

Proposed Mid-Year Modifications to the 2020-2021 Adopted Budget

(Corrected Fund Balances, including Q2 December Quarterlies)

Presented by:
David Trautenberg
Chief Financial Officer (Serving)
Division of Finance
January 25, 2021
(Corrections presented on February 22, 2021)



Presentation Purpose

- Why is this topic on the board agenda?
 - Per state statute, C.R.S. 22-44-110(5), the board may review and change the budget with respect to both revenues and expenditures at any time prior to January 31
 - Per Board Policy DBG, the Board shall officially adopt the budget and an accompanying appropriations resolution prior to the end of the fiscal year. After adoption of the budget, the Board may review and change the budget with respect to both revenues and expenditures at any time prior to October 15 of the fiscal year for which adopted. After October 15 the Board shall not review or change the budget except as otherwise authorized by state law including declaration of a fiscal emergency.
- What are we asking the board to do with this information?
 - Present corrected adopted mid-year modifications to the 2020-2021 budget.
- Present 2020-21 Q2 Quarterlies (embedded within Appendix), December 31, 2020
- Which board policy does your presentation address?
 - District Policy DBG, Budget Adoption Process



Why a Readopted Budget?

In June when school district budget's are adopted statewide, many factors
impacting funding are not known. These include:

Ш	Student Count (known in late October/November)
	LONG Bill, which includes the School Finance Act (SFA)
	Stabilization (Recession) Impact
	Changes in Per Pupil Funding
	Steps and Lanes
	Corona-19 Emergency Funding (CRF and ESSER)
	Unfilled, Increased and New Positions known
	Property Tax Collections Experienced

• Provides for a more accurate representation of known Expenses



Budget Appropriation (corrected FB)

				12 2 2 3					Readopted			Readopted
			Readopted	Original		Pandontad	5					Student
				Food		Readopted	Designated		Designated			50 00000 (S. Co)
	Original	Modification	General	Service	Modification	Food Service	Purpose		Purpose	Student		Activity
	General Fund	S	Fund	Fund	S	Fund	Grant Fund	Modifications	Grant Fund	Activity Fund	Modifications	Fund
Beginning Fund Balance	15,537,898	4,543,755	20,081,653	1,224,864	(1,100,551)	124,313			-	385,730	97,735	483,465
Total Revenue	47,420,807	3,710,334	51,131,141	1,276,060	230,170	1,506,230	1,182,111	59,125	1,241,236	758,492	107,919	866,411
Total Available	62,958,705	8,254,089	71,212,794	2,500,924	(870,381)	1,630,543	1,182,111	59,125	1,241,236	1,144,222	205,654	1,349,876
Expenditures:												
Salaries	29,852,709	1,777,059	31,629,768	641,880		641,880	622,735		622,735	3,250	-	3,250
Benefits	11,557,940	561,558	12,119,498	257,884		257,884	223,302		223,302	*		
Purchased Services	3,034,973	630,203	3,665,176		75,000	75,000	223,158		223,158	-		
Supplies/Other	3,657,405	1,922,667	5,580,072	496,950		496,950	112,916	59,125	172,041	757,719	119,636	877,355
Debt service/Lease payments				-								
Capital Outlay										-		
Transfers out	510,489	905,000	1,415,489									
Total expenditures	48,103,027	5,796,487	54,410,003	1,396,714	75,000	1,471,714	1,182,111	59,125	1,241,236	760,969	119,636	880,605
Change in Fund Balance	(682,220)		(3,278,862)	(120,654)		34,516	-	-	-	(2,477)		(14,194)
Ending Fund Balance	14,855,678		16,802,791	1,104,210		158,829	-	-		383,253		469,271



Budget Appropriation (corrected FB)

	Bond		Readopted Bond Redemption	Capital		Readopted Capital Projects	Agoney		Readopted Agency
	Redemption Fund	Modifications	Fund	Projects Fund	Modifications	Fund	Agency Fund	Modifications	Fund
Beginning Fund Balance	10,157,692	1,064	10,158,756	1,689,851	264,473	1,954,324	43,712	(42,712)	-
Total Revenue	8,836,741	13,432,855	22,269,596	-	1,100,000	1,100,000	72,430	(72,430)	
Total Available	18,994,433	13,433,919	32,428,352	1,689,851	1,100,000	3,054,324	116,142	(115,142)	
Expenditures:									
Salaries	<u>~</u>		1-1	-		-	-		
Benefits	-		-			-	-		
Purchased Services	80,000		80,000			-	-		
Supplies/Other							84,147	(84,147)	
Debt service/Lease payments	8,756,741	13,437,855	22,194,596	39,000		39,000	-		
Capital Outlay				1,330,000	1,100,000	2,430,000	-		
Transfers out						-			
Total expenditures	8,836,741	13,437,855	22,274,596	1,369,000	1,100,000	2,469,000	84,147	(84,147)	_
Change in Fund Balance	-		(5,000)	(1,369,000)	-	(1,369,000)	(11,717)		-
Ending Fund Balance	10,157,692		10,153,756	320,851	-	585,324	31,995		-



2020-21 Budget Adjustments

Revenue mid-year modifications include the following highlights:

- Property taxes remain flat based (in a negative economic environment for oil and gas)
- Slight PPR increase of \$399K as the State's per pupil revenue was roughly \$123 per pupil higher than projected
- SPED (IDEA B and Pre-k) funding increased by \$44,439
- Enrollment based on October count down 5% (Equal to modeled Projected Decline in May 2020)

• Expenditure mid-year modifications include:

- July 1 salary (steps and lanes)increases of \$700k were distributed from a district-wide allocation to personnel
- 100% of CARES Act distributions were successfully expended

Fund balance mid-year modifications include:

- Beginning fund balance adjusted to actual (based on 2020 Audited Financials) by fund.
- Assigned fund balance include sets aside monies for specific purposes, including schools' and divisions' carryovers, science textbook adoption carryover, materials for a new school, special education and insurance risk.



2020-21 Budget Adjustments

- Notable adjustments include:
- Salary (recurring use of funds)
 - ✓ Steps & Lanes \$700,000 (3-year "funding" horizon from Unassigned GF)
 - ✓ Salary Adjustments/Additions (HR/Fin/Communication/Subs) \$240,000
- Non-Salary (one-time use of funds)
 - **✓** Nutrition Services \$210,000
 - ✓ Capital Projects (brick & mortar) \$750,000
 - ✓ IT/Capital Projects/Software \$350,000
 - ✓ Science Textbook Adoption \$480,000
 - ✔ Legal Reserve \$125,000
 - ✓ Audit \$100,000
 - ✓ Custodian/ PPE Supplies \$150,000
 - ✓ Contract Services (reallocated from CRF) \$212,500
 - ✓ MS & HS Sports (Covid19-related) \$120,000



Budget Calendar – Current and Next Fiscal Year

July 2020

 July 1 is first day of the fiscal year

October 2020

 October pupil enrollment count day

August 2020

 Monitor enrollment as school year begins

November 2020

- 2019-20 Audit Completed
- Finalize October Pupil
 Count Data
- Governor's Preliminary 2021-2022 Proposed Budget Released
- Begin collecting priorities for budget development

September 2020

 Work with schools on enrollment and planning expenditures for first half of school year

December 2020

- **BOE certifies mill levy**
- Prepare readopted budget for leadership team review
- Prepare allocations for budget development
- Legislative Council and OSPB quarterly forecast

Current Fiscal Year (2020/21)

Next Fiscal Year (2021/22) (BOE Action in **bold**)



Budget Calendar – Current and Next Fiscal Year

Current Fiscal Year (2020/21)
Next Fiscal Year (2021/22)
(BOE Action in bold)

January 2021

- BOE: Readopted budget approval
- Legislative session begins Jan 13
- Allocations (budget worksheets) released to departments and schools for budget building
- Refine preliminary budget assumptions with JBC, economic forecasts, Governor's proposal
- Schools and divisions develop proposed budgets for 2021-2022

April 2021

- Determine if any supplemental budgets will be necessary
- Finance staff finalizes first proposed budget draft, for LT and DAAC review, prepares draft budget report
- Project ending balances for each fund

January 2021

 Finance provides training and guidance to develop budgets and navigate budget system

February 2021

- Continue to refine budget assumptions as legislative session progresses
- Final Budgets due from schools to Budget

May 2021

- BOE: Proposed budget presented to board
- Colorado Legislature adjourns May 12 (w/School Finance and Long Bill approved)
- BOE and public review proposed budget

March 2021

- Finance staff begins compiling budget requests for district's proposed budget
- Initiatives and priorities to be incorporated in aggregated budget
- Leg Council and OSPB quarterly forecast

June 2021

BOE: Final budget approval



2021-22 Budget Planning Notes

- Total program revenues (School Finance Act) unlikely to return to 2019-20 levels
- Best-Case Enrollment Projection is Flat (to Down 5%) in 2021-22
- Per pupil revenues are based on five-year averaging, which means revenues continue to decline
 even if enrollment is flat, unless CDE employees a "hold harmless" calculation based on student
 enrollment from a more normalized year (i.e., using 2019-20 as base year)
 - Slide 11: Impact of Flat Student Count and CDE's Averaging Formula (A Warning!!!)
- Anticipated decline in federal grants funds, including Title I resources (together with potential impact of 2020 Census)
- Special Needs Population continues to increase each year, even as total student population decreases
- Continued cost pressures due to prolonged COVID recovery
- Insurance markets remain challenging through all industry sectors



2021-22 Budget Planning Warning!!! Revenue Loss Simply Due To Averaging

Garfield RE-2 Three-Year Student Count Projection (Flat with Inflation)								
FY21 October FTE Count (minus on-line and ASCENT pupil count)	V5		4,380.5	-				
FY20 October FTE Count (minus CPP, OODS, Online)	V13		4,650.0					
FY19 October FTE Count (minus CPP, OODS, Online)	V14		4,677.0					
FY18 October FTE Count (minus CPP, OODS, Online)	V15		4,715.5					
FY17 October FTE Count (minus CPP, OODS, Online)	V15.1		4,805.5					
	2020-21		2021-22		2022-23		2023-2	24
Current	4.380.5		4.380.5	†	4.380.5		4.380.5	
Current minus 1	4,650.0		4.380.5	\top	4.380.5		4,380.5	
Current minus 2	4,677.0		4,650.0		4,380.5		4,380.5	
Current minus 3	4,715.5		4,677.0		4,650.0		4,380.5	
Current minus 4	4,805.5		4,715.5		4,677.0		4,650.0	
Averaged funded pupil count	4,645.7		4,560.7		4,493.7		4,434.4	
the greater of line V1 or			85.0		67.0		59.3	
average of (lines V1 and V13) or (lines V1, V13 and V14)								
or (lines V1, V13, V14 and V15) or (lines V1, V13, V14, V15, V15.1)				-				
Per pupil funding	\$ 7,736.18	\$	7,890.90	\$	8,064.50	\$	8,241.92	
Inflation	1.99	%	2.0%	0	2.2%	<u> </u>		2.2%
Lost of revenue simply due to averaging		\$	670,727	\$	540,322	\$	488,	<mark>,746</mark>

APPENDIX Major Funds as of 12/31/20 2020-2021 Q2 (December) Quarterlies

- Fund Summary
- Summary of Funds
- Unassigned Fund Balance (Projected in Alio as of 12/31/20)
- General Fund (Fund 10)
- Food Service
- Grant Fund
- Student Activity Fund
- Debt Service Fund

Fund Summary (12/31/2020)

Garfield School District RE-2 **Fund Summary** Statement of Revenues, Expenditures, and Changes in Fund Balances **Budget and Actual** July 1, 2020 to December 2020

		July 1, 20	020 to Decembe	r 2020		Prior Year: July 1, 2019 to June 30, 2020 (Not Final)						
					%						%	
	Original	Current	YTD	Remaining	Budget		Original	Current	PY	Remaining	Budget	
Revenues:	Budget	Budget	Actual	Budget	Used		Budget	Budget	Actual	Budget	Used	
10 General Fund	47,420,807	47,420,807	20,483,244	26,937,563	43%		52,433,706	48,748,613	55,334,209	(2,477,799)	114%	
21 Food Service Fund	1,276,060	1,276,060	341,465	934,595	27%		1,259,207	1,259,207	1,171,780	87,427	93%	
22 Grants	1,182,111	1,182,111	165,719	1,016,392	14%		1,046,117	1,046,117	1,009,112	37,005	96%	
23 Activity	757,242	757,742	146,091	611,651	19%		679,570	679,570	547,078	132,492	81%	
31 Debt Service	8,836,741	22,269,596	13,644,901	8,624,695	61%		8,909,356	9,013,656	8,745,157	268,499	97%	
43 Capital Projects	-	-	-	-		0	510,489	510,489	625,381	-	123%	
74 Activity Agency	72,430	72,430	33,902	38,528	47%	0	90,030	90,030	94,084	(4,054)	105%	
Total Revenues	59,545,391	72,978,746	34,815,322	38,163,424	48%		64,928,475	61,347,682	67,526,801	(1,956,430)	110%	
Expenses:												
10 General Fund	48,613,516	49,486,515	25,642,251	23,844,263	52%	0	50,593,381	52,611,705	50,858,937	1,752,769	97%	
21 Food Service Fund	1,396,714	1,408,268	696,722	711,545	49%	0	1,357,799	1,357,799	1,364,307	(6,508)	100%	
22 Grants	1,182,111	1,193,321	360,946	832,374	30%	0	1,046,117	1,046,117	1,009,112	37,005	96%	
23 Activity	760,969	760,969	143,236	617,733	19%	0	679,570	679,570	513,241	166,329	76%	
31 Debt Service	8,836,741	22,269,596	21,069,408	1,200,188	95%	0	8,864,356	8,908,843	8,842,337	66,506	99%	
43 Capital Projects	1,369,000	1,369,000	627,351	741,649	46%	0	738,421	738,421	588,840	149,581	80%	
74 Activity Agency	84,147	84,147	33,342	50,805	40%	0	90,030	90,030	73,900	16,130	82%	
Total Expenses	62,243,198	76,571,815	48,573,257	27,998,558	63%		63,369,674	65,432,485	63,250,672	2,181,813	97%	
Total Excess of Revenues over Expenses	(2,697,807)	(3,593,069)	(13,757,935)	10,164,866			1,558,801	(4,084,803)	4,276,129	(4,138,243)		

YTD Variance Analysis

31 Debt Service Revenue Less Expenses

10 General Fund

43 Capital Projects

21 Food Service Revenue Less Expenses

Net Excess of Revenues over Expenses less 31, 10, 43, and 21

YTD Actual Explanation

(7,424,507) Timing with respect to property tax collections. (5,159,008) Timing with respect to property tax collections.

(627,351) \$1.1 Million transfer pending and not yet reflected

(355,257) Due to timing of claims reimbursement and lower food sales

(191,813)

Summary by Fund (12/31/2020)

Summary by Fund Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual July 1, 2020 to December 2020

			July 1, 2	020 to Decembe	r 2020			Pr	ior Year: July 1, 2	019 to June 30,	2020 (Not Final)	
						%						%
		Original	Current	YTD	Remaining	Budget		Original	Current	PY	Remaining	Budget
Fund:		Budget	Budget	Actual	Budget	Used		Budget	Budget	Actual	Budget	Used
10 Ge	neral Fund	20.00TV 100E0EC NO.0000000000000	Name of the Control o	400000 NOTES - 100000 NOTES - 1000000 NOTES - 100000 NOTES - 1000000 NOTES - 100000 NOTES - 1000000 NOTES - 100000 NOTES - 1000000 NOTES - 100000 NOTES - 10	VVACCO (NEW YORK ORD)	A101110000			6			POST CONTRACT
	Revenues	47,420,807	47,420,807	20,483,244	26,937,563	43%	100	52,433,706	48,748,613	55,334,209	(2,477,799)	114%
	Expenses	48,613,516	49,486,515	25,642,251	23,844,263	52%	0	50,593,381	52,611,705	50,858,937	1,752,769	97% 0
	Excess of Revenues over Expenses	(1,192,709)	(2,065,708)	(5,159,008)	О	0	0	1,840,325	(3,863,093)	4,475,272	0	U
21 Foo	od Service Fund	-	-	-								
	Revenues	1,276,060	1,276,060	341,465	934,595	27%		1,259,207	1,259,207	1,171,780	87,427	93%
	Expenses	1,396,714	1,408,268	696,722	711,545	49%	0	1,357,799	1,357,799	1,364,307	(6,508)	100%
	Excess of Revenues over Expenses	(120,654)	(132,208)	(355,257)	0	0	0	(98,592)	(98,592)	(192,526)		
		-	-	-				\	·	//		
22 Gra	ints											
	Revenues	1,182,111	1,182,111	165,719	1,016,392	14%		1,046,117	1,046,117	1,009,112	37,005	96%
	Expenses	1,182,111	1,193,321	360,946	832,374	30%	0	1,046,117	1,046,117	1,009,112	37,005	96%
	Excess of Revenues over Expenses	(0)	(11,209)	(195,227)	0	0	0	~	1991	1040	0	О
		-	-	-								
23 Act	ivity											
	Revenues	757,242	757,742	146,091	611,651	19%		679,570	679,570	547,078	132,492	81%
	Expenses	760,969	760,969	143,236	617,733	19%	0	679,570	679,570	513,241	166,329	76%
	Excess of Revenues over Expenses	(3,727)	(3,227)	2,854	0	0	0	-	-	33,837	0	О
		-	10-0	-								
31 De	ot Service											
	Revenues	8,836,741	22,269,596	13,644,901	8,624,695	61%		8,909,356	9,013,656	8,745,157	268,499	97%
	Expenses	8,836,741	22,269,596	21,069,408	1,200,188	95%	0	8,864,356	8,908,843	8,842,337	66,506	99%
	Excess of Revenues over Expenses	-	-	(7,424,507)	0	0	0	45,000	104,813	(97,180)	0	0
			-	-								
43 Cap	pital Projects						0	F10 100	F10 100	525 201		1220/
	Revenues	4 250 000	4 250 000	-	744 640	*****		510,489	510,489	625,381	4 40 504	123% 80%
	Expenses	1,369,000 (1,369,000)	1,369,000	627,351	741,649 0	46%	0	738,421	738,421	588,840	149,581	80%
	Excess of Revenues over Expenses	(1,369,000)	(1,369,000)	(627,351)	U	U	U	(227,932)	(227,932)	36,541	U	U
74 00	ivity Agency	-	-	-								
/+ Act	Revenues	72,430	72,430	33,902	38,528	47%	0	90,030	90,030	94,084	(4,054)	105%
	Expenses	84.147	84.147	33,342	50,805	40%	0	90,030	90,030	73.900	16,130	82%
	Excess of Revenues over Expenses	(11.717)	(11,717)	560	0,803	0	0	30,030	30,030	20,184	10,130	0
	Excess of Neverides over Expenses	(11,717)	(11,/1/)	-	U	U				20,104	U	
All Fu	nds											
	Revenues	59,545,391	72,978,746	34,815,322	38,163,424	48%		64,928,475	61,347,682	67,526,801	(1.956,430)	110%
	Expenses	62,243,198	76,571,815	48,573,257	27,998,558	63%		63,369,674	65,432,485	63,250,672	2,181,813	97%
	Excess of Revenues over Expenses	(2,697,807)	(3,593,069)	(13,757,935)		0070			,, , , , ,	,,	_,,	
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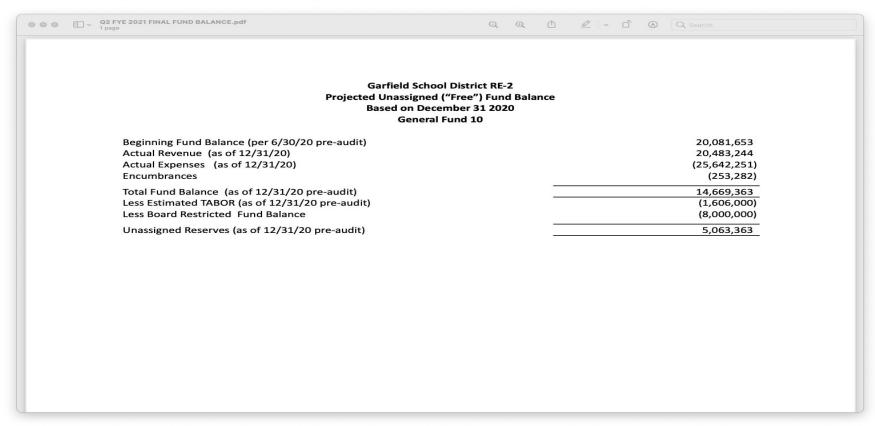
YTD Variance Analysis

43 Capital Projects
21 Food Service Revenue Less Expenses
Net Excess of Revenues over Expenses less 31, 10, 43, and 21

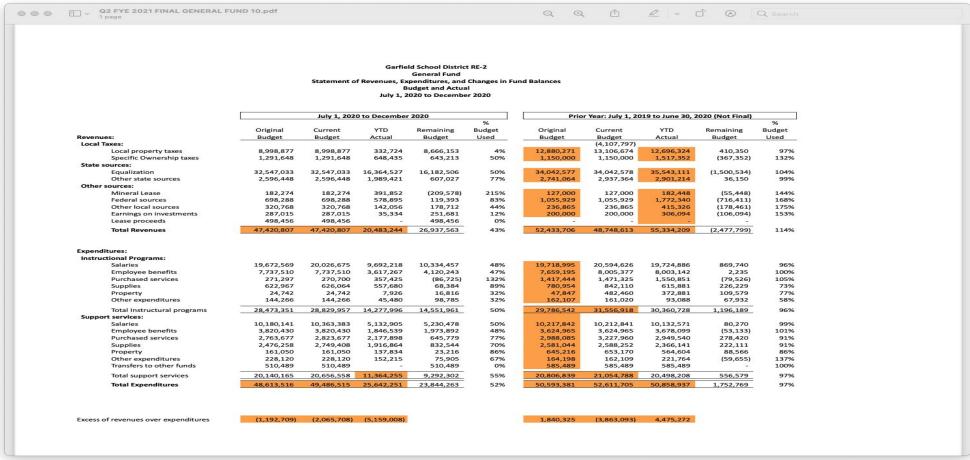
YTD Actual Explanation

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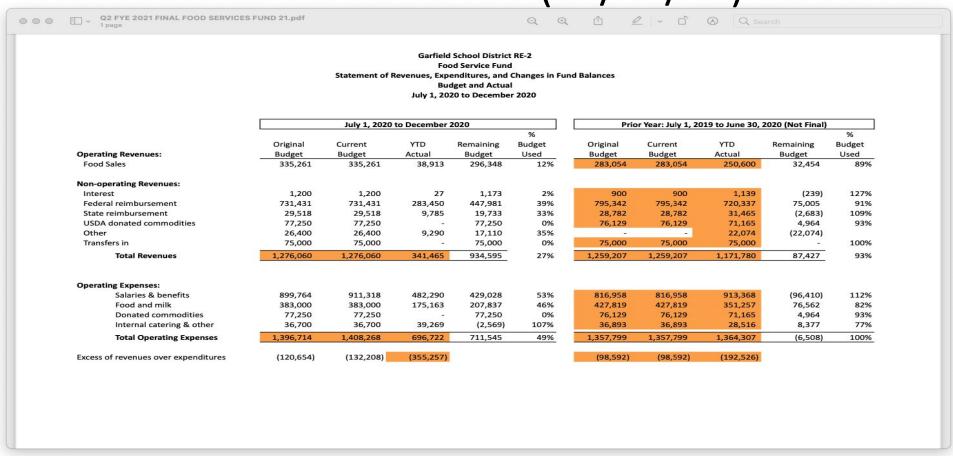
Projected Unassigned Fund 10 Balance (Alio as of 12/31/20)



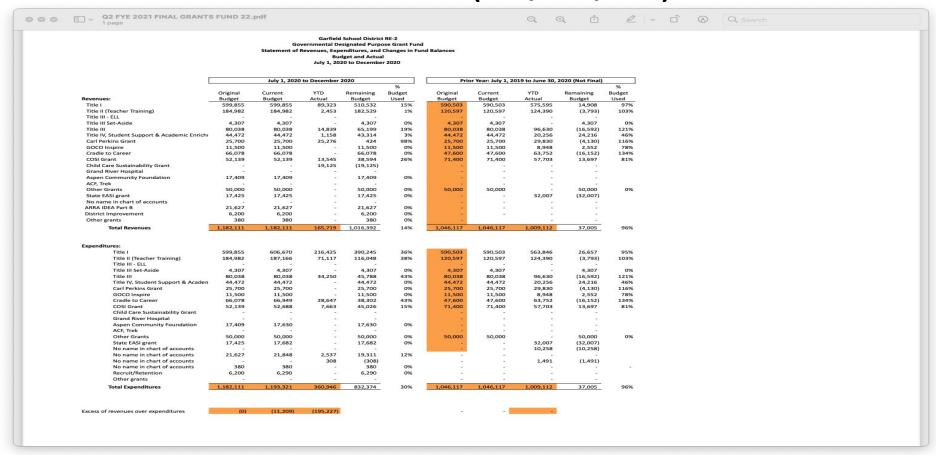
General Fund (Fund 10) (12/31/20)



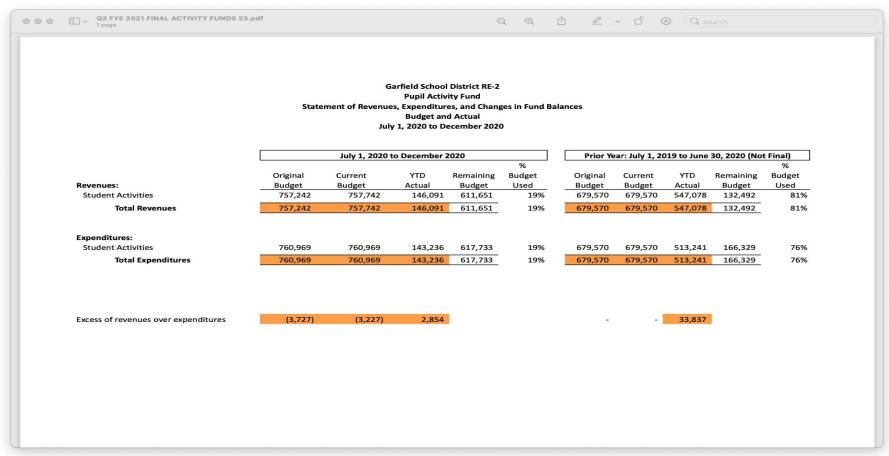
Food Service Fund (12/31/20)



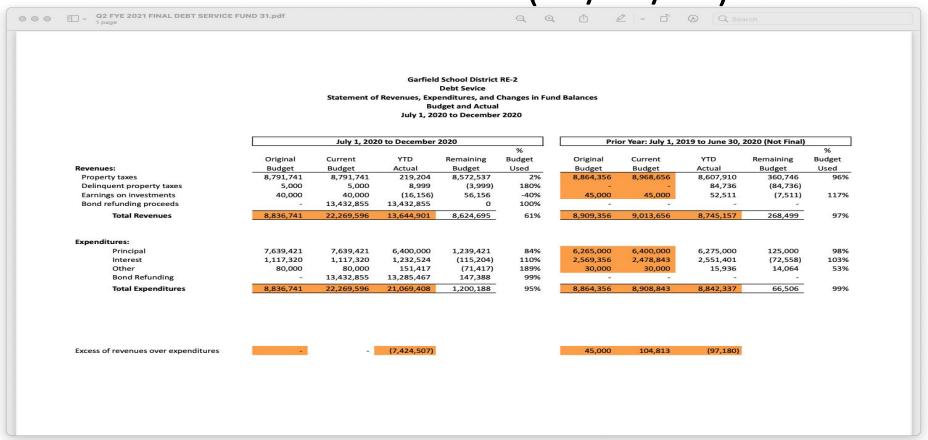
Grant Fund (12/31/20)



Student Activity Fund (12/31/20)



Debt Service Fund (12/31/20)





Questions

