



OVERVIEW OF FINANCIAL STATUS

Presented To: Harpursville CSD

Presented On: February 14, 2018

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Controller, Central Business Office

Tonight's Topics

- 5 Year Overview
 - Fund Balance
 - Structural Deficit
 - Cash Flow
- 2017-18 Projected Performance
- Long Range Plan
- Tax Levy Limit Calculation
- Questions

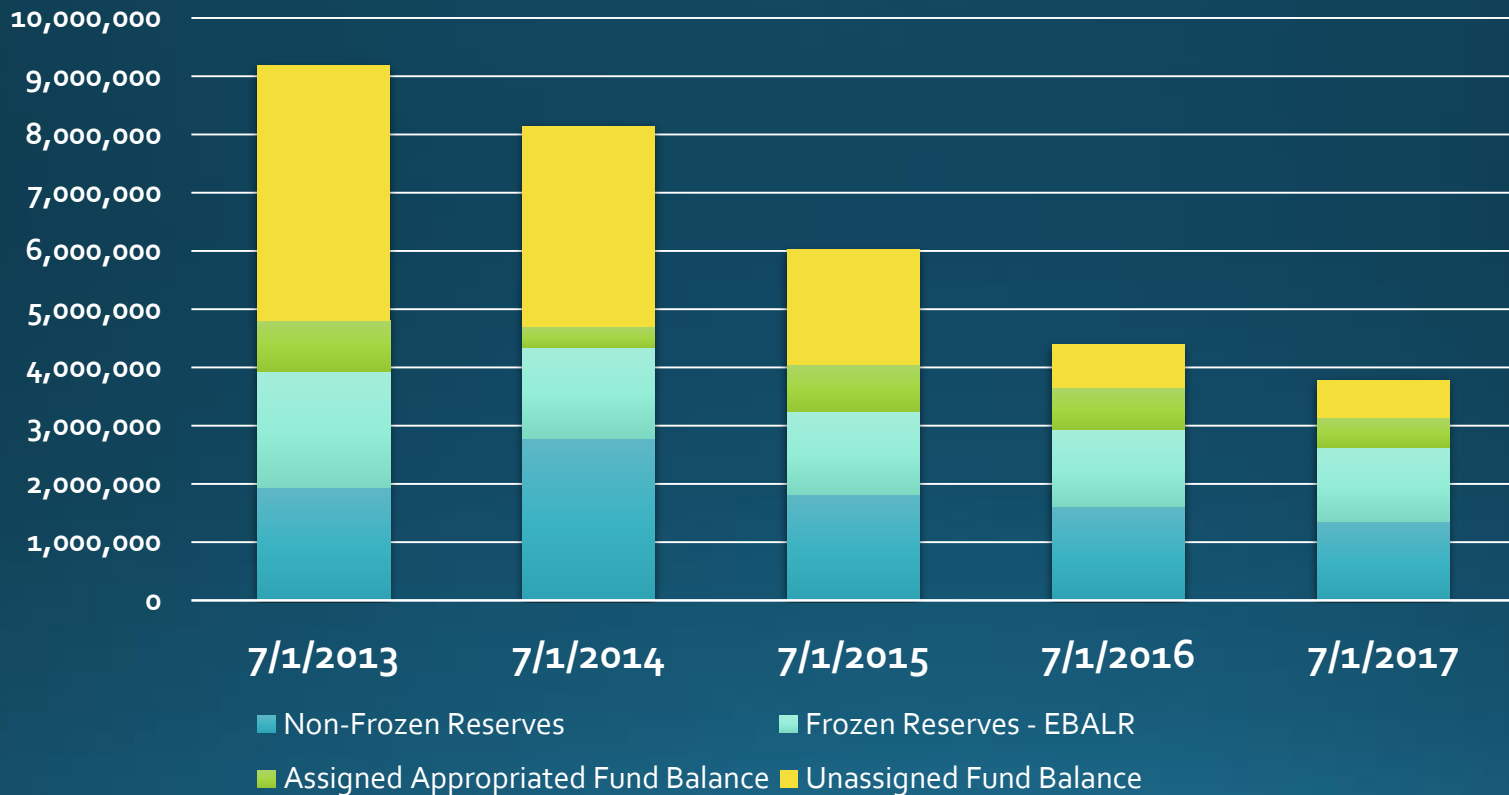


5 Year Overview Fund Balance Components

	7/1/2013	7/1/2014	7/1/2015	7/1/2016	7/1/2017
Non-Frozen Reserves	\$1,935,013	\$2,784,198	\$1,819,113	\$1,603,993	\$1,358,215
Frozen Reserves - EBALR	\$1,997,216	\$1,550,983	\$1,417,113	\$1,324,099	\$1,270,675
Assigned Appropriated Fund Balance	\$ 883,611	\$ 362,674	\$ 803,615	\$ 715,584	\$ 510,238
Unassigned Fund Balance	\$4,378,076	\$3,454,759	\$1,982,553	\$ 752,757	\$ 640,468
TOTAL FUND BALANCE	\$9,193,916	\$8,152,614	\$6,022,394	\$4,396,433	\$3,779,596



5 Year Overview Fund Balance Components

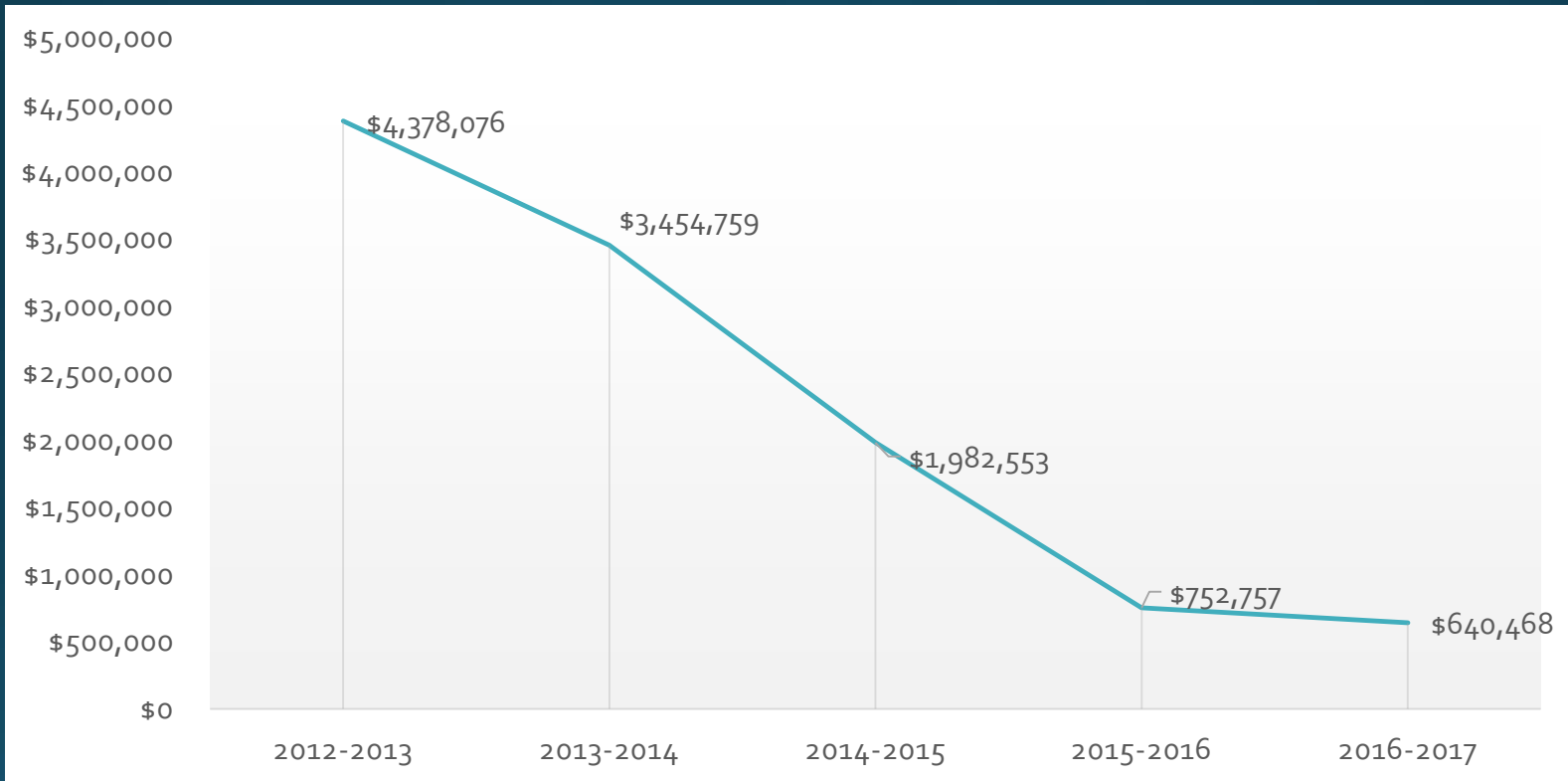


5 Year Overview Unassigned Fund Balance

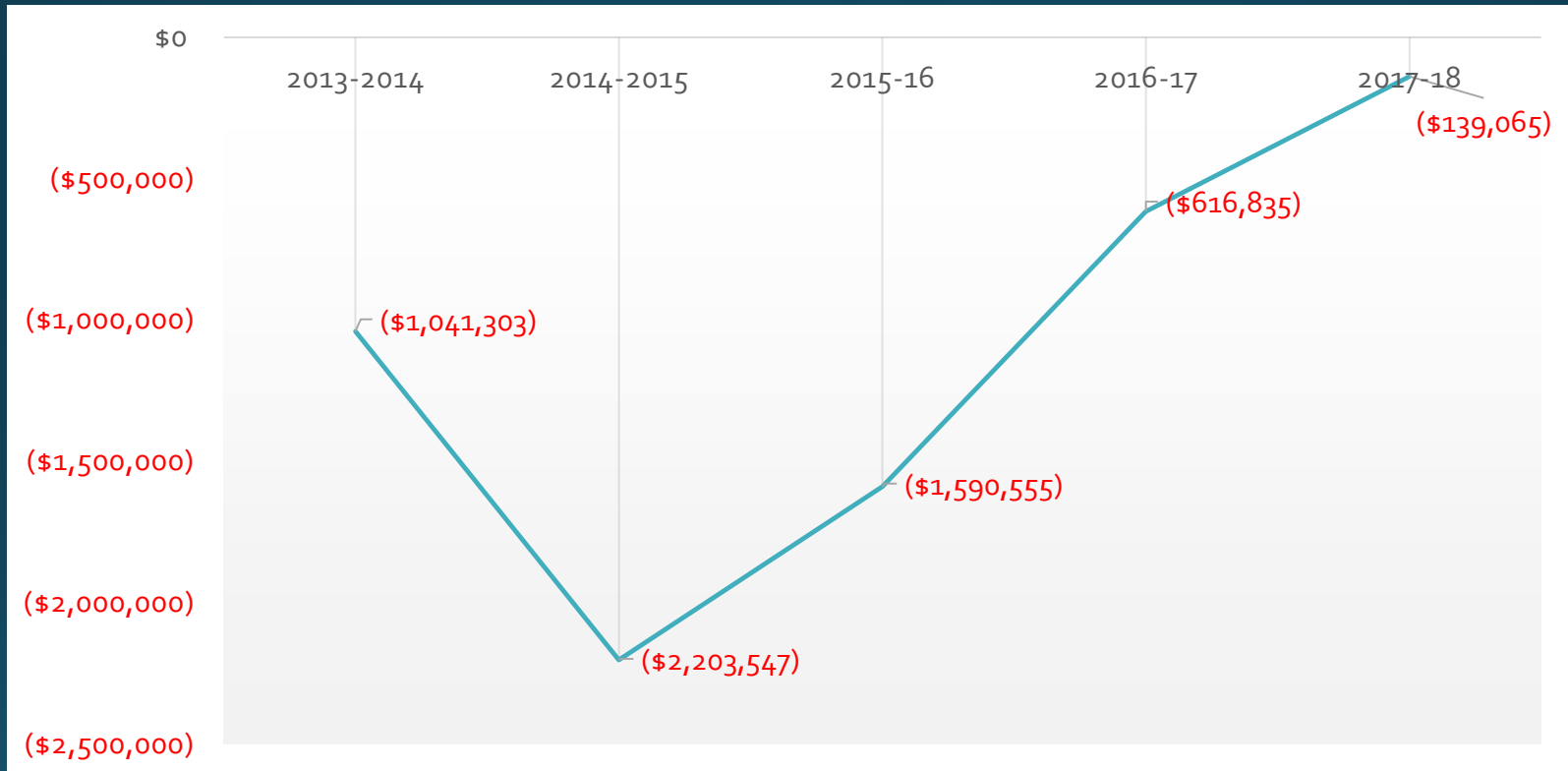
Year	Unassigned Fund Balance as of 6/30
2012-2013	\$4,378,076
2013-2014	\$3,454,759
2014-2015	\$1,982,553
2015-2016	\$752,757
2016-2017	\$640,468
2017-2018	???



5 Year Overview Unassigned Fund Balance



5 Year Overview Operating Surplus/(Deficit)



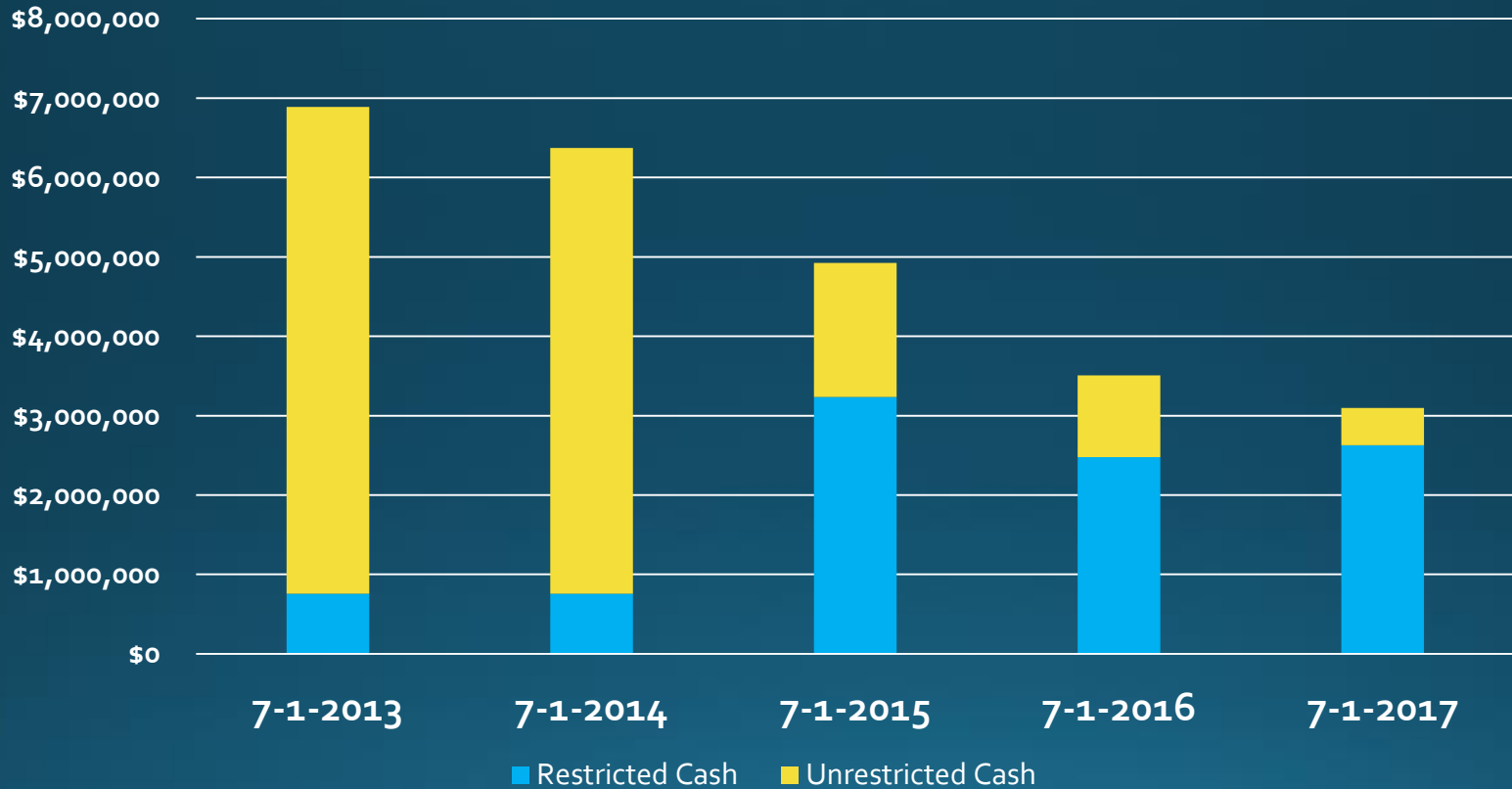
5 Year Overview Cash Balances

	Total Cash	Restricted Cash	Unrestricted Cash
June 30, 2013	\$6,889,832	\$ 757,744	\$6,132,088
June 30, 2014	\$6,370,382	\$ 758,679	\$5,611,703
June 30, 2015	\$4,923,094	\$ 3,236,226	\$1,686,868
June 30, 2016	\$3,506,242	\$2,478,092	\$1,028,150
June 30, 2017	\$3,096,063	\$2,628,890	\$467,173

Source: Audited Financial Statements



5 Year Overview Cash Balances



STATUS OF RESERVES

	Balance 6/30/17
Unemployment Insurance Reserve	\$ 217,883
Insurance Reserve	\$ 50,049
Retirement Contribution Reserve	\$ 389,870
Repair Reserve	\$ 200,195
Capital Reserve	\$ 500,218
Employee Benefit Accrued Liability Reserve (EBLAR)	\$ 1,270,675
TOTAL RESERVES	\$ 2,628,890



Projection of 2017-2018

	2017-2018
Projected Revenues	\$19,071,692
Projected Expenditures	\$19,210,757
Projected Operating Surplus/(Deficit)	(\$139,065)
Projected Gain (Loss) in Total Fund Balance	(\$139,065)

Note: This projection is expected to be refined as additional information on such things as staffing changes, boces services, tuition costs and utilities become available.



Projected 17-18 performance

- If the 2017-2018 budget went exactly as planned then we would have anticipated a deficit of **\$768,617** (for appropriated fund balance, appropriated reserves and carryover encumbrances).
 - The district is projected to perform better than anticipated.
 - There were savings in salaries, benefits, fuel oil, and gas & diesel costs.



Projected Status of Fund Balance 6/30/2018

	2016-17	2017-18 Projected	Increase/ (Decrease)
Restricted Reserves	\$2,628,890	\$2,384,274	(\$244,616)
Appropriated FB	\$500,000	\$500,000	-0-
Encumbrances	\$10,238	\$0	(\$10,238)
Unassigned FB	\$640,468	\$756,257	\$115,789
TOTAL FUND BALANCE	\$3,779,596	\$3,640,531	(\$139,065)

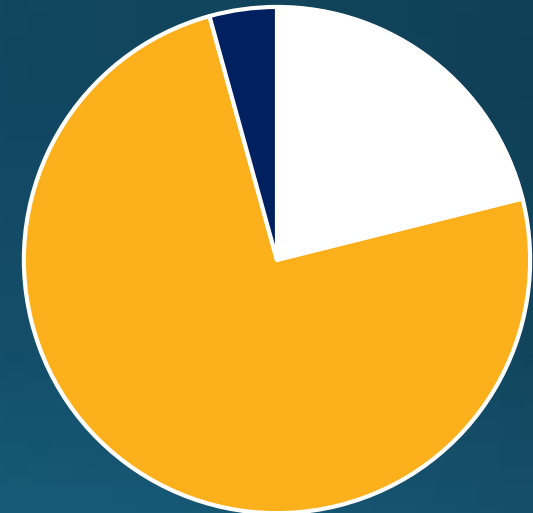


Assumptions in the long range projection

Revenues:

- Foundation Aid would increase 1.42% for 2018-19 and 2% each year thereafter
- Expenditure Driven State Aid (excluding Building Aid) would increase between 2%-4% each year
- The tax levy is projected at the estimated Tax Levy Limit each year

Projected Revenues



■ Tax Levy ■ State Aid ■ Other

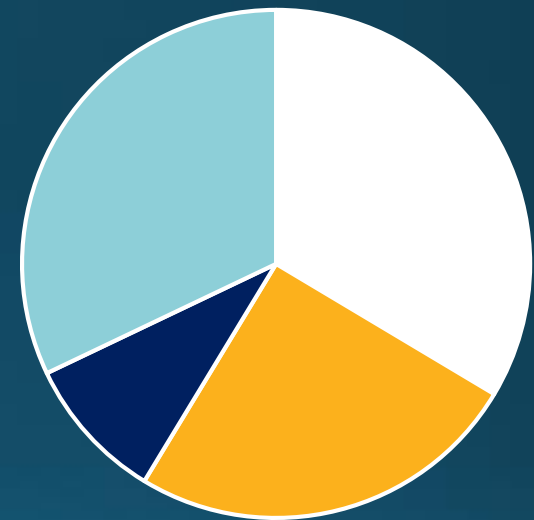


Assumptions in the long range projection

Expenditures:

- Staff is based on current staff of record, including open positions
- Health Insurance is projected at an estimated 11.75% increase in 18-19 and then a change each year thereafter (to 11%, 10%, and 8% respectively).
- Teacher Retirement System (TRS) costs are projected to moderately increase, while the Employee Retirement System (ERS) costs are projected to be relatively flat
 - ERS rates are assumed to increase, but at the same time, more employees are being hired at the Tier 6 level which is a lower cost rate.

Projected Expenditures



- Salaries
- Benefits
- Debt/Interfund to Capital
- Other

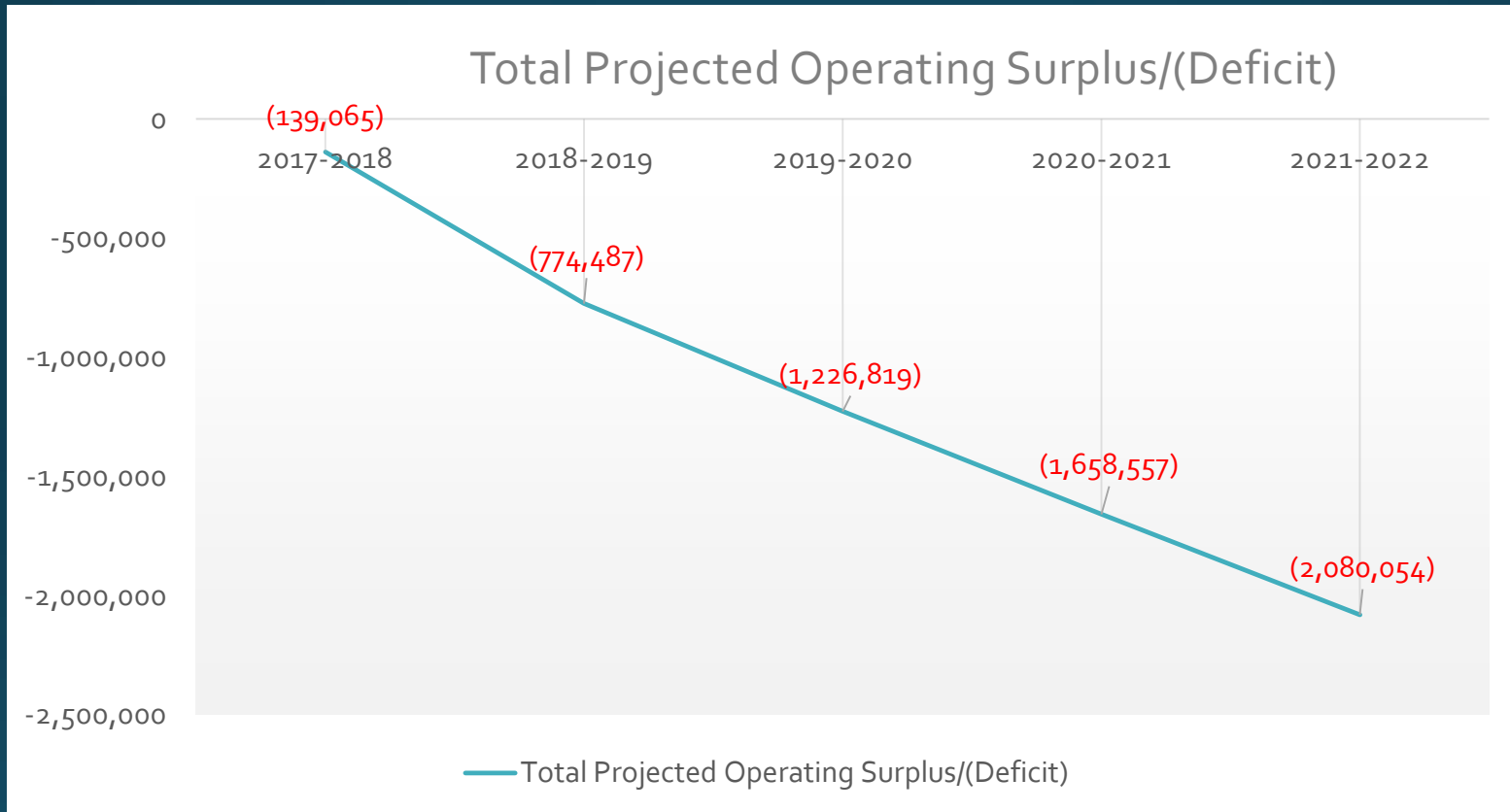


Long Range Projection

	2017-18	2018-19	2019-20	2019-20	2020-21
Tax Levy %	2.13%	3.06%	4.38%	3.26%	2.56%
State Aid %	3.35%	1.42%	2.00%	2.00%	2.00%
Beginning Fund Balance	\$3,779,596	\$3,640,531	\$2,182,511	\$955,692	\$(702,865)
Operating Surplus/ (Deficit)	\$(139,065)	\$(774,487)	\$(1,226,819)	\$(1,658,557)	\$(2,080,054)
Ending Fund Balance	\$3,640,531	\$2,182,511	\$955,692	\$(702,865)	\$(2,782,919)



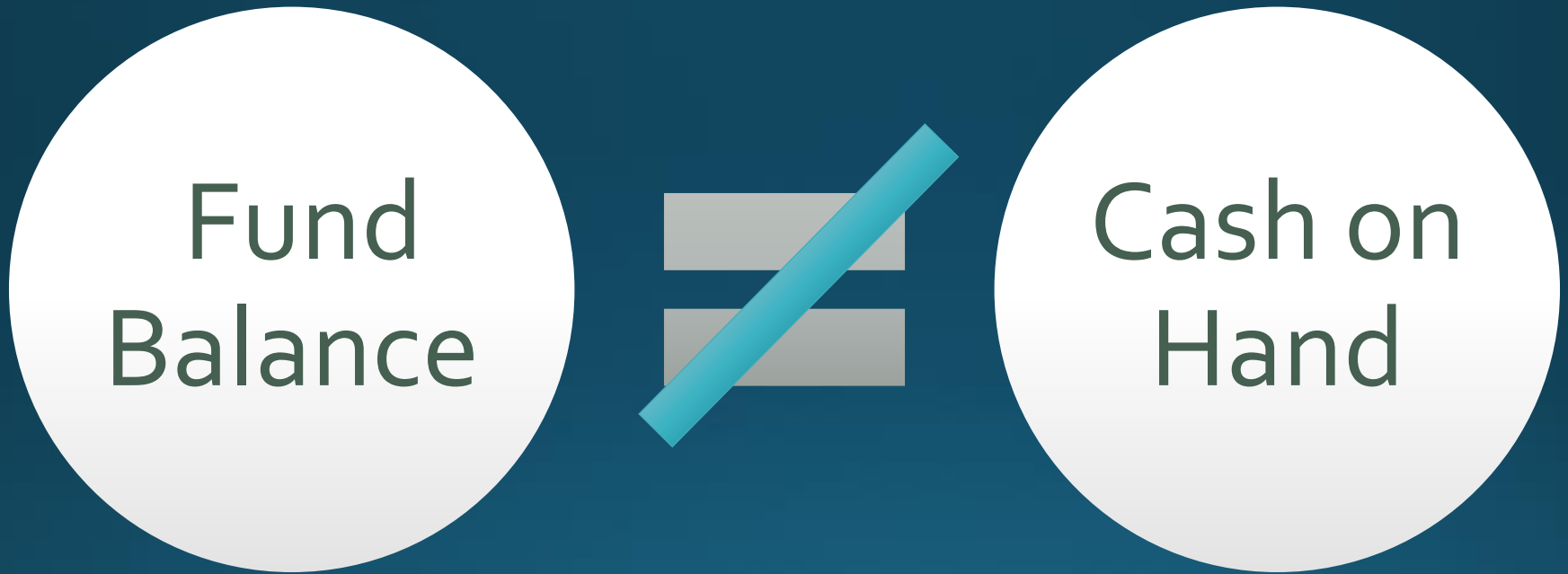
Long Range Projection



Average expenditures are projected to be 4.1%, while average revenues over the same period are projected to be 2.76%.



Fund Balance



Revenue Anticipation Notes (RANS)

Borrowed
\$2M – July
2017

RAN is due in
July 2018

Additional
borrowing
will be
needed

Amount &
timing TBD



Tax Levy Limit Calculation



Harpursville Maximum Allowable Levy Limit

STEPS			
Step 1		Prior Tax Levy	\$ 3,939,554
Step 2	x	Tax Base Growth Factor	<u>1.0060</u>
			\$ 3,963,191
Step 3	+	PILOTS current year	\$ 9,012
Step 4	-	Exclusion: Capital Levy, current year	<u>(\$ 118,922)</u>
			\$ 3,853,281
Step 5	x	Allowable Growth Factor	<u>2.00%</u>
			\$ 3,930,347
Step 6	+	Available Carryover	-0-
Step 7	-	PILOTS next year	<u>(\$ 9,453)</u>
		TAX LEVY LIMIT	\$ 3,920,894
Step 8	+	Exclusion: Capital Levy, next year	\$ 139,071
		MAXIMUM ALLOWABLE LEVY LIMIT	\$ 4,059,965



Maximum allowable tax levy limit

Maximum Tax Levy Increase without "Super Majority"	
2018-19 Maximum Allowable Tax Levy*	\$4,059,965
2017-18 Tax Levy	\$3,939,554
Maximum increase in Tax Levy to remain under Tax Levy Limit	\$ 120,411
Percentage Increase	3.06%

*Without voter approval in excess of 60%
Draft calculation, actual to be filed 3-1-18



Variables impacting levy limit

Tax Base Growth Factor	Allowable Growth Factor	Capital Levy	PILOTS
<ul style="list-style-type: none">• \$23,637• .006%	<ul style="list-style-type: none">• \$77,066• 2.00%	<ul style="list-style-type: none">• \$20,149• Increase in 2018-19	<ul style="list-style-type: none">• (\$441)• Increase in PILOTS

Total = \$120,411



Questions

