

# June 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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JUNE 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.

### **June Budget Update**

#### **Revenues**

The adjusted budget for the General Fund revenues and other financing sources includes a net decrease of \$13,693,074 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 will eliminate the need to sell contractual obligations for general fund capital assets.

#### **Appropriations**

Appropriation increases show a net increase of \$110,098,573, 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 \$1,689,583,149, including carryover. The final budgeted revenues and other sources total \$1,483,364,264. 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 \$40,448,375, 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**  
**JUNE BUDGETARY UPDATE FISCAL YEAR 2012-2013 (as adjusted)**

ESTIMATED REVENUES	Adopted Budget	Carryover	Mid-Year Adjustments	Mid-Year Adjusted Budget	June Adjustments	June Adjusted Budget
Local sources	\$ 1,086,948,252	\$ -	\$ 28,580,128	\$ 1,115,528,380	\$ 737,454	\$ 1,116,265,834
State sources	349,810,817	-	(27,837,093)	321,973,724	(691,386)	321,282,338
Federal sources	5,837,719	-	53,283	5,891,002	(35,460)	5,855,542
<b>Total estimated revenues</b>	<b>\$ 1,442,596,788</b>	<b>\$ -</b>	<b>\$ 796,318</b>	<b>\$ 1,443,393,106</b>	<b>\$ 10,608</b>	<b>\$ 1,443,403,714</b>
ESTIMATED APPROPRIATIONS	Adopted Budget	Carryover	Mid-Year Adjustments	Mid-Year Adjusted Budget	June Adjustments	June Adjusted Budget
Instruction	\$ 909,842,440	\$ 14,440,558	\$ 14,036,070	\$ 938,319,068	\$ (7,723,545)	\$ 930,595,523
Instructional resources and media services	10,648,485	891,237	286,600	11,826,322	199,483	12,025,804
Instructional staff development	10,447,411	2,002,766	2,536,391	14,986,568	2,362,341	17,348,909
Curriculum development	5,449,433	715,033	91,011	6,255,477	(518,246)	5,737,231
Instructional leadership	20,792,738	1,809,776	(1,425,336)	21,177,178	(1,856,193)	19,320,984
School leadership	117,569,180	171,858	1,120,342	118,861,380	629,385	119,490,765
Guidance, counseling and evaluation services	34,311,709	720,212	(203,748)	34,828,173	(6,234)	34,821,938
Social work services	747,766	-	52,316	800,082	383	800,465
Health services	17,045,737	8,811	(24,173)	17,030,376	77,856	17,108,232
Student transportation	44,447,445	10,327,362	3,699,000	58,473,807	2,318,240	60,792,047
Food services	203,941	19,194	106,613	329,748	(2,944)	326,804
Co-Curricular/extracurricular activities	11,881,172	2,074,571	796,034	14,751,777	327,357	15,079,134
General administration	32,982,212	238,725	(1,505,684)	31,715,253	1,101,412	32,816,665
Plant maintenance and operations	182,111,639	6,030,614	(1,011,503)	187,130,750	4,112,925	191,243,675
Security and monitoring services	19,103,355	316,828	84,847	19,505,030	943,864	20,448,894
Data processing services	35,124,214	12,311,027	32,749,633	80,184,875	(2,266,226)	77,918,649
Community services	1,915,709	-	130,524	2,046,233	228,187	2,274,420
Juvenile justice alternative education programs	1,080,830	-	-	1,080,830	-	1,080,830
Tax reinvestment zone payments	44,085,062	9,604,327	(1,791,415)	51,897,974	(936,080)	50,961,894
Tax appraisal and collection	9,335,515	-	-	9,335,515	591,775	9,927,290
Debt service	-	-	30,006	30,006	-	30,006
Facilities acquisition and construction	-	127,656	37,323	164,979	5,182	170,161
<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>\$ (411,080)</b>	<b>\$ 1,620,320,320</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>\$ 421,688</b>	<b>\$ (176,916,606)</b>
OTHER FINANCING SOURCES (USES)						
Transfers-in	\$ 39,960,550	\$ -	\$ -	\$ 39,960,550	\$ -	\$ 39,960,550
Transfers-out	(70,358,593)	-	-	(70,358,593)	1,095,764	(69,262,829)
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>\$ 1,095,764</b>	<b>\$ (29,302,279)</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>\$ 1,517,452</b>	<b>\$ (206,218,885)</b>
<b>Reserve adjustments</b>	<b>\$ -</b>	<b>\$ 61,810,555</b>	<b>\$ 48,959,955</b>	<b>\$ 110,770,510</b>	<b>\$ -</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>\$ -</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>\$ -</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>	<b>\$ 1,517,452</b>	<b>\$ (13,021,127)</b>

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

<b>REVENUES</b>	<b>Adopted Budget</b>	<b>Mid-Year Adjustments</b>	<b>Mid-Year Adjusted Budget</b>	<b>June Adjustments</b>	<b>June Adjusted Budget</b>
Taxes, current year	\$ 1,044,711,675	\$ 29,204,068	\$ 1,073,915,743	\$ 311,736	\$ 1,074,227,479
Taxes, delinquent prior years	15,000,000	-	15,000,000	-	15,000,000
Taxes, penalty and interest	17,000,000	(2,000,000)	15,000,000	-	15,000,000
Revenue in lieu of taxes	1,300,000	400,000	1,700,000	322,718	2,022,718
Tuition	693,150	100,287	793,437	-	793,437
Insurance recovery proceeds	-	450,000	450,000	-	450,000
Interest earnings	1,273,000	-	1,273,000	103,000	1,376,000
Rental of facilities	1,270,427	217,528	1,487,955	-	1,487,955
Miscellaneous revenues	3,400,000	8,245	3,408,245	-	3,408,245
Revenue other governments	2,300,000	200,000	2,500,000	-	2,500,000
Per capita state revenues	44,987,294	28,914,672	73,901,966	7,915,955	81,817,921
Foundation school program	240,958,560	(56,619,486)	184,339,074	(8,607,341)	175,731,733
Other state revenues	264,963	(132,279)	132,684	-	132,684
TRS on behalf of	63,600,000	-	63,600,000	-	63,600,000
Federal revenue through TEA	3,374,500	-	3,374,500	-	3,374,500
Army salary revenue	1,854,436	-	1,854,436	-	1,854,436
Air Force salary revenue	65,064	-	65,064	-	65,064
Navy salary revenue	240,800	3,124	243,924	-	243,924
Direct federal revenue	302,919	50,159	353,078	(35,460)	317,618
<b>Total Revenue</b>	<b>\$ 1,442,596,788</b>	<b>\$ 796,318</b>	<b>\$ 1,443,393,106</b>	<b>\$ 10,608</b>	<b>\$ 1,443,403,714</b>
 <b>OTHER FINANCING SOURCES</b>					
Sale of bonds	\$ 14,500,000	\$ (14,500,000)	\$ -	\$ -	\$ -
Transfer from other funds	39,960,550	-	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>	<b>\$ -</b>	<b>\$ 39,960,550</b>
 <b>Total revenues and other sources</b>	 <b>\$ 1,497,057,338</b>	 <b>\$ (13,703,682)</b>	 <b>\$ 1,483,353,656</b>	 <b>\$ 10,608</b>	 <b>\$ 1,483,364,264</b>
	<b>Adopted Budget</b>	<b>Mid-Year Adjustments</b>	<b>Mid-Year Adjusted Budget</b>	<b>June Adjustments</b>	<b>June Adjusted Budget</b>
Local	\$ 1,086,948,252	\$ 28,580,128	\$ 1,115,528,380	\$ 737,454	\$ 1,116,265,834
State	349,810,817	(27,837,093)	321,973,724	(691,386)	321,282,338
Federal	5,837,719	53,283	5,891,002	(35,460)	5,855,542
Other	54,460,550	(14,500,000)	39,960,550	-	39,960,550
<b>Total revenues</b>	<b>\$ 1,497,057,338</b>	<b>\$ (13,703,682)</b>	<b>\$ 1,483,353,656</b>	<b>\$ 10,608</b>	<b>\$ 1,483,364,264</b>

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

	<b>Mid-Year Budget Adjustments</b>	<b>June Budget 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	(14,500,000)	-
TIRZ	-	(936,080)
Asset management	-	525,000
Transfers out related to food service warehouse	-	(1,095,764)
<b>Total adjustments to appropriations</b>	<b>\$ 111,605,407</b>	<b>\$ (1,506,844)</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.

### June Budget Update

The appropriations budget for the Debt Service Fund (as adjusted) is \$417,704,405, including budget adjustments. The adjusted revenue and other sources total \$397,406,826. Budget adjustments reflect the following:

#### Revenues:

- A \$4,397,904 increase in local maintenance taxes due to higher estimated property tax valuations since the original adopted budget.
- A \$14,000 decrease 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 \$25,220,550 in principal payments primarily 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 \$3,707,643 primarily due to the issuing of 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.



## **DEBT SERVICE FUND (continued)**

- 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 costs of issuance of \$500,000.

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

<b>REVENUES</b>	<b>Adopted Budget</b>	<b>Mid-Year Adjustments</b>	<b>Mid-Year Adjusted Budget</b>	<b>June Adjustments</b>	<b>June Adjusted Budget</b>
Local sources	\$ 159,885,804	\$ 4,363,456	\$ 164,249,260	\$ 20,448	\$ 164,269,708
Federal sources	7,613,834	-	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>\$ 20,448</b>	<b>\$ 171,883,542</b>
<b>EXPENDITURES</b>	<b>Adopted Budget</b>	<b>Mid-Year Adjustments</b>	<b>Mid-Year Adjusted Budget</b>	<b>June Adjustments</b>	<b>June Adjusted Budget</b>
Debt principal	\$ 121,237,350	\$ (25,000,000)	\$ 96,237,350	\$ (220,550)	\$ 96,016,800
Debt interest	134,159,700	(3,517,005)	130,642,695	(190,638)	130,452,057
Debt service fees	1,500,000	28,598,935	30,098,935	-	30,098,935
<b>Total expenditures</b>	<b>\$ 256,897,050</b>	<b>\$ 81,930</b>	<b>\$ 256,978,980</b>	<b>\$ (411,188)</b>	<b>\$ 256,567,792</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>\$ 431,636</b>	<b>\$ (84,684,250)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers-in	\$ 66,847,137	\$ -	\$ 66,847,137	\$ -	\$ 66,847,137
Issuance of bonds and other debt	-	135,715,000	135,715,000	-	135,715,000
Premium on the sale of bonds	-	22,961,147	22,961,147	-	22,961,147
Payments to escrow agents - advance refunding	-	(158,136,613)	(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>\$ -</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>\$</b>	<b>\$ (17,297,579)</b>
<b>Restricted fund balance, beginning</b>	<b>\$ 144,143,368</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>		<b>\$ 126,845,789</b>

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

<b>REVENUES</b>	<b>Adopted Budget</b>	<b>Mid-Year Adjustments</b>	<b>Mid-Year Adjusted Budget</b>	<b>June Adjustments</b>	<b>June Adjusted Budget</b>
Transfers from other funds	\$ 66,847,137	\$ -	\$ 66,847,137	\$ -	\$ 66,847,137
Premium on sale of bonds	-	22,961,147	22,961,147	-	22,961,147
Issuance of bonds and other debt	-	135,715,000	135,715,000	-	135,715,000
Taxes, current year	155,663,804	4,351,456	160,015,260	46,448	160,061,708
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	222,000	12,000	234,000	(26,000)	208,000
Federal revenues - BABS subsidy	7,613,834	-	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>\$ 20,448</b>	<b>\$ 397,406,826</b>
	<b>Adopted Budget</b>	<b>Mid-Year Adjustments</b>	<b>Mid-Year Adjusted Budget</b>	<b>June Adjustments</b>	<b>June Adjusted Budget</b>
Local	\$ 159,885,804	\$ 4,363,456	\$ 164,249,260	\$ 20,448	\$ 164,269,708
Federal	7,613,834	-	7,613,834	-	7,613,834
Other	66,847,137	158,676,147	225,523,284	-	225,523,284
Total revenues	<b>\$ 234,346,775</b>	<b>\$ 163,039,603</b>	<b>\$ 397,386,378</b>	<b>\$ 20,448</b>	<b>\$ 397,406,826</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.

### **June Budget Update**

The Special Revenue Fund was increased by \$142,417,775 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 \$331,152,584.

The appropriations budget for the Special Revenue Fund is \$356,598,307.

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

<b>REVENUES</b>	<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	\$ 15,187,952	\$ 15,555,952	\$ 6,109,742	\$ 21,665,694
State sources	16,368,867	9,804,441	26,173,308	2,666,151	28,839,459
Federal sources	197,443,665	69,232,660	266,676,325	13,971,106	280,647,431
<b>Total revenues</b>	<b>\$ 214,180,532</b>	<b>\$ 94,225,053</b>	<b>\$ 308,405,585</b>	<b>\$ 22,746,999</b>	<b>\$ 331,152,584</b>
<b>APPROPRIATIONS</b>	<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	\$ 112,565,912	\$ 9,964,883	\$ 122,530,795	\$ 38,520,161	\$ 161,050,956
Instructional resources and media services	333,305	442,735	776,040	10,669	786,709
Instructional staff development	54,095,132	56,788,862	110,883,994	(5,616,012)	105,267,982
Curriculum development	133,660	(55,823)	77,837	60,992	138,829
Instructional leadership	4,107,327	16,266,263	20,373,590	(11,030,743)	9,342,847
School leadership	1,929,316	314,006	2,243,322	516,269	2,759,591
Guidance, counseling and evaluation services	15,837,068	14,566,060	30,403,128	(10,991,483)	19,411,645
Social work services	616,466	824,456	1,440,922	(363,073)	1,077,849
Health services	910,173	1,225,309	2,135,482	1,516,111	3,651,593
Student transportation	2,200,478	600,207	2,800,685	1,183,238	3,983,923
Food services	5,566	2,049	7,615	-	7,615
Co-curricular/extracurricular activities	1,919,688	829,096	2,748,784	195,183	2,943,967
General administration	3,548,052	1,134,941	4,682,993	656,001	5,338,994
Plant maintenance and operations	1,083,925	(398,250)	685,675	1,646,008	2,331,683
Security and monitoring services	111,002	(35,134)	75,868	372,465	448,333
Data processing services	11,491,997	15,724,735	27,216,732	3,307,745	30,524,477
Community services	1,832,884	1,322,131	3,155,015	(120,971)	3,034,044
Debt service	-	-	-	-	-
Facilities acquisition and construction	1,458,581	154,250	1,612,831	(7,628)	1,605,203
Payment to fiscal agent/member districts of shared services arrangements	-	-	-	2,892,067	2,892,067
<b>Total appropriations</b>	<b>\$ 214,180,532</b>	<b>\$ 119,670,776</b>	<b>\$ 333,851,308</b>	<b>\$ 22,746,999</b>	<b>\$ 356,598,307</b>
<b>Excess (deficiency) of revenues over (under) appropriations</b>	<b>\$ -</b>	<b>\$ (25,445,723)</b>	<b>\$ (25,445,723)</b>	<b>\$ -</b>	<b>\$ (25,445,723)</b>
<b>Unassigned fund balance, beginning</b>	<b>\$ 25,445,723</b>		<b>\$ 25,445,723</b>		<b>\$ 25,445,723</b>
<b>Unassigned fund balance, ending</b>	<b>\$ 25,445,723</b>		<b>\$ -</b>		<b>\$ -</b>

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

	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget	June Adjustments	June Adjusted Budget
<u>Local sources</u>					
Apollo	\$ -	\$ 7,498,682	7,498,682	\$ -	\$ 7,498,682
Arnold Foundation	-	1,287,086	1,287,086	-	1,287,086
Bill & Melinda Gates	-	1,116,486	1,116,486	-	1,116,486
Broad Foundation	-	33,316	33,316	-	33,316
City of Houston Youth Ball Field	-	1,076,750	1,076,750	-	1,076,750
HISD Foundation	-	174,039	174,039	25,000	199,039
Houston Livestock Show and Rodeo	-	22,500	22,500	-	22,500
Lost Instrtional Materials	-	5,074,644	5,074,644	1,315,507	6,390,151
McNair Foundation	-	1,186	1,186	-	1,186
Michael & Susan Dell	-	204,302	204,302	-	204,302
Misc. Project Grants	368,000	3,609,293	3,977,293	1,816,439	5,793,732
Sequoia Foundation	-	22,775	22,775	-	22,775
TX Music Project - Sound Investment	-	4,307	4,307	-	4,307
Special Ed. Local	-	-	-	2,892,067	2,892,067
<b>Total local sources</b>	<b>\$ 368,000</b>	<b>\$ 20,125,366</b>	<b>\$ 20,493,366</b>	<b>\$ 6,049,013</b>	<b>\$ 26,542,379</b>
<u>State sources</u>					
Case	\$ -	\$ 1,345,480	\$ 1,345,480	\$ 30,000	\$ 1,375,480
Date	4,202,184	4,264,586	8,466,770	-	8,466,770
Instructional Allotment	9,339,679	(4,088,855)	5,250,824	-	5,250,824
Online College and Career Prep Tech	472,096	(472,096)	-	-	-
Misc. State Grants	2,354,908	933,359	3,288,267	28,581	3,316,848
Special Ed. - State Programs	-	117,153	117,153	1,768,553	1,885,706
State Technology	-	7,704,814	7,704,814	-	7,704,814
Student Success Initiative	-	-	-	839,017	839,017
<b>Total state sources</b>	<b>\$ 16,368,867</b>	<b>\$ 9,804,441</b>	<b>\$ 26,173,308</b>	<b>\$ 2,666,151</b>	<b>\$ 28,839,459</b>
<u>Federal sources</u>					
21ST Century	\$ 3,414,516	\$ 3,012,738	\$ 6,427,254	\$ 330,916	\$ 6,758,170
Carl Perkins	2,967,552	(186,386)	2,781,166	224,999	3,006,165
E-rate	11,647,135	8,861,174	20,508,309	2,876,319	23,384,628
Even Start	-	125,288	125,288	-	125,288
Gear Up	-	373,888	373,888	-	373,888
Magnet School Assistance Program	3,954,157	4,091,457	8,045,614	-	8,045,614
Misc. Federal Grants	3,752,909	4,202,147	7,955,056	471,575	8,426,631
Smaller Learning	-	3,309	3,309	-	3,309
Special Education	37,396,137	(954,665)	36,441,472	9,419,797	45,861,269
Special Ed. - Preschool	471,675	107,657	579,332	125,209	704,541
Teacher Incentive	5,630,766	14,703,787	20,334,553	-	20,334,553
Title I - Part A	103,082,376	29,932,047	133,014,423	-	133,014,423
Title I - Migrant	545,698	235,428	781,126	23,677	804,803
Title I - SIP	-	4,881,552	4,881,552	131,502	5,013,054
Title II - Part A	11,687,484	13,485,937	25,173,421	-	25,173,421
Title III - Part A - LEP	6,163,538	2,146,804	8,310,342	153,533	8,463,875
TTIPS	6,729,722	4,718,807	11,448,529	-	11,448,529
Special Ed. Shared Services	-	-	-	274,308	274,308
<b>Total federal sources</b>	<b>\$ 197,443,665</b>	<b>\$ 89,740,969</b>	<b>\$ 287,184,634</b>	<b>\$ 14,031,835</b>	<b>\$ 301,216,469</b>
<b>Total budget and revenues</b>	<b>\$ 214,180,532</b>	<b>\$ 119,670,776</b>	<b>\$ 333,851,308</b>	<b>\$ 22,746,999</b>	<b>\$ 356,598,307</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 \$441,360 primarily due to decreased USDA Donated Commodities and National School Lunch Program funding.

Appropriations are being reduced by \$4,636,293 primarily due to a reduction in food inventory.

### **June Budget**

The appropriations budget for the Food Service Fund (as adjusted) has appropriations of \$108,356,352 with corresponding estimated revenue of \$112,766,441 reflecting a change in total net assets of \$4,194,933 since the 2012-2013 adopted budget.

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

<b>REVENUES</b>	<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	\$ 9,621,979	\$ 320,399	\$ 9,942,378	\$ (63,274)	\$ 9,879,104
Miscellaneous other sources	419,280	(39,434)	379,846	(32,260)	347,586
<b>Total revenues</b>	<b>\$ 10,041,259</b>	<b>\$ 280,965</b>	<b>\$ 10,322,224</b>	<b>\$ (95,534)</b>	<b>\$ 10,226,690</b>
<b>EXPENDITURES</b>	<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	\$ 42,515,709	\$ (136,588)	\$ 42,379,121	\$ (37,220)	\$ 42,341,901
Purchased and contracted services	10,938,661	(458,703)	10,479,958	491,227	10,971,185
Supplies and materials	58,632,334	(2,655,077)	55,977,257	(1,804,045)	54,173,212
Other operating expenses	833,371	(233,511)	599,860	167,869	767,729
Depreciation	72,570	11,391	83,961	18,364	102,325
<b>Total expenditures</b>	<b>\$ 112,992,645</b>	<b>\$ (3,472,488)</b>	<b>\$ 109,520,157</b>	<b>\$ (1,163,805)</b>	<b>\$ 108,356,352</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>\$ 1,068,271</b>	<b>\$ (98,129,662)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Earnings on investments	\$ 800	\$ 1,023	\$ 1,823	\$ 1,721	\$ 3,544
Grants from federal agencies					
Child nutrition program	95,074,096	(1,136,839)	93,937,257	1,974,005	95,911,262
Summer food program	2,203,121	-	2,203,121	-	2,203,121
Donated commodities	5,294,334	(1,615,315)	3,679,019	170,125	3,849,144
State matching and other	594,191	-	594,191	(21,511)	572,680
<b>Total non-operating revenue</b>	<b>\$ 103,166,542</b>	<b>\$ (2,751,131)</b>	<b>\$ 100,415,411</b>	<b>\$ 2,124,340</b>	<b>\$ 102,539,751</b>
<b>Income before transfers</b>	<b>\$ 215,156</b>	<b>\$ 1,002,322</b>	<b>\$ 1,217,478</b>	<b>\$ 3,192,611</b>	<b>\$ 4,410,089</b>
<b>Change in net assets</b>	<b>\$ 215,156</b>	<b>\$ 1,002,322</b>	<b>\$ 1,217,478</b>	<b>\$ 3,192,611</b>	<b>\$ 4,410,089</b>
<b>Total net assets, beginning</b>	<b>\$ 8,660,566</b>	<b>\$ -</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>	<b>\$ 3,192,611</b>	<b>\$ 13,070,655</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.

### **June Available Funds**

The available funds for the Capital Renovation Fund is \$916,932,545 including carryover and budget adjustments for construction projects. The budgeted revenues and other sources total \$388,954,180. There is an overall net increase of \$353,613,544 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 for the Texas Education Agency.
- Miscellaneous revenues net increase of \$1,007,951.
- A net increase of \$341,188,135 for the issuance of bonds and other debt and premium on the sale of bonds.
- Proceeds from the sale of capital assets of \$3,410,590 for the sale of Stevenson Elementary School.

#### Available funds:

- Available funds are being increased by \$353,613,544 due to the same amount of increased revenues.

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

<b>REVENUES</b>	<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	\$ 19,790,636	\$ -	\$ 9,320,483	\$ 29,111,119	\$ (305,664)	\$ 28,805,455
<b>Total revenues</b>	<b>\$ 19,790,636</b>	<b>\$ -</b>	<b>\$ 9,320,483</b>	<b>\$ 29,111,119</b>	<b>\$ (305,664)</b>	<b>\$ 28,805,455</b>
				<u>Mid-Year Adjusted Budget for Future Authorized Projects</u>	<u>June Adjustments</u>	<u>June Adjusted Budget for Future Authorized Projects</u>
<b>EXPENDITURES</b>	<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	\$ 100,000,000	\$ 451,280,457	\$ 351,585,309	\$ 902,865,766	\$ 2,028,235	\$ 904,894,001
<b>Total expenditures</b>	<b>\$ 100,000,000</b>	<b>\$ 451,280,457</b>	<b>\$ 351,585,309</b>	<b>\$ 902,865,766</b>	<b>\$ 2,028,235</b>	<b>\$ 904,894,001</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (80,209,364)</b>	<b>\$ (451,280,457)</b>	<b>\$ (342,264,826)</b>	<b>\$ (873,754,647)</b>	<b>\$ (2,333,899)</b>	<b>\$ (876,088,546)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers-in	\$ 15,550,000	\$ -	\$ -	\$ 15,550,000	\$ -	\$ 15,550,000
Transfers-out	(12,038,544)	-	(1,095,764)	(13,134,308)	1,095,764	(12,038,544)
Sale of bonds and contractual obligations	-	-	340,000,000	340,000,000	(26,040,000)	313,960,000
Premium on sale of bonds	-	-	-	-	27,228,135	27,228,135
Proceeds from sale of capital assets	-	-	3,360,590	3,360,590	50,000	3,410,590
<b>Total other financing sources (uses)</b>	<b>\$ 3,511,456</b>	<b>\$ -</b>	<b>\$ 342,264,826</b>	<b>\$ 345,776,282</b>	<b>\$ 2,333,899</b>	<b>\$ 348,110,181</b>
<b>Net excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (76,697,908)</b>			<b>\$ (527,978,365)</b>		<b>\$ (527,978,365)</b>
<b>Restricted fund balance, beginning</b>	<b>\$ 527,978,365</b>			<b>\$ 527,978,365</b>		<b>\$ 527,978,365</b>
<b>Restricted fund balance, ending</b>	<b>\$ 451,280,457</b>			<b>\$ -</b>		<b>\$ -</b>