

# Galion City Schools

Financial Analysis

June 14, 2012

# Galion City Schools

## Revenues – Operational (millions \$)

Line 1.070

FY08	FY09	FY10	FY11	FY12	FY13
\$16.4	\$16.4	\$16.6	\$16.7	\$16.0	\$15.1

# Galion City Schools

## Expenditures – Operational (millions \$)

FY08	FY09	FY10	FY11	FY12	FY13
\$16.2	\$16.5	\$16.4	\$17.2	\$16.5	\$16.8

# Galion City Schools

## Operational Excess/(Shortfall)

(millions \$)

	FY09	FY10	FY11	FY12	FY13
Revenue	\$16.4	\$16.6	\$16.7	\$16.0	\$15.1
Expense	<u>\$16.5</u>	<u>\$16.4</u>	<u>\$17.2</u>	<u>\$16.5</u>	<u>\$16.8</u>
Excess/(Shortfall)	(\$0.1)	\$0.2	(\$0.5)	(\$0.5)	(\$1.7)

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## Excess/(Shortfall) and Cash Balances

(millions \$)

	FY09	FY10	FY11	FY12	FY13
<b>Excess/(Shortfall)</b>	<b>(\$0.1)</b>	<b>\$0.2</b>	<b>(\$0.5)</b>	<b>(\$0.5)</b>	<b>(\$1.7)</b>

	FY09	FY10	FY11	FY12	FY13
<b>Cash 7.020</b>	<b>\$1.8</b>	<b>\$1.8</b>	<b>\$1.3</b>	<b>\$0.8</b>	<b>(\$1.0)</b>

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## Operational Revenue

- **General Property** – No change forecasted in FY13
- **Tangible Personal Property Tax** – Most has been phased out due to change in law; was over \$700k in FY08. 1.0% decrease forecasted in FY13.
- **Unrestricted Grants in Aid** – (State Funding); 2% decrease in ADM forecasted for FY13.
- **Restricted Federal Grant in Aid** – State Fiscal Stabilization Funds (SFSF and Ed Jobs); ends in FY12, not replaced.
- **Property Tax Allocation** - Includes reimbursement for Tangible PPT loss; eliminated in FY13 (HB153 phase-out)
- **All Other Revenue** – Tuition, fees

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## Personnel Expenditures

- **Wages**

- \$1.1 million in staff reductions were implemented in FY12. (reducing wages by over \$800,000)
- Assumes \$200,000 in additional personnel cuts in FY13.
- No increase to base salaries in FY13; step increases estimated at 3% in FY13.

- **Benefits**

- Actuarial adjustment; \$108,000 in FY12 and \$112,000 in FY13
- 20% increase estimated for FY13 (~\$326,000); Increase in contribution to insurance consortium.

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## Personnel as % of Operating Expenses (millions \$)

	FY09	FY10	FY11	FY12	FY13
<b>Personnel (Salaries/Benefits)</b>	<b>\$12.6</b>	<b>\$12.8</b>	<b>\$13.1</b>	<b>\$12.3</b>	<b>\$12.6</b>
<b>Total Operating Expenses</b>	<b><u>\$16.5</u></b>	<b><u>\$16.4</u></b>	<b><u>\$17.2</u></b>	<b><u>\$16.5</u></b>	<b><u>\$16.8</u></b>
<b>Percentage</b>	<b>76.9%</b>	<b>77.3%</b>	<b>78.4%</b>	<b>77.3%</b>	<b>83.7%</b>



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## Non-Personnel Expenditures

- **Purchased Services**
  - Includes special education services and funding for students attending other schools (community schools and open enrollment)
    - ~\$688,000 per year to Community Schools
    - ~\$943,000 per year to Open Enrollment
- **Supplies**
  - Decrease of ~9% in FY12; No increase in FY13
- **Capital Outlay**
  - No bus purchases forecasted in FY12 or FY13.

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## Problems/Concerns

- General Problem: Expenditures are exceeding revenues, reducing cash; must align expenditures to revenue.
  - District loses over \$1.5 million per year for students open enrolling at other districts or attending community schools.
  - Increase in insurance expense is causing a great hardship to the district.
- District is short on cash
  - Expects to finish FY12 with \$819,141; just enough cash for two payrolls.
- District has a significant deficit in FY13 (\$1 million)
  - Must develop a plan to eliminate this deficit (reduce expenditures and/or raise new revenue)