



Hudson City School District Five Year Forecast

FY 2017 thru FY 2021

Board of Education Meeting

October 24, 2016

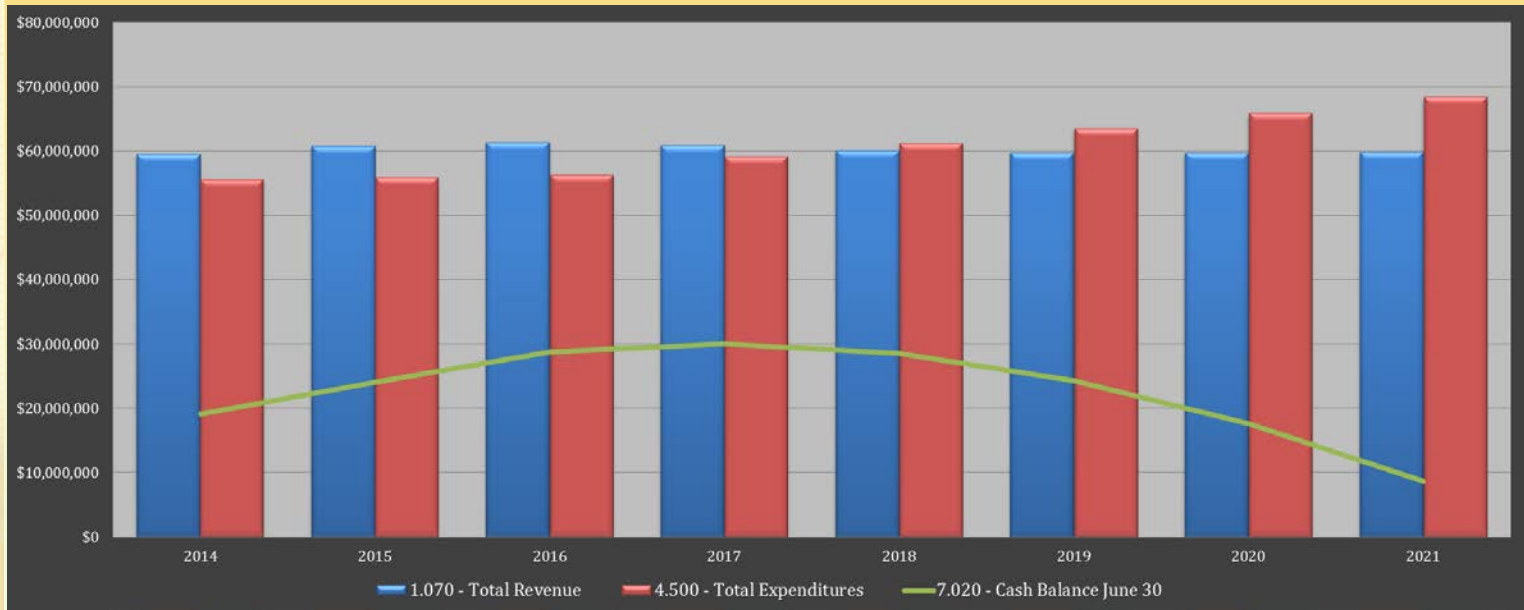
Presented by Kathryn L. Sines, Treasurer/CFO

Forecast Purpose

Forecast was created by the 122nd General Assembly in 1997-98 via H.B.

- ✓ A forecast is intended to assist the school district in the financial management of its resources.
- ✓ A forecast serves as a basis for determining the district's ability to sign the 412 certificate for multiple year contracts, as required by ORC 5705.412.

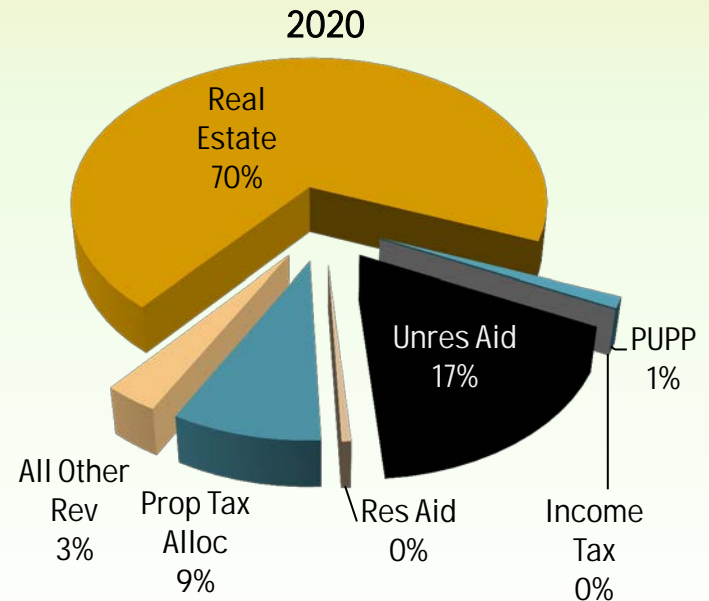
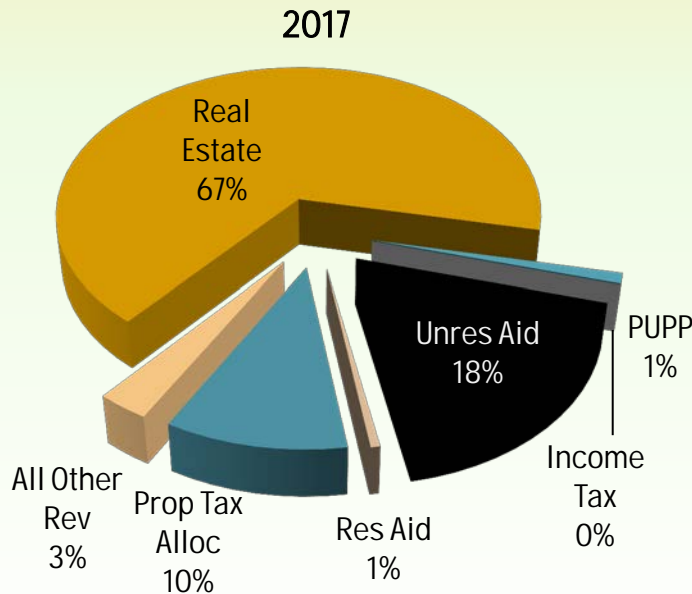
Revenue, Expenditures and Cash Balance



	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Beginning Balance	28,727,971	30,070,213	28,507,211	24,254,001	17,650,806
+ Revenue	60,981,665	60,197,285	59,774,328	59,781,701	59,911,358
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(59,639,423)	(61,760,287)	(64,027,537)	(66,384,896)	(68,926,215)
= Revenue Surplus or Deficit	1,342,242	(1,563,002)	(4,253,209)	(6,603,196)	(9,014,857)
Ending Balance	30,070,213	28,507,211	24,254,001	17,650,806	8,635,949
Revenue Surplus or Deficit w/o Levies	1,342,242	(1,563,002)	(4,253,209)	(6,603,196)	(9,014,857)
Ending Balance w/o Levies	30,070,213	28,507,211	24,254,001	17,650,806	8,635,949

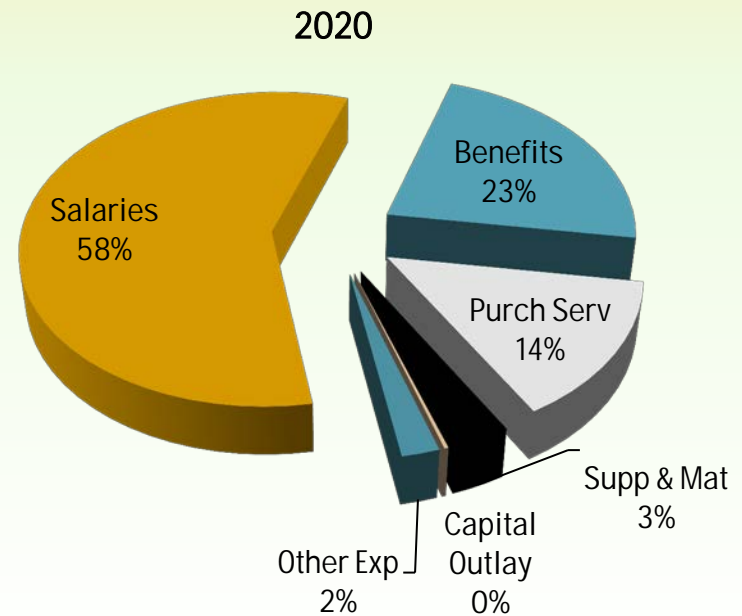
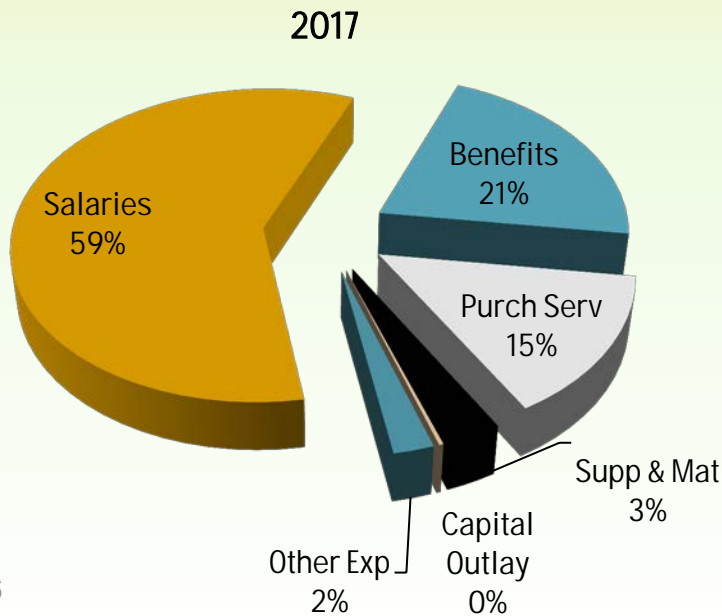
Revenues

	ACTUAL		FORECASTED				6 Year Projected
	2014	% of Revenue	2017	% of Revenue	2020	% of Revenue	% Change
1.010 - General Property Tax (Real Estate)	39,902,634	67.06%	40,936,339	67.20%	41,685,116	69.80%	4.47%
1.020 - Public Utility Personal Property	528,390	0.89%	638,666	1.05%	703,002	1.18%	33.05%
1.030 - Income Tax	-	0.00%	-	0.00%	-	0.00%	0.00%
1.035 - Unrestricted Grants-in-Aid	10,306,537	17.32%	10,781,734	17.70%	9,926,759	16.62%	-3.68%
1.040 & 1.045 - Restricted Grants-in-Aid	105,923	0.18%	333,777	0.55%	333,787	0.56%	215.12%
1.050 - Property Tax Allocation	6,872,201	11.55%	6,396,129	10.50%	5,194,326	8.70%	-24.42%
1.060 - All Other Operating Revenues	1,791,021	3.01%	1,835,021	3.01%	1,878,710	3.15%	4.90%
1.070 - Total Revenue	59,506,706		60,921,665		59,721,701		0.36%



Expenditures

	ACTUAL		FORECASTED				6 Year Projected
	2014	% of Budget	2017	% of Budget	2020	% of Budget	% Change
3.010 - Personnel Services	33,259,918	59.83%	34,792,784	58.86%	38,063,285	57.80%	14.44%
3.020 - Employees' Retirement/Insurance Benefits	11,321,554	20.37%	12,451,071	21.06%	14,750,173	22.40%	30.28%
3.030 - Purchased Services	7,534,504	13.55%	8,580,306	14.52%	9,364,490	14.22%	24.29%
3.040 - Supplies and Materials	1,845,480	3.32%	1,781,771	3.01%	2,107,215	3.20%	14.18%
3.050 - Capital Outlay	134,580	0.24%	146,181	0.25%	155,129	0.24%	15.27%
3.060-4.300 - Other Expenditures	1,494,897	2.69%	1,360,310	2.30%	1,417,605	2.15%	-5.17%
4.500 - Total Expenditures	55,590,933		59,112,423		65,857,896		18.47%



Targeted Cash Balance

	2017	2018	2019	2020	2021
Total Unreserved Fund Balance Line 10.01	29,070,213	27,507,211	23,254,001	16,650,806	7,635,949
total expenses line 5.05	59,639,423	61,760,287	64,027,537	66,384,896	68,926,215
Targeted ending balance % of expenses = 8.3% of line 5.05	4,950,072	5,126,104	5,314,286	5,509,946	5,720,876
Targeted True Days Cash carryover	30 days	30 days	30 days	30 days	30 days
Difference in Target Balance	24,120,141	22,381,107	17,939,715	11,140,860	1,915,073



The district's cash balance will meet the minimum required for financial stability and support the Board of Education's cash balance policy through FY 2021. The Board's cash policy sets a minimum balance of 30 days or 8.3% of expenses.

Summary



The district has a positive cash balance through the forecast. The revenue shortfall (expenses exceeding revenue) grows from a 2017 revenue surplus to a revenue shortfall in 2021.



This 2021 level, and the trend toward it, is unsustainable with projected revenues and expenditures



The district will continue to make sound budget decisions and proactive financial recommendations. Each year the district will review spending and adjust decisions to help ensure ongoing stability.

Questions?

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Submitted by Kathryn L. Sines, Treasurer/CFO
BOE Meeting October 24, 2016