

HOUSTON INDEPENDENT SCHOOL DISTRICT

June Budgetary Update 2014-2015

Fiscal Year July 1, 2014 – June 30, 2015



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HOUSTON INDEPENDENT SCHOOL DISTRICT

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JUNE BUDGETARY UPDATE 2014-2015

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GENERAL FUND

The recommended budget for the General Fund for the 2014-2015 fiscal year was adopted on June 19, 2014. The appropriations were \$1,741,413,089, with corresponding estimated revenues of \$1,681,413,089. The district projected \$60,000,000 in unspent funds for the fiscal year.

June Budget Update

The adjusted budget for the General Fund revenues and other financing sources includes a net increase of \$28,594,067 as shown in more detail on page 3. The major increases are shown below:

Revenues

- Property taxes and state formula funding increase of \$27,012,181:
 - Increase of State funding for building projects of North Forest schools of \$28,000,000
 - Decrease of State funding due to adjustments in student enrollment \$1,304,088
 - Increase of Local property value growth of \$316,269.

Appropriations

Appropriation increases show a net increase of \$39,322,952 as shown in more detail on page 4.

Some of the details are described below:

- An increase of State funding for building projects of North Forest schools of \$28,000,000
- Technology infrastructure initiatives of \$5,071,112
- Increase of Facility Assessment of \$4,000,000
- An increase for SAP reimplementation of \$2,477,361
- A decrease of Carryover encumbrances of \$225,521

Budget

The appropriations budget for the General Fund is \$1,986,933,516 including carryover. The final budgeted revenues and other sources total \$1,809,750,265. Other changes in revenues and appropriations will result in a decrease of \$10,728,885 to the budgeted unassigned fund balance, net of reserve adjustments as of June 30, 2015, as compared to the previous fiscal year ending June 30, 2014.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY FUNCTION
GENERAL FUND
JUNE BUDGETARY UPDATE FISCAL YEAR 2014-2015 (as adjusted)

ESTIMATED REVENUES	Adopted Budget	Carryover	Mid-Year Adjustments	Mid-Year Adjusted Budget	June Adjustments	June Adjusted Budget
Local sources	\$ 1,387,367,633	\$ -	\$ 19,025,916	\$ 1,406,393,549	\$ 938,839	\$ 1,407,332,388
State sources	257,893,223	-	80,720,671	338,613,894	26,884,077	365,497,971
Federal sources	5,752,233	-	(3,478)	5,748,755	771,151	6,519,906
Total estimated revenues	\$ 1,651,013,089	\$ -	\$ 99,743,109	\$ 1,750,756,198	\$ 28,594,067	\$ 1,779,350,265
ESTIMATED APPROPRIATIONS	Adopted Budget	Carryover	Mid-Year Adjustments	Mid-Year Adjusted Budget	June Adjustments	June Adjusted Budget
Instruction	\$ 1,045,196,784	\$ 22,672,939	\$ 2,211,080	\$ 1,070,080,803	\$ (11,038,893)	\$ 1,059,041,910
Instructional resources and media services	8,672,876	189,128	126,516	8,988,520	119,677	9,108,197
Instructional staff development	20,049,551	1,967,598	7,347,243	29,364,392	1,880,230	31,244,622
Curriculum development	5,353,101	21,491	71,100	5,445,692	115,821	5,561,513
Instructional leadership	18,889,164	364,853	1,424,431	20,678,448	(402,507)	20,275,941
School leadership	126,911,552	212,378	2,524,738	129,648,668	1,284,575	130,933,243
Guidance, counseling and evaluation services	40,603,127	734,132	433,094	41,770,353	19,096	41,789,449
Social work services	1,980,575	-	133,642	2,114,217	(853)	2,113,364
Health services	18,478,183	1,358	(51,189)	18,428,352	76,797	18,505,149
Student transportation	53,826,189	13,374,892	(8,100,497)	59,100,584	(1,111,871)	57,988,713
Food services	329,687	64,962	15,862	410,511	137,980	548,491
Co-Curricular/extracurricular activities	12,025,660	1,716,324	1,730,869	15,472,853	1,058,715	16,531,568
General administration	34,815,880	4,934,700	1,189,957	40,940,537	550,854	41,491,391
Plant maintenance and operations	189,493,720	11,637,310	(676,405)	200,454,625	7,291,717	207,746,342
Security and monitoring services	21,129,297	412,620	712,509	22,254,426	1,812,760	24,067,186
Data processing services	49,957,564	44,891,900	23,008,340	117,857,804	34,710,995	152,568,799
Community services	2,078,591	2,173	156,438	2,237,201	44,949	2,282,150
Juvenile justice alternative education programs	1,080,830	-	-	1,080,830	(288,830)	792,000
Tax reinvestment zone payments	42,954,874	-	7,161,599	50,116,473	-	50,116,473
Tax appraisal and collection	12,845,759	-	-	12,845,759	-	12,845,759
Debt service	40,000	-	(10,000)	30,000	5,631	35,631
Facilities acquisition and construction	-	3,255,607	33,306,469	36,562,076	28,156,567	64,718,643
Total estimated appropriations	\$ 1,706,712,964	\$ 106,454,366	\$ 72,715,794	\$ 1,885,883,124	\$ 64,423,410	\$ 1,950,306,534
Excess (deficiency) of estimated revenues over (under) appropriations	\$ (55,699,875)	\$ (106,454,366)	\$ 27,027,315	\$ (135,126,926)	\$ (35,829,343)	\$ (170,956,269)
OTHER FINANCING SOURCES (USES)						
Transfers-in	\$ 30,400,000	\$ -	\$ -	\$ 30,400,000	\$ -	\$ 30,400,000
Transfers-out	(34,700,125)	-	(1,926,857)	(36,626,982)	-	(36,626,982)
Proceeds from the sale of capital leases	-	-	-	-	-	-
Total other financing sources (uses)	\$ (4,300,125)	\$ -	\$ (1,926,857)	\$ (6,226,982)	\$ -	\$ (6,226,982)
Net excess (deficiency) before adjustments	\$ (60,000,000)	\$ (106,454,366)	\$ 25,100,458	\$ (141,353,908)	\$ (35,829,343)	\$ (177,183,251)
Reserve adjustments	\$ -	\$ 81,353,908	\$ -	\$ 81,353,908	\$ 25,100,458	\$ 106,454,366
Anticipated unspent funds	\$ 60,000,000			\$ 60,000,000	\$ -	\$ 60,000,000
Net deficiency of estimated revenues and other sources over (under) appropriations and other uses as adjusted	\$ -			\$ -	\$ (10,728,885)	\$ (10,728,885)

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES BY OBJECT
GENERAL FUND
JUNE BUDGETARY UPDATE FISCAL YEAR 2014-2015 (as adjusted)

REVENUES	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget	June Adjustments	June Adjusted Budget
Taxes, current year	\$ 1,345,848,984	\$ 17,027,028	\$ 1,362,876,012	\$ 316,269	\$ 1,363,192,281
Taxes, delinquent prior years	15,000,000	-	15,000,000	-	15,000,000
Taxes, penalty and interest	15,500,000	-	15,500,000	-	15,500,000
Revenue in lieu of taxes	1,700,000	569,998	2,269,998	(109,688)	2,160,310
Tuition	851,359	368,641	1,220,000	116,346	1,336,346
Insurance recovery proceeds	-	212,539	212,539	68,964	281,503
Interest earnings	1,315,000	-	1,315,000	385,000	1,700,000
Rentals	1,452,290	347,710	1,800,000	(347,710)	1,452,290
Miscellaneous revenues	3,400,000	-	3,400,000	-	3,400,000
Revenue other governments	2,300,000	500,000	2,800,000	509,658	3,309,658
Foundation school program	120,623,661	102,127,064	222,750,725	26,834,212	249,584,937
Per capita state revenues	71,381,048	(22,233,184)	49,147,864	(138,300)	49,009,564
Other state revenues	288,514	826,791	1,115,305	188,165	1,303,470
TRS on behalf of	65,600,000	-	65,600,000	-	65,600,000
Federal revenue through TEA	3,492,128	(89,977)	3,402,151	596,218	3,998,369
Army salary revenue	1,777,752	-	1,777,752	-	1,777,752
Air Force salary revenue	60,804	-	60,804	-	60,804
Navy salary revenue	243,924	-	243,924	-	243,924
Direct federal revenue	177,625	86,499	264,124	174,933	439,057
Total Revenue	\$ 1,651,013,089	\$ 99,743,109	\$ 1,750,756,198	\$ 28,594,067	\$ 1,779,350,265
OTHER FINANCING SOURCES					
Transfer from other funds	30,400,000	-	30,400,000	-	30,400,000
Total other financing sources	\$ 30,400,000	\$ -	\$ 30,400,000	\$ -	\$ 30,400,000
Total revenues and other sources	\$ 1,681,413,089	\$ 99,743,109	\$ 1,781,156,198	\$ 28,594,067	\$ 1,809,750,265
	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget	June Adjustments	June Adjusted Budget
Local	\$ 1,387,367,633	\$ 19,025,916	\$ 1,406,393,549	\$ 938,839	\$ 1,407,332,388
State	257,893,223	80,720,671	338,613,894	26,884,077	365,497,971
Federal	5,752,233	(3,478)	5,748,755	771,151	6,519,906
Other	30,400,000	-	30,400,000	-	30,400,000
Total revenues	\$ 1,681,413,089	\$ 99,743,109	\$ 1,781,156,198	\$ 28,594,067	\$ 1,809,750,265

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF BUDGET ADJUSTMENTS
GENERAL FUND
JUNE BUDGETARY UPDATE FISCAL YEAR 2014-2015 (as adjusted)

	Mid-Year Budget Adjustments	June Budget Adjustments
APPROPRIATION ADJUSTMENTS		
Carryover encumbrances	88,679,108	(225,521)
North Forest Incentive Funds	38,470,818	-
Campus PUA	15,963,915	-
Technology Infrastructure Initiatives	-	5,071,112
School Carryover	9,008,254	-
Capital Obligations	8,767,004	-
Tax Increment Reinvestment Zone (TIRZ)	7,164,086	-
Facility Assessment	-	4,000,000
North Forest State funds for building projects	-	28,000,000
SAP Reimplementation	-	2,477,361
Total adjustments to appropriations	\$ 168,053,185	\$ 39,322,952

DEBT SERVICE FUND

The recommended budget for the Debt Service Fund for the 2014-2015 fiscal year was adopted on June 19, 2014. The appropriations were \$278,160,227 with corresponding estimated revenue being \$278,995,481.

June Budget Update

The adjusted budget for the Debt Service fund revenues and other financing sources includes a net increase of \$390,251,893. The major increases are shown below:

Revenues

- An increase of \$337,601,969 in issuance of bonds and other debt.
- An increase of \$52,501,364 in premium on the sale of bonds.
- An increase of \$100,000 in interest earnings.
- An increase of \$52,368 in local taxes.
- A decrease of \$3,808 in the level of federal subsidy payments for Build America Bonds.

Appropriations

Appropriations increases show a net increase of \$401,819,653 and include the following:

- An increase of \$391,109,002 in payments to escrow agents – current refunding.
- An increase of \$51,144,651 in other financing uses resulting from the cash defeasance of North Forest ISD debt.
- A decrease of \$40,000,000 in principal payments.
- A decrease of \$1,134,000 in interest expenditures primarily resulting from lower interest costs from budgeted on deferred timing of bond sales, lower interest costs on variable rate debt, and savings on refunded debt.
- An increase of \$700,000 in fiscal charges and other miscellaneous expenditures due to costs related to the issuance of refunding debt and defeasance of North Forest ISD debt.

Budget

The appropriations budget for the Debt Service Fund is \$1,086,052,962. The final budgeted revenues and other sources total \$1,063,191,232. Other changes in revenues and appropriations will result in a decrease of \$22,861,730 to the unassigned fund balance of June 30, 2015, as compared to the previous fiscal year ending June 30, 2014 due to paying off additional debt, thereby reducing future interest payments.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY FUNCTION
DEBT SERVICE
JUNE BUDGETARY UPDATE FISCAL YEAR 2014-2015 (as adjusted)

REVENUES	<u>Adopted Budget</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>	<u>June Adjustments</u>	<u>June Adjusted Budget</u>
Local sources	\$ 240,152,874	\$ (10,289,173)	\$ 229,863,701	\$ 152,368	\$ 230,016,069
Federal sources	7,065,638	-	7,065,638	(3,808)	7,061,830
Total revenues	<u>\$ 247,218,512</u>	<u>\$ (10,289,173)</u>	<u>\$ 236,929,339</u>	<u>\$ 148,560</u>	<u>\$ 237,077,899</u>
EXPENDITURES	<u>Adopted Budget</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>	<u>June Adjustments</u>	<u>June Adjusted Budget</u>
Debt principal	\$ 243,601,937	\$ (96,944,590)	\$ 146,657,347	\$ (40,000,000)	\$ 106,657,347
Debt interest	32,558,290	100,217,341	132,775,631	(1,134,000)	131,641,631
Payments to escrow agents - current refunding	-	402,400,331	402,400,331	391,109,002	793,509,333
Debt service fees	2,000,000	400,000	2,400,000	700,000	3,100,000
Total expenditures	<u>\$ 278,160,227</u>	<u>\$ 406,073,082</u>	<u>\$ 684,233,309</u>	<u>\$ 350,675,002</u>	<u>\$ 1,034,908,311</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (30,941,715)</u>	<u>\$ (416,362,255)</u>	<u>\$ (447,303,970)</u>	<u>\$ (350,526,442)</u>	<u>\$ (797,830,412)</u>
OTHER FINANCING SOURCES (USES)					
Transfers-in	\$ 31,776,969	\$ -	\$ 31,776,969	\$ -	\$ 31,776,969
Issuance of bonds and other debt	-	404,233,031	404,233,031	337,601,969	741,835,000
Premium on the sale of bonds	-	-	-	52,501,364	52,501,364
Payments to escrow agents - cash defeasance	-	-	-	(51,144,651)	(51,144,651)
Total other financing sources (uses)	<u>\$ 31,776,969</u>	<u>\$ 404,233,031</u>	<u>\$ 436,010,000</u>	<u>\$ 390,103,333</u>	<u>\$ 774,968,682</u>
Net excess (deficiency) of revenues over (under) expenditures	\$ 835,254	\$	\$ (11,293,970)	\$	\$ (22,861,730)
Restricted fund balance, beginning	\$ 145,910,262		\$ 145,910,262		\$ 145,910,262
Restricted fund balance, ending	<u>\$ 146,745,516</u>		<u>\$ 134,616,292</u>		<u>\$ 123,048,532</u>

**STATEMENT OF REVENUES BY OBJECT
DEBT SERVICE FUND
JUNE BUDGETARY UPDATE FISCAL YEAR 2014-2015 (as adjusted)**

REVENUES	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget	June Adjustments	June Adjusted Budget
Transfers from other funds	\$ 31,776,969	\$ -	\$ 31,776,969	\$ -	\$ 31,776,969
Premium on sale of bonds	-	-	-	52,501,364	52,501,364
Issuance of bonds and other debt	-	404,233,031	404,233,031	337,601,969	741,835,000
Taxes, current year	235,952,874	(10,289,173)	225,663,701	52,368	225,716,069
Taxes, delinquent prior years	2,000,000	-	2,000,000	-	2,000,000
Taxes, penalty and interest	2,000,000	-	2,000,000	-	2,000,000
Interest earnings	200,000	-	200,000	100,000	300,000
Federal revenues - BABS subsidy	7,065,638	-	7,065,638	(3,808)	7,061,830
Total revenue	\$ 278,995,481	\$ 393,943,858	\$ 672,939,339	\$ 390,251,893	\$ 1,063,191,232

	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget	June Adjustments	June Adjusted Budget
Local	\$ 240,152,874	\$ (10,289,173)	\$ 229,863,701	\$ 152,368	\$ 230,016,069
Federal	7,065,638	-	7,065,638	(3,808)	7,061,830
Other	31,776,969	404,233,031	436,010,000	390,103,333	826,113,333
Total revenues	\$ 278,995,481	\$ 393,943,858	\$ 672,939,339	\$ 390,251,893	\$ 1,063,191,232

SPECIAL REVENUE FUND

The recommended budget for the Special Revenue Fund for the 2014-2015 fiscal year was adopted on June 19, 2014. The appropriations were \$209,132,458, with corresponding revenue being \$209,132,458. The Mid-Year budgeted revenue and other sources total \$274,928,443. The Mid-Year appropriations budget for Special Revenue Fund was \$301,949,258.

June Budget Update

The June budgeted revenue and other sources total \$293,518,162. The June appropriations budget for Special Revenue Fund is \$320,538,977. The unassigned fund balance of \$150,407 at June 30,2015 is E-rate funding.

The Special Revenue Fund was increased by \$18,589,719 as a result of additional grants new to the district and, amendments to existing grants held by the district.

Below are the major increases/decreases by funding source.

Local Sources:

- Increase in Houston Endowment Inc. of \$2,736,775
- Increase in E-rate of \$2,703,028

State Sources:

- Increase of Miscellaneous Transportation grants \$1,189,209
- Decrease of Case due to reclassification \$897,481

Federal Sources:

- Increase to Special Education IDEA-B \$5,019,241
- Increase to Race to the Top \$3,838,884
- Increase to Title I, School Improvement Plan (SIP) \$1,356,618
- Increase of Case due to reclassification \$897,481

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY FUNCTION
SPECIAL REVENUE FUND
JUNE BUDGETARY UPDATE FISCAL YEAR 2014-2015 (as adjusted)

REVENUES	<u>Adopted Budget</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>	<u>June Adjustments</u>	<u>June Adjusted Budget</u>
Local sources	\$ 368,000	\$ 9,653,144	\$ 10,021,144	\$ 6,738,458	\$ 16,759,602
State sources	17,731,823	(11,686,268)	6,045,555	1,063,398	7,108,953
Federal sources	191,032,635	67,829,109	258,861,744	10,787,863	269,649,607
Total revenues	\$ 209,132,458	\$ 65,795,985	\$ 274,928,443	\$ 18,589,719	\$ 293,518,162
APPROPRIATIONS	<u>Adopted Budget</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>	<u>June Adjustments</u>	<u>June Adjusted Budget</u>
Instruction	\$ 105,416,257	\$ 6,929,250	\$ 112,345,507	\$ 30,670,910	\$ 143,016,417
Instructional resources and media services	346,969	385,080	732,049	21,380	753,429
Instructional staff development	54,299,831	43,887,573	98,187,404	(19,360,132)	78,827,272
Curriculum development	82,321	128,152	210,473	(6,370)	204,103
Instructional leadership	6,200,706	6,682,573	12,883,279	(489,321)	12,393,958
School leadership	1,687,681	(75,475)	1,612,206	114,213	1,726,419
Guidance, counseling and evaluation services	7,671,423	3,225,569	10,896,992	2,656,675	13,553,667
Social work services	779,146	656,975	1,436,121	(56,586)	1,379,535
Health services	2,591,917	510,966	3,102,883	1,675,619	4,778,502
Student transportation	2,040,177	316,992	2,357,169	1,257,203	3,614,372
Food services	4,446	494	4,940	64,000	68,940
Co-curricular/extracurricular activities	1,719,548	1,508,669	3,228,217	546,115	3,774,332
General administration	3,155,354	658,212	3,813,566	(43,698)	3,769,868
Plant maintenance and operations	448,779	192,456	641,235	146,043	787,278
Security and monitoring services	176,583	99,800	276,383	23,441	299,824
Data processing services	16,946,749	9,257,680	26,204,429	1,176,998	27,381,427
Community services	2,944,891	3,858,284	6,803,175	(184,686)	6,618,489
Debt service	-	-	11,299,184	-	11,299,184
Facilities acquisition and construction	678,997	107,188	786,185	259,384	1,045,569
Payment to fiscal agent/member districts of shared services arrangements	1,940,683	3,187,178	5,127,861	118,531	5,246,392
Total appropriations	\$ 209,132,458	\$ 81,517,616	\$ 301,949,258	\$ 18,589,719	\$ 320,538,977
Excess (deficiency) of revenues over (under) appropriations	\$ -	\$ (15,721,631)	\$ (27,020,815)	\$ -	\$ (27,020,815)
Unassigned fund balance, beginning	\$ 27,171,222		\$ 27,020,815		\$ 27,171,222
Unassigned fund balance, ending	\$ 27,171,222		\$ -		\$ 150,407

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF GRANT SOURCES
SPECIAL REVENUE FUND
JUNE BUDGETARY UPDATE FISCAL YEAR 2014-2015 (as adjusted)

	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget	June Adjustments	June Adjusted Budget
<u>Local sources</u>					
Arnold Foundation	\$ -	\$ 41,757	\$ 41,757	-	41,757
E-rate	-	20,014,774	20,014,774	2,703,028	22,717,802
City of Houston Youth Ball Field	-	-	-	602,207	602,207
HISD Foundation	-	33,786	33,786	-	33,786
Lost Instructional Materials	-	7,013,451	7,013,451	1,440	7,014,891
Misc. Project Grants	368,000	5,285,777	5,653,777	695,009	6,348,786
TX Music Project - Sound Investment	-	1,572	1,572	-	1,572
Houston Endowment Inc.	-	-	-	2,736,775	2,736,775
Special Ed. Local	-	4,282,841	4,282,841	-	4,282,841
Total local sources	\$ 368,000	\$ 36,673,958	\$ 37,041,958	\$ 6,738,459	\$ 43,780,417
<u>State sources</u>					
CASE	\$ -	\$ 1,006,740	\$ 1,006,740	\$ (897,481)	\$ 109,259
Instructional Allotment	16,610,011	(13,173,047)	3,436,964	-	3,436,964
Misc. State Grants	1,121,812	(514,295)	607,517	1,189,209	1,796,726
Special Ed. - State Programs	-	1,766,004	1,766,004	-	1,766,004
Total state sources	\$ 17,731,823	\$ (10,914,598)	\$ 6,817,225	\$ 291,728	\$ 7,108,953
<u>Federal sources</u>					
21ST Century	\$ 4,951,353	\$ 575,082	\$ 5,526,435	\$ -	\$ 5,526,435
Carl Perkins	2,881,163	200,317	3,081,480	-	3,081,480
E-rate	19,681,223	(19,681,223)	-	-	-
Magnet School Assistance Program	3,998,963	4,670,459	8,669,422	-	8,669,422
Misc. Federal Grants	3,758,859	503,896	4,262,755	255,230	4,517,985
Special Education	31,934,229	5,816,733	37,750,962	5,019,241	42,770,203
Special Ed. - Preschool	414,172	497,685	911,857	(13,084)	898,773
Teacher Incentive	3,927,177	12,126,602	16,053,779	-	16,053,779
Title I - Part A	93,319,596	37,466,817	130,786,413	15,578	130,801,991
Title I - Migrant	461,000	480,790	941,790	-	941,790
Title I - SIP	-	7,917,508	7,917,508	1,356,618	9,274,126
Title II - Part A	11,618,484	11,258,011	22,876,495	4,508	22,881,003
Title III - Part A - LEP	5,876,933	3,357,947	9,234,880	185,076	9,419,956
Title III - Immigrant	1,556,222	39,903	1,596,125	-	1,596,125
TTIPS	-	3,319,623	3,319,623	-	3,319,623
Special Ed. Shared Services	-	258,225	258,225	-	258,225
CASE	-	-	-	897,481	897,481
Race to the Top	6,653,261	(1,750,935)	4,902,326	3,838,884	8,741,210
Total federal sources	\$ 191,032,635	\$ 67,057,440	\$ 258,090,075	\$ 11,559,532	\$ 269,649,607
Total budget and revenues	\$ 209,132,458	\$ 92,816,800	\$ 301,949,258	\$ 18,589,719	\$ 320,538,977

Note: Sources include fund balances from E-Rate and lost textbooks.

NUTRITION SERVICE FUND

The recommended budget for the Nutrition Service Fund for the 2014-2015 fiscal year was adopted on June 19, 2014. The appropriations were \$116,356,388, with corresponding estimated revenues being \$118,461,785.

June Budget Adjustments

Revenues are being increased by \$2,935,671 primarily due to the implementation of a new Community Eligibility Provision (CEP) program in Nutrition services as well as an increase in donated commodities.

Appropriations are being increased by \$743,964 primarily due to the 3% salary increase implemented by the board as well as the increased cost from the CEP program.

June Budget

The appropriations budget for the Nutrition Service Fund (as adjusted) has appropriations of \$120,250,344 with corresponding estimated revenue of \$124,362,660 reflecting a change in total net assets of \$4,112,316 since the 2014-2015 adopted budget.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY MAJOR OBJECT
NUTRITION SERVICE FUND (FD1)
JUNE BUDGETARY UPDATE FISCAL YEAR 2014-2015 (as adjusted)

REVENUES	<u>Adopted Budget</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>	<u>June Adjustments</u>	<u>June Adjusted Budget</u>
Sales to customers	\$ 9,675,482	\$ -	\$ 9,675,482	\$ (1,028,674)	\$ 8,646,808
Miscellaneous other sources	540,559	(514,999)	25,560	(12,127)	13,433
Total revenues	\$ 10,216,041	\$ (514,999)	\$ 9,701,042	\$ (1,040,801)	\$ 8,660,241
EXPENDITURES	<u>Adopted Budget</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>	<u>June Adjustments</u>	<u>June Adjusted Budget</u>
Payroll costs	\$ 45,643,984	\$ 1,630,902	\$ 47,274,886	\$ 783,508	\$ 48,058,394
Purchased and contracted services	11,083,674	-	11,083,674	(355,951)	10,727,723
Supplies and materials	58,293,998	1,519,090	59,813,088	(257,970)	59,555,118
Other operating expenses	1,023,341	-	1,023,341	425,722	1,449,063
Depreciation	311,391	-	311,391	148,655	460,046
Total expenditures	\$ 116,356,388	\$ 3,149,992	\$ 119,506,380	\$ 743,964	\$ 120,250,344
Excess (deficiency) of revenues over (under) expenditures	\$ (106,140,347)	\$ (3,664,991)	\$ (109,805,338)	\$ (1,784,765)	\$ (111,590,103)
OTHER FINANCING SOURCES (USES)					
Earnings on investments	\$ 4,500	\$ -	\$ 4,500	\$ 6,705	\$ 11,205
Grants from federal agencies					
Child nutrition program	99,029,211	3,480,203	102,509,414	2,071,277	104,580,691
Summer food program	3,126,214	-	3,126,214	185,853	3,312,067
Donated commodities	5,491,628	-	5,491,628	1,734,081	7,225,709
State matching and other	594,191	-	594,191	(21,444)	572,747
Total non-operating revenue	\$ 108,245,744	\$ 3,480,203	\$ 111,725,947	\$ 3,976,472	\$ 115,702,419
Income before transfers	\$ 2,105,397	\$ (184,788)	\$ 1,920,609	\$ 2,191,707	\$ 4,112,316
Change in net assets	\$ 2,105,397	\$ (184,788)	\$ 1,920,609	\$ 2,191,707	\$ 4,112,316
Total net assets, beginning	\$ 21,234,572	\$ 21,234,572	\$ 21,234,572	\$ -	\$ 21,234,572
Total net assets, ending	\$ 23,339,969	\$ 21,049,784	\$ 23,155,181	\$ 2,191,707	\$ 25,346,888

CAPITAL RENOVATION FUND

The recommended budget for the Capital Renovation Fund for the 2014-2015 fiscal year was adopted on June 19, 2014. The appropriations were \$162,646,844, with corresponding estimated revenues and other sources of \$38,505,312.

Carryover and Budget Adjustments

The Capital Renovation Fund was adjusted to show all funds available, including prior year carryover funds, new revenues anticipated at the start of the year, additional revenues or appropriations identified since the adoption of the budget. Unspent funds will be carried over to the 2015-2016 for the completion of ongoing projects.

June Available Funds

The available funds for the Capital Renovation Fund is \$999,966,035 including carryover and budget adjustments for construction projects. The budgeted revenues and other sources total \$450,859,364. There is an overall net increase of \$3,475,976 in both revenues and available funds:

Revenues:

- A \$2,233,862 increase in the proceeds from the sale of capital assets which include several sales of property and a re-class expenditure.
- Miscellaneous revenues increased by \$1,242,114.

Available funds:

- Available funds are being increased by \$3,475,976 due to the same amount of increased revenues and other financing sources.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY FUNCTION
CAPITAL RENOVATION FUND
JUNE BUDGETARY UPDATE FISCAL YEAR 2014-2015 (as adjusted)

REVENUES	<u>Adopted Budget</u>	<u>Carryover</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>	<u>June Adjustments</u>	<u>June Adjusted Budget</u>
Local sources	\$ 22,935,312	\$ -	\$ 768,558	\$ 23,703,870	\$ 1,242,114	\$ 24,945,984
Total revenues	\$ 22,935,312	\$ -	\$ 768,558	\$ 23,703,870	\$ 1,242,114	\$ 24,945,984
EXPENDITURES	<u>Adopted Budget</u>	<u>Carryover</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget for Future Authorized Projects</u>	<u>June Adjustments</u>	<u>June Adjusted Budget for Future Authorized Projects</u>
Facilities acquisition and construction	\$ 150,000,000	\$ 424,965,139	\$ 408,878,076	\$ 983,843,215	\$ 3,475,976	\$ 987,319,191
Total expenditures	\$ 150,000,000	\$ 424,965,139	\$ 408,878,076	\$ 983,843,215	\$ 3,475,976	\$ 987,319,191
Excess (deficiency) of revenues over (under) expenditures	\$ (127,064,688)	\$ (424,965,139)	\$ (408,109,518)	\$ (960,139,345)	\$ (2,233,862)	\$ (962,373,207)
OTHER FINANCING SOURCES (USES)						
Transfers-in	\$ 15,570,000	\$ -	\$ 1,926,857	\$ 17,496,857	\$ -	\$ 17,496,857
Transfers-out	(12,646,844)	-	-	(12,646,844)	-	(12,646,844)
Sale of bonds and contractual obligations	-	-	351,383,778	351,383,778	-	351,383,778
Proceeds from sale of capital assets	-	-	54,798,883	54,798,883	2,233,862	57,032,745
Total other financing sources (uses)	\$ 2,923,156	\$ -	\$ 408,109,518	\$ 411,032,674	\$ 2,233,862	\$ 413,266,536
Net excess (deficiency) of revenues over (under) expenditures	\$ (124,141,532)			\$ (549,106,671)		\$ (549,106,671)
Restricted fund balance, beginning	\$ 549,106,671			\$ 549,106,671		\$ 549,106,671
Restricted fund balance, ending	\$ 424,965,139			\$ -		\$ -