



Buffalo  
Hanover  
Montrose  

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BHM SCHOOLS

2023

# Financial Forecast

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Independent School District 877

Buffalo-Hanover-Montrose

Business Office

# 2023 Financial Forecast

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- General Fund only
- Revised budgets for 2022-23
- Projected fund balances for 2022-23
- Enrollment assumptions
- Revenue assumptions
- Expenditure assumptions
- Fund balance assumptions
- Forecast scenarios

# General Fund Definition

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

# General Fund Revenues 2022-2023

- 1<sup>st</sup> Budget Revision

Revenues				
2022-23	Original Budget	1st Revised Budget	\$ Change	Adjustment
<b>Local Property Taxes</b>	11,355,167	11,365,153	<b>9,986</b>	Miscellaneous tax adjustments
<b>State Sources</b>	55,638,882	55,306,540	<b>(332,342)</b>	State Aid adjustments due to enrollment update, special ed aid adjustments, and revised entitlements
<b>Federal Sources</b>	3,263,940	3,673,960	<b>410,020</b>	Revised entitlements and Federal Pandemic Relief Funding
<b>Other</b>	2,618,181	3,002,152	<b>383,971</b>	Revised tuition from other districts and student activities
<b>Total</b>	<b>72,876,170</b>	<b>73,347,805</b>	<b>471,635</b>	



# General Fund Expenditures 2022-2023

- 1<sup>st</sup> Budget Revision

Expenditures	Original Budget	1st Revised Budget	\$ Change	Adjustment
<b>2022-23</b>				
<b>Salaries</b>	39,773,468	41,129,629	<b>1,356,161</b>	Revised salary projections
<b>Employee Benefits</b>	15,704,961	15,596,085	<b>(108,876)</b>	Revised benefits projections and revised cobra/retiree insurance contributions
<b>Purchased Serv.</b>	11,110,270	11,429,844	<b>319,574</b>	Contracts for educational services and transportation update
<b>Supplies</b>	2,587,606	3,195,186	<b>607,580</b>	Student Activities, Fuel, and Federal Pandemic Relief Funds purchases
<b>Capital Outlay</b>	2,834,662	2,751,414	<b>(83,248)</b>	Capital Lease adjustments and Federal Pandemic Relief Funds purchases
<b>Other</b>	636,988	650,597	<b>13,609</b>	TRA Special Funding
<b>Total</b>	<b>72,647,955</b>	<b>74,752,755</b>	<b>2,104,800</b>	

# General Fund Balances 2022-2023

- 1<sup>st</sup> Budget Revision

Category	Ending Balance 06/30/2021	Projected Ending Balance 06/30/2022	Audited Ending Balance 06/30/2022	2021-22 Fund Balance Change	2022-23 Original Ending Balance 6/30/23	2022-23 Original Projected Change	2022-23 1st Revised Projected Change	Difference Revision vs. Original	Projected Ending Balance 06/30/2023
<b>Restricted</b>	2,033,047	2,651,305	2,648,528	(2,777)	3,100,561	449,256	4,549	(444,707)	<b>2,653,077</b>
<b>Committed or Assigned</b>	5,380,109	5,222,833	5,388,548	165,715	4,905,763	(317,070)	(343,476)	(26,406)	<b>5,045,072</b>
<b>Unassigned</b>	<b>10,620,904</b>	<b>11,346,798</b>	<b>11,558,772</b>	<b>211,974</b>	<b>9,939,085</b>	<b>(1,407,713)</b>	<b>(1,066,023)</b>	<b>341,689</b>	<b>10,492,749</b>
<b>Total</b>	18,034,060	19,220,936	19,595,848	374,912	17,945,409	(1,275,527)	(1,404,950)	(129,423)	<b>18,190,898</b>
<b>Unassigned %</b>	<b>15.00%</b>	<b>15.68%</b>	<b>15.97%</b>	<b>0.29%</b>	<b>14.68%</b>	<b>-1.00%</b>	<b>-1.93%</b>	<b>-0.93%</b>	<b>14.04%</b>

# Enrollment Assumptions

- Revised for the financial forecast – tuition & early exit

<b>Grade Level</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b>Pre-K</b>	72	55	60	75
<b>K</b>	342	362	343	354
<b>Gr. 1-5</b>	1,916	1,831	1,811	1780
<b>Gr. 6-8</b>	1,159	1,152	1,184	1192
<b>Gr. 9-12</b>	1,805	1,780	1,694	1601
<b>Budget Total</b>	<b>5,294</b>	<b>5,180</b>	<b>5,092</b>	<b>5,002</b>
<b>Projection for Served K-12</b>	<b>5,300</b>	<b>5,186</b>	<b>5,096</b>	<b>5,002</b>

# Revenue Assumptions

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- General Education Aid - Base includes 2% in 2023-24 and 1% for the remaining years
- Includes \$750 per pupil operating referendum for 2022-23 through 2023-24 - no inflation factor - ends FY 2024-25
- Special Education aid – 4.0% 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 2022-23
- Federal Pandemic Relief funds will be fully utilized in 2023-24



# Expenditure Assumptions

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- 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

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- 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 fiscal year 2024-25
- Committed severance balance set to match actuarial estimates for all years
- After the passage of the referendum of 2019, 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

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- Funding decisions by the State Legislator
- Federal Pandemic Relief Funds will be fully utilized in fiscal year 2023-24

## Forecast Base Scenario

General Education Formula changes:  
2.0%, 1.0%, 1.0%

		2021-22	2022-23	2023-24	2024-25	2025-26
		\$6,728	\$6,863	\$7,000	\$7,070	\$7,141
Revenue		\$73,829,366	\$73,347,805	\$74,583,660	\$73,938,969	\$69,179,075
Expenditures		(\$72,267,578)	(\$74,752,755)	(\$76,414,706)	(\$77,314,807)	(\$79,010,535)
Enrollment change			-82.59	-114	-90	-94
Staffing change				-4.467	-4.103	-7.663
Federal revenue change			\$ 187,746.23	\$ (971,314.18)	\$ (986,874.00)	\$ -
Fund Balance-Unassigned		\$ 11,558,772	\$ 10,861,944	\$ 9,572,113	\$ 6,683,011	\$ (2,926,752)
Change in fund Balance			\$ (696,828)	\$ (1,289,831)	\$ (2,889,102)	\$ (9,609,763)
Fund Balance %		<b>15.99%</b>	<b>14.53%</b>	<b>12.53%</b>	<b>8.64%</b>	<b>-3.70%</b>



# Forecast Summary

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- 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 2023-24 and beyond
- We will likely need to look at budget modifications to maintain an 8%-12% unassigned/non-spendable fund balance
- Renewal of the operating referendum will have a significant impact on fiscal years starting with 2025-26