

FISCAL EXCELLENCE, SERVICE DRIVEN.

2021 - 2022
ADOPTED BUDGET BOOK

FINANCIAL SECTION





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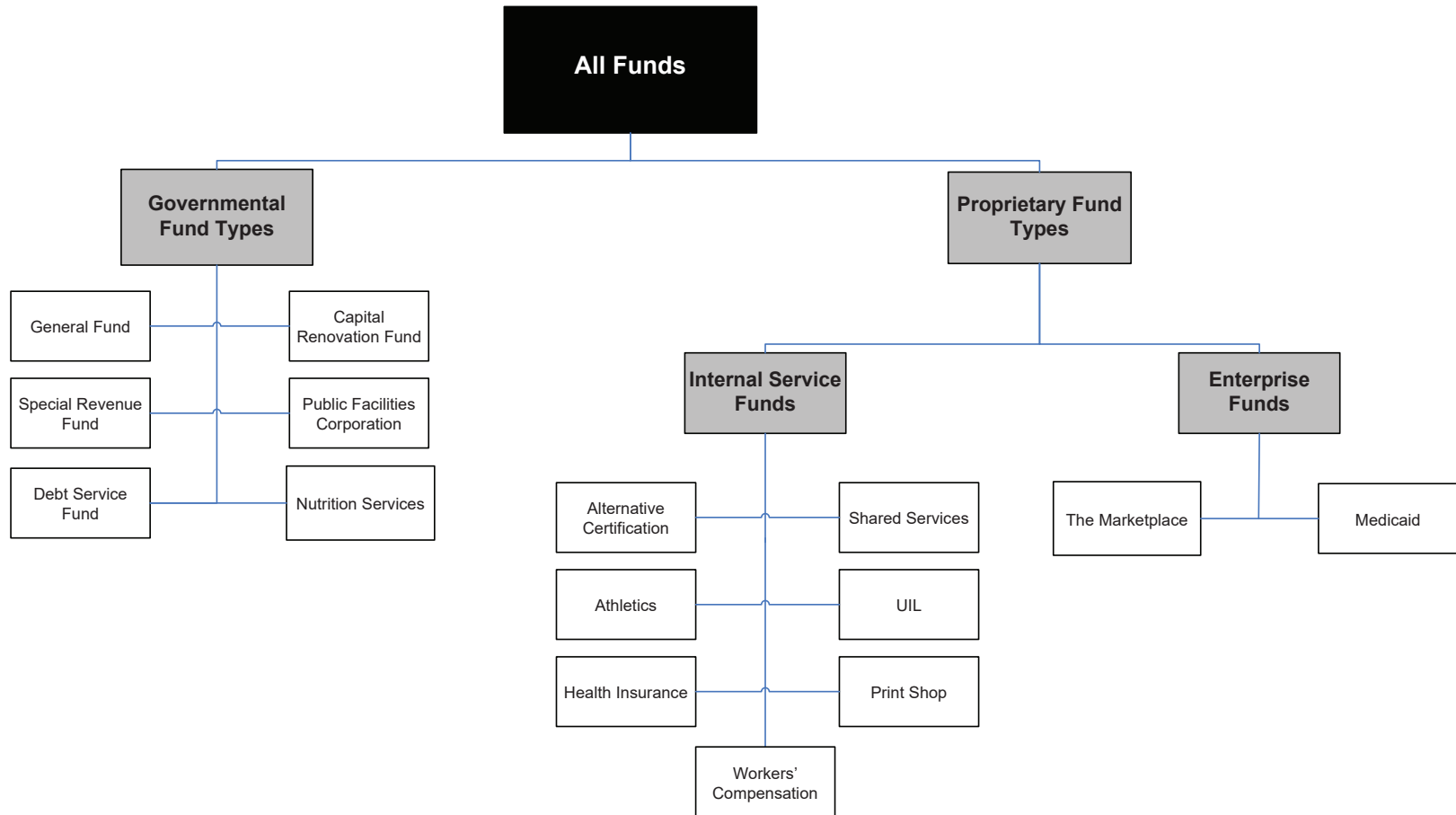
Houston Independent School District

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All Funds Structure Diagram / Summary

Houston Independent School District



HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

		2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast
Revenues								
5700	Local Sources	\$ 2,080,109,945	\$ 2,148,393,786	\$ 2,098,998,671	\$ 2,185,947,060	\$ 2,271,389,280	\$ 2,362,571,649	\$ 2,389,723,358
5800	State Sources	263,451,706	439,429,082	248,329,249	319,254,904	175,021,773	192,692,065	194,530,951
5900	Federal Sources	352,337,407	332,883,354	352,643,888	341,024,809	330,474,161	347,135,153	352,289,497
	Total Revenue	2,695,899,058	2,920,706,222	2,699,971,808	2,846,226,773	2,776,885,214	2,902,398,867	2,936,543,806
Expenditures								
6100	Payroll Costs	1,557,200,230	1,497,674,020	1,567,075,192	1,605,755,800	1,603,182,728	1,675,262,555	1,694,315,743
6200	Professional and Contracted Services	561,215,465	576,174,311	381,630,367	525,097,280	526,900,642	554,513,967	559,970,942
6300	Supplies and Materials	154,814,941	146,959,467	157,936,441	180,728,896	178,800,214	190,895,641	193,631,887
6400	Other Operating Costs	91,080,894	97,719,985	90,152,609	95,189,287	162,018,068	167,730,649	168,371,021
6500	Debt Service	347,955,504	524,584,715	528,737,072	419,674,323	371,225,998	373,896,805	380,971,365
6600	Capital Outlay	654,927,098	359,081,664	347,406,279	120,448,813	119,370,106	109,188,027	60,048,104
	Total Expenditures	3,367,194,132	3,202,194,161	3,072,937,960	2,946,894,399	2,961,497,756	3,071,487,644	3,057,309,063
	Net Revenue Over (under)	(671,295,074)	(281,487,939)	(372,966,152)	(100,667,626)	(184,612,542)	(169,088,777)	(120,765,257)
Other Sources (Uses)								
7900	Other Resources	516,858,461	271,537,938	305,521,221	138,093,793	71,758,925	66,202,727	66,718,644
8900	Other Uses	(95,936,152)	(58,566,776)	(64,534,378)	(44,589,941)	(29,391,343)	(25,550,081)	(25,832,535)
	Total other Financing sources (uses)	420,922,309	212,971,162	240,986,843	93,503,852	42,367,582	40,652,646	40,886,109
	Net Change in fund balances	(250,372,765)	(68,516,777)	(131,979,309)	(7,163,774)	(142,244,960)	(128,436,131)	(79,879,148)
	Beginning Fund Balance (Estimated)	1,878,347,610	1,627,974,845	1,559,458,068	1,427,478,759	1,433,379,807	1,304,199,669	1,188,828,359
	Cumulative effect of the adoption of GASB 84				13,064,822	13,064,822	13,064,822	13,064,822
	Ending Fund Balance (Estimated)	\$ 1,627,974,845	\$ 1,559,458,068	\$ 1,427,478,759	\$ 1,433,379,807	\$ 1,304,199,668	\$ 1,188,828,360	\$ 1,122,014,033

HOUSTON INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL AND PROPRIETARY FUNDS SELECTED ITEMS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

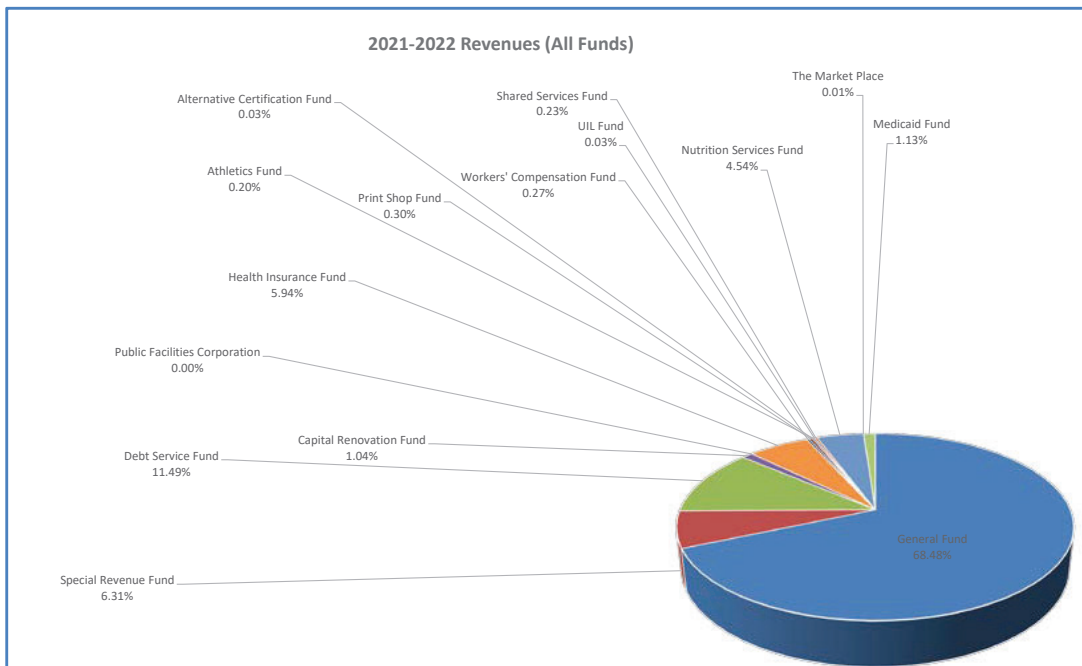
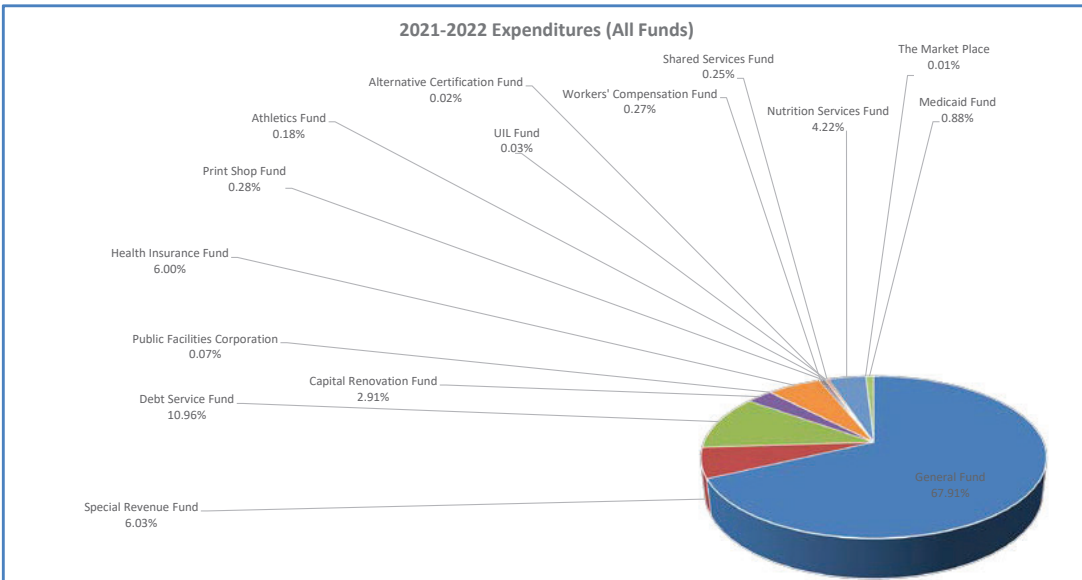
All Governmental and Proprietary Funds	Total All Funds
Total revenue	2,996,406,854
Total expenditures	3,198,305,317
Excess (def.) revenues over (under) expenditures	(201,898,463)
Total other financing sources (uses)	104,679,229 (49,391,343)
Fund balances/Net assets, beginning	1,536,963,287
Fund balances/Net assets, ending	1,403,417,532

Governmental Fund Types	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Public Facilities Corporation	Nutrition Services Fund	Total Governmental Fund Types
Total revenue	2,081,127,566	195,679,694	329,582,527	32,295,456	-	138,199,971	2,776,885,214
Total expenditures	2,186,550,176	195,679,694	355,975,998	86,360,591	-	136,931,298	2,961,497,757
Excess (def.) revenues over (under) expenditures	(105,422,610)	-	(26,393,471)	(54,065,135)	-	1,268,673	(184,612,543)
Total other financing sources (uses)	42,366,685 (19,020,390)	-	26,744,350	- (8,119,892)	- (2,251,061)	2,647,890	71,758,925 (29,391,343)
Fund balances/Net assets, beginning	996,625,712	53,102,081	116,335,814	236,546,476	2,251,061	28,518,663	1,433,379,807
Cumulative effect of the adoption of GASB 84	-	13,064,822	-	-	-	-	13,064,822
Fund balances/Net assets, ending	914,549,397	66,166,903	116,686,693	174,361,448	-	32,435,226	1,304,199,668

Internal Service Fund Types	Health Insurance Fund	Workers' Compensation Fund	Print Shop Fund	Alternative Certification Fund	Athletics Fund	UIL Fund	Shared Services Fund	Virtual Schools Fund	Total Internal Service Fund Types
Total revenue	184,007,000	8,336,060	9,440,740	864,075	6,101,160	980,304	7,195,318	-	216,924,657
Total expenditures	194,810,689	8,668,037	9,194,121	546,010	5,761,030	992,184	7,974,150	-	227,946,221
Excess (def.) revenues over (under) expenditures	(10,803,689)	(331,977)	246,619	318,065	340,130	(11,880)	(778,832)	-	(11,021,564)
Total other financing sources (uses)	43,920	82,370	2,720	5,300	47,210	11,880	40,000	-	233,400
Fund balances/Net assets, beginning	32,385,488	34,626,310	2,882,348	763,815	2,796,692	715,051	3,246,242	146,725	77,562,671
Fund balances/Net assets, ending	21,625,719	34,376,703	3,131,687	1,087,180	3,184,032	715,051	2,507,410	146,725	66,774,507

Proprietary Fund Types	The Market Place	Medicaid Fund	Total Enterprise Fund Types
Total revenue	321,983	2,275,000	2,596,983
Total expenditures	269,598	8,591,741	8,861,339
Excess (def.) revenues over (under) expenditures	52,385	(6,316,741)	(6,264,356)
Total other financing sources (uses)	43 -	32,686,861 (20,000,000)	32,686,904 (20,000,000)
Fund balances/Net assets, beginning	165,632	25,855,177	26,020,809
Fund balances/Net assets, ending	218,060	32,225,297	32,443,357

HOUSTON INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL AND PROPRIETARY FUNDS SELECTED ITEMS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022



* Chart may not add to 100% due to rounding



Governmental Fund Types

Houston Independent School District

Governmental Fund Types are those through which most governmental functions of the district are financed. The acquisition, use and balances of the district's expendable financial resources, and the related liabilities are accounted for through the Governmental Fund Types. The following are the district's major governmental funds:

- **General Fund** – The *General Fund* is the primary operating fund of the district and accounts for all revenues and expenditures of the district not encompassed within other funds.
- **Special Revenue Fund** – The *Special Revenue Fund* is used to account for the proceeds of specific revenue sources (other than private-purpose trust funds or capital projects) such as federal, state or locally financed programs where unused balances can be returned to the grantor at the close of specified project periods.
- **Nutrition Services Fund** – The *Nutrition Services Fund* is used to account for the operations of the breakfast, lunch, snack, and dinner programs offered and managed through the district's own Nutrition Services Department.
- **Debt Service Fund** – The *Debt Service Fund* is used to account for the accumulation of resources for, and the retirement of, general long-term debt and related costs.
- **Capital Renovation Fund** – The *Capital Renovation Fund* is used to account for financial resources to be used for the acquisition, renovation or construction of major capital facilities.
- **Public Facility Corporation (a non-major governmental fund)** – The *Public Facilities Corporation* is used to account for financial resources to be used for the acquisition, renovation, or construction of district facilities.

They are presented on the following pages with four historical years, adopted budget, along with three years of budget forecasts. Budget forecasting is one of the various tools used in the budget development process annually. Budget forecasts assumptions are included to identify projected revenue and other resources, expenditure demands, and changes in fund balance for the upcoming years. The figures are meant for planning purposes only and are subject to change.

Classifications of Fund Balances:

The following table shows fund balances as of June 30, 2021.

Fund Balances	Major			NonMajor		Total
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation-PFC	
Nonspendable	20,562,375	-	-	-	-	20,562,375
Restricted	-	81,620,744	116,335,814	205,617,002	2,251,061	405,824,621
Committed	94,146,930	-	-	-	-	94,146,930
Assigned	325,593,638	-	-	30,929,474	-	356,523,112
Unassigned	556,322,769	-	-	-	-	556,322,769
Total Fund Balances	996,625,712	81,620,744	116,335,814	236,546,476	2,251,061	1,433,379,807

Other Post-Employment Benefit Plans (OPEB)

Health Care Plan Description (TRS-Care)

The district participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

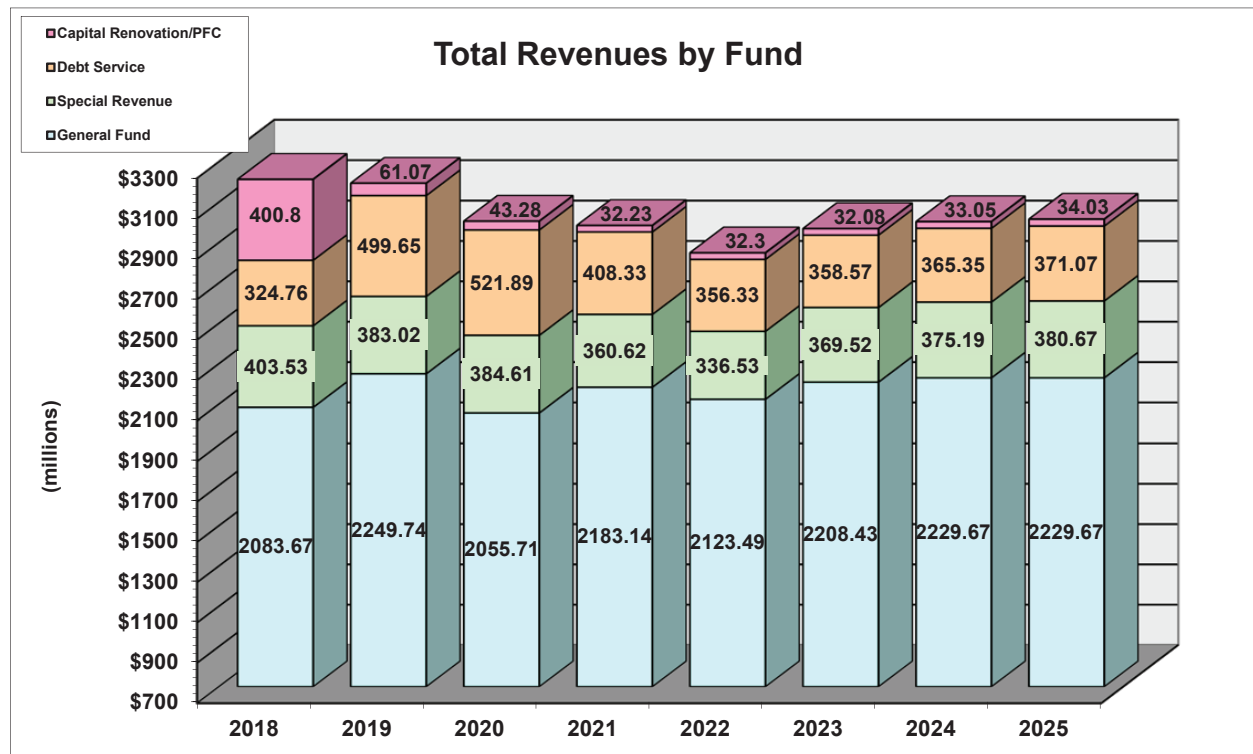
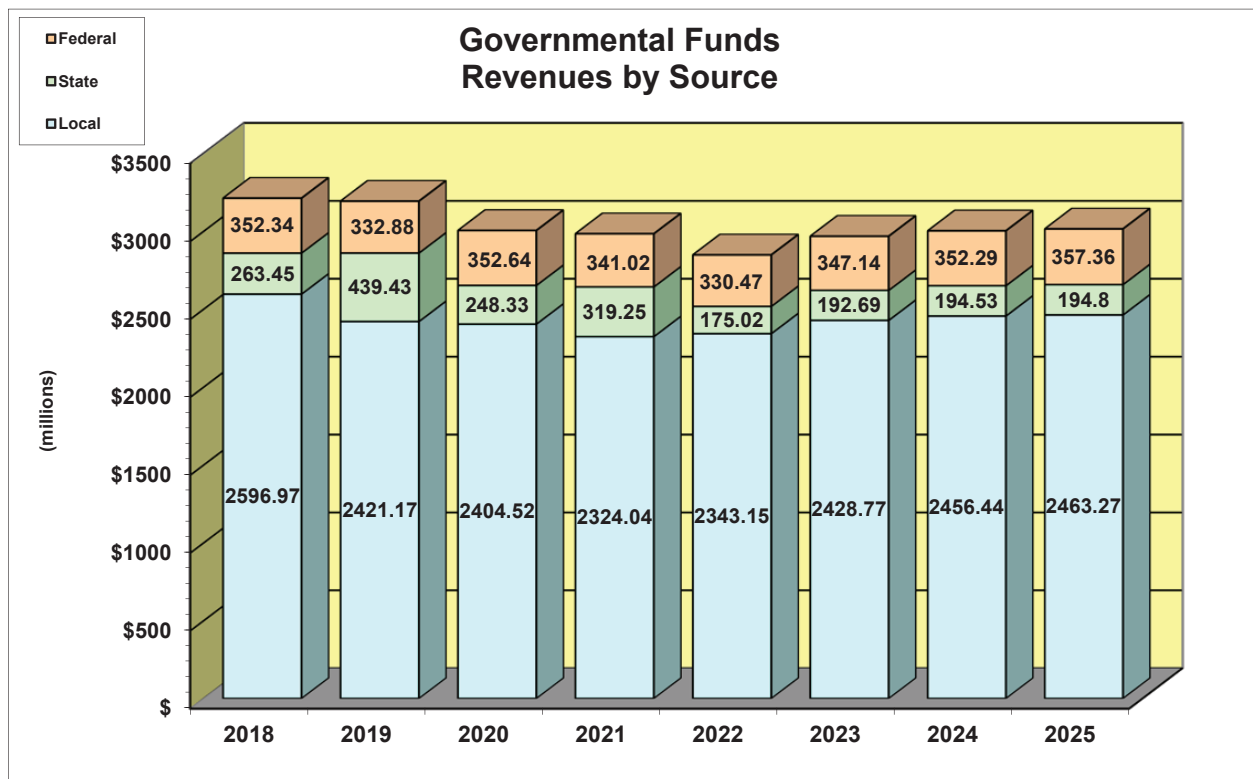
Employees of the system who retire with 10 or more years of eligible service credit and meet the Rule of 80 or are at least 65 years of age continue to receive health care and basic life insurance benefits through the Texas Employees Group Benefits Program (GBP) of the State Retiree Health Plan (SRHP) in accordance with Texas Insurance Code, Chapter 1551.

The district's **Accrued Obligation for Post-Employment Benefits** – as of June 30, 2021 net pension liability was \$540,884,130.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
REVENUES								
Property taxes	1,983,988,484	2,024,206,276	2,010,279,432	2,115,531,365	2,222,612,404	2,304,966,050	2,330,598,616	2,337,414,121
Earnings on investments	25,732,548	41,075,498	24,338,742	2,781,757	2,355,000	2,429,000	2,415,000	2,390,000
Miscellaneous local sources	70,388,913	83,112,013	64,380,498	67,633,938	46,421,876	55,176,599	56,709,742	57,847,106
State sources	263,451,706	439,429,082	248,329,248	319,254,904	175,021,773	192,692,064	194,530,952	194,800,757
Federal sources	352,337,407	332,883,354	352,643,888	341,024,809	330,474,161	347,135,153	352,289,497	357,359,384
Total revenues	2,695,899,058	2,920,706,223	2,699,971,808	2,846,226,773	2,776,885,214	2,902,398,866	2,936,543,806	2,949,811,368
EXPENDITURES BY FUNCTION								
Current								
Instruction	1,196,178,528	1,099,683,185	1,202,777,885	1,196,269,543	1,245,457,881	1,330,005,704	1,342,851,482	1,344,355,141
Instructional resources and media services	9,436,233	9,953,448	7,841,317	9,116,676	8,933,122	9,239,336	9,328,178	9,328,246
Curriculum development and instructional staff development	68,555,448	61,344,044	57,587,847	61,482,497	52,665,944	59,605,135	60,186,802	60,411,063
Instructional leadership	29,936,424	34,238,527	33,514,852	37,690,930	32,336,152	37,700,870	38,067,825	38,184,593
School leadership	151,711,305	146,089,651	151,004,365	147,505,862	149,500,855	155,578,113	157,074,426	157,084,146
Guidance, counseling, and evaluation services	62,330,230	64,754,757	78,083,313	80,091,127	76,471,131	82,776,299	83,577,900	83,728,942
Social work services	3,038,670	9,745,580	14,372,266	19,475,168	24,360,454	22,513,358	22,730,781	22,755,697
Health services	21,626,132	23,797,821	24,846,323	49,808,556	25,743,695	26,703,907	26,961,939	26,995,117
Student (pupil) transportation	72,577,424	63,477,203	58,804,058	51,077,454	62,091,279	69,085,434	69,752,331	69,820,967
Food services	124,090,805	128,717,953	112,485,682	84,259,938	135,622,015	134,683,525	139,381,164	142,450,894
Extracurricular activities	21,400,667	16,468,189	20,549,019	29,528,800	12,817,311	12,423,078	12,542,801	12,549,896
General administration	40,567,588	44,963,888	37,876,811	38,408,254	52,199,129	52,749,557	53,220,951	53,290,519
Facilities maintenance and operations	240,650,346	199,210,132	195,632,262	217,615,229	213,525,913	215,434,973	217,525,917	217,556,196
Security and monitoring services	26,041,443	24,356,065	31,148,852	31,148,808	28,888,077	29,239,030	29,520,210	29,521,135
Data processing services	71,130,255	60,175,446	67,147,720	114,020,696	78,063,202	66,232,552	66,869,915	66,883,361
Community services	8,216,172	8,079,861	14,720,370	12,840,111	7,445,187	12,352,624	12,475,032	12,570,439
Juvenile justice alternative education programs	792,000	792,000	792,000	792,000	792,000	823,680	831,600	831,600
Contracted Instructional Services Between Public Schools	-	-	-	-	-	-	-	-
Payments to Tax increment fund	56,170,397	58,465,450	61,321,789	61,491,720	69,106,766	71,871,037	72,562,104	72,562,104
Tax appraisal and collection	13,814,336	14,990,752	14,980,471	15,517,042	16,108,790	16,753,142	16,914,230	16,914,230
Chapter 41/Purchase of WADA	204,404,117	265,231,840	80,843,995	197,810,414	213,265,281	221,795,892	223,928,545	223,928,545
Debt service								
Principal	216,850,992	216,959,476	222,246,235	239,412,882	247,725,073	260,960,000	275,570,000	289,025,000
Interest and fiscal charges	131,104,511	145,515,239	137,675,568	131,211,441	123,500,925	112,960,290	105,434,821	97,838,255
Payment to escrow agents	-	162,110,000	168,815,269	49,050,000	-	-	-	-
Capital outlay								
Facilities acquisition and construction	593,524,936	339,354,225	280,500,797	67,622,124	83,145,462	70,000,108	20,000,109	10,000,110
Intergovernmental charges								
Fiscal agent/member districts of shared services arrangements	3,045,173	3,719,430	3,598,894	3,647,127	1,732,113	-	-	-
Total expenditures	3,367,194,132	3,202,194,162	3,072,937,960	2,946,894,399	2,961,497,757	3,071,487,644	3,057,309,063	3,058,584,195
Excess (deficiency) of revenues over (under) expenditures	(671,295,074)	(281,487,939)	(372,966,152)	(100,667,626)	(184,612,543)	(169,088,777)	(120,765,256)	(108,772,827)
OTHER FINANCING SOURCES (USES)								
Transfers in	151,069,290	85,807,398	86,844,378	67,089,941	49,392,240	42,941,375	43,233,625	42,135,000
Transfers out	(95,936,152)	(59,807,398)	(64,534,378)	(44,589,941)	(29,391,343)	(25,550,081)	(25,832,535)	(24,733,910)
Capital leases	23,481,683	-	35,099,520	-	22,366,685	23,261,352	23,485,019	23,485,019
Issuance of bonds and other debt	-	159,945,000	148,895,000	-	-	-	-	-
Issuance of refunding debt	-	-	17,082,670	45,675,000	-	-	-	-
Premium on the sale of bonds	261,575,000	2,650,288	-	-	-	-	-	-
Premium on the sale of refunding bonds	-	-	-	3,608,782	-	-	-	-
Proceeds from sale of capital assets	40,253,761	1,240,622	1,302,706	472,372	-	-	-	-
Insurance proceeds	40,478,727	23,135,252	16,296,947	21,247,698	-	-	-	-
Payments to escrow agents - advance refunding	-	-	-	-	-	-	-	-
Total other financing sources (uses)	420,922,309	212,971,162	240,986,843	93,503,852	42,367,582	40,652,647	40,886,110	40,886,110
Net change in fund balances	(250,372,765)	(68,516,777)	(131,979,309)	(7,163,774)	(142,244,961)	(128,436,130)	(79,879,147)	(67,886,717)
Fund balances, beginning								
Cumulative effect of the adoption of GASB 84	-	-	-	13,064,822	13,064,822	13,064,822	13,064,822	13,064,822
Fund balances - beginning - as restated	1,878,347,610	1,627,974,845	1,559,458,068	1,440,543,581	1,446,444,629	1,317,264,490	1,201,893,181	1,135,078,857
Fund balances, ending	1,627,974,845	1,559,458,068	1,427,478,759	1,433,379,807	1,304,199,668	1,188,828,359	1,122,014,035	1,067,192,139

Note: The Nutrition Services Fund was previously a proprietary fund. It was reclassified as a governmental fund effective fiscal year 2017-2018.





General Fund

Houston Independent School District

The **General Fund** is the district's principal fund, accounting for the majority of current operating expenditures. Recorded in the General Fund are transactions encompassing the approved current operating budget, related revenues, expenditures, assets, liabilities, and fund balance. Financial transactions of the district are recorded in detail in the general ledger by objects and functions within projects and programs. This fund has often been described as an operating or current fund and includes revenues from an ad valorem local maintenance tax, state funding, and other sources such as tuition, fees, and investment earnings.

The district has four sources of revenue: Local, State, Federal, and Other

Local Sources

Current property tax revenue (levy) is the district's largest revenue source in the amount of \$1,878,069,877 or 88.44 percent of all General Fund Revenues. The district has been seeing significant increases in the local roll values as shown in the Informational Section of this document. However, unlike many city and county tax rolls HISD does not keep all of the increase in tax revenues generated. Under the state funding formula, as local property values rise the state reduces their share of public education. In fact, the state share of formula revenue in HISD has decreased from a high of 21.25 percent in 2012-2013 to an estimated -7.35 percent in 2021-2022. The negative state aid is due to recapture and discussed later in this document.

The revenue projections used for 2021-2022 are based off the certified estimated roll value that the district receives in April of each fiscal year. The district works with the Harris County Appraisal District (HCAD) early in the year, usually around February, to determine a starting point for tax revenue projections. These projections are used to build early estimates of the district's budget resources and help with the planning and ranking of programs in the upcoming years. The district has traditionally taken a conservative approach in early revenue projections and in the past has been able to fund projects on a ranked planning list.

State Sources

State sources include the Foundation School Program (FSP) which is formula driven based off the district's property values and student counts at approximately \$32.5 million for 2021-2022. Available School Fund (ASF) is revenue from the states permanent fund and is revenue earned on a per capita basis for education by all school districts as outlined in the state's constitution at approximately \$37 million. Also included is pass-through funding of \$87 million for the state's contribution to the Texas Teacher's Retirement System (TRS). Total state funding (including the pass-through funds) is approximately 7.4 percent of the total revenues of the district. Without the pass-through funds the state funding is approximately 3.3 percent of total operating revenues.

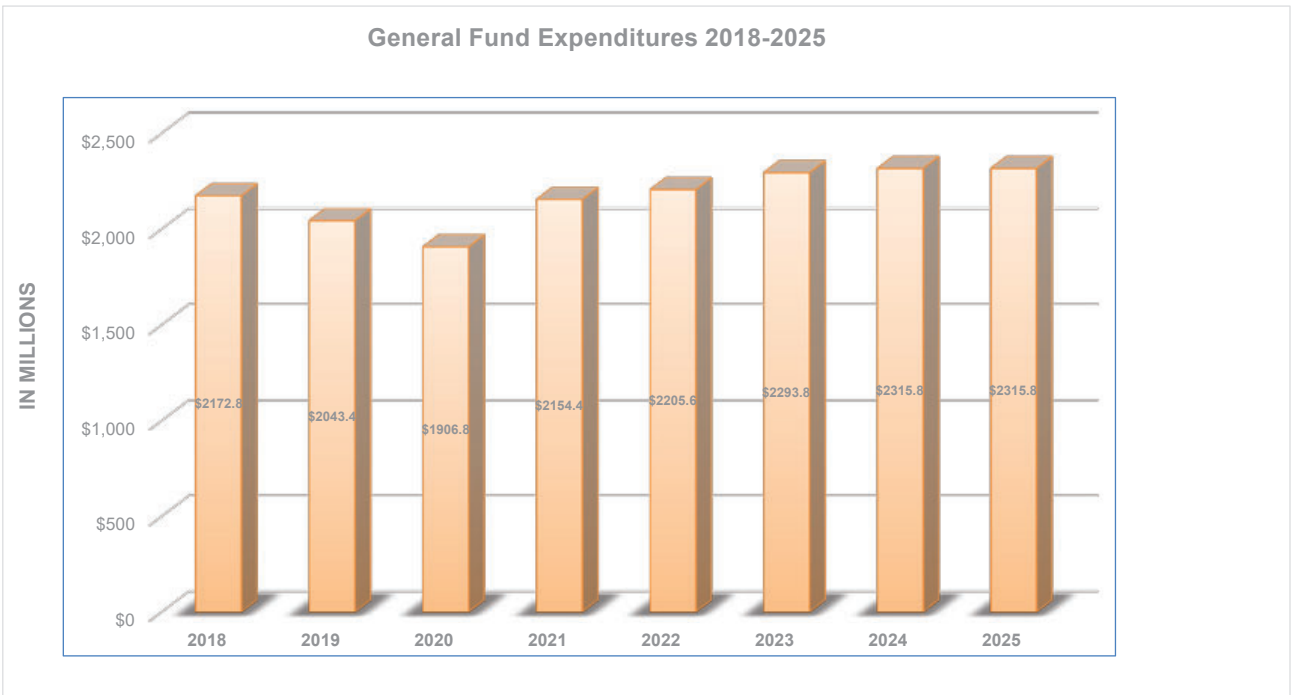
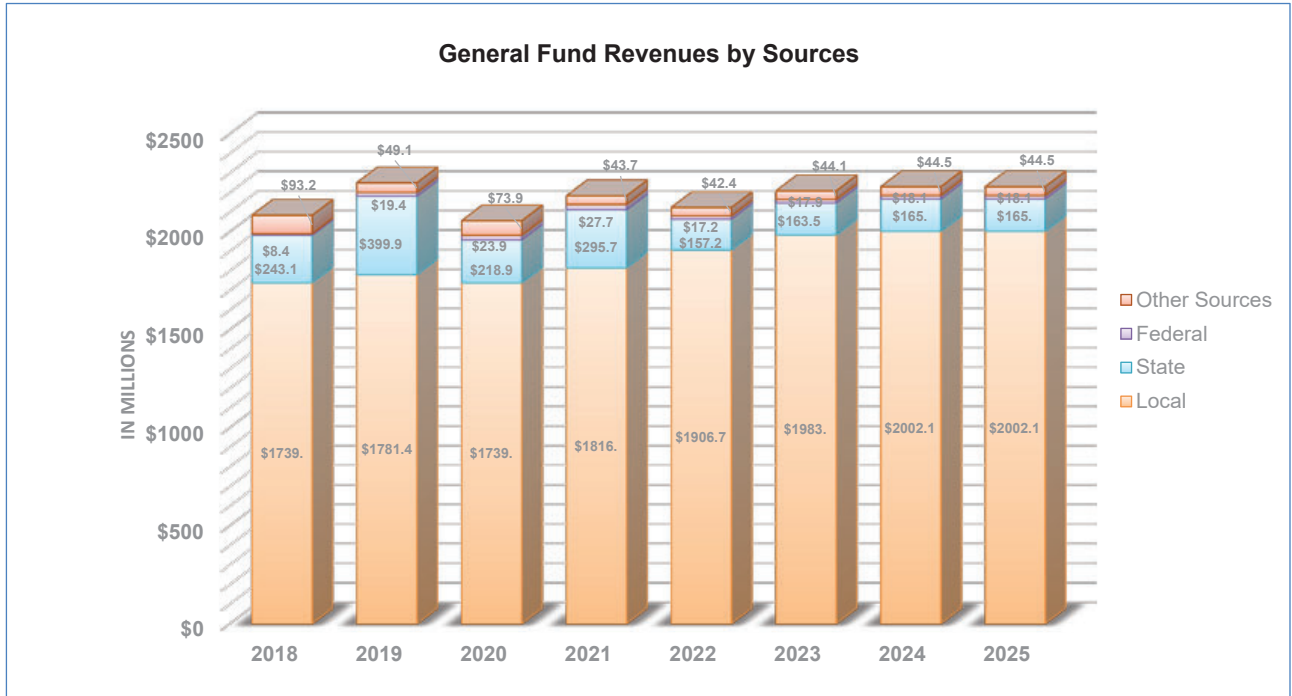
Federal Sources

Federal sources total \$17.23 million and include Build America Bond subsidy payment of \$4.5 million, federal revenue from TEA (indirect cost) of \$5 million, federal revenue (Texas Department of Agriculture) indirect cost of \$5.5 million, direct federal revenue \$300,000 and revenue for the JROTC staff from the Army, Air Force, and Navy in the amount of \$1.93 million.

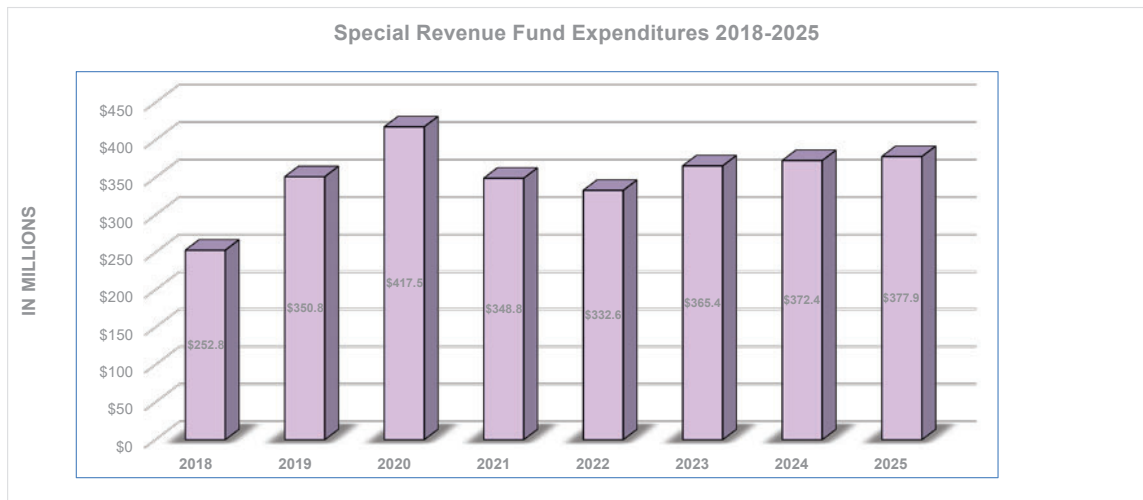
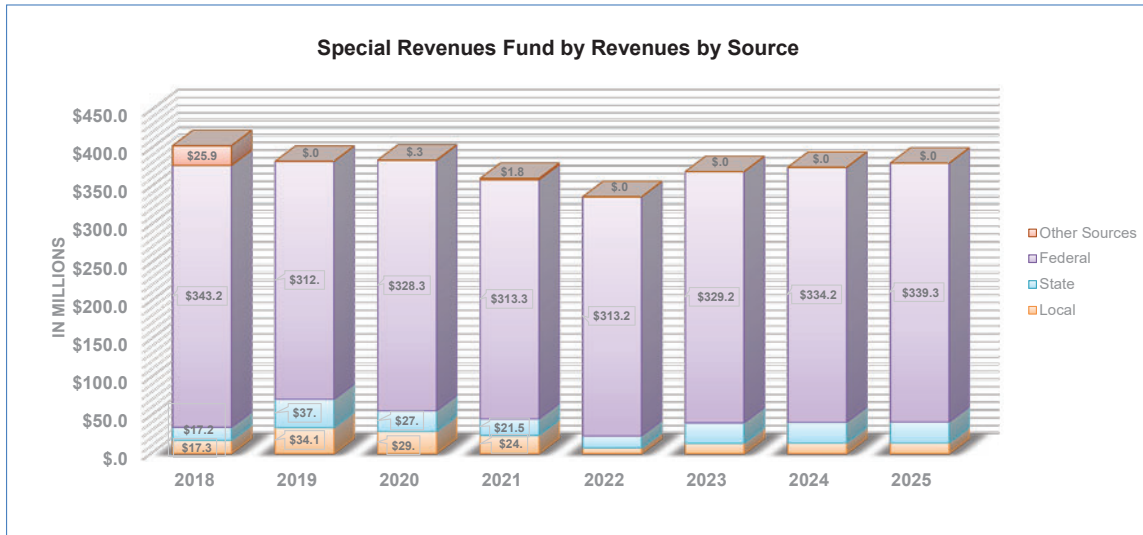
Other Sources

Other sources are transfers from the district's Medicaid program of \$20 million.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 GENERAL FUND AND SPECIAL REVENUE FUND REVENUES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022



HOUSTON INDEPENDENT SCHOOL DISTRICT
GENERAL FUND AND SPECIAL REVENUE FUND REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022



Note:
Nutrition Services schedule totals are combined with Special Revenue schedule to capture all Special Revenue revenues, expenditures, and changes in fund balance due to reclassification of Nutrition Services fund as a Governmental Fund.

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
REVENUES								
Property taxes	1,710,326,173	1,747,189,582	1,715,002,326	1,801,428,452	1,895,069,877	1,970,872,672	1,989,823,371	1,989,823,371
Earnings on investments	10,408,645	19,083,204	14,027,724	2,342,077	2,200,000	2,288,000	2,310,000	2,310,000
Miscellaneous local sources	18,246,935	15,082,252	9,972,928	12,241,775	9,453,620	9,831,765	9,926,301	9,926,301
State sources	243,073,835	399,872,504	218,933,263	295,665,220	157,174,069	163,461,032	165,032,772	165,032,772
Federal sources	8,381,410	19,372,818	23,877,840	27,712,808	17,230,000	17,919,200	18,091,500	18,091,500
Total revenues	1,990,436,998	2,200,600,360	1,981,814,081	2,139,390,332	2,081,127,566	2,164,372,669	2,185,183,944	2,185,183,944
EXPENDITURES								
Current								
Instruction	1,054,217,502	970,793,048	996,399,361	1,081,410,519	1,135,700,518	1,181,128,538	1,192,485,544	1,192,485,544
Instructional resources and media services	9,246,603	9,822,477	7,798,643	9,071,254	8,877,520	9,232,621	9,321,396	9,321,396
Curriculum development and instructional staff development	27,141,888	29,267,000	29,215,532	33,204,034	35,962,547	37,401,049	37,760,675	37,760,675
Instructional leadership	20,307,711	20,820,355	20,983,417	23,904,023	25,134,311	26,139,683	26,391,026	26,391,026
School leadership	148,888,990	142,326,291	149,489,190	146,408,036	148,669,010	154,615,771	156,102,461	156,102,461
Guidance, counseling, and evaluation services	47,489,488	50,299,761	60,053,228	63,467,347	65,403,532	68,019,673	68,673,708	68,673,708
Social work services	1,699,752	8,429,482	12,142,590	16,938,834	19,275,453	20,046,471	20,239,225	20,239,225
Health services	18,657,747	19,312,797	21,317,891	48,100,766	22,518,241	23,418,971	23,644,154	23,644,154
Student (pupil) transportation	69,146,802	59,243,844	53,629,143	46,389,028	59,893,990	62,289,750	62,888,690	62,888,690
Food services	-	-	234,114	2,741,097	-	-	-	-
Extracurricular activities	19,493,953	15,549,148	16,107,773	14,536,297	11,269,840	11,720,633	11,833,332	11,833,332
General administration	37,861,920	41,097,974	32,135,554	32,663,797	40,251,576	41,861,639	42,264,154	42,264,154
Facilities maintenance and operations	226,626,540	195,853,168	192,496,074	211,943,777	205,844,817	214,078,610	216,137,058	216,137,058
Security and monitoring services	25,073,050	22,606,971	24,179,218	27,507,090	28,026,356	29,147,410	29,427,674	29,427,674
Data processing services	64,835,876	54,951,868	62,025,501	65,812,348	62,405,029	64,901,230	65,525,280	65,525,280
Community services	2,294,499	2,135,207	3,828,274	2,631,134	2,794,599	2,906,383	2,934,329	2,934,329
Juvenile justice alternative education programs	792,000	792,000	792,000	792,000	792,000	823,680	831,600	831,600
Tax increment zone payments	56,170,397	58,465,450	61,321,789	61,491,720	69,106,766	71,871,037	72,562,104	72,562,104
Contracted instructional services between public schools	-	-	-	-	-	-	-	-
Tax appraisal and collection	13,814,336	14,990,752	14,980,471	15,517,042	16,108,790	16,753,142	16,914,230	16,914,230
Chapter 41/Purchase of WADA	204,404,117	265,231,840	80,843,995	197,810,414	213,265,281	221,795,892	223,928,545	223,928,545
Debt service								
Principal	14,216,599	8,764,959	14,420,016	13,611,426	14,500,000	15,080,000	15,225,000	15,225,000
Interest and fiscal charges	498,626	181,903	575,307	1,207,310	750,000	780,000	787,500	787,500
Capital outlay								
Facilities acquisition and construction	21,463,684	269,834	8,635,291	1,340,201	-	-	-	-
Total expenditures	2,084,342,080	1,991,206,129	1,863,604,372	2,118,499,494	2,186,550,176	2,274,012,183	2,295,877,685	2,295,877,685
Excess (deficiency) of revenues over (under) expenditures	(93,905,082)	209,394,231	118,209,709	20,890,838	(105,422,610)	(109,639,515)	(110,693,741)	(110,693,741)
OTHER FINANCING SOURCES (USES)								
Transfers in	29,274,879	26,000,000	22,500,000	22,500,000	20,000,000	20,800,000	21,000,000	21,000,000
Transfers out	(88,500,216)	(52,214,349)	(43,199,832)	(35,912,972)	(19,020,390)	(19,781,206)	(19,971,410)	(19,971,410)
Capital leases	23,481,683	-	35,099,520	-	22,366,685	23,261,352	23,485,019	23,485,019
Issuance of bonds and other debt	-	-	-	-	-	-	-	-
Premium on the sale of bonds	-	-	-	-	-	-	-	-
Insurance proceeds	40,478,727	23,135,252	16,296,947	21,247,698	-	-	-	-
Total other financing sources (uses)	4,735,073	(3,079,097)	30,696,635	7,834,726	23,346,295	24,280,147	24,513,610	24,513,610
Net change in fund balances	(89,170,009)	206,315,134	148,906,344	28,725,564	(82,076,315)	(85,359,369)	(86,180,131)	(86,180,131)
Fund balances, beginning	701,848,679	612,678,670	818,993,804	967,900,148	996,625,712	914,549,397	829,190,028	743,009,897
Fund balances, ending	612,678,670	818,993,804	967,900,148	996,625,712	914,549,397	829,190,028	743,009,897	656,829,766

Budget Forecast Assumptions

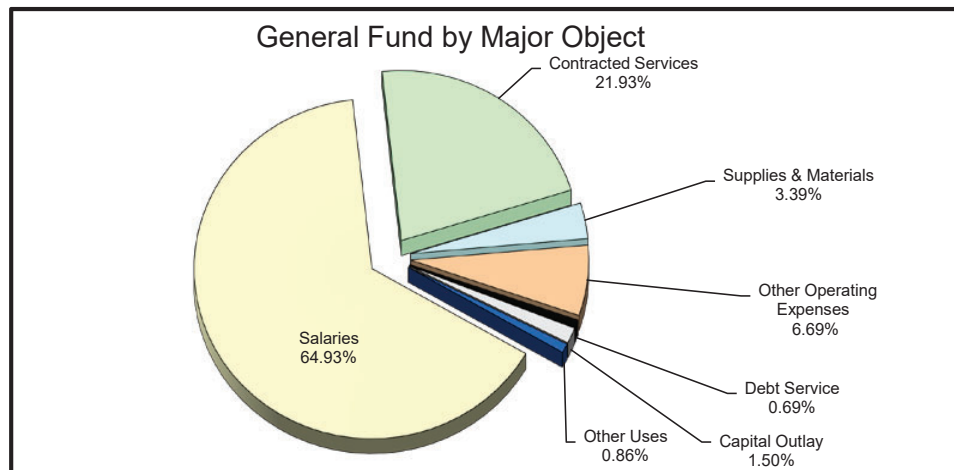
Tax roll increase at 4 percent, 5 percent, and 5 percent respectively.
No salary forecast included in estimates
Average Daily Attendance is reduced by 9,773 in 2022-2023, and kept level thereafter.
Maintenance and Operations tax rate declines as property value's increase based on tax compression.
No forecast or assumptions included for legislative session beginning in 2022
See the discussion in the executive summary on school finance from the 86th legislative session.
Debt Principal and Interest is primarily the Power Up Program.
Deficit budget adopted which will be covered through salary fallout.

Excess Revenue (Previously called Recapture)

The recapture calculation was changed in the 86th legislative session and became excess revenue. District revenues are now capped at the district's Total Cost of Tier I, Tier II, and other funding. For HISD other funding is the Tax Increment Reinvestment Zone pass through funding.

HOUSTON INDEPENDENT SCHOOL DISTRICT
EXPENDITURES BY FUNCTION AND MAJOR OBJECT - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

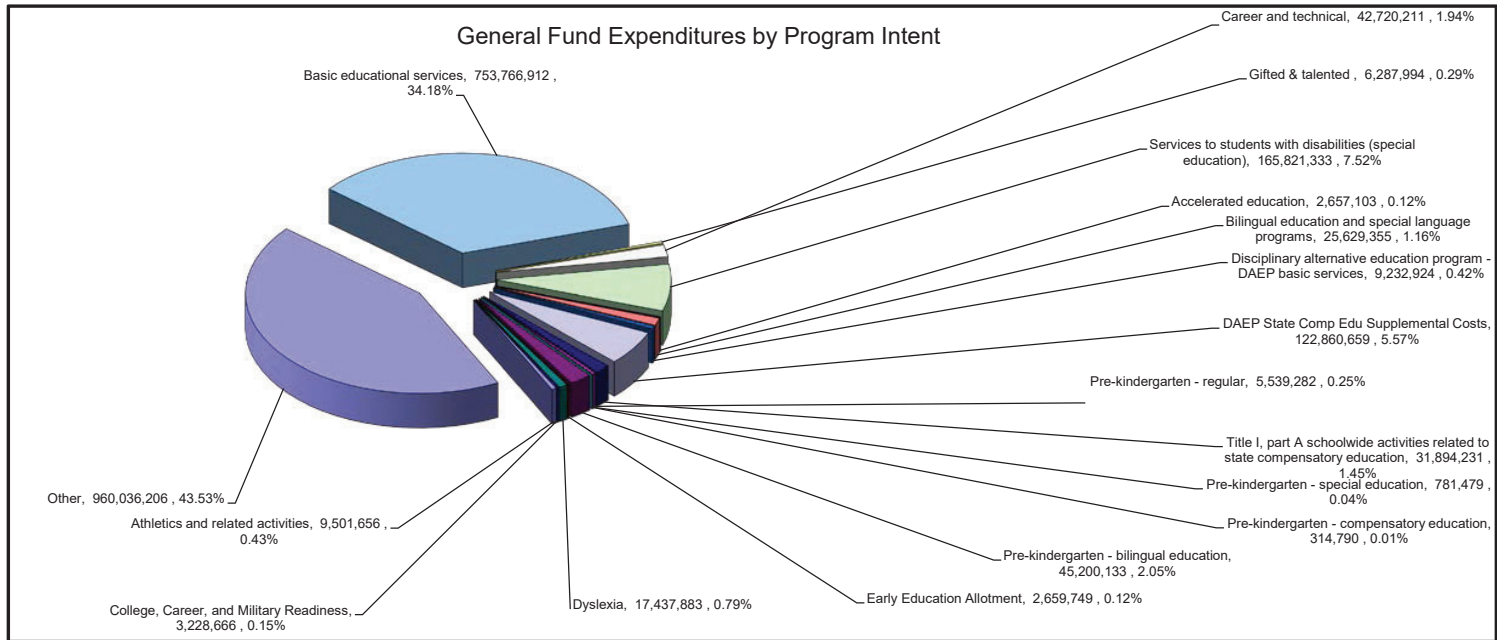
Function	Function Name	Salaries 6100	Contracted Services 6200	Supplies & Materials 6300	Other Operating Expenses 6400	Debt Service 6500	Capital Outlay 6600	Other Uses 8900	Function Totals
11	Instruction	912,597,771	99,391,566	50,789,148	47,678,663	-	25,243,369	-	1,135,700,518
12	Instructional resources and media services	7,621,800	1,222,985	25,413	7,322	-	-	-	8,877,520
13	Curriculum development and instructional staff development	32,747,438	1,709,230	695,506	742,632	-	67,741	-	35,962,547
21	Instructional leadership	21,993,316	1,590,575	353,953	1,105,100	-	91,366	-	25,134,311
23	School leadership	142,752,922	4,584,196	861,876	278,078	-	191,938	-	148,669,010
31	Guidance, counseling, and evaluation services	48,099,807	13,935,914	1,396,605	291,971	-	1,679,235	-	65,403,532
32	Social work services	17,691,207	553,000	976,246	55,000	-	-	-	19,275,453
33	Health services	21,486,607	168,931	559,303	73,400	-	230,000	-	22,518,241
34	Student (pupil) transportation	46,255,860	803,489	7,980,849	1,853,792	-	3,000,000	-	59,893,990
35	Food services	-	-	-	-	-	-	-	-
36	Extracurricular activities	3,824,432	6,930,873	271,841	242,694	-	-	-	11,269,840
41	General administration	26,482,993	8,819,486	866,350	3,682,298	-	400,449	-	40,251,576
51	Facilities maintenance and operations	92,568,295	83,961,520	8,962,788	20,330,214	-	22,000	-	205,844,817
52	Security and monitoring services	24,937,805	1,198,718	494,385	1,390,008	-	5,440	-	28,026,356
53	Data processing services	30,613,413	28,366,455	576,751	776,349	-	2,072,061	-	62,405,029
61	Community services	2,399,170	365,521	15,908	14,000	-	-	-	2,794,599
71	Debt services	-	-	-	-	15,250,000	-	-	15,250,000
81	Facilities acquisition and construction	-	-	-	-	-	-	-	-
91	Contracted instructional services between public schools	-	213,265,281	-	-	-	-	-	213,265,281
95	Juvenile justice alternative education programs	-	792,000	-	-	-	-	-	792,000
96	Other financing sources (uses)	-	-	-	-	-	-	19,020,390	19,020,390
97	Payments to tax increment fund	-	-	-	69,106,766	-	-	-	69,106,766
99	Other intergovernmental charges	3,867	16,104,923	-	-	-	-	-	16,108,790
Major Object Totals		1,432,076,704	483,764,663	74,826,922	147,628,288	15,250,000	33,003,599	19,020,390	2,205,570,566



* Chart may not add to 100% due to rounding.

Houston Independent School District
GENERAL FUND EXPENDITURES BY PROGRAM INTENT & MAJOR OBJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Program Intent Code	Program Intent Code Description	Salaries 6100	Contracted Services 6200	Supplies & Materials 6300	Other Operating Expenses 6400	Debt Service 6500	Capital Outlay 6600	Transfers Out 8900	Program Intent Totals
11	Basic educational services	623,816,955	65,462,080	29,234,383	10,565,713	-	24,687,780	-	753,766,912
21	Gifted & talented	4,784,458	178,873	1,211,956	92,807	-	19,900	-	6,287,994
22	Career and technical	36,325,188	1,494,037	2,461,156	2,255,356	-	184,474	-	42,720,211
23	Services to students with disabilities (special education)	134,334,520	28,135,907	2,241,909	913,111	-	195,886	-	165,821,333
24	Accelerated education	2,414,358	12,314	170,561	19,867	-	40,003	-	2,657,103
25	Bilingual education and special language programs	19,632,993.03	2,144,641	3,615,933	191,722	-	44,066	-	25,629,355
28	Disciplinary alternative education program - DAEP basic services	7,087,995	1,523,720	371,900	99,313	-	149,996	-	9,232,924
29	DAEP State Comp Edu Supplemental Costs	81,133,441	7,463,058	3,304,193	30,903,668	-	56,300	-	122,860,659
30	Title I, part A schoolwide activities related to state compensatory education	30,483,925	22,175	868,573	519,558	-	-	-	31,894,231
32	Pre-kindergarten - regular	5,539,282	-	-	-	-	-	-	5,539,282
33	Pre-kindergarten - special education	776,925	-	4,554	-	-	-	-	781,479
34	Pre-kindergarten - compensatory education	308,778	-	6,012	-	-	-	-	314,790
35	Pre-kindergarten - bilingual education	31,411,519	6,250,684	5,476,627	2,009,737	-	51,566	-	45,200,133
36	Early Education Allotment	2,497,799	108,451	42,425	11,074	-	-	-	2,659,749
37	Dyslexia	11,805,998	1,651,770	2,990,055	990,060	-	-	-	17,437,883
38	College, Career, and Military Readiness	3,228,666	-	-	-	-	-	-	3,228,666
91	Athletics and related activities	3,565,410	5,611,767	256,229	68,250	-	-	-	9,501,656
99	Other	432,928,495	363,705,185	22,570,456	98,988,053	15,250,000	7,573,628	19,020,390	960,036,206
Major Object Totals		\$ 1,432,076,704	\$ 483,764,663	\$ 74,826,922	\$ 147,628,288	\$ 15,250,000	\$ 33,003,599	\$ 19,020,390	\$ 2,205,570,566



* Chart may not add to 100% due to rounding.

General Fund Ending Fund Balance Detail				
Fund Balance Categories	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Nondisposable	11,394,093	11,893,235	14,510,708	20,562,375
Restricted	-	-	-	-
Committed	46,364,840	46,364,840	46,364,840	94,146,930
Assigned	165,504,729	248,407,583	251,970,374	325,593,638
Unassigned	389,415,008	512,328,146	655,054,226	556,322,769
	612,678,670	818,993,804	967,900,148	996,625,712
Assigned fund balances				
Designated for Auto / General Liability	3,000,000	3,697,423	4,541,910	6,148,958
Designated for Incentive Pay Prgrm	-	-	-	-
Designated for Insurance Programs	25,000,000	25,000,000	25,000,000	25,000,000
Designated for ERP Projects	30,589,556	30,332,277	12,951,087	12,951,087
Reserve for Encumbrances	51,152,797	20,070,592	57,112,528	147,563,369
Designated for School Carryforward	454,126	282,067	-	-
Instructional Stabilization		133,930,224	133,930,224	133,930,224
PFC Debt Service/Capital Projects	55,308,250	35,095,000	18,434,625	
SAP Reimplementation Project	-	-	-	-
Total Assigned fund balances	165,504,729	248,407,583	251,970,374	325,593,638
Committed fund balances				
Designated for Operations	46,364,840	46,364,840	46,364,840	
Total Committed fund balances	46,364,840	46,364,840	46,364,840	-
Nondisposable fund balances				
Reserve for Inventories & Prepaids	11,394,093	11,893,235	14,510,708	
Total nondisposable fund balances	11,394,093	11,893,235	14,510,708	-
Restricted fund balances				
Reserved for Cap Acquisition Prgrm	-	-	-	-
Total restricted fund balances	-	-	-	-
Unassigned				
Unassigned fund balances	389,415,008	512,328,146	655,054,226	556,322,769
Total unassigned fund balance	389,415,008	512,328,146	655,054,226	556,322,769

Financial Highlights

The District's governmental funds financial statements reported a combined ending fund balance of \$1.433 billion. This balance consists of \$997 million in the General Fund of which \$326 million is assigned, \$21 million is nondisposable, \$94 million is committed, and \$556 million is unassigned and available for spending at the District's discretion. The total restricted fund balance of \$406 million consists of the Special Revenue Fund, the Debt Service Fund, the Capital Renovation Fund, and the Nonmajor Capital Renovation Fund – PFC. The Capital Renovation Fund's fund balance also includes \$31 million in assigned.



Special Revenue Fund

Houston Independent School District

The **Special Revenue Fund** accounts for all designated-purpose monies received in the form of federal, state, or local grants. These grants, referred to as projects, are awarded to the Houston Independent School District for the purpose of accomplishing specified educational tasks; therefore, revenues and expenditures are recorded by project or similar groups of projects related by funding to accomplish the purpose of accounting for each grant.

Budget Assumptions

HISD continues to seek out and obtain grant funding for supplemental services for students. The Special Revenue Budget was based off of several assumptions.

- TEA has not released planning entitlements for 2021-2022. HISD has begun planning, prioritizing, and renewing the process for programs with projected planning amounts
- Title I, Part A projections were based on TEA released planning amounts for 2021-2022
- Title I, Part C projections were based on TEA released planning amounts for 2021-2022
- Title I, Part D projections were based on TEA released planning amounts for 2021-2022
- Title II, Part A projections were based on TEA released planning amounts for 2021-2022
- Title III, Part A LEP projections were based on TEA released planning amounts for 2021-2022
- Title III Immigrant projections were based on TEA released planning amounts for 2021-2022
- Title IV, Part A projections were based on TEA released planning amounts for 2021-2022
- Special Education Student Funding- IDEA, Part B and Part C was projected based on a permanent formula that includes a base amount, district enrollment of all students, and students on free and reduced-price lunch districtwide.
- Carl D. Perkins Act IV projections were based on TEA released planning amounts for 2021-2022
- Local and State sources are not included in the planning amounts for 2021-2022 due to no planning amounts being released for FY 2020 and/or FY 2021. The budget will be adjusted throughout 2021-2022 as grant awards are received.

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
REVENUES								
Earnings on investments	-	-	-	-	-	-	-	-
Miscellaneous local sources	17,290,516	28,108,792	22,436,554	23,022,617	4,756,791	8,985,420	9,075,274	9,166,027
State sources	17,185,125	36,424,706	26,473,334	20,973,810	15,310,110	26,390,213	26,654,115	26,920,656
Federal sources	215,902,850	186,165,404	238,751,950	216,857,178	175,612,793	194,025,148	195,965,398	197,925,052
Total revenues	250,378,491	250,698,902	287,661,838	260,853,605	195,679,694	229,400,781	231,694,787	234,011,735
EXPENDITURES								
Current								
Instruction	141,961,026	128,890,137	206,378,524	114,859,024	109,757,363	148,877,166	150,365,938	151,869,597
Instructional resources and media services	189,630	130,971	42,674	45,422	55,602	6,715	6,782	6,850
Curriculum development and Instructional staff development	41,413,560	32,077,044	28,372,315	28,278,463	16,703,397	22,204,086	22,426,127	22,650,388
Instructional leadership	9,628,713	13,418,172	12,531,435	13,786,907	7,201,841	11,561,187	11,676,799	11,793,567
School leadership	2,822,315	3,763,360	1,515,175	1,097,826	831,845	962,342	971,965	981,685
Guidance, counseling, and evaluation services	14,840,742	14,454,996	18,030,085	16,623,780	11,067,599	14,756,626	14,904,192	15,053,234
Social work services	1,338,918	1,316,098	2,229,676	2,536,334	5,085,001	2,466,887	2,491,556	2,516,472
Health services	2,968,385	4,485,024	3,528,432	1,707,790	3,225,454	3,284,936	3,317,785	3,350,963
Student (pupil) transportation	3,430,622	4,233,359	5,174,915	4,688,426	2,197,289	6,795,684	6,863,641	6,932,277
Food services	45,849	-	15,757	-	2,221	-	-	-
Extracurricular activities	1,906,714	919,041	4,441,246	14,992,503	1,547,471	702,445	709,469	716,564
General administration	1,979,983	3,864,618	2,177,550	2,368,088	8,435,657	6,887,918	6,956,797	7,026,365
Facilities maintenance and operations	13,866,210	1,663,961	647,740	814,025	6,369,592	25,498	25,753	26,011
Security and monitoring services	968,393	1,749,094	739,634	3,641,718	861,721	91,620	92,536	93,461
Data processing services	6,294,379	5,223,578	3,689,402	45,819,236	15,658,173	1,331,322	1,344,635	1,358,081
Community services	5,921,673	5,944,654	10,892,096	10,208,977	4,650,588	9,446,241	9,540,703	9,636,110
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay								
Facilities acquisition and construction	130,577	49,242	18,080	912,287	296,767	108	109	110
Intergovernmental charges								
Fiscal agent/member districts of shared services arrangements	3,045,173	3,719,430	3,598,894	3,647,127	1,732,113	-	-	-
Total expenditures	252,752,862	225,902,779	304,023,630	266,037,884	195,679,694	229,400,781	231,694,787	234,011,735
Excess (deficiency) of revenues over (under) expenditures	(2,374,371)	24,796,123	(16,361,792)	(5,184,279)	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	25,858,259	-	282,067	1,821,061	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Issuance of bonds and other debt	-	-	-	-	-	-	-	-
Premium on the sale of bonds	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	25,858,259	-	282,067	1,821,061	-	-	-	-
Net change in fund balances	23,483,888	24,796,123	(16,079,725)	(3,363,218)	-	-	-	-
Fund balances, beginning	37,058,450	34,684,079	59,480,202	43,400,477	53,102,081	66,166,903	79,231,725	92,296,547
Cumulative effect of the adoption of GASB 84	-	-	-	13,064,822	13,064,822	13,064,822	13,064,822	13,064,822
Fund balances, ending	60,542,338	59,480,202	43,400,477	53,102,081	66,166,903	79,231,725	92,296,547	105,361,369

Budget Forecast Assumption

The district continues to seek out and obtain grant funding for supplemental services for students.

The state of Texas has projected growth of 3.4 percent in the education and health industry and HISD is projecting a 1 percent growth rate in funding.

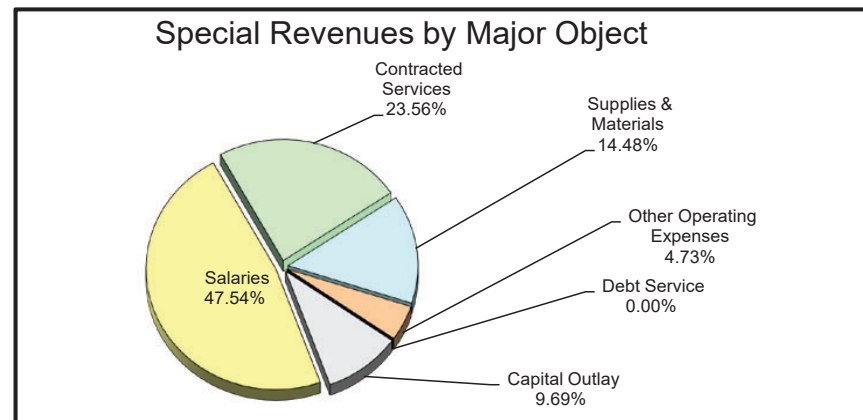
In 2021-2022 the district will seek other federal funds to replace 21st Century, Teacher School Leader and Music Educators grants with other funding opportunities.

Notes:

1. The 2019-2020 budget is based on the planning amounts from the previous year. The budget amounts will be adjusted throughout the year based on amendments and grants received and submitted to TEA for each grant.
2. In 2018-2019 the beginning fund balance was adjusted by \$25,858,259 as a result of the change of the Nutrition Services Fund to be a Governmental Fund
3. Nutrition Services schedule totals are combined with Special Revenue schedule to capture all Special Revenue revenues, expenditures, and changes in fund balance due to reclassification of Nutrition Services fund as a Governmental Fund.

HOUSTON INDEPENDENT SCHOOL DISTRICT
EXPENDITURES BY FUNCTION AND MAJOR OBJECT - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Function	Function Name	Salaries 6100	Contracted Services 6200	Supplies & Materials 6300	Other Operating Expenses 6400	Debt Service 6500	Capital Outlay 6600	Function Totals
11	Instruction	54,774,521	19,517,061	24,516,303	4,933,873	-	6,015,605	109,757,363
12	Instructional resources and media services	574	100	25,336	-	-	29,592	55,602
13	Curriculum development and instructional staff development	11,081,403	3,840,448	943,544	408,687	-	429,315	16,703,397
21	Instructional leadership	5,494,258	900,003	175,075	117,854	-	514,651	7,201,841
23	School leadership	551,144	234,530	14,255	20,501	-	11,415	831,845
31	Guidance, counseling, and evaluation services	8,971,965	1,769,149	131,890	122,822	-	71,773	11,067,599
32	Social work services	2,876,339	2,090,299	76,705	16,075	-	25,583	5,085,001
33	Health services	829,530	1,385,975	995,788	9,905	-	4,256	3,225,454
34	Student (pupil) transportation	1,783,086	149,659	10,653	22,999	-	230,892	2,197,289
35	Food services	62	-	273	-	-	1,886	2,221
36	Extracurricular activities	524,906	202,891	653,633	148,818	-	17,223	1,547,471
41	General administration	1,139,348	5,542,568	105,844	1,623,740	-	24,157	8,435,657
51	Facilities maintenance and operations	43,178	6,075,022	52,823	1,586	-	196,983	6,369,592
52	Security and monitoring services	60,078	188,888	94,357	21,909	-	496,489	861,721
53	Data processing services	1,166,912	3,665,350	189,114	-	-	10,636,797	15,658,173
61	Community services	3,735,747	428,818	347,843	69,637	-	68,543	4,650,588
71	Debt service	-	-	-	-	-	-	-
81	Facilities acquisition and construction	-	102,484	-	-	-	194,283	296,767
93	Fiscal agent/member districts of shared services arrangements	-	-	-	1,732,113	-	-	1,732,113
00	Other financing sources (uses)	-	-	-	-	-	-	-
Major Object Totals		93,033,051	46,093,245	28,333,436	9,250,519	-	18,969,443	195,679,694



* Chart may not add to 100% due to rounding.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF GRANT SOURCES
SPECIAL REVENUE FUND
For Fiscal Year 2021-2022 with Comparative Data for Prior Year

	<u>2020-2021</u> <u>Budget</u>	<u>2021-2022</u> <u>Budget</u>	<u>2021-2022</u> <u>Change</u>
<u>Local sources</u>			
Houston Endowment Inc.	3,690,000	1,550,000	-138.06%
The Super School Project	1,999,665	-	-100.00%
Misc. Project Grants	-	-	0.00%
Special Ed. Local	3,206,791	3,206,791	0.00%
Total Local Sources	<u>8,896,456</u>	<u>4,756,791</u>	<u>-87.03%</u>
<u>State Sources</u>			
Instructional Materials Allotment	24,279,719	13,337,931	-82.04%
Misc. State Grants	-	-	0.00%
Special Ed. - State Programs	1,849,206	1,972,179	6.24%
Total State Sources	<u>26,128,925</u>	<u>15,310,110</u>	<u>-70.66%</u>
<u>Federal Sources</u>			
Title I - Part A	119,189,058	103,096,920	-15.61%
Title I - Migrant	224,331	206,954	-8.40%
Title I - Part D	117,592	224,833	47.70%
Title II - Part A	10,054,490	9,457,451	-6.31%
Title III - Part A - LEP	6,520,550	6,780,154	3.83%
Title III - Immigrant	1,842,314	1,500,000	-22.82%
Title IV -Part A	8,025,468	7,744,782	-3.62%
Special Ed. - IDEA B	40,382,002	39,680,739	-1.77%
Special Ed. - Preschool	546,779	544,977	-0.33%
Special Ed. - Shared Services	278,282	300,247	7.32%
Carl Perkins	2,959,640	2,875,736	-2.92%
21st Century	1,500,000	3,200,000	53.13%
TTIPS	463,602	-	-100.00%
Total Federal Sources	<u>192,104,108</u>	<u>175,612,793</u>	<u>-8.58%</u>
 TOTAL BUDGET AND REVENUES	 <u>227,129,489</u>	 <u>195,679,694</u>	 <u>-13.85%</u>

Note: Fiscal year 2019-2020 only included those grants that the district received NOGAs or pre-award notifications as of June 6, 2019. The budget has been adjusted throughout 2020-2021 as grant awards were received. Title IV funding is now received under the ESSA consolidated application. Local and State sources were not included in the planning amounts for 2019-2020. The 2020-2021 amounts were based on released planning amounts.



Nutrition Services Fund

Houston Independent School District

The **Nutrition Services Fund** is used to account for the financial operations of the breakfast, lunch, snack, and dinner programs offered and managed through the district's own Nutrition Services Department. The district currently operates nearly 300 school cafeterias and satellite programs serving an average of over 180,000 meals a day. Program participation is expected to increase by 31%, compared to prior year's performance.

The district participates in the federally funded School Breakfast Program (SBP) and National School Lunch Program (NSLP) which provides partial reimbursement of the cost for each qualifying meal served to students. The remaining costs of preparing and serving these meals are covered by cash sales of A la Carte items for the students, staff meals, visitor meals, and state-matching funds. Every school in the district currently participates in the Community Eligibility Provision (CEP); where meals are provided at no charge to students. The district also participates in the After School Care Program (ASCP), Fresh Fruit and Vegetables Program (FFVP), Farm to School Program (FTS), SMART Snack Program, Child and Adult Care Food Program (CACFP), Summer Food Service Program (SFSP), Seamless Summer Option (SSO), and the USDA Foods Program (formerly known as USDA Commodities).

It is presented on the following pages with four historical years, the adopted budget, along with three years of budget forecasts. Budget forecasting is one of the various tools used in the budget development process annually. Budget projection assumptions are included to identify projected revenue and other resources, expenditure demands, and changes in fund balance for the upcoming years. The figures are meant for planning purposes only and are subject to change.

The Nutrition Services Fund was previously an enterprise fund. It was reclassified as a governmental fund effective fiscal year 2017-2018.

NUTRITION SERVICES

REVENUE

Federal reimbursements are projected to increase overall by roughly 1% due to an increase in student face-to-face enrollment rate and an increase in the federal reimbursement rates.

Seamless Summer Option (SSO) participation is projected to increase in comparison to Year over Year (YOY) as a result of the district participating in this program for FY22. This program will be utilized for its flexibility and higher reimbursement rates. This program could be extended for FY23, pending USDA determination. The CACFP (dinner) program growth will increase due to the increased efforts to expand afterschool program participation. Meal participation is projected to exceed the prior year's performance due to a higher enrollment.

Federal Revenue Distributed by State – Other is projected to increase due to utilization of the SSO program throughout FY22.

NUTRITION SERVICES

EXPENSES

Personnel costs will decrease approximately 5%, due to change to Broadline Distribution model. The central warehouse will undergo a reorganization as result of this change to a decentralized food and supply distribution.

Contracted maintenance costs will be reduced by 17% with the discontinuation of HVAC maintenance, delivery service and equipment leasing due closure of the Bennington warehouse distribution and decommissioning of Bennington refrigeration units.

Maintenance costs are projected to decrease as result of the discontinued warehouse storage facility and the transition to Broadline distribution operation in September 2021.

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - NUTRITION SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual
REVENUES:	
Food sales	4,935,531
Miscellaneous local sources	189,099
Total revenues	5,124,630
EXPENDITURES	
Current	
Food services	124,044,956
General administration	725,685
Plant maintenance and operations	157,596
Total expenditures	124,928,237
NONOPERATING REVENUES (EXPENSES)	
Earnings on investments	645,193
Grants from federal agencies	
Child nutrition program	115,138,622
Child and Adult Care Program	-
Summer food program	-
Donated Commodities	5,806,938
State matching and other	574,319
Capital asset contribution to Special Revenue Fund	-
Debt assignments to Special Revenue Fund	-
Total nonoperating revenue	122,165,072
Transfers in	-
Transfers out	-
Change in net assets	2,361,465
Total net assets, beginning	10,501,976
Reclassification of net position to fund balance	15,356,283
Net position - beginning restated	-
Total net assets, ending	28,219,724

Note: The Nutrition Services Fund was reclassified as a governmental fund effective fiscal year 2017-2018. Prior years actuals are presented as a Proprietary Fund for historical purposes only.

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - NUTRITION SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH FORECAST DATA

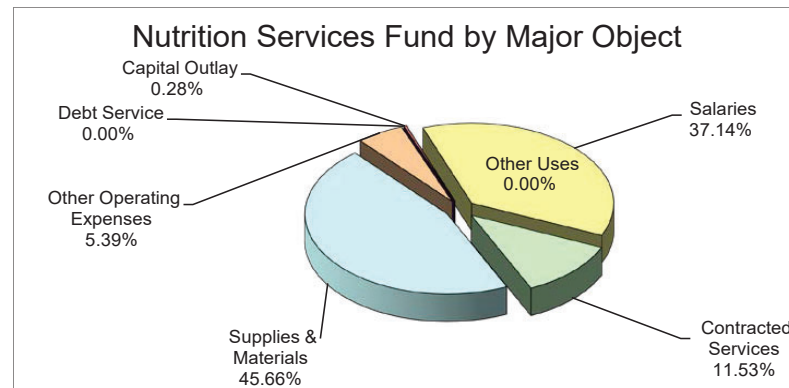
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	Actuals	Actuals	Actuals	Adopted	Forecast	Forecast	Forecast
REVENUES							
Earnings on investments	968,639	588,540	12,658	15,000	26,000	15,000	15,000
Miscellaneous local sources	4,992,231	3,316,403	945,027	16,009	4,359,414	4,708,167	4,754,778
State sources	548,366	537,247	537,594	537,594	540,820	544,064	547,329
Federal sources	118,051,913	82,876,222	91,081,887	137,631,368	128,584,362	131,477,510	134,435,754
Donated Commodities	7,764,207	6,695,872	5,372,936	-	6,606,444	6,755,089	6,907,079
Total revenues	132,325,356	94,014,284	97,950,102	138,199,971	140,117,039	143,499,830	146,659,939
APPROPRIATIONS							
Food services	128,717,953	112,235,811	81,508,890	135,619,794	134,487,397	139,180,285	142,245,591
General administration	1,296	324	324	-	-	-	-
Facilities maintenance and operations	1,693,003	1,211,448	1,269,644	1,311,504	1,330,865	1,363,106	1,393,127
Capital outlay	-	-	-	-	196,127	200,879	205,303
Total expenditures	130,412,252	113,447,583	82,778,858	136,931,298	136,014,390	140,744,270	143,844,020
Excess (deficiency) of revenues over (under) expenditures	1,913,104	(19,433,299)	15,171,244	1,268,673	4,102,649	2,755,560	2,815,918
OTHER FINANCING SOURCES (USES)							
Transfers in	-	2,647,890	-	2,647,890	-	-	-
Capital Leases	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	2,647,890	-	2,647,890	-	-	-
Net change in fund balances	1,913,104	(16,785,409)	15,171,244	3,916,563	4,102,649	2,755,560	2,815,918
Estimated fund balances—beginning	28,219,724	30,132,828	13,347,419	28,518,663	32,435,226	36,537,876	39,293,436
Estimated Fund balances—ending	30,132,828	13,347,419	28,518,663	32,435,226	36,537,876	39,293,436	42,109,354

Note: The Nutrition Services Fund was previously a proprietary fund. It was reclassified as a governmental fund effective fiscal year 2017-2018.
Therefore, for 2019-2020 the budget is presented in the governmental fund budget format.

Budget Projection Assumptions
Federal reimbursements are forecasted to increase overall by roughly 1% due to an increase in student face-to-face enrollment rate and an increase in the federal reimbursement rates. Seamless Summer Option (SSO) participation is forecasted to increase in comparison to Year over Year (YOY) as a result of the district participating in this program for FY22.
This program will be utilized for its flexibility and higher reimbursement rates. This program could be extended for FY23, pending USDA determination. The CACFP (dinner) program growth will increase due to the increased efforts to expand afterschool program participation. Meal participation is forecasted to exceed the prior year's performance due to a higher enrollment. Personnel costs will decrease approximately 5%, due to change to Broadline Distribution model. The central warehouse will undergo a reorganization as result of this change to a decentralized food and supply distribution. Contracted maintenance costs will be reduced by 17% with the discontinuation of HVAC maintenance, delivery service and equipment leasing due closure of the Bennington warehouse distribution and decommissioning of Bennington refrigeration units. Maintenance costs are projected to decrease as result of the discontinued warehouse storage facility and the transition to Broadline distribution operation in September 2021.

HOUSTON INDEPENDENT SCHOOL DISTRICT
EXPENDITURES BY FUNCTION AND MAJOR OBJECT - NUTRITION SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Function	Function Name	Salaries 6100	Contracted Services 6200	Supplies & Materials 6300	Other Operating Expenses 6400	Debt Service 6500	Capital Outlay 6600	Function Totals
11	Instruction	-	-	-	-	-	-	-
12	Instructional resources and media services	-	-	-	-	-	-	-
13	Curriculum development 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 (pupil) transportation	-	-	-	-	-	-	-
35	Food services	50,862,397	14,473,059	62,524,461	7,382,471	-	377,405	135,619,794
36	Extracurricular activities	-	-	-	-	-	-	-
41	General administration	-	-	-	-	-	-	-
51	Facilities maintenance and operations	-	1,311,504	-	-	-	-	1,311,504
52	Security and monitoring services	-	-	-	-	-	-	-
53	Data processing services	-	-	-	-	-	-	-
61	Community services	-	-	-	-	-	-	-
71	Debt service	-	-	-	-	-	-	-
81	Facilities acquisition and construction	-	-	-	-	-	-	-
95	Juvenile justice alternative education programs	-	-	-	-	-	-	-
Major Object Totals		50,862,397	15,784,563	62,524,461	7,382,471	-	377,405	136,931,298



* Chart may not add to 100% due to rounding.



Debt Service Fund

Houston Independent School District

The Debt Service Fund includes all accounts necessary to record transactions reflecting revenues collected from taxes and investment earnings and expenditures made for the payment of interest and principal on long-term, general debt obligations.

The tax rate for the Debt Service fund is levied to pay general obligation debt of the district. Less than 1 percent of the resources necessary to meet debt service needs are received in the form of state funds.

Growth in the property tax rolls has decreased from double digit increases in prior years and is represented in more detail in the Informational Section

The debt service tax rate for 2021-2022 has remained the same from the previous year at \$0.1667 in the adopted budget.

As of June 30, 2021, the district had total outstanding bonded debt principal of \$2.4 billion and other outstanding obligations of \$162.9 million for total debt principal outstanding of \$2.56 billion. The ratio of net bonded debt to assessed valuation and the amount of net bonded debt per capita are useful indicators of the District's debt position.

The district's ratings include the "Aaa" long-term rating on the District's bonds by Moody's Investors Services, Inc. and "AAA" rating by Standard and Poor's Corporation for debt enhanced by the Texas Permanent Fund guarantee. The unenhanced ratings by Moody's and Standard and Poor's are "Aaa" and "AA+" respectively. The latest review by the rating agencies was completed by Moody's in November, 2019 and Standard and Poor's in May, 2021. Lease revenue debt issued by the Houston Independent School District Public Facility Corporation received ratings of "Aa1" and "AA" by Moody's and Standard and Poor's respectively.

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HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
REVENUES								
Local maintenance taxes	273,662,311	277,016,694	295,277,106	314,102,913	327,542,527	334,093,378	340,775,245	347,590,750
Earnings on investments	1,436,784	2,179,784	1,397,123	98,449	40,000	40,000	40,000	40,000
State sources	2,618,427	2,583,506	2,385,404	2,078,280	2,000,000	2,300,000	2,300,000	2,300,000
Federal sources	7,107,587	1,529,012	442,004	-	-	-	-	-
Total revenues	284,825,109	283,308,996	299,501,637	316,279,642	329,582,527	336,433,378	343,115,245	349,930,750
EXPENDITURES								
Debt service								
Principal	202,634,393	208,194,517	207,826,219	225,801,456	233,225,073	245,880,000	260,345,000	273,800,000
Interest and fiscal charges	130,605,885	145,333,336	136,967,532	130,004,131	122,750,925	112,180,290	104,647,321	97,050,755
Payment to escrow agents-current and advanced refunding	-	162,110,000	168,815,269	49,050,000	-	-	-	-
Total expenditures	333,240,278	515,637,853	513,609,020	404,855,587	355,975,998	358,060,290	364,992,321	370,850,755
Excess (deficiency) of revenues over (under) expenditures	(48,415,169)	(232,328,857)	(214,107,383)	(88,575,945)	(26,393,471)	(21,626,912)	(21,877,076)	(20,920,005)
OTHER FINANCING SOURCES (USES)								
Transfers in	39,936,152	53,750,302	56,414,421	42,768,880	26,744,350	22,141,375	22,233,625	21,135,000
Issuance of bonds and other debt	-	159,945,000	148,895,000	-	-	-	-	-
Issuance of refunding debt	-	-	17,082,670	45,675,000	-	-	-	-
Premium on the sale of bonds	-	2,650,288	-	-	-	-	-	-
Premium on the sale of refunding bonds	-	-	-	3,608,782	-	-	-	-
Payments to escrow agents - advance refunding	-	-	-	-	-	-	-	-
Total other financing sources (uses)	39,936,152	216,345,590	222,392,091	92,052,662	26,744,350	22,141,375	22,233,625	21,135,000
Net change in fund balances	(8,479,017)	(15,983,267)	8,284,708	3,476,717	350,879	514,463	356,549	214,995
Fund balances, beginning	129,036,673	120,557,656	104,574,389	112,859,097	116,335,814	116,686,693	117,201,156	117,557,705
Fund balances, ending	120,557,656	104,574,389	112,859,097	116,335,814	116,686,693	117,201,156	117,557,705	117,772,700

Budget Forecast Assumptions

Assumptions are estimates only and are contingent upon actual results. For example the required tax rate is largely contingent upon the realization of estimated roll value increases.

Roll value increases 2 percent in each fiscal year.

Debt tax rate does not change from the current \$0.1667 in subsequent years.

No new bonds are sold through 2023-2024. Variable rate principal payments scheduled each year would be available for new debt service if necessary.

HOUSTON INDEPENDENT SCHOOL DISTRICT
EXPENDITURES BY FUNCTION AND MAJOR OBJECT - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Salaries	Contracted Services	Supplies & Materials	Other Operating Expenses	Debt Service	Capital Outlay	Function Totals
Function	Function Name	6100	6200	6300	6400	6500	6600	
11	Instruction	-	-	-	-	-	-	-
12	Instructional resources and media services	-	-	-	-	-	-	-
13	Curriculum development 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 (pupil) transportation	-	-	-	-	-	-	-
35	Food services	-	-	-	-	-	-	-
36	Extracurricular activities	-	-	-	-	-	-	-
41	General administration	-	-	-	-	-	-	-
51	Facilities maintenance and operations	-	-	-	-	-	-	-
52	Security and monitoring services	-	-	-	-	-	-	-
53	Data processing services	-	-	-	-	-	-	-
61	Community services	-	-	-	-	-	-	-
71	Debt service	-	-	-	-	355,975,998	-	355,975,998
81	Facilities acquisition and construction	-	-	-	-	-	-	-
95	Juvenile justice alternative education programs	-	-	-	-	-	-	-
00	Other financing sources (uses)	-	-	-	-	-	-	-
Major Object Totals		-	-	-	-	355,975,998	-	355,975,998

VALUATION, EXEMPTIONS AND TAX-SUPPORTED DEBT

Tax Year 2019 Taxable Assessed Valuation (100% of estimated market value).....	185,535,534,086	(1)
Tax Year 2020 Taxable Assessed Valuation (100% of estimated market value).....	196,631,674,148	(1)
Total Ad Valorem Tax Debt as of June 30, 2021.....	\$ 2,564,745,000	(2)
Less: Debt Service Fund as of June 30, 2021.....	(116,335,814)	
Net Debt Outstanding.....	\$ 2,448,409,186	
Ratio of Net Debt to Tax Year 2019 Taxable Assessed Valuation.....	1.32%	
Ratio of Net Debt to Tax Year 2020 Taxable Assessed Valuation.....	1.25%	
Tax Year 2020 District Tax Rate (per \$100 T.A.V.):		
Local Maintenance.....	\$ 0.96640	
Debt Service.....	0.16670	
Total.....	\$ 1.13310	
Tax Rate Limitation (per \$100 T.A.V.):.....	\$ 1.70000	
Average percentage of current tax collections for Tax Years 2016 through 2020.....	97.82%	
Average percentage of total (current and delinquent) tax collections for Tax Years 2016 through 2020.....	97.56%	
Peak Student Enrollment (2020).....	196,943	(3)
District Population Estimate.....	1,570,773	(4)

(1) Source: The District, as reported by Harris County Appraisal District. Net of exemptions.

(2) Debt payable from I&S taxes at 7/1/2021	\$ 2,401,775,000
Debt payable from M&O taxes	162,970,000
Total	\$ 2,564,745,000

Comprised of \$2,401,775,000 in bonds payable from debt service taxes and \$162,970,000 in obligations payable from maintenance taxes. Does not include \$52,130,072 in lease/purchase obligations issued by the Public Facilities Corporation.

(3) Source: The District. PEIMS (Public Education Information Management System) Fall 2020 submission.

(4) Source: The District, as reported by the U.S. Census Bureau.



Capital Renovation Fund

Houston Independent School District

The **Capital Renovation Fund** is being used to account for all capital program projects on an individual project basis. The primary source of funds include the \$1.89 billion bond referendum approved in November 2012, Tax Increment Re-Investment Zones (TIRZ) funds, and Pay-As-You-Go funds.

More detail about the Capital Renovation Fund and the Facilities Bond Program can be found in the Informational Section of this document

Budget Assumptions

REVENUE

TIRZ sources will continue based on the estimated return to HISD for educational facilities and “pass-through funds” for the 2021-2022 fiscal year.

EXPENDITURES

Decreased from 2020-2021 due to the 2012 Facilities Capital Program coming to a close.

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - CAPITAL RENOVATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
REVENUES								
Property taxes	-	-	-	-	-	-	-	-
Earnings on investments	12,973,017	18,417,781	8,257,162	324,413	100,000	75,000	50,000	25,000
Miscellaneous local sources	29,726,832	34,928,738	28,654,613	31,424,519	32,195,456	32,000,000	33,000,000	34,000,000
Total revenues	42,699,849	53,346,519	36,911,775	31,748,932	32,295,456	32,075,000	33,050,000	34,025,000
EXPENDITURES								
General Administration	-	-	3,563,383	3,376,045	3,511,896	4,000,000	4,000,000	4,000,000
Facilities Maintenance and Operations	-	-	1,277,000	3,587,783	-	-	-	-
Data processing services	-	-	1,432,817	2,389,112	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Facilities acquisition and construction	560,551,102	338,763,270	271,011,962	65,369,636	82,848,695	70,000,000	20,000,000	10,000,000
Total expenditures	560,551,102	338,763,270	277,285,162	74,722,576	86,360,591	74,000,000	24,000,000	14,000,000
Excess (deficiency) of revenues over (under) expenditures	(517,851,253)	(285,416,751)	(240,373,387)	(42,973,644)	(54,065,135)	(41,925,000)	9,050,000	20,025,000
OTHER FINANCING SOURCES (USES)								
Transfers in	56,000,000	6,057,096	5,000,000	-	-	-	-	-
Transfers out	(7,435,936)	(7,593,049)	(7,637,546)	(7,967,630)	(8,119,892)	(5,768,875)	(5,861,125)	(4,762,500)
Issuance of bonds and other debt	-	-	-	-	-	-	-	-
Premium on the sale of bonds	261,575,000	-	-	-	-	-	-	-
Insurance proceeds on sale of capital assets	40,253,761	1,240,622	1,302,706	472,372	-	-	-	-
Total other financing sources (uses)	350,392,825	(295,331)	(1,334,840)	(7,495,258)	(8,119,892)	(5,768,875)	(5,861,125)	(4,762,500)
Net change in fund balances	(167,458,428)	(285,712,082)	(241,708,227)	(50,468,902)	(62,185,028)	(47,693,875)	3,188,875	15,262,500
Fund balances, beginning	981,894,115	814,435,687	528,723,605	287,015,378	236,546,476	174,361,448	126,667,573	129,856,448
Fund balances, ending	814,435,687	528,723,605	287,015,378	236,546,476	174,361,448	126,667,573	129,856,448	145,118,948

Budget Forecast Assumptions

- Remaining funds from prior projects and using other remaining funds for school renovations, maintenance and repairs.
- Expenditures-based on trends of other programs and the expectation of the pace decreasing for 2012 Bond Program with the program expecting to be completed by end of 2022.
- TIRZ revenue may decrease based on the legislature regarding recapture.

HOUSTON INDEPENDENT SCHOOL DISTRICT
EXPENDITURES BY FUNCTION AND MAJOR OBJECT - CAPITAL RENOVATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Function	Function Name	Salaries 6100	Contracted Services 6200	Supplies & Materials 6300	Other Operating Expenses 6400	Debt Service 6500	Capital Outlay 6600	Other Uses 8900	Function Totals
11	Instruction	-	-	-	-	-	-	-	-
12	Instructional resources and media services	-	-	-	-	-	-	-	-
13	Curriculum development 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 (pupil) transportation	-	-	-	-	-	-	-	-
35	Food services	-	-	-	-	-	-	-	-
36	Extracurricular activities	-	-	-	-	-	-	-	-
41	General administration	3,218,346	196,300	35,500	49,250	-	12,500	-	3,511,896
51	Facilities maintenance and operations	-	-	-	-	-	-	-	-
52	Security and monitoring services	-	-	-	-	-	-	-	-
53	Data processing services	-	-	-	-	-	-	-	-
61	Community services	-	-	-	-	-	-	-	-
71	Debt service	-	-	-	-	-	-	-	-
81	Facilities acquisition and construction	1,848,695	-	-	-	-	81,000,000	-	82,848,695
95	Juvenile justice alternative education programs	-	-	-	-	-	-	-	-
00	Other financing sources (uses)	-	-	-	-	-	-	8,119,892	8,119,892
<i>Major Object Totals</i>		<u>5,067,041</u>	<u>196,300</u>	<u>35,500</u>	<u>49,250</u>	<u>-</u>	<u>81,012,500</u>	<u>8,119,892</u>	<u>94,480,484</u>

Capital Program

The Capital Program is a plan for creating, maintaining and paying for HISD's present and future infrastructure needs. About every five to six years, an external consultant assesses the district's facilities and makes recommendations to the Board of Education by identifying existing facilities repair needs or potential replacements as well as other new facilities required in the future.

Capital Renovation Fund

The Capital Renovation Fund is a governmental fund used for the accounting of all non-routine capital improvement costs for renovation, expansions, upgrades and rebuilding of district facilities. The Capital Renovation Fund has five different funding sources to fund its capital projects needs including:

- Voter-approved bond funds
- Pay-As-You-Go Program
- Tax Increment Reinvestment Zone (TIRZ) funds
- Special Projects funds
- Miscellaneous funding

Voter-Approved Bond Funds—Facilities-to-Standard Program

The various projects funded by these sources have allowed the district to update its infrastructure to meet student's educational needs of the 21st century. HISD has built a nationwide reputation for progress and innovation in public education and the successes of the district's current facilities program has indeed contributed to the HISD's prestige. Schools that are clean, safe, modern and inviting, allow teachers to concentrate on teaching while providing students with optimal learning environments, as evidenced by improvements in student academic performance as a result of HISD's Facilities Program. The Capital Renovation Fund accounts for the district's capital improvement programs which are primarily funded by voter authorized bonds.

In 1997, HISD undertook a systematic, objective approach to rebuild and repair school buildings for Houston's children, then, now, and for the future. Two Project Management firms, Jacob's Engineering, Inc. and 3D/International, Inc., conducted a comprehensive assessment of the conditions and educational suitability of all the HISD facilities, documenting more than \$1.2 billion of needed repairs. The completed assessment provided HISD with information to develop a request for a bond referendum.

The recommended facility plan provided for creating safe, high-quality facilities while dramatically improving learning environments for Houston students, by rebuilding, expanding, upgrading and renovating schools that no longer met contemporary standards for learning. In addition, the facility plan aimed to benefit Houston's communities by funding new and upgraded schools that would promote safer neighborhoods. The original plan called for a three-phase Facilities-to-Standard Program to address improvements to the HISD schools and support facilities. The program phases would be funded by three individual bond referendums. The first bond program, Rebuild 2002 for \$678 million, was approved in 1998 by overwhelming voter support.

In July 2002, the HISD's Board of Education voted to place another bond referendum on the general election ballot in November 2002, to begin the second phase of school construction and renovation. The initiative was called Rebuild HISD, which was designed to help continue the district's outstanding record of academic progress and operation innovation by bringing more district facilities up to standard. In November 2002, Houston voters approved the second, \$808.6 million bond program, Rebuild HISD.

In November 2007, HISD went to the voters for the third phase of the Facilities-to-Standard Program requesting \$805 million to complete this project. Once again, the votes were in favor of this program.

In November 2012, Houston voters by a margin of nearly 2 to 1 approved a \$1.89 billion bond referendum to replace and repair 40 schools, including 29 high schools. In addition, the bond program includes funds that will benefit students across the district, including funding for technology upgrades, replacement of regional field houses, athletic facilities improvements, middle school restroom renovations, and safety and security upgrades.

Despite a challenging construction market, the bond program is making progress in the planning, design, and construction of new schools. The amount of construction work now taking place is unrivaled and marks a major district milestone as 6.8 million of square footage is planned in this program.

For each of these programs, the Construction Services Department was charged with the selection of program managers, who are responsible for managing the architects, engineers, and general contractors to carry out projects from planning to completion. The Bond Oversight Committee, an independent citizen's committee composed of building and construction professionals and community members, was created to ensure that the various projects stay on track and that taxpayer dollars are being spent wisely. Construction Services provides the Bond Oversight Committee with regular updates, status reports, and program information. It is the ultimate goal of Construction Services to ensure that the Bond Program upholds the HISD's long-term commitment to Houston's schools, students, and communities.

Pay-As-You-Go Program

During the 2005-2006 school year, the district began a new "Pay-As-You-Go" Program primarily to provide needed renovations and repairs to school buildings and other facilities that are not part of the approved bond funds. This program generated approximately \$232 million for facilities over six years and approximately \$210 million in cost avoidance by lowering the amount of future bond money needed for facilities. The program funds were funded 100 percent by the general fund. The district committed \$15 million per year to this program for ongoing non-routine costs that are not part of an existing bond program. The goal of the program is to provide needed repairs and maintenance to campuses and other facilities; hence, reducing the need for more frequent bond issues for major repairs, renovations, and replacements. The Pay-As-You-Go Program will continue; however, as of the 2016-2017 school year, the \$15 million allocation will remain in the General Fund and will no longer be a direct source of funding for the Capital Renovation Fund.

Tax Increment Reinvestment Zones (TIRZ)

The City of Houston began its use of tax increment reinvestment zones in 1990 with the creation of Zone 1, Lamar Terrance Zone (St. George Place). This first effort was as a result of the City's receipt of a petition by area residents for the zone's creation. The zone's project plan and reinvestment financing plan set forth the plan to construct and finance costs associated with the installation of new public infrastructure in the form of water, waste water and storm sewer facilities. From a tax increment financing perspective, this zone's redevelopment of a blighted area was considered "traditional" tax increment financing. Funds for a TIRZ are generated from the property value increases to property with a TIRZ.

The City has created twenty (27) tax increment reinvestment zones. The HISD originally participated in sixteen (16) of these zones (listed below) commonly known as:

Zone 1	Lamar Terrance	Zone 9	South Post Oak
Zone 2	Midtown	Zone 12	City Park
Zone 3	Market Square	Zone 13	Old Sixth Ward
Zone 4	Village Enclave (expired)	Zone 14	Fourth Ward
Zone 5	Memorial Heights (expired)	Zone 15	East Downtown
Zone 6	Eastside	Zone 16	Uptown
Zone 7	Old Spanish Trail/Almeda Corridor	Zone 18	Fifth Ward
Zone 8	Gulfgate	Zone 19	Upper Kirby (expired)

At inception, the HISD limited its term of participation in the respective zones and participation will be ending over the coming years.

The primary reason for the City's request for the HISD to participate in the tax increment zones was because the HISD's participation is generally required in order for the zones to succeed. The long-term result of a successful increment zone will be increased property values, which will benefit all taxing entities through an increased tax base thus perpetuating increased tax revenues. Without the zones, property values in those areas would be much less likely to increase at the rate that has subsequently occurred.

Special Projects Fund

Fund will be utilized to account for Enterprise Resource Planning (ERP) projects. These projects will be approved by the Board of Education and funded from various sources within the Capital Renovation Fund.

Miscellaneous Funding

Proceeds from sales of capital assets, capital leases, lease revenue, and miscellaneous sources are used for emergency capital needs approved by the Board of Education.

Available Program Funds as of June 30, 2021

Below is a table representing the funds discussed above.

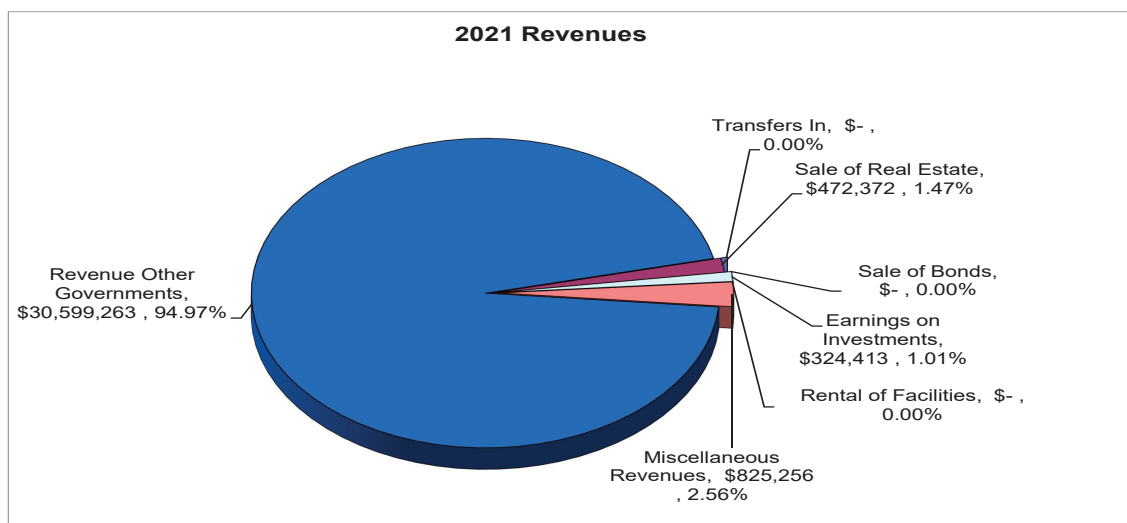
Fund	Available Balances as of June 30, 2021
Rebuild 2012	\$ 154,104,541
Pay-As-You-Go Program	908,118
TIRZ's	51,512,460
Special Projects Fund	2,330,508
Miscellaneous Funding	27,690,849
TOTAL	\$ 236,546,476

Available balances for Bond Programs that are programmatically complete are used for other Board-approved projects.

Revenue Sources for the Capital Renovation Fund

The primary source of funding for the Capital Renovation Fund is generated through the issuance of bonds which requires prior approval by the HISD Board of Education and ultimately by Houston voters. Proceeds from the sale of bonds along with other revenue sources are loaded directly into capital renovation reserve funds to be immediately used for approved bond referendums and other board-approved projects. Debt Service costs related to the sale of bonds are not accounted for in the Capital Project Fund, but in the Debt Service Fund. The District has a separate fund set up exclusively to account for all debt service costs. Below is a chart representing actual capital project revenues over the past five years.

Revenue Source	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual
Transfers In	\$ 28,000,000	\$ 56,000,000	\$ -	\$ 5,000,000	\$ -
Sale of Real Estate	\$ 538,560	\$ -	\$ 1,863,822	\$ 1,302,706	\$ 472,372
Sale of Bonds	\$ 542,269,739	\$ 301,828,761	\$ -	\$ -	\$ -
Earnings on Investments	\$ 6,593,246	\$ 13,241,926	\$ 18,841,493	\$ 8,237,553	\$ 324,413
Rental of Facilities	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	\$ 78,640	\$ 798,091	\$ 5,317,089	\$ 32,033	\$ 825,256
Revenue Other Governments	\$ 28,172,027	\$ 28,928,741	\$ 29,611,649	\$ 28,622,580	\$ 30,599,263
Total Revenues	\$ 605,652,212	\$ 400,797,519	\$ 55,634,053	\$ 43,194,872	\$ 32,221,304

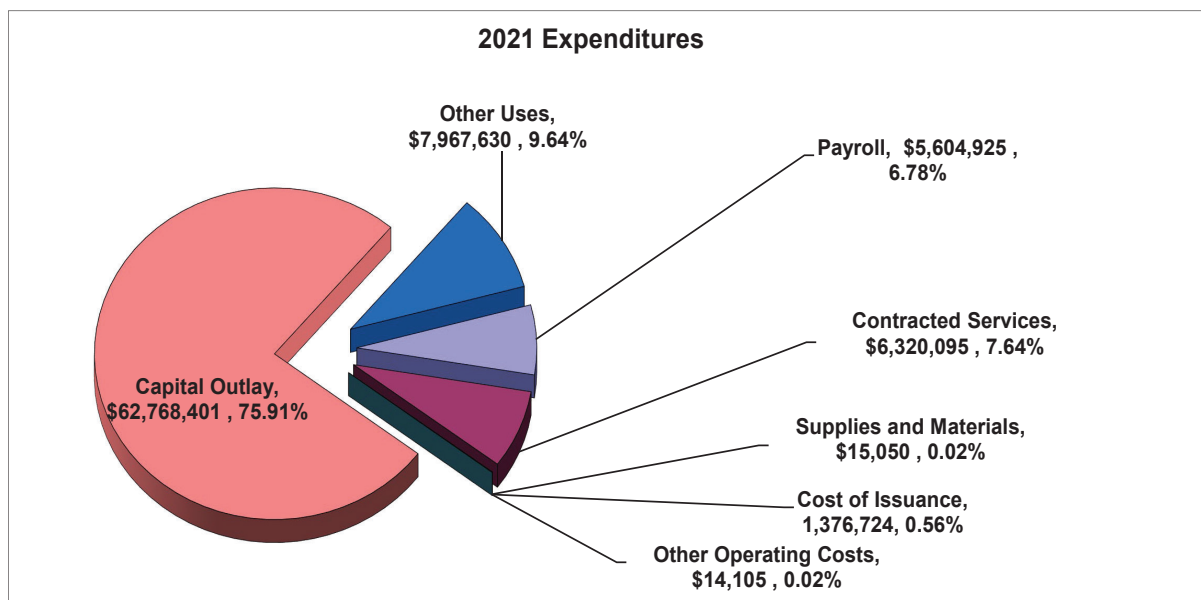


*Chart may not add to 100% due to rounding.

Expenditures for the Capital Renovation Fund

Below is a five-year historical chart representing actual expenditures in the Capital Renovation Fund by major object. Since the majority of costs in this fund is for construction of capital items, most expenditures are under major object 6600-Capital Outlay.

Expenditures by Major Object	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual
Payroll	\$ 5,096,850	\$ 5,877,608	\$ 6,474,550	\$ 5,657,055	\$ 5,604,925
Contracted Services	\$ 188,173	\$ 2,152,045	\$ 1,121,221	\$ 3,083,237	\$ 6,320,095
Supplies and Materials	\$ 48,330	\$ 62,978	\$ 38,833	\$ 39,224	\$ 15,050
Other Operating Costs	\$ 24,479	\$ 110,362	\$ 75,608	\$ 26,697	\$ 14,105
Cost of Issuance	\$ 7,329,275	\$ 1,819,695	\$ -	\$ -	\$ -
Capital Outlay	\$ 1,060,615,443	\$ 564,089,186	\$ 329,526,586	\$ 268,478,949	\$ 62,768,401
Other Uses	\$ 14,437,018	\$ 7,435,936	\$ 7,593,049	\$ 7,637,546	\$ 7,967,630
Total Expenditures	\$ 1,087,739,568	\$ 581,547,810	\$ 344,829,847	\$ 284,922,708	\$ 82,690,206



*Chart may not add to 100% due to rounding.

Impact on General Operating Budget

In HISD, for the past several years the General Operating Budget has experienced no material impact leading up to or during construction. The district uses three primary funds for construction and major maintenance costs to buildings.

1. The Capital Renovation Fund - all revenue and expenditures related to the construction of new and renovated facilities, and for non-routine maintenance costs not associated with a bond program. The sources of funds were previously discussed.
2. The General Operating Fund - accounts for all routine building maintenance and operating costs such as: custodial and maintenance staffing, utilities, property insurance, maintenance and repair, and grounds.
3. The Debt Service Fund - accounts for the repayment for all debt issued by the district.

Primary Items Impacting the General Fund Budget

Typically, three primary items impact the General Fund Budget:

1. **Utility Costs** – The fiscal year 2021 had approximately \$43 million (gas, water, electricity) of expenses. This is consistent with last year. The district budgets utilities based on total utility rates, historical analysis, expected square footage, and the district's contracted rate to determine total expenditures. To date, our construction program has not significantly affected our operating expenses because HISD currently holds over 30,000,000 square feet within its real estate portfolio. Thus far, our construction programs have focused primarily on building elementary and high schools. As a result, adding two or three new schools each budget year does not significantly change the district's total square footage or utility expenses. In fact, the district is affected more by swings in utility rates than the district's construction programs. In the cases of construction projects that had temporary or swing space added, these utility costs were paid by the construction project budgets.
2. **Custodial / Maintenance staff costs** - Because HISD has been primarily renovating and replacing facilities, HISD has not seen significant costs associated with construction activities. Renovations and expansions to a campus are generally absorbed by existing staff. The district has also been closing small campuses and the staff have been redirected to other facilities. The district solicits changes to staffing each year during the budget process to identify additional staffing needs due to new campuses coming online.
3. **Insurance** - Unlike most homeowners, HISD does not purchase insurance covering every loss. Instead, the district purchases a loss value for the total district. For example, the district may purchase insurance for losses up to \$250 million. The amount afforded fluctuates in the market based on current or recent events. For example, multiple hurricanes and/or tornadoes throughout the country can cause the amount of available insurance to decrease. In this instance, the district may have to pay the same or more for less coverage.

Routine vs. Non-Routine Expenditures

Capital expenditures for construction, renovation, expansion and replacement are considered to be significant, non-routine expenditures, which encompass the majority of the expenditures in the district's Capital Renovation Fund. Additionally, the district plans for unexpected urgent situations such as roof or mechanical failures with its Emergency Fund. These expenses are non-routine in nature, but this fund has been established because historically they are inevitable. Other items that fall under non-routine expenditures are those for catastrophic events, such as those experienced after Tropical Storm Allison, Hurricane Ike, and Hurricane Harvey due to flooding, high winds, and extended electricity outages.

Expenditures that are categorized as routine are those that deal with general facility maintenance and upkeep. For example, routine preventative maintenance is done at all facilities to address mechanical systems and building infrastructure, which in turn, ultimately lowers the number of work orders (i.e., maintenance requests) requiring emergency repairs and extends the life of equipment. Another program that is viewed favorably by the district's principals is that of the Maintenance Response Team (MRT). This team is typically made up of a workforce that includes painters and maintenance personnel and works a guaranteed number of manpower hours to address campus-specific needs. The campus principal prioritizes the needs as well as existing work orders. The MRT is on a schedule, rotating a facility roughly every 90 days, and currently the district is actively working to reduce this time-span.

Other routine programs include life-safety code compliance initiatives and asbestos projects. These are not considered significant, but are routine in nature.

Non-Routine Expenditures

The district addresses non-routine capital projects and maintenance costs through its maintenance team. These items are defined as work needing to be addressed through future capital planning and are outside of the normal preventative maintenance schedule. Examples of the non-routine projects include the installation of new equipment at facilities that require tradesmen (i.e., electricians or plumbers) such as adding electrical outlets for technology equipment, painting, sidewalks, flooring, changing interior locks, drainage, etc.

These high-cost, non-routine expenditures are generally handled through the district's Pay-As-You-Go Program and can either be planned major maintenance items or unexpected emergency repairs and maintenance.

The district plans for unexpected urgent situations with its Emergency Fund. HISD defines an emergency as anything preventing or substantially impairing normal operations; a condition that poses an eminent threat to the health, safety, or welfare of students; and/or has potential catastrophic financial loss. These expenses are non-routine in nature but this Emergency Fund has been established because history has shown they are expected due to the number and age of facilities within the district's portfolio.

The General Operating Fund's unassigned fund balance is also available for major costs; however, the use of the unassigned fund balance requires action by the Board of Education and is used as the absolute last resort. The district generally attempts to fund from existing resources from the current year budget through reappropriation or redirection of funds.

Hurricane Harvey related expenses have been charged to a fund specifically setup to be reimbursed by insurance proceeds. The charges did not impact the normal Maintenance & Operations funds. The claims process is ongoing.

Routine Expenditures

The district funds the routine expenditures from the General Operating Fund in the Facility Services (FS). FS operates with a staff of over 2,000 full-time employees. This HISD department manages over 1,900 buildings (approximately 600 permanent and 1,300 temporary). The FS Leadership Teams oversee 3,600 acres of school and administrative spaces. At over 30 million square feet, FS administers one of the largest and most diverse portfolios of real estate assets in the U.S.

The FS budget provides routine maintenance services in the major categories below. The FS Department has a total budget of approximately \$104 million for routine maintenance and operations. This includes salary and non-salary costs. Below are the major areas of maintenance for which FS is responsible:

Security systems (alarms, CCTV, radios)	Locksmith	Warranties	Swimming pools
Fire extinguishers	Plumbing	Grounds care	Radio towers
Building automation	Environmental affairs	Fencing	Cooling towers
Roofing	HVAC	Pest control	Fire alarm monitoring
Glass	Preventative maintenance	Custodial services	Parking lot striping
Metal shop	Minor construction	Water treatment contracts	Maintenance schedule planning
Window units	Code compliance	Solid waste contracts	Call center
Electricians	Inspections	Elevator & wheel chair	General maintenance and repairs

HISD Bond Programs

HISD Rebuild 2002 Bond

Phase 1, Rebuild 2002 was a \$678 million bond referendum that successfully built ten new relief schools, renovated 69 schools and renovated 22 support facilities identified as being in the worst condition. The program focused primarily on the district's most urgent concerns, including fire and life safety, structural integrity and overcrowding.

Rebuild 2002 was completed on time and under budget. In fact, Rebuild 2002 was so successful, savings enabled the HISD to build one additional elementary school and renovate nine other schools that were not included in the original program scope.

The selection of the ten new relief school locations was based on six major factors:

1. Current overcrowding
2. Broad public support
3. Maintaining community participation in the schools
4. Potential/projected growth of the community

5. Geographic equity
6. Cost effectiveness and program effectiveness

The repairs and renovations of the 69 schools and 22 support facilities were prioritized based on the severity of the problems:

1. Code compliance issues, such as building and fire code violations
2. Problems that interfered with the educational mission such as failing roofs and air conditioning systems
3. Problems that required short-term correction such as exterior windows and walls
4. Problems that required long-term corrections such as floors and ceilings
5. Building and site improvements such as lighting, electrical, computer networking, television cabling, plumbing fixtures, and parking

Even after adding program scope, including a new school and nine renovations, Rebuild 2002 still had funds remaining. These funds resulted from interest income and balances from projects completed under budget, allowing the district to fund various maintenance projects and other board-approved projects. HISD Rebuild 2002 Bond is 100 percent complete.

Rebuild HISD Bond

While Rebuild 2002 successfully addressed the needs of about one-third of HISD's schools, the needs at many of the remaining schools and facilities were still prevalent. At that time, the average age of the HISD schools was 45 years. Consequently, in April 2002, a new technical assessment of the schools and support facilities not included in the Rebuild 2002 bond program was conducted. The study identified more than \$1 billion of capital renovation needs. As in the previous program, schools with the greatest needs were given the highest priority. Renovations at some schools would have been so extensive such that replacing the schools with new buildings was more economical. Voters of the Houston Independent School District agreed and approved the passage of an \$808.6 million bond package.

The Rebuild HISD program was credited with:

- Building five new schools
- Building five early childhood centers
- Replacing 22 aging schools
- Renovating 32 schools
- Expanding 11 existing schools
- Upgrading 55 gymnasiums
- Building a new bus service facility
- The majority of elementary schools receiving new playground equipment and covered structures

Construction activities were completed after four years. Further, the source of funds used by the Rebuild HISD program included bond proceeds, investment earnings and miscellaneous revenues. Rebuild HISD Bond is 100 percent complete.

2007 Facilities Capital Program

The 2007 Facilities Capital Program is comprised of an \$805 million approved bond referendum, \$145 million in Pay-As-You-Go Program Funds, and \$95 million in real estate and capital project reserves for a total funding of \$1.045 billion. This section's primary focus will be on the \$805 million approved bond referendum.

In August 2007, the Houston Independent School District Board of Education voted to place an \$805 million bond referendum on the November 2007 general election ballot. The proposed bond initiative was the third in a series of three bond issues aimed at renovating, repairing, and replacing aging school facilities throughout the district. Based on property values and projections at the time of the election there was no tax rate increase required to fund the bond referendum.

Based on an independent facilities survey and input from community town hall meetings, the \$805 million bond proposal funded the following:

- Safety and Security upgrades, including new fencing, security cameras, public address systems, and other enhancements at all schools in the district
- Middle and high school science labs updates and improvements
- 13 new schools to replace aging facilities too costly to repair: Almeda ES, Berry ES, Carnegie

Vanguard HS, Cunningham ES, DeChaumes ES, Frost ES, Gregg ES, Herod ES, Horn ES, Lovett ES, Patterson ES, Piney Point ES, and Roosevelt ES

- Three new schools to relieve overcrowding: Reagan Pre-K-8 (to relieve Dowling MS); DeAnda ES (to relieve Mitchell ES), and Neff/White ES
- Two early college high schools (ECHS) in the north and south, and a third ECHS in a renovated facility in central Houston
- Seven new schools to replace and/or consolidate outdated facilities with low enrollment:
 - New school at Dogan to serve students from Scott and Dogan Elementary Schools
 - New school to serve students at Atherton Elementary School
 - New school at Sherman to serve students from Sherman and Crawford Elementary Schools
 - New school at Allen to serve Allen and Kennedy Elementary Schools
 - New school at Peck to serve students from Peck and MacArthur Elementary Schools
 - New school to serve students at Lewis Elementary School
 - New school at Turner to serve students at Turner and Lockhart Elementary Schools (board member contributed \$11 million to make this a replacement campus)
- Expansion of two schools to relieve overcrowding: Crockett ES and Valley West ES
- Renovation and expansion of one existing school to replace an older school with low enrollment: to McDade ES (Which would also serve students attending Kashmere Gardens)
- Renovations and repairs to 134 schools
- Improve infrastructure and accessibility at Barnett, Butler and Delmar stadiums

All projects associated with the 2007 Facilities Capital Program are 100 percent complete.

2012 Houston Schools Bond Program

On November 6, 2012, Houstonians voted by a margin of nearly 2 to 1 to approve a \$1.89 billion bond to replace and repair 40 schools across the district, including 29 high schools. Planning for new and renovated campuses has begun with design work this year, and construction to begin in 2014. The entire project will be spread out over the next six to eight years to help control costs and allow the district to gradually phase in a 4.85-percent property tax rate increase over the next five years.

The Bond Program also includes work that will benefit students across the district, including \$100 million in technology upgrades, \$44.7 million to replace regional field houses and improve athletic facilities, \$35 million to renovate middle school restrooms, and \$17.3 million for safety and security improvements.

Projects funded through the bond program include:

New campuses for 21 high schools: Austin, Bellaire, Davis, DeBakey, Eastwood, Furr, High School for the Performing and Visual Arts, Jordan, Lamar, Lee, Madison, Mickey Leland, Milby, North Early College, Sam Houston, Sharpstown, South Early College, Sterling, Washington, Worthing, and Yates.

Partially replacing three high schools: Waltrip, Westbury, and Young Women's College Prep Academy.

Renovating four high schools: Jones, Kashmere, Scarborough, and Sharpstown International.

Converting five elementary schools to K-8 campuses: Garden Oaks Montessori, Mandarin Chinese Language Immersion School, Pilgrim Academy, Wharton Dual Language School, and Wilson Montessori.

Building three new elementary campuses: Askew, Parker, and Mark White.

Replacing/completing two middle school campuses: Grady (new addition to complete new campus) and Dowling (new campus).

The Board of Education has also agreed to rebuild two schools – Condit Elementary and the High School for Law Enforcement and Criminal Justice – either through the sale of surplus district property or by using any potential leftover bond funds.

2012 Houston Schools Bond Program Projects

The HISD 2012 Bond Program utilizes four Program Management firms to act as an extension of the HISD staff due to the large size of the program. The four Program Management firms are Heery International, Kwame Building Group, Rice & Gardner, and URS Corp. These firms were contracted early in the program to assist in executing projects from inception to final completion. On this particular program, Program Management Firms (PM or PMs) are utilized on new construction, renovation and renovation/addition projects.

The phases of the HISD's bond work include planning, design, bid and award, construction, and warranty.

- Planning:** Planning is the first phase of a building program, which includes evaluating the needs of students, administrators, and community members to achieve a desired goal of creating a 21st century learning environment.

- Design:** The second phase is design, which is comprised of three sub phases: Schematic Design, Design Development; Construction Documents.

- Schematic Design:** Typically includes a simple site plan, floor plans, simple building cross-sections, an outline specification with general information about building systems, a table comparing required square footages from the educational specifications with actual square footages shown on the drawings, a preliminary estimate of cost options, and three-dimensional depictions of the exterior of the building.

- Design Development:** Process in which schematic design drawings are further developed to include more detail, including: detailed site plan; room layouts; door and window types; interior and exterior elevations; reflected ceiling plans; plumbing, mechanical, structural, and electrical drawings; and kitchen layouts.

- Construction Documents:** Extremely detailed drawings and specifications showing and describing all of the details required to construct the building.

During this phase, HISD contracts with an Architect and Engineer Firm (A/E) to develop architectural drawings utilized for construction.

- Bid and Award:** HISD and/or Construction Managers (CM or CMs) select and contract with firms to conduct work on school buildings and capital projects through the bid and award process. The process includes an advertisement for the work scope, acceptance of proposed bids, an evaluation of bids and bidders, and an award to the lowest most responsible bidder.

- Construction Phase:** Work that might be included in construction includes painting, structural repairs, mechanical, electrical, and plumbing (MEP) improvements, American with Disabilities Act (ADA) upgrades, roof installation and/or repair, safety and security improvements like cameras, and hazardous material abatement. Substantial completion of the construction work includes the project management team, A/E and CM walking the project site to compile a punch list detailing work still required by the CM before final completion can be achieved. This substantial completion also triggers the HISD property insurance and the beginning of the year-long "Warranty" phase. During the warranty phase, the CM completes any punch list items and fulfills any warranty items that arise with work performed as a part of the construction contract.

The HISD Board of Education has approved three different kinds of construction contracts: Construction Manager at Risk (CMAR), Competitive Sealed Proposal (CSP), and Bidding.

- CMAR:** is approved for new construction at \$5 million and above.

- CSP:** is for new construction up to \$5 million and renovation projects estimated at \$1 million and above, with no upper limit.

- Bidding:** is for new and renovation projects under \$1 million.

The HISD 2012 Facilities Capital Program was divided into four groups along with District Wide Athletics, District Wide Land, Middle School Restroom Renovations, District Wide Technology and District Wide Safety and Security. At the time of publication of this document, all projects are in closeout or completed with the exception of Bellaire HS, Northside HS, Lamar HS, and Austin HS.

Over the 2015-2016 school year, more than 300 Project Advisory Team meetings have taken place and nearly 25 community meetings were facilitated to keep hundreds of stakeholders informed. The Bond Oversight Committee, an independent citizens panel established to monitor the progress of the bond program, is ensuring that all bond revenues are being spent appropriately as well as evaluating progress. Construction is underway on 17 campuses

across the city – with more soon to begin. Additionally, 10 schools have celebrated the beginning of construction with groundbreaking, beam-signings, and other events.

The district's bond program has brought many bid opportunities for subcontractors. The Supplier Diversity and Communications team continues to provide support in publicizing these opportunities to M/WBEs through pre-bid meetings led by CMARs and through web articles and emails. Additional bid packages will be released by CMARs as additional projects come online.

To date, contracts awarded for professional services represent 28.07 percent commitment rate by M/WBE firms. The M/WBE commitment for construction services range from 10 to 30 percent.

2012 Houston Schools Bond Project Highlights

Houston Independent School District marked the start of the 2021-2022 school year with the opening Bellaire High School's phase one, which included new academic, fine arts, and physical education wings.

With the first phase complete, the second and final phase is now underway as crews demolish the old structure to make way for a new athletics field with artificial turf and new track, administration wing, and four-story, 700-space parking garage.

Phase two is expected to wrap up by the end of 2022. The completion of Bellaire High School will close out the \$2 billion, 2012 Bond program, which set out to renovate or repair 40 schools, including 29 high schools, across the district.

For now, school construction across the district stands at 98 percent complete, with Bellaire High School as the final bond school still under construction as part of its original scope of work.

Once all 2012 Bond projects are complete, HISD will boast of one of the most modern portfolios of urban high schools in the country.

As the bond comes to a close, HISD is now in the process of launching a 2021-2022 Capital Planning Steering Committee as it looks to address almost \$5 billion in deferred maintenance needs.

The steering committee — an independent citizens committee made up of community members — will be tasked with providing strategic direction, feedback, and guidance to the district as it prepares to address needs identified in the 2021 facilities assessment.

The committee will have up to 25 members representing all nine Board of Education trustee districts. Appointments will last for one year — or the duration of the 2021-2022 Capital Planning Steering Process.

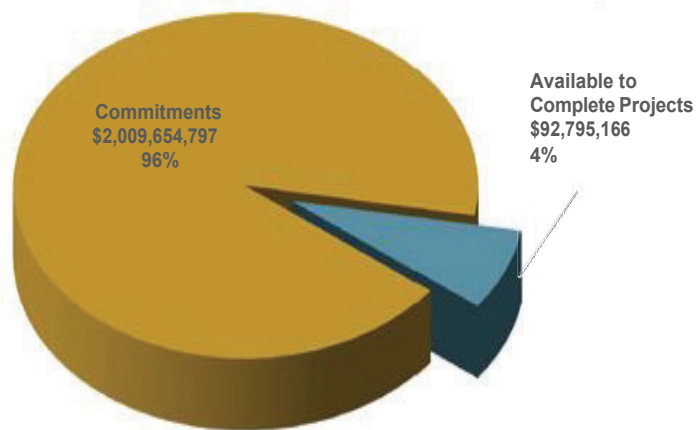
Applications for the committee opened with the start of the new school year. Members are expected to be appointed this fall, with meetings held at least monthly into the spring semester.

2012 Bond Financial Report

The total budget for the 2012 Bond Program is \$1.89 billion. The Board of Education approved \$212.4 million in October 2015 for a total budget of \$2.102 billion. Of that amount, \$2,009,654,797 is committed, including encumbrances of \$43,742,087 and actual expenditures of \$1,965,912,710. A total of \$92,795,166 is available to complete projects.

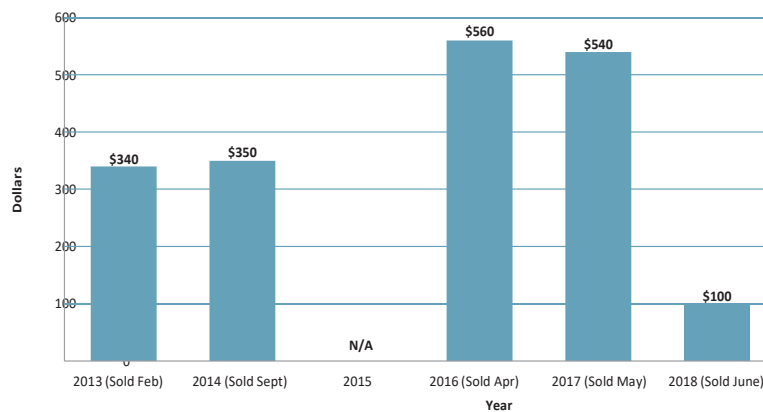
Total Budget, Commitments & Available Funding to Date

Total Budget \$2.1 Billion



Total Bond Referendum \$1.89 Billion

(Issuance sales in millions)



PROJECT BUDGET/COMMITMENT/ AVAILABLE FUNDS REPORT



REPORT DESCRIPTIONS

PROJECT BUDGET/COMMITMENT/AVAILABLE FUNDS REPORT

COLUMN 1

Org (Organization)

Represents the Texas Education Agency (TEA) number assigned to the school or non-school facility.

COLUMN 2

Campus

The school name or non-school facility name – also referred to as "Project."

COLUMN 3

Total Budget

The original budget totaling \$1.89 billion approved by the voters in December 2012.

COLUMN 4

Adjustments

This column includes supplemental funds and realignment funds, as well as any other adjustments made to the original budget.

COLUMN 5

Total Adjusted Plan

Column 3 plus Column 4.

COLUMN 6

Program Reserve, Inflation, Management, & Swing Space

Includes Program Reserves, Program Management Fees, Program Inflation, and Program Swing Space.

COLUMN 7

Construction Budget

Column 5 – Column 6.

COLUMN 8

Pre-Encumbrance

Requisitions (request to buy) that have been entered into the accounting system and are pending approval/authorization to convert to a purchase order

COLUMN 9

Encumbrance

Purchase order – also referred to as "commitment."

COLUMN 10

Actual

Represents total expenditures paid.

COLUMN 11

Available to Complete Projects

Uncommitted funds (the difference between the budget less pre-encumbrance less encumbrance less actual).

2012 Bond Program - Project Budget/Commitment/Available Funds Report
As of June 30, 2021

Org	Campus	Total Budget	Adjustments	Total Adjusted Budget	Program Reserve, Inflation, Mgt, & Swing Space	Construction Budget	Pre-Encumb	Encumbrance	Actual	Available to Complete Projects
		\$	\$	\$	(\$)	\$	(\$)	(\$)	(\$)	\$
001	Austin H.S.	68,429,000.00	12,511,679.00	80,940,679.00	-105,421.04	81,046,100.04	-	744,807.53	78,865,694.84	1,435,597.67
002	Bellaire H.S.	106,724,000.00	34,790,428.00	141,514,428.00	5,279,537.39	136,234,890.61	-	34,245,217.49	99,307,040.90	2,682,632.22
003	Northside H.S.	46,764,000.00	19,633,657.00	66,397,657.00	552,559.92	65,845,097.08	-	204,050.47	62,003,265.37	3,637,781.24
004	Furr H.S.	55,100,000.00	499,287.00	55,599,287.00	4,387,684.20	51,211,602.80	-	6,610.65	51,204,992.15	-
006	Jones H.S.	1,125,000.00	296,011.00	1,421,011.00	889,513.00	531,498.00	-	-	531,498.00	-
007	Kashmere H.S.	17,000,000.00	2,053,729.00	19,053,729.00	2,098,860.47	16,954,868.53	-	-	16,954,868.53	-
008	Lamar H.S.	107,974,000.00	14,927,465.00	122,901,465.00	1,109,824.68	121,791,640.32	-	3,303,427.43	113,733,305.31	4,754,907.58
009	Wisdom H.S.	73,801,000.00	3,785,865.00	77,586,865.00	5,872,976.10	71,713,888.90	-	5,422.65	71,708,466.25	-
010	Madison H.S.	82,736,000.00	4,037,444.00	86,773,444.00	4,206,706.25	82,566,737.75	-	11,260.65	79,986,176.93	2,569,300.17
011	Milby H.S.	68,810,000.00	13,114,723.00	81,924,723.00	5,882,620.43	76,042,102.57	-	-	76,042,102.57	-
014	Sterling H.S.	72,304,000.00	-8,618,325.00	63,685,675.00	5,084,980.14	58,600,694.86	-	-	58,600,694.86	-
015	Waltrip H.S.	30,115,000.00	5,123,961.00	35,238,961.00	2,912,480.32	32,326,480.68	-	5,422.65	32,321,058.03	-
016	Washington H.S.	51,732,000.00	10,847,934.00	62,579,934.00	884,321.26	61,695,612.74	-	40,422.65	59,044,653.39	2,610,536.70
017	Westbury H.S.	40,006,000.00	20,257,598.00	60,263,598.00	2,292,686.74	57,970,911.26	-	125,180.90	55,574,901.84	2,270,828.52
019	Worthing H.S.	30,180,000.00	2,897,460.00	33,077,460.00	2,683,510.87	30,393,949.13	-	6,610.65	30,387,338.48	-
020	Yates H.S.	59,481,000.00	16,124,271.00	75,605,271.00	6,550,156.36	69,055,114.64	-	5,422.65	69,049,691.99	-
023	Sharpstown H.S.	54,944,000.00	5,646,534.00	60,590,534.00	4,241,581.95	56,348,952.05	-	5,422.65	56,343,529.40	-
024	Scarborough H.S.	12,566,000.00	2,077,625.00	14,643,625.00	2,493,566.98	12,150,058.02	-	-	12,150,058.02	-
025	HSVPA	80,178,000.00	6,587,477.00	86,765,477.00	3,636,405.23	83,129,071.77	-	-	83,129,071.77	-
026	DeBaKey H.S.	64,512,000.00	2,515,113.00	67,027,113.00	8,131,761.10	58,895,351.90	-	-	58,895,351.90	-
033	Jordan H.S.	36,693,000.00	331,913.00	37,024,913.00	5,420,781.17	31,604,131.83	-	77,301.32	30,953,089.65	573,740.86
068	Tanglewood M.S.	14,825,000.00	96,404.00	14,921,404.00	1,303,221.88	13,618,182.12	-	-	13,618,182.12	-
075	Lawson M.S.	59,125,000.00	4,081,598.00	63,206,598.00	5,760,116.23	57,446,481.77	-	6,610.65	57,439,871.12	-
081	Sharpstown International	6,125,000.00	808,379.00	6,933,379.00	1,276,283.97	5,657,095.03	-	84,030.32	5,573,064.71	-
157	Garden Oaks K-8	26,678,000.00	4,195,956.00	30,873,956.00	4,031,958.62	26,841,997.38	-	-	26,841,997.38	-
215	Parker E.S.	29,485,000.00	1,814,820.00	31,299,820.00	1,215,848.79	30,083,971.21	-	18,041.33	29,682,736.65	383,193.23
218	Pilgrim K-8	7,989,000.00	960,481.00	8,949,481.00	515,656.77	8,433,824.23	-	5,422.65	8,428,401.58	-
256	Wharton Dual Language	35,603,000.00	2,482,075.00	38,085,075.00	1,641,065.63	36,444,009.37	-	6,610.65	36,437,398.72	-
259	Wilson Montessori	18,914,000.00	5,808,033.00	24,722,033.00	2,990,547.73	21,731,485.27	-	6,610.65	21,724,874.62	-
274	Askew E.S.	26,632,000.00	1,254,972.00	27,886,972.00	2,494,294.36	25,392,677.64	-	5,422.65	25,387,254.99	-
301	Eastwood Academy	10,875,000.00	432,421.00	11,307,421.00	-304,154.21	11,611,575.21	-	-	11,611,575.21	-
308	North Houston EC H.S.	13,500,000.00	-2,961,043.00	10,538,957.00	539,567.29	9,999,389.71	-	-	9,999,389.71	-
310	Sam Houston H.S.	101,428,000.00	5,291,029.00	106,719,029.00	11,592,434.95	95,126,594.05	-	12,473.10	95,094,988.72	19,132.23
458	Mickey Leland C.P.A.	28,675,000.00	835,976.00	29,510,976.00	2,197,062.22	27,313,913.78	-	6,610.65	27,307,303.13	-
460	Mandarin Chinese K-8	32,161,000.00	2,087,906.00	34,248,906.00	2,171,205.90	32,077,700.10	-	-	32,077,700.10	-
463	Young Women's	27,159,000.00	4,009,189.00	31,168,189.00	1,692,788.18	29,475,400.82	-	-	29,475,400.82	-
483	M. White E.S.	23,417,000.00	-	23,417,000.00	-178,213.02	23,595,213.02	-	-	23,595,213.02	-
486	S. Early College H.S.	13,500,000.00	-2,793,911.00	10,706,089.00	1,020,789.19	9,685,299.81	-	-	9,685,299.81	-
660	School Athletics	44,675,000.00	1,100,544.00	45,775,544.00	2,221,476.12	43,554,067.88	-	-	43,554,067.88	-
1994	Construction Contingency	-	11,983,987.82	11,983,987.82	11,003,728.31	980,259.51	-	-	-	980,259.51
	TOTAL CAMPUSES	1,681,940,000.00	210,930,665.82	1,892,870,665.82	127,692,772.43	1,765,177,893.39	-	38,938,412.99	1,704,321,570.47	21,917,909.93
1998	Middle School Restrooms	35,000,000.00	-8,301,566.82	26,698,433.18	-193,653.90	26,504,779.28	-	-	26,504,779.28	-
1997	District-wide Technology	100,000,000.00	-	100,000,000.00	-	100,000,000.00	440.00	3,058,371.51	65,384,886.65	31,556,301.84
1996	District-wide Safety &	17,293,000.00	12,058,745.00	29,351,745.00	32,585,843.25	61,937,588.25	890.18	835,728.07	32,177,542.95	28,923,427.05
1995	Land	55,767,000.00	-8,425,744.00	47,341,256.00	-444,096.49	46,897,159.51	-	-	46,897,159.51	-
1999	Program & Management Cost	-	6,187,863.00	6,187,863.00	95,744,679.57	101,932,542.57	39,238.12	869,006.18	90,626,770.67	10,397,527.60
	GRAND TOTAL	1,890,000,000.00	212,449,963.00	2,102,449,963.00	-	2,102,449,963.00	40,568.30	43,701,518.75	1,965,912,709.53	92,795,166.42

*This report solely reflects 2012 Bond Funds



Public Facility Corporation

Houston Independent School District

The **Public Facility Corporation Fund** was established by the Houston Independent School District Public Facility Corporation (HISD-PFC) in 1998 and has funded the Food Services Warehouse, two high schools: Chavez and Westside, and four elementary schools: Cunningham, DeAnda, Peck, and Roosevelt, and the replacement of the North Forest High School, Fonwood Early Childhood Center, and the Energy Institute High School.

Budget Assumptions

REVENUE

There is nothing projected for 2021 - 2022 since projects are complete.

EXPENDITURES

There is nothing projected for 2021 - 2022 since projects are complete.

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - PUBLIC FACILITIES CORPORATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
REVENUES								
Earnings on investments	268,909	426,090	68,193	4,160	-	-	-	-
Total revenues	268,909	426,090	68,193	4,160	-	-	-	-
EXPENDITURES								
Capital outlay								
Facilities acquisition and construction	11,379,573	271,879	835,464	-	-	-	-	-
Debt Service	-	-	132,729	-	-	-	-	-
Total expenditures	11,379,573	271,879	968,193	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(11,110,664)	154,211	(900,000)	4,160	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(13,697,000)	(709,339)	(2,251,061)	-	-	-
Issuance of bonds and other debt	-	-	-	-	-	-	-	-
Premium on the sale of bonds	-	-	-	-	-	-	-	-
Discount on the sale of bonds	-	-	-	-	-	-	-	-
Insurance proceeds and (loss) on sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(13,697,000)	(709,339)	(2,251,061)	-	-	-
Net change in fund balances	(11,110,664)	154,211	(14,597,000)	(705,179)	(2,251,061)	-	-	-
Fund balances, beginning	28,509,693	17,399,029	17,553,240	2,956,240	2,251,061	-	-	-
Fund balances, ending	17,399,029	17,553,240	2,956,240	2,251,061	-	-	-	-



Internal Service Funds

Houston Independent School District

The **Health Insurance Fund** is used to account for the health insurance plan administered by the district. The plan is a premium based plan requiring the district and its employees to share the cost.

The **Workers' Compensation Fund** is used to account for risk financing activities related to the Workers' Compensation Program. All employees of the district are covered by this plan for injuries occurring on the job. The district contributes 100 percent of the funding for this program.

The **Print Shop Fund** is used to account for all the printing, copying and distribution activities of the district's print shop. Schools and departments are charged for the costs of printing and distribution requests. This year, all campus copiers have been moved into the Print Shop's budget for better management and accounting. During non-peak times, the Print Shop takes in work from other governmental agencies requiring assistance during their peak period. The district also has reciprocal agreements with other governmental agencies in the event a backlog of jobs is experienced by district users.

The **Alternative Certification Fund** is used to account for the recruiting, training, and supporting of qualified, degreed professionals. It provides professional development services to degreed interns so that they are successful in their classrooms and fulfill the requirements of SBEC (State Board for Educator Certification) of Texas teacher certification.

The **UIL Fund** is used to account for the UIL activities. It provides for schools to participate in One Act Play, Solo/Ensemble, Academics, Debate Cross-Examination, Marching Band, Concert Band, Choir, and Orchestra.

The **Athletics Fund** is used to account for the educational, social, moral and athletic skills of the student athlete. It provides a comprehensive High School and Middle School program for male and female athletes in areas such as football, basketball, track/field and soccer. The Athletics Fund is also used to schedule athletic activities, transportation trips and game officials and to efficiently operate Sports Complex venues for HISD athletics competitions and events.

The **Special Education Shared Service Fund** is used to account for school support services. These buy back services include instructional support, special education, compliance, crisis intervention and other.

The **Virtual School Fund** is used to account for the support services, coordination, implementation, and oversight of online programs throughout the district that are provided to help students and adults with online instructional courses offered through the Texas Virtual School Network (TxVSNO) and the Virtual School Department. This fund transitioned to the General Fund in 2016-2017. Virtual School transitioned to General Funds beginning 2017-2018, however remaining fund balance will be reclassified to General Funds in 2022-2023.

The **Copier Services Fund** is used to consolidate orders for all of the district's multi-function copying and duplicating devices installed in campuses, departments, and HMWESC. Schools and departments choose from a long list of approved choices, the number of machines and the required features, print method (color or black and white), speed and monthly volume they need at their location. Funds to pay for their equipment are transferred from their budget into this fund at the beginning of every fiscal year. Purchase orders are then written from this fund to pay for the equipment. The fund is intended to break even every fiscal year. This fund merged with the Print Shop in 2016-2017.



Internal Service Funds - Budget Assumptions

Houston Independent School District

Health Insurance

REVENUE

Estimated medical plan enrollment is projected at 19,386 for 2021-2022 based on enrollment data adjusted for typical monthly variations. This is an anticipated increase in enrollment of 4% from the previous year's budget estimate.

EXPENDITURES

The total operating expenditures is a 10.3% increase from the prior adopted budget. In addition to the increased participation, medical and pharmacy inflation as well as impacts due to delayed care from the initial onset of COVID-19 in early 2020 are expected to adversely affect the Health Fund in 2021-2022.

Workers' Compensation

REVENUE

The increase in 2021-2022 revenue is due to the addition of Unemployment Compensation contributions being added to the Workers' Compensation fund. The Workers' Compensation rates charged to operational units is unchanged from the prior year

EXPENDITURES

Expenses are projected to remain unchanged as the workers' compensation costs continue to decline.

Print Shop – Administrative Services

REVENUE

HISD Printing Services was critical to safely conducting District operations (serving both campus and administrative department's needs) during the ongoing pandemic. The team worked 24x7 for several months to ensure the important printing and mailing work of the District was produced, even while the District was closed or working remotely. Our high-speed inkjet printing press was used to print low-cost full-color instructional materials so teachers could maximize time with students and campus staff could focus on critical operations. Our graphic design team created colorful and age-specific safety signage for every campus and department and our large format printers and cutting devices produced the volume of signage required to safely reopen our campuses and offices, so students could safely return to face-to-face learning. Producing this signage entirely in-house was a huge savings for the district and allowed us to have all the signage we needed while controlling our delivery priorities. This year printing services printed and mailed Report Cards and Progress Reports directly to households for most of the District for the first time, and saved the district a substantial amount in postage. We have designed and printed vinyl banners for many of our schools to promote their events and wall, window, and floor graphics to refresh the look of their campus and our custom yard signs have been used to celebrate graduates and recruit incoming students as well. Finally, our online store called PrintCenter allows all employees to shop and order their District forms, stationery, District maps, teacher tools, assessments and even to have their Report Cards

and Progress Reports printed, inserted and mailed. All these and hundreds of other items are available for 24x7 shopping and ordering.

EXPENDITURES

Our expanded product offering and rapidly growing sales volume have required us to use substantially more paper, ink, postage and other supplies and to pay for staff overtime to deliver the required work. We've expanding our use of FedEx Ground service to deliver print projects to our customers because it's a cost-effective, scalable and reliable way to deliver the next business day to anywhere in Texas with tracking and proof of delivery receipt.

Alternative Certification Program (ACP)

REVENUE

Alternative Certification Program revenue is based on available staffing, resignation, and termination data at the time of budget submission. As HISD continues to compete for new teacher talent and aggressively works to address strategic staffing needs, ACP, in conjunction with HR projects 2,000 teacher vacancy postings. Houston ISD ACP will serve as a certification entity for approximately 85 of these new teachers. ACP will facilitate a fee-for-service professional development program focused on Instructional Delivery, Classroom Management, and Time and Task Management (TTM) throughout the year, as needed. These areas have been identified as critical foci for new teachers. ACP will also partner with Teacher Career Development to co-create and facilitate learning opportunities for new teachers. A new Educational Diagnosticians will begin in 2022.

EXPENDITURES

Staff reflects the enrollment numbers and business operation needs for 2021-2022. Staff and operating costs will be regularly monitored and adjusted as needed, based on actual enrollment numbers.

UIL Department

REVENUE

The FY 2022 proposed budget projects revenues of \$992,184.00 due to reduced pricing of some UIL programs. The largest initiative within the UIL budget is The Houston Urban Debate League (HUDL). The FY 2022 budget also assumes that the district will continue to fund HUDL at the same level as 2020-2021.

EXPENDITURES

Department expenditures are anticipated to increase due to higher UIL annual membership fees. Higher fuel costs are expected to result in increased expenditures for commercial bus and truck rentals.

Athletics Department

REVENUE

The Athletic Department has based its 2021-2022 revenue projections on the 2020-2021 participation level for the first year of the program. The ticket sales and other revenues are forecasted on a conservative basis and does not take into consideration playoff receipts which is included in the current year to date receipts.

EXPENDITURES

Estimated expenditures for annual costs include official's pay for all sports which will increase by \$100,000 along with the cost of vendor transportation at a cost of approximately \$500,000. Pave parking lot at TJ Engram (\$350,000 Estimate; Uniforms and equipment for MS (\$442,000); Uniforms and equipment for HS

(\$800,000); Replace football helmets (\$75,000).

Special Education Shared Services

REVENUE

The amount charged to schools for 2021-2022 for shared special education services will remain the same as in 2020-2021 at \$68 per student.

EXPENDITURES

Staffing of all shared service employees such as evaluation specialists and nurses, etc. will remain the same for 2021-2022. There will be no additional employees added for the new school year. The remaining expenditures will be for equipment, supplies and subscriptions, etc. paid for the schools for special education services.

Staffing of all shared service employees such as evaluation specialists and nurses, etc. will remain the same for 2021-2022. There will be no additional employees added for the new school year. The remaining expenditures will be for equipment, supplies and subscriptions, etc. paid for the schools for special education services.

These funds are presented on the following pages with four historical years, adopted budget, along with three years of budget forecasts. Budget forecasting is one of the various tools used in the budget development process annually. Budget forecasts assumptions are included to identify projected revenue and other resources, expenditure demands, and changes in fund balance for the upcoming years. The figures are meant for planning purposes only and are subject to change.

HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
OPERATING REVENUES:								
Charges for sales and services								
Sales to customers	23,419,076	22,490,440	23,602,141	11,174,211	24,494,797	24,739,745	24,987,142	25,237,014
Charges to employees or other funds	158,204,737	165,039,904	163,013,671	193,151,480	178,831,060	180,619,371	182,425,564	184,249,820
Miscellaneous	9,887,991	9,861,225	29,853,585	10,936,849	13,598,800	13,734,788	13,872,136	14,010,857
Total operating revenues	191,511,804	197,391,569	216,469,397	215,262,540	216,924,657	219,093,904	221,284,843	223,497,691
OPERATING EXPENSES:								
Payroll costs	15,233,356	15,972,981	14,970,471	14,480,426	16,654,502	16,821,047	16,989,257	17,159,150
Purchased and contracted services	12,650,227	12,003,956	18,967,818	33,278,788	27,384,716	27,658,563	27,935,149	28,214,500
Supplies and materials	2,377,594	1,468,140	1,597,661	2,711,670	1,815,527	1,833,682	1,852,019	1,870,539
Other operating expenses	1,231,993	1,630,705	1,450,415	1,503,945	2,656,740	2,683,307	2,710,140	2,737,242
Claims and judgements	146,449,690	174,769,438	162,250,830	162,605,335	178,676,849	180,463,617	182,268,254	184,090,936
Depreciation	229,637	294,756	1,914,213	4,540,446	7,764	7,842	7,920	7,999
Capital assets	-	-	-	-	750,123	757,624	765,201	772,853
Total operating expenses	178,172,497	206,139,976	201,151,408	219,120,611	227,946,221	230,225,683	232,527,940	234,853,219
Operating income (loss)	13,339,307	(8,748,407)	15,317,989	(3,858,071)	(11,021,564)	(11,131,779)	(11,243,097)	(11,355,528)
NONOPERATING REVENUES (EXPENSES)								
Earnings on investments	818,610	1,642,319	1,071,259	126,814	233,330	235,663	238,020	240,400
Interest	-	-	(292,620)	(599,785)	-	-	-	-
Gain (Loss) on sale of assets	-	-	-	-	-	-	-	-
Miscellaneous	73,517	27,250	-	-	70	-	-	-
Total nonoperating revenue	892,127	1,669,569	778,639	(472,971)	233,400	235,663	238,020	240,400
Income (loss) before transfers	14,231,434	(7,078,838)	16,096,628	(4,331,042)	(10,788,164)	(10,896,116)	(11,005,077)	(11,115,128)
Transfers In	-	-	-	-	-	-	-	-
Change in net assets	14,231,434	(7,078,838)	16,096,628	(4,331,042)	(10,788,164)	(10,896,116)	(11,005,077)	(11,115,128)
Total net assets, beginning	58,644,489	72,875,923	65,797,085	81,893,713	77,562,671	66,774,507	55,878,391	44,873,314
Total net assets, ending	72,875,923	65,797,085	81,893,713	77,562,671	66,774,507	55,878,391	44,873,314	33,758,186

Budget Forecast Assumption
The state of Texas has forecast growth of 1.8 percent in the education and health services industry. Accordingly, HISD is forecasting a 1 percent growth rate in revenue and expenses.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - HEALTH INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted
OPERATING REVENUES:					
Charges for sales and services					
Charges to employees other funds	149,653,307	158,940,001	156,410,323	174,407,384	170,495,000
Miscellaneous	9,323,506	9,064,010	29,536,798	10,404,470	13,512,000
Total operating revenues	<u>158,976,813</u>	<u>168,004,011</u>	<u>185,947,121</u>	<u>184,811,854</u>	<u>184,007,000</u>
OPERATING EXPENSES:					
Payroll costs	1,023,119	1,525,418	1,429,319	1,432,835	1,625,370
Purchased and contracted services	4,185,104	4,222,392	12,598,852	29,540,060	17,528,090
Supplies and materials	3,677	17,402	8,181	5,996	3,229
Other operating expenses	5,692	3,734	2,611	351	10,000
Claims and judgements	139,817,987	167,962,262	159,217,608	160,631,112	175,644,000
Total operating expenses	<u>145,035,579</u>	<u>173,731,208</u>	<u>173,256,571</u>	<u>191,610,354</u>	<u>194,810,689</u>
Operating income (loss)	<u>13,941,234</u>	<u>(5,727,197)</u>	<u>12,690,550</u>	<u>(6,798,500)</u>	<u>(10,803,689)</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	130,690	496,432	244,112	47,309	43,920
Total nonoperating revenue	<u>130,690</u>	<u>496,432</u>	<u>244,112</u>	<u>47,309</u>	<u>43,920</u>
Income (loss) before transfers	<u>14,071,924</u>	<u>(5,230,765)</u>	<u>12,934,662</u>	<u>(6,751,191)</u>	<u>(10,759,769)</u>
Change in net assets	14,071,924	(5,230,765)	12,934,662	(6,751,191)	(10,759,769)
Total net assets, beginning	<u>17,360,858</u>	<u>31,432,782</u>	<u>26,202,017</u>	<u>39,136,679</u>	<u>32,385,488</u>
Total net assets, ending	<u>31,432,782</u>	<u>26,202,017</u>	<u>39,136,679</u>	<u>32,385,488</u>	<u>21,625,719</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - WORKERS' COMPENSATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted
OPERATING REVENUES:					
Charges for sales and services					
Charges to employees other funds	8,551,430	6,099,903	6,603,348	5,168,392	8,336,060
Miscellaneous	475,066	740,397	222,544	-	-
Total operating revenues	9,026,496	6,840,300	6,825,892	5,168,392	8,336,060
OPERATING EXPENSES:					
Payroll costs	1,762,975	1,368,516	1,405,762	1,415,399	1,430,904
Purchased and contracted services	10,797	45,840	1,204,193	1,528,890	2,519,631
Supplies and materials	2,654	967	1,173	860	31,649
Other operating expenses	29,473	379,608	505,184	654,492	1,645,240
Claims and judgements	6,631,703	6,323,991	3,033,222	1,974,223	3,032,849
Depreciation	913	-	-	-	7,764
Total operating expenses	8,438,515	8,118,922	6,149,534	5,573,864	8,668,037
Operating income (loss)	587,981	(1,278,622)	676,358	(405,472)	(331,977)
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	543,842	951,121	670,498	71,327	82,370
Total nonoperating revenue	543,842	951,121	670,498	71,327	82,370
Income (loss) before transfers	1,131,823	(327,501)	1,346,856	(334,145)	(249,607)
Change in net assets	1,131,823	(327,501)	1,346,856	(334,145)	(249,607)
Total net assets, beginning	32,809,277	33,941,100	33,613,599	34,960,455	34,626,310
Total net assets, ending	33,941,100	33,613,599	34,960,455	34,626,310	34,376,703

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PRINT SHOP
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted
OPERATING REVENUES:					
Charges for sales and services					
Sales to customers	7,996,764	7,287,431	8,620,598	10,282,421	9,440,740
Total operating revenues	<u>7,996,764</u>	<u>7,287,431</u>	<u>8,620,598</u>	<u>10,282,421</u>	<u>9,440,740</u>
OPERATING EXPENSES:					
Payroll costs	1,442,845	1,470,570	1,406,203	1,559,680	1,554,697
Purchased and contracted services	5,913,887	6,112,566	3,540,647	952,222	5,837,895
Supplies and materials	947,822	652,479	913,843	1,916,277	1,129,946
Other operating expenses	1,497	1,873	2,114	1,828	1,290
Depreciation	14,637	13,896	1,665,928	4,285,920	-
Capital Assets	-	-	-	-	670,293
Total operating expenses	<u>8,320,688</u>	<u>8,251,384</u>	<u>7,528,735</u>	<u>8,715,927</u>	<u>9,194,121</u>
Operating income (loss)	<u>(323,924)</u>	<u>(963,953)</u>	<u>1,091,863</u>	<u>1,566,494</u>	<u>246,619</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	53,208	78,366	32,604	2,135	2,650
Miscellaneous	73,517	27,250	-	-	70
Interest	-	-	(292,620)	(599,785)	-
Total nonoperating revenue	<u>126,725</u>	<u>105,616</u>	<u>(260,016)</u>	<u>(597,650)</u>	<u>2,720</u>
Income (loss) before transfers	<u>(197,199)</u>	<u>(858,337)</u>	<u>831,847</u>	<u>968,844</u>	<u>249,339</u>
Change in net assets	(197,199)	(858,337)	831,847	968,844	249,339
Total net assets, beginning	2,137,193	1,939,994	1,081,657	1,913,504	2,882,348
Adjustment for Copier Services*	-	-	-	-	-
Total net assets, ending	<u>1,939,994</u>	<u>1,081,657</u>	<u>1,913,504</u>	<u>2,882,348</u>	<u>3,131,687</u>

Note: In 2016-2017, the Copier Services Fund merged with the Print Shop.

* A final adjustment has been made to eliminate the Copier Services by adding the same adjustment to the Print Shop, net zero.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - ALTERNATIVE CERTIFICATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted
OPERATING REVENUES:					
Charges for sales and services					
Sales to customers	618,316	901,773	815,987	891,790	859,265
Miscellaneous	87,181	30,713	48,408	3,677	4,810
Total operating revenues	<u>705,497</u>	<u>932,486</u>	<u>864,395</u>	<u>895,467</u>	<u>864,075</u>
OPERATING EXPENSES:					
Payroll costs	947,084	675,252	520,844	572,263	526,210
Purchased and contracted services	25,585	1,937	7,700	151	200
Supplies and materials	11,850	40,889	8,118	1,161	3,600
Other operating expenses	38,714	32,341	23,130	5,093	16,000
Capital assets	-	-	-	-	-
Depreciation	7,543	7,543	7,542	7,543	-
Total operating expenses	<u>1,030,776</u>	<u>757,962</u>	<u>567,334</u>	<u>586,210</u>	<u>546,010</u>
Operating income (loss)	<u>(325,279)</u>	<u>174,524</u>	<u>297,061</u>	<u>309,257</u>	<u>318,065</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	-	4,435	9,849	621	5,300
Total nonoperating revenue	<u>-</u>	<u>4,435</u>	<u>9,849</u>	<u>621</u>	<u>5,300</u>
Income (loss) before transfers	<u>(325,279)</u>	<u>178,959</u>	<u>306,910</u>	<u>309,878</u>	<u>323,365</u>
Change in net assets	(325,279)	178,959	306,910	309,878	323,365
Total net assets, beginning	<u>2,337</u>	<u>(31,932)</u>	<u>147,027</u>	<u>453,937</u>	<u>763,815</u>
*Reclassifications	291,010	-	-	-	-
Total net assets, ending	<u>(31,932)</u>	<u>147,027</u>	<u>453,937</u>	<u>763,815</u>	<u>1,087,180</u>

* A reclassification adjustment in fiscal year 2017-2018 was made to clear balance in transition fund (7799999999) due to conversion to OneSource.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UIL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted
OPERATING REVENUES:					
Charges for sales and services				388,278	
Sales to customers	1,117,092	1,028,559	1,023,609	-	980,304
Miscellaneous	-	-	-	508,436	-
Total operating revenues	1,117,092	1,028,559	1,023,609	896,714	980,304
OPERATING EXPENSES:					
Payroll costs	569,642	550,004	494,872	524,607	561,921
Purchased and contracted services	169,236	195,136	137,172	112,251	170,000
Supplies and materials	83,160	50,906	80,832	18,423	53,373
Other operating expenses	260,189	223,982	146,620	46,062	206,890
Depreciation	14,680	11,446	11,446	11,446	-
Total operating expenses	1,096,907	1,031,474	870,942	712,788	992,184
Operating income (loss)	20,185	(2,915)	152,667	183,926	(11,880)
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	5,510	8,509	11,536	589	11,880
Total nonoperating revenue	5,510	8,509	11,536	589	11,880
Income (loss)	25,695	5,594	164,203	184,515	-
Change in net assets	25,695	5,594	164,203	184,515	-
Total net assets, beginning	336,360	360,739	366,333	530,536	715,051
*Reclassifications	(1,316)	-	-	-	-
Total net assets, ending	360,739	366,333	530,536	715,051	715,051

* A reclassification adjustment in fiscal year 2017-2018 was made to clear balance in transition fund (7799999999) due to conversion to OneSource.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - ATHLETICS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted
OPERATING REVENUES:					
Charges for sales and services				6,060,108	
Sales to customers	6,397,236	6,164,645	6,141,823	-	6,019,170
Miscellaneous	2,238	-	45,834	-	81,990
Total operating revenues	<u>6,399,474</u>	<u>6,164,645</u>	<u>6,187,657</u>	<u>6,060,108</u>	<u>6,101,160</u>
OPERATING EXPENSES:					
Payroll costs	3,129,929	3,222,017	2,906,546	2,721,179	2,981,250
Purchased and contracted services	1,733,031	1,130,388	1,237,893	919,227	1,328,900
Supplies and materials	1,189,200	703,667	585,514	768,954	593,730
Other operating expenses	866,828	989,167	770,756	809,684	777,320
Capital assets	-	-	-	-	79,830
Claims and judgements	-	483,185	-	-	-
Depreciation	93,540	171,978	170,749	202,673	-
Total operating expenses	<u>7,012,528</u>	<u>6,700,402</u>	<u>5,671,458</u>	<u>5,421,717</u>	<u>5,761,030</u>
Operating income (loss)	<u>(613,054)</u>	<u>(535,757)</u>	<u>516,199</u>	<u>638,391</u>	<u>340,130</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	27,079	38,470	45,834	2,254	47,210
Gain (Loss) on sale of assets	-	-	-	-	-
Total nonoperating revenue	<u>27,079</u>	<u>38,470</u>	<u>45,834</u>	<u>2,254</u>	<u>47,210</u>
Income (loss)	<u>(585,975)</u>	<u>(497,287)</u>	<u>562,033</u>	<u>640,645</u>	<u>387,340</u>
Transfers in	-	-	-	-	-
Change in net assets	(585,975)	(497,287)	562,033	640,645	387,340
Total net assets, beginning	<u>3,201,300</u>	<u>2,091,301</u>	<u>1,594,014</u>	<u>2,156,047</u>	<u>2,796,692</u>
*Reclassifications	(524,024)	-	-	-	-
Total net assets, ending	<u>2,091,301</u>	<u>1,594,014</u>	<u>2,156,047</u>	<u>2,796,692</u>	<u>3,184,032</u>

* A reclassification adjustment in fiscal year 2017-2018 was made to clear balance in transition fund (7799999999) due to conversion to OneSource.

HOUSTON INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - SPECIAL EDUCATION SHARED SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted
OPERATING REVENUES:					
Charges for sales and services				7,127,318	
Sales to customers	7,289,668	7,093,640	7,000,124	-	7,195,318
Total operating revenues	<u>7,289,668</u>	<u>7,093,640</u>	<u>7,000,124</u>	<u>7,127,318</u>	<u>7,195,318</u>
OPERATING EXPENSES:					
Payroll costs	6,357,762	7,161,204	6,806,925	6,254,464	7,974,150
Purchased and contracted services	612,587	295,697	241,361	225,987	-
Supplies and materials	139,231	1,830	-	-	-
Other operating expenses	29,600	-	-	(13,565)	-
Depreciation	98,324	89,894	58,548	32,864	-
Capital Assets	-	-	-	-	-
Total operating expenses	<u>7,237,504</u>	<u>7,548,625</u>	<u>7,106,834</u>	<u>6,499,750</u>	<u>7,974,150</u>
Operating income (loss)	<u>52,164</u>	<u>(454,985)</u>	<u>(106,710)</u>	<u>627,568</u>	<u>(778,832)</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	58,281	64,986	56,825	2,580	40,000
Total nonoperating revenue	<u>58,281</u>	<u>64,986</u>	<u>56,825</u>	<u>2,580</u>	<u>40,000</u>
Income (loss)	<u>110,445</u>	<u>(389,999)</u>	<u>(49,885)</u>	<u>630,147</u>	<u>(738,832)</u>
Change in net assets	110,445	(389,999)	(49,885)	630,147	(738,832)
Total net assets, beginning	<u>2,711,206</u>	<u>3,055,979</u>	<u>2,665,980</u>	<u>2,616,095</u>	<u>3,246,242</u>
*Reclassifications	<u>234,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets, ending	<u><u>3,055,979</u></u>	<u><u>2,665,980</u></u>	<u><u>2,616,095</u></u>	<u><u>3,246,242</u></u>	<u><u>2,507,410</u></u>

* A reclassification adjustment in fiscal year 2017-2018 was made to clear balance in transition fund (7799999999) due to conversion to OneSource.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - VIRTUAL SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted
OPERATING REVENUES:					
Charges for sales and services					
Sales to customers	-	-	-	20,266	-
Miscellaneous	-	-	-	-	-
Total operating revenues	-	-	-	20,266	-
OPERATING EXPENSES:					
Payroll costs	-	-	-	-	-
Purchased and contracted services	-	-	-	-	-
Supplies and materials	-	-	-	-	-
Other operating expenses	-	-	-	-	-
Total operating expenses	-	-	-	-	-
Operating income (loss)	-	-	-	20,266	-
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	-	-	-	-	-
Total nonoperating revenue	-	-	-	-	-
Income (loss)	-	-	-	20,266	-
Change in net assets	-	-	-	20,266	-
Total net assets, beginning	-	-	-	126,459	146,725
Adjustment for Virtual Schools*	-	-	-	-	-
Total net assets, ending	-	-	-	146,725	146,725



Enterprise Funds

Houston Independent School District

The **Marketplace & Catering Fund** was not funded due to efforts to reduce personnel and food expenses. The Marketplace staff has been allocated to the Catering department. The Starbucks kiosk is now operating as a hybrid entity, providing coffee products, hot & cold breakfast and lunch options and convenience items.

The **Medicaid Fund** is used to account for the financial operation of special reimbursement programs offered by the district. For several years, the district has participated in a Medicaid reimbursement program, which is a federal program to provide partial reimbursement for health care services to eligible children. The district currently provides Medicaid Financial advisory services to over 500 schools in more than 100 Texas school districts.



Enterprise Funds - Budget Assumptions

Houston Independent School District

MARKETPLACE & CATERING

REVENUE

The Marketplace's return in 2022-2023 is doubtful due to declining patronage and sales.

Catering has experienced a decline in sales due to the COVID-19 pandemic. There are minimal sales outside of Board of Education meetings. Catering revenues are projected to generate 53% of FY20 (pre-pandemic) results.

EXPENSES

There will be 10% of labor allocated for commercial caterings based on the reduction of projected caterings this year due to the Covid-19 Pandemic and the shift in our mission. The mission shift involves the commitment of 90% of labor toward Child Nutrition. The staff will serve students using a new Tailgate & Pop-up Restaurant concept that will drive higher reimbursable meal participation as well as offering a fun dining experience. This mission shift aligns with Superintendent House's initiative to engage with our students.

Our team will also assist with Nutrition Services field staff shortages in school cafeteria's due to Covid-19 related absenteeism as well the general everyday shortages that we are experiencing this year.

All caterings will be pick-up only with the exception for Board of Education functions. This model will be more efficient and less labor intensive.

MEDICAID FINANCE SERVICES

REVENUE

Revenues are estimated to marginally increase due to the potential changes in Federal Medicaid ratios and the Direct Medical Percentage increasing with in-person instruction resuming in schools.

EXPENSES

Expenses were expected to decrease by 3 percent, primarily in fees related to marketing efforts because of the pandemic. Other costs, such as promotional items, general supplies and personnel are expected to marginally decrease due to the sustainability efforts of our consulting services operations.

HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
OPERATING REVENUES:								
Charges for sales and services:								
Sales to customers	1,400,135	1,292,392	768,251	333,246	321,983	414,871	414,871	414,871
Consulting services	6,143,735	2,490,659	2,004,850	1,802,677	2,275,000	1,920,970	1,920,970	1,920,970
Miscellaneous	13,402	-	-	1,053	-	-	-	-
Total operating revenues	7,557,272	3,783,051	2,773,101	2,136,976	2,596,983	2,335,841	2,335,841	2,335,841
OPERATING EXPENSES:								
Payroll costs	2,989,030	3,646,635	3,572,390	3,177,751	3,582,412	3,558,870	3,558,870	3,558,870
Purchased and contracted services	7,581,873	3,216,908	3,007,167	2,738,488	3,918,198	3,895,275	3,895,275	3,895,275
Supplies and materials	1,159,608	1,031,700	707,182	210,496	443,450	596,916	596,916	596,916
Other operating expenses	450,880	473,322	363,450	101,903	769,011	902,496	902,496	902,496
Depreciation	59,667	53,734	42,568	27,706	50,666	109,240	109,240	109,240
Total operating expenses	12,241,058	8,422,299	7,692,757	6,256,344	8,861,339	9,062,797	9,062,797	9,062,797
Operating income (loss)	(4,683,786)	(4,639,248)	(4,919,656)	(4,119,368)	(6,264,356)	(6,726,956)	(6,726,956)	(6,726,956)
NONOPERATING REVENUES (EXPENSES)								
Earnings on investments	304,954	331,681	302,886	16,436	150,043	55,415	55,415	55,415
Grants from federal agencies								
Child nutrition program	-	-	-	-	-	-	-	-
Child and Adult Care Program	-	-	-	-	-	-	-	-
Summer food program	-	-	-	-	-	-	-	-
Donated Commodities	-	-	-	-	-	-	-	-
School health services (SHARS)	36,237,575	25,435,615	22,821,331	30,678,675	32,536,861	32,536,861	32,536,861	32,536,861
State matching and other	-	-	-	-	-	-	-	-
Capital asset contribution to Special Revenue Fund	-	-	-	-	-	-	-	-
Debt assignments to Special Revenue Fund	-	-	-	-	-	-	-	-
Total nonoperating revenue	36,542,529	25,767,296	23,124,217	30,695,111	32,686,904	32,592,276	32,592,276	32,592,276
Income (loss) before transfers	31,858,743	21,128,048	18,204,561	26,575,743	26,422,548	25,865,320	25,865,320	25,865,320
Transfers in	-	-	190,000	-	-	-	-	-
Transfers out	(29,274,879)	(26,000,000)	(22,500,000)	(22,500,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
Change in net assets	2,583,864	(4,871,952)	(4,105,439)	4,075,743	6,422,548	5,865,320	5,865,320	5,865,320
Total net assets, beginning	28,338,593	30,922,457	26,050,505	21,945,066	26,020,809	32,443,357	38,308,677	44,173,997
Adjustment to reclassify Nutrition Services	-	-	-	-	-	-	-	-
Total net assets, ending	30,922,457	26,050,505	21,945,066	26,020,809	32,443,357	38,308,677	44,173,997	50,039,317

Note: The Nutrition Services Fund was reclassified as a governmental fund effective fiscal year 2017-2018 and, is presented as a stand alone schedule for 2018-2019 actuals, 2019-2020 budget, and forecasted years.

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - THE MARKETPLACE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
OPERATING REVENUES								
Food sales	1,400,135	1,292,392	768,251	333,246	321,983	414,871	414,871	414,871
Miscellaneous local sources	-	-	-	-	-	-	-	-
Total revenues	1,400,135	1,292,392	768,251	333,246	321,983	414,871	414,871	414,871
OPERATING EXPENSES								
Payroll costs	326,773	616,823	582,792	84,016	110,346	147,154	147,154	147,154
Purchased and contracted services	37,712	5,691	48,772	7,702	30,348	7,425	7,425	7,425
Supplies and materials	843,720	811,902	498,320	144,341	125,393	253,859	253,859	253,859
Other operating expenses	22,048	19,932	11,791	4,666	3,511	9,580	9,580	9,580
Depreciation	3,040	3,040	3,041	3,040	-	2,268	2,268	2,268
Total operating expenses	1,233,293	1,457,388	1,144,716	243,765	269,598	420,286	420,286	420,286
NONOPERATING REVENUES (EXPENSES)								
Earnings on investments	6,488	12,497	5,532	71	43	5,415	5,415	5,415
Total nonoperating revenue	6,488	12,497	5,532	71	43	5,415	5,415	5,415
Transfers in	-	-	190,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Change in net assets	173,330	(152,499)	(180,933)	89,552	52,428	-	-	-
Total net assets, beginning	236,182	409,512	257,013	76,080	165,632	218,060	218,060	218,060
Total net assets, ending	409,512	257,013	76,080	165,632	218,060	218,060	218,060	218,060

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - MEDICAID
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
OPERATING REVENUES:								
Charges for sales and services:								
Consulting services	2,639,068	2,490,659	2,004,850	1,802,677	2,275,000	1,920,970	1,920,970	1,920,970
Miscellaneous	-	-	-	1,053	-	-	-	-
Total operating revenues	<u>2,639,068</u>	<u>2,490,659</u>	<u>2,004,850</u>	<u>1,803,730</u>	<u>2,275,000</u>	<u>1,920,970</u>	<u>1,920,970</u>	<u>1,920,970</u>
OPERATING EXPENSES:								
Payroll costs	2,662,257	3,029,812	2,989,598	3,093,735	3,472,066	3,411,716	3,411,716	3,411,716
Purchased and contracted services	3,440,869	3,211,217	2,958,395	2,730,786	3,887,850	3,887,850	3,887,850	3,887,850
Supplies and materials	315,628	219,798	208,862	66,155	318,057	343,057	343,057	343,057
Other operating expenses	428,832	453,390	351,659	97,237	765,500	892,916	892,916	892,916
Depreciation	56,627	50,694	39,527	24,666	50,666	106,972	106,972	106,972
Capital Assets	-	-	-	-	97,602	-	-	-
Total operating expenses	<u>6,904,213</u>	<u>6,964,911</u>	<u>6,548,041</u>	<u>6,012,579</u>	<u>8,591,741</u>	<u>8,642,511</u>	<u>8,642,511</u>	<u>8,642,511</u>
Operating income (loss)	<u>(4,265,145)</u>	<u>(4,474,252)</u>	<u>(4,543,191)</u>	<u>(4,208,849)</u>	<u>(6,316,741)</u>	<u>(6,721,541)</u>	<u>(6,721,541)</u>	<u>(6,721,541)</u>
NONOPERATING REVENUES (EXPENSES)								
Earnings on investments	260,884	319,184	297,354	16,365	150,000	50,000	50,000	50,000
Grants from federal agencies:								
School health services (SHARS)	36,237,575	25,435,615	22,821,331	30,678,675	32,536,861	32,536,861	32,536,861	32,536,861
Total nonoperating revenue	<u>36,498,459</u>	<u>25,754,799</u>	<u>23,118,685</u>	<u>30,695,040</u>	<u>32,686,861</u>	<u>32,586,861</u>	<u>32,586,861</u>	<u>32,586,861</u>
Income (loss) before transfers	32,233,314	21,280,547	18,575,494	26,486,191	26,370,120	25,865,320	25,865,320	25,865,320
Transfers out	<u>(28,000,000)</u>	<u>(26,000,000)</u>	<u>(22,500,000)</u>	<u>(22,500,000)</u>	<u>(20,000,000)</u>	<u>(20,000,000)</u>	<u>(20,000,000)</u>	<u>(20,000,000)</u>
Change in net assets	4,233,314	(4,719,453)	(3,924,506)	3,986,191	6,370,120	5,865,320	5,865,320	5,865,320
Total net assets, beginning	26,279,631	30,512,945	25,793,492	21,868,986	25,855,177	32,225,297	38,090,617	43,955,937
Total net assets, ending	<u>30,512,945</u>	<u>25,793,492</u>	<u>21,868,986</u>	<u>25,855,177</u>	<u>32,225,297</u>	<u>38,090,617</u>	<u>43,955,937</u>	<u>49,821,257</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - BUSINESS DEVELOPMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
OPERATING REVENUES:								
Charges for sales and services:								
Consulting services	3,504,667	-	-	-	-	-	-	-
Miscellaneous	13,402	-	-	-	-	-	-	-
Total operating revenues	<u>3,518,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES:								
Payroll costs	-	-	-	-	-	-	-	-
Purchased and contracted services	4,103,292	-	-	-	-	-	-	-
Supplies and materials	260	-	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-
Total operating expenses	<u>4,103,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating income (loss)	<u>(585,483)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)								
Earnings on investments	37,582	-	-	-	-	-	-	-
Total nonoperating revenue	<u>37,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income before transfers	(547,901)	-	-	-	-	-	-	-
Transfers out	<u>(1,274,879)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(1,822,780)	-	-	-	-	-	-	-
Total net assets, beginning	1,822,780	-	-	-	-	-	-	-
Total net assets, ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note: Business Development ended in 2017-2018. For presentation purposes only. No data to be forecasted.