



# **2022-2023 Joint Budget Workshop**

## **SMSD Board of Trustees**

### **and City Council**

#### **July 14, 2022**

Presented by:

Dr. Robert Bostic, Superintendent

Jesus Amezcua, PhD, CPA, RTSBA, CPFIM, Acting Chief Financial Officer





# 2022-2023 Agenda SMSD

1. Monthly Timeline
2. Where are we Today?
  - Assessment, Audit and Operations
  - General Fund
  - Debt Service Fund
  - Construction Fund
  - Grants – ESSER and Others
3. TAN Note
4. Maintenance Notes
5. Fund Recap & Fund 749 Day Care
6. Next Steps
7. Summary and Reflections



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Mayor  
[Email Cecil Willis, Jr.](#)  
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**Dan Jones**  
Mayor Pro Tem  
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**Ken Mathew**  
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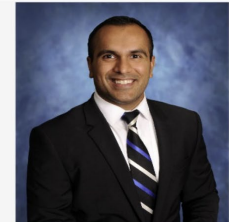
## STAFFORD MSD BOARD OF TRUSTEES



**Manuel Hinojosa**  
Board President, Position 2



**Christopher Caldwell**  
Board Vice President, Position 6



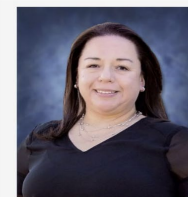
**Ash Hamirani**  
Board Secretary, Position 3



**Jacqueline Jean-Baptiste**  
Board Member, Position 7



**Dawn Reichling**  
Board Member, Position 1



**Patricia Soza-Montelongo**  
Board Member, Position 5



**Suzette Thompson**  
Board Member, Position 4



# SMDS Mission Statement

**For every student to  
graduate college or career  
ready, without  
remediation.**



## Governmental Funds

- |                         |         |                  |                 |
|-------------------------|---------|------------------|-----------------|
| • General Fund          | 199     | Modified Accrual | Required        |
| • Debt Service Fund     | 599     | “ “              | Adoption        |
| • Food Service Fund     | 240     | “ “              |                 |
| • Construction Funds    | 695-697 | “ “              | Not required    |
| • Special Revenue Funds | 200-300 | “ “              | But recommended |

## Proprietary Funds

- |                          |     |         |                 |
|--------------------------|-----|---------|-----------------|
| • Enterprise Funds       | 700 | Accrual | Not required    |
| • Internal Service Funds | 700 | “ “     | But recommended |

## Fiduciary Funds

- |                   |     |     |              |
|-------------------|-----|-----|--------------|
| • Custodial Funds | 865 | “ “ | Not required |
|-------------------|-----|-----|--------------|



# TEA and SMSD Account Structure

- Revenues 5xxx Run through F/S – and Audits
- Expenditures 6xxx
- Estimated Revenues – Inflows Run through  
Primary Budgets
- Appropriations – Outflows “ ”
- Encumbrances - Obligations – Contracts – POs  
Run through F/s Audits and Budgets

Function  
Codes for  
Appropriations  
or  
Expenditures

**Governmental Activities:**

- 11 Instruction
- 12 Instructional resources and media services
- 13 Curriculum and instructional staff development
- 21 Instructional leadership
- 23 School leadership
- 31 Guidance, counseling, and evaluation services
- 32 Social work services
- 33 Health services
- 34 Student transportation
- 35 Food services
- 36 Extracurricular activities
- 41 General administration
- 51 Plant maintenance and operations
- 52 Security and monitoring services
- 53 Data processing
- 61 Community services

# Program Codes for Expenditures

- Most program codes that are mandated by TEA are:

11-Regular Program Allotment 48.051

23-Total Special Education Adjusted Allotment 48.102 (Spend 55%)

37-Dyslexia Allotment 48.103

24-Total Comp Ed Allotment 48.104 (Spend 55%)

25-Total Bilingual Education Allotment 48.105 (Spend 55%)

22-Total Career & Technology Allotment 48.106 (Spend 55%)

11-Public Education Grant 48.107

36-Early Education Allotment 48.108

21-Gifted & Talented Allotment 48.109

38-College, Career, or Military Readiness Outcomes Bonus 48.110

# Assumptions in the General Fund Budget FY 23

## Revenue

- ADA of 3,456 including [plus 250 students]
- Increase in Values by \$221 Million -- \$3,384 Billion
- Collection rate – budgeted at 98%
  - Tax Rate Compression to \$.8874 for M&O
  - Tax Rate for Debt Service \$.2559 = 1.1433

Total Revenues \$37,245,128,

## Expenditure

- NO CH 41 recapture based on current estimates

Total Expenditures \$38,468,086

\$1,199,958 Reduction in Fund Balance – one time costs





## Certified Property Values

Fort Bend Appraisal District (FBCAD)

Harris County Appraisal District (HCAD)

	2021 Values (Preliminary)	PER T2 Compt Office 2021 Values Certified	2022 Values (Preliminary)	2022 Values Projected	Difference
Fort Bend CAD	-	3,163,542,823	3,633,785,820	3,374,723,909	211,181,086
Harris County CAD	-	-	10,266,912	10,266,912	10,266,912
Total	-	3,163,542,823	3,644,052,732	3,384,990,821	221,447,998
Potential Impact of Homestead Exemption to \$40,000			37,335,000		
Values under review, Projected Timeline is July 2022 to receive certified values					
	2022 Values (Budgeted)				
FBCAD	\$ 3,374,723,909				
HCAD	10,266,912				
Total	\$ 3,384,990,821	221,447,998	Increase in projected values		
Projected MCR					
M&O Tax Rate	\$0.88670		I&S Tax Rate	\$0.25590	
Collection Rate	98%			98%	
Budgeted Tax Collections	\$ 29,414,419			\$ 8,488,948	Total Levy 37,903,367
				\$ 7,686,171	Estimated Annual Payments
Three pennies Available at golden pennies	\$ 792,833			\$ 7,696,115	0.232
			FOR STATE AID		\$0.02390
		First 8 pennies are golden pennies 9 pennies are copper pennies	1 to 5 are normal	6 to 8 are golden 9 to 12 pennies are copper TOTAL 17 PENNIES	

**Stafford Municipal School District  
Outstanding Unlimited Tax Debt Service by Series**

<u>FYE</u>	<u>Unlimited Tax Schhse Bonds, Series 2011</u>	<u>Unlimited Tax Ref Bonds, Series 2014</u>	<u>Unlimited Tax Ref Bonds, Series 2016A</u>	<u>Unlimited Tax Ref Bonds, Series 2016B</u>	<u>Unlimited Tax School Bldg Bonds, Series 2018</u>	<u>Unlimited Tax School Bldg Bonds, Series 2019A</u>	<u>Unlimited Tax Ref Bonds, Taxable Series 2019B</u>	<u>Total Annual Debt Service</u>
2020	\$ 1,135,500.00	\$ 852,000.00	\$ 383,050.00	\$ 220,800.00	\$ 2,943,700.00	\$ 539,133.33	\$ 1,056,670.13	\$ 7,130,853.46
2021	1,134,000.00	851,450.00	381,450.00	220,800.00	2,379,700.00	726,200.00	1,435,476.40	7,129,076.40
2022		855,300.00	384,750.00	220,800.00	2,590,100.00	543,200.00	2,530,476.40	7,124,626.40
2023		858,400.00	387,850.00	220,800.00	2,518,900.00	618,450.00	2,520,726.40	7,125,126.40
2024		860,750.00	387,200.00	220,800.00	2,519,350.00	489,450.00	2,478,726.40	6,956,276.40
2025		862,350.00	386,250.00	220,800.00	2,524,350.00	486,200.00	2,475,976.40	6,955,926.40
2026		863,200.00		385,800.00	2,588,350.00	487,700.00	2,630,476.40	6,955,526.40
2027				1,929,200.00	3,127,850.00	488,700.00	1,234,226.40	6,779,976.40
2028				1,930,600.00	3,127,450.00	489,200.00	1,229,226.40	6,776,476.40
2029				1,929,200.00	3,126,700.00	489,200.00	1,224,226.40	6,769,326.40
2030					3,067,950.00	488,700.00	3,054,226.40	6,610,876.40
2031					3,063,950.00	487,700.00	3,052,476.40	6,604,126.40
2032					3,070,350.00	486,200.00	3,050,976.40	6,607,526.40
2033					3,064,350.00	486,600.00	3,054,476.40	6,605,426.40
2034					3,061,350.00	486,600.00	3,057,476.40	6,605,426.40
2035					3,066,150.00	486,200.00	3,049,726.40	6,602,076.40
2036					3,063,350.00	485,400.00	3,053,705.80	6,602,455.80
2037					3,066,850.00	484,200.00	3,055,218.00	6,606,268.00
2038					2,171,100.00	487,600.00	3,054,263.00	5,712,963.00
2039					2,170,850.00	485,400.00	3,050,840.80	5,707,090.80
2040					2,173,350.00	487,800.00	3,049,951.40	5,711,101.40
2041					2,168,350.00	484,600.00	3,056,440.60	5,709,390.60
2042					4,686,100.00	486,000.00		5,172,100.00
2043					4,685,350.00	486,800.00		5,172,150.00
2044					4,685,600.00	487,000.00		5,172,600.00
2045					4,686,200.00	486,600.00		5,172,800.00
2046					4,685,400.00	485,600.00		5,171,000.00
2047					4,688,000.00	484,000.00		5,172,000.00
2048					613,600.00	486,800.00		1,100,400.00
2049						488,800.00		488,800.00
<b>Totals</b>	<b>\$ 2,269,500.00</b>	<b>\$ 6,003,450.00</b>	<b>\$ 2,310,550.00</b>	<b>\$ 7,499,600.00</b>	<b>\$ 89,384,650.00</b>	<b>\$ 15,086,033.33</b>	<b>\$ 55,455,985.73</b>	<b>\$ 178,009,769.06</b>

Note: Debt service payments reflect payments from September 1 through August 31.

# Arbitrage Analysis

- Working on evaluating arbitrage for bond issues and debt service fund.
- We will analyze whether we need to do a calculation and document.
- If SMSD needs to calculate, the estimate is \$1,500 per bond x 3 = \$4,500 and \$1,500 of debt service totaling \$6,000

We will analyze and try to minimize and avoid cost.

- 2011, 2015 & 2016A & B refunding
- 2019 Taxable bond is exempt
- 2018 Bond until 2023
- 2019 Bond until 2024
- Det Service Fund

# Analysis of Construction Fund

- Construction Fund
- Working on reconciling the Beginning balances with LAN numbers and FY 21 Audit Numbers
- Fund Balance at 8-31-21 was \$3,614,684
- See separate report as of June 2022.
- There are pending invoices that were not encumbered when the new balances transferred to this year.
- Estimated amounts needed from GF \$350,000
- Estimated amounts if NIFA received \$145,000 per year x 2 years

# Analysis of Day Care Fund

- Met with Principal and analyzed current accounts.
- FY 21-22 projected to be self sufficient
- FY 22-23 projected to be self sufficient, but costs continue to rise and fees are not adjusting.
- Adding 2 staff members to meet 35 new projected number of children
- \$600 per month
- TWC Grant for operations has helped the fund- more funds needed.



# Analysis of Grant Funds

Working on reconciling the Grants and drawing down funds.

SMUSD is up to date on drawdowns as of May 2022. We are estimating till the end of the year.

- Technology positions to be funded from ESSER grant
- Summer School primarily funded through ESSER.
- NIFA Application Submitted \$145,000
- County Funds – Emails and call continue to be made-follow up continues.
- Covid 19 funds analysis and extended for FY 23. We will review for any reimbursements.

# Short Term Operations Plan

- Evaluate current functions and prioritize
- Shift 2 pennies from I&S to M&O for one year
- Enrollment Projections 250
- No funds no PO Policy
- Budget Manager Required Signatures from invoices – i.e. security and funds available
- 30 day payments
- Current operations – update recons - etc.
- Working on audit process in next two weeks.

# Long Term Operations Plan

- Monitor activity and develop sustainability plan
- Develop recruitment plan to add students
- Update Personnel Tables and link to Budget Module
- Continued training for internal business office staff

# Summary and Reflections

- Next Steps
- Joint Session with the City
- Calculate MCR and TNT NNR Rates and get TEA Approval on MCR
- Adoption of budget and Tax in August 26 or Aug 29
- Issuance of TAN Maintenance Notes – Sept 12



# Funds required for adoption and recommended tax rate

ALL FUNDS required for adoption						
Fund #	Fund Description	Projected Beginning Fund Balance	Estimated Revenues	Appropriations	Transfers in and out	Projected Ending Fund Balance
199	General Fund	\$ 5,786,041	\$ 37,245,128	\$ 38,298,390	\$ -	\$ 4,732,779
599	Debt Service Fund	2,909,326	7,989,489	7,686,671	-	3,212,145
240	Food Service Fund	468,384	2,253,549	2,253,549	-	468,384
	TOTAL	\$ 9,163,750	\$ 47,488,166	\$ 48,238,610	\$ -	\$ 8,413,307
	Tax Rate and Other Information for the Notice of Budget and Tax Rate Hearing					
	Tax Rate	Maintenance and Operation		\$ 0.907400		
	per \$100					
	Valuation	Debt Service		0.23590		
		Total Proposed Tax Rate		\$ 1.14330		
	Budget Variance from FY 2022 - General Fund Revenues (12.6% Increase)					





# General Fund Revenue Assumptions

## Stafford Municipal School District Five Year Analysis of Revenues and Expenditures General Fund 2022-2023 (+250 Students)

		FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Amended Budget	FY 21-22 Projected (ESTIMATED)	FY 22--23 Proposed Budget
<b>Revenues</b>						
5710	Tax collections	\$ 25,137,043	\$ 27,585,481	\$ 27,301,546	\$ 27,222,352	\$ 30,954,283
5739	Tuition & fees	158,343	167,336	253,619	302,765	300,065
5742	Investment earnings	220,075	8,362	25,000	10,664	25,000
5743	Rent	6,340	4,990	5,000	1,745	5,000
5744	Donations	-	-	-	-	-
5749	Local Miscellaneous	472,494	323,503	115,000	10,405	115,000
5752	Athletic gate receipts	30,286	38,532	40,000	86,446	86,466
5769	Misc. Revenue from Other Sources	-	-	224,790	200,000	224,790
	<b>Total Local Revenues</b>	26,024,581	28,128,203	27,964,955	27,834,377	31,710,604
5810	Foundation school program	4,955,853	4,363,639	2,733,592	2,629,113	3,107,524
5829	Misc. State Revenue	714	32,016	82,000	6,302	-
5831	Teacher retirement on-behalf	1,724,142	1,694,726	1,872,000	1,872,000	1,872,000
5839	Gasoline tax refund	-	-	-	-	-
	<b>Total State Revenues</b>	6,680,709	6,090,380	4,687,592	4,507,415	4,979,524
5929	Indirect cost revenue	-	64,343	750,000	200,000	250,000
5931	School health & related services	151,274	160,068	180,000	177,611	205,000
5949	Misc. Federal Revenue	84,871	254,584	548,000	359,818	100,000
	<b>Total Federal Revenues</b>	236,145	478,994	1,478,000	737,429	555,000
	<b>Total Revenues</b>	32,941,435	34,697,578	34,130,547	33,079,221	37,245,128



# General Fund Appropriations Assumptions

		FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Amended Budget	FY 21-22 Projected (ESTIMATED)	FY 22--23 Proposed Budget
<b>Expenditures</b>						
11	Classroom instruction	19,790,130	20,053,443	20,526,290	21,794,820	21,825,820
12	Library and media	241,971	263,769	283,259	373,259	373,259
13	Staff development	169,538	398,199	228,172	378,172	378,172
21	Curriculum & special ed. admin.	903,146	1,267,569	1,184,708	1,209,097	1,209,097
23	Campus & PEIMS administration	2,144,560	2,264,528	2,162,152	2,184,542	2,184,542
31	Counseling, testing, & assessment	728,409	929,231	876,025	876,025	876,025
33	Health and nursing services	310,839	593,313	294,036	294,036	294,036
34	Student transportation	894,175	912,337	900,606	1,086,740	1,086,740
36	UIL academic & athletic activities	1,282,039	1,241,187	1,276,765	1,420,105	1,420,105
41	General administration	2,577,814	2,119,342	2,142,644	2,367,906	2,367,906
51	Plant maintenance & operations	3,855,241	4,276,043	3,027,096	4,196,472	4,196,472
52	Security Services	318,770	530,634	525,000	625,822	625,822
53	IT department & PEIMS coordinator	1,510,628	1,036,856	793,794	963,794	963,794
61	Community Relations	53,633	98,251	85,000	161,400	161,600
71	Debt service	-	-	-	-	-
81	Construction	-	764,384	-	-	-
91	Robin Hood payments to State	-	-	-	-	-
93	Participate in deaf education coop.	-	33,900	35,000	35,000	35,000
95	Juvenile Justice Alternative Ed.	-	-	20,000	20,000	20,000
99	Tax Office	240,894	279,275	280,000	280,000	280,000
<b>Total Expenditures</b>		<b>35,021,787</b>	<b>37,062,261</b>	<b>34,640,547</b>	<b>38,267,190</b>	<b>38,298,390</b>
<b>Excess Revenues Over Expenditures</b>		<b>(2,080,352)</b>	<b>(2,364,683)</b>	<b>(510,000)</b>	<b>(5,187,969)</b>	<b>(1,053,262)</b>
<b>Other Resources (Uses)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance-Beginning</b>		<b>15,419,045</b>	<b>13,338,693</b>	<b>10,974,010</b>	<b>10,974,010</b>	<b>5,786,041</b>
<b>Fund Balance-Ending-Projected</b>		<b>\$ 13,338,693</b>	<b>\$ 10,974,010</b>	<b>\$ 10,464,010</b>	<b>\$ 5,786,041</b>	<b>\$ 4,732,779</b>
<b>Average Daily Attendance (ADA)</b>		<b>3,255</b>	<b>3,295</b>	<b>3,096</b>	<b>3,218</b>	<b>3,456</b>
<b>Maintenance &amp; Operations Tax Rate</b>		<b>0.97005</b>	<b>0.96640</b>	<b>0.91390</b>	<b>Projected 0.91390</b>	<b>Projected 0.88740</b>
					<b>Projected</b>	<b>Projected Plus .02 on time for TY 2022</b>



**Stafford Municipal School District  
Statement of Revenues and Expenditures and Changes in Fund Balance  
Child Nutrition Program (Fund 240)**

# Child Nutrition Fund

		2019-2020 Actual	2020-2021 Actual	2021-2022 Amended Budget	2021-2022 Projected	2022-2023 Proposed
<b>Revenues</b>						
5742	Investment earnings	\$ 4,362	\$ 19	\$ 2,500	\$ 14	\$ 2,500
5749	Local Miscellaneous	1,607	1,970	1,000	-	1,000
5751	Local Food Service Receipts	162,232	17,278	25,000	4,163	25,000
5769	Misc. Revenue from Other Sources					
	<b>Total Local Revenues</b>	168,201	19,267	28,500	4,177	28,500
5829	Misc. State Revenue	9,750	9,796	10,000	4,601	10,000
5831	Teacher retirement on-behalf	-	63,468	-	-	-
	<b>Total State Revenues</b>	9,750	73,264	10,000	4,601	10,000
5921	School Breakfast Revenue	432,985	665,249	539,915	508,259	539,915
5922	School Lunch Revenue	1,100,574	1,273,255	1,351,816	1,640,763	1,467,580
5923	USDA Donated Commodities	142,774	153,290	182,554	-	182,554
5929	Department of Agriculture	-	-	-	-	-
5939	Department of Agriculture	43,825	246,692	25,000	32,638	25,000
	<b>Total Federal Revenues</b>	1,720,158	2,338,486	2,099,285	2,181,660	2,215,049
	<b>Total Revenues</b>	\$ 1,898,109	\$ 2,431,017	\$ 2,137,785	\$ 2,190,438	\$ 2,253,549
<b>Expenditures</b>						
35	Food Services	\$ 2,037,237	\$ 1,851,857	\$ 2,067,870	\$ 2,067,870	\$ 2,153,549
35	Food Services (Proj TDA Approval)	-	-	-	500,000	-
51	Plant Maintenance & Operations	28,492	20,391	69,915	69,915	100,000
	<b>Total Expenditures</b>	2,065,729	1,872,248	2,137,785	2,637,785	2,253,549
	<b>Excess Revenues Over Expenditures</b>	(167,620)	558,769	-	(447,347)	0
	<b>Other Resources (Uses)</b>	-	-	-	-	-
	Fund Balance-Beginning	524,583	356,963	915,731	915,731	468,384
	<b>Fund Balance-Ending-Projected</b>	\$ 356,963	\$ 915,731	\$ 915,731	\$ 468,384	\$ 468,384
	<b>Average Daily Attendance (ADA)</b>	3,295	3,096	3,218	3,218	3,456
	<b>Meals served</b>	3,322	2,095	3,716	3,716	3,800



**Stafford Municipal School District**  
**Statement of Revenue and Expenditures and Changes in Fund Balance**  
**Debt Service Fund (Fund 599)**

# Debt Service Fund

	2019-2020 Actual	2020-2021 Actual	2021-2022 Amended Budget	2021-2022 Projected	2022-2023 Proposed
<b>Revenues</b>					
5710 Tax collections	\$ 7,170,326	\$ 7,311,458	\$ 7,644,518	\$ 7,651,938	\$ 7,955,489
5742 Investment earnings	38,102	1,830	2,500	3,604	5,000
5749 Misc. Revenue	-	-	-	18	-
<b>Total Local Revenues</b>	<b>7,208,428</b>	<b>7,313,288</b>	<b>7,647,018</b>	<b>7,655,560</b>	<b>7,960,489</b>
5819 EDA Allotment	31,372	31,648	39,000	29,807	29,000
<b>Total State Revenues</b>	<b>31,372</b>	<b>31,648</b>	<b>39,000</b>	<b>29,807</b>	<b>29,000</b>
5929 Misc. Federal Revenue	-	-	-	-	-
<b>Total Federal Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 7,239,800</b>	<b>\$ 7,344,936</b>	<b>\$ 7,686,018</b>	<b>\$ 7,685,367</b>	<b>\$ 7,989,489</b>
<b>Expenditures</b>					
71 Principal on Long-Term Debt	3,155,000	2,800,000	2,905,000	2,905,000	3,015,000
72 Interest on Long-Term Debt	3,975,853	4,329,076	4,219,626	4,219,626	4,110,126
73 Issuance Costs and Fees	442,363	4,250	561,545	561,545	561,545
<b>Total Expenditures</b>	<b>7,573,216</b>	<b>7,133,326</b>	<b>7,686,171</b>	<b>7,686,171</b>	<b>7,686,671</b>
<b>Excess Revenues Over Expenditures</b>	<b>(333,416)</b>	<b>211,610</b>	<b>(153)</b>	<b>(804)</b>	<b>302,818</b>
<b>Other Resources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7911 Refunding bonds	35,975,000	-	-	-	-
7911 Other Sources- Premium on Bonds	3,462,395	-	-	-	-
7911 Payments to Escrow Agent	(38,970,417)	-	-	-	-
Fund Balance-Beginning	2,565,111	2,698,673	2,910,283	\$ 2,910,130	2,909,326
<b>Fund Balance-Ending-Projected</b>	<b>\$ 2,698,673</b>	<b>\$ 2,910,283</b>	<b>\$ 2,910,130</b>	<b>\$ 2,909,326</b>	<b>\$ 3,212,145</b>
<b>Average Daily Attendance (ADA)</b>	<b>3,255</b>	<b>3295</b>	<b>3,096</b>	<b>3,218</b>	<b>3,456</b>
<b>Interest &amp; Sinking Tax Rate</b>	<b>0.28000</b>	<b>0.255912</b>	<b>0.2559</b>	<b>0.2559</b>	<b>0.2359</b>

I certify that the foregoing information is true and accurate to the best of my knowledge.

/s/ Dr. Jesus Amezcua, Acting Chief Financial Officer

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Q & A



**SMSD**

**Stafford Municipal School District**

*"The Best Little School District in Texas"*