

Board Information Item

Information
Packet

Board Agenda
Information

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Action

Board Agenda
Consent

03/28/2022

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 eight 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 \$4.8 million less than budgeted
- Payroll expenditures are projected to be \$2.5 million less than budgeted
- Other expenses are projected to be approximately \$1.2 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	9,653,162
Recapture	<u>(55,900,207)</u>
Total Projected Funding	\$108,719,563
Current Budget	\$112,325,110
Variance	(\$3,605,547)

The funding elements to calculate the projected state funding include:

- Average Daily Attendance (ADA) – 12,826.31 (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:

1st Six Weeks – 12,891.79
2nd Six Weeks – 12,954.36
3rd Six Weeks – 12,888.64
4th 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, and the actual ADA for the first four six weeks is 12,826.31, which is a difference of 453.58. Therefore, the projections indicate a shortfall in funding of \$3.6 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 \$816,512 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 \$26,086 over 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 \$10.8 million, which is \$1.6 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 February 28, 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 February 28, 2022
2021-2022

		Original Budget	Current Budget	Projections	Projection vs. Actual Variance	Description
Revenues:						
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	6,828,786	6,674,355	(154,431)	
5	Winter Storm Insurance Proceeds		17,430	119,727	102,297	
6	State - ASF & FSP	5,447,334	9,722,848	9,653,162	(69,686)	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	-	-	379,671	379,671	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	7,770,492	(628,984)	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	30,000	(20,000)	
13	Recapture	(50,426,564)	(52,040,275)	(55,900,207)	(3,859,932)	Recapture is more due to actual lower ADA than used for budget.
14	Total Revenues	\$ 137,305,475	\$ 137,561,302	\$ 132,734,543	\$ (4,826,759)	

Expenditures:						
15	Payroll Costs	\$ 113,526,675	\$ 114,918,851	\$ 113,090,209	\$ 1,828,642	
16	TRS On-Behalf	8,354,864	8,399,476	7,770,492	628,984	
17	Contracted Services	7,504,585	6,612,770	6,220,127	392,643	
18	Utilities	3,308,757	3,309,177	3,335,263	(26,086)	
19	Supplies and Materials	3,369,258	3,806,636	3,802,987	3,649	
20	Other Operating Costs	2,199,746	3,022,612	2,804,274	218,338	
21	Capital Outlay	8,216	16,116	16,116	-	
22	Winter Storm	-	114,939	114,939	-	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	Total Expenditures	\$ 144,811,613	\$ 146,740,089	\$ 143,530,665	\$ 3,209,424	

Fund Balance Increase (Decrease)	\$ (7,506,138)	\$ (9,178,787)	\$ (10,796,122)	\$ (1,617,335)
Beginning Fund Balance	\$ 56,522,424	\$ 56,522,424	\$ 56,522,424	
Estimated Ending Fund Balance	\$ 49,016,286	\$ 47,343,637	\$ 45,726,302	
20% of Operating Expenditures			\$ 38,610,923	
Fund Balance Over 20% Policy			\$ 7,115,379	

State Funding Recap:	
Taxes	\$ 154,966,608
State Allotments	9,653,162
Recapture	(55,900,207)
Total	\$ 108,719,563
Budget	112,325,110
Variance	\$ (3,605,547)