

Board Information Item

Information
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Board Agenda
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Action

Board Agenda
Consent

01/24/2022

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 six 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 \$4 million less than budgeted
- Payroll expenditures are projected to be \$2.5 million less than budgeted
- Other expenses are projected to be approximately \$0.9 million less than budgeted.

REVENUES:

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

Tax Revenue	\$154,758,331
State Allotments	10,145,962
Recapture	<u>(55,914,617)</u>
Total Projected Funding	\$108,989,676
Current Budget	\$112,325,110
Variance	(\$3,335,434)

The funding elements to calculate the projected state funding include:

- Average Daily Attendance (ADA) – 12,863.435 (the budget was developed using an ADA of 13,279.890)
- Tax Collection Rate – 98.6%
- Tax Levy (current) – \$154,258,331
- Delinquent Taxes – \$500,000

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

1st Six Weeks – 12,841.241
2nd Six Weeks – 12,905.363
3rd Six Weeks – 12,843.70

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 13,279.890 and the actual ADA for the first three six weeks is 12,863.435, which is a difference of 416.455. Therefore, the projections indicate a shortfall in funding of \$3.3 million.

At this time, the State has only provided a provision to assist with the 1st six weeks ADA for the 2021-2022 school year. If it will benefit the District, the State will replace the 1st six weeks ADA with the lower of the 2019-2020 1st six weeks ADA **OR** the 2021-2022 4th, 5th, and 6th six weeks ADA.

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 \$816,511 less than budgeted.

EXPENDITURES:

The excess payroll budget of \$2.5 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 \$38,000 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 \$9.8 million, which is \$0.6 million higher than originally 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 December 31, 2021.

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 December 31, 2022
2021-2022

	Original Budget	Current Budget	Projections	Projection vs. Actual Variance	Description
Revenues:					
Taxes (Current & Delinquent)	\$ 157,304,340	\$ 154,642,537	\$ 154,758,331	\$ 115,794	
Taxes (P&I)	600,000	600,000	600,000	-	
Tax Increment Finance (TIF)	6,539,512	6,539,512	6,539,512	-	
Other Local	6,730,989	6,730,989	6,570,753	(160,236)	
State - ASF & FSP	5,447,334	9,722,848	10,145,962	423,114	Increase in Foundation School Fund due to Tax Increment Finance zone State reimbursement payment being lower due to reduced property tax rate decrease.
State - Prior Year	-	-	379,671	379,671	Prior year state reimbursement from property value audit.
State - Other	-	95,988	95,988	-	
State - TRS On-behalf	8,354,864	8,399,476	8,323,560	(75,916)	TRS On-behalf is recorded as both revenue and expenditure. Therefore, the lower revenues are offset by lower payroll expenditures.
Flood Control	1,500,000	1,500,000	683,489	(816,511)	Flood control payment received was less than budgeted.
Other Federal	1,205,000	1,205,000	1,205,000	-	
Other Sources	50,000	50,000	50,000	-	
Recapture	(50,426,564)	(52,040,275)	(55,914,617)	(3,874,342)	Recapture is more due to actual lower ADA than used for budget.
Total Revenues	\$ 137,305,475	\$ 137,446,075	\$ 133,437,649	\$ (4,008,426)	
Expenditures:					
Payroll Costs	\$ 121,881,539	\$ 123,433,527	\$ 120,937,748	\$ 2,495,779	
Contracted Services	7,504,585	7,545,447	6,389,570	1,155,877	Insurance budgeted in contracted services and should be other operating (\$777,198). Will be corrected in January.
Utilities	3,308,757	3,309,177	3,270,939	38,238	
Supplies and Materials	3,369,258	3,643,202	3,222,285	420,917	
Other Operating Costs	2,199,746	2,137,681	2,778,390	(640,709)	Insurance budgeted in contracted services and should be other operating (\$777,198). Will be corrected in January.
Capital Outlay	8,216	16,316	16,316	-	
Winter Storm	-	-	79,509	(79,509)	Winter storm maintenance expenditures.
TIF Payment	6,539,512	6,539,512	6,539,512	-	
Total Expenditures	\$ 144,811,613	\$ 146,624,862	\$ 143,234,269	\$ 3,390,593	
Fund Balance Increase (Decrease)	\$ (7,506,138)	\$ (9,178,787)	\$ (9,796,620)	\$ (617,833)	
Beginning Fund Balance	\$ 56,522,424	\$ 56,522,424	\$ 56,522,424		
Estimated Ending Fund Balance	\$ 49,016,286	\$ 47,343,637	\$ 46,725,804		
20% of Operating Expenditures			\$ 39,829,777		
Fund Balance Over 20% Policy			\$ 6,896,027		

State Funding Recap:	
Taxes	\$ 154,758,331
State Allotments	10,145,962
Recapture	(55,914,617)
Total	\$ 108,989,676
Budget	112,325,110
Variance	\$ (3,335,434)