

# Buffalo Public Schools 2017-18 Financial Results

Finance & Operations Committee – October 10, 2018



# 2017-18 Financial Results – General Fund Highlights

- Unanticipated revenues received in Q4 or later (\$15.4 million):
  - June - \$10.2 million in one-time retroactive revenue in state Building and CTE Aid
  - July - \$2.4 million in one-time retroactive federal Medicaid Revenues
  - August - \$2.8 million in grant to cover costs of students displaced by natural disasters
- 4 Year Financial Plan initiatives with positive impact in 2017-18
  - State and local aid enhancement project resulted in \$0.8 million additional revenues
  - Occupational/Physical Therapy costs \$1.0 million under budget
  - Health Insurance – increase only \$0.8m or 0.7% (\$1.8m favorable to budget)
  - Substitute teacher costs – down \$0.4m from 2016-17 (after settling \$0.9m contract)
- Other significant year over year expenditure changes
  - Teacher salaries up \$9.0m
  - Other Teacher Compensation (i.e. BTF contract signing bonus) down \$21.2m
  - Administrator salaries up \$3.0m as a result of new BSCA contract
  - Teachers Retirement System expenditures down \$4.6m
  - Charter school tuition up \$12.0m (but \$5.5m favorable to budget)

# 2017-18 General Fund Results (in millions)

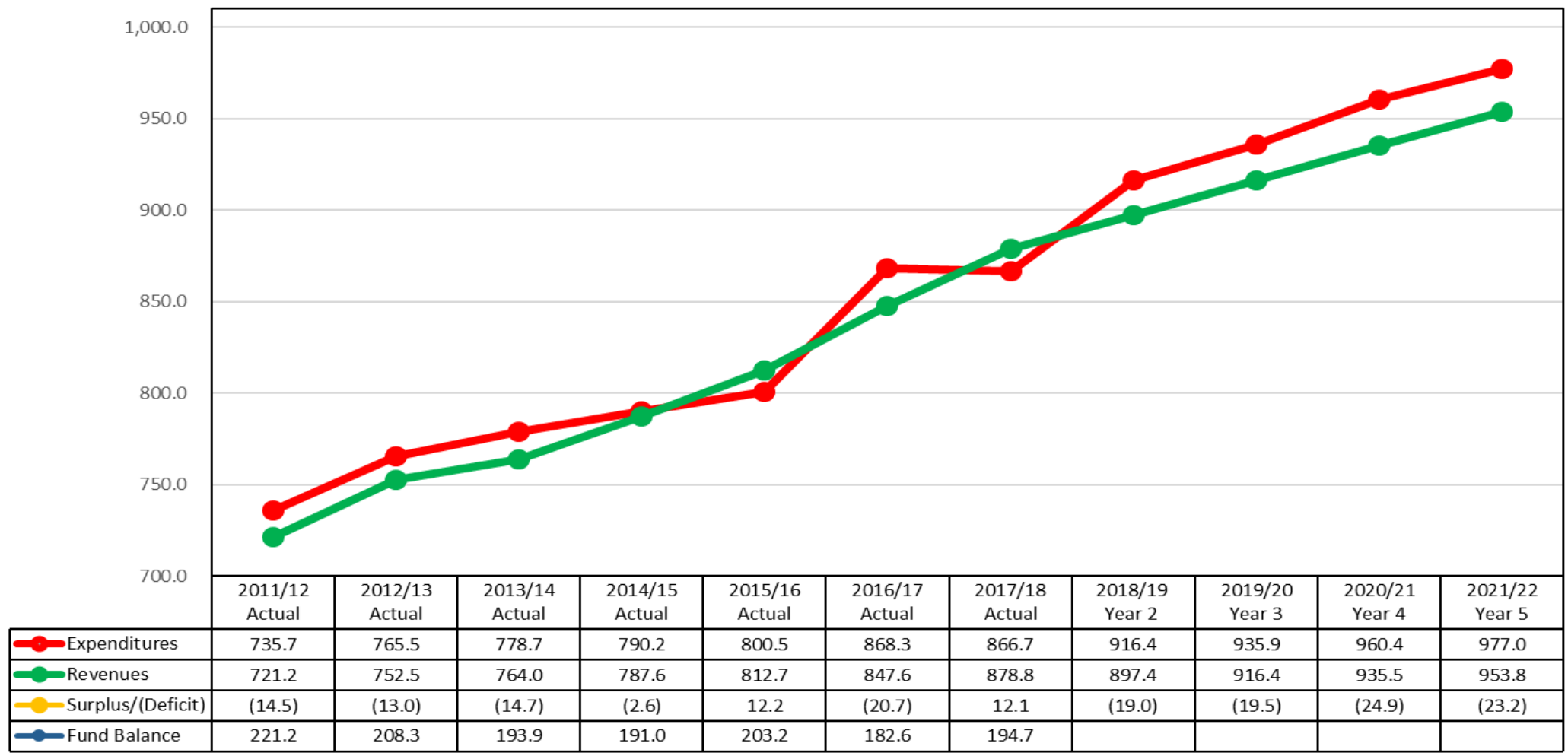
	<u>17/18</u>
• Original Budget Deficit	\$(22.0m)
• Projected Deficit in April '18	\$(16.2m) or \$(10.5m) w/o contingency

	<u>17/18</u>	<u>16/17</u>	<u>Change</u>
• Total Revenues	\$878.8m	\$847.6m	\$31.2m
• Total Expenditures	<u>\$866.7m</u>	<u>\$868.3m</u>	<u>\$(1.6m)</u>
• Actual (Deficit) or Surplus	<b>\$12.1m</b>	\$(20.7m)	\$32.8m

- Revenues – 98% of Budget; Expenditures – 97% of Budget
- Unqualified audit opinion on audited financial statements

# 2017-18 Financial Results – Historical Actual and Current 4 Year Financial Projections

Revenues vs Expenditures (in millions)  
 2012-2018 Actual through 2019-2022 Four Year Plan Projections as of 4.25.18



# 2017-18 Financial Results – Fund Balance 6-30-2018

		Balance 6-30-17	Changes	Balance 6-30-18	Notes
Non spendable	Inventory	780,862	10,862	791,724	
Restricted	Stabilization Reserve	3,829,601	5,749	3,835,350	
	Unemployment	3,156,044	-	3,156,044	
	Judgements & Claims & Property Loss	17,750,000	-	17,750,000	
	<b>Total Restricted</b>	<b>24,735,645</b>	<b>5,749</b>	<b>24,741,394</b>	
Assigned	Designated for next year budget	22,000,000	(3,000,000)	19,000,000	Projected deficit for 2018/19 down from 2017/18
	Encumbrances	3,360,611	(192,506)	3,168,105	Carry over encumbrances into 2018/19
	Designated for other capital needs/repairs	7,580,000	4,500,000	12,080,000	increase \$4.5m for painting project
	Designated for OPEB and Other Benefits	45,146,089	3,000,000	48,146,089	increase \$3.0m
	Designated for PY Claims	9,000,000	-	9,000,000	\$6m collective bargaining / \$3m State aid claims
	<b>Total Assigned</b>	<b>87,086,700</b>	<b>4,307,494</b>	<b>91,394,194</b>	
Unassigned	Board policy minimum requires 4% of Budget	35,768,000	888,000	36,656,000	4.0% minimum
	Amount in excess of minium	34,232,000	6,897,553	41,129,553	
	<b>Total Unassigned</b>	<b>70,000,000</b>	<b>7,785,553</b>	<b>77,785,553</b>	8.5% coverage
		<b>182,603,207</b>	<b>12,109,658</b>	<b>194,712,865</b>	Total Fund Balance

Projected Fund Balance at 6/30/18 in 4 Yr Fin Plan Adopted 6/20/17

142,400,000

\*Improvement of Actual Results Over Projections in 4 Yr Fin Plan Adopted 6/20/17

52,312,865

# 2017-18 Financial Results – Other Post Employment Benefits (OPEB) – Long Term Liability for Retiree Health Insurance

	(in billions)
OPEB liability under GASB 75 - 6/30/16	2.9
Changes in assumptions [(\$0.3) discount rate, \$0.2 TRS/ERS and census/other]	(0.2)
Changes in plan design/experience	(0.2)
OPEB liability under GASB 75 - 6/30/17	2.5
Changes in assumptions [mainly discount rate/service cost]	-
Changes in plan design/experience	(0.2)
OPEB liability under GASB 75 - 6/30/18	2.3

**> \$473m reduction in OPEB liability in 2 years as a result of plan design/experience (rounded above)**



# Fund Balance Projections – 6-30-2018

Buffalo Public Schools  
General Fund - Fund Balance Projections (in millions)

**THIS IS THE REVISED FUND BALANCE PROJECTION AS OF SEPTEMBER 30, 2018**

		Audited Balance 6-30-16	Actual usage 16/17	Audited Balance 6-30-17	Actual usage 17/18	Balance 6-30-18	Projected usage 18/19	Balance 6-30-19	Projected usage 19/20	Balance 6-30-20	Projected usage 20/21	Balance 6-30-21	Projected usage 20/21	Balance 6-30-21
Non spendable	Inventory	0.7	0.1	0.8	-	0.8	-	0.8	-	0.8	-	0.8	-	0.8
Restricted	Stabilization reserve	3.8	-	3.8	-	3.8	-	3.8	-	3.8	-	3.8	-	3.8
	Unemployment	3.1	-	3.1	-	3.1	-	3.1	-	3.1	-	3.1	-	3.1
	Judgements & claims & property loss	17.8	-	17.8	-	17.8	-	17.8	-	17.8	-	17.8	-	17.8
	<b>Total Restricted</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>
Assigned	Designated for next year budget	9.8	12.2	22.0	(3.0)	19.0	(9.0)	10.0	(10.0)	-	-	-	-	-
	Encumbrances	4.3	(0.9)	3.4	(0.2)	3.2	-	3.2	-	3.2	-	3.2	-	3.2
	Designated for other capital needs/repairs	7.8	(0.2)	7.6	4.5	12.1	(1.5)	10.6	(1.0)	9.6	-	9.6	-	9.6
	Designated for OPEB and other benefits	42.7	2.4	45.1	3.0	48.1		48.1		48.1		48.1		48.1
	Designated for PY claims (union contracts)	57.7	(48.7)	9.0	-	9.0	(4.0)	5.0	(2.0)	3.0		3.0		3.0
	<b>Total Assigned</b>	<b>122.3</b>	<b>(35.2)</b>	<b>87.1</b>	<b>4.3</b>	<b>91.4</b>	<b>(14.5)</b>	<b>76.9</b>	<b>(13.0)</b>	<b>63.9</b>	<b>-</b>	<b>63.9</b>	<b>-</b>	<b>63.9</b>
Unassigned	Minimum required unassigned fund balance	34.1	1.7	35.8	0.9	36.7	0.7	37.4	1.0	38.4	0.7	39.1	-	39.1
	projected budgetary surplus in 2017/18	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount in excess of Board policy	21.4	12.8	34.2	6.9	41.1	(5.2)	35.9	2.0	37.9	(0.7)	37.2	-	37.2
	<b>Total Unassigned</b>	<b>55.5</b>	<b>14.5</b>	<b>70.0</b>	<b>7.8</b>	<b>77.8</b>	<b>(4.5)</b>	<b>73.3</b>	<b>3.0</b>	<b>76.3</b>	<b>0.0</b>	<b>76.3</b>	<b>-</b>	<b>76.3</b>
	<b>Total Fund Balance</b>	<b>203.2</b>	<b>(20.6)</b>	<b>182.6</b>	<b>12.1</b>	<b>194.7</b>	<b>(19.0)</b>	<b>175.7</b>	<b>(10.0)</b>	<b>165.7</b>	<b>0.0</b>	<b>165.7</b>	<b>-</b>	<b>165.7</b>

Note - 6-30-16 and 6-30-17 are Audited and 6-30-18 is in audit process presently

- funds that are restricted, required by policy or have assignments that cannot be broken
- funds assigned for specific purposes other than the settlement of union contracts
- funds available for the settlement of union contracts or unrestricted funds available for that purpose

# Fund Balance Projections – June 2017 Original

Buffalo Public Schools **THIS IS THE ORIGINAL FUND BALANCE PROJECTION APPROVED ON 6.20.2017**

General Fund - Fund Balance Projections (in millions)

		Balance 6-30-16	Projected usage 16/17	Balance 6-30-17	Projected usage 17/18	Balance 6-30-18	Projected usage 18/19	Balance 6-30-19	Projected usage 19/20	Balance 6-30-20	Projected usage 20/21	Balance 6-30-21	Projected usage 20/21	Balance 6-30-21
Non spendable	Inventory	0.7	-	0.7	-	0.7	-	0.7	-	0.7	-	0.7	-	0.7
Restricted	Stabilization reserve	3.8	-	3.8	-	3.8	-	3.8	-	3.8	-	3.8	-	3.8
	Unemployment	3.1	-	3.1	-	3.1	-	3.1	-	3.1	-	3.1	-	3.1
	Judgements & claims & property loss	17.8	-	17.8	-	17.8	-	17.8	-	17.8	-	17.8	-	17.8
	<b>Total Restricted</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>
Assigned	Designated for next year budget	9.8	(9.8)	-	-	-	-	-	-	-	-	-	-	-
	Encumbrances	4.3	(1.3)	3.0	-	3.0	-	3.0	-	3.0	-	3.0	-	3.0
	Designated for other capital needs/repairs	7.8	(0.2)	7.6	(1.0)	6.6	(1.5)	5.1	(1.0)	4.1	-	4.1	-	4.1
	Designated for OPEB and other benefits	42.7	-	42.7	-	42.7	-	42.7	-	42.7	-	42.7	-	42.7
	Designated for PY claims (union contracts)	57.7	(40.5)	17.2	(14.2)	3.0	-	3.0	-	3.0	-	3.0	-	3.0
	<b>Total Assigned</b>	<b>122.3</b>	<b>(51.8)</b>	<b>70.5</b>	<b>(15.2)</b>	<b>55.3</b>	<b>(1.5)</b>	<b>53.8</b>	<b>(1.0)</b>	<b>52.8</b>	<b>-</b>	<b>52.8</b>	<b>-</b>	<b>52.8</b>
Unassigned	Minimum required unassigned fund balance	34.1	1.7	35.8	1.1	36.9	0.8	37.7	0.7	38.4	-	38.4	-	38.4
	Projected budgetary surplus in 2016/17	-	11.5	11.5	(7.9)	3.6	(3.6)	-	-	-	-	-	-	-
	Amount in excess of Board policy	21.4	(0.2)	21.2	-	21.2	(11.7)	9.5	(7.7)	1.8	-	1.8	-	1.8
	<b>Total Unassigned</b>	<b>55.5</b>	<b>13.0</b>	<b>68.5</b>	<b>(6.8)</b>	<b>61.7</b>	<b>(14.5)</b>	<b>47.2</b>	<b>(7.0)</b>	<b>40.2</b>	<b>-</b>	<b>40.2</b>	<b>-</b>	<b>40.2</b>
<b>Total Fund Balance</b>		<b>203.2</b>	<b>(38.8)</b>	<b>164.4</b>	<b>(22.0)</b>	<b>142.4</b>	<b>(16.0)</b>	<b>126.4</b>	<b>(8.0)</b>	<b>118.4</b>	<b>-</b>	<b>118.4</b>	<b>-</b>	<b>118.4</b>





# Fund Balance Projections – Variance

Buffalo Public Schools														THIS IS THE VARIANCE BETWEEN THE ORIGINAL (6.20.17) AND REVISED (9.30.18) FUND BALANCE PROJECTION													
General Fund - Fund Balance Projections (in millions)																											
		Balance	Projected	Balance	Projected	Balance	Projected	Balance	Projected	Balance	Projected	Balance	Projected	Balance	Projected												
		6-30-16	usage	6-30-17	usage	6-30-18	usage	6-30-19	usage	6-30-20	usage	6-30-21	usage	6-30-21	usage												
			16/17		17/18		18/19		19/20		20/21		20/21		6-30-21												
Non spendable	Inventory	-	0.1	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1											
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Restricted	Stabilization reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
	Unemployment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
	Judgements & claims & property loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
	<b>Total Restricted</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Assigned	Designated for next year budget	-	22.0	22.0	(3.0)	19.0	(9.0)	10.0	(10.0)	-	-	-	-	-	-	-											
	Encumbrances	-	0.4	0.4	(0.2)	0.2	-	0.2	-	0.2	-	0.2	-	0.2	-	0.2											
	Designated for other capital needs/repairs	-	-	-	5.5	5.5	-	5.5	-	5.5	-	5.5	-	5.5	-	5.5											
	Designated for OPEB and other benefits	-	2.4	2.4	3.0	5.4	-	5.4	-	5.4	-	5.4	-	5.4	-	5.4											
	Designated for PY claims (union contracts)	-	(8.2)	(8.2)	14.2	6.0	(4.0)	2.0	(2.0)	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)											
	<b>Total Assigned</b>	-	<b>16.6</b>	<b>16.6</b>	<b>19.5</b>	<b>36.1</b>	<b>(13.0)</b>	<b>23.1</b>	<b>(12.0)</b>	<b>11.1</b>	-	<b>11.1</b>	-	<b>11.1</b>	-	<b>11.1</b>											
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Unassigned	Minimum required unassigned fund balance	-	(0.0)	-	(0.2)	(0.2)	(0.1)	(0.3)	0.3	-	0.7	0.7	-	0.7	-	0.7											
	Projected budgetary surplus in 2016/17	-	(11.5)	(11.5)	7.9	(3.6)	3.6	-	-	-	-	-	-	-	-	-											
	Amount in excess of Board policy	-	13.0	13.0	6.9	19.9	6.5	26.4	9.7	36.1	(0.7)	35.4	-	35.4	-	35.4											
	<b>Total Unassigned</b>	-	<b>1.5</b>	<b>1.5</b>	<b>14.6</b>	<b>16.1</b>	<b>10.0</b>	<b>26.1</b>	<b>10.0</b>	<b>36.1</b>	<b>0.0</b>	<b>36.1</b>	-	<b>36.1</b>	-	<b>36.1</b>											
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
	<b>Total Fund Balance</b>	-	<b>18.2</b>	<b>18.2</b>	<b>34.1</b>	<b>52.3</b>	<b>(3.0)</b>	<b>49.3</b>	<b>(2.0)</b>	<b>47.3</b>	<b>0.0</b>	<b>47.3</b>	-	<b>47.3</b>	-	<b>47.3</b>											

