



Hudson City Schools®

HUDSON CITY SCHOOLS

FINANCIAL REPORT
May 2014 Five-Year Forecast Update

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EXECUTIVE SUMMARY OF THE FIVE-YEAR FORECAST

The May Update of the Five-Year Forecast for Hudson City School District for the period ending June 30, 2018, is respectfully submitted for your approval. This report outlines the status of the district's finances for the future and conforms to the reporting requirements established by the Ohio Department of Education and the Ohio Auditor of State.

The Five-Year Forecast is intended to be a fluid and adaptable document. Changes over time are expected with fluctuations in the economy.

The forecast covers only the general fund and is a useful document, but only represents approximately 70% of the organization's financial transactions.

The Five-Year Forecast financial projection is required by Section 5705.391 of the Ohio Revised Code to provide a method for Hudson City School District Board of Education, the Ohio Department of Education, and the Ohio Auditor of State to identify whether the school district may be facing financial difficulty over the next five years. The Auditor of State's Office and the Department of Education have designed the format of this projection. Responsibility for the preparation of the projection and the accuracy of reasonableness of the assumptions on which these projections are based rests with the Hudson City School District Administration and the Board of Education.

Nature and Limitations of the Forecast

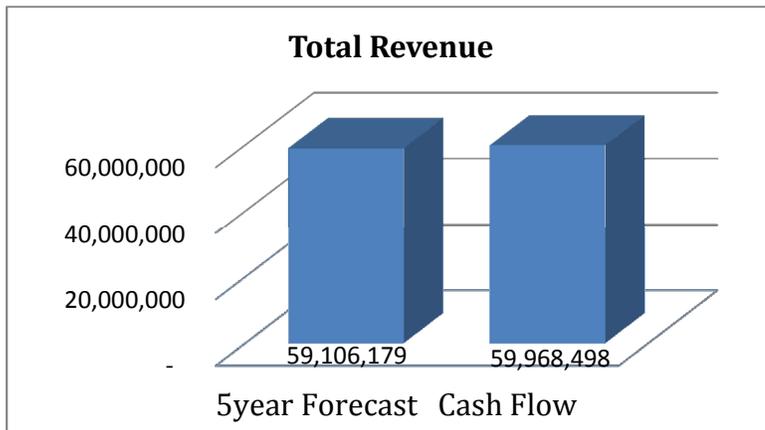
The financial forecast presents, to the best knowledge and belief of the Hudson City School District Board of Education, the expected revenues, expenditures, and operating balance of the general fund. Accordingly, the forecast reflects the Board's judgment of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

The financial numbers through April on the updated forecast are actual data, May and June are projected.

Operating Revenue Update

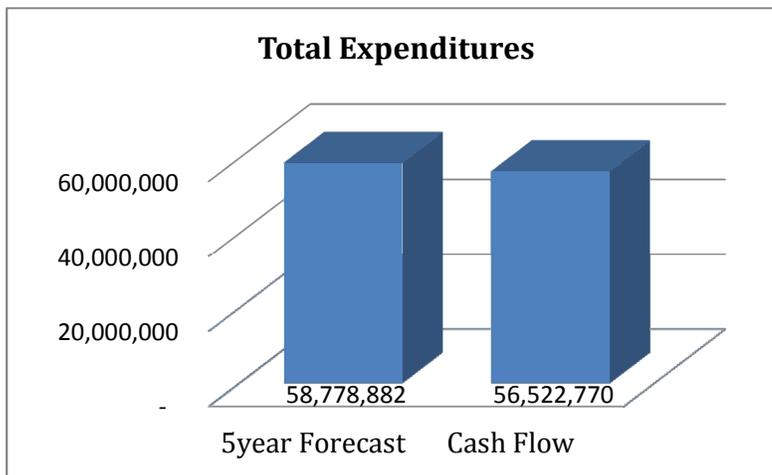
The forecast of the general fund shows the cash position holding relatively unchanged from the projection earlier this year. The real estate numbers are actual figures as we have received our tax settlement for this current fiscal year.

The largest percent difference from our October projection is the unrestricted grants-in-aid (state foundation) line 1.035. Documentation says we will receive the projected amount, but actual monthly income is not matching the states projected documentation. Total revenue has a variance of \$862,319, a 1.46% increase over projected.



Operating Expenditure Update

Total operating expenditures are lower than October's projected amounts. Salaries and benefits were projected higher than actual to date. Total expenditures has a variance of **\$2,256,139**, a 3.84% decrease under projected. We will continue to watch expenditures to maintain a high level of control.



When looking over the forecast update, the results are as desired. Revenue came in at a higher level than projected and expenditures are lower than expected. The impact on our cash balance is a 20.18% variance.

