



Carroll ISD 2015-2016 Budget Presentation

Presented 1/6/2016

CISD Capital Needs Planning Committee



Take Aways ...

- How are we funded?
- Parts of the budget.
- What is Chapter 41 and why us?
- How are we different?
- What are we doing?



Budget Components

- Funding Sources
 - Local property tax levies – M&O and I&S
 - Other local sources – activity funds, donations, rentals, interest, TIF Zone, Pay-to-ride fees, etc.
 - Grant Funds – State & Federal
 - Federal funds – BABS rebate funds and E-Rate funds
- Student Enrollment projections – using latest demographic study
- Staffing ratios based on projected enrollment
- Salary considerations
- School Finance template – used to develop funding estimates

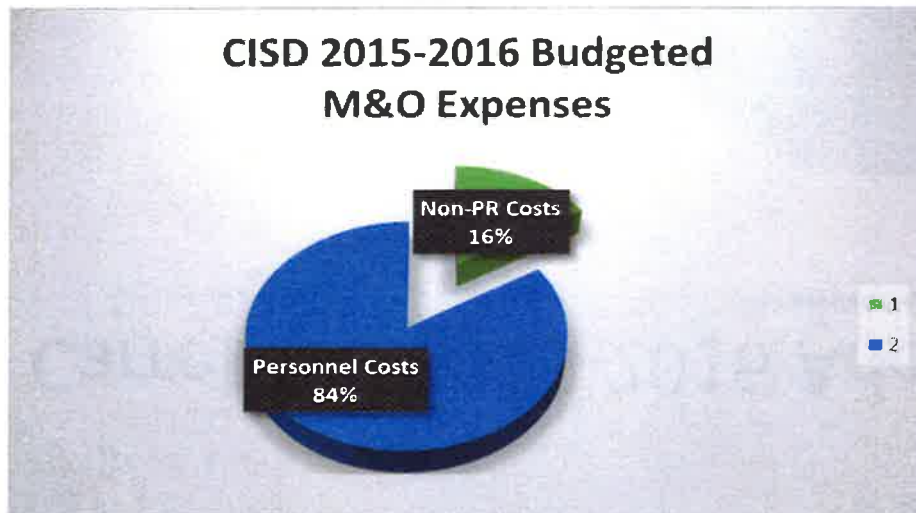


School Budget Basics

- School budgets are divided into two separate funds:
 - **M&O** – maintenance and operations (supplies, salaries, day to day operations, etc.)
 - **I&S** – interest and sinking (bonded indebtedness)

CISD 2015-2016 Budget

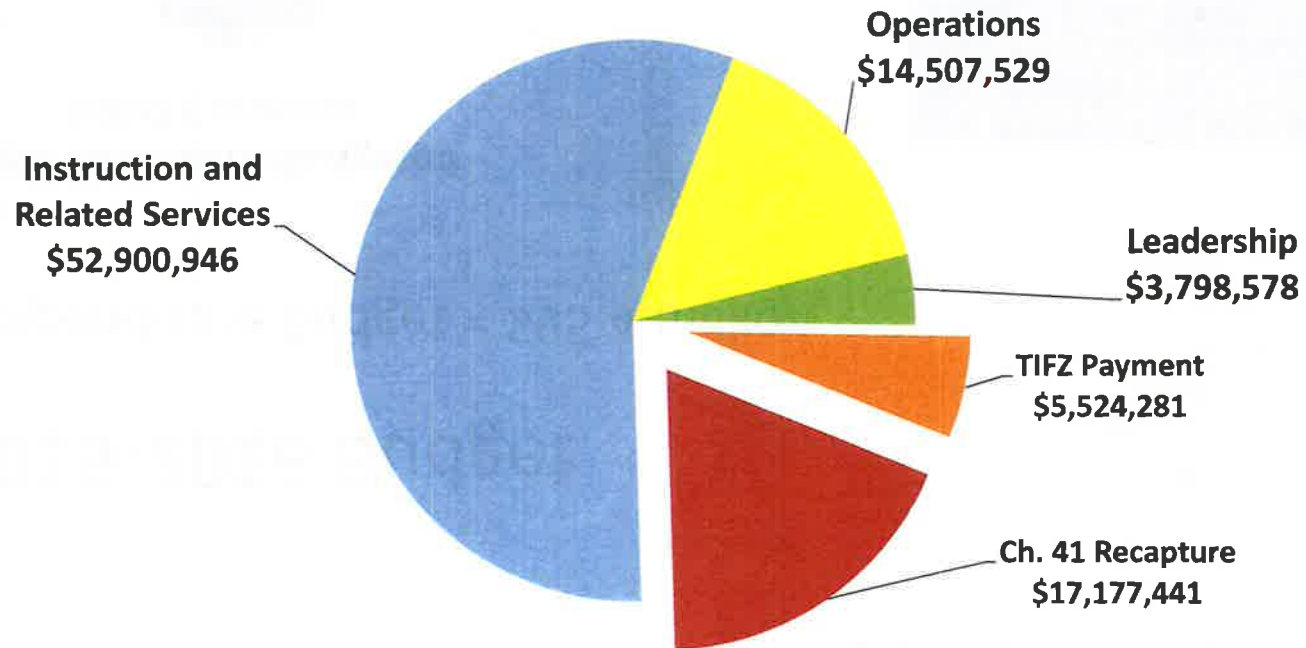
- M&O Expenditure Budget = \$95.4 million



Maintenance & Operations	\$1.04
Debt Service (I&S)	\$0.355
Total Tax Rate	1.395

Carroll ISD 2015-2016 Adopted Expenditures Budget

(Excludes interfund transfer amounts)



Schools Have Two Different Funds

Maintenance & Operations
M&O (daily expenses)



Salaries



Utilities



Fuel for Buses

Supplies



Interest & Sinking
I&S (mortgage payment)

Bond Payments



**Building
Construction**

**Technology
Infrastructure and
Replacement**



New School Buses



School Budget Basics

- The I&S budget may not be used for operational costs.
- One common misconception is that you can use debt service (bond) money to pay for salaries. This is not legal.



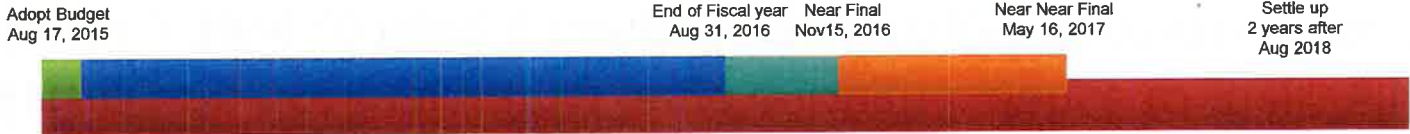


School Budget Basics

- Districts maintain a Fund Balance account (a sort of reserve fund) that can be accessed for one-time facility/other needs expenditures.
- Most districts do not maintain a large enough balance to meet all facility needs so they have to have a bond election to get permission for a “loan.”



Budget Timeline



- Considerations**
- Enrollment
 - Attendance
 - Property Values (ARB)
 - Collection Rates
 - Marketing Rev/ticket sales/etc.

- Considerations**
- Not based on audit, but used in developing the audit

- Considerations**
- Based on audit

- Considerations**
- Attendance audits
 - Property value audits
 - Prior period property value adjustments
 - TIFZ adjustments



Carroll ISD's Fund Balance

- CISD currently has a fund balance of \$37,085,445 (about \$9M came from the 2008 oil/gas lease and the 2006 sale of the Peytonville property)
- \$10.6M of this \$37,085,445 amount has been committed specifically to account for funding shortfalls in the current biennium.



Carroll ISD's Fund Balance

- District policy requires CISD to maintain at least a 45-day operating reserve (approx. \$10.8M)
- The Texas Education Agency recommends an Optimum Fund Balance, which is calculated based on district cash flow needs and expenditure levels (approx. \$35.2M for CISD)

What is Chapter 41?

Students (WADA)	Total Values	\$\$ per pupil	Recapture point	Overage	Total Values Recaptured	Total Recapture
8820	\$6,163,023,950	\$698,756	\$504,000	\$194,756	\$1,717,743,950	\$17,177,440
			% Recapture			
			27.87%			



Budget Adoption

- Board of Trustees must adopt a budget no later than August 31 annually
- Budget amount determines the tax rate (M&O & I&S) which must be adopted no later than September 30 annually
- Tax Rate is divided into two components
 - M&O – maintenance and operations for all operation needs
 - I&S – interest and sinking for debt service only
- Budget is adopted at the “fund” and “function” levels

Carroll ISD Facts

- Enrollment – 8,050 as of 10/31/2015
- ADA – 7,804 (96.9% of enrollment)
- WADA – 8,820
- Staff – 1,150 (excluding substitutes)
- A 3% salary increase was approved for 2015-2016
- Taxable Property Values \$6,163,023,950 (approx. 6% increase over the previous year)
- Tax Rate 2015-2016
 - M&O = \$1.04 per \$100 of property taxable valuation
 - I&S = \$0.355 per \$100 of property taxable valuation
 - Total \$1.395



Accounting Structure -- Funds

- 199 -- General Fund
- 300's -- State Grants
- 200's -- Federal Grants
- 514 -- Debt Service
- 639 -- Capital Projects
- 461 -- Campus Activity
- 865 -- Student Activity

2015-2016 General Fund Revenues

5711	Taxes Current Year (net of decr for enrich)	66,115,703
5711	Four-Cent Enrichment Revenue	2,644,628
5712	Taxes Prior Year	500,000
5719	Taxes Prior Year - Penalty & Interest, Other	125,000
5736	Pay-To-Ride Fees	750,000
5746	TIF Project Cost	4,747,011
575X	Child Nutrition	2,790,500
57XX	Other Local	1,974,740
	Total Local Revenue (including enrichment)	79,647,582
5811	State ASF	1,327,388
5812	State FSP	2,588,385
5831	TRS On-behalf	2,525,135
58XX	Other State Revenue	2,000
	Total State Revenue	6,442,908
5946	BAB Rebates	2,103,372
59XX	Other Federal Revenue	100,000
	Total Federal Revenue	2,203,372
79XX	Total Other Resources	1,519,230
	Total Revenue	89,813,092

2015-2016 General Fund Expenditures

11	Instructional	40,575,607
12	Media & Library	1,008,001
13	Staff Development	1,084,290
21	Instructional Leadership	475,840
23	School Leadership	3,688,654
31	Guidance & Counseling	2,539,616
33	Health Services	756,922
34	Pupil Transportation	2,144,907
35	Food Service	2,867,521
36	Extra/Co-Curricular	2,772,016
41	General Administration	3,127,078
51	Maintenance & Operations	7,406,496
52	Security & Monitoring	370,069
53	Data Processing	1,630,882
61	Community Service	88,655
71	Debt Service	-
81	Capital Outlay	-
91	Chapter 41 Payment	17,177,441
93	Shared Service Arrangements	671,500
97	TIF Payment	6,524,281
	Operating Transfers	1,519,230
	Total Expenditures, Transfers, & Use of Fund Balance	95,428,005



2015-2016 Budget Summary

Total Revenues	89,813,092
Total Expenditures	<u>95,428,005</u>
Net Change in Fund Balance	(5,614,913)

2015-2016 Debt Service Budget

Revenues

I&S Collections - Current Year Taxes @ 0.360 (no rate increase)	[514.00.5711]	24,324,447
Estimated Prior Year Collections	[514.00.5712]	125,000
Estimated Prior Year Penalties & Interest, other	[514.00.5719]	75,000
Interest Earnings	[514.00.5742]	20,000
TOTAL REVENUES		24,544,447

Expenditures

Bond Principal (scheduled payments)	[514.71.6511.01]	6,825,771
Bond Interest (scheduled payments)	[514.71.6521]	12,818,774
Bond Fees	[514.71.6599]	200,000
TOTAL EXPENDITURES		19,844,545

Net I&S Revenue/(Expenditures) - Per Current Debt Schedule

Bond Principal - Proposed Add'l Retirement - Series 2000 Variable Rate Bonds*	[514.71.6511.02]	4,700,000
Net I&S Revenue/(Expenditures) - Per Preliminary Budget		(98)

* Bonds must be retired in \$100,000 increments.

QUESTIONS

