Caledonia-Mumford CSD Budget Development 2025-2026

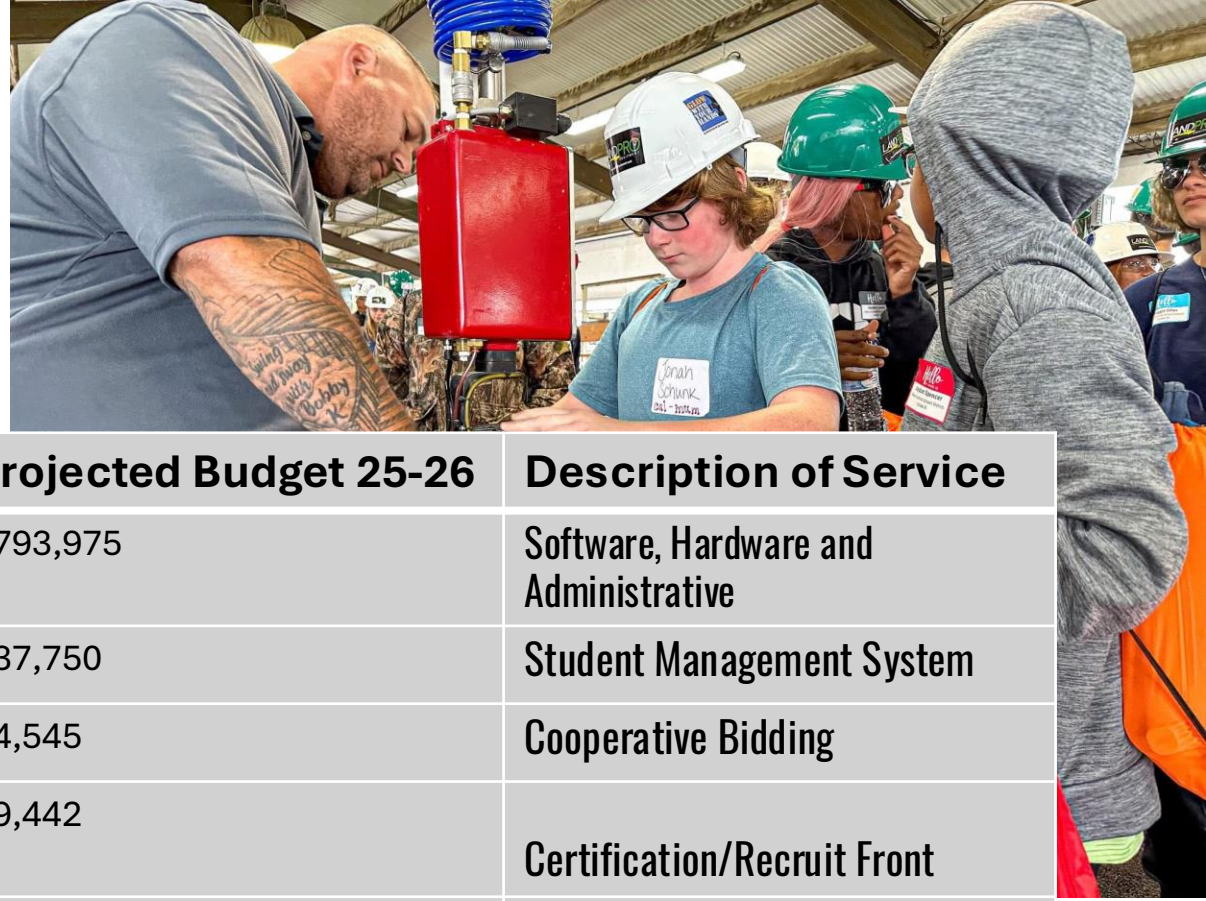
Budget Presentation

- Review of BOCES Budget
  - April 21st vote
- Refinement of 2025-2026
  - Proposed gap closing
  - Proposed revenue adjustment
- Reserves and District Financial Health
- April 8th adoption of the proposed budget
  - Revenues are projections without the state budget

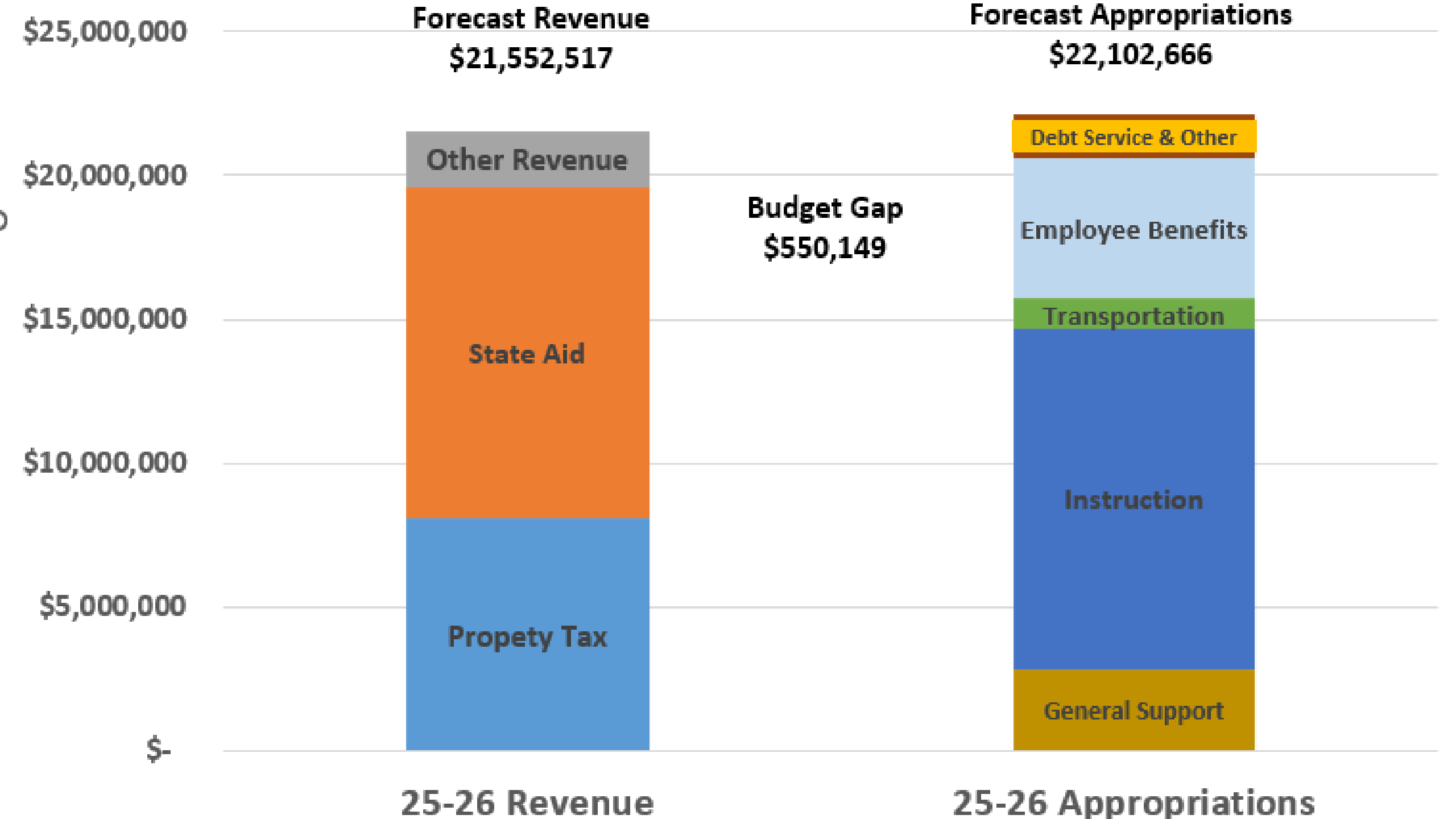
BOCES Expenditures

Service	Budget 24-25	Projected Budget 25-26	Description of Service
Genesee Valley School Board Association	$7,468	$8,528	GVSBA
Finance BOCES Services	$43,034	$87,271	Worker Comp, Questar, Flex Benefits, and Shared Cafeteria Manager
Legal BOCES Services	$63,407	$41,975	New part-time lawyer
Data Processing BOCES Services	$142,612	$233,103	EDU Tech
Administrative BOCES Charges	$245,852	$252,591	Admin charges, Capital Project and rent
In-service Training BOCES Services	$114,371	$159,156	Instructional support/training
Teaching Regular School BOCES Services	$295,286	$274,240	Enrichment opportunities, Science Kits
Special Edu BOCES Services	$947,763	$646,791	Special Ed placements
Occupational Education BOCES Services	$358,203	$365,840	Career and Tech Tuition
Instructional Media BOCES Services	$51,490	$53,332	Databases and library services

BOCES Expenditures



Service	Budget 24-25	Projected Budget 25-26	Description of Service
Vendor Licensing and Tech Purchase Services	$738,000	$793,975	Software, Hardware and Administrative
Guidance BOCES Services	$37,750	$37,750	Student Management System
Purchasing BOCES Services	$2,900	$4,545	Cooperative Bidding
Personnel BOCES Services	$7,946	$9,442	Certification/Recruit Front
BOCES Summer School	$1,337	$745	Summer School Program
Athletics BOCES	$8,160	$8,821	Section V Sports
Transportation BOCES Services	$13,594	$12,853	Staff Development
Health Insurance Consultant	$3,000	$3,000	FLASHP Health Consultant
Research Planning	$5,100	$5,100	Grant Writing
TOTAL	**$2,901,608**	**$2,999,058**	**Percent Change 3.36%**


Forecast Revenue
$21,552,517
Forecast Appropriations
$22,102,666
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
Other Revenue
State Aid
Propety Tax
Budget Gap
$550,149
Debt Service & Other
Employee Benefits
Transportation
Instruction
General Support
25-26 Revenue
25-26 Appropriations

Refinements to Revenue Considerations

Increase revenue from Interest Income and BOCES

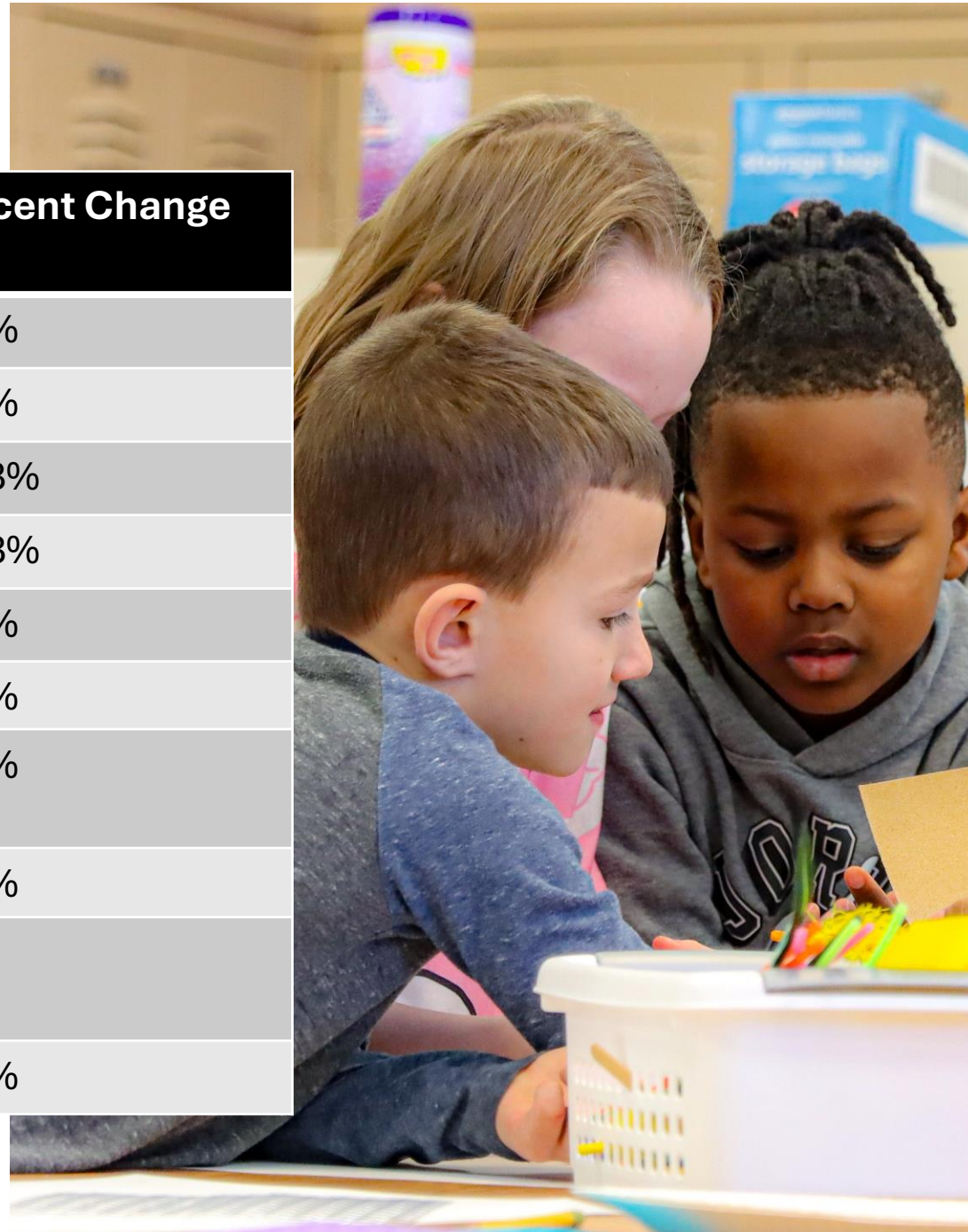
Potential Increases in Foundation Aid

Refinement to Appropriations

- Eliminate STEM Teacher at M/HS
- Eliminate AIS Position
- Eliminate Strength and Conditioning Coach
- Reduce summer curriculum expenditures
- Maintain Technology Budget
- Maintain Facilities Budget

Revenue Sources

	2024-2025 Budget	2025-2026 Budget Projected	Percent Change
Property Taxes	$7,923,478	$8,105,718	2.3%
State Aid	$11,033,646	$11,521,844	4.4%
PILOT Payments	$88,361	$117,378	32.8%
Sales Tax	$195,000	$215,000	10.3%
Medicaid	$20,000	$20,000	0.0%
Other Revenue	$210,500	$210,500	0.0%
Appropriated Fund Balance	$465,000	$465,000	0.0%
Restricted Reserves	$670,000	$670,000	0.0%
Interfund Transfers (Capital Project)	$0	$235,000	
Total	$20,605,985	$21,560,440	4.6%



Reserves

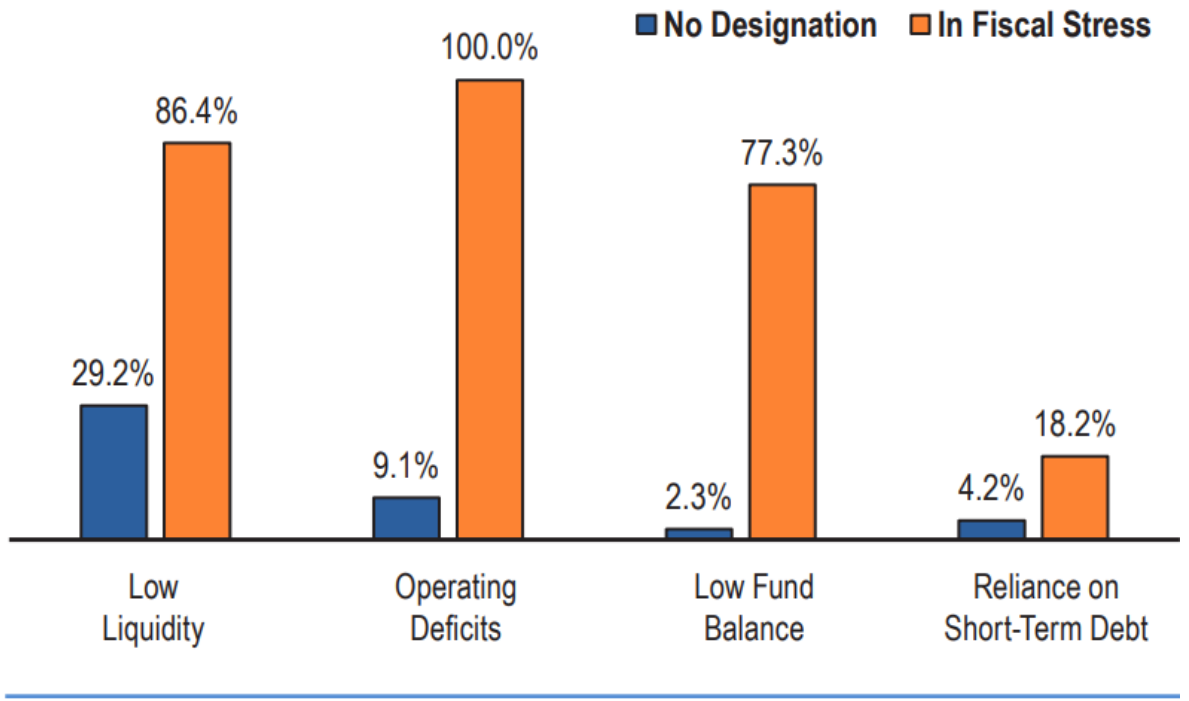
- Reserves are saving accounts provided to schools under both Municipal and Education Law

Why do schools need Reserves

- Manage uncertainty
  - Changes in state or federal funding
  - New student enrollment
  - Storm damage
  - Facilities failure
  - Unfunded government mandates
- Provide cash flow for operations
- Create a strong credit rating to lower interest payments

What is a smart level of Reserves

NYS Comptroller judges the fiscal stress of schools by four metrics

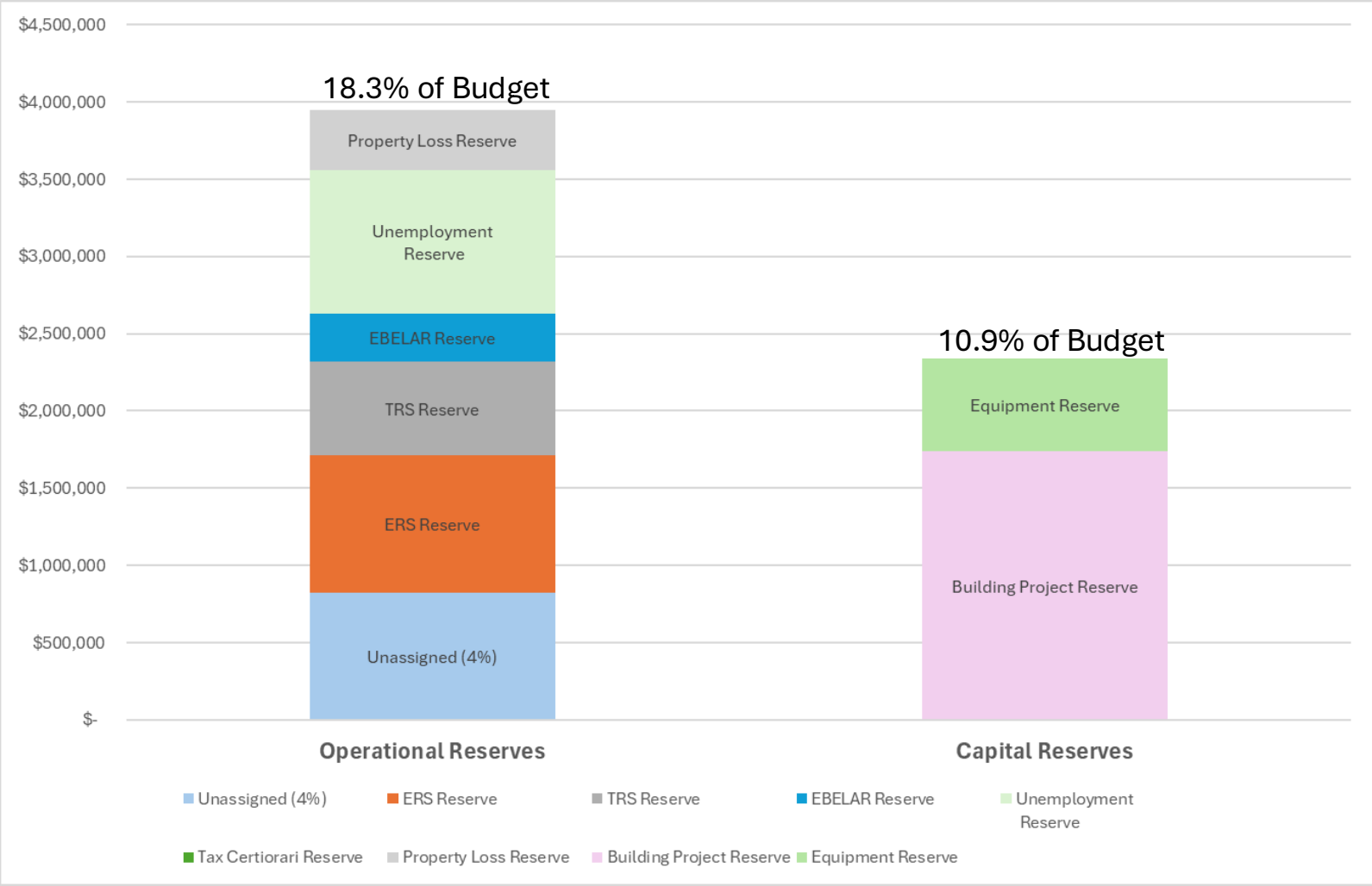


Source: Office of the New York State Comptroller.

To stay out of Fiscal Stress

- Comptroller states schools need 10% of their budget in reserves
- Credit-rating agencies provide the highest credit ratings to schools with over 30% their annual budget in reserves

Cal-Mum Reserves



Ways to Use Reserves

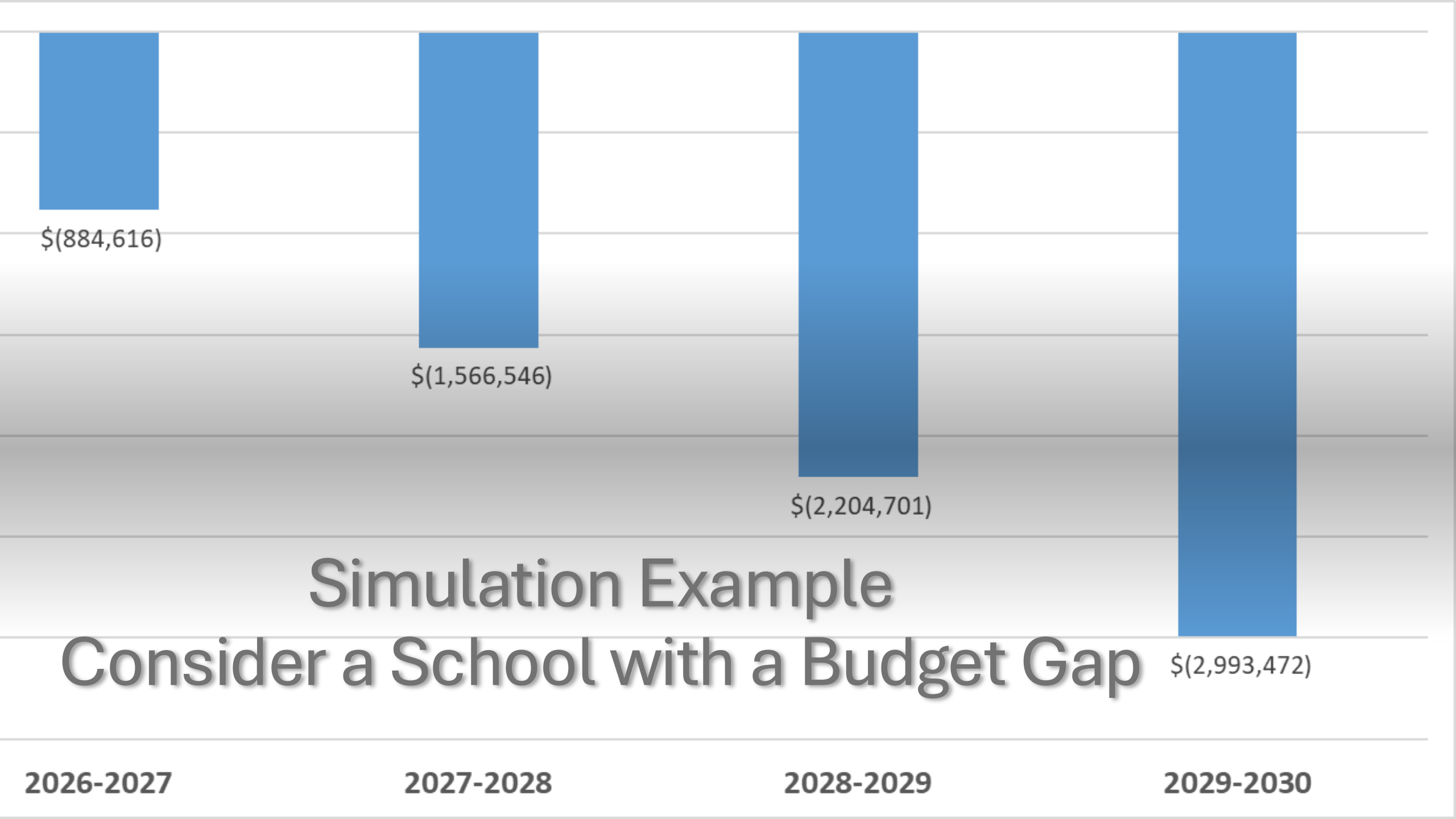
Sustainable

Non-Sustainable

Structural Budget Deficits

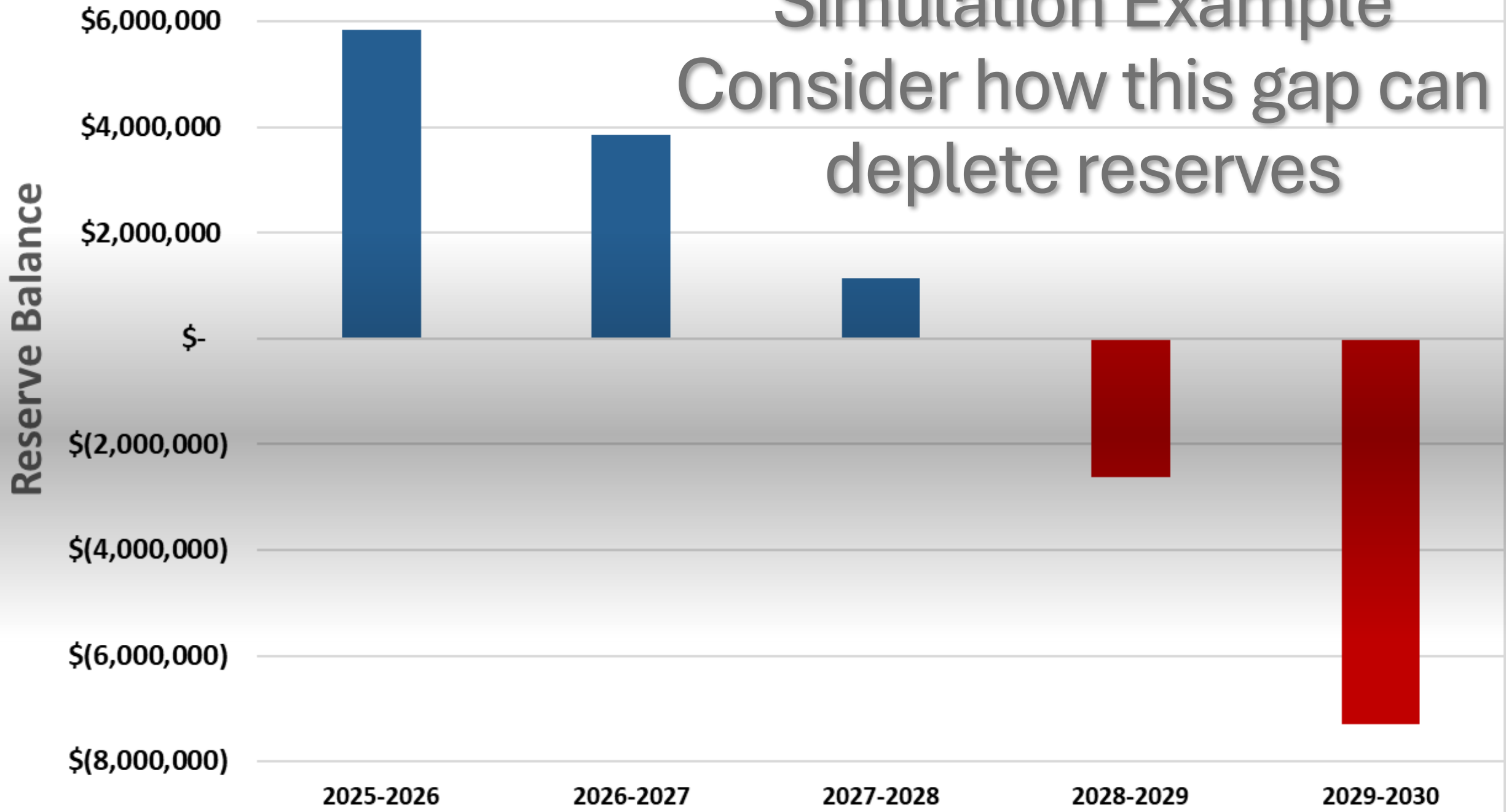
- Structural Deficits occur when schools use savings to balance a budget for recurring expenses.

Budgeted Revenue	$$
- Budgeted Expenses	$$$
= Gap	$



Simulation Example
Consider a School with a Budget Gap

Simulation Example
Consider how this gap can deplete reserves



Sustainable Uses of Reserves

- Fund first year start-up costs for an aided program (e.g., BOCES aided software)
- Bridge operating expenses until significant retirements occur
- Emergency repairs
- Seed a $100k annual capital project

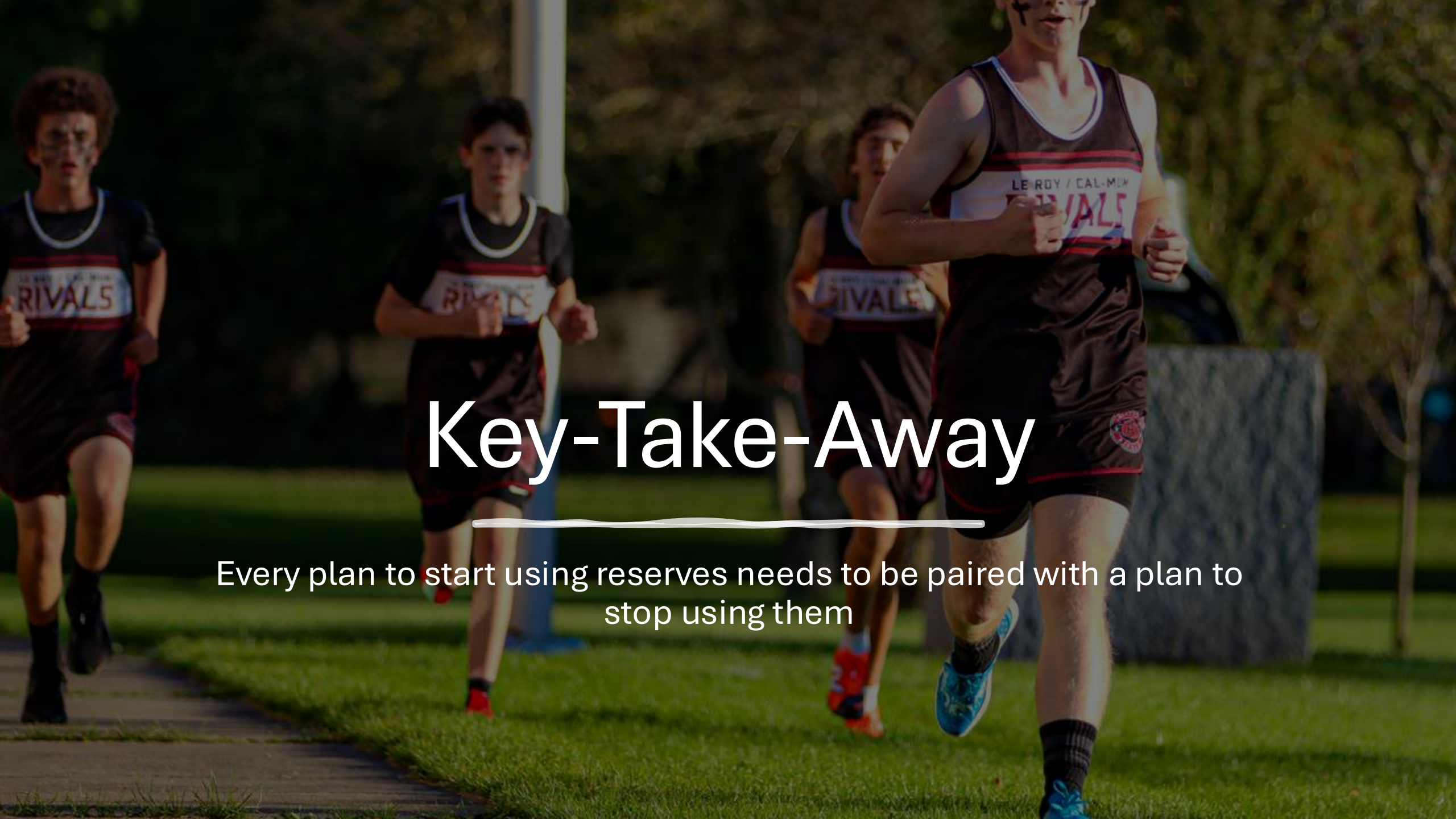
So when should you use Non-renewable reserves?

When you have a plan to stop!

Cal-Mum Sustainable Planned Use of Reserves

- $670,000 in reserves in both the 24-25 and 25-26

- Possible Year-End Strategy for BOE consideration
  - If all goes well, restricted reserves will be refunded
  - Unassigned reserve will be maintained at legal limit
  - Capital Reserves will be increased to reduce the local share of the next capital project
  - Evaluate Balances and make transfers to align with overall strategy



Key-Take-Away

Every plan to start using reserves needs to be paired with a plan to stop using them

Save the Date

April 8th

Board of Education Adopts the Proposed Budget

April 21st

BOCES Budget Vote and Budget Adoption
IF One-House Budget is not in by April 1st

May 13th

Public Budget Hearing

May 20th

Annual Budget Vote and

Board of Education Election

Reference Slides

School District Financial Indicators

Category	Indicator	Scoring	Fiscal Year End	Data Required and Calculations	Possible Points
Year End Fund Balance	1 Unassigned Fund Balance	**General Fund** 25 Points for values ≤ 1% 16.67 Points for values > 1% But ≤ 2% 8.33 Points for values > 2% But ≤ 3% 0 Points for values > 3%	Current Year	**Data Required** Unassigned Fund Balance (codes 916 & 917) Gross Expenditures **Calculation** Unassigned Fund Balance ÷ Gross Expenditures	25.00
	2 Total Fund Balance	**General Fund** 25 Points for values ≤ 0% 16.67 Points for values > 0% But ≤ 5% 8.33 Points for values > 5% But ≤ 10% 0 Points for values > 10%	Current Year	**Data Required** Total Fund Balance (code 8029) Gross Expenditures **Calculation** Total Fund Balance (code 8029) ÷ Gross Expenditures	25.00
Operating Deficits	3 Operating Deficit	**General Fund** 20 Points for values = Deficits ≤ -1% in 3/3 of the Last Fiscal Years 13.33 Points for values = Deficits ≤ -1% in 2/3 of the Last Fiscal Years 6.67 Points for values = Deficit ≤ -1% in 1/3 Last Fiscal Years 0 Points for values = Deficit ≤ -1% in 0/3 Last Fiscal Years	2 Years Prior	**Data Required** Gross Revenues Gross Expenditures **Calculation** (Gross Revenues - Gross Expenditures) ÷ Gross Expenditures	20.00
			Prior Year	**Data Required** Gross Revenues Gross Expenditures **Calculation** (Gross Revenues - Gross Expenditures) ÷ Gross Expenditures	
			Current Year	**Data Required** Gross Revenues Gross Expenditures **Calculation** (Gross Revenues - Gross Expenditures) ÷ Gross Expenditures	
Cash Position	4 Cash Ratio	**General Fund** 10 Points for values ≤ 50% 6.67 Points for values > 50% But ≤ 75% 3.33 Points for values > 75% But ≤ 100% 0 Points for values > 100%	Current Year	**Data Required** Cash and Investments (codes 200-223, 450, 451) Net Current Liability (codes 600-626 & 631-668) **Calculation** Cash and Investments ÷ Net Current Liability	10.00
	5 Cash % of Monthly Expenditures	**General Fund** 10 Points for values ≤ 33.33% 6.67 Points for values > 33.33% But ≤ 66.67% 3.33 Points for values > 66.67% But ≤ 100% 0 Points for values > 100%	Current Year	**Data Required** Cash and Investments (codes 200, 201, 450, 451) Average Monthly Gross Expenditures (Gross Expenditures ÷ 12) **Calculation** Cash and Investments ÷ Average Monthly Gross Expenditures	10.00
Reliance on Short-Term Cash-Flow Debt	6 Short-Term Cash-Flow Debt Reliance	**All Funds** 10 Points = Change in Cash-Flow Debt Issued is ≥ 10% or Current Year Cash-Flow Debt Issued and No Prior Year Issuance 6.67 Points = Change in Cash-Flow Debt Issued is ≥ 6.67% But < 10% 3.33 Points = Change in Cash-Flow Debt Issued is ≥ 3.33% But < 6.67% 0 Points = Change in Cash-Flow Debt Issued is < 3.33% or No Current Year Issuance	Prior Year	**Data Required** Short-Term Cash-Flow Debt Issued (Revenue Anticipation Notes, Tax Anticipation Notes, Budget Notes, and Deficiency Notes)	10.00
			Current Year	**Data Required** Short-Term Cash-Flow Debt Issued (Revenue Anticipation Notes, Tax Anticipation Notes, Budget Notes, and Deficiency Notes)	
				Calculation (Current Year Short-Term Cash-Flow Debt Issued - Prior Year Short-Term Cash-Flow Debt Issued) ÷ Prior Year Short-Term Cash-Flow Debt Issued	
				Total[1]:	**100.0**

Gross Revenues = General Fund's Revenues and Other Sources (Transfer Activity)
Gross Expenditures = General Fund's Expenditures and Other Uses (Transfer Activity) - 9950.9 (Transfers to Capital Project's Fund)

[1]Indicator points are rounded to two decimal places. Total points are rounded to one decimal place.

Point Range (Out of 100 total pts)
Significant Fiscal Stress 65 - 100
Moderate Fiscal Stress 45 - 64.9
Susceptible Fiscal Stress 25 - 44.9
No Designation 0 - 24.9

Moody's Small School Credit Metrics

Exhibit 10

Medians by rating - US K-12 public school districts with enrollment of less than 1,000

	Aaa	Aa	A	Baa	Ba & Below
Resident income	N/A	119.8%	99.1%	91.9%	N/A
Full value ($000)	N/A	1,251,710	514,544	383,522	N/A
Population	N/A	5,951	4,376	3,924	N/A
Full value per capita ($)	N/A	192,034	123,656	101,744	N/A
Enrollment	N/A	710	575	485	N/A
Enrollment trend	N/A	-0.7%	-1.3%	-2.8%	N/A
Operating revenue ($000)	N/A	15,140	10,026	8,418	N/A
Available fund balance ($000)	N/A	5,495	3,002	1,512	N/A
Net cash ($000)	N/A	6,187	3,361	1,526	N/A
Available fund balance ratio	N/A	38.9%	32.5%	16.4%	N/A
Net cash ratio	N/A	48.3%	35.9%	13.6%	N/A
Debt ($000)	N/A	9,566	7,778	7,449	N/A
ANPL ($000)	N/A	19,423	14,629	16,524	N/A
OPEB ($000)	N/A	1,337	584	1,865	N/A
Long-term liabilities ratio	N/A	248.6%	272.9%	311.2%	N/A
Implied Debt Service ($000)	N/A	568	499	476	N/A
Implied Debt Service as % of operating revenues	N/A	3.9%	5.2%	5.4%	N/A
Pension Treadwater ($000)	N/A	242	231	403	N/A
Pension Tread Water as % of operating revenues	N/A	1.5%	2.5%	4.5%	N/A
OPEB Contributions ($000)	N/A	38	30	88	N/A
OPEB Contributions as % of operating revenues	N/A	0.2%	0.3%	0.6%	N/A
Fixed-costs ratio	N/A	7.3%	8.8%	11.8%	N/A

Source: Moody's Ratings

Budget to Budget Increase

Proposed Expenditures	2024-2025 Budget	2025-2026 Budget	Percent Change
General Support	$2,601,797	$2,861,176	9.97%
Instruction	$11,265,241	$11,836,418	5.07%
Transportation	$971,819	$1,027,155	5.69%
Employee Benefits	$4,529,477	$4,891,335	7.99%
Community Service	$10,150	$10,305	1.53%
Debt Service & Transfers	$1,227,501	$1,476,277	20.27%
Total	$20,605,985	$22,102,666	7.26%