

Houston Independent School District

Mid-Year Budgetary

Update 2009–2010



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*Fiscal Year:
July 1, 2009–June 30, 2010
Houston, Texas*



Creating a College-Bound Culture



HOUSTON INDEPENDENT SCHOOL DISTRICT

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MID-YEAR BUDGETARY UPDATE 2009-2010

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GENERAL FUND

The recommended budget for the General Fund for the 2009-2010 fiscal year was adopted on June 25, 2009. The appropriations were \$1,626,457,168, with corresponding estimated revenues of \$1,574,402,251.

Budget Adjustments

The adjusted budget for the General Fund revenues includes net reductions of \$18,643,532. This includes adjustments to funds moved to the State Fiscal Stabilization Fund (SFSF), property taxes, state aid, interest earnings, TRS on-behalf payments and miscellaneous state revenues which are represented in more detail on page 4.

The adjusted budget for the General Fund includes appropriation increases of \$41,520,235. This includes adjustments for:

1. Reserve adjustments in the amounts of \$11,388,060 for school carryover, \$9,139,079 from capital outlay funds for the purchase of Food Service assets, and \$30,827,067 for carryover encumbrances.
2. Reduction of appropriations from the General Fund which were re-appropriated to the State Fiscal Stabilization Fund (SFSF) in the amount of (\$42,926,307).
3. Items previously approved by the board including enrollment adjustment for \$11,061,836, teacher salary adjustment for \$1,547,869, Real Men Read for \$250,000 and High School Ahead for \$1,627,080, and other miscellaneous adjustments in the amount of \$13,650.
4. New appropriation adjustments to the budget including \$10,000,000 for health insurance claims, \$4,404,609 in transfers out to the Food Service Fund, \$187,292 in transfers out to the Debt Service fund for the .04 pennies, and \$4,000,000 for TRS on-behalf payments.

Included above are appropriation adjustments needed for the Food Service Fund. As a result of the exit interview with the Texas Department of Agriculture (TDA) on the recent compliance audit, it will be necessary for the district to provide supplemental funds for the cash deficit in the Food Service Fund. This will be accomplished through the purchase of the Food Service capital assets and an operating transfer of \$4,404,609 from the current year excess revenues over appropriations.

Mid-Year Budget

The appropriations budget for the General Fund is \$ \$1,667,977,403, including carryover. The final budgeted revenues and other sources total \$1,555,758,719. Year-end undesignated fund balance is estimated to be \$244,729,404 as compared to the June 30, 2009 of \$240,593,882.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY FUNCTION
GENERAL FUND
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2009-2010 (as adjusted)

REVENUES	Adopted Budget	Carryover	Mid-Year Adjustments	Mid-Year Adjusted Budget
Local sources	\$ 1,080,254,667	\$ -	\$ (8,354,536)	\$ 1,071,900,131
State sources	455,140,803	-	(24,460,788)	430,680,015
Federal sources	5,163,139	-	3,524,737	8,687,876
Total Revenues	\$ 1,540,558,609	\$ -	\$ (29,290,587)	\$ 1,511,268,022
EXPENDITURES	Adopted Budget	Carryover	Mid-Year Adjustments	Mid-Year Adjusted Budget
Instruction	921,534,982	3,900,734	(11,349,842)	914,085,874
Instructional resources and media services	16,251,279	680,535	1,362,254	18,294,068
Instructional staff development	12,500,837	2,818,059	(92,769)	15,226,127
Curriculum development	4,558,811	62,571	61,069	4,682,451
Instructional leadership	25,370,049	98,350	(4,379,274)	21,089,125
School leadership	122,921,389	385,141	4,979,095	128,285,625
Guidance, counseling and evaluation services	37,114,664	212,900	812,003	38,139,567
Social work services	1,359,877	-	(49,854)	1,310,023
Health services	19,708,863	2,044	332,945	20,043,852
Student transportation	48,889,518	1,007,296	1,218,008	51,114,822
Food services	209,230	-	9,179,094	9,388,324
Co-Curricular/extracurricular activities	10,472,119	8,155,526	2,917,864	21,545,509
General administration	38,136,446	1,728,152	(259,572)	39,605,026
Plant maintenance and operations	188,354,910	8,812,370	(644,635)	196,522,645
Security and monitoring services	18,860,846	131,722	1,016,835	20,009,403
Data processing services	25,011,351	2,666,250	757,628	28,435,229
Community services	2,028,585	-	121,506	2,150,091
Debt service	59,772	-	120,711	180,483
Facilities acquisition and construction	-	165,417	(1,800)	163,617
Juvenile justice alternative education programs	2,990,080	-	-	2,990,080
TIRZ	37,780,666	-	-	37,780,666
Intergovernmental Charges	10,232,492	-	-	10,232,492
Total Expenditures	\$ 1,544,346,766	\$ 30,827,067	\$ 6,101,267	\$ 1,581,275,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,788,157)	\$ (30,827,067)	\$ (35,391,854)	\$ (70,007,078)
OTHER FINANCING SOURCES (USES)				
Transfers-in	10,268,642	-	9,472,055	19,740,697
Transfers-out	(82,110,402)	-	(4,591,901)	(86,702,303)
Sale of contractual obligations	23,500,000	-	1,175,000	24,675,000
Capital leases	75,000	-	-	75,000
Total Other Financing Sources (uses)	\$ (48,266,760)	\$ -	\$ 6,055,154	\$ (42,211,606)
Net Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,054,917)	-	(60,163,767)	(112,218,684)
Reserve Adjustment	15,000,000	-	51,354,206	66,354,206
Estimated Fallout	50,000,000	-	-	50,000,000
Undesignated Fund Balance, beginning	240,593,882	-	-	240,593,882
Undesignated Fund Balance, ending	\$ 253,538,965	\$ -	\$ (8,809,561)	\$ 244,729,404

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES BY OBJECT
GENERAL FUND
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2009-2010 (as adjusted)

REVENUES	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget
Taxes, current year	1,021,457,007	4,713,675	1,026,170,682
Taxes, delinquent prior years	26,000,000	(13,000,000)	13,000,000
Taxes, penalty and interest	18,000,000	-	18,000,000
Revenue in lieu of taxes	1,350,000	914,929	2,264,929
Tuition, summer	850,000	(75,000)	775,000
Insurance Recovery Proceeds	-	2,739,520	2,739,520
Interest earnings	6,200,000	(4,000,000)	2,200,000
Rental of facilities	150,000	600,000	750,000
Miscellaneous revenues	3,000,000	-	3,000,000
Revenue other governments	3,247,660	(247,660)	3,000,000
Per capita state revenues	17,931,705	1,435,318	19,367,023
Foundation school program	369,209,098	(30,196,106)	339,012,992
Other state revenues	-	300,000	300,000
TRS on behalf of	68,000,000	4,000,000	72,000,000
Federal revenue through TEA	3,113,400	3,314,476	6,427,876
Army salary revenue	1,796,477	3,523	1,800,000
Air Force salary revenue	68,556	(8,556)	60,000
Navy salary revenue	184,706	15,294	200,000
Direct Federal Revenue	-	200,000	200,000
Total Revenue	\$ 1,540,558,609	\$ (29,290,587)	\$ 1,511,268,022
 OTHER FINANCING SOURCES			
Sale of bonds	\$ 23,500,000	\$ 1,175,000	\$ 24,675,000
Transfer from other funds	10,268,642	9,472,055	19,740,697
Proceeds, leases	75,000	-	75,000
	\$ 33,843,642	\$ 10,647,055	\$ 44,490,697
	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget
Local	\$ 1,080,254,667	\$ (8,354,536)	\$ 1,071,900,131
State	455,140,803	(24,460,788)	430,680,015
Federal	5,163,139	3,524,737	8,687,876
Other	33,843,642	10,647,055	44,490,697
Total Revenues	\$ 1,574,402,251	\$ (18,643,532)	\$ 1,555,758,719

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF BUDGET ADJUSTMENTS
GENERAL FUND
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2009-2010 (as adjusted)

REVENUE ADJUSTMENTS	Mid-Year Budget Adjustments
Sale of bonds	\$ 1,175,000
Transfer from other funds	9,472,055
Taxes, current year	4,713,675
Taxes, delinquent prior years	(13,000,000)
Revenue in lieu of taxes	914,929
Tuition, summer	(75,000)
Insurance Recovery Proceeds	2,739,520
Interest earnings	(4,000,000)
Rental of facilities	600,000
Revenue other governments	(247,660)
Per capita state revenues	1,435,318
Foundation school program	(30,196,106)
Other state revenues	300,000
TRS on behalf of	4,000,000
Federal revenue through TEA	3,314,476
Army salary revenue	3,523
Air Force salary revenue	(8,556)
Navy salary revenue	15,294
Direct Federal Revenue	200,000
Total Adjustments to Revenue	\$ (18,643,532)
APPROPRIATION ADJUSTMENTS	
School carryover	\$ 11,388,060
Enrollment increase to PUA	11,061,836
HB3646 Teacher Salary scale adjustment	1,547,869
Real Men Read	250,000
Moved to SFSF	(42,926,307)
Transfers out to Food Service	4,404,609
Health Insurance claims	10,000,000
Food Service Capital Purchases	9,139,079
Vendor Fairs	13,650
High School Ahead	1,627,080
Transfers out from .04 pennies for Debt Service	187,292
TRS On-behalf of	4,000,000
Carryover Encumbrances	30,827,067
Total Adjustments to Appropriations	\$ 41,520,235

DEBT SERVICE FUND

The recommended budget for the Debt Service Fund for the 2009-2010 fiscal year was adopted on June 25, 2009. The appropriations were \$215,669,657, with corresponding estimated revenue being \$216,259,221.

Carryover and Budget Adjustments

As a result of the establishment of the pay-as-you-go Capital Projects initiative, the Debt Service tax rate was reduced in the 2006-2007 school year by four cents resulting in a reduction of current tax revenues generated by the Debt Service tax rate. To make up for the reduction of local tax revenue, a transfer of funds from the General Fund to Debt Service was established.

Revenues in excess of appropriations are used to pay down the district's outstanding variable debt resulting in the reduction of future debt costs. For the 2009-2010 fiscal year, the district will make an additional variable debt payment in the amount of \$34,000,000.

The Debt Service Fund has appropriation decreases in the amount of \$9,110,198 from variable rate debt payments for Series 2004 bonds which was originally estimated at a higher percentage interest rate than current rates.

Revenues have a net increase of \$516,638 from an increase in the transfers-in related to the shift of the four cents in the amount of \$187,292 and an increase in the local roll value in the amount of \$702,346 and a decrease in interest earnings in the amount of \$373,000.

Mid-Year Budget

The appropriations budget for the Debt Service Fund (as adjusted) is \$206,559,459, including budget adjustments. The adjusted revenue and other sources total \$216,775,859.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY FUNCTION
DEBT SERVICE FUND
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2009-2010 (as adjusted)

REVENUES	<u>Adopted Budget</u>	<u>Carryover</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>
Local sources	\$ 155,368,819	\$ -	\$ 329,346	\$ 155,698,165
Total Revenues	<u>\$ 155,368,819</u>	<u>\$ -</u>	<u>\$ 329,346</u>	<u>\$ 155,698,165</u>
EXPENDITURES				
	<u>Adopted Budget</u>	<u>Carryover</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>
Debt principal	91,049,547	-	-	91,049,547
Debt interest	123,120,110	-	(9,110,198)	114,009,912
Debt service fees	1,500,000	-	-	1,500,000
Total Expenditures	<u>\$ 215,669,657</u>	<u>\$ -</u>	<u>\$ (9,110,198)</u>	<u>\$ 206,559,459</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (60,300,838)</u>	<u>\$ -</u>	<u>\$ 9,439,544</u>	<u>\$ (50,861,294)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of bonds and other debt	-	-	-	-
Payments to escrow agents	-	-	-	-
Transfers In	60,890,402	-	187,292	61,077,694
Total Other Financing Sources (uses)	<u>\$ 60,890,402</u>	<u>\$ -</u>	<u>\$ 187,292</u>	<u>\$ 61,077,694</u>
Net Excess (Deficiency) of Revenues Over (Under) Expenditures	589,564			10,216,400
Reserve Adjustment	-			-
Undesignated Fund Balance	107,500,267			107,500,267
Undesignated Fund Balance	<u>\$ 108,089,831</u>			<u>\$ 117,716,667</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES BY OBJECT
DEBT SERVICE FUND
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2009-2010 (as adjusted)

REVENUES	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget
Transfer from other funds	60,890,402	187,292	61,077,694
Taxes, current year	152,198,819	702,346	152,901,165
Taxes, delinquent prior years	1,400,000	-	1,400,000
Taxes, penalty and interest	1,000,000	-	1,000,000
Interest earnings	770,000	(373,000)	397,000
GRAND TOTAL	\$ 216,259,221	\$ 516,638	\$ 216,775,859

	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget
Local	\$ 155,368,819	\$ 329,346	\$ 155,698,165
Other	60,890,402	187,292	61,077,694
Total Revenues	\$ 216,259,221	\$ 516,638	\$ 216,775,859

SPECIAL REVENUE FUND

The recommended budget for the Special Revenue Fund for the 2009-2010 fiscal year was adopted on June 25, 2009. The appropriations were \$368,665,965, with corresponding revenue being \$359,323,332.

Carryover and Budget Adjustments

The Special Revenue Fund is being increased by \$145,209,499 as a result of the 2008-2009 carryover of prior year grants, additional grants new to the district and amendments to existing grants held by the district.

Mid-Year Budget

The appropriations budget for the Special Revenue Fund is \$513,875,464, including carryover, budget adjustments and beginning fund balances of \$9,342,633.

The budgeted revenue and other sources total \$513,875,464.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY FUNCTION
SPECIAL REVENUE FUND
MID-YEAR BUDGETARY UPDATE FOR FISCAL YEAR 2009-2010 (as adjusted)

BUDGETED REVENUES	<u>Adopted Budget</u>	<u>Carryover</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>
Local sources	\$ 30,067,270	\$ 14,590,815	\$ (25,545,434)	\$ 19,112,651
State sources	63,246,572	18,704,374	(41,291,181)	40,659,765
Federal sources	266,009,490	4,864,036	173,886,889	444,760,415
Total Budgeted Revenues	\$ 359,323,332	\$ 38,159,225	\$ 107,050,274	\$ 504,532,831
BUDGETED EXPENDITURES	<u>Adopted Budget</u>	<u>Carryover</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>
Instruction	\$ 210,268,061	\$ 7,589,842	\$ (41,208,959)	\$ 176,648,944
Instructional resources and media services	739,875	71,661	106,226	917,762
Instructional staff development	75,226,885	14,154,445	172,048,738	261,430,068
Curriculum development	-	11,196	367,311	378,507
Instructional leadership	11,560,544	432,203	(519,048)	11,473,699
School leadership	3,517,255	846,012	(1,132,329)	3,230,938
Guidance, counseling and evaluation services	13,475,118	682,121	1,558,343	15,715,582
Social work services	1,397,978	95,133	106,924	1,600,035
Health services	2,239,839	28,924	(1,163,697)	1,105,066
Student transportation	1,842,783	229,293	(778,640)	1,293,436
Food services	71,268	141,405	96,760	309,433
Co-Curricular/extracurricular activities	4,436,128	587,535	(1,942,154)	3,081,509
General administration	4,771,135	(179,516)	531,520	5,123,139
Plant maintenance and operations	2,711,149	2,839,387	(3,118,636)	2,431,900
Security and monitoring services	893,768	37,616	(411,962)	519,422
Data processing services	30,839,123	10,016,392	(17,780,523)	23,074,992
Community services	4,421,886	409,200	(1,372,421)	3,458,665
Juvenile justice alternative education programs	-	-	-	-
Debt service	1,808	-	(1,808)	-
Facilities acquisition and construction	251,362	166,376	1,664,629	2,082,367
TIRZ	-	-	-	-
Intergovernmental Charges	-	-	-	-
Total Budgeted Expenditures	\$ 368,665,965	\$ 38,159,225	\$ 107,050,274	\$ 513,875,464
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (9,342,633)	\$ -	\$ -	\$ (9,342,633)
Net Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (9,342,633)	\$ -	\$ -	\$ (9,342,633)
Beginning fund balance - Prior Period Adjustment	9,342,633	-	-	9,342,633
Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ESTIMATED REVENUE AND BUDGETED APPROPRIATIONS BY GRANT
SPECIAL REVENUE FUND
MID-YEAR BUDGETARY UPDATE FOR FISCAL YEAR 2009-2010 (as adjusted)

APPROPRIATIONS	Revised Adopted Budget	Mid-Year Adjustments	Mid-Year Budget
<u>Local sources</u>			
ANNENBERG GRANT	\$ 359,590	\$ (13,473)	\$ 346,117
BILL & MELINDA GATES	-	1,913,596	1,913,596
HISD FOUNDATION	-	6,767	6,767
SEQUOIA FOUNDATION	-	33,000	33,000
BUSH - CLINTON HURRICANE RELIEF	-	15,025	15,025
HOUSTON KATRINA/ RITA FUND	15,000	267,049	282,049
HOUSTON LIVESTOCK SHOW & RODEO	-	642,008	642,008
MCNAIR FOUNDATION	-	68,068	68,068
E-RATE	-	9,342,633	9,342,633
TX MUSIC PROJECT - SOUND INVESTMEN5T	-	94,245	94,245
THE 100% CAMPAIGN	-	-	-
BROAD FOUNDATION	-	5,315	5,315
MICHAEL & SUSAN DELL	-	1,625,703	1,625,703
MISC PROJECT GRANTS	10,617,785	(5,879,660)	4,738,125
Total Local Sources	\$ 10,992,375	\$ 8,120,276	\$ 19,112,651
<u>State Sources</u>			
HOUSE BILL ONE	\$ -	\$ 1,200,751	\$ 1,200,751
INVESTMENT CAPITAL FUNDS	-	464,340	464,340
OPTIONAL EXTENDED YEAR	1,168,788	(710,790)	457,998
LIFE SKILLS PROGRAMS	228,701	111,155	339,856
SPECIAL ED - STATE PROGRAMS	-	678,566	678,566
INTENSIVE MATH INITIATIVE	-	56,916	56,916
INTENSIVE READING INITIATIVE	-	74,528	74,528
STATE TECHNOLOGY	6,146,175	5,727,665	11,873,840
PROJECT GRAD	-	3,432	3,432
TX FITNESS NOW	-	563,421	563,421
TX REDESIGN & RESTRUCTURING	605,000	(605,000)	-
PRE K & KINDERGARTEN	1,400,992	6,197,901	7,598,893
ACCELERATED MATH INTERVENTION	-	529,807	529,807
ACCELERATED READING INTERVENTION	-	862,163	862,163
TX EDUCATORS EXCELLENCE AWARD GRANT	-	6,946,749	6,946,749
MISC STATE GRANTS	41,174,011	(32,165,506)	9,008,505
Total State Sources	\$ 50,723,667	\$ (10,063,902)	\$ 40,659,765
<u>Federal Sources</u>			
TITLE I - PART A	\$ 97,263,639	\$ 20,252,375	\$ 117,516,014
TITLE II - PART A	15,671,459	1,562,001	17,233,460
TITLE III - PART A - LEP	6,606,378	412,883	7,019,261
TITLE IV - PART A	975,033	473,266	1,448,299
SPECIAL ED	32,989,000	30,609,318	63,598,318
TX READ FIRST - K-3	-	6,484,325	6,484,325
GEAR UP	-	3,122,400	3,122,400
STAR GRANT	-	2,233	2,233
TITLE I-STIMULUS	85,504,909	5,112,150	90,617,059
TITLE II - PART A-STIMULUS	-	-	-
TITLE II - PART D-STIMULUS	-	2,718,049	2,718,049
SPECIAL ED STIMULUS	43,503,927	-	43,503,927
MISC STIMULUS	-	227,723	227,723
STATE FISCAL STABILIZATION FUNDS	9,662,000	46,636,007	56,298,007
PROJECT GRAD	-	1,528,300	1,528,300
CARL PERKINS	3,614,352	142,201	3,756,553
TITLE I -MIGRANT	560,594	162,606	723,200
TITLE II PART D	939,575	675,374	1,614,949
MISC FEDERAL GRANTS	316,424	27,031,914	27,348,338
Total Federal Sources	\$ 297,607,290	\$ 147,153,125	\$ 444,760,415
TOTAL BUDGET AND REVENUES	\$ 359,323,332	\$ 145,209,499	\$ 504,532,831

FOOD SERVICE FUND

The recommended budget for the Food Service Fund for the 2009-2010 fiscal year was adopted on June 16, 2009. The appropriations were \$97,293,765, with corresponding estimated revenue being \$98,224,956.

Carryover and Budget Adjustments

Functional changes and budget amendments previously approved by the Board of Education to the Food Service Fund increased appropriations by \$15,426,995 and increased revenues by \$1,211,382.

Mid-Year Budget

The appropriations budget for the Food Service Fund (as adjusted) has appropriations of \$112,720,760 with corresponding estimated revenue of \$99,436,338. Based on Texas Department of Agriculture regulations and the deficit position of the Food Service Fund, it will be necessary for the final project deficit as of June 30, 2010 to be funded through a transfer of fund balance from the General Operating Fund.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY MAJOR OBJECT
FOOD SERVICE FUND
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2009-2010 (as adjusted)

REVENUES	<u>Adopted Budget</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>
Sales to customers	\$ 15,865,690	\$ (4,887,017)	\$ 10,978,673
Miscellaneous other sources	404,359	(73,569)	330,790
Total Revenues	\$ 16,270,049	\$ (4,960,586)	\$ 11,309,463
EXPENDITURES	<u>Adopted Budget</u>	<u>Mid-Year Adjustments</u>	<u>Mid-Year Adjusted Budget</u>
Payroll costs	39,290,166	4,949,873	44,240,039
Purchased and contracted services	13,972,497	(533,709)	13,438,788
Supplies and materials	42,825,505	7,820,072	50,645,577
Other operating expenses	265,584	733,818	999,402
Depreciation	940,013	2,456,941	3,396,954
Total Expenditures	\$ 97,293,765	\$ 15,426,995	\$ 112,720,760
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (81,023,716)	\$ (20,387,581)	\$ (101,411,297)
OTHER FINANCING SOURCES (USES)			
Earnings on investments	28,218	(25,867)	2,351
Grants from federal agencies			
Child nutrition program	72,569,586	4,826,623	77,396,209
Summer food program	4,504,852	361,622	4,866,474
Donated commodities	4,188,664	1,048,177	5,236,841
State matching and other	663,587	(38,587)	625,000
Total non-operating revenue	\$ 81,954,907	\$ 6,171,968	\$ 88,126,875
Income before transfers	931,191	-	(13,284,422)
Transfers out	-	-	-
Change in net assets	931,191	-	(13,284,422)
Total net assets, beginning	746,616	-	746,616
Total net assets, ending	\$ 1,677,807	-	(12,537,806) ⁽¹⁾

(1) The transfer from the General Operating Fund will be requested at the time of the final budget update to the Board of Education June, 2010.

CAPITAL RENOVATION FUND (INCLUDING PUBLIC FACILITY CORPORATION)

The recommended budget for the Capital Renovation Fund including the Public Facility Corporation (PFC) for the 2009-2010 fiscal year was adopted on June 25, 2009. The appropriations were \$185,720,633, with corresponding estimated revenues and other sources of \$52,325,260.

Carryover and Budget Adjustments

The Capital Renovation Fund was adjusted to show all funds available including those from prior year carryover funds, new revenues anticipated at the start of the year adjusted by additional revenues or appropriations identified since budget adoption. Unspent funds will be carried over to 2010-2011 for completion of ongoing projects.

Mid-Year Budget

The appropriations budget for the Capital Renovation Fund, including the PFC has appropriations and transfers out of \$1,071,523,754, including carryover and budget adjustments for construction projects. The budgeted revenues and other sources total \$459,921,232. There is an adjustment of \$407,595,972 to both revenues and appropriations to reflect the sale of bonds.

Included in the mid-year budget is \$12,000,000 in appropriations that will be used for the purchase of Food Service assets. This is in combination with funds from the General Fund. See page 1 for more detail on this appropriation.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY FUNCTION
CAPITAL RENOVATION FUND AND PUBLIC FACILITIES CORPORATION
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2009-2010 (as adjusted)

REVENUES	Adopted Budget	Carryover	Mid-Year Adjustments	Mid-Year Adjusted Budget
Local sources	\$ 21,825,260	\$ -	\$ -	\$ 21,825,260
Total Revenues	\$ 21,825,260	\$ -	\$ -	\$ 21,825,260
				Mid-Year Adjusted Budget for Future Authorized Projects
EXPENDITURES	Adopted Budget	Carryover	Mid-Year Adjustments	Mid-Year Adjusted Budget for Future Authorized Projects
Facilities acquisition and construction	176,440,633	478,207,149	407,595,972	1,062,243,754
Total Expenditures	\$ 176,440,633	\$ 478,207,149	\$ 407,595,972	\$ 1,062,243,754
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (154,615,373)	\$ (478,207,149)	\$ (407,595,972)	(1,040,418,494)
OTHER FINANCING SOURCES (USES)				
Transfers-in	30,500,000	-	-	30,500,000
Transfers-out	(9,280,000)	-	-	(9,280,000)
Sale of bonds and contractual obligations	-	-	407,595,972	407,595,972
Proceeds from sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	\$ 21,220,000	\$ -	\$ 407,595,972	428,815,972
Net Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (133,395,373)			
Designated for Authorized Construction 06/30/09	611,602,522			
Designated for Authorized Construction 06/30/10	\$ 478,207,149			