



Poughkeepsie City School District

Financial Update

February 19, 2020



Agenda

- Recent Challenges with Cash Flow
- Structure of the 2019-20 Budget
- Projected June 30, 2020 Revenues
- Projected June 30, 2020 Expenditures
- Next Steps

Cash Flow

- Cash flow is the net amount of cash and cash equivalents that an organization receives and disburses during a period of time. A positive level of cash flow must be maintained in order to meet financial obligations associated with payroll, vendors, contracts, bond payments, etc.
- In January, the PCSD had to issue a revenue anticipation note (RAN) in the amount of \$4.75 million to provide adequate cash flow. This occurred because state aid payments to the district were delayed.
- The District has carefully reviewed and projected the cash flow to the close of the fiscal year (06-30-2020). The model assumes the RAN is paid in full when due in of March 2020.
- As the attached table indicates, the District is projected to have adequate cash flow the remainder of this fiscal year. However, this is based upon certain assumptions (i.e. OCFC payments). Decreasing spending levels is highly recommended at this time to preserve fund balance.

Projected Cash Flow

Description	Fund	Jan-20	Feb-20	Mar-20	Apr-20	May-20	JUNE-20
Cash Balance (Beg. Of Month)		\$ 5,176,042	\$ 13,709,740	\$ 5,001,398	\$ 3,085,575	\$ 13,247,550	\$ 2,058,375
Receipts:							
State Aid (Gen& Bld.)	A	5,537,514	368,207	5,759,120	7,073,618	3,058,385	7,073,618
Excess Cost Aid	A			3,600,000	6,600,000		2,100,000
BOCES Aid	A		414,054				985,258
Lottery VLT	A		363,996	363,996			
Textbook Aid	A			205,000			
Hardware Aid	A			82,500			
Property Taxes	A	195,390	99,854	174,536			529,921
PILOT	A						
STAR	A	2,247,195					
Trans. Aid Deduct	A			(539,136)			
Other Receipts	A	223,561	233,926	207,983	341,933	324,735	787,530
RAN Proceeds	A	4,750,000					
A202 & A204 MM	A		7,846	161,768	20,007	33,090	18,896
Food Service	C	436,827	289,618	25,470	299,207	543,625	322,670
Trust & Agency	E	-	-	-	-	9,136	4,160
Spec Aid	F	3,057,228	698,833	300,496	-	-	444,947
Capital	H	-	10,750	235,000	-	-	479,250
Trust	T	4,128,515	4,326,085	4,241,728	4,441,590	6,428,563	8,683,707
OCFS Grant					1,000,000	1,000,000	1,000,000
Interfund Transfers		900,000	2,000,000	12,000,000		5,000,000	10,275,000
Total Receipts		\$ 21,476,229	\$ 8,813,169	\$ 26,818,461	\$ 19,776,355	\$ 16,397,534	\$ 32,704,957
Balance and Receipts		\$ 26,652,271	\$ 22,522,909	\$ 31,819,858	\$ 22,861,930	\$ 29,645,084	\$ 34,763,332
Disbursements:							
Salaries	All	\$ 3,858,335	\$ 4,081,656	\$ 4,004,104	\$ 4,176,328	\$ 6,078,304	\$ 6,785,424
Debt Service	V			235,000		1,445,644	1,346,044
Other Disbursements	A	3,285,758	5,934,168	2,677,275	-	7,256,066	3,273,054
RAN Principal Repay	A			4,750,000			
A202 & A204 MM	A						9,500,000
Food Service	C	191,562	231,096	218,672	276,618	281,017	428,906
Trust & Agency E	E	200	-	-	-	1,485	2,511
Spec Aid	F	549,714	726,556	357,764	504,708	871,695	928,811
Capital	H	37,372	21,491	49,740	17,148	23,751	47,852
Trust	T	4,119,590	4,326,544	4,241,728	4,439,578	6,428,748	8,683,053
Trans to Cap. Proj. 925K			200,000	200,000	200,000	200,000	125,000
Interfund Transfers Out		900,000	2,000,000	12,000,000		5,000,000	1,254,250
Total Disbursements		\$ 12,942,531	\$ 17,521,511	\$ 28,734,283	\$ 9,614,380	\$ 27,586,710	\$ 32,374,905
Cash Balance (End of Month)		\$ 13,709,740	\$ 5,001,398	\$ 3,085,575	\$ 13,247,550	\$ 2,058,375	\$ 2,388,427
Notes: State aid payments to be received the last day of the month are shown in the following month's chase flow.							
This sheet can be updated each month as new information becomes available.							

How the 2019-20 Budget is Structured

2019-20 Adopted Budget	
Revenues	\$ 102,246,021
Add: Appropriated Fund Balance	2,500,000
Insurance Recovery Proceeds	400,000
Total Revenues	<u>105,146,021</u>
Expenses	
Total Expenses	<u>\$ 105,146,021</u>

Projected Year-End, June 30, 2020

REVENUES

Revenue Projection to June 20, 2020	Additional Revenues Projected	Projected Revenues 20-Jun-20	Budget	(Under)/Over Budget
Actual Revenues through 01-31-2020		\$ 48,814,279		
Add: State Aid Due the District (Feb.-June)	\$ 51,280,772			
Add: Other Non-State Aid Revenues Projected	500,000*			
Subtotal of Additional Revenues to be Received		51,780,772		
Totals After Adjustments	\$ 51,780,772	\$ 100,595,051	\$ 102,246,021	\$ (1,650,970)

*Contingent upon property taxes and other projected revenues occurring.

Note: Projections are based upon historical trends. The more stable and consistent an organization, the higher the probability of accurate projections.

To reduce the revenue deficit, the district could consider utilizing more of the anticipated insurance recovery this year.

Projected Year-End, June 30, 2020

EXPENDITURES

Expenditure Projection To June 30, 2020	Expenses As of 1/31/2020	% of Year-End Expenses As Of 1/31/2020	Total Expenses Yr. End	2019-20 Budget	(Under)/Over Budget
Expenditures	\$ 47,307,134	45.70%	\$ 103,516,706		
Add: TRS Adjustment			715,650		
Add: Capital Transfer in the Budget			925,000		
Totals After Adjustments			\$ 105,157,356	\$ 105,146,021	\$ 11,335

Note: Used 45.70% for the projection which is more conservative and provides a higher estimated year-end compared to the last two years of 45.75% and 45.78% respectively.

HISTORICAL PERSPECTIVE OF EXPENDITURES USED FOR THE PROJECTION ABOVE

Historical Trends	Expenses As Of 1/31/2019	% Year-End Expenses As Of Jan. 31st	Total Actual Expenses Year-End 06/19	Budget	(Under)/Over Budget
2018-19	\$ 47,642,745	45.75%	\$ 104,127,213	\$ 99,806,415	\$ 4,320,798
2017-18	43,220,030	45.78%	94,414,686	96,750,977	(2,336,291)
2016-17	39,414,294	45.43%	86,758,606	94,784,944	(8,026,338)
2015-16	38,898,257	45.03%	86,377,382	89,793,761	(3,416,379)

Note: Most recent 3-year average is 45.65%.

Next Steps

1. Monitor the cash flow and update monthly
2. Follow-up on outstanding revenues on this year's budget
3. Make reductions in discretionary spending where possible this year
4. Determine if the \$925,000 transfer to Capital can be reduced this year
5. Review the status of SED filings
6. Obtain the updated State aid runs when released in late February
7. Begin creating the 2020-21 district budget
8. Building-by-building cost reporting due to SED March 1st
9. Tax Cap reporting due March 1st



Discussion