus Aides)	4,719,378	5,513,234	5,513,234	261,167	109,402	151,765	
Trades (Carpenters, Plumbers)	3,015,503	3,169,376	3,169,376	670,447	662,095	8,352	
Local 264 (Blue Collar)	2,250,930	2,640,913	2,640,913	558,655	467,166	91,489	
Local 409 (Engineers)	3,231,454	3,488,182	3,497,798	739,918	612,843	127,075	
Exempt & Board Members	3,589,745	3,964,376	4,026,601	851,782	808,070	43,712	
Miscellaneous Items	320,803	358,045	358,045	167,871	249,644	(81,773)	
Overtime	1,676,226	1,570,290	1,587,833	396,957	470,290	(73,333)	
TOTAL EMPLOYEE COMPENSATION	\$ 297,113,086	\$ 299,758,712	\$ 303,569,750	\$ 29,087,042	\$ 28,049,995	\$ 1,037,047	
EMPLOYEE BENEFITS:							
Civil Service Retirement	5,077,201	6,290,000	6,333,254	889,715	978,580	(88,865)	
Teachers Retirement	28,054,789	24,125,000	24,527,146	2,136,774	2,068,263	68,511	
Social Security	22,657,636	22,925,000	23,251,495	2,297,725	2,125,238	172,487	
Health Insurance - Employees	54,894,007	53,521,143	51,532,333	16,120,389	16,667,714	(547,325)	
Health Insurance - Retirees	64,031,598	68,063,000	66,063,000	16,515,750	16,427,469	88,281	
Termination Pay	2,532,382	4,350,000	4,350,000	453,501	922,837	(469,336)	
Other Benefits	10,178,301	12,770,500	13,020,396	5,361,416	4,935,704	425,712	
TOTAL EMPLOYEE BENEFITS	\$ 187,425,915	\$ 192,044,643	\$ 189,077,624	\$ 43,775,270	\$ 44,125,804	\$ (350,535)	
OTHER:							
Transportation	46,398,814	48,470,098	48,510,187	2,089,254	897,794	1,191,460	
Utilities	7,968,046	9,372,319	9,369,819	889,874	958,175	(68,301)	
Tuition	32,697,634	33,369,960	33,369,960	667,399	457,187	210,212	
Contracts - Custodian	18,781,134	18,816,280	18,816,280	3,564,925	3,501,778	63,147	
Equipment	2,900,037	1,578,445	2,054,041	182,838	46,876	135,962	
Contracts - Misc. & Contingency	26,026,270	20,842,925	20,191,836	738,794	126,581	612,213	
Reserve For Contingency	-	6,360,000	4,756,132	-	-	-	
Rental Contracts - Facilities	2,640,716	2,795,374	2,795,374	698,844	581,350	117,494	
Rental Contracts - Equipment & Services	4,301,313	3,664,174	3,664,174	243,123	309,185	(66,062)	
Repairs & Maintenance & Related	2,817,593	3,819,370	3,823,925	558,622	200,576	358,047	
Textbooks	3,459,003	2,844,225	3,416,978	342,643	158,942	183,701	
Supplies & Misc. Related Items	6,663,233	7,186,925	7,504,334	1,318,566	878,771	439,795	
Software	2,882,140	2,554,859	2,557,895	810,224	732,467	77,757	
Charter Schools	106,377,849	123,825,000	123,825,000	39,624,000	39,235,438	388,562	
Debt Service	117,103,118	113,706,691	113,706,691	12,116,091	12,088,048	28,043	
Interfund	2,719,593	3,190,000	3,190,000	90,000	12,436	77,564	
TOTAL GENERAL FUND	\$ 868,275,495	\$ 894,200,000	\$ 894,200,000	\$ 136,797,509	\$ 132,361,404	\$ 4,436,105	

**BUFFALO CITY SCHOOL DISTRICT
EMPLOYMENT LEVELS IN ALL FUNDS
2017-2018**

TYPE OF POSITION	UNION	ORIGINAL BUDGET 2017-18	REVISED BUDGET 2017-18	POSITIONS FILLED AS OF FIRST QUARTER**	FAVORABLE (UNFAVORABLE) VARIANCE
TEACHERS	BTF	3,652.08	3,713.17	3,599.30	113.87
ADMINISTRATORS	BCSA	249.55	263.91	251.00	12.91
CIVIL SERVICE EMPLOYEES	PCTEA	484.00	483.26	428.00	55.26
TEACHING ASSISTANTS	BEST	420.57	429.57	427.00	2.57
TEACHER AIDES	BEST	495.50	509.50	449.00	60.50
TRADESMEN		33.00	33.00	32.00	1.00
BLUE COLLAR	LOCAL 264	98.00	98.00	81.00	17.00
CUSTODIAL ENGINEERS	LOCAL 409	59.00	59.00	54.00	5.00
EXEMPT & BOARD MEMBERS		43.00	44.00	38.87	5.13
TAB		1.00	1.00	1.00	0.00
TOTAL Full Time Equivalent (FTE) *		5,535.70	5,634.41	5,361.17	273.24

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

**Per FTE Summary dated October 5, 2017.

**BUFFALO CITY SCHOOL DISTRICT
EMPLOYMENT LEVELS IN GENERAL FUND
2017-2018**

TYPE OF POSITION	UNION	ORIGINAL BUDGET 2017-18	REVISED BUDGET 2017-18	POSITIONS FILLED AS OF FIRST QUARTER**	FAVORABLE (UNFAVORABLE) VARIANCE
TEACHERS	BTF	3173.94	3168.80	3097.09	71.71
ADMINISTRATORS	BCSA	206.78	214.73	206.73	8.00
CIVIL SERVICE EMPLOYEES	PCTEA	377.75	377.75	334.70	43.05
TEACHING ASSISTANTS	BEST	268.85	271.85	275.32	(3.47)
TEACHER AIDES	BEST	492.50	506.50	446.00	60.50
TRADESMEN		33.00	33.00	32.00	1.00
BLUE COLLAR	LOCAL 264	68.00	68.00	56.00	12.00
CUSTODIAL ENGINEERS	LOCAL 409	58.00	58.00	53.00	5.00
EXEMPT & BOARD MEMBERS		41.45	42.50	37.45	5.05
TAB		1.00	1.00	1.00	0.00
TOTAL Full Time Equivalent (FTE)*		4721.27	4742.13	4539.29	202.84

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

**Per FTE Summary dated October 5, 2017.

BUFFALO CITY SCHOOL DISTRICT EMPLOYMENT LEVELS IN GRANTS 2017-2018

TYPE OF POSITION	UNION	ORIGINAL BUDGET 2017-18	REVISED BUDGET 2016-17	POSITIONS FILLED AS OF FIRST QUARTER**	FAVORABLE (UNFAVORABLE) VARIANCE
TEACHERS	BTf	478.14	544.37	502.21	42.16
ADMINISTRATORS	BCSA	42.77	49.13	44.27	4.86
CIVIL SERVICE EMPLOYEES	PCTEA	92.25	91.51	82.30	9.21
TEACHING ASSISTANTS	BEST	150.72	156.72	150.68	6.04
TEACHER AIDES	BEST	0.00	0.00	0.00	0.00
CUSTODIAL ENGINEERS	LOCAL 409	1.00	1.00	1.00	0.00
EXEMPT & BOARD MEMBERS		1.55	1.55	1.42	0.13
TOTAL Full Time Equivalent (FTE) *		766.43	844.28	781.88	62.40

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

**Per FTE Summary dated October 5, 2017.

**BUFFALO CITY SCHOOL DISTRICT
EMPLOYMENT LEVELS IN FOOD SERVICE
2017-2018**

TYPE OF POSITION	UNION	ORIGINAL BUDGET 2017-18	REVISED BUDGET 2017-18	POSITIONS FILLED AS OF FIRST QUARTER**	FAVORABLE (UNFAVORABLE) VARIANCE
CIVIL SERVICE EMPLOYEES	PCTEA	14.00	14.00	11.00	3.00
TEACHING ASSISTANTS	BEST	1.00	1.00	1.00	0.00
TEACHER AIDES	BEST	3.00	3.00	3.00	0.00
BLUE COLLAR	LOCAL 264	30.00	30.00	25.00	5.00
TOTAL Full Time Equivalent (FTE) *		48.00	48.00	40.00	8.00

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

**Per FTE Summary dated October 5, 2017.

SECTION II

QUARTERLY STATEMENT OF CASH FLOWS



BUFFALO CITY SCHOOL DISTRICT CASH FLOW ANALYSIS NARRATIVE JULY 1, 2017 – SEPTEMBER 30, 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 first quarter was favorable as compared to the projections by \$ 15.0 million. The total receipts anticipated were favorable by \$2.8 million, while expenditures were \$ 12.2 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 \$0.5 million less than the projected payments expected from the SED.

Lottery Aid

This is also part of the General Fund Revenue from the State of New York for formula driven aids.

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 was \$0.7 million more than 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 \$0.4 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 \$0.8 million is largely due to the timing of cash receipts for Medicaid.

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. In the first quarter, the District received a \$ 1.0 million payment for a retiree drug subsidy for Medicare, which contributed to the favorable variance of \$ 1.5 million.

CASH DISBURSEMENTS:

Total actual cash disbursements through September 30, 2017 were less than originally projected by \$12.2 million. This is attributed to lower than budgeted salaries as well as lower disbursements for current year and prior year services and supplies, including the Charter School 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 favorable by \$2.8 million due to lower than budgeted salaries and benefits paid out in July, August and September.

Termination Pay

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

The largest portion of these payments is paid in the first quarter and was favorable by \$2.6 million as there were fewer retirements than anticipated.

PY Accounts Payable

This represents cash disbursements in 2017-18 for 2016-17 invoices. This category was favorable by \$6.0 million as this cash flow item was overbudgeted. Additionally, there are expenditures accrued for as of June 30, 2017 that have not been paid as of the end of the first quarter.

Services and Supplies

This category was unfavorable by \$1.3 million largely due to the timing of vendor payments and increased health insurance costs.

Charter Schools

This category was favorable by \$2.1 million largely due to slightly lower student counts at the start of the year than anticipated, while one payment projected in September was deferred to October.

QUARTERLY CASH FLOW STATEMENT
For the Period July 1, 2017 – September 30, 2017
(in thousands)

	Original Projection YTD Q1	Total YTD Q1	Variance to Projection	Revised* Projection FYE 2017-18
BEGINNING CASH & INVESTMENTS	\$235,904	\$235,904	\$0	\$235,904
CASH RECEIPTS:				
Basic Formula Aid	13,978	13,442	(536)	501,657
Lottery Aid Advance	42,257	42,948	691	92,439
Property Taxes <small>(Less Capital Debt)</small>	15,006	15,090	84	60,360
Erie County Sales Tax	9,500	9,851	351	42,751
Miscellaneous - State and Federal Aid:	24,600	25,354	754	150,554
Other	2,850	4,313	1,463	19,263
TOTAL CASH RECEIPTS	108,191	110,998	2,807	867,024
CASH DISBURSEMENTS:				
Salary & FICA - Regular	49,721	46,875	2,846	405,755
Termination Pay	3,500	923	2,577	4,060
PY Accounts Payable	53,472	47,481	5,991	52,018
Services & Supplies - Regular	52,800	54,119	(1,319)	344,319
Charter Schools	41,300	39,235	2,065	123,285
TOTAL CASH DISBURSEMENTS	200,793	188,633	12,160	929,437
Net Increase / (Decrease) in Cash	(92,602)	(77,635)	14,967	(62,413)
ENDING CASH & INVESTMENTS	\$143,302	\$158,269	\$14,967	\$173,491

* As of October 23, 2017