

# OVERVIEW OF FINANCIAL STATUS



Presented To: Harpursville CSD  
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Presented By: Kathy Blackman, C.P.A.  
Controller, Central Business Office

# Tonight's Topics

- 2015-16 Budget Performance
  - Structural Deficit
  - Budget Gap
  - Fund Balance
  - Cash Flow
- Recommendations
- Tax Levy Limit
- Questions

# 2015-16 Budget Performance Revenue

Original Budget	Projected Revenue	Variance
\$17,495,330	\$18,265,758	\$770,428

# 2015-16 Budget Performance Revenue

## State Aid

- \$351,663
- Increases in Excess Cost Aid, BOCES Aid, & Tuition Aid
- Decreases in Building Aid & Transportation Aid

## Other Revenue

- \$177,240
- Increase in BOCES for enrichment and substitute reimbursements

# 2015-16 Budget Performance

## Revenue

### Interfund Transfer

- \$91,572
- Premium on debt received in 2014-15 to offset 2015-16 debt service

### Prior Year Items

- \$87,688
- BOCES Surplus of \$54,212
- Health Insurance consortium surplus & CPSE billing \$33,476

# 2015-16 Budget Performance Revenue

## Other Items

- \$85,460
- Day School Tuition  
\$30,906
- Fast Forward  
Program \$28,792
- Medicare D  
reimbursement  
\$25,762

## Medicaid Assistance

- \$43,180
- Currently projected at  
last year's revenue

# 2015-16 Budget Performance Expenditures

Original Budget	Projected Expenditures	Variance
\$18,298,945	\$19,945,695	(\$1,646,750)

# 2015-16 Budget Performance Expenditures

## Salaries

- \$277,761
- Instructional Salaries \$13,325 under
- Non-instructional salaries \$291,086 over

## Equipment

- \$34,220
- Assumes no additional equipment other than computer hardware to maximize state aid



# 2015-16 Budget Performance Expenditures

## Contractual

- **\$122,128**
- Bus Lease payments
- Costs related to failed capital project vote

## Materials & Supplies

- **\$15,919**
- Based on prior year's spending patterns

# 2015-16 Budget Performance Expenditures

## Fuel

- \$98,876
- Reduction in fuel prices

## Building & Equipment Repair

- \$22,468
- Based on historical spending

# 2015-16 Budget Performance Expenditures

## Tuition

- \$189,305
- Special Education private placements, foster students & FAST Forward program

## BOCES

- \$1,253,840
- Special Education \$568,000, and other BOCES costs including Occ Ed, enrichment & technology

# 2015-16 Budget Performance Expenditures

## Gas & Diesel

- \$72,609
- Lower fuel costs

## Debt Service

- \$18,859
- Principal & Interest based on actual debt

# 2015-16 Budget Performance Expenditures

## Benefits

- \$105,701
- ERS \$17,127
- TRS \$109,688
- Social Security \$9,455
- Health Insurance \$22,595

## Inter-fund Transfer

- \$82,000
- 4408 Summer program \$80,000
- Student account balances \$2,000

# 2015-16 Original Budget

Original  
Revenue

\$17,495,330

Original  
Expenditures

\$18,298,945

Structural  
Deficit

(\$803,615)

# 2015-16 Projected Actual Performance

Projected  
Revenue

\$18,265,758

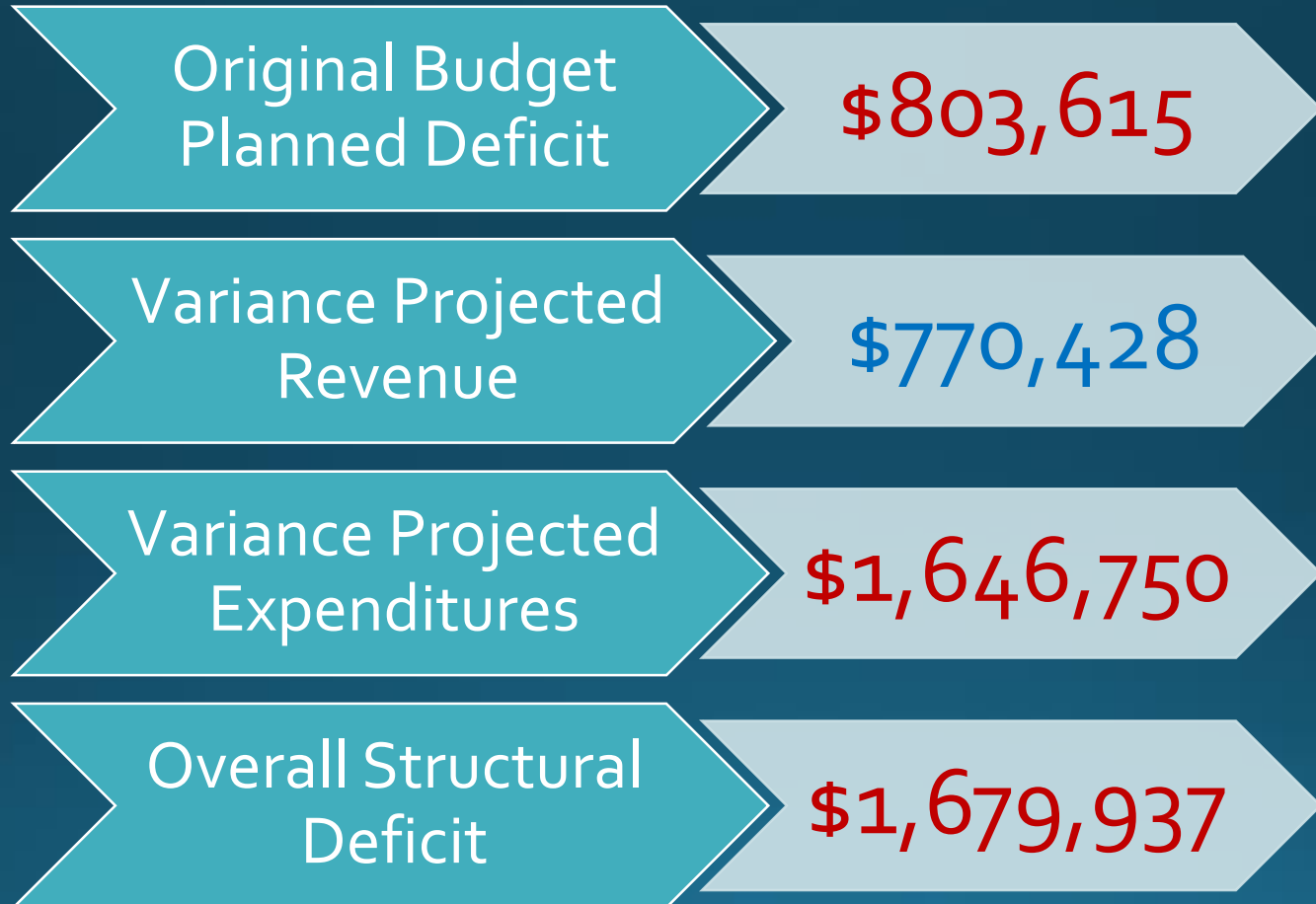
Projected  
Expenditures

\$19,945,695

Structural  
Deficit

(\$1,679,938)

# 2015-16 Structural Deficit





# 2015-16 Budget Gap

	Proposed Budget	Carryover Encumbrances	Adjusted Original Budget	Budget Gap	Final Budget
2015-2016	\$18,298,945	\$ -0-	\$18,298,945	<b>\$1,646,750</b>	\$19,945,695

This is based on current projection and will change (up or down) between now and year end.

# 2015-16 Fund Balance

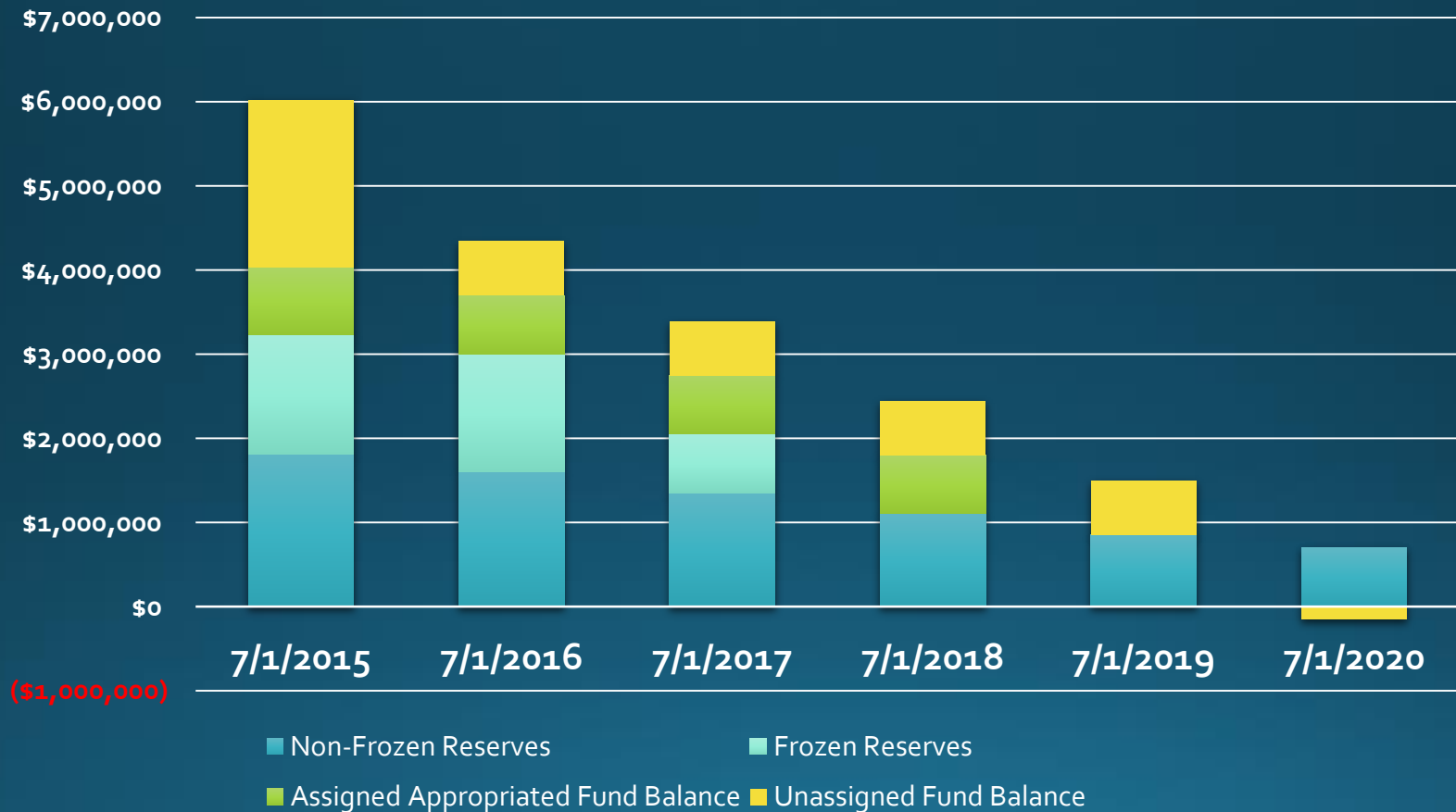
	Actual 7/1/2015	Projected 7/1/2016
Non-Frozen Reserves	\$1,819,113	\$1,602,113
Frozen Reserves - EBALR	\$1,417,113	\$1,397,035
Assigned Appropriated Fund Balance	\$ 803,615	\$ 700,000
Unassigned Fund Balance	\$1,982,553	\$643,308
TOTAL FUND BALANCE	\$6,022,394	\$4,342,456

# Projected Fund Balance

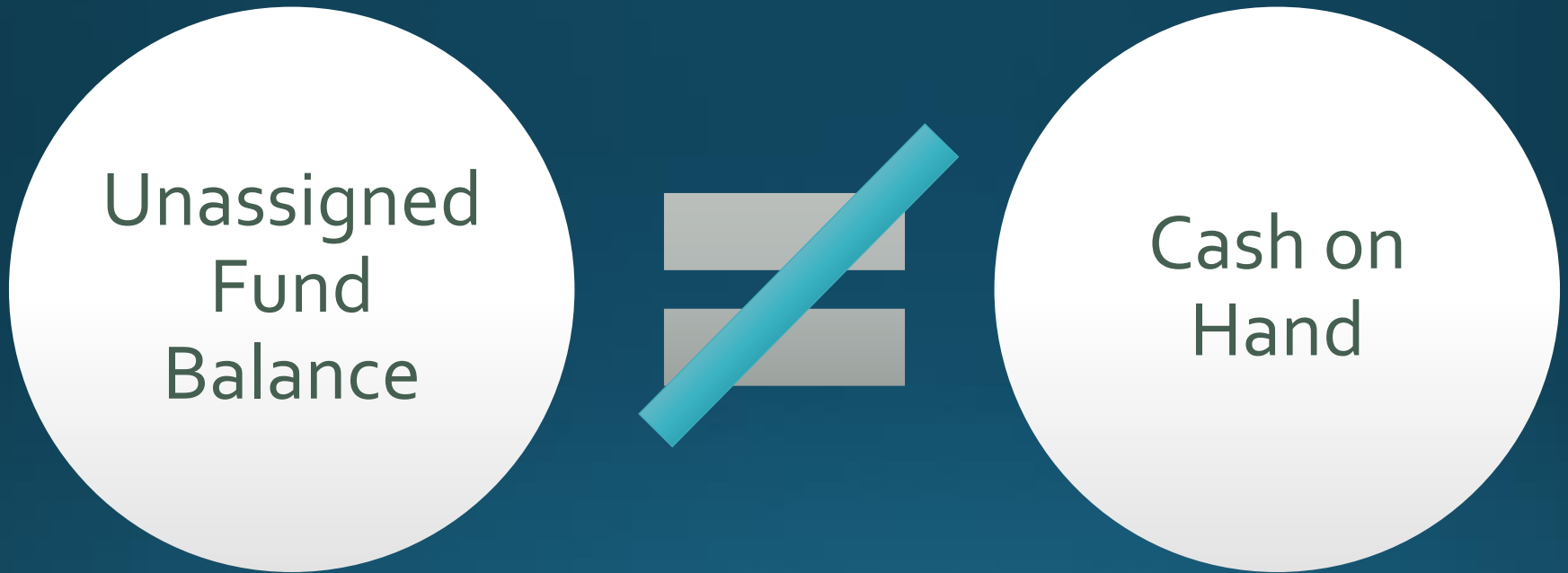
	7/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020
Non-Frozen Reserves	\$1,819,113	\$1,602,113	\$1,352,113	\$1,102,113	\$852,113	\$702,113
Frozen Reserves - EBALR	\$1,417,113	\$1,397,035	\$697,035	\$0	\$0	\$0
Assigned Appropriated Fund Balance	\$ 803,615	\$ 700,000	\$ 700,000	\$ 700,000	\$0	\$0
Unassigned Fund Balance	\$1,982,553	\$643,308	\$643,308	\$643,308	\$643,308	(\$150,000)
TOTAL FUND BALANCE	\$6,022,394	\$4,342,456	\$3,392,456	\$2,445,421	\$1,495,421	\$552,113

Assuming an operating loss of \$950,000 per year.

# Fund Balance Components



# Unassigned Fund Balance



# Cash Flow – Cash on Hand

## Projections 2015-16

- Over \$2 Million shortage in June
- \$1.5 shortfall at year end

## Projections 2016-17

- Over \$2.9 shortage in September
- \$2.7 shortfall at year end

# Recommendations

2015-16  
Spending Freeze  
Budget Gap

• \$2.0 Million

Reduce 2016-17  
expenditures

• \$2.0 Million

Prepare to  
borrow RAN

• \$2.0 Million

# What's Next?

Provide updates to 2015-16 projected budget performance

Work with district to develop 2016-17 projected revenues & expenditures to provide for a balanced budget

Provide long range plan



# Tax Levy Limit Calculation – Questions

- Is there any allowable carryover since Harpursville did not levy the maximum in previous years?
  - No. Even though Harpursville did not levy up to the maximum allowable tax levy there is \$0 carryover. In order to generate allowable carryover the district must levy less than the tax levy limit which is the limit before exemptions are added back.
- What is the capital levy?
  - The capital levy, put simply, is the local share for any capital payments for facilities, buses, and equipment. Basically, it is the debt service payments for capital projects and buses less any state aid (building and transportation) the district receives related to those projects.

Step 1

- Prior Year Tax Levy

Step 2

- Tax Base Growth Factor

Step 3

- PILOTS 2015-16

Step 4

- Exclusions 2015-16 (Capital Levy & Torts)

Step 5

- ***Allowable Growth Factor***

Step 6

- Available Carryover

Step 7

- PILOTS 2016-17

Step 8

- Exclusions 2016-17 (Capital Levy, Pensions & Torts)

Result

- Maximum Allowable Levy within Tax Levy Limit

# Harpursville Maximum Allowable Levy Limit

STEPS			
Step 1		Prior Tax Levy	\$ 3,744,285
Step 2	x	Tax Base Growth Factor	<u>1.00630</u>
			\$ 3,767,874
Step 3	+	PILOTS current year	\$ 7,273
Step 4	-	Exclusion: Capital Levy, current year	<u>\$ -0-</u>
			\$ 3,775,147
Step 5	x	Allowable Growth Factor	<u>0.12%</u>
			\$ 3,779,677
Step 6	+	Available Carryover	-0-
Step 7	-	PILOTS next year	<u>(\$ 8,840)</u>
		<b>TAX LEVY LIMIT</b>	<b>\$ 3,770,837</b>
Step 8	+	Exclusion: Capital Levy, next year	\$ 86,369
		<b>MAXIMUM ALLOWABLE LEVY LIMIT</b>	<b>\$ 3,857,206</b>

# Maximum allowable tax levy limit

Maximum Tax Levy Increase without "Super Majority"	
2016-17 Maximum Allowable Tax Levy*	\$3,857,206
2015-16 Tax Levy	\$3,744,285
Maximum increase in Tax Levy to remain under Tax Levy Limit	\$ 86,369
Percentage Increase	3.02%

\*Without voter approval in excess of 60%  
Draft calculation, actual to be filed 3-1-16

# Harpursville Variables impacting tax levy limit



## Harpursville Variables impacting tax levy limit

- Tax Base Growth Factor
  - Increase of \$23,589
- Allowable Growth Factor
  - .12%
- Exclusion: Capital Levy
  - Increase of \$86,369

**The change in the capital levy is the primary reason why Harpursville's levy limit is more than the allowable growth factor of 0.12%.**

# Recommendation

## 2016-17 Tax Levy

- Recommendation – district levy taxes up to the tax levy limit.

# Questions

