

Board Information Item

Information Packet	Board Agenda Information	Board Agenda Action	Board Agenda Consent
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02/22/2021

Subject: 2020-2021 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.

Summary: 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.

Projections of expenditures are critical for monitoring the financial position of the District. Attached is a summary of the initial projections for 2020-2021 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 \$1.7 million less than budgeted
- Payroll expenditures are projected to be \$2.5 million less than budgeted
- Other expenses are projected to be approximately \$1.1 million less than budgeted
- The TIF Revenues and expenditures will be approximately \$60,000 less than budgeted

REVENUES:

The projected state funding for the 2020-2021 school year is summarized below:

Tax Revenue	\$157,034,287
State Allotments	9,843,356
Recapture	<u>(53,830,394)</u>
Total Projected Funding	\$113,047,249
Current Budget	\$112,854,033
Variance	\$193,216

The funding elements to calculate the projected state funding include:

- Average Daily Attendance (ADA) – 13,357.893
- Tax Collection Rate – 98.6%
- Tax Levy (current) – \$156,534,287
- Delinquent Taxes – \$500,000

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

1st Six Weeks – 13,280.195

2nd Six Weeks – 13,336.13

3rd Six Weeks – 13,304.23

For the first 3 six weeks, the District had an average attendance rate of 97.5%. However, the State has mandated a cap of 96.4% for GCISD. The ADA figures listed above have been amended for this cap.

The State has guaranteed a “Hold-Harmless” (HH) ADA funding of 13,408.935 for the first three six weeks. In order to calculate the estimated ADA for the entire 2020-2021 school year, the following elements were used.

1 st Six Weeks (HH)	13,408.935
2 nd Six Weeks (HH)	13,408.935
3 rd Six Weeks (HH)	13,408.935
4 th Six Weeks (estimated)	13,306.852
5 th Six Weeks (estimated)	13,306.852
6 th Six Weeks (estimated)	13,306.852
Estimated Average ADA	13,357.893

The original revenue budget included \$1 million for the federal flood control. The District received the payment in October 2020 in the amount of \$1.9 million.

The COVID pandemic has impacted several sources of local revenue and overall the total local revenues are projected to be \$3.3 million less than budgeted. This amount is primarily made up of the following:

- KidzU after-school tuition – decreased enrollment - \$1.6 million
- Extra-curricular Pay to Play – GCISD made decision to waive fees - \$119,000
- Interest – interest rates lower than projected - \$392,000
- Tuition based Pre-K – decreased enrollment - \$562,000
- Facility Rentals – swim center renovations and reduced rentals - \$107,000
- Athletics – gate receipts are lower due to limited seating - \$109,000
- ECDC – employee child care decreased enrollment - \$195,000
- Field trip - no field trips are being taken - \$269,000

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 \$138,000 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 \$7.4 million. However, current projections show the deficit to be \$5.4 million, which is \$2 million lower than originally budgeted.

The projections for the 2020-2021 fiscal year will continue to be reviewed each month. At this time, the administration is not recommending a budget amendment. As we near the end of the fiscal year, the budget will be amended to reflect these projections.

Attachments:

Summary of Revenue and Expenditure Projections as of January 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 January 31, 2021
2020-2021

	Original Budget	Current Budget	Projections	Projection vs. Actual Variance	Description
Revenues:					
Taxes (Current & Delinquent)	\$ 154,648,265	\$ 154,648,265	\$ 157,034,287	\$ 2,386,022	Adjustment in appraisal district property values (offset by recapture)
Taxes (P&I)	500,000	500,000	500,000	-	
Tax Increment Finance (TIF)	7,785,545	7,785,545	7,724,752	(60,793)	
Other Local	8,206,250	8,216,588	4,948,634	(3,267,954)	Variance due to reduced KidzU & Tuition based Pre-K enrollment, extra-curricular pay to play, interest, facility rentals and athletic gate receipts
State - ASF & FSP	9,114,439	9,114,439	9,843,356	728,917	
State - Prior Year	-	-	532,881	532,881	Adjustment to prior year allocations from completed property value audits
State - TRS On-behalf	8,005,959	8,005,959	7,925,246	(80,713)	
Federal	2,086,000	2,086,000	2,984,709	898,709	Flood control payment more than budget
Other Sources	20,000	20,000	77,861	57,861	
Recapture	(50,908,671)	(50,908,671)	(53,830,394)	(2,921,723)	Adjustment in appraisal district property values (offset by additional tax revenues)
Total Revenues	\$ 139,457,787	\$ 139,468,125	\$ 137,741,332	\$ (1,726,793)	
Expenditures:					
Payroll Costs	\$ 120,882,473	\$ 121,869,099	\$ 119,359,416	\$ 2,509,683	
Contracted Services	6,663,273	6,867,101	6,590,426	276,675	
Utilities	3,312,157	3,311,807	3,173,641	138,166	
Supplies and Materials	4,074,485	4,048,683	3,868,972	179,711	
Other Operating Costs	3,002,461	2,926,256	2,448,708	477,548	
Capital Outlay	18,216	23,733	18,216	5,517	
TIF Payment	7,785,545	7,785,545	7,724,752	60,793	
Total Expenditures	\$ 145,738,610	\$ 146,832,224	\$ 143,184,131	\$ 3,648,093	
Fund Balance Increase (Decrease)	\$ (6,280,823)	\$ (7,364,099)	\$ (5,442,799)	\$ 1,921,300	
Beginning Fund Balance	\$ 58,145,036	\$ 58,145,036	\$ 58,145,036		
Estimated Ending Fund Balance	\$ 51,864,213	\$ 50,780,937	\$ 52,702,237		

State Funding Recap:	
Taxes	\$ 157,034,287
State Allotments	9,843,356
Recapture	(53,830,394)
Total	\$ 113,047,249
Budget	112,854,033
Variance	\$ 193,216