

Board Information Item

Information
Packet

Board Agenda
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Action

Board Agenda
Consent

06/20/2022

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 approximately \$0.6 million less than the final amended budget.
- Payroll expenditures are projected to be approximately \$0.6 million less than the final amended budget.
- TRS On-behalf revenues and expenditures are projected to be \$8.5 million.
- Other expenses are projected to be approximately \$0.5 million less than budgeted.
- Tax Increment Finance (TIF) Zone revenues and expenditures projected to be \$6.3 million based on final TIF property values.

REVENUES:

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

Tax Revenue	\$156,210,586
State Allotments	11,191,478
Recapture	<u>(57,361,511)</u>
Total Projected Funding	\$110,040,553

The final budget has been amended to reflect the projected state funding.

The funding elements to calculate the projected state funding include:

- Average Daily Attendance (ADA) – 12,973.286 (the budget was developed using an ADA of 13,279.89)
- Tax Collection Rate – 98.6%
- Tax Levy (current) – \$155,440,744
- Delinquent Taxes – \$769,842
- Per Capita Rate – \$510.89

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

1 st Six Weeks	– 12,887.082
2 nd Six Weeks	– 12,949.622
3 rd Six Weeks	– 12,883.520
4 th Six Weeks	– 12,566.424
5 th Six Weeks	– 12,780.630
6 th Six Weeks	– 12,862.340

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 \$2.3 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. However, there is no assistance for the fifth and sixth 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 was \$816,512 less than the original budget.

EXPENDITURES:

The excess payroll budget of approximately \$0.6 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 \$83,539 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 \$8.8 million, which is \$0.4 million lower than currently budgeted.

Attachments: Summary of Revenue and Expenditure Projections as of May 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 May 31, 2022
2021-2022

	Original Budget	Final Amended Budget	Projections	Projection vs. Actual Variance	Description	
Revenues:						
1	Taxes (Current & Delinquent)	\$ 157,304,340	\$ 156,217,537	\$ 156,210,586	\$ (6,951)	
2	Taxes (P&I)	600,000	800,000	800,000	-	
3	Tax Increment Finance (TIF)	6,539,512	6,300,041	6,300,041	-	Adjusted TIF collections for certified property values.
4	Other Local	6,730,989	7,325,454	7,047,892	(277,562)	Vehicle inventory tax receipts
5	Winter Storm Insurance Proceeds	-	125,762	114,927	(10,835)	
6	State - ASF & FSP	5,447,334	11,213,216	11,191,478	(21,738)	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	8,549,476	8,465,937	(83,539)	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	900,000	683,489	(216,511)	Flood control payment received was less than budgeted.
11	Other Federal	1,205,000	1,205,000	1,185,000	(20,000)	
12	Other Sources	50,000	50,000	30,626	(19,374)	
13	Recapture	(50,426,564)	(57,375,643)	(57,361,511)	14,132	Recapture is more due to actual lower ADA than used for budget.
14	Total Revenues	\$ 137,305,475	\$ 135,831,725	\$ 135,189,347	\$ (642,378)	
Expenditures:						
15	Payroll Costs	\$ 113,526,675	\$ 113,109,854	\$ 112,554,034	\$ 555,820	
16	TRS On-Behalf	8,354,864	8,549,476	8,465,937	83,539	
17	Contracted Services	7,504,585	6,557,868	6,411,351	146,517	
18	Utilities	3,308,757	3,478,677	3,390,671	88,006	
19	Supplies and Materials	3,369,258	3,822,232	3,816,091	6,141	
20	Other Operating Costs	2,199,746	3,056,320	2,895,360	160,960	
21	Capital Outlay	8,216	16,116	16,116	-	
22	Winter Storm	-	119,928	114,927	5,001	Winter storm maintenance expenditures.
23	TIF Payment	6,539,512	6,300,041	6,300,041	-	Adjusted TIF collections for certified property values.
24	Total Expenditures	\$ 144,811,613	\$ 145,010,512	\$ 143,964,528	\$ 1,045,984	
Fund Balance Increase (Decrease)						
		\$ (7,506,138)	\$ (9,178,787)	\$ (8,775,181)	\$ 403,606	
Beginning Fund Balance						
		\$ 56,522,424	\$ 56,522,424	\$ 56,522,424		
Estimated Ending Fund Balance						
		\$ 49,016,286	\$ 47,343,637	\$ 47,747,243		
20% of Operating Expenditures						
				\$ 39,005,200		
Fund Balance Over 20% Policy						
				\$ 8,742,043		

State Funding Recap:	
Taxes	\$ 156,210,586
State Allotments	11,191,478
Recapture	(57,361,511)
Total	\$ 110,040,553
Budget	110,055,110
Variance	\$ (14,557)