

# Mid-Year Budgetary Update 2012-2013

Fiscal Year July 1, 2012 – June 30, 2013



HOUSTON INDEPENDENT SCHOOL DISTRICT

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**HOUSTON INDEPENDENT SCHOOL DISTRICT**

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MID-YEAR BUDGETARY UPDATE 2012-2013

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## **GENERAL FUND**

The recommended budget for the General Fund for the 2012-2013 fiscal year was adopted on June 21, 2012. The appropriations were \$1,579,484,586, with corresponding estimated revenues of \$1,497,057,338, plus a fund balance transfer of \$27,427,248 for total sources of \$1,524,484,486. The district projected \$55,000,000 in unspent funds for the fiscal year.

### **Mid year budget update**

#### **Revenues**

The adjusted budget for the General Fund revenues and other financing sources includes a net decrease of \$13,703,682 as shown in more detail on page 3. The largest area of decrease is a reduction in the sale of contractual obligations in the amount of \$14,500,000 for the district's capital program. The district is moving towards a self funded capital program, which eventually would eliminate the need to sell contractual obligations for general fund capital assets.

#### **Appropriations**

Appropriation increases show a net increase of \$111,605,407, primarily due to carryover encumbrances, remaining capital outlay funding from fiscal year 2012, technology initiative funding, and school carryover, which are represented in more detail on page 4.

#### **Budget**

The appropriations budget for the General Fund is \$1,691,089,993, including carryover. The final budgeted revenues and other sources total \$1,483,353,656. The original budget included an approved use of fund balance from the remaining EdJobs funds (\$18,490,403) and unassigned fund balance (\$8,936,845) in the amount of \$27,427,248. Additionally, the Board of Education has approved the use of an additional \$16,318,067 in fund balance for Formative Assessment, Laptop Carts, Technology Initiatives, and Early Notice Incentive. Other changes in revenues and appropriations will result in the district reducing the Budgeted unassigned fund balance by \$41,965,827, net of reserve adjustments as of June 30, 2013, as compared to the previous fiscal year ending June 30, 2012.

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF OPERATIONS BY FUNCTION**  
**GENERAL FUND**  
**MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2012-2013 (as adjusted)**

| <b>ESTIMATED REVENUES</b>  | <u>Adopted Budget</u>   | <u>Carryover</u>       | <u>Mid-Year Adjustments</u> | <u>Mid-Year Adjusted Budget</u> |
|--|-------------------------|------------------------|-----------------------------|---------------------------------|
| Local sources  | \$ 1,086,948,252        | \$ -                   | \$ 28,580,128               | \$ 1,115,528,380                |
| State sources  | 349,810,817             | -                      | (27,837,093)                | 321,973,724                     |
| Federal sources  | 5,837,719               | -                      | 53,283                      | 5,891,002                       |
| <b>Total estimated revenues</b>  | <b>\$ 1,442,596,788</b> | <b>\$ -</b>            | <b>\$ 796,318</b>           | <b>\$ 1,443,393,106</b>         |
|  |                         |                        |                             |                                 |
| <b>ESTIMATED APPROPRIATIONS</b>  | <u>Adopted Budget</u>   | <u>Carryover</u>       | <u>Mid-Year Adjustments</u> | <u>Mid-Year Adjusted Budget</u> |
| Instruction  | \$ 909,842,440          | \$ 14,440,558          | \$ 14,036,070               | \$ 938,319,068                  |
| Instructional resources and media services   | 10,648,485              | 891,237                | 286,600                     | 11,826,322                      |
| Instructional staff development  | 10,447,411              | 2,002,766              | 2,536,391                   | 14,986,568                      |
| Curriculum development   | 5,449,433               | 715,033                | 91,011                      | 6,255,477                       |
| Instructional leadership   | 20,792,738              | 1,809,776              | (1,425,336)                 | 21,177,178                      |
| School leadership  | 117,569,180             | 171,858                | 1,120,342                   | 118,861,380                     |
| Guidance, counseling and evaluation services   | 34,311,709              | 720,212                | (203,748)                   | 34,828,173                      |
| Social work services   | 747,766                 | -                      | 52,316                      | 800,082                         |
| Health services  | 17,045,737              | 8,811                  | (24,173)                    | 17,030,376                      |
| Student transportation   | 44,447,445              | 10,327,362             | 3,699,000                   | 58,473,807                      |
| Food services  | 203,941                 | 19,194                 | 106,613                     | 329,748                         |
| Co-Curricular/extracurricular activities   | 11,881,172              | 2,074,571              | 796,034                     | 14,751,777                      |
| General administration   | 32,982,212              | 238,725                | (1,505,684)                 | 31,715,253                      |
| Plant maintenance and operations   | 182,111,639             | 6,030,614              | (1,011,503)                 | 187,130,750                     |
| Security and monitoring services   | 19,103,355              | 316,828                | 84,847                      | 19,505,030                      |
| Data processing services   | 35,124,214              | 12,311,027             | 32,749,633                  | 80,184,875                      |
| Community services   | 1,915,709               | -                      | 130,524                     | 2,046,233                       |
| Juvenile justice alternative education programs  | 1,080,830               | -                      | -                           | 1,080,830                       |
| Tax reinvestment zone payments   | 44,085,062              | 9,604,327              | (1,791,415)                 | 51,897,974                      |
| Tax appraisal and collection   | 9,335,515               | -                      | -                           | 9,335,515                       |
| Debt service   | -                       | -                      | 30,006                      | 30,006                          |
| Facilities acquisition and construction  | -                       | 127,656                | 37,323                      | 164,979                         |
| <b>Total estimated appropriations</b>  | <b>\$ 1,509,125,993</b> | <b>\$ 61,810,555</b>   | <b>\$ 49,794,852</b>        | <b>\$ 1,620,731,400</b>         |
| <b>Excess (deficiency) of estimated revenues over (under) appropriations</b>   | <b>\$ (66,529,205)</b>  | <b>\$ (61,810,555)</b> | <b>\$ (48,998,533)</b>      | <b>\$ (177,338,294)</b>         |
|  |                         |                        |                             |                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                         |                        |                             |                                 |
| Transfers-in   | 39,960,550              | -                      | -                           | 39,960,550                      |
| Transfers-out  | (70,358,593)            | -                      | -                           | (70,358,593)                    |
| Issuance of bonds and other debt   | 14,500,000              | -                      | (14,500,000)                | -                               |
| <b>Total other financing sources (uses)</b>  | <b>\$ (15,898,043)</b>  | <b>\$ -</b>            | <b>\$ (14,500,000)</b>      | <b>\$ (30,398,043)</b>          |
| <b>Net excess (deficiency) before adjustments</b>  | <b>(82,427,248)</b>     | <b>(61,810,555)</b>    | <b>(63,498,533)</b>         | <b>(207,736,337)</b>            |
| <b>Reserve adjustments</b>   | <b>-</b>                | <b>61,810,555</b>      | <b>48,959,955</b>           | <b>110,770,510</b>              |
| <b>Approved use of fund balance from original budget</b>   | <b>27,427,248</b>       | <b>-</b>               | <b>-</b>                    | <b>27,427,248</b>               |
| <b>Anticipated unspent funds</b>   | <b>55,000,000</b>       | <b>-</b>               | <b>-</b>                    | <b>55,000,000</b>               |
| <b>Net deficiency of estimated revenues and other sources over (under) appropriations and other uses as adjusted</b> | <b>\$ -</b>             | <b>\$ -</b>            | <b>\$ (14,538,579)</b>      | <b>\$ (14,538,579)</b>          |

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES BY OBJECT**  
**GENERAL FUND**  
**MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2012-2013 (as adjusted)**

|   | <u>Adopted<br/>Budget</u>   | <u>Mid-Year<br/>Adjustments</u> | <u>Mid-Year<br/>Adjusted<br/>Budget</u> |
|---|-----------------------------|---------------------------------|---|
| <b>REVENUES</b>                         |                             |                                 |   |
| Taxes, current year                     | \$ 1,044,711,675            | \$ 29,204,068                   | \$ 1,073,915,743                        |
| Taxes, delinquent prior years           | 15,000,000                  | -                               | 15,000,000                              |
| Taxes, penalty and interest             | 17,000,000                  | (2,000,000)                     | 15,000,000                              |
| Revenue in lieu of taxes                | 1,300,000                   | 400,000                         | 1,700,000                               |
| Tuition                                 | 693,150                     | 100,287                         | 793,437                                 |
| Insurance Recovery Proceeds             | -                           | 450,000                         | 450,000                                 |
| Interest earnings                       | 1,273,000                   | -                               | 1,273,000                               |
| Rental of facilities                    | 1,270,427                   | 217,528                         | 1,487,955                               |
| Miscellaneous revenues                  | 3,400,000                   | 8,245                           | 3,408,245                               |
| Revenue other governments               | 2,300,000                   | 200,000                         | 2,500,000                               |
| Per capita state revenues               | 44,987,294                  | 28,914,672                      | 73,901,966                              |
| Foundation school program               | 240,958,560                 | (56,619,486)                    | 184,339,074                             |
| Other state revenues                    | 264,963                     | (132,279)                       | 132,684                                 |
| TRS on behalf of                        | 63,600,000                  | -                               | 63,600,000                              |
| Federal revenue through TEA             | 3,374,500                   | -                               | 3,374,500                               |
| Army salary revenue                     | 1,854,436                   | -                               | 1,854,436                               |
| Air Force salary revenue                | 65,064                      | -                               | 65,064                                  |
| Navy salary revenue                     | 240,800                     | 3,124                           | 243,924                                 |
| Direct Federal Revenue                  | 302,919                     | 50,159                          | 353,078                                 |
| <b>Total Revenue</b>                    | <b>\$ 1,442,596,788</b>     | <b>\$ 796,318</b>               | <b>\$ 1,443,393,106</b>                 |
| <br>                                    |                             |                                 |   |
| <b>OTHER FINANCING SOURCES</b>          |                             |                                 |   |
| Sale of bonds                           | \$ 14,500,000               | \$ (14,500,000)                 | \$ -                                    |
| Transfer from other funds               | 39,960,550                  | -                               | 39,960,550                              |
| <b>Total other financing sources</b>    | <b>\$ 54,460,550</b>        | <b>\$ (14,500,000)</b>          | <b>\$ 39,960,550</b>                    |
| <br>                                    |                             |                                 |   |
| <b>Total revenues and other sources</b> | <b><u>1,497,057,338</u></b> | <b><u>(13,703,682)</u></b>      | <b><u>1,483,353,656</u></b>             |
| <br>                                    |                             |                                 |   |
|   | <u>Adopted<br/>Budget</u>   | <u>Mid-Year<br/>Adjustments</u> | <u>Mid-Year<br/>Adjusted<br/>Budget</u> |
| Local                                   | \$ 1,086,948,252            | \$ 28,580,128                   | \$ 1,115,528,380                        |
| State                                   | 349,810,817                 | (27,837,093)                    | 321,973,724                             |
| Federal                                 | 5,837,719                   | 53,283                          | 5,891,002                               |
| Other                                   | 54,460,550                  | (14,500,000)                    | 39,960,550                              |
| <b>Total Revenues</b>                   | <b>\$ 1,497,057,338</b>     | <b>\$ (13,703,682)</b>          | <b>\$ 1,483,353,656</b>                 |

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF BUDGET ADJUSTMENTS**  
**GENERAL FUND**  
**MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2012-2013 (as adjusted)**

|  | <b>Mid-Year<br/>Budget<br/>Adjustments</b> |
|--|--|
| <b>APPROPRIATION ADJUSTMENTS</b>           |  |
| Carryover encumbrances                     | \$ 52,206,228                              |
| Contractual Obligations                    | 25,702,310                                 |
| Technology Initiatives (Capital)           | 13,019,000                                 |
| School carryover                           | 10,238,645                                 |
| TIRZ                                       | 7,812,912                                  |
| Laptop carts                               | 5,708,861                                  |
| Technology Initiatives (Fund Balance)      | 4,821,000                                  |
| Formative Assessment                       | 3,288,206                                  |
| Early Notice Incentive                     | 2,500,000                                  |
| Retiree/Sick Leave                         | 800,000                                    |
| Appropriations - Belden Re-cabling         | 8,245                                      |
| Contractual Obligations                    | <u>(14,500,000)</u>                        |
| <b>Total adjustments to appropriations</b> | <b>\$ <u><u>111,605,407</u></u></b>        |

## **DEBT SERVICE FUND**

The recommended budget for the Debt Service Fund for the 2012-2013 fiscal year was adopted on June 21, 2012. The appropriations were \$256,897,050, with corresponding estimated revenue being \$234,346,775.

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.

### **Mid- Year budget update**

The appropriations budget for the Debt Service Fund (as adjusted) is \$415,115,593, including budget adjustments. The adjusted revenue and other sources total \$397,386,378. Budget adjustments reflect the following:

#### Revenues:

- A \$4,351,456 increase in local maintenance taxes due to higher estimated property tax valuations since the original adopted budget.
- A \$12,000 increase in interest income due to higher average balances.
- A \$135,715,000 increase in other financing sources for issuance of refunding bonds.
- A \$22,961,147 increase in other financing sources for the original issuance premium resulting from the sale of refunding bonds.

#### Expenditures:

- A \$158,136,613 increase for payments to escrow agents resulting from proceeds received from the advance refunding bonds.
- A decrease of \$25,000,000 in principal payments due to eliminating a portion of budgeted additional payments for variable rate bonds. The funds are instead utilized to reduce the amount of principal issued on the refunding bonds.



- A decrease in interest expense of \$3,517,005 primarily due to the issuing refunding bonds. Estimated interest expense of \$4,098,935 is instead reflected in debt service fees as a source of funds to refinance the debt. This partially offset by an increase in interest expense related to the issuance of variable rate debt.
- A \$28,598,935 increase in debt service fees. The increase is comprised of \$25,000,000 in debt service fund balance along with \$4,098,935 in previously budgeted interest expense. The net increase is partially offset by a decrease in estimated cost of issuance of \$500,000.

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF OPERATIONS BY FUNCTION**  
**DEBT SERVICE**  
**MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2012-2013 (as adjusted)**

| <b>REVENUES</b>  | <b>Adopted<br/>Budget</b> | <b>Mid-Year<br/>Adjustments</b> | <b>Mid-Year<br/>Adjusted<br/>Budget</b> |
|--|---------------------------|---------------------------------|---|
| Local sources  | \$ 159,885,804            | \$ 4,363,456                    | \$ 164,249,260                          |
| Federal sources  | 7,613,834                 | -                               | 7,613,834                               |
| <b>Total Revenues</b>  | <b>\$ 167,499,638</b>     | <b>\$ 4,363,456</b>             | <b>\$ 171,863,094</b>                   |
|  |                           |                                 |   |
| <b>EXPENDITURES</b>  | <b>Adopted<br/>Budget</b> | <b>Mid-Year<br/>Adjustments</b> | <b>Mid-Year<br/>Adjusted<br/>Budget</b> |
| Debt principal   | \$ 121,237,350            | \$ (25,000,000)                 | \$ 96,237,350                           |
| Debt interest  | 134,159,700               | (3,517,005)                     | 130,642,695                             |
| Debt service fees  | 1,500,000                 | 28,598,935                      | 30,098,935                              |
| <b>Total Expenditures</b>  | <b>\$ 256,897,050</b>     | <b>\$ 81,930</b>                | <b>\$ 256,978,980</b>                   |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>     | <b>\$ (89,397,412)</b>    | <b>\$ 4,281,526</b>             | <b>\$ (85,115,886)</b>                  |
|  |                           |                                 |   |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                           |                                 |   |
| Transfers-in   | 66,847,137                | -                               | 66,847,137                              |
| Issuance of bonds and other debt                                     | -                         | 135,715,000                     | 135,715,000                             |
| Premium on the sale of bonds   | -                         | 22,961,147                      | 22,961,147                              |
| Payments to escrow agents - advance refunding                        | -                         | (158,136,613)                   | (158,136,613)                           |
| <b>Total Other Financing Sources (uses)</b>                          | <b>\$ 66,847,137</b>      | <b>\$ 539,534</b>               | <b>\$ 67,386,671</b>                    |
| <b>Net Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <b>(22,550,275)</b>       | <b>4,821,060</b>                | <b>(17,729,215)</b>                     |
| <b>Restricted fund balance, beginning</b>                            | <b>144,143,368</b>        |                                 | <b>144,143,368</b>                      |
| <b>Restricted fund balance, ending</b>                               | <b>\$ 121,593,093</b>     |                                 | <b>\$ 126,414,153</b>                   |

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES BY OBJECT**  
**DEBT SERVICE FUND**  
**MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2012-2013 (as adjusted)**

| <b>REVENUES</b>                  | <b>Adopted<br/>Budget</b> | <b>Mid-Year<br/>Adjustments</b> | <b>Mid-Year<br/>Adjusted<br/>Budget</b> |
|----------------------------------|---------------------------|---------------------------------|---|
| Transfers from other funds       | \$ 66,847,137             | \$ -                            | \$ 66,847,137                           |
| Premium on sale of bonds         | -                         | 22,961,147                      | 22,961,147                              |
| Issuance of bonds and other debt | -                         | 135,715,000                     | 135,715,000                             |
| Taxes, current year              | 155,663,804               | 4,351,456                       | 160,015,260                             |
| Taxes, delinquent prior years    | 2,000,000                 | -                               | 2,000,000                               |
| Taxes, penalty and interest      | 2,000,000                 | -                               | 2,000,000                               |
| Interest earnings                | 222,000                   | 12,000                          | 234,000                                 |
| Federal revenues - BABS subsidy  | 7,613,834                 | -                               | 7,613,834                               |
| <b>Total Revenue</b>             | <b>\$ 234,346,775</b>     | <b>\$ 163,039,603</b>           | <b>\$ 397,386,378</b>                   |

|                | <b>Adopted<br/>Budget</b> | <b>Mid-Year<br/>Adjustments</b> | <b>Mid-Year<br/>Adjusted<br/>Budget</b> |
|----------------|---------------------------|---------------------------------|---|
| Local          | \$ 159,885,804            | \$ 4,363,456                    | \$ 164,249,260                          |
| Federal        | 7,613,834                 | -                               | 7,613,834                               |
| Other          | 66,847,137                | 158,676,147                     | 225,523,284                             |
| Total Revenues | <b>\$ 234,346,775</b>     | <b>\$ 163,039,603</b>           | <b>\$ 397,386,378</b>                   |

## **SPECIAL REVENUE FUND**

The recommended budget for the Special Revenue Fund for the 2012-2013 fiscal year was adopted on June 21, 2012. The appropriations were \$214,180,532, with corresponding revenue being \$214,180,532.

### **Mid year budget update**

The Special Revenue Fund was increased by \$119,670,776 as a result of additional grants new to the district, amendments to existing grants held by the district, and the carryover from 2011-2012.

The budgeted revenue and other sources total \$308,405,585.

The appropriations budget for the Special Revenue Fund is \$333,851,308, including a fund balance of \$25,445,723.

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF OPERATIONS BY FUNCTION**  
**SPECIAL REVENUE FUND**  
**MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2012-2013 (as adjusted)**

| <b>REVENUES</b>  | <b>Adopted<br/>Budget</b> | <b>Mid-Year<br/>Adjustments</b> | <b>Mid-Year<br/>Adjusted<br/>Budget</b> |
|--|---------------------------|---------------------------------|---|
| Local sources  | \$ 368,000                | \$ 15,187,952                   | \$ 15,555,952                           |
| State sources  | 16,368,867                | 9,804,441                       | 26,173,308                              |
| Federal Sources  | 197,443,665               | 69,232,660                      | 266,676,325                             |
| <b>Total Revenues</b>  | <b>\$ 214,180,532</b>     | <b>\$ 94,225,053</b>            | <b>\$ 308,405,585</b>                   |
|  |                           |                                 |   |
| <b>APPROPRIATIONS</b>  | <b>Adopted<br/>Budget</b> | <b>Mid-Year<br/>Adjustments</b> | <b>Mid-Year<br/>Adjusted<br/>Budget</b> |
| Instruction  | \$ 112,565,912            | \$ 9,964,883                    | \$ 122,530,795                          |
| Instructional resources and media services                         | 333,305                   | 442,735                         | 776,040                                 |
| Instructional staff development                                    | 54,095,132                | 56,788,862                      | 110,883,994                             |
| Curriculum development   | 133,660                   | (55,823)                        | 77,837                                  |
| Instructional leadership   | 4,107,327                 | 16,266,263                      | 20,373,590                              |
| School leadership  | 1,929,316                 | 314,006                         | 2,243,322                               |
| Guidance, counseling and evaluation services                       | 15,837,068                | 14,566,060                      | 30,403,128                              |
| Social work services   | 616,466                   | 824,456                         | 1,440,922                               |
| Health services  | 910,173                   | 1,225,309                       | 2,135,482                               |
| Student transportation   | 2,200,478                 | 600,207                         | 2,800,685                               |
| Food services  | 5,566                     | 2,049                           | 7,615                                   |
| Co-Curricular/extracurricular activities                           | 1,919,688                 | 829,096                         | 2,748,784                               |
| General administration   | 3,548,052                 | 1,134,941                       | 4,682,993                               |
| Plant maintenance and operations                                   | 1,083,925                 | (398,250)                       | 685,675                                 |
| Security and monitoring services                                   | 111,002                   | (35,134)                        | 75,868                                  |
| Data processing services   | 11,491,997                | 15,724,735                      | 27,216,732                              |
| Community services   | 1,832,884                 | 1,322,131                       | 3,155,015                               |
| Facilities acquisition and construction                            | 1,458,581                 | 154,250                         | 1,612,831                               |
| <b>Total Appropriations</b>  | <b>\$ 214,180,532</b>     | <b>\$ 119,670,776</b>           | <b>\$ 333,851,308</b>                   |
| <b>Excess (Deficiency) of Revenues Over (Under) Appropriations</b> | <b>\$ -</b>               | <b>\$ (25,445,723)</b>          | <b>\$ (25,445,723)</b>                  |
| <b>Unassigned Fund Balance, beginning</b>                          | <b>25,445,723</b>         |                                 | <b>25,445,723</b>                       |
| <b>Unassigned Fund Balance, ending</b>                             | <b>\$ 25,445,723</b>      |                                 | <b>\$ 25,445,723</b>                    |

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES BY GRANT**  
**SPECIAL REVENUE FUND**  
**MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2012-2013 (as adjusted)**

| APPROPRIATIONS                        | Adopted<br>Budget     | Mid-Year<br>Adjustments | Mid-Year<br>Adjusted<br>Budget |
|---------------------------------------|-----------------------|-------------------------|--------------------------------|
| <u>Local sources</u>                  |                       |                         |                                |
| APOLLO                                | \$ -                  | \$ 7,498,682            | \$ 7,498,682                   |
| ARNOLD FOUNDATION                     | -                     | 1,287,086               | 1,287,086                      |
| BILL & MELINDA GATES                  | -                     | 1,116,486               | 1,116,486                      |
| BROAD FOUNDATION                      | -                     | 33,316                  | 33,316                         |
| CITY OF HOUSTON YOUTH BALL FIELD      | -                     | 1,076,750               | 1,076,750                      |
| HISD FOUNDATION                       | -                     | 174,039                 | 174,039                        |
| HOUSTON LIVESTOCK SHOW & RODEO        | -                     | 22,500                  | 22,500                         |
| LOST INSTRUCTIONAL MATERIALS          | -                     | 5,074,644               | 5,074,644                      |
| MCNAIR FOUNDATION                     | -                     | 1,186                   | 1,186                          |
| MICHAEL & SUSAN DELL                  | -                     | 204,302                 | 204,302                        |
| MISC PROJECT GRANTS                   | 368,000               | 3,609,293               | 3,977,293                      |
| SEQUOIA FOUNDATION                    | -                     | 22,775                  | 22,775                         |
| TX MUSIC PROJECT - SOUND INVESTMENT   | -                     | 4,307                   | 4,307                          |
| <b>Total Local Sources</b>            | <b>\$ 368,000</b>     | <b>\$ 20,125,366</b>    | <b>\$ 20,493,366</b>           |
| <u>State Sources</u>                  |                       |                         |                                |
| CASE                                  | \$ -                  | \$ 1,345,480            | \$ 1,345,480                   |
| DATE                                  | 4,202,184             | 4,264,586               | 8,466,770                      |
| INSTRUCTIONAL ALLOTMENT               | 9,339,679             | (4,088,855)             | 5,250,824                      |
| ONLINE COLLEGE AND CAREER PREP TECH   | 472,096               | (472,096)               | -                              |
| MISC STATE GRANTS                     | 2,354,908             | 933,359                 | 3,288,267                      |
| SPECIAL ED - STATE PROGRAMS           | -                     | 117,153                 | 117,153                        |
| STATE TECHNOLOGY                      | -                     | 7,704,814               | 7,704,814                      |
| <b>Total State Sources</b>            | <b>\$ 16,368,867</b>  | <b>\$ 9,804,441</b>     | <b>\$ 26,173,308</b>           |
| <u>Federal Sources</u>                |                       |                         |                                |
| 21ST CENTURY                          | \$ 3,414,516          | \$ 3,012,738            | \$ 6,427,254                   |
| CARL PERKINS                          | 2,967,552             | (186,386)               | 2,781,166                      |
| E-RATE                                | 11,647,135            | 8,861,174               | 20,508,309                     |
| EVEN START                            | -                     | 125,288                 | 125,288                        |
| GEAR UP                               | -                     | 373,888                 | 373,888                        |
| MAGNET SCHOOL ASSISTANCE PROGRAM      | 3,954,157             | 4,091,457               | 8,045,614                      |
| MISC FEDERAL GRANTS                   | 3,752,909             | 4,202,147               | 7,955,056                      |
| SMALLER LEARNING                      | -                     | 3,309                   | 3,309                          |
| SPECIAL EDUCATION                     | 37,396,137            | (954,665)               | 36,441,472                     |
| SPECIAL ED-PRESCHOOL                  | 471,675               | 107,657                 | 579,332                        |
| TEACHER INCENTIVE                     | 5,630,766             | 14,703,787              | 20,334,553                     |
| TITLE I - PART A                      | 103,082,376           | 29,932,047              | 133,014,423                    |
| TITLE I -MIGRANT                      | 545,698               | 235,428                 | 781,126                        |
| TITLE I SIP                           | -                     | 4,881,552               | 4,881,552                      |
| TITLE II - PART A                     | 11,687,484            | 13,485,937              | 25,173,421                     |
| TITLE III - PART A - LEP              | 6,163,538             | 2,146,804               | 8,310,342                      |
| TTIPS                                 | 6,729,722             | 4,718,807               | 11,448,529                     |
| <b>Total Federal Sources</b>          | <b>\$ 197,443,665</b> | <b>\$ 89,740,969</b>    | <b>\$ 287,184,634</b>          |
| <b>Total Estimated Appropriations</b> | <b>\$ 214,180,532</b> | <b>\$ 119,670,776</b>   | <b>\$ 333,851,308</b>          |

## **FOOD SERVICE FUND**

The recommended budget for the Food Service Fund for the 2012-2013 fiscal year was adopted on June 21, 2012. The appropriations were \$112,992,645, with corresponding estimated revenue being \$113,207,801.

### **Budget Adjustments**

Revenues are being decreased by \$2,470,166 primarily due to decreased USDA Donated Commodities and National School Lunch Program funding.

Appropriations are being reduced by \$3,472,488 primarily due to a reduction in food inventory.

### **Mid-Year Budget**

The appropriations budget for the Food Service Fund (as adjusted) has appropriations of \$109,520,157 with corresponding estimated revenue of \$110,737,635 reflecting a change in total net assets of \$1,002,322 since the 2012-2013 adopted budget.

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF OPERATIONS BY MAJOR OBJECT**  
**FOOD SERVICE FUNDS (FD1)**  
**MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2012-2013 (as adjusted)**

| <b>REVENUES</b>  | <u>Adopted Budget</u>   | <u>Mid-Year<br/>Adjustments</u> | <u>Mid-Year<br/>Adjusted Budget</u> |
|--|-------------------------|---------------------------------|-------------------------------------|
| Sales to customers   | \$ 9,621,979            | \$ 320,399                      | \$ 9,942,378                        |
| Miscellaneous other sources                                      | 419,280                 | (39,434)                        | 379,846                             |
| <b>Total Revenues</b>  | <b>\$ 10,041,259</b>    | <b>\$ 280,965</b>               | <b>\$ 10,322,224</b>                |
|  |                         |                                 |                                     |
| <b>EXPENDITURES</b>  | <u>Adopted Budget</u>   | <u>Mid-Year<br/>Adjustments</u> | <u>Mid-Year<br/>Adjusted Budget</u> |
| Payroll costs  | \$ 42,515,709           | \$ (136,588)                    | \$ 42,379,121                       |
| Purchased and contracted services                                | 10,938,661              | (458,703)                       | 10,479,958                          |
| Supplies and materials   | 58,632,334              | (2,655,077)                     | 55,977,257                          |
| Other operating expenses   | 833,371                 | (233,511)                       | 599,860                             |
| Depreciation   | 72,570                  | 11,391                          | 83,961                              |
| <b>Total Expenditures</b>  | <b>\$ 112,992,645</b>   | <b>\$ (3,472,488)</b>           | <b>\$ 109,520,157</b>               |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <b>\$ (102,951,386)</b> | <b>\$ 3,753,453</b>             | <b>\$ (99,197,933)</b>              |
|  |                         |                                 |                                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                            |                         |                                 |                                     |
| Earnings on investments  | 800                     | 1,023                           | 1,823                               |
| Grants from federal agencies                                     |                         |                                 |                                     |
| Child nutrition program  | 95,074,096              | (1,136,839)                     | 93,937,257                          |
| Summer food program  | 2,203,121               | -                               | 2,203,121                           |
| Donated commodities  | 5,294,334               | (1,615,315)                     | 3,679,019                           |
| State matching and other   | 594,191                 | -                               | 594,191                             |
| <b>Total non-operating revenue</b>                               | <b>\$ 103,166,542</b>   | <b>\$ (2,751,131)</b>           | <b>\$ 100,415,411</b>               |
| <b>Income before transfers</b>                                   | <b>215,156</b>          | <b>1,002,322</b>                | <b>1,217,478</b>                    |
| <b>Change in net assets</b>                                      | <b>\$ 215,156</b>       | <b>\$ 1,002,322</b>             | <b>\$ 1,217,478</b>                 |
| <b>Total net assets, beginning</b>                               | <b>8,660,566</b>        | <b>-</b>                        | <b>8,660,566</b>                    |
| <b>Total net assets, ending</b>                                  | <b>\$ 8,875,722</b>     | <b>\$ 1,002,322</b>             | <b>\$ 9,878,044</b>                 |



## **CAPITAL RENOVATION FUND**

The recommended budget for the Capital Renovation Fund for the 2012-2013 fiscal year was adopted on June 21, 2012. The appropriations were \$112,038,544, with corresponding estimated revenues and other sources of \$35,340,636.

### **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 budget adoption. Unspent funds will be carried over to the 2013-2014 for the completion of ongoing projects.

### **Mid-Year Available Funds**

The available funds for the Capital Renovation Fund is \$916,000,074 including carryover and budget adjustments for construction projects. The budgeted revenues and other sources total \$388,021,709. There is a net increase of \$351,585,309 in both revenues and available funds:

#### Revenues:

- Funds of \$7,718,863 received from the City of Houston for the district's regular TIRZ program for educational facilities and Pass Through Funds from the Texas Education Agency.
- Miscellaneous revenues of \$1,313,615.
- An increase in interest projections of \$288,000.
- Proceeds from the sale of bonds of \$340,000,000.
- An increase of \$1,095,764 in transfers out for the Food Service Warehouse settlement for debt service.
- Proceeds from the sale of capital assets of \$3,360,590 for the sale of Stevenson Elementary School.

#### Available funds:

- Available funds are being increased by \$351,585,309 due to the same amount of increased revenues.

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF OPERATIONS BY FUNCTION**  
**CAPITAL RENOVATION FUND**  
**MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2012-2013 (as adjusted)**

| <b>REVENUES</b>  | <u>Adopted Budget</u>  | <u>Carryover</u>        | <u>Mid-Year<br/>Adjustments</u> | <u>Mid-Year<br/>Adjusted<br/>Budget</u>  |
|--|------------------------|-------------------------|---------------------------------|--|
| Local sources  | \$ 19,790,636          | \$ -                    | \$ 9,320,483                    | \$ 29,111,119  |
| <b>Total Revenues</b>  | <u>\$ 19,790,636</u>   | <u>\$ -</u>             | <u>\$ 9,320,483</u>             | <u>\$ 29,111,119</u>   |
|  |                        |                         |                                 | <u>Mid-Year<br/>Adjusted<br/>Budget for<br/>Future<br/>Authorized<br/>Projects</u> |
| <b>EXPENDITURES</b>  | <u>Adopted Budget</u>  | <u>Carryover</u>        | <u>Mid-Year<br/>Adjustments</u> | <u>Mid-Year<br/>Adjusted<br/>Budget for<br/>Future<br/>Authorized<br/>Projects</u> |
| Facilities acquisition and construction                              | 100,000,000            | 451,280,457             | 351,585,309                     | 902,865,766  |
| <b>Total Expenditures</b>  | <u>\$ 100,000,000</u>  | <u>\$ 451,280,457</u>   | <u>\$ 351,585,309</u>           | <u>\$ 902,865,766</u>  |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>     | <u>\$ (80,209,364)</u> | <u>\$ (451,280,457)</u> | <u>\$ (342,264,826)</u>         | <u>(873,754,647)</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                        |                         |                                 |  |
| Transfers-in   | 15,550,000             | -                       | -                               | 15,550,000   |
| Transfers-out  | (12,038,544)           | -                       | (1,095,764)                     | (13,134,308)   |
| Sale of bonds and contractual obligations                            | -                      | -                       | 340,000,000                     | 340,000,000  |
| Proceeds from sale of capital assets                                 | -                      | -                       | 3,360,590                       | 3,360,590  |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>\$ 3,511,456</u>    | <u>\$ -</u>             | <u>\$ 342,264,826</u>           | <u>345,776,282</u>   |
| <b>Net Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <u>\$ (76,697,908)</u> |                         |                                 | <u>(527,978,365)</u>   |
| <b>Restricted fund balance, beginning</b>                            | <u>\$ 527,978,365</u>  |                         |                                 | <u>527,978,365</u>   |
| <b>Restricted fund balance, ending</b>                               | <u>\$ 451,280,457</u>  |                         |                                 | <u>-</u>   |