

# Board Information Item

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Board Agenda  
Information

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Action

Board Agenda  
Consent

04/25/2022

**Subject:**

2021-2022 Budget Update

**Contact Person:**

DaiAnn Mooney, Chief Financial Officer

**Policy/Code:**

**Board Goal:**

LEAD 2.0 Goal 1 – Actively identify and remove barriers that limit access to and opportunity for learning.

Board Goal 1 – Evaluate and approve a yearly budget that targets academic and student activities that reflect the school district and community’s focus on results, excellence, and strong fiscal responsibility.

**Summary:**

Projections of expenditures are critical for monitoring the financial position of the District. Attached is a summary of the initial projections for 2021-2022 based on nine months of actual data. The Finance Department will project expenditures on a monthly basis for the remainder of the current fiscal year. In summary, the projections reflect the following:

- Revenues are projected to be \$2.5 million less than budgeted
- Payroll expenditures are projected to be \$1.7 million less than budgeted
- TRS On-behalf revenues and expenditures are \$0.6 million less than budgeted
- Other expenses are projected to be approximately \$0.7 million less than budgeted
- Tax Increment Finance (TIF) Zone revenues and payment projected to be \$163,254 less than budgeted.

**REVENUES:**

The projected state funding for the 2021-2022 school year is summarized below:

Tax Revenue	\$154,966,608
State Allotments	9,872,848
Recapture	<u>(54,546,405)</u>
Total Projected Funding	\$110,293,051
Current Budget	\$112,325,110
Variance	(\$2,032,059)

The funding elements to calculate the projected state funding include:

- Average Daily Attendance (ADA) – 13,005.973 (the budget was developed using an ADA of 13,279.89)
- Tax Collection Rate – 98.6%
- Tax Levy (current) – \$154,366,608
- Delinquent Taxes – \$600,000

The District generated ADA for the first four six weeks as follows:

1<sup>st</sup> Six Weeks – 12,891.79  
2<sup>nd</sup> Six Weeks – 12,954.36  
3<sup>rd</sup> Six Weeks – 12,888.64  
4<sup>th</sup> Six Weeks – 12,567.48

The District is funded based on the ADA. As expected, the District is experiencing lower ADA as a result of COVID absences. The 2021-2022 budget was developed using an ADA of 13,279.89. Therefore, the projections indicate a budget shortfall in funding of \$2 million.

The Texas Education Agency (TEA) will make an adjustment to ADA to assist with funding lost to lower attendance rates caused by the COVID-19 pandemic during the first four six weeks of the 2021-2022 school year. TEA calculated a target percentage attendance rate (TPAR) based on the District's average attendance rate for the first four six weeks of the 2019-2020 school year. For GCISD, the TPAR is 96.44%, which is higher than the actual attendance rate of 94.76%. As a result, GCISD will receive funding for an additional 180.405 ADA for the first four six weeks.

The original revenue budget included \$1.5 million for the federal flood control. The District received the payment in October 2021 in the amount of \$683,488, which is \$816,512 less than budgeted.

**EXPENDITURES:**

The excess payroll budget of \$1.7 million is reflective of the savings from hiring personnel with lower salaries, vacant positions and payroll docks.

In other expense areas, utilities are projected to come in approximately \$115,547 under budget. The projected utility costs are reflective of what was expended last year. The other non-payroll expenditures are projected to be slightly under budget as well.

The current budget reflects a deficit of \$9.2 million. However, current projections show the deficit to be \$8.5 million, which is \$0.7 million lower than currently budgeted.

The projections for the 2021-2022 fiscal year will continue to be reviewed each month.

**Attachments:**

Summary of Revenue and Expenditure Projections as of March 31, 2022.

**Recommendation:**

Action is not required. This item is for informational purposes only.

**Grapevine-Colleyville Independent School District**  
**Summary of Revenue and Expenditure Projections as of March 31, 2022**  
**2021-2022**

	Original Budget	Current Budget	Projections	Projection vs. Actual Variance	Description
<b>Revenues:</b>					
1 Taxes (Current & Delinquent)	\$ 157,304,340	\$ 154,642,537	\$ 154,966,608	\$ 324,071	
2 Taxes (P&I)	600,000	600,000	600,000	-	
3 Tax Increment Finance (TIF)	6,539,512	6,539,512	6,376,258	(163,254)	Adjusted TIF collections for certified property values.
4 Other Local	6,730,989	6,725,454	7,278,484	553,030	Vehicle inventory tax receipts
5 Winter Storm Insurance Proceeds		125,762	125,762	-	
6 State - ASF & FSP	5,447,334	9,722,848	9,872,848	150,000	Increase in Foundation School Fund due to Tax Increment Finance zone State reimbursement payment being lower due to reduced property tax rate decrease.
7 State - Prior Year	-		424,894	424,894	Prior year state reimbursement from property value audit.
8 State - Other	-	95,988	95,988	-	
9 State - TRS On-Behalf	8,354,864	8,399,476	7,818,264	(581,212)	TRS On-behalf is recorded as both revenue and expenditure. Therefore, the lower revenues are offset by lower payroll expenditures.
10 Flood Control	1,500,000	1,500,000	683,489	(816,511)	Flood control payment received was less than budgeted.
11 Other Federal	1,205,000	1,205,000	1,285,000	80,000	
12 Other Sources	50,000	50,000	40,000	(10,000)	
13 Recapture	(50,426,564)	(52,040,275)	(54,546,405)	(2,506,130)	Recapture is more due to actual lower ADA than used for budget.
14 <b>Total Revenues</b>	<b>\$ 137,305,475</b>	<b>\$ 137,566,302</b>	<b>\$ 135,021,190</b>	<b>\$ (2,545,112)</b>	
<b>Expenditures:</b>					
15 Payroll Costs	\$ 113,526,675	\$ 114,890,351	\$ 113,221,100	\$ 1,669,251	
16 TRS On-Behalf	8,354,864	8,399,476	7,818,264	581,212	
17 Contracted Services	7,504,585	6,573,916	6,180,618	393,298	
18 Utilities	3,308,757	3,309,177	3,193,630	115,547	
19 Supplies and Materials	3,369,258	3,841,764	3,739,037	102,727	
20 Other Operating Costs	2,199,746	3,049,015	2,902,785	146,230	
21 Capital Outlay	8,216	16,116	11,116	5,000	
22 Winter Storm	-	125,762	125,762	-	Winter storm maintenance expenditures.
23 TIF Payment	6,539,512	6,539,512	6,376,258	163,254	Adjusted TIF collections for certified property values.
24 <b>Total Expenditures</b>	<b>\$ 144,811,613</b>	<b>\$ 146,745,089</b>	<b>\$ 143,568,570</b>	<b>\$ 3,176,519</b>	
<b>Fund Balance Increase (Decrease)</b>	<b>\$ (7,506,138)</b>	<b>\$ (9,178,787)</b>	<b>\$ (8,547,380)</b>	<b>\$ 631,407</b>	
<b>Beginning Fund Balance</b>	<b>\$ 56,522,424</b>	<b>\$ 56,522,424</b>	<b>\$ 56,522,424</b>		
<b>Estimated Ending Fund Balance</b>	<b>\$ 49,016,286</b>	<b>\$ 47,343,637</b>	<b>\$ 47,975,044</b>		
<b>20% of Operating Expenditures</b>			<b>\$ 38,347,743</b>		
<b>Fund Balance Over 20% Policy</b>			<b>\$ 9,627,301</b>		

<b>State Funding Recap:</b>	
Taxes	\$ 154,966,608
State Allotments	9,872,848
Recapture	(54,546,405)
<b>Total</b>	<b>\$ 110,293,051</b>
<b>Budget</b>	<b>112,325,110</b>
<b>Variance</b>	<b>\$ (2,032,059)</b>