



**Buffalo
Hanover
Montrose**

BHM SCHOOLS

2025

Financial Forecast

**Independent School District 877
Buffalo-Hanover-Montrose**

2025 Financial Forecast

- General Fund Only
- Revised budgets for 2024-25
- Projected fund balances for 2024-25
- Enrollment assumptions
- Staffing 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 2024-25

- 1st Budget Revision

2024-25	Original Budget	1st Rev	\$ Change	Adjustment
Local Property Taxes	12,773,541	12,674,582	(98,959)	Miscellaneous tax adjustments and tax shift update
State Sources	60,867,398	61,690,379	822,981	State aid adjustments due to enrollment update, special ed aid adjustments, and endowment and READ Act entitlements
Federal Sources	2,463,840	2,511,800	47,960	Revised entitlements
Other	3,112,302	3,185,921	73,619	Erate reclassification and high school activities
Total	79,217,081	80,062,682	845,601	

General Fund Expenditures 2024-25

- 1st Budget Revision

2024-25	Original Budget	1st Rev	\$ Change	Adjustment
Salaries	45,572,283	45,560,047	(12,236)	Revised salary projections
Employee Benefits	17,903,474	17,464,399	(439,075)	Revised benefits projections and between terms unemployment
Purchased Services	12,324,325	12,258,751	(65,574)	Contracts for educational services, transportation, and restricted expenditures
Supplies	3,255,054	3,098,353	(156,701)	Activities, and restricted expenditures
Capital Outlay	2,911,367	2,902,575	(8,792)	Capital/LTFM adjustments
Other	691,588	680,851	(10,737)	Activities and property taxes paid
Total	82,658,091	81,964,976	(693,115)	

General Fund Balances 2024-25

- 1st Budget Revision

Category	Ending Balance 06/30/2023	Projected Ending Balance 06/30/2024	Audited Ending Balance 06/30/2024	Fund Balance Change Between Projection and Actual 2023-24	Original Ending Balance 6/30/2025	Updated Original Ending Balance 6/30/2025	Original Projected Change 2024-25	Final Revised Projected Change 2024-25	Difference Revision vs. Original 2024-25	Projected Ending Balance 06/30/2025
Restricted	1,920,682	2,240,547	2,934,956	694,409	1,989,418	2,683,827	(251,129)	(28,261)	222,868	2,906,695
Committed or Assigned	5,165,437	4,869,065	4,642,085	(226,980)	4,619,203	4,392,223	(249,862)	(174,392)	75,470	4,467,693
Unassigned & Nonspendable	11,125,198	11,611,004	12,624,921	1,013,917	8,670,985	9,684,902	(2,940,019)	(1,699,641)	1,240,378	10,925,280
Total	18,211,317	18,720,616	20,201,962	1,481,346	15,279,606	16,760,952	(3,441,010)	(1,902,294)	1,538,716	18,299,668
Unassigned & Nonspendable %	14.76%	14.55%	15.98%	1.43%	10.49%	11.72%	-4.06%	-2.65%	1.41%	13.33%

Enrollment Assumptions

- Revised for the financial forecast

Grade Level	2024-25	2025-26	2026-27	2027-28
Pre-K	83	80	85	87
K	354	336	357	366
1-5	1,792	1,789	1,814	1815
6-8	1,169	1,169	1,079	1077
9-12	1,648	1,549	1,586	1534
Budget Total	5,046	4,923	4,921	4,879
Projection for Served K-12	4,964	4,846	4,841	4,793

Staffing Assumptions

- Staffing goes back to planned ratios
- Supt. Contingency 2.95 FTE
- Special Education 1.0 FTE staffing contingency

Grade Level	2024-25	2025-26	2026-27	2027-28
K-5	107.339	101.065	103.213	103.690
6-8	52.583	50.670	46.826	46.695
9-12	71.238	61.947	63.555	61.228
Total	231.160	213.682	213.594	211.613
Staffing Change		(17.478)	(0.088)	(1.981)

Revenue Assumptions

- General Education Aid – Base Scenario includes 2% all years
- Includes \$750 per pupil operating referendum through 2029-30 - no inflationary factor
- Special education aid – 5.0% increase each year of the forecast
- Special education cross subsidy at 44% for 2024-25 and 2025-26. Increased to 50% for 2026-27 forward
- Federal funding remains the same
- Compensatory revenue remains the same
- PPD included for all years

Expenditure Assumptions

- Base plan includes 2019-20 staffing ratios applied to student enrollment for all years of the forecast
- Salary & benefit increases projected are based on expected market conditions, comparable settlements, and settled contracts
- Non-salary, non-benefit costs 0%-3%
- PPD expenditures adjusted to match revenues
- Supt. contingency of 2.95 FTE positions and Special Education contingency of 1.0 FTE positions

Fund Balance Assumptions

- District's unassigned and nonspendable fund balance policy is 8-12% of General Fund expenditures
- Building Carryover fund balance estimated to have an \$100,000 utilization
- Committed Severance Fund Balance based on Actuarial estimates
- Maintaining expenditures as projected will result in an unassigned and nonspendable fund balance below policy in the fiscal year 2026-27

Other Factors That Could Impact the Forecast

- The impact of inflation for both expenditures and the General Education formula
- Funding decisions by the State Legislator

Forecast Base Scenario

1/13/2025

General Education Formula changes:

2.0%, 2.0%, 2.0%

Retains 14-15 6.0 FTE LOR and Class Size Reduction staff for all years

Special Education Aid increase 5% in all years

Cross Subsidy at 44% in FY 25 and FY 26. 50% for FY 27 forward

Operating Referendum continuing through 2029-30

100.00% of Revenues Realized

100.00% of Expenditures Realized

		2023-24	2024-25	2025-26	2026-27	2027-28
		\$7,138	\$7,281	\$7,427	\$7,576	\$7,728
Revenue		\$80,980,042	\$80,062,682	\$79,313,654	\$80,895,267	\$82,101,547
Expenditures		(\$78,989,397)	(\$81,964,976)	(\$81,848,933)	(\$84,331,348)	(\$86,749,023)
Enrollment change			-148	-121	0	-46
Staffing change				-17.478	-0.088	-1.981
Federal revenue change			\$ (768,888.15)	\$ (390,005.00)	\$ 84,872.00	\$ 88,267.00
Fund Balance-Unassigned and nonspendable	\$	12,624,921	\$ 10,925,280	\$ 8,614,376	\$ 5,355,855	\$ 571,210
Change in fund Balance	\$		(1,699,641)	(2,310,904)	(3,258,521)	(4,784,645)
Fund Balance %		15.98%	13.33%	10.52%	6.35%	0.66%

Scenario #1 - No Staff Cuts in 2025-26

1/13/2025

General Education Formula changes:

2.0%, 2.0%, 2.0%

Retains 14-15 6.0 FTE LOR and Class Size Reduction staff for all years

Special Education Aid increase 5% in all years

Cross Subsidy at 44% in FY 25 and FY 26. 50% for FY 27 forward

Operating Referendum continuing through 2029-30

100.00% of Revenues Realized

100.00% of Expenditures Realized

		2023-24	2024-25	2025-26	2026-27	2027-28
		\$7,138	\$7,281	\$7,427	\$7,576	\$7,728
Revenue		\$80,980,042	\$80,062,682	\$79,313,654	\$80,895,267	\$82,101,547
Expenditures		(\$78,989,397)	(\$81,964,976)	(\$83,612,113)	(\$86,094,528)	(\$88,512,203)
Enrollment change			-148	-121	0	-46
Staffing change				0	-0.088	-1.981
Federal revenue change			\$ (768,888.15)	\$ (390,005.00)	\$ 84,872.00	\$ 88,267.00
Fund Balance-Unassigned and nonspendable		\$ 12,624,921	\$ 10,925,280	\$ 6,851,196	\$ 1,829,495	\$ (4,718,330)
Change in fund Balance			\$ (1,699,641)	\$ (4,074,084)	\$ (5,021,701)	\$ (6,547,825)
Fund Balance %		15.98%	13.33%	8.19%	2.12%	-5.33%

Scenario #2 - Half Staff Cuts in 2025-26

1/13/2025

General Education Formula changes:

2.0%, 2.0%, 2.0%

Retains 14-15 6.0 FTE LOR and Class Size Reduction staff for all years

Special Education Aid increase 5% in all years

Cross Subsidy at 44% in FY 25 and FY 26. 50% for FY 27 forward

Operating Referendum continuing through 2029-30

100.00% of Revenues Realized

100.00% of Expenditures Realized

		2023-24	2024-25	2025-26	2026-27	2027-28
		\$7,138	\$7,281	\$7,427	\$7,576	\$7,728
Revenue		\$80,980,042	\$80,062,682	\$79,313,654	\$80,895,267	\$82,101,547
Expenditures		(\$78,989,397)	(\$81,964,976)	(\$82,730,522)	(\$85,212,937)	(\$87,630,612)
Enrollment change			-148	-121	0	-46
Staffing change				-8.739	-0.088	-1.981
Federal revenue change			\$ (768,888.15)	\$ (390,005.00)	\$ 84,872.00	\$ 88,267.00
Fund Balance-Unassigned and nonspendable		\$ 12,624,921	\$ 10,925,280	\$ 7,732,787	\$ 3,592,677	\$ (2,073,557)
Change in fund Balance			\$ (1,699,641)	\$ (3,192,493)	\$ (4,140,110)	\$ (5,666,234)
Fund Balance %		15.98%	13.33%	9.35%	4.22%	-2.37%

January 2024 Presentation

Forecast Scenario 4 - Other

1/16/2024

General Education Formula changes:

2.0%, 2.0%, 2.0%

Retains 14-15 6.0 FTE LOR and Class Size Reduction Staff For All Years

Retains additional 7 FTE Contingency

100.00% of Revenues Realized

100.00% of Expenditures Realized

		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)	(\$79,459,515)	(\$80,508,503)	(\$83,018,928)
Enrollment change			-190	-83	-94	-23
Staffing change				-20.008	-11.169	-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	\$ 11,758,517	\$ 10,309,578	\$ 8,090,866	\$ 4,439,310
Change in fund Balance	\$		633,321	\$(1,448,939)	\$(2,218,712)	\$(3,651,556)
Fund Balance %		14.76%	14.89%	12.97%	10.05%	5.35%

Forecast Summary

- Fund Balance is projected to decrease throughout the forecast period
- PPD expenditures will be aligned with revenues for 2024-25 and beyond
- The assigned fund balance for technology will continue to be utilized
- To maintain the district's policy of an 8%-12% unassigned and nonspendable fund balance, budget modifications will be essential by 2026-27