



Buffalo City School District

Four - Year Financial Plan 2010-11 to 2013-14

April 27, 2010

"Putting Children and Families First to Ensure High Academic Achievement for All"

BOARD OF EDUCATION
BUFFALO CITY SCHOOL DISTRICT

Ralph Hernandez, President, West District
Mary Ruth Kapsiak, Vice-President Executive Affairs, Central District
Christopher L. Jacobs, Vice-President Student Achievement, Member-At-Large
Vivian O. Evans, East District
Florence D. Johnson, Member-At-Large
John Licata, Member-At-Large
Catherine Nugent Panepinto, North District
Pamela Perry-Cahill, Ferry District
Louis J. Petrucci, Park District

SUPERINTENDENT
James A. Williams, Ed.D.

CHIEF FINANCIAL OFFICER
Barbara J. Smith, CPA

TABLE OF CONTENTS

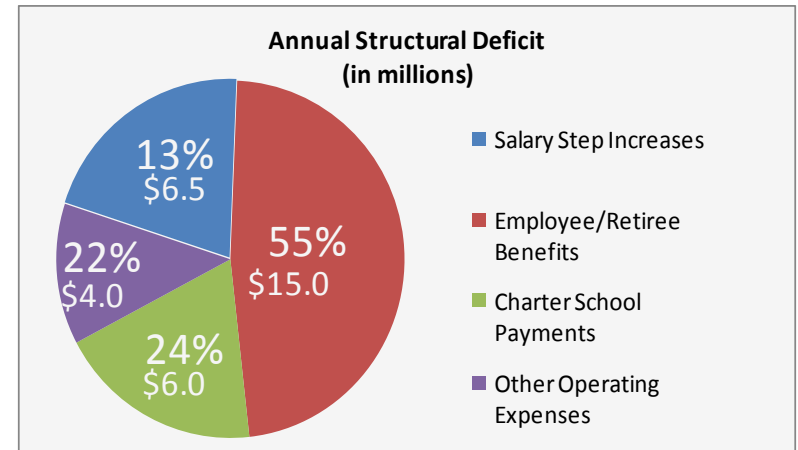
FINANCIAL PLAN OVERVIEW	2-4
PROJECTED REVENUES & EXPENDITURES	2-13
FINANCIAL PLAN ASSUMPTIONS	2-18
CLOSING THE GAP ANALYSIS	2-28
WORKFORCE	2-30
CASH FLOW STATEMENTS	2-32

FINANCIAL PLAN OVERVIEW

FINANCIAL PLAN OVERVIEW

The 2009-10 fiscal year has been tumultuous from a state aid perspective. The Buffalo City School District (District) is 80% funded by state aid. The State has continued to have a financial crisis and therefore passed legislation during the current year, reducing operating aid payable to the District by \$5.8 million; however, that reduction is to be backfilled by 2010-11 federal stimulus funds. While this prevents an aid reduction in the current year, it only delays the reduction to next fiscal year. Additionally, due to the State's fiscal crisis, on two occasions the Governor has withheld state aid payments. The most recent delayed payment totals \$26 million and is currently scheduled to be paid in June.

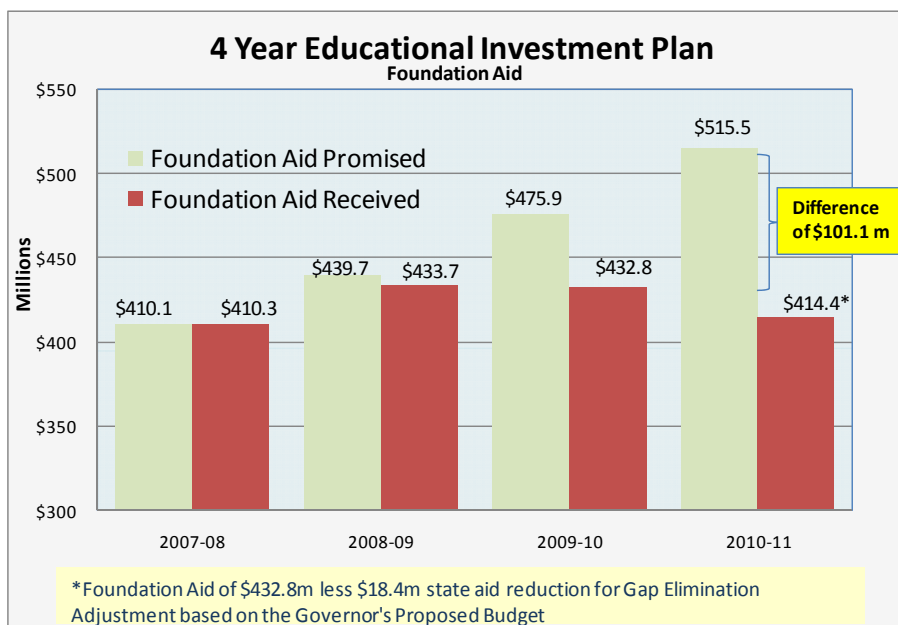
In February, the Governor released his 2010-11 State Budget, which included a Gap Elimination Adjustment (GEA) assessed to school districts to help the State balance its budget. The District's total aid **reduction** from the GEA totals \$18.4 million. This reduction puts significant stress on the District's budget and the ability to achieve its goal of "ensuring high academic achievement for all" for several reasons. Aside from being 80% reliant on state aid, the District has no taxing authority or mechanism to raise its own revenues. The District is dependent on the City of Buffalo to provide a contribution which has remained flat at approximately \$70 million since 2006-07. The District struggles annually with a structural budget deficit of approximately \$30 million, representing certain operating costs that increase every year that the District has no immediate control over. These costs include annual compensation steps guaranteed by law, health insurance premiums, pension contributions, charter tuition payments and other inflationary increases.



The Governor's proposed aid reduction, coupled with the District's annual structural deficit of approximately \$30 million has resulted in a preliminary budget deficit of \$40.6 million. The District has committed to using \$15 million of its "rainy day" fund reserves to close a portion of the deficit. The District continues to work on closing the remaining budget deficit of \$25.6 million as there is only a slim chance of state aid increases ultimately being in the adopted state budget. The current plan from the Senate mirrors the Governor's, while the Assembly's plan would restore only \$7.5 million of the proposed reduction. Both houses of the Legislature and the Governor have to agree on a final budget.

Given that approximately 85% of the District's operating budget is mandated or fixed in nature, without increases in State aid, forced layoffs become inevitable, even with the use of significant "rainy day" reserves, because of the structural cost increases. The proposed actions to eliminate the budgetary deficits included herein on page 2-29 reflect the dire situation this District is in without assistance on the structural budget challenges discussed further below.

This Four Year Financial Plan reflects a significant reduction in State aid as a result of the State budget crisis. The Foundation Aid formula placed into law in 07-08 as part of former Governor Spitzer's Four Year Educational Investment Plan (EIP) was abandoned after the first year. Instead, Foundation aid will be held flat at 08-09 levels for four straight years if the Governor's proposed budget is adopted, with smaller aid increases the following two years than originally promised. The 2010-11 fiscal year was to be the final year of the EIP with Foundation Aid of \$515.5 million. Instead, Foundation Aid will remain at the 2008-09 level of \$432.8 million coupled with a GEA of \$18.4 million, for a net of \$414.4 million. This represents an astounding difference of \$101.1 million between the aid promised and what is to be received. That foregone aid could have paid dividends in the education of our students.



In addition to the State budget crisis, the District has had to account for two significant pieces of litigation in our budgeting – the three step wage freeze litigation and the single carrier health insurance litigation.

- To guard against mid-year reductions in the event of an unfavorable ruling in the wage freeze litigation, the District budgeted a contingency reserve for 2009-10 of \$55.5 million of additional compensation for the estimated cost of the three years of annual step increases, retroactive to July 1, 2007, that were frozen by the Buffalo Fiscal Stability Authority (BFSA) from 2004 to 2007. Since the case is still pending, this contingency will be carried into the 2010-11 budget and increased by the estimated annual cost of the three steps, \$18.5 million, for a total contingency of \$74 million. On a positive note related to this litigation, the District, along with the BFSA and the City were granted the right to appeal the previous unfavorable rulings by the Court of Appeals.
- The Court ordered the District to return to the higher cost multi-carrier health insurance program that was in place prior to the move to single carrier. The District currently remains on the single carrier plan because it is unable to move back to the original multi-carrier program. The District awaits clarification from the Buffalo Teachers Federation or the Court on those issues preventing the District from moving back to the original program. We have budgeted for a single-carrier program in the 2010-11 budget that has the same benefits and providers as before, but takes advantage of a lower pricing option not previously available to the District. This presents a budgetary risk of approximately \$4 million if the District is forced to change its current program.

While the District enters the next four year period with its strongest balance sheet on record, having accumulated significant reserves over the last few years, those reserves run the risk of being quickly depleted based on the current projections.

ASSUMPTIONS:

Baseline assumptions in the plan include (detailed assumptions are on pages 2-18 through 2-27):

- State aid is based on the Governor’s proposed budget described above*
- District must pay the 3 steps frozen by the BFSAs
- Single salary increment (one step) for 2010-11 and beyond
- Reserves (“rainy day” funds) are used to help close budgetary gaps on an annual basis*
- Charter Payment increases are based on Foundation Aid increases in future years*

*Also identified as a risk in the section below

FINANCIAL SUMMARIES:

General Fund:

General Fund	2010-11	2011-12*	2012-13	2013-14
Total Revenues	\$786.3	\$757.4	\$766.7	\$781.7
Total Expenditures	826.9	807.0	837.2	865.5
Baseline (Deficit)	<u>(\$40.6)</u>	<u>(\$49.6)</u>	<u>(\$70.5)</u>	<u>(\$83.8)</u>

*Revenue decrease due to the decrease in appropriated reserves relating to the wage freeze litigation

Food Service Fund:

This is the second consecutive year a four year plan has included deficits for the Food Service Fund due to the impact of the living wage coupled with food costs that are increasing at a higher rate than anticipated state and federal aids. To close the anticipated gaps, forced staff reductions will be needed in the out years.

Food Service Fund	2010-11	2011-12	2012-13	2013-14
Total Revenues	\$21.9	\$22.3	\$22.8	\$23.2
Total Expenditures	23.4	24.3	25.0	25.7
Baseline (Deficit)	<u>(\$1.5)</u>	<u>(\$2.0)</u>	<u>(\$2.2)</u>	<u>(\$2.5)</u>

The Special Projects (Grants) Fund is projected to breakeven.

General Fund Summary of Major Categories:

	2010-11	2011-12	2012-13	2013-14
Significant Revenue Categories:				
Foundation Aid	\$ 432.8	\$ 432.8	\$ 440.7	\$ 453.9
Other Formula Aid	105.5	104.8	106.0	106.5
Charter School Transition Aid	4.7	8.0	7.5	8.1
Building Aid - JSCB	78.7	85.2	85.1	85.1
Appropriated Reserves for Wage Freeze Litigation	55.5	-	-	-
Gap Elimination Adjustment	(18.4)	-	-	-
Other (City, County, Medicaid & misc.)	127.5	126.7	127.4	128.1
	\$ 786.3	\$ 757.4	\$ 766.7	\$ 781.7
Significant Expenditure Categories:				
Compensation	\$ 258.3	\$ 264.7	\$ 270.1	\$ 274.2
Step Litigation Contingency	74.0	18.5	18.5	18.5
Health Insurance	104.1	116.0	129.6	144.8
Other Benefits	59.9	62.9	64.0	65.2
Charter School Tuition Payments	78.2	81.7	88.0	93.4
Debt Service	105.9	113.3	113.4	112.1
Other (Transportation, Agency Tuition, Contracts, Utilities, Textbooks, Supplies and misc.)	146.5	150.0	153.6	157.3
	\$ 826.9	\$ 807.0	\$ 837.2	\$ 865.5
Baseline (Deficit)	(\$40.6)	(\$49.6)	(\$70.5)	(\$83.8)
Appropriated Reserves	15.0	10.6	8.9	8.1
(Deficit) after use of Reserves	(\$25.6)	(\$39.0)	(\$61.6)	(\$75.7)

RISKS:

There are some significant risks to these financial projections:

- Over the four year period, the District is using \$42.5 million and \$4.1 million of its unreserved, unappropriated fund balance from the general and food service funds, respectively. Based on the current projections, this would leave the general fund with unacceptably low “rainy day” funds:

	General Fund	Food Service Fund
	(in millions)	
Unreserved, Unappropriated Fund Balance, 6/30/09	\$ 42.5	\$ 7.1
Projected Operations Surplus 2009-10	3.3	0.0
Projected surplus attributable to not paying wage freeze contingency in 2009-10 (\$55.5m contingency less \$37m reserves)	18.5	0.0
Additional appropriated reserves in 2010-11 budget to cover wage freeze litigation increase	(18.5)	
Appropriated in 2010-11 budget to cover operations	(15.0)	(1.5)
Subtotal available beginning 7/1/11	\$ 30.8	\$ 5.6
Reserves appropriated in 2011-12 through 2013-14 to close projected deficits	(27.5)	(2.6)
Unreserved, Unappropriated Fund Balance, 6/30/14*	\$ 3.3	\$ 3.0

**Unreserved, unappropriated fund balance would almost be completely depleted for the General fund. The Food Service fund would have an unreserved, unappropriated balance of 5.5% of expenditures.*

The use of reserves to fund ongoing operations is not fiscally prudent since eventually the sources of funds are depleted, but the costs remain. The Government Finance Officers Association recommends an unreserved balance between 5% and 15% or one to two months of regular general fund operating expenditures, at a minimum.

- Given the current state of the economy, the State could modify its budget after adoption, which could result in a reduction in State Aid during the school year.

- If the District is forced to change its current single carrier health insurance program, there could be a budgetary deficit of \$4 million.
- The District utilized ARRA stimulus funds to support operations of \$2.5 million in the current fiscal year. Those funds expire at the start of the 2011-12 fiscal year and there is no current plan or ability to absorb those costs back into the General Fund.
- Grants – in the event any grants are reduced or eliminated, the General Fund may need to absorb those expenditures.
- Charter school payments beyond 2009-10 are difficult to predict. For 2009-10, the state froze the per student tuition payments, recognizing that increasing the tuitions paid to charter schools while freezing state aid to public districts was inequitable and presented an even greater financial hardship to public districts. Absent any contrary information, the District assumes per student tuition payments will align with the increases in foundation aid.
- The NYS Retirement Systems have indicated that future contribution rates will increase as a result of poor investment returns. The District has incorporated increased rates in the plan; however, the actual rates could exceed the projected rates.

Enrollment:

The District enrollment is currently projected to be relatively stable when compared to prior years, although still on a downward trend. Charter enrollment is projected to continue to rise due to new charters and current charters continuing to expand their enrollment. (See page 2-26 for further details.)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
District Enrollment	34,478	34,528	33,492	32,925	32,360	32,074
Charter School Enrollment	6,160	6,500	7,149	7,426	7,859	8,100
Total Enrollment	40,638	41,028	40,641	40,351	40,219	40,174

Structural Challenges:

Charter Payments:

Charter payments continue to have a significant impact on the District's budget, representing almost 10% of the total general fund budget and are a significant portion of the annual structural deficit. The primary reason for the significant financial impact is the formula that calculates the annual charter tuition the District must transfer to the charter schools for each Buffalo resident student. There needs to be serious reform of how charter schools are funded. The current formula is flawed in three primary ways:

1. It applies an inflationary increase based on statewide expenditure increases that have averaged 15%, yet Buffalo's expenditures have only increased an average of 5%. This disparity has resulted in \$12 million more in payments for charter tuition to the District than if the District's actual inflationary rate had been used.
2. There is no adjustment for legacy costs (retiree health insurance and higher average salaries due to a more tenured work force) that become part of the charter tuition, yet the charter schools do not have to pay these costs out. These two legacy costs added approximately \$1,500 to the per pupil tuition and resulted in an additional \$9.6 million being paid to the charter schools. In effect, the District pays a portion of these legacy costs twice.
3. The current formula assumes that the District's costs follow the student when they transfer to a charter school. However, the District's costs are more fixed than variable. This combined with the fact that students leave the District from varying grades, schools and classrooms spread across the District make it impossible to immediately recognize savings by students leaving. The opportunity to combine classrooms generally exists only when there are less than 14 students each in two classrooms in the same grade level at the same school. The Choice program poses an additional challenge as it enables parents to choose a District school for their children thereby limiting the District's flexibility to reduce costs. The opportunity to close schools is driven in part by the ability to combine classrooms. A major challenge to closing schools is also the community itself. The announcement of a school closing is usually met by an outcry from parents, neighbors and elected representatives. As a result of these dynamics, operating costs do not decrease proportionately with enrollment declines.

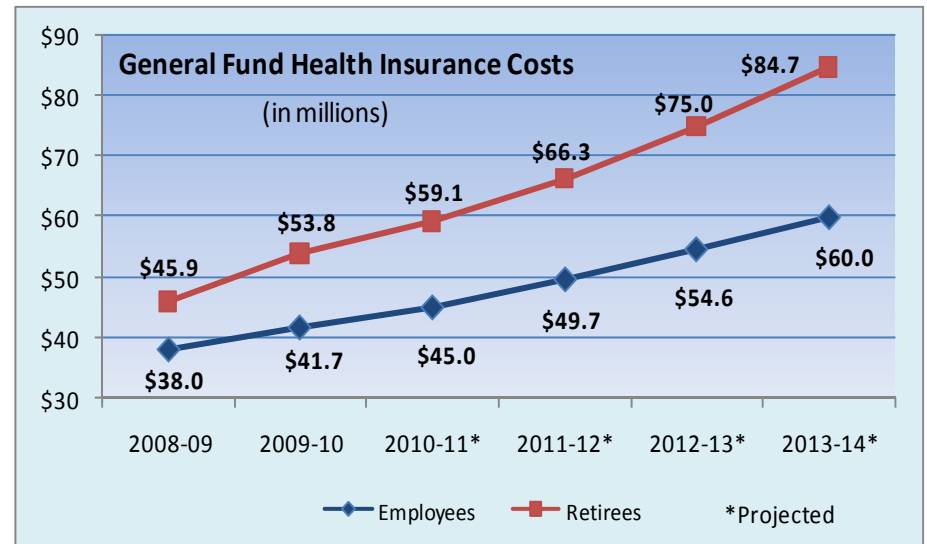
The State did recognize potential funding inequities by freezing the charter tuition payments in 2009-10 and 2010-11 at the 2008-09 level since there were no aid increases. However, the District has gone on record stating that there should be equity in applying aid reductions. The District's aid is being reduced 3.48% and such reduction should be assessed to the charter tuition per pupil. The District is optimistic that this will bring forth changes to the existing formula.

While the State provided some relief beginning in 2007-08 by creating Charter School Transitional Aid (CSTA) to help overburdened districts like Buffalo, the transitional funding alone does not fully address the drain of the District's budget.

Health Insurance Costs:

The District has been able to contain health insurance costs by switching to a single carrier. The District's unions took exception to the change, despite there being no difference in coverage, and began litigation. The District received an unfavorable ruling regarding the change but has remained on a single carrier plan because the multi-carrier plans are no longer available. The District awaits clarification on this issue.

The structural challenge of ever increasing retirees and benefits is a concern, even with a single carrier plan. The chart below shows the escalating disparity between the District's costs for employees in the General Fund, compared to retirees. Approximately half of all retirees make no contribution toward their health insurance cost. Contribution rates range from \$160 (single plan) to \$1,600 (family plan) for those that do pay a portion of the cost of the plan. Contribution rates from future retirees can only be negotiated through new collective bargaining agreements.



Detailed assumptions for the above structural issues appear on pages 2-23 and 2-26.

PROJECTED REVENUES AND EXPENDITURES

2008-09 ACTUAL

2009-10 PROJECTIONS AS OF APRIL 6, 2010

2010-11 PRELIMINARY BUDGET AS OF APRIL 6, 2010

2011-12 THROUGH 2013-14 PROJECTIONS

**BUFFALO CITY SCHOOL DISTRICT
PROJECTED DEFICITS**

GENERAL FUND

	PRELIMINARY BUDGET 10-11	VARIANCE	PROJECTED 11-12	VARIANCE	PROJECTED 12-13	VARIANCE	PROJECTED 13-14	4 yrs cumulative
REVENUES	786,272,660	(28,824,689)	757,447,971	9,320,879	766,768,850	14,935,838	781,704,688	
EXPENDITURES	826,924,798	19,886,624	807,038,174	(30,174,098)	837,212,272	(28,321,639)	865,533,911	
BASELINE BUDGETARY DEFICIT	(40,652,138)	(8,938,065)	(49,590,203)	(20,853,219)	(70,443,422)	(13,385,801)	(83,829,223)	(244,514,986)
Appropriated Reserves	15,000,000		10,638,065		8,867,800		8,079,884	42,585,749
Deficit after use of Reserves	(25,652,138)		(38,952,138)		(61,575,622)		(75,749,339)	(201,929,237)

FOOD SERVICE FUND

	PRELIMINARY BUDGET 10-11	VARIANCE	PROJECTED 11-12	VARIANCE	PROJECTED 12-13	VARIANCE	PROJECTED 13-14	4 yrs cumulative
REVENUES	21,915,622	441,234	22,356,856	458,421	22,815,277	469,683	23,284,960	
EXPENDITURES	23,405,478	(922,221)	24,327,699	(694,375)	25,022,074	(715,812)	25,737,886	
BASELINE BUDGETARY DEFICIT	(1,489,856)	(480,987)	(1,970,843)	(235,954)	(2,206,797)	(246,129)	(2,452,926)	(8,120,422)
Appropriated Reserves	1,489,856		633,722		869,676		1,115,805	4,109,059
Deficit after use of Reserves	-		(1,337,121)		(1,337,121)		(1,337,121)	(4,011,363)

The Special Projects Fund is projected to break even.

BUFFALO CITY SCHOOL DISTRICT							
REVENUES							
	ACTUAL 08-09	ADOPTED BUDGET 09-10	PROJECTED 09-10 April 6, 2010	PRELIMINARY BUDGET 10-11 April 6, 2010	PROJECTED SEE ASSUMPTIONS ON SUBSEQUENT PAGES		
					11-12	12-13	13-14
GENERAL FUND:							
REAL PROPERTY TAX (INCLUDES STAR)	70,322,758	70,322,758	70,322,758	70,322,758	70,322,758	70,322,758	70,322,758
ERIE COUNTY SALES TAX	32,145,521	33,060,000	32,260,000	33,500,000	34,170,000	34,853,400	35,550,468
MEDICAID REIMBURSEMENT (FEDERAL)	1,308,145	2,000,000	2,000,000	2,500,000	2,500,000	2,500,000	2,500,000
STATE AID							
BASIC FORMULA AIDS							
FOUNDATION AID	433,686,354	432,811,930	432,811,930	432,811,930	432,811,930	440,713,534	453,882,873
OTHER FORMULA AIDS	76,273,568	102,487,040	102,235,797	105,567,201	106,409,174	107,284,826	107,385,915
CHARTER SCHOOL TRANSITIONAL AID	6,681,592	3,583,404	4,634,647	4,726,421	7,951,070	7,471,336	8,092,921
BUILDING AID - JSCB PHASE I	13,504,622	13,504,622	13,504,622	13,504,622	13,504,622	13,504,622	13,504,622
BUILDING AID - JSCB PHASE II	25,388,429	25,388,429	25,388,429	25,388,429	25,388,429	25,388,429	25,388,429
BUILDING AID - JSCB PHASE III	24,747,519	24,747,519	24,747,519	24,747,519	24,747,519	24,747,519	24,747,519
BUILDING AID - JSCB PHASE IV	15,038,050	-	-	15,038,050	21,556,938	21,556,938	21,556,938
INCREMENTAL AID FOR TRANSPORTATION	-	-	-	-	(1,606,627)	(1,266,670)	(919,913)
OTHER STATE AID/FED (FEMA)	7,316,541	4,403,000	4,403,000	2,903,000	1,103,000	1,103,000	1,103,000
GAP ELIMINATION ADJUSTMENT	-	-	-	(18,377,428)	-	-	-
TOTAL STATE AID	602,636,675	606,925,944	607,725,944	606,309,744	631,866,055	640,503,534	654,742,304
OTHER:							
MISCELLANEOUS							
OTHER (TUITION, INTEREST, MISC, INTERFUND)	12,212,399	13,998,158	17,291,158	14,140,158	14,140,158	14,140,158	14,140,158
LOCAL SHARE CONTRIBUTION FOR JSCB (INTEREST EARNINGS)	2,616,805	3,293,000	-	3,200,000	3,649,000	3,649,000	3,649,000
APPROPRIATED FUND BALANCE (BUDGETARY ONLY)	-	42,500,000	43,300,000	55,500,000	-	-	-
STABILIZATION RESERVE FUND BALANCE (BUDGETARY ONLY)	-	800,000	-	800,000	800,000	800,000	800,000
TOTAL GENERAL FUND	721,242,303	772,899,860	772,899,860	786,272,660	757,447,971	766,768,850	781,704,688
SPECIAL PROJECTS FUND:							
CATEGORICAL GRANTS:	13,442,313	12,761,642	12,761,642	12,761,642	12,761,642	12,761,642	12,761,642
TOTAL OTHER GRANTS:	88,379,060	127,547,644	127,547,644	103,447,153	85,356,214	85,356,214	85,356,214
TOTAL SPECIAL PROJECTS FUND	101,821,373	140,309,286	140,309,286	116,208,795	98,117,856	98,117,856	98,117,856
FOOD SERVICE FUNDS:							
STATE AND FEDERAL AID	16,445,810	16,073,000	16,073,000	16,341,500	16,750,038	17,168,789	17,598,009
FEDERAL AID - SURPLUS FOOD	1,481,807	1,512,000	1,512,000	1,712,000	1,712,000	1,712,000	1,712,000
FEDERAL - SUMMER FOOD PROGRAM	1,488,800	1,240,549	1,240,549	1,520,000	1,520,000	1,520,000	1,520,000
TOTAL STATE AND FEDERAL AID	19,416,417	18,825,549	18,825,549	19,573,500	19,982,038	20,400,789	20,830,009
FOOD SALES	1,834,709	2,024,586	2,024,586	1,944,586	1,983,478	2,023,148	2,063,611
INTERFUND TRANSFERS	266,353	352,237	352,237	356,196	350,000	350,000	350,000
MISCELLANEOUS	65,399	41,340	41,340	41,340	41,340	41,340	41,340
FUND BALANCE (BUDGETARY ONLY)	-	2,308,356	2,308,356	-	-	-	-
TOTAL FOOD SERVICE REVENUES	21,582,878	23,552,068	23,552,068	21,915,622	22,356,856	22,815,277	23,284,960
GRAND TOTAL - REVENUES	844,646,554	936,761,214	936,761,214	924,397,077	877,922,683	887,701,983	903,107,504

BUFFALO CITY SCHOOL DISTRICT EXPENSES								
	ACTUAL 08-09 GAAP BASIS	MODIFIED BUDGET 09-10	PROJECTED 09-10 April 6, 2010	PRELIMINARY BUDGET 10-11 April 6, 2010	PROJECTED SEE ASSUMPTIONS ON SUBSEQUENT PAGES			
					11-12	12-13	13-14	
BUDGETARY BASIS (EXCLUDES ENCUMBRANCES)								
GENERAL FUND:								
EMPLOYEE COMPENSATION:								
BTF (TEACHERS)	163,271,227	167,056,306	166,296,306	168,217,882	172,606,742	176,995,602	181,384,462	
	<i>Employee Totals</i>	<i>3,021</i>	<i>3,024</i>	<i>3,002</i>	<i>2,994</i>	<i>2,994</i>	<i>2,994</i>	<i>2,994</i>
BTF OTHER COMPENSATION	8,679,374	9,951,227	9,911,227	10,089,013	10,089,013	10,089,013	10,089,013	
SUBSTITUTES	5,990,130	6,196,200	6,196,200	6,196,200	6,196,200	6,196,200	6,196,200	
BCSA (ADMINISTRATORS)	16,116,727	17,348,695	17,248,695	17,419,787	17,776,039	18,132,291	18,488,543	
	<i>Employee Totals</i>	<i>179</i>	<i>187</i>	<i>183</i>	<i>183</i>	<i>183</i>	<i>183</i>	<i>183</i>
PCTEA (WHITE COLLAR)	15,686,770	17,044,025	16,544,025	16,998,902	17,190,528	17,382,154	17,573,780	
	<i>Employee Totals</i>	<i>404</i>	<i>443</i>	<i>409</i>	<i>440</i>	<i>440</i>	<i>440</i>	<i>440</i>
BEST (TEACHER AIDES - NON CERTIFIED)	7,360,791	7,590,327	7,590,327	7,492,468	7,812,138	7,830,418	7,848,698	
	<i>Employee Totals</i>	<i>372</i>	<i>365</i>	<i>365</i>	<i>366</i>	<i>366</i>	<i>366</i>	<i>366</i>
BEST (TEACHING ASSISTANTS - CERTIFIED)	7,914,058	7,633,810	7,533,810	7,501,826	7,726,881	7,726,881	7,726,881	
	<i>Employee Totals</i>	<i>384</i>	<i>371</i>	<i>361</i>	<i>372</i>	<i>372</i>	<i>372</i>	<i>372</i>
TAB (BUS AIDES) (Hourly)	5,106,785	6,225,156	6,225,156	6,225,156	6,984,324	7,263,697	7,263,697	
TRADES (CARPENTERS, PLUMBERS)	3,919,942	4,415,841	4,415,841	4,560,841	4,720,470	4,885,686	4,885,686	
	<i>Employee Totals</i>	<i>48</i>	<i>48</i>	<i>49</i>	<i>48</i>	<i>48</i>	<i>48</i>	<i>48</i>
LOCAL 264 (BLUE COLLAR)	3,153,052	3,280,048	3,280,048	3,255,906	3,272,453	3,289,000	3,305,547	
	<i>Employee Totals</i>	<i>96</i>	<i>98</i>	<i>93</i>	<i>97</i>	<i>97</i>	<i>97</i>	<i>97</i>
LOCAL 409 (ENGINEERS)	3,480,865	3,458,270	3,458,270	3,537,926	3,544,732	3,551,538	3,558,344	
	<i>Employee Totals</i>	<i>62</i>	<i>67</i>	<i>62</i>	<i>66</i>	<i>66</i>	<i>66</i>	<i>66</i>
EXEMPT	2,576,143	3,172,149	3,172,149	3,192,445	3,192,445	3,192,445	3,192,445	
	<i>Employee Totals</i>	<i>35</i>	<i>38</i>	<i>36</i>	<i>38</i>	<i>38</i>	<i>38</i>	<i>38</i>
MISCELLANEOUS ITEMS	292,332	521,856	521,856	479,156	479,156	479,156	479,156	
OVERTIME	2,896,169	3,611,838	3,711,838	3,110,897	3,110,897	3,110,897	2,253,397	
	<i>Employees - Grand Totals</i>	<i>4,602</i>	<i>4,641</i>	<i>4,560</i>	<i>4,604</i>	<i>4,604</i>	<i>4,604</i>	<i>4,604</i>
TOTAL EMPLOYEE COMPENSATION	246,444,365	257,505,748	256,105,748	258,278,405	264,702,018	270,124,978	274,245,849	
STEP LITIGATION CONTINGENCY WITH FRINGE	-	55,500,000	55,500,000	74,000,000	18,500,000	18,500,000	18,500,000	
EMPLOYEE BENEFITS:								
CIVIL SERVICE RETIREMENT	2,644,174	2,840,000	2,340,000	4,680,564	4,648,734	4,615,093	4,641,918	
TEACHERS RETIREMENT	14,204,237	12,447,000	12,447,000	18,045,318	19,990,192	20,488,429	20,986,666	
SOCIAL SECURITY	18,917,487	19,350,000	18,850,000	19,670,711	20,303,304	20,718,161	21,033,407	
HEALTH INSURANCE - EMPLOYEES	38,039,813	42,245,128	41,745,128	45,016,293	49,688,568	54,613,932	60,034,403	
HEALTH INSURANCE - RETIREES	45,899,943	53,840,591	53,840,591	59,144,591	66,307,143	74,989,102	84,746,272	
TERMINATION PAY	3,188,012	5,360,000	5,360,000	5,360,000	5,360,000	5,360,000	5,360,000	
OTHER BENEFITS	9,816,434	11,749,222	11,749,222	12,103,145	12,560,120	12,860,120	13,160,120	
TOTAL EMPLOYEE BENEFITS	132,710,100	147,831,941	146,331,941	164,020,622	178,858,061	193,644,837	209,962,786	
OTHER:								
TRANSPORTATION	39,657,407	43,095,974	42,795,974	39,994,975	40,794,875	41,610,773	42,442,988	
UTILITIES	14,015,976	14,666,021	14,566,021	14,666,021	15,399,322	16,169,288	16,977,752	
TUITION	27,352,434	31,000,000	31,000,000	32,100,000	33,705,000	35,390,250	37,159,763	
CONTRACTS - CUSTODIAN	16,751,291	16,957,380	16,957,380	18,173,341	18,173,341	18,173,341	18,173,341	
EQUIPMENT	2,526,199	2,189,219	2,189,219	2,062,948	2,062,948	2,062,948	2,062,948	
CONTRACTS - MISCELLANEOUS	10,580,988	13,588,145	13,588,145	11,475,096	11,475,096	11,475,096	11,475,096	
RENTAL CONTRACTS (EQUIP, FACIL, CMPTRS)	10,314,419	10,286,440	10,286,440	9,742,146	10,034,410	10,335,442	10,645,505	
REPAIRS & MAINTENANCE & RELATED	1,892,025	2,056,802	2,056,802	1,864,449	1,864,449	1,864,449	1,864,449	
TEXTBOOKS	4,108,371	4,576,065	4,576,065	3,887,750	3,887,750	3,887,750	3,887,750	
SUPPLIES & MISC RELATED ITEMS	8,332,455	9,621,998	9,621,998	9,376,092	9,376,092	9,376,092	9,376,092	
CHARTER SCHOOL PAYMENTS	66,929,782	71,700,000	71,700,000	78,200,000	81,700,000	88,000,000	93,400,000	
DEBT SERVICE (NOT INCLUDING JSCB)	21,656,351	21,006,421	21,006,421	21,347,631	21,141,561	21,230,529	20,001,435	
DEBT SERVICE - JSCB PHASE I	14,524,100	14,524,850	14,524,850	14,524,850	14,529,100	14,526,225	14,526,631	
DEBT SERVICE - JSCB PHASE II	26,734,338	26,738,643	26,738,643	26,738,643	26,733,588	26,736,712	26,734,963	
DEBT SERVICE - JSCB PHASE III	18,865,526	26,739,213	26,739,213	26,739,213	27,094,588	27,093,587	27,091,463	
DEBT SERVICE - JSCB PHASE IV				16,517,616	23,790,975	23,794,975	23,790,100	
INTERFUND (NOT DEBT RELATED)	7,275,942	3,315,000	3,315,000	3,215,000	3,215,000	3,215,000	3,215,000	
TOTAL GENERAL FUND	670,672,069	772,899,860	769,599,860	826,924,798	807,038,174	837,212,272	865,533,911	

BUFFALO CITY SCHOOL DISTRICT EXPENSES					
	ACTUAL 08-09 GAAP BASIS	MODIFIED BUDGET 09-10	PROJECTED 09-10 April 6, 2010	PRELIMINARY BUDGET 10-11 April 6, 2010	PROJECTED SEE ASSUMPTIONS ON SUBSEQUENT PAGES 11-12 12-13 13-14
BUDGETARY BASIS (EXCLUDES ENCUMBRANCES)					

SPECIAL PROJECTS FUND:							
CATEGORICAL GRANTS	13,442,313	12,761,642	12,761,642	12,761,642	12,761,642	12,761,642	12,761,642
TOTAL OTHER GRANTS	88,379,060	127,547,644	127,547,644	103,447,153	85,356,214	85,356,214	85,356,214
TOTAL SPECIAL PROJECTS EXPENDITURES:	101,821,373	140,309,286	140,309,286	116,208,795	98,117,856	98,117,856	98,117,856

FOOD SERVICE FUNDS:							
EMPLOYEE COMPENSATION	5,426,995	5,821,274	5,821,274	5,821,274	6,233,778	6,397,847	6,561,916
BENEFITS	1,429,606	1,676,894	1,676,894	1,680,853	1,764,896	1,853,141	1,945,798
EQUIPMENT	1,042,496	1,088,884	1,088,884	488,884	488,884	488,884	488,884
SERVICES & MISC SUPPLIES	1,029,323	1,166,469	1,166,469	1,216,469	1,252,963	1,290,552	1,329,269
CAFETERIA SUPPLIES (NON-FOOD)	835,937	1,295,000	1,295,000	916,000	943,480	971,784	1,000,938
FOOD SUPPLIES	7,575,813	8,663,498	8,663,498	9,042,498	9,404,198	9,780,366	10,171,581
USDA COMMODITIES	1,353,007	1,519,500	1,519,500	1,719,500	1,719,500	1,719,500	1,719,500
INTERFUND TRANSFERS	1,036,886	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
SUMMER FOOD SERVICE	1,488,800	1,320,549	1,320,549	1,520,000	1,520,000	1,520,000	1,520,000
TOTAL FOOD SERVICE EXPENDITURES	21,218,863	23,552,068	23,552,068	23,405,478	24,327,699	25,022,074	25,737,886
GRAND TOTAL - EXPENDITURES	793,712,305	936,761,214	933,461,214	966,539,071	929,483,729	960,352,202	989,389,653

FINANCIAL PLAN ASSUMPTIONS

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

2009-10 Budget	Rates of Change or Amounts Included in Financial Model			
	2010-11	2011-12	2012-13	2013-14

RATES OF CHANGE ARE APPLIED TO THE PRECEDING FISCAL YEAR

REVENUE ASSUMPTIONS - GENERAL FUND

I Real property taxes (includes STAR):

The property taxes are considered the contribution from the City of Buffalo. The amount of the contribution includes STAR revenues. The City decreased their contribution \$.5 million in 2007-08. No future changes will be projected at this time.

0% 0% 0% 0%

I Sales Tax:

The District currently receives 8.4% of the City's share of the Erie County Sales Tax. Sales tax revenues are currently projected to be less than budgeted due to lower consumer spending and the recession. However, the economy should recover so the District will conservatively project the following increases:

0% 2% 2% 2%

I Medicaid Reimbursement:

The Federal government continues to change the regulations for Medicaid eligible services that can be reimbursed. Recently, the regulations have changed for the benefit of the District so an increase has been budgeted in 2010-11 and are projected to remain flat thereafter at this time.

0% 0% 0% 0%

I State Aid:

A state budget has yet to be adopted by the Legislature. The Governor's budget released in February held Foundation Aid flat in 2010-11 and 2011-12 with the formula resuming thereafter. Foundation Aid is based on the Governor's budget as follows:

	Increase:		Increase:		Increase:		Increase:
\$432,811,930	0.00%	\$432,811,930	0.00%	\$432,811,930	1.83%	\$440,713,534	2.99%
							\$453,882,873

The District recognizes that the aid payable in each year will be recalculated once actual data is finalized; however based on the poverty of the District and the extraordinary needs of the enrollment; the formula increases appear reasonable.

GAP Elimination Adjustment:

The Governor's budget released in February 2010 proposed cuts to operating aid. These cuts have already been partially restored through an infusion of federal stimulus funds. Buffalo's aid reduction in dollars is as follows:

\$ (18,377,428)

GAP Elimination Adjustment as a percent:

3.48%

Other Formula Aids include Transportation, Private & Public Excess High Cost Aids, Building Aid (excluding JSCB), Textbook, Hardware, Software, Library, and Special Service Aids. While most of these aids are not projected to increase, Private Excess Cost increases annually, due to agency payment increases.

Total Other Formula Aids	\$102,487,040								
Private Excess Cost increases	\$20,239,729	4.0%	\$809,589	4.0%	\$841,973	4.0%	\$875,652	4.0%	\$101,089

A new aid category was established in 2007-08 to help provide relief from the financial drain caused by the significant number of charter school students in certain school districts, including Buffalo. The Charter School Transitional Aid continues on a rolling basis so long as charter school enrollment continues to increase. Therefore, based on the formula, the following amounts of aid are projected based on the increase in charter enrollment:

\$4,634,648 \$5,769,323 \$7,951,070 \$7,471,336 8,092,921

Building Aid - Joint Schools Construction Board:

Building Aid for the projects and related debt is based on amortization schedules and reimbursement rates set by SED. The projected amounts are as follows:

Phase I:	\$13,504,622	\$13,504,622	\$13,504,622	\$13,504,622	\$13,504,622
Phase II:	\$25,388,429	\$25,388,429	\$25,388,429	\$25,388,429	\$25,388,429
Phase III:	\$24,747,519	\$24,747,519	\$24,747,519	\$24,747,519	\$24,747,519
Phase IV:		\$15,038,050	\$21,556,938	\$21,556,938	\$21,556,938

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model					
2009-10 Budget	2010-11	2011-12	2012-13	2013-14	
	RATES OF CHANGE ARE APPLIED TO THE PRECEDING FISCAL YEAR				

I Incremental State Aid for Transportation Costs:

Transportation aid is included in the general operating aid payments. However, the aid is annually based on the expenditures of the previous fiscal year. It has historically been reimbursed at 85% of the previous fiscal years expenditures. The increase in aid for 2010-11 is already included in the State Budget. The District put the transportation contract out for bid and will actually have a decrease in costs starting with 2010-11 that will result in a decrease in aid in 2011-12. Since this will save the State money, the District has asked for 50% of the savings starting in 2011-12. The baseline decrease in transportation aid based on the decrease in expenditures is as follows:

50% of the savings from the State totals:		\$ (3,213,255)	\$ (2,533,340)	\$ (1,839,827)
		\$ 1,606,628	\$ 1,266,670	\$ 919,914
		<u>\$ (1,606,627)</u>	<u>\$ (1,266,670)</u>	<u>\$ (919,913)</u>

The net reduction in Transportation Aid:

I Other State Aid:

The District annually receives aid that is classified as "other" for Incarcerated Youth, Tuition Chapter 47 and reimbursement for principal and interest paid on the MBBA debt for prior year aid. The only amount that is budgeted is the reimbursement for the principal and interest because the other aid payments are sporadic and can not be reliably projected from year to year.

	\$1,103,000	\$1,103,000	\$1,103,000	\$1,103,000	\$1,103,000
--	-------------	-------------	-------------	-------------	-------------

In 2009-10, an additional \$1.5 million in legislative aid was included in the State budget. Any such amounts cannot be guaranteed annually and have therefore been excluded from future projections.

	\$1,500,000	\$0	\$0	\$0	\$0
--	-------------	-----	-----	-----	-----

The District can request a one time Chapter 1 Advance from New York State totaling \$1.8 million if needed. (The aid is then withheld in the subsequent year; and requested again on an ongoing basis.)

		\$1,800,000	\$0	\$0	\$0
--	--	-------------	-----	-----	-----

I Other:

Other revenues include tuitions, interest, interfund revenues for indirect costs and miscellaneous items. The totals also include interfund transfers from JSCB to cover certain costs of swing schools, moving, etc. This is anticipated to continue so long as reconstruction continues.

	\$13,998,158	\$14,140,158	\$14,140,158	\$14,140,158	\$14,140,158
--	--------------	--------------	--------------	--------------	--------------

I Local Share Contribution for JSCB:

Based on the Excess Local Share Calculation, earnings on the Debt Service Reserve Fund (DSRF) are to be used as part of the local share contribution, since the building aid does not cover the entire debt payment on an annual basis. In 2009 the Phase III investments were moved to a lower interest bearing accounts due to a downgrade in the guaranteed investment contract. The decreased interest earnings will be offset with carryover local share funds. Phase IV does not have a DSRF. The interest earnings and use of local share account balance are projected as follows:

Phase I:	\$806,000	\$806,000	\$806,000	\$806,000	\$806,000
Phase II:	\$1,272,000	\$1,272,000	\$1,272,000	\$1,272,000	\$1,272,000
Phase III:	\$1,215,000	\$1,571,000	\$1,571,000	\$1,571,000	\$1,571,000
	<u>\$3,293,000</u>	<u>\$3,649,000</u>	<u>\$3,649,000</u>	<u>\$3,649,000</u>	<u>\$3,649,000</u>

I Fund Balance (Budgetary Only):

A portion of the stabilization reserve will be used to pay for the debt from the teachers settlement.

	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
--	-----------	-----------	-----------	-----------	-----------

The 2010-11 adopted budget includes \$37 million to fund a contingency reserve related to the pending wage freeze litigation that will not be settled until the 2010-11 fiscal year at the earliest. Therefore, the contingency will be increased by another \$18.5 million, which is the annual estimated cost for the three steps in question.

	\$37,000,000	\$ 59,500,000			
--	--------------	---------------	--	--	--

The District will use a portion of the fund balance ("rainy day" funds) to balance the budget and avoid further program reductions. Fund balance will also be used to help close the gap in the out years, see the Closing the Gap Analysis.

	\$ 15,000,000	\$ 10,638,065	\$ 8,867,800	\$ 8,079,884	
--	---------------	---------------	--------------	--------------	--

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

	Rates of Change or Amounts Included in Financial Model				
	2009-10 Budget	2010-11	2011-12	2012-13	2013-14
RATES OF CHANGE ARE APPLIED TO THE PRECEDING FISCAL YEAR					
REVENUE ASSUMPTIONS - SPECIAL PROJECTS FUND					
I Categorical Grants: Until 2007-08, the State Categorical Grants included Reading, Improved Pupil Performance, Magnet School, Universal Pre-K, and Early Grade Reduced Class Size. Beginning with the 2007-08 state budget, all categories except Universal Pre-K have been rolled into the General Fund as part of Foundation Aid.					
	\$12,761,642	\$12,761,642	\$12,761,642	\$12,761,642	\$12,761,642
I Other grants: Approximately \$18 million in additional Title I and IDEA funds are anticipated in 2009-10 and 2010-11. After those funds are terminated, the grants are projected to return to the original trend:					
	\$106,154,896	\$103,447,153	\$85,356,214	\$85,356,214	\$85,356,214
REVENUE ASSUMPTIONS - FOOD SERVICE FUND					
I State and Federal Aid: The Food Service fund is self sustaining. State and federal aids assume the following increases based on historical trends and an increased reimbursement rate assumed with rising costs to provide the program:		2.50%	2.50%	2.50%	2.50%
I Food Sales: The District sells food at the Emerson Commons, sells food to outside schools and miscellaneous other programs and collects some monies from students for meals. To offset rising food costs and the increase in the living wage, the District will be forced to raise prices.		2.00%	2.00%	2.00%	2.00%
I Interfund Transfers: Transfers are made from the General fund to support operations at the Emerson Commons. The budgeted amount will be projected as the amount to balance the revenues and expenditures.	\$352,237	\$358,296	\$350,000	\$350,000	\$350,000
I Miscellaneous Revenues: The food service funds occasionally collect miscellaneous revenues. To remain conservative, no increases have been projected:		0.00%	0.00%	0.00%	0.00%
I Fund Balance (Budgetary Only): The food service fund will use fund balance to cover continuing operations in 2009-10 to avoid reductions in service. Fund balance will also be used to close the gap in the out years, see the Closing the Gap Analysis.	\$2,308,356	\$1,489,856	\$633,722	\$869,676	\$1,115,805

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2009-10 Budget	2010-11	2011-12	2012-13	2013-14
-------------------	---------	---------	---------	---------

RATES OF CHANGE ARE APPLIED TO THE PRECEDING FISCAL YEAR

EXPENDITURE ASSUMPTIONS - GENERAL FUND

BASELINE ASSUMPTIONS:

DISTRICT ENROLLMENT:	34,528	33,492	32,925	32,360	32,074
Decrease from prior year	50	(1,036)	(567)	(565)	(286)

BUILDINGS:

Active Schools	58	58	58	58	58
Swing Schools (used to house students during reconstruction)	12	11	11	11	11
Other Sites	14	14	14	14	14
Conversion Charters	1	1	1	1	1
Total Buildings:	85	84	84	84	84

Building closures will be utilized in the out years to close the gap. Building utilization will continue to be monitored as time progresses.

EMPLOYEE COMPENSATION:

The contract for Local 409 expires June 30, 2010 and the Teacher Aides and Assistants contract is negotiated through 2011-12. The Trades are subject to the Prevailing Wage. All other contracts have been expired since 2004, however as per the Taylor Law, contracts continue until a successor agreement is reached.

Employee compensation includes regular salary and longevity (except PCTEA) increments. The BFSA adopted a Wage Freeze resolution April 21, 2004; however it was lifted July 1, 2007. Absent new collective bargaining agreements, the District is still liable for longevity and step increments which are included in the salary detail. (Approximate cost is \$6 million annually, which compounds on an annual basis.)

The BTF - Other Compensation includes all amounts paid for hours outside the normal day (curriculum committees, trainings, summer hours, etc) as well as amounts for grievances and replacement teachers. There are no increases projected above the current budget.					
			0.0%	0.0%	0.0%
II BEST	Salary increase (Teacher Aides & Assistants)	3.0%	3.0%	3.0%	0.0%
II TRADES	Salary increase subject to Prevailing Wage Laws (estimated) (Carpenters, Plumbers, etc)	3.5%	3.5%	3.5%	3.5%
II LOCAL 409	Salary increase (Engineers)	2.0%	0.0%	0.0%	0.0%
II LIVING WAGE	The Board passed a resolution in March 2009 that provided for the living wage to be negotiated into contracts by 2011-12. The bus aides and substitute teacher aides are the two groups in the General fund that would be affected by this. The District estimates the following impact based on a three year phase-in and annual CPI increases. These amounts have been added to the salaries in the plan.				
	Substitute Teacher Aides	\$92,400	\$94,896	4.0%	4.0%
	Bus Aides	\$739,200	\$759,168	4.0%	4.0%

II MISCELLANEOUS COMPENSATION ITEMS	- includes non-instructional sick leave replacement and grievance awards (Instructional totals for these items are included in the BTF - Other Compensation line.)	0%	0%	0%	0%
--	--	----	----	----	----

II OVERTIME

Overtime has increased significantly in recent years due to additional labor for the moves and refurbishment associated with the JSCB reconstruction. So long as the reconstruction continues with additional phases, costs are projected as follows:

Non-JSCB Overtime	\$1,445,577	\$1,395,897	\$1,395,897	\$1,395,897	\$1,395,897
JSCB Overtime	\$1,556,000	\$1,715,000	\$1,715,000	\$1,715,000	\$857,500

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model					
2009-10 Budget	2010-11	2011-12	2012-13	2013-14	
RATES OF CHANGE ARE APPLIED TO THE PRECEDING FISCAL YEAR					

Employee Benefits:

II Civil Service Retirement:

All full time employees, except BTF, BCSA & teaching assistants (see below), are members of the NYS and Local Employees Retirement System (ERS). The rates are actuarially set by the ERS. Based on the performance of Wall Street investments, the ERS has indicated that 2011 rates could rise to the level of the 2009 rates and 2012 rates and beyond could continue towards the long term expected rates of 11.5%

The model will assume the expenditure to approximate the following percentages of employee compensation (PCTEA, BEST (Aides only), Tradesmen, Local 264, Local 409, and Exempt):

7.3%	11.7%	11.7%	11.5%	11.5%
------	-------	-------	-------	-------

II Teachers Retirement:

All full time teachers, administrators and teaching assistants are members of the NYS Teachers' Retirement System (TRS). The rates are actuarially set by the TRS. The TRS has stated that the 2010-11 rate will represent a significant increase based on investment performance. The model will assume the expenditure to approximate the following percentages of employee compensation (BTF, BCSA & BEST (Assistants only)):

6.19%	8.62%	10.5%	10.5%	10.5%
-------	-------	-------	-------	-------

II Social Security:

Estimated at 7.65% of employee compensation.

The District is also liable for FICA and Medicare on Termination Pay. However, with the adoption of a new governmental plan (403-b), the Board's share of these taxes has averaged less than 1%. The plan will assume the following percentage times the Termination Pay line is included as a Social Security expenditure:

7.65%	7.65%	7.65%	7.65%	7.65%
-------	-------	-------	-------	-------

1%	1%	1%	1%	1%
----	----	----	----	----

II Health Insurance:

The projected health insurance costs are a factor of the number of employees, the average rate and the rate of participation of employees (93% excluding BEST; 81% for BEST). During 2008-09, BEST negotiated a new collective bargaining agreement and agreed to participate in a lower cost plan with the same benefits. The rates for 2010-11 assume the District will not be forced to return to the highest cost multi-carrier health insurance plan and are based on rates provided by the insurance consultant. Rates in the future years are based on the percentage increases noted; and were also arrived at through discussions with the insurance consultant.

		Rate inc		Rate inc		Rate inc		Rate inc		
Employees:	Average per participant (Excluding BEST)	\$9,357	13.7%	\$10,641	10%	\$11,705	10%	\$12,876	10%	\$14,164
	BEST	\$8,359	10.5%	\$9,237	10%	\$10,161	10%	\$11,177	10%	\$12,295
Retirees:	Average per participant	\$16,258	4.3%	\$16,955	10%	\$18,651	10%	\$20,516	10%	\$22,568
In-lieu of health insurance coverage payments to employees:		\$500,000		\$500,000		\$500,000		\$500,000		\$500,000
As required by contract, the District must reimburse employees and retirees for certain differences in prescription coverage. The amounts are estimated as follows:		\$94,539	10%	\$103,993	10%	\$114,392	10%	\$125,831	10%	\$138,414
		\$94,830	10%	\$104,313	10%	\$114,744	10%	\$126,218	10%	\$138,840

There are currently 3,349 retirees receiving health insurance benefits. Additional retirees will also need to be added to the base cost each year, while retirees that pass away need to be subtracted from the base. The projected number of retirees was based upon an aging of the current employees and historical data for the mortality rate:

Net new retirees		100	100	100	100
Total number of retirees:	3,349	3,449	3,549	3,649	3,749

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model					
2009-10 Budget	2010-11	2011-12	2012-13	2013-14	
RATES OF CHANGE ARE APPLIED TO THE PRECEDING FISCAL YEAR					

II Termination Pay:

Represents the payments to new retirees for a combination of accumulated leave time balances and an early retirement incentive (formula based calculation) for BTF and BCSA members that are paid upon separation from employment and are based upon union contracts. Projected amounts are based on the actual number of employees eligible to retire, their estimated termination pay benefit and the percentage expected to retire based on trend data.

	\$5,360,000	\$5,360,000	\$5,360,000	\$5,360,000	\$5,360,000
--	-------------	-------------	-------------	-------------	-------------

II Other Benefits:

Other benefits includes supplemental benefits, workers compensation, unemployment, and other minor miscellaneous benefits. Each category has a different assumption as follows:

Supplemental Benefits:

Each union is paid a rate set by their collective bargaining agreement on or about July 1, based upon the number of employees as of the previous fiscal year. Without updated union contracts, the rates will remain the same. Local 409 negotiated increases through 2009-10 and BEST negotiated increases through 2011-12.

BTF:		\$525	\$525	\$525	\$525	\$525
BCSA:		\$530	\$530	\$530	\$530	\$530
PCTEA:		\$475	\$475	\$475	\$475	\$475
BEST:		\$530	\$540	\$550	\$550	\$550
Local 409:	Engineers	\$500	\$500	\$500	\$500	\$500
	Custodial Staff	\$450	\$450	\$450	\$450	\$450
Total		\$2,420,000	\$2,420,000	\$2,420,000	\$2,420,000	\$2,420,000

Workers' Compensation

Based upon the historical trend and increasing medical costs workers compensation is estimated as follows:

	\$7,574,500	\$7,874,500	\$8,174,500	\$8,474,500	\$8,774,500
--	-------------	-------------	-------------	-------------	-------------

Unemployment

The District incurs some unemployment annually due to substitutes and other partial year employees.

	\$758,000	\$758,000	\$758,000	\$758,000	\$758,000
--	-----------	-----------	-----------	-----------	-----------

Miscellaneous Other Benefits

These costs include life insurance, leave time incentives and buy backs. Beginning in 2009-10, the longevity pay for PCTEA (\$450,000) was moved from individual salary lines to this category. The total amount is projected as follows:

	\$1,207,620	\$1,207,620	\$1,207,620	\$1,207,620	\$1,207,620
--	-------------	-------------	-------------	-------------	-------------

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model				
2009-10 Budget	2010-11	2011-12	2012-13	2013-14

Other Items:

<p>II Transportation: Transportation expenditures include costs for special education and public and private providers. The District bid the services for 2010-11 and beyond and received a reduced fee of approximately \$4 million. The contract is subject to annual increases. The District anticipates the rates to change as follows:</p>					
Private carrier - special education	\$ 8,550,000	2.0%	2.0%	2.0%	2.0%
Private carrier - regular education	\$ 24,874,500	2.0%	2.0%	2.0%	2.0%
Public carrier	\$ 7,680,000	2.0%	2.0%	2.0%	2.0%
Fuel	\$ 2,400,000	2.0%	2.0%	2.0%	2.0%
<p>II Utilities: Through the utilization of pooled rates and hedging by the City, the District believes increases will be kept reasonable in future years.</p>		5%	5%	5%	5%
<p>II Tuition: Rates are established by New York State and the following increase was used:</p>		5%	5%	5%	5%
<p>II Contracts - Custodian: The Engineers negotiated a new collective bargaining agreement through 2009-10. Absent a new agreement, there will be no increases.</p>		0%	0%	0%	0%
<p>II Equipment: Equipment expenditures are anticipated to remain flat.</p>		0%	0%	0%	0%
<p>II Contracts - Miscellaneous: This category includes various miscellaneous contractual items. Inflationary increases are anticipated.</p>		0%	0%	0%	0%
<p>II Rental Contracts (Equipment, Facilities, Computers): The District has contractual agreements for the rental of equipment (e.g. copiers), computer related items for instruction and facilities. Some of these contracts stipulate annual increases in accordance with the CPI or some other factor. Therefore, annual increases are projected as follows:</p>		3%	3%	3%	3%
<p>II Repairs and Maintenance Related: This group of expenditures includes maintenance contracts, materials and supplies. No increases are currently forecasted.</p>		0%	0%	0%	0%
<p>II Textbooks: The District pays for books for all children within the district including parochial and charters. Based on a five year textbook adoption cycle, the District intends to keep the total textbook expenditures constant; unless additional revenue is utilized for additional textbook purchases.</p>		0%	0%	0%	0%

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model				
2009-10 Budget	2010-11	2011-12	2012-13	2013-14
RATES OF CHANGE ARE APPLIED TO THE PRECEDING FISCAL YEAR				

II Supplies and Misc Related Items:

This total includes numerous instructional and office related supplies. Due to declining enrollment and staff, any inflationary increases are anticipated to be offset by less purchases. Therefore, no changes are projected.

0% 0% 0% 0%

II Charter School Payments:

Charter School payments continue to have a significant impact on the district. Payments to the charter schools are a function of the number of students and the rate set by the State. Since the State froze increases in foundation aid to public districts in 2009-10 and 2010-11, they also froze the charter tuition payment amount. Absent any information to the contrary, the District will also assume the tuition amount will be frozen in 2011-12, the same as Foundation Aid. In the subsequent years any increase is expected to follow the same percentage as foundation aid. Enrollment increases are based on the professional demographers report and adjusted based on actual information. The District has estimated the expenditure as follows:

	Inc	Inc	Inc	Inc	
	6,500	7,149	7,426	7,859	8,100
	\$10,929	\$10,929	\$10,929	\$11,129	\$11,462

	\$71,600,000	\$78,700,000	\$81,700,000	\$88,000,000	\$93,400,000
Number of Charter Schools:	16	2	18	0	18
				1	19
Enrollment change from prior year for existing charters:	340	469	277	253	241
Enrollment increase from prior year for new charters:	0	180	0	180	0

II Debt Service Costs:

The District's General Fund Principal and interest expenditures are based on the debt service schedules. The model lists out the scheduled principal and interest payments below, including JSCB debt service:

Principal and interest due on bonds currently outstanding			
	PRINCIPAL	INTEREST	Total
2011	\$46,938,641	\$59,018,252	\$105,956,893
2012	\$51,822,573	\$61,467,239	\$113,289,812
2013	\$54,314,340	\$59,067,688	\$113,382,028
2014	\$55,650,705	\$56,493,887	\$112,144,592

II Interfund Transfers:

The District transfers monies to other funds to support the summer handicapped program, JROTC, special projects, capital projects and Emerson food service operations. Based upon historical trends and anticipated local share contributions, the following transfer amounts are anticipated:

\$3,215,000 \$3,215,000 \$3,215,000 \$3,215,000

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

	Rates of Change or Amounts Included in Financial Model				
	2009-10 Budget	2010-11	2011-12	2012-13	2013-14

EXPENDITURE ASSUMPTIONS - SPECIAL PROJECTS FUND

RATES OF CHANGE ARE APPLIED TO THE PRECEDING FISCAL YEAR					
I	Categorical Grants: Until 2007-08, the State Categorical Grants included Reading, Improved Pupil Performance, Magnet School, Universal Pre-K, and Early Grade Reduced Class Size. Beginning with the 2007-08 state budget, all categories except Universal Pre-K have been rolled into the General Fund as part of Foundation Aid.				
		\$12,761,642	\$12,761,642	\$12,761,642	\$12,761,642
I	Other grants: Approximately \$18 million in additional Title I and IDEA funds are anticipated in 2009-10 and 2010-11. After those funds are terminated, the grants are projected to return to the original trend:	\$106,154,896	\$103,447,153	\$85,356,214	\$85,356,214

EXPENDITURE ASSUMPTIONS - FOOD SERVICE FUND

I	Employee Compensation: Employee compensation includes regular salary, longevity, incentives and increments. The BFSAs adopted a Wage Freeze resolution April 21, 2004; however it was lifted as of July 1, 2007. Absent new collective bargaining agreements, the District is liable for longevity and step increments as follows:		\$16,000	\$16,000	\$16,000	\$16,000
I	Living Wage The Board passed a resolution in March 2009 that provided for the living wage to be negotiated into contracts by 2011-12. The food service workers would be affected by this. The District estimates the following impact based on a three year phase-in and annual CPI increases. These amounts have been added to the salaries in the plan.	\$386,075	\$396,504	4%	4%	
I	Employee Benefits Due to the large amount of seasonal and part-time employees, the benefit amounts increase at rate that is less than the General Fund. Based upon the trend and economic factors, the following increases are projected:		5.0%	5.0%	5.0%	5.0%
I	Equipment The 2009-10 budget includes an additional \$200,000 for a remodel at School 68. Therefore, 2010-11 will be adjusted by that amount and then projected to have no increases.		0.0%	0.0%	0.0%	0.0%
I	Services and Miscellaneous Supplies: This category includes delivery and equipment repair costs, the rental cost of the commissary and various miscellaneous contracts and supplies. These amounts are estimated to increase at the following rates:		3.0%	3.0%	3.0%	3.0%
I	Cafeteria Supplies (Non-Food) This category is for all non food supplies associated with the operation of the cafeterias. The 2009-10 budget increased \$200,000 due to the initial purchase of stainless steel baskets and dollies to be used for prepack meals that will replace the much costlier cardboard boxes. Therefore, the 2010-11 projection decreases by that amount before the annual increases are applied.		3.0%	3.0%	3.0%	3.0%
I	Food Supplies This category is for all food supplies necessary to operate the cafeterias and commissary. While recent years had a spike in the prices of such items as bread and milk, the USDA is currently forecasting a four to five percent increase in future years.		5.0%	4.0%	4.0%	4.0%
I	USDA Commodities The USDA provides food commodities as they become available. While the District does not pay for the donated commodities, a revenue and expenditure are recorded for the value of them.		0.0%	0.0%	0.0%	0.0%
I	Interfund Transfers The food service fund annually provides payment to the general fund for its share of indirect costs. The rate is established by New York State and applied to a portion of the food service funds expenditures. While both the rate and expenditure totals will change, the net transfer is projected to remain flat.		0.0%	0.0%	0.0%	0.0%
I	Summer Food Service: No increases are currently projected.		0.0%	0.0%	0.0%	0.0%

CLOSING THE GAP ANALYSIS

**BUFFALO CITY SCHOOL DISTRICT
CLOSING THE GAP ANALYSIS:**

GENERAL FUND

	PROJECTED 10-11	PROJECTED 11-12	PROJECTED 12-13	PROJECTED 13-14
BASELINE GAP	(40,652,138)	(49,590,203)	(70,443,422)	(83,829,223)
PEG ACTIONS TO CLOSE THE GAP:				
RECURRING PEG SAVINGS				
Staffing Reductions ⁽¹⁾:				
100 positions @ \$50,000/each	5,000,000	5,000,000	5,000,000	5,000,000
100 positions @ \$50,000/each		5,000,000	5,000,000	5,000,000
100 positions @ \$50,000/each			5,000,000	5,000,000
100 positions @ \$50,000/each				5,000,000
School Closings (only swing schools, facility costs only):				
1 in 2010-11	160,000	160,000	160,000	160,000
3 in 2012-13			480,000	480,000
Other Reductions to Close the Gap:				
Eliminate part time transportation employees over a two year period	3,000,000	6,000,000	6,000,000	6,000,000
Eliminate non-mandated teacher aides over a two year period	5,200,000	10,500,000	10,500,000	10,500,000
Eliminate or use alternative funding for building administrators	2,500,000	2,500,000	2,500,000	2,500,000
Forced Reductions or Additional Revenue ⁽²⁾ :				
Forced reduction of 6% for all groups of employees	9,792,138	9,792,138	9,792,138	9,792,138
Forced reductions through program eliminations, percentage reductions, building closures, or possible aid increases from the City, State or Federal Government		-	17,143,484	26,317,201
Revised GAP after Recurring Savings	(15,000,000)	(10,638,065)	(8,867,800)	(8,079,884)
ONE TIME SAVINGS				
USE OF FUND BALANCE ⁽³⁾ (\$42.5m is the total unreserved, undesignated fund balance at 6/30/09)	15,000,000	10,638,065	8,867,800	8,079,884
REVISED GAP AFTER ALL PEG ACTIONS	-	-	-	-

(1) With continued declining enrollment and natural attrition through retirements, the elimination of 100 positions per year should be possible without resulting in "forced" layoffs.

(2) The District has limited options to close significant gaps year after year, since it so heavily relies on state aid and the majority of its costs are fixed or mandated. As part of each years budget process, the District will continue to review all areas and try to make calculated reductions that have minimal impact on the classroom whenever possible.

(3) Use of fund balance would be a last resort in years 2011-12 and beyond. The amount of the gap and the need to close it, with or without fund balance, will depend largely on the outcome of the wage freeze litigation, the annual budget process and the recovery of the economy in New York State.

FOOD SERVICE FUND

	PROJECTED 10-11	PROJECTED 11-12	PROJECTED 12-13	PROJECTED 13-14
BASELINE GAP	(1,489,856)	(1,970,843)	(2,206,797)	(2,452,926)
PEG ACTIONS TO CLOSE THE GAP:				
RECURRING PEG SAVINGS				
Staffing Reductions ⁽⁴⁾:				
27 positions @ \$49,523/each (includes fringe benefits)		1,337,121	1,337,121	1,337,121
Revised GAP after Recurring Savings	(1,489,856)	(633,722)	(869,676)	(1,115,805)
ONE TIME SAVINGS				
USE OF FUND BALANCE ⁽⁵⁾ (\$7.1m is the total unreserved, undesignated fund balance at 6/30/09)	1,489,856	633,722	869,676	1,115,805
REVISED GAP AFTER ALL PEG ACTIONS	-	-	-	-

(4) 27 full time positions would be eliminated beginning in 2011-12. Food service operation duties would have to be performed by hourly employees and the manner in which meals are prepared and served would also have to be modified.

(5) The use of fund balance to support operations on a continuing basis is not advisable; however the food service fund has limited options to cut costs since its sole purpose is to provide meals to children, it must comply with federal regulations while facing increasing food costs. The food service director is reviewing other options, such as increasing meal costs to students.

WORKFORCE

2008-09 ACTUAL

2009-10 BUDGET & ACTUAL AS OF APRIL 6, 2010

2010-11 PRELIMINARY BUDGET AS OF APRIL 6, 2010

2011-12 THROUGH 2013-14 PROJECTIONS

BUFFALO CITY SCHOOL DISTRICT

FTE SUMMARY

	2008-09	2009-10						
	ACTUAL FTE 6/30/09	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL AS OF 4/6/10	2010-11	2011-12	2012-13	2013-14
BTF:								
GENERAL FUND	3,021.0	3,015.7	3,023.7	3,002.3	2,994.0	2,994.0	2,994.0	2,994.0
GRANTS	532.8	566.6	574.6	555.7	544.6	544.6	544.6	544.6
TOTAL BTF	3,553.8	3,582.3	3,598.3	3,558.0	3,538.6	3,538.6	3,538.6	3,538.6
BCSA:								
GENERAL FUND	179.0	182.5	186.5	182.5	183.0	183.0	183.0	183.0
GRANTS	25.0	(0.9)	25.9	24.5	26.0	26.0	26.0	26.0
TOTAL BCSA	204.0	181.6	212.4	207.0	209.0	209.0	209.0	209.0
PCTEA:								
GENERAL FUND	404.0	439.4	441.5	409.4	440.0	440.0	440.0	440.0
GRANTS	91.7	92.1	92.8	79.6	91.3	91.3	91.3	91.3
FOOD SERVICE	12.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
TOTAL PCTEA	507.7	542.5	545.3	500.0	542.3	542.3	542.3	542.3
BEST:								
GENERAL FUND	756.0	730.0	736.0	726.0	738.0	738.0	738.0	738.0
GRANTS	219.0	205.0	206.0	201.0	206.0	206.0	206.0	206.0
FOOD SERVICE	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL BEST	977.0	937.0	944.0	929.0	946.0	946.0	946.0	946.0
TRADESMEN:								
GENERAL FUND	49.0	48.0	48.0	49.0	48.0	48.0	48.0	48.0
TOTAL TRADESMEN	49.0	48.0	48.0	49.0	48.0	48.0	48.0	48.0
LOCAL 264								
GENERAL FUND	96.0	98.0	97.0	93.0	97.0	97.0	97.0	97.0
GRANTS	8.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
FOOD SERVICE	49.0	49.0	49.0	46.0	49.0	49.0	49.0	49.0
TOTAL LOCAL 264	153.0	153.0	152.0	145.0	152.0	152.0	152.0	152.0
LOCAL 409								
GENERAL FUND	62.0	67.0	67.0	62.0	66.0	66.0	66.0	66.0
GRANTS	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL LOCAL 409	63.0	68.0	68.0	63.0	67.0	67.0	67.0	67.0
EXEMPT & BOARD MEMBERS								
GENERAL FUND	35.0	37.0	39.0	36.0	38.0	38.0	38.0	38.0
TOTAL EXEMPT & BOARD MEMBERS	35.0	37.0	39.0	36.0	38.0	38.0	38.0	38.0
TOTAL GENERAL FUND	4,602.0	4,617.6	4,638.7	4,560.2	4,604.0	4,604.0	4,604.0	4,604.0
TOTAL GRANTS	877.5	869.8	906.3	867.8	874.9	874.9	874.9	874.9
TOTAL FOOD SERVICE	63.0	62.0	62.0	59.0	62.0	62.0	62.0	62.0
GRAND TOTAL	5,542.5	5,549.4	5,607.0	5,487.0	5,540.9	5,540.9	5,540.9	5,540.9

Reductions to Close the Gap:	2010-11	(100.00)	(100.00)	(100.00)	(100.00)
	2011-12	(127.00)	(127.00)	(127.00)	(127.00)
	2012-13		(127.00)	(127.00)	(127.00)
	2013-14			(127.00)	(127.00)
Total FTE's after Reductions:		5,440.9	5,313.9	5,186.9	5,059.9

CASH FLOW

2008-09 ACTUAL

2009-10 AND 2010-11 PROJECTED

BUFFALO CITY SCHOOL DISTRICT

FINAL CASH FLOW 2008-09 FISCAL YEAR UNAUDITED (in thousands)

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	2008	2008	2008	2008	2008	2008	2009	2009	2009	2009	2009	2009	
<u>BOARD OF EDUCATION</u>													
BEGINNING CASH & INVESTMENTS	113,894	82,314	76,929	76,643	35,108	27,220	30,386	91,079	90,240	160,817	145,917	129,317	113,894
CASH RECEIPTS:													
Basic Formula Aid <small>(net of Medicaid Takeback)</small>	315	233	-	1,723	32,680	27,541	129,390	40,446	96,834	9,216	40,446	16,695	395,519
Excess Cost <small>(Includes State Medicaid)</small>	154	11,620	634	-	-	20,978	471	-	36,737	-	2,103	11,765	84,462
Aid withheld for JSCB Lease Payment	-	-	-	-	-	(10,386)	(11,541)	(11,541)	(24,236)	-	-	-	(57,704)
Aid withheld for MBBA Debt & PY Aid	-	-	(599)	-	-	(565)	-	-	-	-	-	-	(1,164)
Lottery Aid <small>(June is net of 713K debt payment)</small> & VLT Lott Grant	-	-	25,591	3,398	3,398	3,398	3,398	3,398	3,398	-	-	25,260	71,239
NYS Hurd Advance	-	-	-	(1,723)	-	-	-	-	-	-	1,149	-	(574)
Property Taxes <small>(Less Capital Debt of \$11 M)</small>	4,960	4,960	4,960	4,960	4,960	4,959	4,959	4,960	4,960	4,960	4,959	4,959	59,516
Erie County Sales Tax	2,419	2,799	2,614	3,420	2,356	3,338	2,156	2,602	2,121	3,204	2,204	3,248	32,481
Food Service	1,723	13	1,075	2,130	2,066	1	2,824	1,500	1,541	1,913	142	2,957	17,885
Title I	2,381	-	3,818	2,842	6,726	-	1,987	4,663	2,166	2,694	-	4,043	31,320
Medicaid (Federal)	601	389	-	-	-	-	471	-	336	613	-	117	2,527
Other State & Federal	2,800	5,475	15,192	3,633	4,798	7,820	2,574	5,538	12,075	7,080	481	6,000	73,466
Other	1,174	1,194	264	867	849	526	1,533	330	542	4,050	1,556	1,478	14,363
TOTAL CASH RECEIPTS	16,527	26,683	53,549	21,250	57,833	57,610	138,222	51,896	136,474	33,730	53,040	76,522	723,336
CASH DISBURSEMENTS:													
Salary & FICA	19,938	12,495	22,706	34,268	29,249	29,249	39,168	29,719	29,405	28,816	33,859	30,556	339,428
Termination Pay	-	1,682	44	-	-	-	342	-	89	144	29	76	2,406
Carry Over Accounts Payable	9,741	6,308	-	-	-	-	-	-	-	-	-	-	16,049
Services & Supplies	4,088	3,523	6,318	10,036	9,662	12,211	10,185	7,288	10,448	8,895	11,130	10,786	104,570
Health Insurance	632	7,760	9,639	14,496	6,881	6,468	10,831	5,936	5,875	7,757	7,858	7,806	91,939
Charter School Payments	10,861	300	11,263	50	11,189	-	11,231	-	10,829	-	11,030	-	66,753
Transportation	-	-	575	1,941	6,113	3,483	3,098	6,542	6,825	32	2,333	4,925	35,867
Tuition Payments	-	-	3,290	1,410	2,627	3,033	2,073	3,250	2,426	1,872	3,401	1,249	24,631
E-Rate Debt	2,847	-	-	-	-	-	601	-	-	-	-	-	3,448
MBBA Special Program Debt	-	-	-	584	-	-	-	-	-	1,114	-	-	1,698
TOTAL CASH DISBURSEMENTS	48,107	32,068	53,835	62,785	65,721	54,444	77,529	52,735	65,897	48,630	69,640	55,398	686,789
MONTHLY CASH & INVESTMENTS	(31,580)	(5,385)	(286)	(41,535)	(7,888)	3,166	60,693	(839)	70,577	(14,900)	(16,600)	21,124	36,547
ENDING CASH & INVESTMENTS	<u>82,314</u>	<u>76,929</u>	<u>76,643</u>	<u>35,108</u>	<u>27,220</u>	<u>30,386</u>	<u>91,079</u>	<u>90,240</u>	<u>160,817</u>	<u>145,917</u>	<u>129,317</u>	<u>150,441</u>	<u>150,441</u>

BUFFALO CITY SCHOOL DISTRICT

PROJECTED CASH FLOW AS OF APRIL 12, 2010

2009-10 FISCAL YEAR

UNAUDITED

(in thousands)

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	April 2010	May 2010	June 2010	Total
	July	August	September	October	November	December	January	February	March				
	2009	2009	2009	2009	2009	2009	2010	2010	2010				
BEGINNING CASH & INVESTMENTS	150,441	133,888	143,723	143,739	95,967	87,341	77,237	148,297	141,807	174,278	145,620	141,472	150,441
CASH RECEIPTS:													
Basic Formula Aid (net of Medicaid Takeback)	20,798	-	-	1,313	33,939	25,392	131,755	41,349	79,863	11,182	45,356	37,760	428,707
Excess Cost (Includes State Medicaid)	535	12,098	-	-	84	19,163	2,129	-	38,773	500	800	13,395	87,477
Aid withheld for JSCB Lease Payment	-	-	-	-	-	(11,740)	(13,045)	(13,045)	(27,394)	-	-	-	(65,224)
Aid withheld for MBBA Debt	-	-	(600)	-	-	(566)	-	-	-	-	-	-	(1,166)
Lottery Aid (June is net of 713K debt payment) & VLT Lott Grant	-	-	28,316	2,296	2,296	2,066	2,526	2,627	4,174	-	-	24,548	68,849
NYS Hurd Advance	-	-	-	(1,149)	-	-	-	-	-	-	-	575	(574)
Property Taxes (Less Capital Debt of \$11 M)	4,960	4,960	4,960	4,960	4,960	4,959	4,959	4,960	4,960	4,960	4,959	4,959	59,516
Erie County Sales Tax	2,460	2,242	2,372	3,597	2,395	3,377	2,268	2,746	2,299	2,200	2,400	3,014	31,370
Food Service	1,446	1,301	246	54	3,430	1,929	1,532	1,780	1,760	4,000	1,700	2,000	21,178
Title I (including additional stimulus funds)	3,645	-	2,135	-	-	6,859	-	3,774	2,705	4,017	5,475	3,000	31,610
Medicaid (Federal)	448	382	-	263	-	135	-	-	-	500	800	200	2,728
Other State & Federal	7,236	11,257	5,261	3,797	7,631	3,763	8,498	4,415	6,268	800	3,000	5,300	67,226
Other	1,154	769	387	483	338	1,824	2,502	748	1,115	1,000	1,000	1,000	12,320
TOTAL CASH RECEIPTS	42,682	33,009	43,077	15,614	55,073	57,161	143,124	49,354	114,523	29,159	65,490	95,751	744,017
CASH DISBURSEMENTS⁽¹⁾:													
Salary & FICA	23,005	9,970	13,056	41,441	30,329	35,165	30,161	30,636	41,550	30,588	30,588	30,588	347,077
Termination Pay	-	1,746	38	-	-	-	205	-	-	130	50	80	2,249
Carry Over Accounts Payable	15,566	2,160	-	-	-	-	-	-	-	-	-	-	17,726
Services & Supplies	5,505	3,778	5,282	7,524	7,103	9,625	9,955	11,778	8,099	10,200	12,000	12,600	103,449
Health Insurance	673	3,702	6,593	9,975	9,452	15,020	11,317	8,684	8,763	9,260	9,000	9,000	101,439
Charter School Payments	11,540	-	11,800	-	12,376	-	11,655	-	11,661	-	12,000	-	71,032
Transportation	-	768	4,336	1,869	2,235	3,910	3,740	3,853	7,004	4,000	4,000	4,000	39,715
Tuition Payments	50	1,050	1,956	2,006	2,204	3,545	4,491	893	4,975	2,500	2,000	3,000	28,670
E-Rate Debt	2,896	-	-	-	-	-	540	-	-	-	-	-	3,436
MBBA Special Program Debt	-	-	-	571	-	-	-	-	-	1,139	-	-	1,710
TOTAL CASH DISBURSEMENTS	59,235	23,174	43,061	63,386	63,699	67,265	72,064	55,844	82,052	57,817	69,638	59,268	716,503
MONTHLY CASH & INVESTMENTS	(16,553)	9,835	16	(47,772)	(8,626)	(10,104)	71,060	(6,490)	32,471	(28,658)	(4,148)	36,483	27,514
ENDING CASH & INVESTMENTS	<u>133,888</u>	<u>143,723</u>	<u>143,739</u>	<u>95,967</u>	<u>87,341</u>	<u>77,237</u>	<u>148,297</u>	<u>141,807</u>	<u>174,278</u>	<u>145,620</u>	<u>141,472</u>	<u>177,955</u>	<u>177,955</u>

⁽¹⁾ Cash Disbursements exclude contingency of \$55.5 million.

BUFFALO CITY SCHOOL DISTRICT
PROJECTED CASH FLOW AS OF APRIL 20, 2010 ⁽¹⁾
2010-11 FISCAL YEAR
UNAUDITED
(in thousands)

	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011	Total
BEGINNING CASH & INVESTMENTS	177,955	135,452	133,046	136,688	84,937	66,060	63,395	113,837	108,114	166,773	127,229	124,013	177,955
CASH RECEIPTS:													
Basic Formula Aid <small>(net of Medicaid Takeback)</small>	-	-	-	1,149	35,452	28,881	119,800	45,356	104,473	11,182	45,356	11,043	402,692
Excess Cost <small>(Includes State Medicaid)</small>	154	11,620	634	-	-	21,540	471	-	37,966	500	800	13,395	87,080
Aid withheld for JSCB Lease Payment	-	-	-	-	-	(14,725)	(16,361)	(16,361)	(34,357)	-	-	-	(81,804)
Aid withheld for MBBA Debt	-	-	-	(599)	-	(565)	-	-	-	-	-	-	(1,164)
Lottery Aid <small>(June is net of 713K debt payment)</small> & VLT Lott Grant	-	-	28,177	2,296	2,296	2,296	2,296	2,296	2,296	-	-	23,834	65,787
NYS Hurd Advance	-	-	-	(575)	-	-	-	-	-	-	-	-	(575)
Property Taxes <small>(Less Capital Debt of \$11 M)</small>	4,960	4,960	4,960	4,960	4,960	4,959	4,959	4,960	4,960	4,960	4,959	4,959	59,516
Erie County Sales Tax	2,419	2,799	2,614	3,420	2,356	3,338	2,156	2,602	2,121	2,200	2,400	3,014	31,439
Food Service	1,446	1,301	246	54	3,430	1,929	1,532	1,780	1,760	4,000	1,700	2,000	21,178
Title I (including additional stimulus funds)	3,645	-	2,135	-	-	6,859	-	3,774	2,705	4,017	5,475	3,000	31,610
Medicaid (Federal)	601	389	-	-	-	-	471	-	336	500	800	200	3,297
Other State & Federal	2,800	5,475	15,192	3,633	4,798	7,820	2,574	5,538	12,075	800	3,000	5,300	69,005
Other	1,174	1,194	264	867	849	526	1,533	3,300	542	1,000	1,000	1,000	13,249
TOTAL CASH RECEIPTS	17,199	27,738	54,222	15,205	54,141	62,858	119,431	53,245	134,877	29,159	65,490	67,745	701,310
CASH DISBURSEMENTS ⁽²⁾:													
Salary & FICA	24,755	9,344	13,940	42,572	30,718	34,223	31,688	31,068	30,718	41,734	31,556	30,718	353,034
Termination Pay	-	3,000	1,000	-	-	-	1,100	-	-	130	50	80	5,360
Carry Over Accounts Payable	10,000	6,500	-	-	-	-	-	-	-	-	-	-	16,500
Services & Supplies	4,700	6,300	8,050	9,500	9,200	12,300	8,500	10,400	13,000	10,200	9,900	12,600	114,650
Health Insurance	2,400	5,000	10,000	10,000	9,000	10,000	9,000	10,000	10,000	9,000	9,000	9,000	102,400
Charter School Payments	15,000	-	13,500	-	13,500	-	12,000	-	12,000	-	12,200	-	78,200
Transportation	-	-	800	2,500	8,000	5,000	4,000	4,000	7,000	4,000	4,000	4,000	43,300
Tuition Payments	-	-	3,290	1,800	2,600	4,000	2,100	3,500	3,500	2,500	2,000	3,000	28,290
E-Rate Debt	2,847	-	-	-	-	-	601	-	-	-	-	-	3,448
MBBA Special Program Debt	-	-	-	584	-	-	-	-	-	1,139	-	-	1,723
TOTAL CASH DISBURSEMENTS	59,702	30,144	50,580	66,956	73,018	65,523	68,989	58,968	76,218	68,703	68,706	59,398	746,905
MONTHLY CASH & INVESTMENTS	(42,503)	(2,406)	3,642	(51,751)	(18,877)	(2,665)	50,442	(5,723)	58,659	(39,544)	(3,216)	8,347	(45,595)
ENDING CASH & INVESTMENTS	<u>135,452</u>	<u>133,046</u>	<u>136,688</u>	<u>84,937</u>	<u>66,060</u>	<u>63,395</u>	<u>113,837</u>	<u>108,114</u>	<u>166,773</u>	<u>127,229</u>	<u>124,013</u>	<u>132,360</u>	<u>132,360</u>

⁽¹⁾ This cash flow is only intended for inclusion in the Four Year Plan - An Official 2010-11 Projected Cash Flow will be prepared once a budget is adopted

⁽²⁾ Cash Disbursements exclude contingency of \$74.0 million.