

# HUDSON CITY SCHOOL DISTRICT

New York State Fiscal Stress Monitoring System

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# New York State Fiscal Stress Monitoring System

- What is it?
  - System designed to provide early warning of fiscal stress to local governments and school districts by examining their financial information and aspects of external environment; and
  - Tool to provide local leaders, State officials and taxpayers about fiscal stress conditions to help them prioritize the needs of the community, understand trade-offs and follow through with tough decisions

# New York State Fiscal Stress Monitoring System

- Two main components
  - Financial Indicators
    - Four Categories with seven indicators

School District Financial Indicators		
Category	Financial Indicator	Purpose
1. Year-End Fund Balance	1. Unassigned Fund Balance	To identify the amount of fund balance that is available in the general fund to provide a cushion for revenue shortfalls or expenditure overruns.
	2. Total Fund Balance	To identify the amount of fund balance that is available to be used to fund operations, provide a cushion for revenue shortfalls or expenditure overruns, and/or is reserved for specific future purposes.
2. Operating Deficits	3. Operating Deficit	To identify school districts that are incurring operating deficits.
3. Cash Position	4. Cash Ratio	To identify the ability of the school district to liquidate current liabilities.
	5. Cash % of Monthly Expenditures	To identify the ability of the school district to fund the ensuing fiscal year's operations from available cash.
4. Use of Short-Term Debt	6. Short-Term Debt Issuance	To identify the amount of short-term debt that was issued to meet obligations (cash flow).
	7. Short-Term Debt Issuance Trend	To identify the trend in the issuance of short-term debt.

- Environmental Indicators
  - Five Categories with six indicators

School District Environmental Indicators		
Category	Environmental Indicator	Purpose
1. Property Value	1. Change in Property Value	To identify school districts where property values have declined.
2. Enrollment	2. Change in Enrollment	To identify school districts where enrollment has declined.
3. Budget Votes	3. Trend in First Budget Vote Being Defeated	To identify school districts where their budget was defeated during the first vote multiple times.
	4. Change in Approval % First Budget Vote	To identify school districts where the approval percentage of their budget during the first budget vote has declined.
4. Graduation Rate	5. Graduation Rate %	To identify the graduation rate of the school district.
5. Free or Reduced Priced Lunch	6. Free or Reduced Priced Lunch %	To identify an indicator of the poverty rate of the school district.

# New York State Fiscal Stress Monitoring System

- Scoring

- Entities receive a fiscal score and an environmental score

- **Fiscal Score**

- Significant Fiscal Stress 65 – 100%
    - Moderate Fiscal Stress 45 – 64.9%
    - Susceptible to Fiscal Stress 25 – 44.9%
    - No Designation 0 – 24.9 %

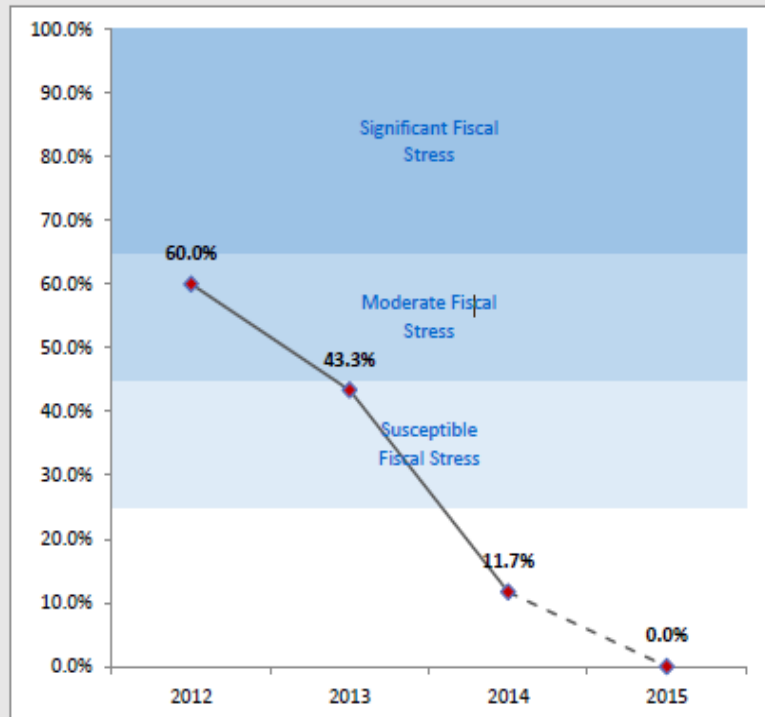
- ***Environmental Score***

- Significant Environmental Stress (###) 65 – 100%
    - Moderate Environmental Stress (##) 45 – 64.9%
    - Low Environmental Stress (#) 25 – 44.9%
    - No Designation 0 – 24.9 %

- **Fiscal Score** determines placement on the stress list; the ***Environmental Score*** provides the context

### Fiscal Stress Summary

	% Score	
2012	60.0%	
2013	43.3%	
2014	11.7%	
<b>2015</b>	<b>0.0%</b>	<b>based on 3 year trend **</b>



### Indicator Scoring Summary

Fiscal Indicators	Value		Score	
	2013	2014	2013	2014
1 Unassigned FB/Gross Exp (General Fund)	3.6%	6.2%	0	0
2 Total FB/Gross Exp (General Fund)	3.6%	6.2%	2	1
3 Deficit/Gross Exp (General Fund)	2.2%	2.7%	1	0
4 Cash Ratio (Cash/Current Liability)	25.1%	105.2%	3	0
5 Cash as % of Monthly Exp	17.4%	93.6%	3	1
6 Short Term Debt Issuance (Debt/Revenues)	0.0%	0.0%	0	0
7 Short Term Debt Trend (consecutive debt or BN in last year)	0	0	0	0

Environmental Indicators	Value	Score
1 Change in Property Value	-3.3%	2
2 Change in Enrollment	-1.5%	1
3 Trend in First Budget Vote Being Defeated	1	0
4 Change in Approval % First Budget Vote	2.8%	0
5 Graduation Rate (Most Recent Year)	69%	3
6 Free or Reduced Priced Lunch %	66.4%	2
		###

\* Financial information provided on this page is pulled from reports submitted by the school district. OSC performs a formal review of the information on an annual basis. However, OSC is unable to verify the accuracy of all the data elements upon which an entity's prior year fiscal stress score is based.

\*\* The summary graph projects a fiscal stress score based on a three-year trend analysis. This score is not based on data submitted by the district. The predicted score is most reliable for school districts which have followed a level trend but is less reliable for districts with scores that do not follow a steady trend.

Note: Fiscal data may change after fiscal stress scores are released for a given year. As a result, the data presented in this workbook may vary slightly from previously released scores.

Indicator	Description	Year	Data	Points	Weight	Score
1 Unassigned Fund Balance	General Fund 3 Points ≤ 1% Last Fiscal Year 2 Points > 1% But ≤ 2% Last Fiscal Year 1 Point > 2% But ≤ 3% Last Fiscal Year	2014	Unassigned FB (Code 917 General Fund)	2,553,329	0 pts	0
			Gross Expenditures (General Fund)	41,458,424		
			Unassigned FB / Gross Exp (General Fund)	6.2%		
2 Total Fund Balance	General Fund 3 Points ≤ 0% Last Fiscal Year 2 Points > 0% But ≤ 5% Last Fiscal Year 1 Point > 5% But ≤ 10% Last Fiscal Year	2014	Account code: 8029 (General Fund)	2,553,329	1 pt	1
			Gross Expenditures (General Fund)	41,458,424		
			8029 / Gross Exp (General Fund)	6.2%		
3 Operating Deficits	General Fund 3 Points = Deficits in 3/3 of the Last Fiscal Years ≤ -1% or a Deficit in the Last Fiscal Year ≤ -3% 2 Points = Deficits in 2/3 of the Last Fiscal Years ≤ -1% 1 Point = Deficit in 1/3 Last Fiscal Years ≤ -1%	2012	Gross Revenues (General Fund)	39,947,009	0 pts	0
			Gross Expenditures (General Fund)	40,336,777		
			Deficit (General Fund)	(389,768)		
			Deficit / Gross Expenditures (General Fund)	-1.0%		
		2013	Gross Revenues (General Fund)	41,306,543	0 pts	
			Gross Expenditures (General Fund)	40,416,796		
			Deficit (General Fund)	889,747		
			Deficit / Gross Expenditures (General Fund)	2.2%		
		2014	Gross Revenues (General Fund)	42,570,638	0 pts	
			Gross Expenditures (General Fund)	41,458,424		
			Deficit (General Fund)	1,112,214		
			Deficit / Gross Expenditures (General Fund)	2.7%		
4 Cash Ratio	General Fund 3 Points ≤ 50% Last Fiscal Year 2 Points > 50% But ≤ 75% Last Fiscal Year 1 Point > 75% But ≤ 100% Last Fiscal Year	2014	Cash and Investment Account Codes 200-223,450,451	3,233,745	0 pts	0
			Net Current Liability Account Codes 600-626 & 631-668 Less Codes 280,290,295	3,072,664		
			Cash Investment / Current Liability	105.2%		
5 Cash % of Monthly Expenditures	General Fund 3 Points ≤ 33.3% Last Fiscal Year 2 Points > 33.3% But ≤ 66.7% Last Fiscal Year 1 Point > 66.7% But ≤ 100% Last Fiscal Year	2014	Account codes: 200, 201, 450, 451	3,233,420	1 pt	1
			Average Monthly Gross Expenditures (Total Gross/12)	3,454,869		
			Cash / Avg Monthly Exp	93.6%		
6 Short Term Debt Issuance	All Funds 3 Points > 15% Last Fiscal Year 2 Points > 5% But ≤ 15% Last Fiscal Year 1 Point > 0% But ≤ 5% Last Fiscal Year	2014	Debt Issued	-	0 pts	0
			Total Revenues	42,570,638		
			Debt / Total Revenues (General Fund)	0.0%		
7 Short Term Debt Issuance Trend	All Funds 3 Points = Issuance In Each of Last Three Fiscal Years or Issued a Budget Note In Last Fiscal Year 2 Points = Issuance In Each of Last Two Fiscal Years 1 Point = Issuance In Last Fiscal Year	2012	Debt Issued	-	0 pts	0
		2013	Debt Issued	-	0 pts	
		2014	Debt Issued	-	0 pts	
		2014	Budget Note Issued	No	0 pts	
<b>TOTAL</b>					<b>2</b>	<b>11.7%</b>

Gross Revenues = Revenues and Other Sources  
Total Revenues = Revenues  
Gross Expenditures = Expenditures and Other Uses  
Total Expenditures = Expenditures

Percent Range  
(out of 21 max pts)  
Significant Fiscal Stress 65 - 100%  
Moderate Fiscal Stress 45 - 64.9%  
Susceptible Fiscal Stress 25 - 44.9%  
No Designation 0 - 24.9%

Name: Hudson City School District  
MuniCode: 10052000000  
County: Columbia

Fiscal Year End  
Year Last Filed

Most Recent Three Fiscal Years Filed

Fiscal Stress Financial Indicator Components		2012	2013	2014
Unassigned Fund Balance	Unassigned (code 917) Fund Balance: General Fund	540,367.00	1,439,012.00	2,553,329.00
Total Fund Balance	Total Fund Balance: General Fund	551,368.00	1,441,115.00	2,553,329.00
Expenditures	Gross Expenditures (this includes transfers out): General Fund	40,336,777.00	40,416,796.00	41,458,424.00
Revenues	Gross Revenues (this includes transfers in): General Fund	39,947,009.00	41,306,543.00	42,570,638.00
	Total Revenues (do not include transfers in): General Fund	39,936,816.00	41,299,166.00	42,570,638.00
Cash and Investments	Cash and Investments A (codes 200 to 223, 450 and 451): General Fund	1,013,439.00	585,723.00	3,233,745.00
	Cash and Investments B (codes 200, 201, 450 and 451): General Fund	1,013,439.00	585,398.00	3,233,420.00
Current Liabilities	Current Liabilities (codes 600 to 626, 631 to 668): General Fund	3,094,199.00	2,330,452.00	3,072,664.00
Taxes Receivable	Taxes Receivable (codes 280, 290 and 295): General Fund	0.00	0.00	0.00
Short Term Debt	Short Term Debt issued during the year (Revenue Anticipation Notes, Tax Anticipation Notes, and Budget Notes only): All Funds	0.00	0.00	0.00
	Budget Note issued during fiscal year: All Funds	No	No	No

Fiscal Stress Financial Indicators		2012	2013	2014
Indicator 1	Unassigned Fund Balance as a percentage (%) of Expenditures	2	0	0
Indicator 2	Total Fund Balance as a percentage (%) of Expenditures	2	2	1
Indicator 3	Operating Deficits	1	1	0
Indicator 4	Cash Ratio - Cash and Investments as a percentage (%) of Current Liabilities	3	3	0
Indicator 5	Cash as a Percentage of Monthly Expenditures	3	3	1
Indicator 6	Short Term Debt Issuance as a percentage (%) of Revenues	0	0	0
Indicator 7	Number of years short term debt was issued or BN in last year	0	0	0

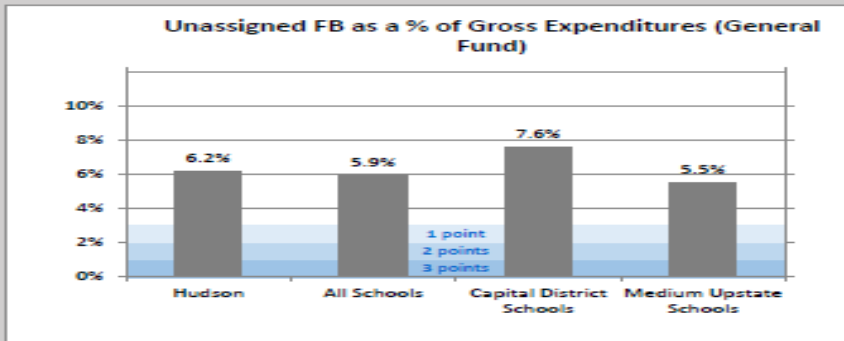
Total Raw Score	11	9	2
Total Weighted Average Score	12.60	9.10	2.45
Percentage of Total Score	60.0%	43.3%	11.7%
Score Classification	Moderate Fiscal Stress	Susceptible Fiscal Stress	No Designation

Revenue and Expenditure Definitions	Point Range	Percent Range (out of 21 max pts)	
Gross Revenues = Revenues and Other Sources	Significant Fiscal Stress	13.65 - 21	65 - 100%
Total Revenues = Revenues	Moderate Fiscal Stress	9.45 - 13.64	45 - 64.9%
Gross Expenditures = Expenditures and Other Uses	Susceptible Fiscal Stress	5.25 - 9.44	25 - 44.9%
Total Expenditures = Expenditures	No Designation	0 - 5.24	0 - 24.9%

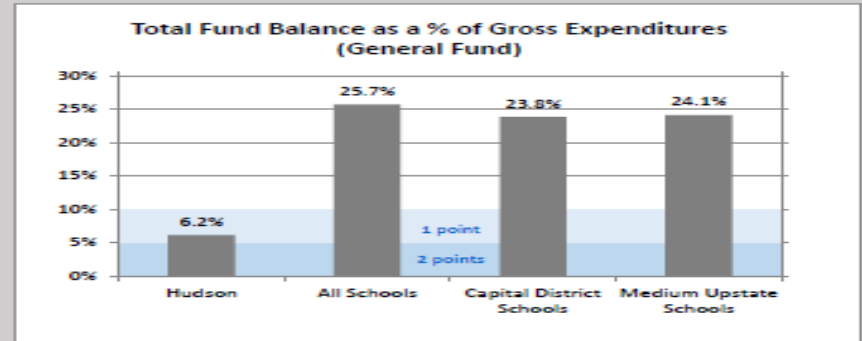
Prior year data has not been verified by OSC, but is shown here as reported by the school district for the sake of comparison over time. This projection tool allows the user to project future outcomes based on various scenarios. However, this worksheet does not limit entries based on feasibility. OSC takes no responsibility for the accuracy of the projections. Note: Fiscal data may change after fiscal stress scores are released for a given year. As a result, the data presented in this workbook may vary slightly from previously released scores.



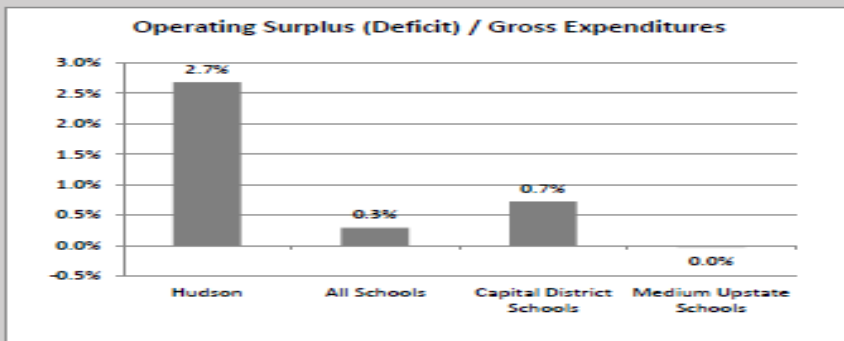
Indicator 1



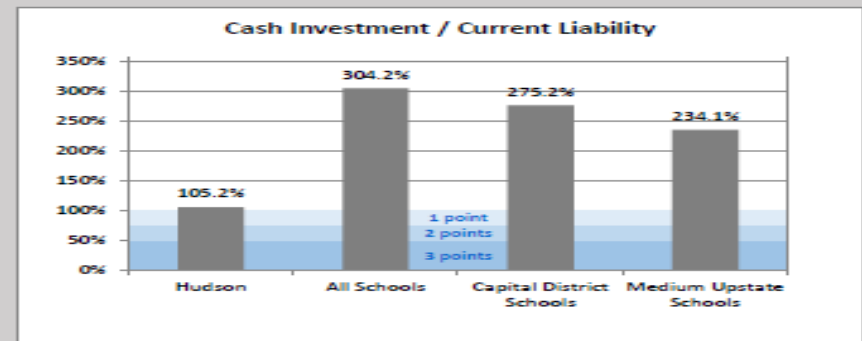
Indicator 2



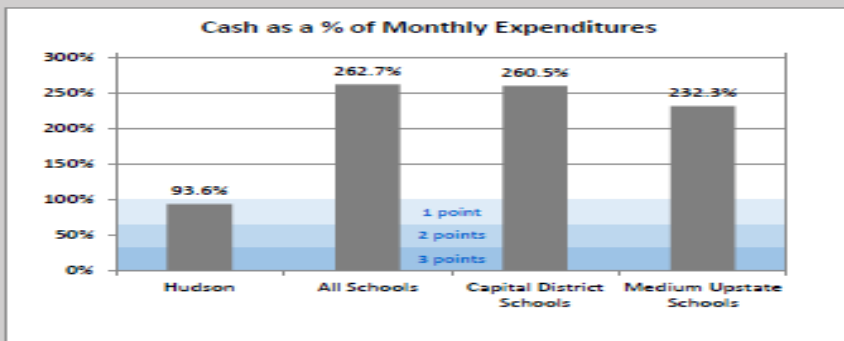
Indicator 3



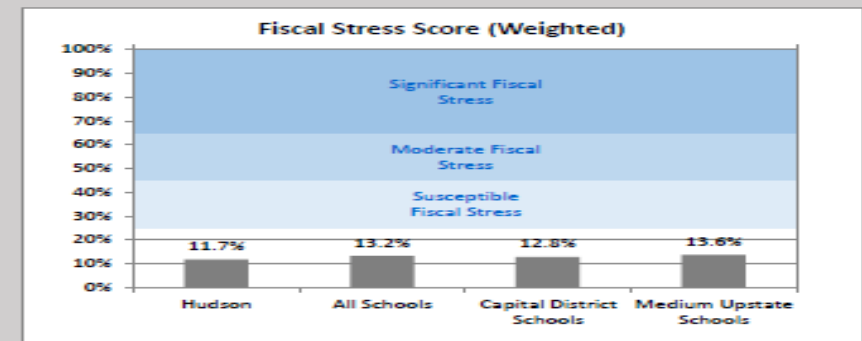
Indicator 4



Indicator 5



Fiscal Stress Score



Peer group used in comparison for all indicators:

All Schools	672
Capital District Schools	74
Medium Upstate Schools	223

# School District Fiscal Stress Summary Results: 2013 to 2014

## Districts with Large Changes in Fiscal Stress from 2013 to 2014

(Change of 25 Percentage Points or More in Fiscal Stress Score; Increases Indicate Increasing Fiscal Stress)

School District	County	Need/Resource Category	2013 Financial Designation	2014 Financial Designation	% Point Change in Fiscal Stress Score
<b>Major Increases in Fiscal Stress Score</b>					
Hempstead Union Free School District	Nassau	High-Need Urban/Suburban	No Designation	Significant Fiscal Stress	65.0%
Peekskill City School District	Westchester	High-Need Urban/Suburban	No Designation	Significant Fiscal Stress	58.3%
Fulton City School District	Oswego	High-Need Urban/Suburban	No Designation	Moderate Fiscal Stress	53.3%
Wyandanch Union Free School District	Suffolk	High-Need Urban/Suburban	Susceptible to Fiscal Stress	Significant Fiscal Stress	53.3%
Johnson City Central School District	Broome	High-Need Urban/Suburban	No Designation	Moderate Fiscal Stress	53.3%
Glens Falls Common School District	Warren	High-Need Urban/Suburban	No Designation	Moderate Fiscal Stress	50.0%
Jamestown City School District	Chautauqua	High-Need Urban/Suburban	No Designation	Moderate Fiscal Stress	46.7%
Herkimer Central School District	Herkimer	High-Need Rural	No Designation	Moderate Fiscal Stress	45.0%
Fort Edward Union Free School District	Washington	Average-Need	No Designation	Moderate Fiscal Stress	45.0%
Tioga Central School District	Tioga	High-Need Rural	No Designation	Moderate Fiscal Stress	40.0%
East Rockaway Union Free School District	Nassau	Average-Need	No Designation	Moderate Fiscal Stress	36.7%
Onondaga Central School District	Onondaga	Average-Need	No Designation	Susceptible to Fiscal Stress	36.7%
Brasher Falls Central School District	St. Lawrence	High-Need Rural	No Designation	Susceptible to Fiscal Stress	35.0%
Colton-Pierrepont Central School District	St. Lawrence	Average-Need	No Designation	Susceptible to Fiscal Stress	31.7%
Parishville-Hopkinton Central School District	St. Lawrence	High-Need Rural	No Designation	Susceptible to Fiscal Stress	31.7%
Indian River Central School District	Jefferson	High-Need Rural	No Designation	Susceptible to Fiscal Stress	28.3%
Poland Central School District	Herkimer	High-Need Rural	No Designation	Moderate Fiscal Stress	28.3%
<b>Major Decreases in Fiscal Stress Score</b>					
Mount Morris Central School District	Livingston	High-Need Rural	Moderate Fiscal Stress	No Designation	-25.0%
Oswego City School District	Oswego	Average-Need	Susceptible to Fiscal Stress	No Designation	-26.7%
Wappingers Central School District	Dutchess	Average-Need	Susceptible to Fiscal Stress	No Designation	-28.3%
Lafayette Central School District	Onondaga	Average-Need	Moderate Fiscal Stress	Susceptible to Fiscal Stress	-28.3%
Holland Central School District	Erie	Average-Need	Moderate Fiscal Stress	No Designation	-28.3%
Tupper Lake Central School District	Franklin	Average-Need	Significant Fiscal Stress	Susceptible to Fiscal Stress	-31.7%
Gananda Central School District	Wayne	Average-Need	Moderate Fiscal Stress	No Designation	-31.7%
Hudson City School District	Columbia	High-Need Rural	Susceptible to Fiscal Stress	No Designation	-31.7%
Maine-Endwell Central School District	Broome	Average-Need	Moderate Fiscal Stress	No Designation	-33.3%
Elmira City School District	Chemung	High-Need Urban/Suburban	Susceptible to Fiscal Stress	No Designation	-41.7%
General Brown Central School District	Jefferson	Average-Need	Significant Fiscal Stress	No Designation	-48.3%
Kiryas Joel Village Union Free School District	Orange	High-Need Urban/Suburban	Significant Fiscal Stress	Susceptible to Fiscal Stress	-50.0%

Source: OSC.

QUESTIONS?