

Board Information Item

Information
Packet

Board Agenda
Information

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Action

Board Agenda
Consent

05/23/2022

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 \$3.1 million less than budgeted.
- Payroll expenditures are projected to be \$1.5 million less than budgeted.
- TRS On-behalf revenues and expenditures are \$0.5 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 \$239,472 less than budgeted.

REVENUES:

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

Tax Revenue	\$155,040,744
State Allotments	9,586,452
Recapture	<u>(54,717,268)</u>
Total Projected Funding	\$109,909,928
Current Budget	\$112,325,110
Variance	(\$2,415,182)

The funding elements to calculate the projected state funding include:

- Average Daily Attendance (ADA) – 12,962.22 (the budget was developed using an ADA of 13,279.89)
- Tax Collection Rate – 98.6%
- Tax Levy (current) – \$154,440,744
- Delinquent Taxes – \$600,000

The District generated ADA for the first five 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
- 5th Six Weeks – 12,780.36

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 \$2.4 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 fifth six weeks ADA was lower than the average of the first three 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 \$1.5 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 \$45,000 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 \$9.3 million, which is \$0.1 million higher 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 April 30, 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 April 30, 2022
2021-2022

	Original Budget	Current Budget	Projections	Projection vs. Actual Variance	Description
Revenues:					
1	157,304,340	154,642,537	\$ 155,040,744	\$ 398,207	
2	600,000	600,000	500,000	(100,000)	
3	6,539,512	6,539,512	6,300,040	(239,472)	Adjusted TIF collections for certified property values.
4	6,730,989	6,725,454	7,336,131	610,677	Vehicle inventory tax receipts
5		125,762	125,762	-	
6	5,447,334	9,722,848	9,586,452	(136,396)	Increase in Foundation School Fund due to Tax Increment Finance zone State reimbursement payment being lower due to reduced property tax rate decrease.
7	-		424,894	424,894	Prior year state reimbursement from property value audit.
8	-	95,988	95,988	-	
9	8,354,864	8,399,476	7,883,777	(515,699)	TRS On-behalf is recorded as both revenue and expenditure. Therefore, the lower revenues are offset by lower payroll expenditures.
10	1,500,000	1,500,000	683,489	(816,511)	Flood control payment received was less than budgeted.
11	1,205,000	1,205,000	1,185,000	(20,000)	
12	50,000	50,000	27,000	(23,000)	
13	(50,426,564)	(52,040,275)	(54,717,268)	(2,676,993)	Recapture is more due to actual lower ADA than used for budget.
14	\$ 137,305,475	\$ 137,566,302	\$ 134,472,009	\$ (3,094,293)	
Expenditures:					
15	113,526,675	114,864,460	\$ 113,405,443	\$ 1,459,017	
16	8,354,864	8,399,476	7,883,777	515,699	
17	7,504,585	6,485,437	6,243,696	241,741	
18	3,308,757	3,309,177	3,264,053	45,124	
19	3,369,258	3,913,184	3,680,482	232,702	
20	2,199,746	3,091,965	2,882,089	209,876	
21	8,216	16,116	16,116	-	
22	-	125,762	125,762	-	Winter storm maintenance expenditures.
23	6,539,512	6,539,512	6,300,040	239,472	Adjusted TIF collections for certified property values.
24	\$ 144,811,613	\$ 146,745,089	\$ 143,801,458	\$ 2,943,631	
Fund Balance Increase (Decrease)	\$ (7,506,138)	\$ (9,178,787)	\$ (9,329,449)	\$ (150,662)	
Beginning Fund Balance	\$ 56,522,424	\$ 56,522,424	\$ 56,522,424		
Estimated Ending Fund Balance	\$ 49,016,286	\$ 47,343,637	\$ 47,192,975		
20% of Operating Expenditures			\$ 38,443,737		
Fund Balance Over 20% Policy			\$ 8,749,238		

State Funding Recap:	
Taxes	\$ 155,040,744
State Allotments	9,586,452
Recapture	(54,717,268)
Total	\$ 109,909,928
Budget	112,325,110
Variance	\$ (2,415,182)