



Buffalo
Hanover
Montrose

BHM SCHOOLS

2024

Financial Forecast

Independent School District 877

Buffalo-Hanover-Montrose

Business Office

2024 Financial Forecast

- General Fund only
- Revised budgets for 2023-24
- Projected fund balances for 2023-24
- Enrollment assumptions
- Revenue assumptions
- Expenditure assumptions
- Fund balance assumptions
- Forecast scenarios

General Fund Definition

- General Fund – Fund 01
- Capital Outlay – Fund 05
- Student Activities – Fund 09
- Student Activities – Fund 51

General Fund Revenues 2023-2024

- 1st Budget Revision

Revenues				
2023-24	Original Budget	1st Rev	\$ Change	Adjustment
Local Property Taxes	13,318,373	13,433,146	114,773	Miscellaneous tax adjustments
State Sources	59,481,830	60,135,897	654,067	State Aid adjustments due to enrollment update, special ed aid adjustments, and revised entitlements
Federal Sources	2,464,307	3,016,122	551,815	Revised entitlements, integration grant update, and Erate
Other	2,908,064	2,953,825	45,761	Revised tuition from other districts, student activities, and interest revenue
Total	78,172,574	79,538,990	1,366,416	

General Fund Expenditures 2023-2024

- 1st Budget Revision

Expenditures				
2023-24	Original Budget	1st Rev	\$ Change	Adjustment
Salaries	43,675,748	43,892,006	216,258	Revised salary projections
Employee Benefits	16,252,963	17,113,351	860,388	Revised benefits projections, between terms unemployment
Purchased Services	11,690,147	11,618,762	(71,385)	Contracts for educational services, tuition, rent, transportation, and printshop update
Supplies	2,744,761	2,951,321	206,560	Student activities, grant extension, curriculum purchase
Capital Outlay	2,453,533	2,717,273	263,740	Capital/LTFM adjustments, integration grant update, equipment purchase
Other	688,087	694,347	6,260	Integration grant update
Total	77,505,239	78,987,060	1,481,821	

General Fund Balances 2022-2023

- 1st Budget Revision

Category	Ending Balance 06/30/2022	Projected Ending Balance 06/30/2023	Audited Ending Balance 06/30/2023	2022-23 Fund Balance Change	Original Ending Balance 6/30/2024	2023-24 Original Projected Change	2023-24 Final Revised Projected Change	Difference Revision vs. Original	Projected Ending Balance 06/30/2024
Restricted	2,033,047	2,682,860	1,920,683	(762,177)	2,913,178	230,318	746,998	516,680	2,667,681
Committed or Assigned	5,380,109	5,043,147	5,165,438	122,291	4,755,147	(288,000)	(312,915)	(24,915)	4,852,523
Unassigned	10,620,905	10,912,203	11,125,196	212,993	11,637,220	725,017	117,847	(607,170)	11,243,043
Total	18,034,061	18,638,210	18,211,316	(426,894)	19,305,545	667,335	551,930	(115,405)	18,763,246
Unassigned %	15.00%	14.39%	14.76%	0.37%	15.01%	0.62%	-0.53%	-1.15%	14.23%

Enrollment Assumptions

- Revised for the financial forecast – tuition & early exit

Grade Level	2023-24	2024-25	2025-26	2026-27
Pre-K	56	54	54	57
K	354	340	341	362
Gr. 1-5	1,840	1,833	1,817	1833
Gr. 6-8	1,153	1,171	1,175	1097
Gr. 9-12	1,748	1,670	1,587	1602
Budget Total	5,151	5,068	4,974	4,951
Projection for Served K-12	5,081	5,001	4,905	4,879

Revenue Assumptions

- General Education Aid - Base includes 2% in 2024-25 and 2% for the remaining years
- Includes \$750 per pupil operating referendum for 2022-23 through 2029-30 - no inflation factor
- Special Education aid – 5.0% increase each year of the forecast
- Qcomp (PPD) in all years – Expenditures reduced to match revenue
- Non-CARES act federal funds remain the same
- MESI STEAM grant ends after 2023-24
- Federal Pandemic Relief funds will be fully utilized in 2023-24

Expenditure Assumptions

- Base plan includes 2019-20 staffing ratios applied to student enrollment for all years of the forecast
- Supt. contingency of 2.95 FTE positions and Special Ed contingency of 1.0 FTE positions
- Salary and benefit increases based on expected market conditions and comparable settlements
- Non-salary, non-benefit costs 0%-3%
- Qcomp (PPD) reduced to match revenue for all years

Fund Balance Assumptions

- District's undesignated, unreserved fund balance policy is 8-12% of General Fund expenditures
- Maintaining expenditures will result in an assigned fund balance below policy in the fiscal year 2026-27
- Committed severance balance set to match actuarial estimates for all years
- After the passage of the referendum of 2019, the plan was to build fund balance and spend down through the five years of the ballot question through 2024-25

Other Factors That Could Impact the Forecast

- Funding decisions by the State Legislator
- Federal Pandemic Relief Funds will be fully utilized in fiscal year 2023-24
- Inflation's impact on expenditures and general education funding
- The cost of initiatives implemented in 2023 is higher than anticipated and proration of aid has started

Forecast Base Scenario

		2022-23	2023-24	2024-25	2025-26	2026-27
		\$6,863	\$7,138	\$7,281	\$7,427	\$7,576
Revenue		\$73,984,831	\$79,538,990	\$77,869,388	\$78,131,280	\$79,416,524
Expenditures		(\$75,369,363)	(\$78,987,060)	(\$78,984,186)	(\$80,626,710)	(\$80,508,466)
Enrollment change			-190.00	-83.00	-94.00	-23.00
Staffing change				-27.008	-4.169	-1.016
Federal revenue change			\$ (1,858,196.73)	\$ (1,349,746.00)	\$ 32,248.00	\$ 32,892.00
Fund Balance-Unassigned	\$	11,125,196	\$ 11,716,056	\$ 10,539,865	\$ 7,936,202	\$ 6,476,872
Change in fund Balance	\$		590,860	(1,176,191)	(2,603,664)	(1,459,329)
Fund Balance %		14.76%	14.83%	13.34%	9.84%	8.04%

Forecast Summary

- Fund balance will need to be watched closely as student counts continue in a declining pattern
- We will need to continue to be cost-conscious
- We will continue to spend down the assigned fund balance for technology
- PPD will need to be reviewed to align expenditures with revenues for 2024-25 and beyond
- Will need to implement budget modifications to maintain an 8%-12% unassigned/non-spendable fund balance