

Board Information Item

Information Packet	Board Agenda Information	Board Agenda Action	Board Agenda Consent
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03/29/2021

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.

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 2020-2021 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 \$1.3 million less than budgeted
- Payroll expenditures are projected to be \$3.0 million less than budgeted
- Other expenses are projected to be approximately \$1 million less than budgeted
- TIF revenues and expenditures will be approximately \$128,856 less than budgeted
- Estimated winter storm expenditures to date of approximately \$443,000 and insurance proceed revenues of \$393,000. These amounts will be updated on future monthly reports.

REVENUES:

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

Tax Revenue	\$157,034,287
State Allotments	9,977,510
Recapture	<u>(53,517,729)</u>
Total Projected Funding	\$113,494,068
Current Budget	\$112,854,033
Variance	\$640,035

The funding elements to calculate the projected state funding include:

- Average Daily Attendance (ADA) – 13,408.935
- 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 three six week periods, 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” ADA funding of 13,408.935 for the first three six weeks. The State has also extended this “hold-harmless” to the last three six weeks as long as the on-campus participation rate for the sixth six weeks exceeds the on-campus participation rate submitted on the October 30th Fall PEIMS Snapshot. These projections assume the District meets this criteria.

The “hold-harmless” ADA for the District used for projections is 13,408.935.

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
- Extracurricular fees – 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 daycare decreased enrollment - \$195,000
- Field trips - no fieldtrips are being taken - \$269,000

EXPENDITURES:

The excess payroll budget of \$3 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 \$126,000 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 \$4.6 million, which is \$2.8 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 February 28, 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 February 28, 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	7,656,689	(128,856)	
Insurance Proceeds	-	-	393,172	393,172	
Other Local	8,206,250	8,216,588	4,868,174	(3,348,414)	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	9,977,510	863,071	
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	7,622,085	(383,874)	
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)	(53,517,729)	(2,609,058)	Adjustment in appraisal district property values (offset by additional tax revenues)
Total Revenues	\$ 139,457,787	\$ 139,468,125	\$ 138,129,639	\$ (1,338,486)	
Expenditures:					
Payroll Costs	\$ 120,882,473	\$ 121,853,789	\$ 118,828,585	\$ 3,025,204	
Contracted Services	6,663,273	6,870,117	6,437,787	432,330	
Utilities	3,312,157	3,311,807	3,185,902	125,905	
Supplies and Materials	4,074,485	4,141,449	3,807,853	333,596	
Other Operating Costs	3,002,461	2,845,784	2,308,334	537,450	
Winter Storm	-	-	443,172	(443,172)	
Capital Outlay	18,216	23,733	18,216	5,517	
TIF Payment	7,785,545	7,785,545	7,656,689	128,856	
Total Expenditures	\$ 145,738,610	\$ 146,832,224	\$ 142,686,538	\$ 4,145,686	
Fund Balance Increase (Decrease)	\$ (6,280,823)	\$ (7,364,099)	\$ (4,556,899)	\$ 2,807,200	
Beginning Fund Balance	\$ 58,145,036	\$ 58,145,036	\$ 58,145,036		
Estimated Ending Fund Balance	\$ 51,864,213	\$ 50,780,937	\$ 53,588,137		

State Funding Recap:	
Taxes	\$ 157,034,287
State Allotments	9,977,510
Recapture	(53,517,729)
Total	\$ 113,494,068
Budget	112,854,033
Variance	\$ 640,035