



2020–2021
ADOPTED
BUDGET BOOK

FINANCIAL
SECTION

FISCAL EXCELLENCE, SERVICE DRIVEN.



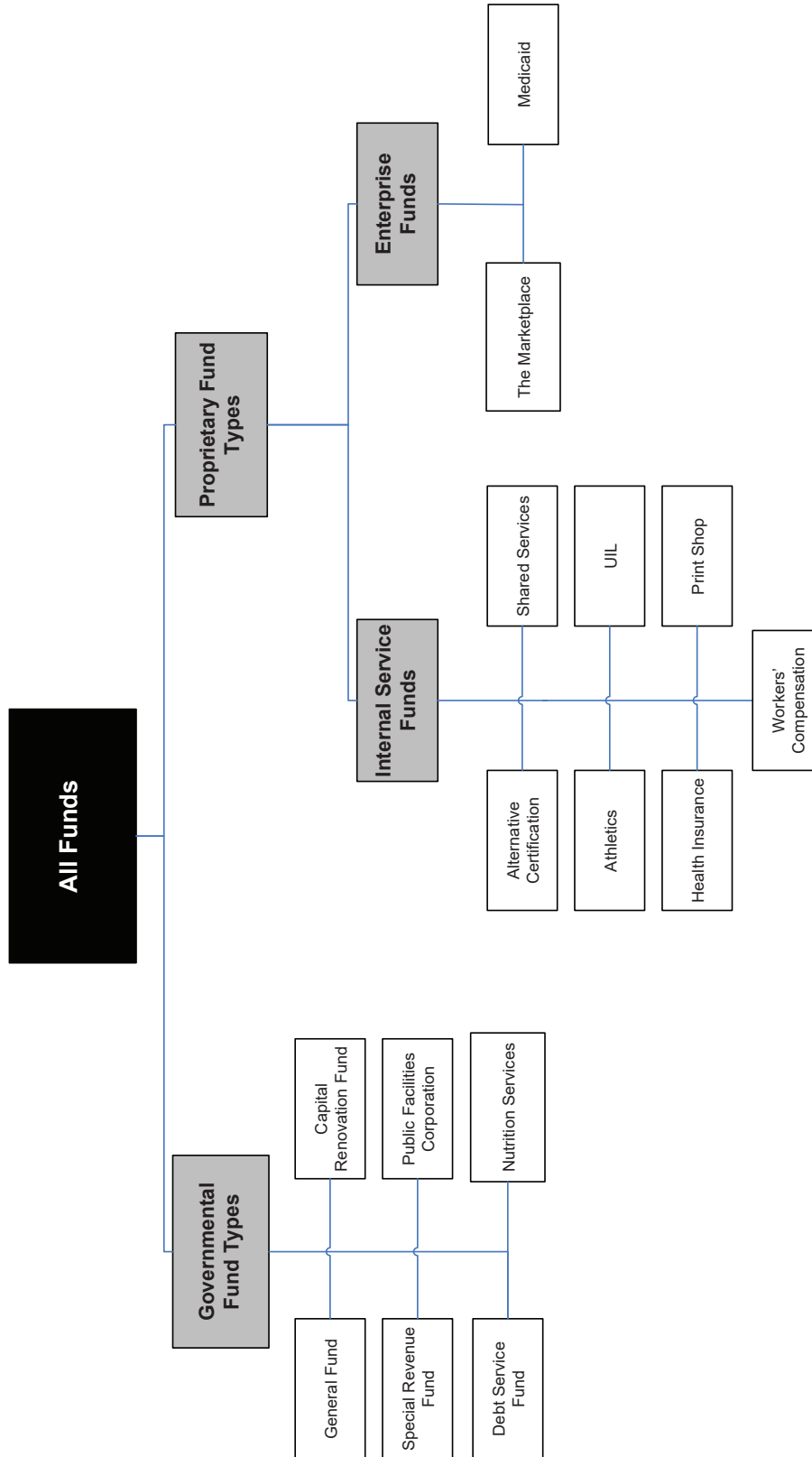
Financial Section Table of Contents

Houston Independent School District

All Funds Structure Diagram / Summary	88
Governmental Funds by Major Object	89
All Governmental Funds and Proprietary Funds Selected Items Summary	90
Governmental Fund Types	92
General Fund	96
Special Revenue	103
Nutrition Services Fund	107
Debt Service Fund	111
Capital Renovation Fund	115
Public Facility Corporation Fund	131
Internal Service Funds	133
Internal Service Funds with Budget Assumptions	134
Health Insurance	138
Workers' Compensation	139
Print Shop	140
Alternative Certification	141
UIL	142
Athletics	143
Special Education Shared Services	144
Virtual Schools	145
Copier Services	146
Enterprise Funds	147
Enterprise Funds with Budget Assumptions	148
The Marketplace	150
Medicaid	151
Business Development Services	152



All Funds Structure Diagram / Summary Houston Independent School District



HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY MAJOR OBJECT - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	Actual	Actual	Actual	Actual	Adopted	Forecast	Forecast	Forecast
Revenues								
5700 Local Sources	\$ 1,961,917,587	\$ 2,080,109,945	\$ 2,148,393,786	\$ 2,098,998,671	\$ 2,139,044,940	\$ 2,175,315,109	\$ 2,205,590,217	\$ 2,225,308,428
5800 State Sources	182,293,193	263,451,706	439,429,082	248,329,249	195,801,611	181,470,934	228,085,361	177,075,125
5900 Federal Sources	185,375,266	352,337,407	332,883,354	352,643,888	316,752,774	318,673,814	320,614,064	322,573,718
Total Revenue	2,329,586,046	2,695,899,058	2,920,706,222	2,699,971,808	2,651,599,325	2,675,459,857	2,754,289,642	2,724,957,271
Expenditures								
6100 Payroll Costs	1,386,001,098	1,557,200,230	1,497,674,020	1,567,075,192	1,653,846,024	1,720,921,402	1,750,016,923	1,716,465,907
6200 Professional and Contracted Services	402,290,522	561,215,465	576,174,311	381,630,367	303,707,609	322,715,684	327,601,668	323,802,585
6300 Supplies and Materials	82,474,832	154,814,941	146,959,467	157,936,441	187,669,978	200,124,766	201,624,318	203,101,335
6400 Other Operating Costs	85,773,177	91,080,894	97,719,985	90,152,609	162,148,752	173,436,322	176,369,892	172,686,201
6500 Debt Service	950,046,923	347,955,504	524,584,715	528,737,072	375,708,046	359,978,304	363,779,989	370,182,884
6600 Capital Outlay	640,368,282	654,927,098	359,081,664	347,406,279	168,584,022	107,388,589	45,607,359	39,722,942
Total Expenditures	3,546,954,834	3,367,194,132	3,202,194,161	3,072,937,960	2,851,664,432	2,884,565,066	2,865,000,150	2,825,961,853
Net Revenue Over (under)	(1,217,368,788)	(671,295,074)	(281,487,939)	(372,966,152)	(200,065,107)	(209,105,209)	(110,710,507)	(101,004,582)
Other Sources (Uses)								
7900 Other Resources	1,244,978,601	516,858,461	271,537,938	305,521,221	67,936,590	49,392,240	44,802,965	44,904,665
8900 Other Uses	(67,086,060)	(95,936,152)	(58,566,776)	(64,534,378)	(45,436,590)	(32,348,480)	(24,789,265)	(24,881,515)
Total other Financing sources (uses)	1,177,892,541	420,922,309	212,971,162	240,986,843	22,500,000	17,043,760	20,013,700	20,023,150
Net Change in fund balances	(39,476,247)	(250,372,765)	(68,516,777)	(131,979,309)	(177,565,107)	(192,061,449)	(90,696,807)	(80,981,432)
Beginning Fund Balance (Estimated)	1,917,823,857	1,878,347,610	1,627,974,845	1,559,458,068	1,427,478,759	1,249,913,652	1,057,852,203	967,155,396
Ending Fund Balance (Estimated)	\$ 1,878,347,610	\$ 1,627,974,845	\$ 1,559,458,068	\$ 1,427,478,759	\$ 1,249,913,652	\$ 1,057,852,203	\$ 967,155,396	\$ 886,173,963

HOUSTON INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL AND PROPRIETARY FUNDS SELECTED ITEMS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

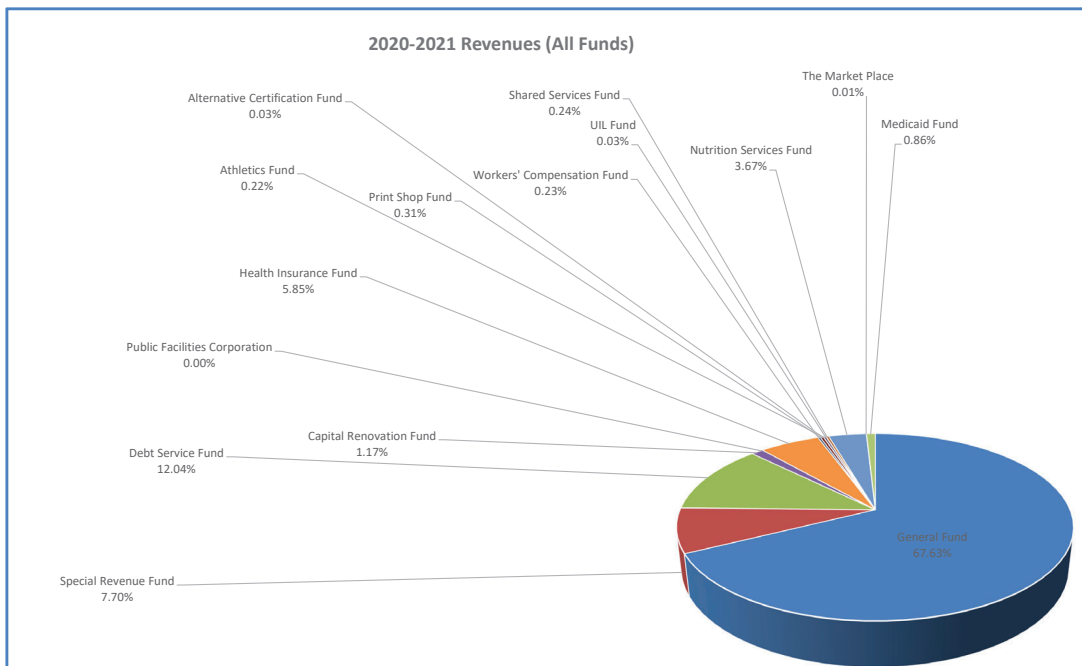
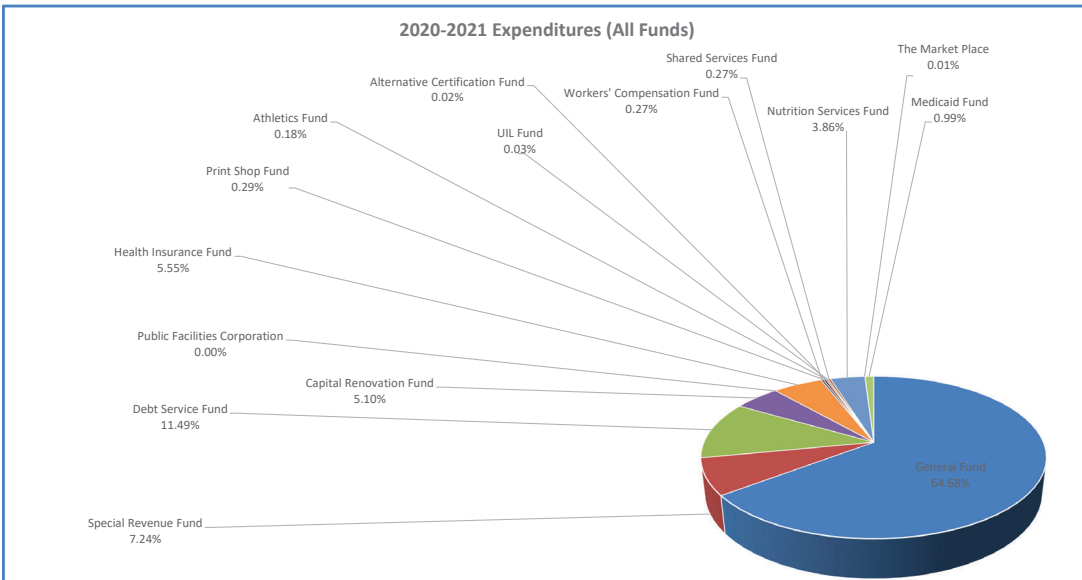
All Governmental and Proprietary Funds	Total All Funds
Total revenue	2,857,138,678
Total expenditures	3,068,229,625
Excess (def.) revenues over (under) expenditures	(211,090,947)
Total other financing sources (uses)	91,974,301 (67,936,590)
Fund balances/Net assets, beginning	1,531,317,538
Fund balances/Net assets, ending	1,344,264,302

Governmental Fund Types	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Public Facilities Corporation	Nutrition Services Fund	Total Governmental Fund Types
Total revenue	1,972,054,361	227,129,489	312,258,116	34,535,375	-	105,621,984	2,651,599,325
Total expenditures	1,991,093,833	227,129,489	360,458,046	151,883,690	-	121,099,374	2,851,664,432
Excess (def.) revenues over (under) expenditures	(19,039,472)	-	(48,199,930)	(117,348,315)	-	(15,477,390)	(200,065,107)
Total other financing sources (uses)	22,500,000 (37,449,140)	-	42,788,700 -	- (7,987,450)	-	2,647,890 -	67,936,590 (45,436,590)
Fund balances/Net assets, beginning	967,900,148	43,400,477	112,859,097	287,015,378	2,956,240	13,347,419	1,427,478,759
Fund balances/Net assets, ending	933,911,536	43,400,477	107,447,867	161,679,613	2,956,240	517,919	1,249,913,652

Internal Service Fund Types	Health Insurance Fund	Workers' Compensation Fund	Print Shop Fund	Alternative Certification Fund	Athletics Fund	UIL Fund	Shared Services Fund	Total Internal Service Fund Types
Total revenue	172,358,368	6,386,663	8,992,832	779,360	6,536,827	1,022,144	7,127,318	203,203,512
Total expenditures	174,063,240	8,463,011	9,045,674	577,249	5,742,677	1,026,688	8,583,857	207,502,396
Excess (def.) revenues over (under) expenditures	(1,704,872)	(2,076,348)	(52,842)	202,111	794,150	(4,544)	(1,456,539)	(4,298,884)
Total other financing sources	256,962	296,000	40,000	-	-	1,950	-	594,912
Fund balances/Net assets, beginning	39,136,679	34,960,455	1,913,504	453,937	2,156,047	530,536	2,616,095	81,893,713
Fund balances/Net assets, ending	37,688,769	33,180,107	1,900,662	656,048	2,950,197	527,942	1,159,556	78,189,741

Proprietary Fund Types	The Market Place	Medicaid Fund	Total Enterprise Fund Types
Total revenue	414,871	1,920,970	2,335,841
Total expenditures	420,286	8,642,511	9,062,797
Excess (def.) revenues over (under) expenditures	(5,415)	(6,721,541)	(6,726,956)
Total other financing sources (uses)	5,415 -	23,437,384 (22,500,000)	23,442,799 (22,500,000)
Fund balances/Net assets, beginning	76,080	21,868,986	21,945,066
Fund balances/Net assets, ending	76,080	16,084,829	16,160,909

HOUSTON INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL AND PROPRIETARY FUNDS SELECTED ITEMS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021





Governmental Fund Types

Houston Independent School District

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

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

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

Classifications of Fund Balances:

The following table shows fund balances as of June 30, 2020.

Fund Balances	General Fund	Major		NonMajor		Total
		Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation-PFC	
Nonspendable	14,510,708	-	-	-	-	14,510,708
Restricted	-	56,747,896	112,859,097	249,171,715	2,956,240	421,734,948
Committed	46,364,840	-	-	-	-	46,364,840
Assigned	251,970,374	-	-	37,843,663	-	289,814,037
Unassigned	655,054,226	-	-	-	-	655,054,226
Total Fund Balances	967,900,148	56,747,896	112,859,097	287,015,378	2,956,240	1,427,478,759

Other Post-Employment Benefit Plans (OPEB)

Health Care Plan Description (TRS-Care)

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

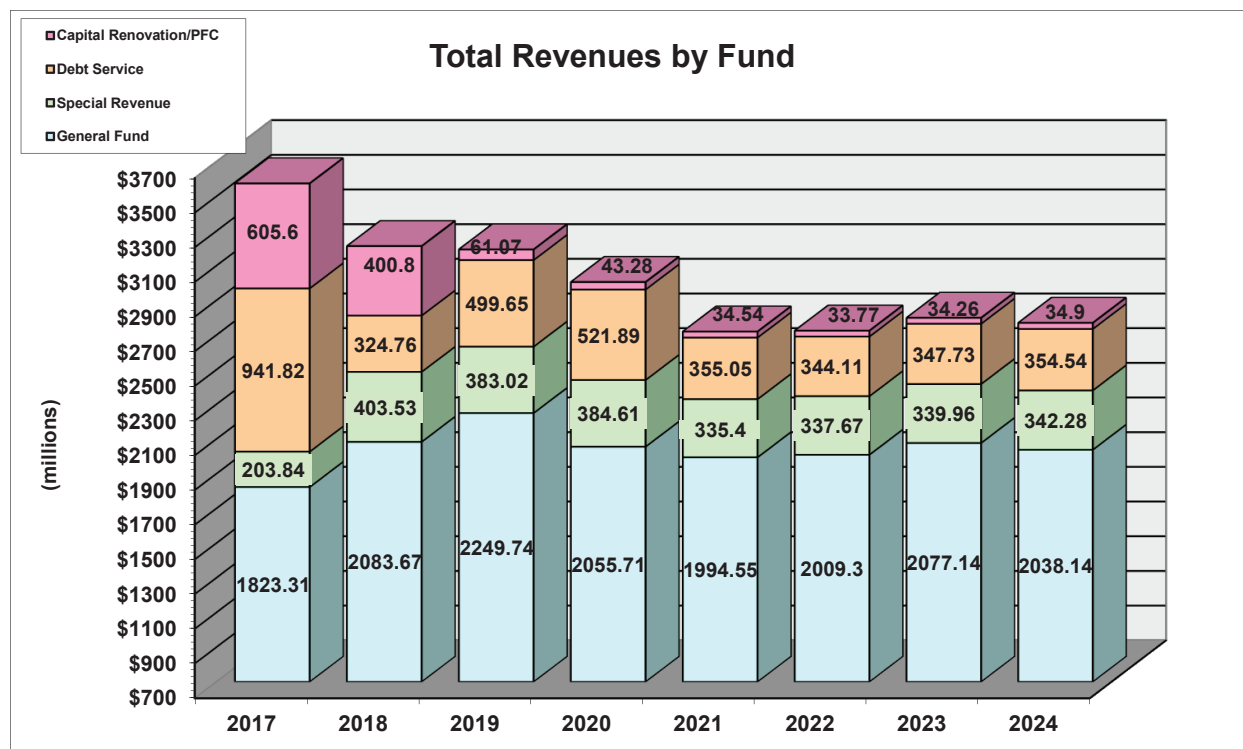
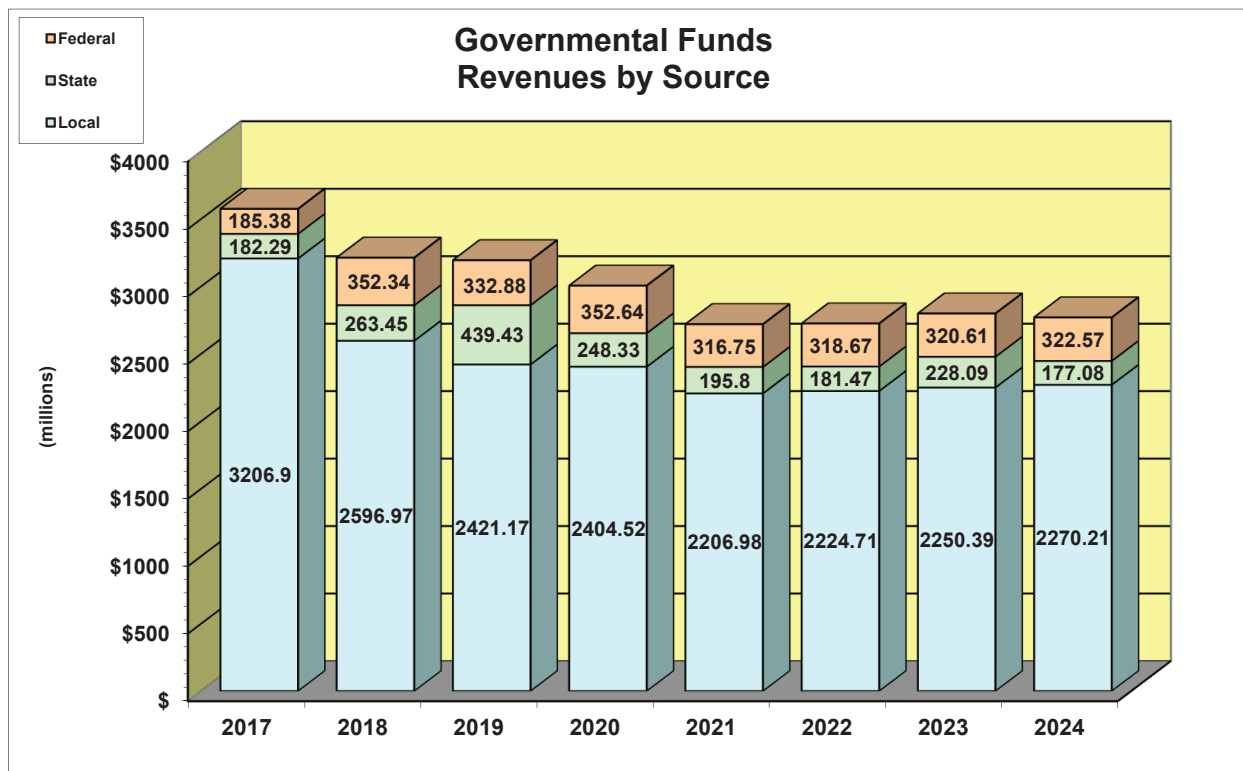
Employees of the system who retire with 10 or more years of eligible service credit and meet the Rule of 80 or are at least 65 years of age continue to receive health care and basic life insurance benefits through the Texas Employees Group Benefits Program (GBP) of the State Retiree Health Plan (SRHP)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

The district's **Accrued Obligation for Post-Employment Benefits** – as of June 30, 2020 net pension liability was \$594,268,532.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
REVENUES								
Property taxes	1,893,322,642	1,983,988,484	2,024,206,276	2,010,279,432	2,081,133,810	2,120,836,146	2,150,528,066	2,169,516,847
Earnings on investments	12,674,863	25,732,548	41,075,498	24,338,742	8,962,078	4,526,744	4,020,078	3,658,755
Miscellaneous local sources	55,920,082	70,388,913	83,112,013	64,380,498	48,949,052	49,962,219	51,042,073	52,132,826
State sources	182,293,194	263,451,706	439,429,082	246,323,248	195,801,611	187,470,934	228,085,361	177,073,125
Federal sources	185,375,265	352,337,407	352,883,354	352,883,354	316,752,774	318,673,814	320,814,064	322,573,718
Total revenues	2,329,586,046	2,695,899,058	2,920,706,223	2,699,871,808	2,651,599,325	2,675,459,857	2,754,289,642	2,724,957,271
EXPENDITURES BY FUNCTION								
Current								
Instruction	1,099,037,778	1,196,178,528	1,099,683,185	1,202,777,885	1,299,373,361	1,310,799,511	1,312,288,285	1,313,791,944
Instructional resources and media services	9,963,155	9,436,233	9,963,448	7,841,317	10,124,064	10,035,010	10,035,077	10,035,145
Curriculum development and instructional staff development	54,161,088	68,555,448	61,344,044	57,587,847	57,560,217	57,581,968	57,803,999	58,028,260
Instructional leadership	33,352,131	29,936,424	34,238,527	33,514,852	38,685,048	38,703,667	38,819,299	38,936,067
School leadership	132,074,470	151,711,305	146,089,651	151,004,365	152,574,833	151,272,269	151,281,882	151,291,602
Guidance, counseling, and evaluation services	55,556,445	62,330,230	64,754,757	78,083,313	78,757,029	78,431,641	78,579,207	78,728,249
Social work services	3,430,189	3,038,670	3,745,580	14,372,266	20,226,024	20,151,053	20,175,722	20,200,638
Health services	21,288,305	21,626,132	23,797,821	24,846,323	25,104,882	24,903,435	24,936,284	24,969,462
Student (pupil) transportation	70,696,961	72,577,424	63,477,203	58,804,058	69,102,766	69,057,217	69,125,174	69,193,810
Food services	13,090	124,090,805	128,717,953	112,485,682	120,337,264	108,165,809	107,647,890	107,647,890
Extracurricular activities	18,388,968	21,400,667	16,468,189	20,549,019	13,712,272	13,719,227	13,726,251	13,733,346
General administration	42,607,689	40,567,588	44,963,888	37,876,811	51,260,399	46,301,969	46,370,848	46,440,416
Facilities maintenance and operations	181,942,691	240,650,346	199,210,132	195,632,282	201,011,765	199,933,022	199,933,277	199,933,535
Security and monitoring services	24,841,791	26,041,443	24,356,065	24,918,852	28,645,518	28,533,201	28,534,117	28,535,042
Data processing services	73,362,175	71,130,255	60,175,446	67,147,720	57,640,969	58,118,729	58,132,042	58,145,488
Community services	7,479,612	8,216,172	8,079,861	14,720,370	12,361,541	12,438,228	12,532,690	12,628,097
Juvenile justice alternative education programs	792,117	792,000	792,000	792,000	792,000	792,000	792,000	792,000
Contracted Instructional Services Between Public Schools	-	-	-	-	-	-	-	-
Payments to Tax increment fund	55,616,783	56,170,397	58,465,450	61,321,789	63,066,742	66,537,850	66,537,850	66,537,850
Tax appraisal and collection	13,995,353	13,814,336	14,990,752	14,980,471	16,505,000	17,705,000	18,305,000	18,305,000
Chapter 41/Purchase of WADA	93,080,703	204,404,117	265,231,840	80,843,995	12,083,891	131,944,305	171,508,779	128,836,503
Debt service								
Principal	215,034,493	216,850,992	216,959,476	222,246,235	227,831,456	234,725,073	248,380,000	262,630,000
Interest and fiscal charges	133,252,896	131,104,511	145,515,239	137,675,568	127,876,590	124,276,926	114,116,520	106,583,551
Payment to escrow agents	601,759,534	-	162,110,000	168,815,269	-	-	-	-
Capital outlay								
Facilities acquisition and construction	603,314,687	593,524,936	339,354,225	280,500,797	147,030,801	81,037,956	16,037,957	10,037,958
Intergovernmental charges								
Fiscal agent/member districts of shared services arrangements								
Total expenditures	2,911,732	3,045,173	3,719,430	3,598,884	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	3,546,954,834	3,367,194,132	3,202,194,162	3,072,937,960	2,851,664,432	2,884,565,066	2,865,000,150	2,825,961,853
OTHER FINANCING SOURCES (USES)	(1,217,368,788)	(671,295,074)	(281,487,939)	(372,966,152)	(200,065,107)	(209,105,209)	(110,710,507)	(101,004,582)
Transfers in								
Transfers out	97,486,060	151,069,290	85,807,398	86,844,378	67,936,590	49,392,240	44,802,965	44,904,665
Capital leases	(67,086,060)	(95,936,152)	(59,807,398)	(64,534,378)	(45,436,590)	(32,348,480)	(24,789,265)	(24,881,515)
Issuance of bonds and other debt	562,012	23,481,683	-	35,099,520	-	-	-	-
Issuance of refunding debt	488,670,000	261,575,000	159,945,000	148,895,000	-	-	-	-
Premium on the sale of bonds	531,575,000	40,253,761	2,660,288	17,082,670	-	-	-	-
Premium on the sale of refunding bonds	53,595,739	-	-	-	-	-	-	-
Proceeds from sale of capital assets	72,600,830	-	1,240,622	1,302,706	-	-	-	-
Insurance proceeds	484,960	-	23,135,252	16,296,947	-	-	-	-
Payments to escrow agents - advance refunding	-	40,478,727	-	-	-	-	-	-
Total other financing sources (uses)	1,177,892,541	420,922,309	212,971,162	240,986,843	22,500,000	17,043,760	20,013,700	20,023,150
Net change in fund balances	(39,476,247)	(250,372,765)	(68,516,777)	(131,979,309)	(177,565,107)	(192,061,449)	(90,896,807)	(80,981,432)
Fund balances, beginning	1,917,823,857	1,878,347,610	1,627,974,845	1,559,458,088	1,427,478,759	1,249,913,652	1,057,852,203	967,155,396
Fund balances, ending	1,878,347,610	1,627,974,845	1,559,458,088	1,427,478,759	1,249,913,652	1,057,852,203	967,155,396	886,173,963

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





General Fund

Houston Independent School District

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

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

Local Sources

Current and delinquent property tax revenue (levy) is the district's largest revenue source in the amount of \$1,754,575,694 or 87.97 percent of all General Fund Revenues. The district has been seeing significant increases in the local roll values as shown in the Introductory Section of this document. However, unlike many city and county tax rolls HISD does not keep all of the increase in tax revenues generated. Under the state funding formula, as local property values rise the state reduces their share of public education. In fact, the state share of formula revenue in HISD has decreased from a high of 27.16 percent in 2011-2012 to an estimated 4.38 percent in 2020-2021.

The revenue projections used for 2020-2021 are based off the certified estimated roll value that the district receives in April of each fiscal year. The district works with the Harris County Appraisal District (HCAD) early in the year, usually around February, to determine a starting point for tax revenue projections. These projections are used to build early estimates of the district's budget resources and help with the planning and ranking of programs in the upcoming years. The district has traditionally taken a conservative approach in early revenue projections and in the past has been able to fund projects on a ranked planning list.

State Sources

State sources include the Foundation School Program (FSP) which is formula driven based off the district's property values and student counts at approximately \$39.05 million for 2020-2021. Available School Fund (ASF) is revenue from the states permanent fund and is revenue earned on a per capita basis for education by all school districts as outlined in the state's constitution at approximately \$47.38 million. Also included is pass-through funding of \$80.3 million for the state's contribution to the Texas Teacher's Retirement System (TRS). Total state funding (including the pass-through funds) is approximately 8.36 percent of the total revenues of the district. Without the pass-through funds the state funding is approximately 4.34 percent of total operating revenues.

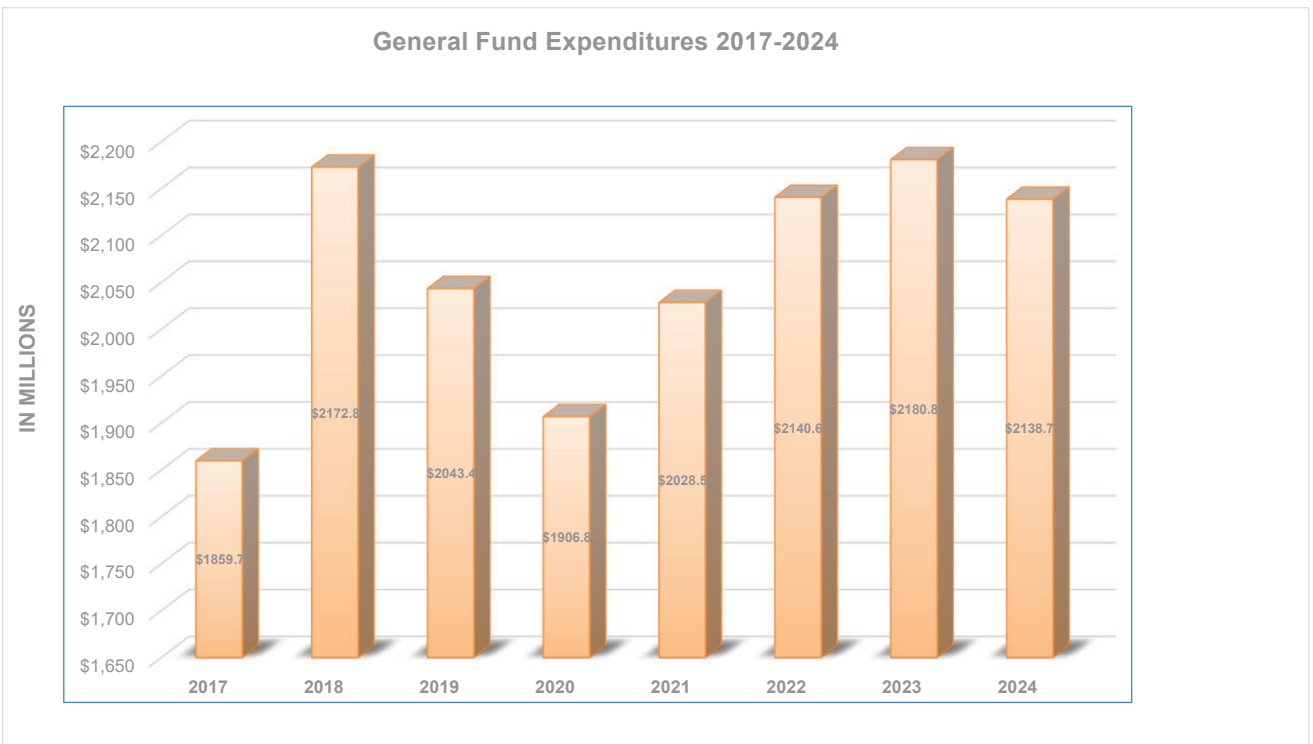
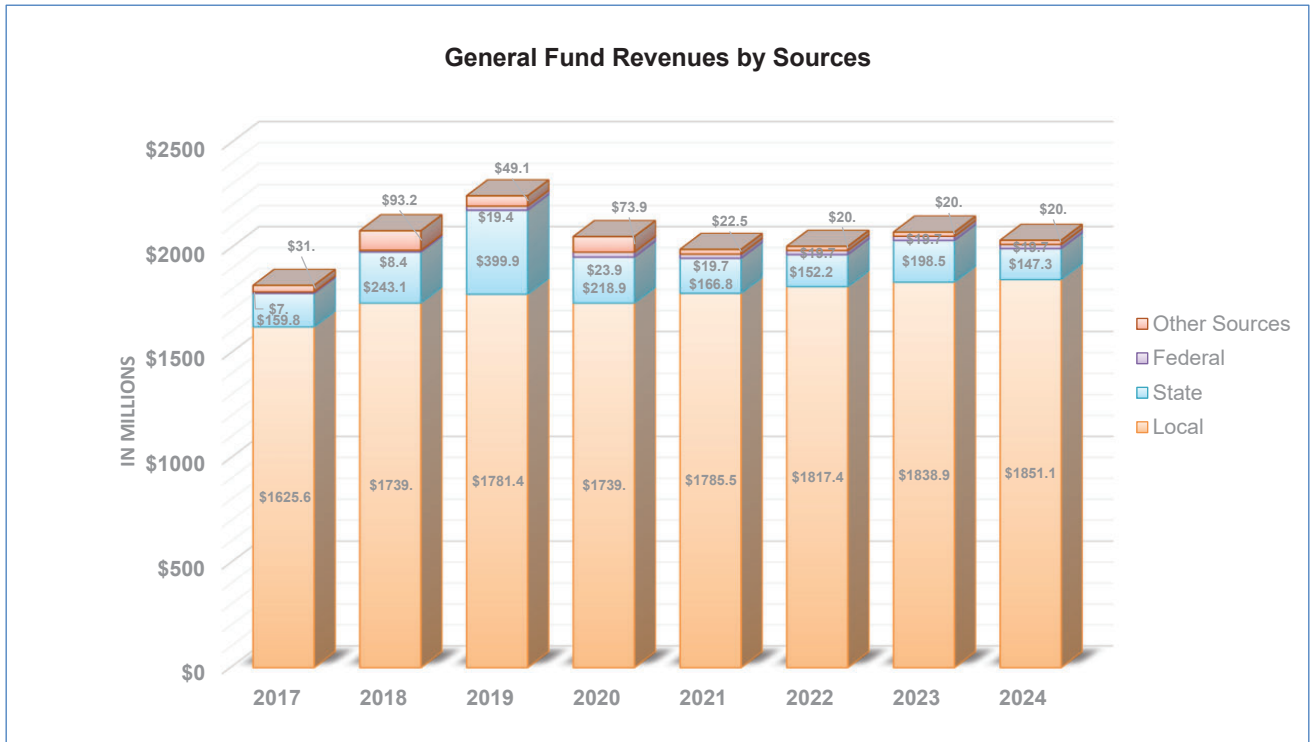
Federal Sources

Federal sources total \$19.72 million and include Build America Bond subsidy payment of \$6.19 million, federal revenue from TEA (indirect cost) of \$5 million, federal revenue (Texas Department of Agriculture) indirect cost of \$6.3 million, direct federal revenue \$300,000 and revenue for the JROTC staff from the Army, Air Force, and Navy in the amount of \$1.93 million.

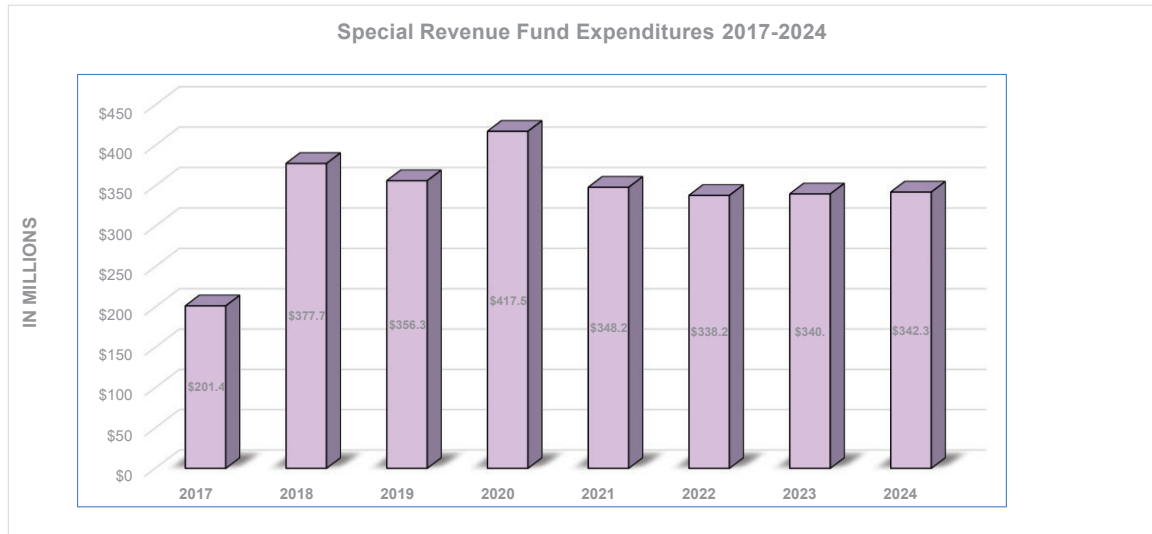
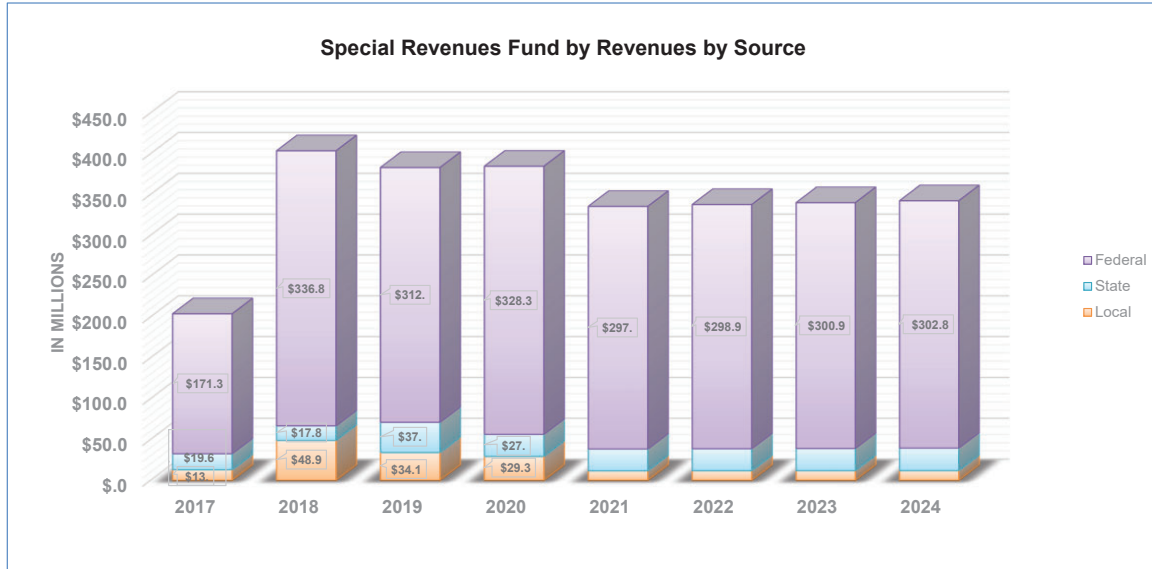
Other Sources

Other sources are transfers from the district's Medicaid program of \$22.5 million.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 GENERAL FUND AND SPECIAL REVENUE FUND REVENUES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021



HOUSTON INDEPENDENT SCHOOL DISTRICT
GENERAL FUND AND SPECIAL REVENUE FUND REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021



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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST**

REVENUES	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
Property taxes	1,605,550,897	1,710,326,173	1,747,189,582	1,715,022,326	1,771,575,694	1,805,916,638	1,827,402,238	1,839,678,568
Earnings on investments	5,312,450	10,408,645	19,083,204	14,027,724	5,000,000	2,500,000	2,500,000	2,500,000
Miscellaneous local sources	14,717,701	18,246,935	15,082,252	9,872,928	8,966,799	8,966,799	8,966,799	8,966,799
State sources	159,777,752	243,073,835	399,872,504	218,933,263	166,787,686	152,195,721	198,546,246	147,269,469
Federal sources	6,968,840	8,381,410	19,372,818	23,877,878	19,724,182	19,724,182	19,724,182	19,724,182
Total revenues	1,792,347,640	1,990,436,998	2,200,600,360	1,981,814,081	1,972,054,361	1,989,303,242	2,057,139,465	2,018,139,018
EXPENDITURES								
Current								
Instruction	985,581,537	1,054,217,502	970,793,048	996,399,361	1,151,970,226	1,161,922,345	1,161,922,347	1,161,922,347
Instructional resources and media services	8,734,256	9,246,603	9,822,477	7,798,643	10,117,415	10,028,295	10,028,295	10,028,295
Curriculum development and instructional staff development	21,080,905	27,141,888	29,267,000	29,215,532	35,575,973	35,377,872	35,377,872	35,377,872
Instructional leadership	22,841,523	20,307,711	20,202,355	20,983,417	27,238,328	27,142,500	27,142,500	27,142,500
School leadership	130,464,591	148,888,990	142,326,291	149,489,190	151,622,019	150,309,917	150,309,917	150,309,917
Guidance, counseling, and evaluation services	40,486,806	47,489,488	50,299,761	60,053,228	64,146,508	63,675,015	63,675,015	63,675,015
Student support services	1,990,502	1,698,752	8,429,482	12,142,590	17,783,562	17,684,166	17,684,166	17,684,166
Health services	17,186,897	18,657,747	19,312,797	21,317,891	21,852,470	21,618,499	21,618,499	21,618,499
Social services	65,865,235	69,146,802	59,243,844	53,629,143	62,374,366	62,261,533	62,261,533	62,261,533
Student (pupil) transportation	-	-	-	234,114	-	-	-	-
Food services	16,043,694	19,493,953	15,549,148	16,107,773	13,016,782	13,016,782	13,016,782	13,016,782
Extracurricular activities	40,722,954	37,861,920	41,097,974	32,135,554	39,549,934	39,414,051	39,414,051	39,414,051
General administration	181,129,238	226,626,540	195,853,168	192,496,074	200,224,409	199,285,540	199,285,540	199,285,540
Facilities maintenance and operations	24,459,246	25,073,050	22,606,971	24,179,218	28,554,805	28,441,581	28,441,581	28,441,581
Security and monitoring services	69,999,727	64,835,876	54,951,868	62,025,571	56,322,728	56,787,407	56,787,407	56,787,407
Data processing services	2,111,054	2,294,499	2,135,207	3,828,274	3,008,827	2,991,987	2,991,987	2,991,987
Community services	792,117	792,000	792,000	792,000	792,000	792,000	792,000	792,000
Juvenile justice alternative education programs	55,616,783	56,170,397	58,465,450	61,321,789	63,066,742	66,537,850	66,537,850	66,537,850
Tax increment zone payments	-	-	14,990,752	-	16,505,000	17,105,000	17,105,000	18,305,000
Contracted instructional services between public schools	13,995,353	13,814,336	14,990,752	14,980,471	16,505,000	17,105,000	17,105,000	18,305,000
Tax appraisal and collection	93,080,703	204,404,117	265,231,840	80,843,995	12,083,891	131,944,305	171,508,779	128,836,503
Chapter 41/Purchase of WADA	-	-	-	-	-	-	-	-
Debt service	13,236,011	14,216,599	8,764,959	14,420,016	14,500,000	14,500,000	14,500,000	14,500,000
Principal	905,859	498,626	181,903	575,307	750,000	750,000	750,000	750,000
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Facilities acquisition and construction	732,839	21,463,684	269,834	8,835,291	37,848	37,848	37,848	37,848
Total expenditures	1,807,057,796	2,084,342,080	1,991,206,129	1,863,604,372	1,991,093,633	2,121,624,493	2,161,788,969	2,119,716,693
Excess (deficiency) of revenues over (under) expenditures	(14,710,156)	(93,905,082)	209,394,231	118,209,709	(19,039,472)	(132,321,253)	(104,649,503)	(101,577,675)
OTHER FINANCING SOURCES (USES)								
Transfers in	30,400,000	29,274,879	26,000,000	22,500,000	22,500,000	20,000,000	20,000,000	20,000,000
Transfers out	(52,649,042)	(89,500,216)	(52,214,349)	(43,189,832)	(37,448,140)	(19,020,390)	(19,020,390)	(19,020,390)
Capital leases	562,012	23,481,683	-	35,099,520	-	-	-	-
Issuance of bonds and other debt	-	-	-	-	-	-	-	-
Premium on the sale of bonds	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(21,687,030)	4,735,073	(3,075,087)	16,298,947	(14,948,140)	(14,948,140)	(14,948,140)	(14,948,140)
Net change in fund balances	(36,397,186)	(89,170,009)	206,315,134	148,906,344	(33,986,612)	(131,341,644)	(103,669,893)	(100,598,065)
Fund balances, beginning	738,245,865	701,848,679	612,676,670	818,993,804	967,000,148	933,911,536	802,569,892	698,899,998
Fund balances, ending	701,848,679	612,676,670	818,993,804	967,900,148	933,911,536	802,569,892	698,899,998	598,301,933

Budget Projection Assumptions

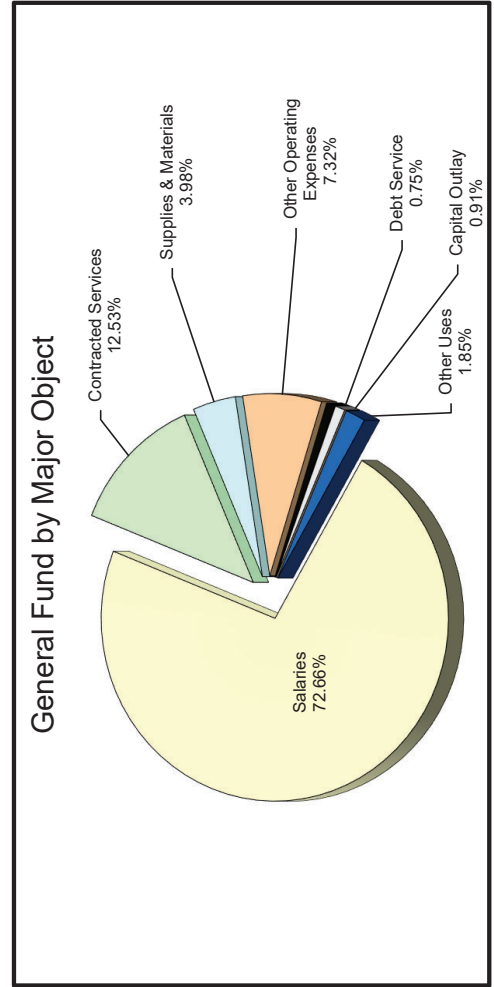
Tax roll increase at .8 percent, 2 percent, and 2 percent respectively.
No salary projections included in estimates
Average Daily Attendance is reduced by 6,444 in 2021-2022, and kept level thereafter.
Maintenance and Operations tax rate declines as property value's increase based on tax compression.
No projections or assumptions included for legislative session beginning in 2021.
See the discussion in the executive summary on school finance from the 86th legislative session.
Debt Principal and Interest is primarily the Power Up Program

Excess Revenue (Previously called Recapture)

The recapture calculation was changed for the 2020 legislative session and became excess revenue. District revenue is calculated as Total District Revenue less Total District Expenditures and other funding. For HISD other funding is the Tax Increment Reinvestment Zone pass through funding.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
EXPENDITURES BY FUNCTION AND MAJOR OBJECT - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

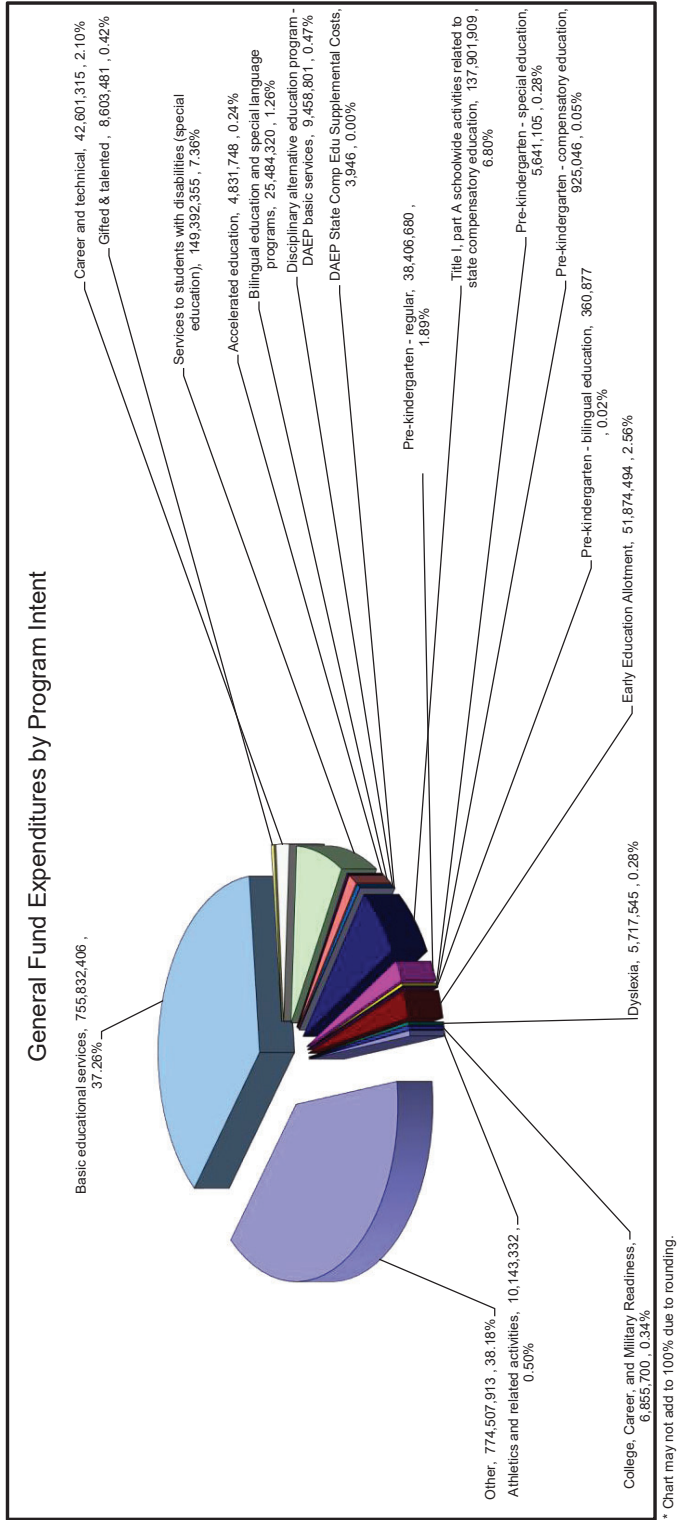
Function	Function Name	Salaries 6100	Contracted Services 6200	Supplies & Materials 6300	Other Operating Expenses 6400	Debt Service 6500	Capital Outlay 6600	Other Uses 8900	Function Totals
11	Instruction	952,401,848	76,316,527	59,004,406	57,055,391	-	7,192,055	-	1,151,970,226
12	Instructional resources and media services	9,371,715	342,500	207,850	147,350	-	48,000	-	10,117,415
13	Curriculum development and instructional staff development	31,552,557	1,460,750	588,476	1,918,989	-	55,200	-	35,575,973
21	Instructional leadership	21,250,697	1,538,291	1,302,896	1,675,242	-	1,471,202	-	27,238,328
23	School leadership	144,048,912	5,387,564	745,554	685,353	-	754,636	-	151,622,019
31	Guidance, counseling, and evaluation services	47,276,562	12,783,497	1,384,486	1,156,455	-	1,545,508	-	64,146,508
32	Social work services	17,708,966	74,596	-	-	-	-	-	17,783,562
33	Health services	21,027,467	337,431	178,072	79,500	-	230,000	-	21,852,470
34	Student (pupil) transportation	48,433,389	1,067,155	7,608,348	2,005,570	-	3,259,903	-	62,374,365
35	Food services	-	-	-	-	-	-	-	-
36	Extracurricular activities	4,397,267	7,432,089	605,137	572,287	-	10,002	-	13,016,782
41	General administration	26,047,000	9,057,836	571,611	3,291,805	-	581,681	-	39,549,934
51	Facilities maintenance and operations	93,506,778	85,001,200	7,480,508	14,141,533	-	94,390	-	200,224,409
52	Security and monitoring services	25,244,138	628,880	577,194	1,976,053	-	128,540	-	28,554,805
53	Data processing services	29,086,012	22,921,048	487,456	703,527	-	3,124,685	-	56,322,728
61	Community services	2,588,949	355,000	33,750	31,128	-	-	-	3,008,827
71	Debt services	-	-	-	-	15,250,000	-	-	15,250,000
81	Facilities acquisition and construction	37,848	-	-	-	-	-	-	37,848
91	Contracted instructional services between public schools	-	12,083,891	-	-	-	-	-	12,083,891
95	Juvenile justice alternative education programs	-	792,000	-	-	-	-	-	792,000
96	Other financing sources (uses)	-	-	-	-	-	-	37,449,140	37,449,140
97	Payments to tax increment fund	-	-	-	63,066,742	-	-	-	63,066,742
99	Other intergovernmental charges	-	16,505,000	-	-	-	-	-	16,505,000
Major Object Totals		1,473,980,106	254,085,255	80,775,744	148,506,925	15,250,000	18,495,802	37,449,140	2,028,542,973



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

Houston Independent School District
GENERAL FUND EXPENDITURES BY PROGRAM INTENT & MAJOR OBJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Program Intent Code	Program Intent Code Description	Salaries 6100	Contracted Services 6200	Supplies & Materials 6300	Other Operating Expenses 6400	Debt Service 6500	Capital Outlay 6600	Transfers Out 8900	Program Intent Totals
11	Basic educational services	653,656,142	57,539,825	25,317,111	14,777,283	-	4,542,045	-	755,832,406
21	Gifted & talented	4,956,603	157,497	3,264,972	219,409	-	5,000	-	8,603,481
22	Career and technical	34,075,753	1,248,042	4,376,013	1,461,129	-	1,440,377	-	42,601,315
23	Services to students with disabilities (special education)	133,675,137	12,273,196	1,834,841	991,323	-	617,858	-	149,392,355
24	Accelerated education	3,170,697	269,724	1,052,907	200,514	-	137,906	-	4,831,748
25	Bilingual education and special language programs	18,059,940.10	2,248,232	4,205,864	463,936	-	506,347	-	25,484,320
28	Disciplinary alternative education program - DAEP basic services	7,313,872	1,523,720	371,900	99,313	-	149,996	-	9,458,801
29	DAEP State Comp Edu Supplemental Costs	3,946	-	-	-	-	-	-	3,946
30	Title I, part A schoolwide activities related to state compensatory education	87,679,129	10,291,990	7,036,981	31,632,157	-	1,261,653	-	137,901,909
32	Pre-kindergarten - regular	34,196,805	7,500	3,639,854	549,558	-	12,963	-	38,406,680
33	Pre-kindergarten - special education	5,614,605	-	26,500	-	-	-	-	5,641,105
34	Pre-kindergarten - compensatory education	921,545	-	3,501	-	-	-	-	925,046
35	Pre-kindergarten - bilingual education	348,576	-	12,301	-	-	-	-	360,877
36	Early Education Allotment	35,181,604	1,050,000	8,164,080	7,424,470	-	54,340	-	51,874,494
37	Dyslexia	5,681,045	-	-	36,500	-	-	-	5,717,545
38	College, Career, and Military Readiness	3,683,583	372,099	1,565,386	1,234,632	-	-	-	6,855,700
91	Athletics and related activities	4,020,982	5,859,950	164,000	88,400	-	10,000	-	10,143,332
99	Other	441,745,141	161,238,481	19,739,533	89,328,301	15,250,000	9,757,317	37,449,140	774,507,913
Major Object Totals		\$ 1,473,985,106	\$ 254,080,255	\$ 80,775,744	\$ 148,506,925	\$ 15,250,000	\$ 18,495,802	\$ 37,449,140	\$ 2,028,542,973



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

Ending Fund Balance Detail				
Fund Balance Categories	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Nonspendable	10,115,337	11,394,093	11,893,235	14,510,708
Restricted	-	-	-	-
Committed	102,364,840	46,364,840	46,364,840	46,364,840
Assigned	222,413,318	165,504,729	248,407,583	251,970,374
Unassigned	366,955,184	389,415,008	512,328,146	655,054,226
	701,848,679	612,678,670	818,993,804	967,900,148
Assigned fund balances				
Designated for Auto / General Liability	2,961,380	3,000,000	3,697,423	4,541,910
Designated for Incentive Pay Prgrm	4,010,218	-	-	-
Designated for Insurance Programs	28,441,506	25,000,000	25,000,000	25,000,000
Designated for ERP Projects	19,417,765	30,589,556	30,332,277	12,951,087
Reserve for Encumbrances	75,170,963	51,152,797	20,070,592	57,112,528
Designated for School Carryforward	18,667,736	454,126	282,067	-
Instructional Stabilization			133,930,224	133,930,224
PFC Debt Service/Capital Projects	73,743,750	55,308,250	35,095,000	18,434,625
SAP Reimplementation Project	-	-	-	-
Total Assigned fund balances	222,413,318	165,504,729	248,407,583	251,970,374
Committed fund balances				
Designated for Operations	102,364,840	46,364,840	46,364,840	46,364,840
Total Committed fund balances	102,364,840	46,364,840	46,364,840	46,364,840
Nonspendable fund blaances				
Reserve for Inventories & Prepaids	10,115,337	11,394,093	11,893,235	14,510,708
Total nonspendable fund balances	10,115,337	11,394,093	11,893,235	14,510,708
Restricted fund balances				
Reserved for Cap Acquisition Prgrm	-	-	-	-
Total restricted fund balances	-	-	-	-
Unassigned				
Unassigned fund balances	366,955,184	389,415,008	512,328,146	655,054,226
Total unassigned fund balance	366,955,184	389,415,008	512,328,146	655,054,226

Financial Highlights

The District's governmental funds financial statements reported a combined ending fund balance of \$1.427 billion. This balance consists of \$968 million in the General Fund of which \$252 million is assigned, \$15 million is nonspendable, \$46 million is committed, and \$655 million is unassigned and available for spending at the District's discretion. The total restricted fund balance of \$422 million consists of the Special Revenue Fund, the Debt Service Fund, the Capital Renovation Fund, and the Nonmajor Capital Renovation Fund – PFC. The Capital Renovation Fund's fund balance also includes \$38 million in assigned.



Special Revenue Fund

Houston Independent School District

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

Budget Assumptions

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

- TEA has not released planning entitlements for 2020-2021. HISD has begun planning, prioritizing, and renewing the process for programs with projected planning amounts
- Title I, Part A projections were based on TEA released planning amounts for 2020-2021
- Title I, Part C projections were based on TEA released planning amounts for 2020-2021
- Title I, Part D projections were based on TEA released planning amounts for 2020-2021
- Title II, Part A projections were based on TEA released planning amounts for 2020-2021
- Title III, Part A LEP projections were based on TEA released planning amounts for 2020-2021
- Title III Immigrant projections were based on TEA released planning amounts for 2020-2021
- Title IV, Part A projections were based on TEA released planning amounts for 2020-2021
- Special Education Student Funding- IDEA, Part B and Part C was projected based on a permanent formula that includes a base amount, district enrollment of all students, and students on free and reduced-price lunch districtwide
- Carl D. Perkins Act IV projections were based on TEA released planning amounts for 2020-2021
- Local and State sources are not included in the planning amounts for 2019-2020 due to no planning amounts being released for FY 2019 and/or FY 2020. The budget will be adjusted throughout 2020-2021 as grant awards are received

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST**

REVENUES		2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
Earnings on investments		-	-	-	-	-	-	-	-
Miscellaneous local sources		12,951,715	17,290,516	28,108,792	22,436,554	8,896,456	8,985,420	9,075,274	9,166,027
State sources		19,891,236	17,185,125	36,424,706	26,473,334	26,128,925	26,390,213	26,694,115	26,920,656
Federal sources		171,296,701	215,902,850	186,165,404	238,751,950	192,104,108	194,025,148	195,965,398	197,925,052
Total revenues		203,839,652	250,378,491	250,698,902	287,661,836	227,129,489	229,400,781	231,694,787	234,011,735
EXPENDITURES									
Current									
Instruction		113,456,241	141,961,026	128,880,137	206,378,524	147,403,135	148,877,166	150,385,938	151,869,597
Instructional resources and media services		228,899	189,630	130,971	42,674	6,649	6,715	6,782	6,850
Curriculum development and instructional staff development		33,080,183	41,413,560	32,077,044	28,372,315	21,984,244	22,204,086	22,426,127	22,650,388
Instructional leadership		10,510,608	9,628,713	13,418,172	12,531,435	11,446,720	11,561,167	11,676,799	11,793,567
School leadership		1,609,913	2,822,315	3,763,360	1,515,175	952,342	962,342	971,965	981,685
Guidance, counseling, and evaluation services		15,069,639	14,840,742	14,454,966	18,030,085	14,610,521	14,756,626	14,904,192	15,053,234
Social work services		1,439,687	1,338,918	1,316,098	2,229,676	2,442,462	2,468,887	2,491,556	2,516,472
Health services		4,101,408	2,968,385	4,485,024	3,528,432	3,284,936	3,284,936	3,317,785	3,350,963
Student (pupil) transportation		4,831,726	3,430,622	4,233,359	5,174,915	6,728,400	6,795,684	6,863,641	6,932,277
Food services		13,090	45,849	-	15,757	-	-	-	-
Extracurricular activities		2,345,272	1,906,714	919,041	4,441,246	685,490	702,445	709,469	716,584
General administration		1,884,735	1,979,983	3,864,618	2,177,550	6,819,721	6,887,918	6,956,797	7,026,385
Facilities maintenance and operations		813,453	13,866,210	1,663,961	647,740	25,246	25,498	25,753	26,011
Security and monitoring services		382,545	968,393	1,749,094	739,634	90,713	91,620	92,536	93,481
Data processing services		3,362,448	6,294,379	5,223,578	3,689,402	1,318,141	1,331,322	1,344,635	1,358,081
Community services		5,368,558	5,921,673	5,944,654	10,892,096	9,352,714	9,446,241	9,540,703	9,636,110
Debt service		-	-	-	-	-	-	-	-
Principal		-	-	-	-	-	-	-	-
Interest and fiscal charges		-	-	-	-	-	-	-	-
Capital outlay		-	-	-	-	-	-	-	-
Facilities acquisition and construction		28,445	130,577	49,242	18,080	107	108	109	110
Intergovernmental charges		-	-	-	-	-	-	-	-
Fiscal agent/member districts of shared services arrangements		2,911,732	3,045,173	3,719,450	3,598,884	-	-	-	-
Total expenditures		201,438,592	252,752,862	225,902,779	304,023,630	227,129,489	229,400,781	231,694,787	234,011,735
Excess (deficiency) of revenues over (under) expenditures		2,401,070	(2,374,371)	24,796,123	(16,361,792)	-	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers in		-	25,858,259	-	282,067	-	-	-	-
Transfers out		-	-	-	-	-	-	-	-
Capital leases		-	-	-	-	-	-	-	-
Issuance of bonds and other debt		-	-	-	-	-	-	-	-
Premium on the sale of bonds		-	-	-	-	-	-	-	-
Proceeds from sale of capital assets		-	-	-	-	-	-	-	-
Total other financing sources (uses)		-	25,858,259	-	282,067	-	-	-	-
Net change in fund balances		2,401,070	23,483,888	24,796,123	(16,079,725)	-	-	-	-
Fund balances, beginning		34,657,390	37,058,450	34,684,079	59,480,202	43,400,477	43,400,477	43,400,477	43,400,477
Fund balances, ending		37,058,450	60,542,338	59,480,202	43,400,477	43,400,477	43,400,477	43,400,477	43,400,477

Budget Projection Assumption

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

The state of Texas has projected growth of 1.3 percent in the education and health industry and HISD is projecting a 1 percent growth rate in funding.

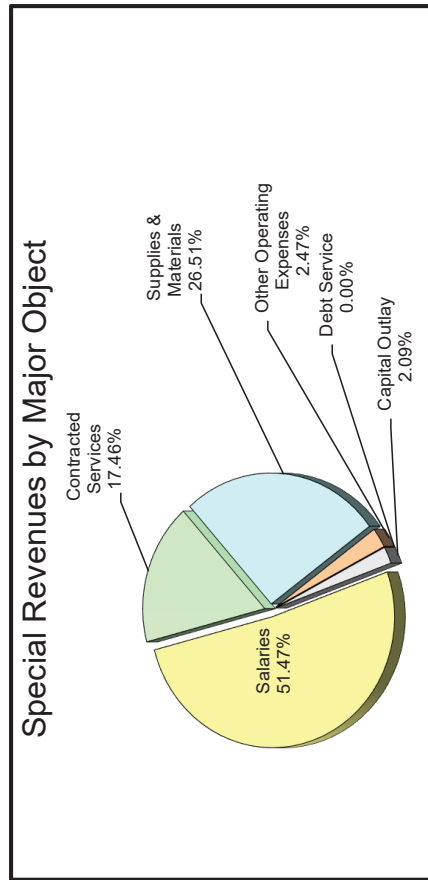
In 2020-2021 the district will seek other federal funds to replace the Furq XQ Teacher School Leader and Music Educators grants with other funding opportunities.

Notes:

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
EXPENDITURES BY FUNCTION AND MAJOR OBJECT - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Function	Function Name	Salaries 6100	Contracted Services 6200	Supplies & Materials 6300	Other Operating Expenses 6400	Debt Service 6500	Capital Outlay 6600	Function Totals
11	Instruction	56,385,960	29,877,491	58,392,103	208,018	-	2,539,563	147,403,135
12	Instructional resources and media services	-	-	6,649	-	-	-	6,649
13	Curriculum development and instructional staff development	18,792,197	2,709,684	149,371	266,992	-	66,000	21,984,244
21	Instructional leadership	8,695,179	517,733	922,472	134,074	-	1,173,262	11,446,720
23	School leadership	893,847	50,423	-	8,544	-	-	952,814
31	Guidance, counseling, and evaluation services	13,514,995	1,025,676	43,601	-	-	26,249	14,610,521
32	Social work services	2,261,831	39,598	71,671	69,362	-	-	2,442,462
33	Health services	602,495	2,649,917	-	-	-	-	3,252,412
34	Student (pupil) transportation	5,618,786	233,317	-	5,852	-	870,445	6,728,400
35	Food services	-	-	-	-	-	-	-
36	Extracurricular activities	204,234	470,518	12,419	3,173	-	5,146	695,490
41	General administration	1,542,470	392,636	10,315	4,823,686	-	50,614	6,819,721
51	Facilities maintenance and operations	25,246	-	-	-	-	-	25,246
52	Security and monitoring services	75,342	15,371	-	-	-	-	90,713
53	Data processing services	326,146	991,995	-	-	-	-	1,318,141
61	Community services	7,956,602	680,013	608,468	83,190	-	24,441	9,352,714
71	Debt service	-	-	-	-	-	-	-
81	Facilities acquisition and construction	-	107	-	-	-	-	107
93	Fiscal agent/member districts of shared services arrangements	-	-	-	-	-	-	-
00	Other financing sources (uses)	-	-	-	-	-	-	-
Major Object Totals		116,899,330	39,654,479	60,217,069	5,602,891	-	4,755,720	227,129,489



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

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF GRANT SOURCES
SPECIAL REVENUE FUND
For Fiscal Year 2020-2021 with Comparative Data for Prior Year

	<u>2019-2020 Budget</u>	<u>2020-2021 Budget</u>	<u>2020-2021 Change</u>
<u>Local sources</u>			
Houston Endowment Inc.	-	3,690,000	100.00%
The Super School Project	-	1,999,665	100.00%
Misc. Project Grants	-	-	0.00%
Special Ed. Local	-	3,206,791	100.00%
Total Local Sources	<u>-</u>	<u>8,896,456</u>	<u>0.00%</u>
<u>State Sources</u>			
Instructional Materials Allotment	-	24,279,719	100.00%
Misc. State Grants	-	-	0.00%
Special Ed. - State Programs	-	1,849,206	100.00%
Total State Sources	<u>-</u>	<u>26,128,925</u>	<u>0.00%</u>
<u>Federal Sources</u>			
Title I - Part A	109,382,918	119,189,058	8.23%
Title I - Migrant	319,428	224,331	-42.39%
Title I - Part D	142,315	117,592	-21.02%
Title II - Part A	8,752,371	10,054,490	12.95%
Title III - Part A - LEP	6,248,218	6,520,550	4.18%
Title III - Immigrant	979,000	1,842,314	46.86%
Title IV -Part A	6,997,644	8,025,468	12.81%
Special Ed. - IDEA B	39,183,417	40,382,002	2.97%
Special Ed. - Preschool	471,809	546,779	13.71%
Special Ed. - Shared Services	-	278,282	0.00%
Carl Perkins	3,085,979	2,959,640	-4.27%
21st Century	-	1,500,000	100.00%
TTIPS	-	463,602	100.00%
Total Federal Sources	<u>175,563,099</u>	<u>192,104,108</u>	<u>9.42%</u>
 TOTAL BUDGET AND REVENUES	 <u>175,563,099</u>	 <u>227,129,489</u>	 <u>29.37%</u>

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



Nutrition Services Fund

Houston Independent School District

The **Nutrition Services Fund** is used to account for the financial operations of the breakfast, lunch, snack, and dinner programs offered and managed through the district's own Nutrition Services Department. The district currently operates nearly 300 school cafeterias and satellite programs serving an average of over 75,000 meals a day. Due to the pandemic shutdown, program participation is down nearly 72 percent.

The district participates in the federally funded National School Breakfast and Lunch Program which provides partial reimbursement of the cost of meals served to children. The remaining costs of preparing and serving these meals are covered by the price of the meals for the students, staff, and state fund. Also, over half of the school in the district now participate in the Community Eligibility Provision (CEP). The district's Nutrition Services Department participates in the Summer Food Service Program (SFSP) as well as the Fresh Fruit and Vegetable Programs and most recently, the Child and Adult Care Food Program (CACFP).

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

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

NUTRITION SERVICES

REVENUE

Federal reimbursements are projected to increase and remain constant overall due to an increase in student face-to-face enrollment rate and increase in the federal reimbursement rates.

Summer Food Service Program (SFSP) participation is projected to increase in comparison to Year over Year (YOY) as a result of the district only participating in this program for fiscal year 2021. This program could be extended into fiscal year 2022, pending direction from the program. The CACFP (dinner) program growth will increase in fiscal year 2022 and remain constant due to the increased effects of the COVID-19 pandemic to the economy. Meal participation is projected to remain constant due to the COVID-19 pandemic.

EXPENDITURES

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

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

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

Appropriations overall are projected to decrease in fiscal year 2021-2024 due to transition to Broadline distribution services. As a result, the payroll and operating expenses will decrease in fiscal year 2022 and gradually decrease and remain constant through fiscal year 2024.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - NUTRITION SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS**

	2016-2017 Actual	2017-2018 Actual
REVENUES:		
Food sales	7,816,438	4,935,531
Miscellaneous local sources	63,319	189,099
Total revenues	7,879,757	5,124,630
EXPENDITURES		
Current		
Food services	127,600,842	124,044,956
General administration	882,156	725,685
Plant maintenance and operations	530,232	157,596
Total expenditures	129,013,230	124,928,237
NONOPERATING REVENUES (EXPENSES)		
Earnings on investments	312,024	645,193
Grants from federal agencies		
Child nutrition program	107,814,878	115,138,622
Child and Adult Care Program	2,174,821	-
Summer food program	3,629,092	-
Donated Commodities	7,399,764	5,806,938
State matching and other	1,640,330	574,319
Capital asset contribution to Special Revenue Fund	-	-
Debt assignments to Special Revenue Fund	-	-
Total nonoperating revenue	122,970,909	122,165,072
Transfers out	-	-
Change in net assets	1,837,436	2,361,465
Total net assets, beginning	8,664,540	10,501,976
Reclassification of net position to fund balance	-	15,356,283
Net position - beginning restated	-	-
Total net assets, ending	10,501,976	28,219,724

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

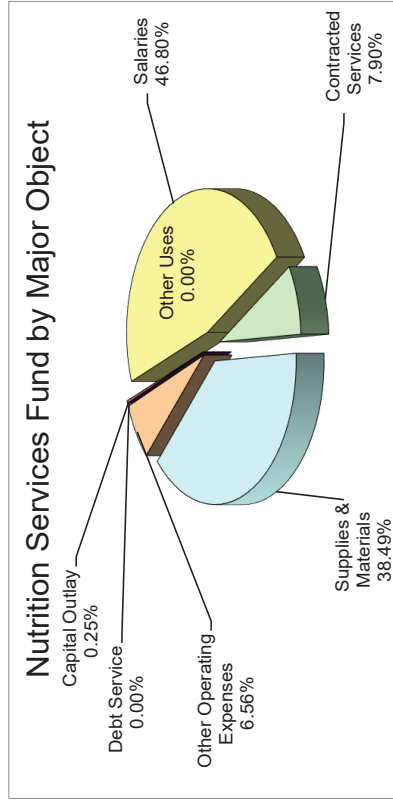
HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - NUTRITION SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH FORECAST DATA

Budget Projection Assumptions						
<p>Assumptions are estimates only and are contingent upon actual results. Federal reimbursement amounts typically grow in relation to the CPI. Federal reimbursements are projected to increase due to deficit continuing increase in the rate of reimbursable meals and enrollment in 2022. In FY 2022-2024 enrollment and participation is remain constant from 2022 therefore resulting in revenues to remain constant.</p> <p>Food cost are expected to increase projected for FY 2022-2024 in relation to CPI. Appropriations overall are projected to decrease. FY 2021-2024 due to transition to Broadline distribution services. As a result, the payroll and operating expenses will decrease in FY2022 and gradually decrease and remain constant through FY 2024.</p>						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	Actuals	Actuals	Adopted	Forecast	Forecast	Forecast
REVENUES						
Earnings on investments	988,639	588,540	112,500	112,500	112,500	112,500
Miscellaneous local sources	4,992,231	3,316,403	-	-	-	-
State sources	548,366	537,247	585,000	585,000	585,000	585,000
Federal sources	118,051,913	82,876,222	104,924,484	104,924,484	104,924,484	104,924,484
Donated Commodities	7,784,207	6,695,872	-	-	-	-
Total revenues	132,325,356	94,014,284	105,621,984	105,621,984	105,621,984	105,621,984
APPROPRIATIONS						
Food services	128,717,953	112,235,811	120,337,264	108,165,809	107,647,890	107,647,890
General administration	1,296	324	-	-	-	-
Facilities maintenance and operations	1,693,003	1,211,448	762,110	621,984	621,984	621,984
Capital outlay	-	-	-	-	-	-
Total expenditures	130,412,252	113,447,583	121,099,374	108,787,793	108,269,874	108,269,874
Excess (deficiency) of revenues over (under) expenditures	1,913,104	(19,433,299)	(15,477,390)	(3,165,809)	(2,647,890)	(2,647,890)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	2,647,890	2,647,890	2,647,890	2,647,890	2,647,890
Capital Leases	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	2,647,890	2,647,890	2,647,890	2,647,890	2,647,890
Net change in fund balances	1,913,104	(16,785,409)	(12,826,500)	(517,919)	-	-
Estimated fund balances--beginning	28,219,724	30,132,828	13,347,419	517,919	-	-
Estimated Fund balances--ending	30,132,828	13,347,419	517,919	-	-	-

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
EXPENDITURES BY FUNCTION AND MAJOR OBJECT - NUTRITION SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Function	Function Name	Salaries 6100	Contracted Services 6200	Supplies & Materials 6300	Other Operating Expenses 6400	Debt Service 6500	Capital Outlay 6600	Function Totals
11	Instruction	-	-	-	-	-	-	-
12	Instructional resources and media services	-	-	-	-	-	-	-
13	Curriculum development and instructional staff development	-	-	-	-	-	-	-
21	Instructional leadership	-	-	-	-	-	-	-
23	School leadership	-	-	-	-	-	-	-
31	Guidance, counseling, and evaluation services	-	-	-	-	-	-	-
32	Social work services	-	-	-	-	-	-	-
33	Health services	-	-	-	-	-	-	-
34	Student (pupil) transportation	-	-	-	-	-	-	-
35	Food services	56,676,497	8,807,916	46,614,165	7,938,686	-	300,000	120,337,264
36	Extracurricular activities	-	-	-	-	-	-	-
41	General administration	-	-	-	-	-	-	-
51	Facilities maintenance and operations	-	762,110	-	-	-	-	762,110
52	Security and monitoring services	-	-	-	-	-	-	-
53	Data processing services	-	-	-	-	-	-	-
61	Community services	-	-	-	-	-	-	-
71	Debt service	-	-	-	-	-	-	-
81	Facilities acquisition and construction	-	-	-	-	-	-	-
95	Juvenile justice alternative education programs	-	-	-	-	-	-	-
Major Object Totals		56,676,497	9,570,026	46,614,165	7,938,686	-	300,000	121,099,374



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



Debt Service Fund

Houston Independent School District

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

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

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

The debt service tax rate for 2020-2021 has remained the same from the previous year at \$0.1667 in the adopted budget.

As of June 30, 2020, the district had total outstanding bonded debt principal of \$2.68 billion and other outstanding obligations of \$178.9 million for total debt principal outstanding of \$2.86 billion. The ratio of net bonded debt to assessed valuation and the amount of net bonded debt per capita are useful indicators of the District's debt position.

The district's ratings include the "Aaa" long-term rating on the District's bonds by Moody's Investors Services, Inc. and "AAA" rating by Standard and Poor's Corporation for debt enhanced by the Texas Permanent Fund guarantee. The unenhanced ratings by Moody's and Standard and Poor's are "Aaa" and "AA+" respectively. The latest review by the rating agencies was completed by Moody's in November, 2019 and Standard and Poor's in May, 2020. Lease revenue debt issued by the Houston Independent School District Public Facility Corporation received ratings of "Aa1" and "AA" by Moody's and Standard and Poor's respectively.

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
REVENUES								
Local maintenance taxes	287,771,745	273,662,311	277,016,694	295,277,106	309,558,116	314,919,608	323,125,828	329,838,279
Earnings on investments	769,166	1,436,784	2,179,784	1,397,123	400,000	148,000	148,000	148,000
State sources	2,924,206	2,618,427	2,583,506	2,385,404	2,300,000	2,300,000	2,300,000	2,300,000
Federal sources	7,089,724	7,107,587	1,529,012	442,004	-	-	-	-
Total revenues	298,554,841	284,825,109	283,308,996	299,501,637	312,258,116	317,367,608	325,573,828	332,286,279
EXPENDITURES								
Debt service								
Principal	201,798,482	202,634,393	208,194,517	207,826,219	233,331,456	220,225,073	233,880,000	248,130,000
Interest and fiscal charges	132,347,037	130,605,885	145,333,336	136,967,532	127,126,590	123,526,926	113,366,520	105,833,551
Payment to escrow agents-current and advanced refunding	601,759,534	-	162,110,000	168,815,269	-	-	-	-
Total expenditures	935,905,053	333,240,278	515,637,853	513,609,020	360,458,046	343,751,999	347,246,520	353,963,551
Excess (deficiency) of revenues over (under) expenditures	(637,350,212)	(48,415,169)	(232,328,857)	(214,107,383)	(48,199,930)	(26,384,391)	(21,672,692)	(21,677,272)
OTHER FINANCING SOURCES (USES)								
Transfers in	39,086,060	39,936,152	53,750,302	56,414,421	42,788,700	26,744,350	22,155,075	22,256,775
Issuance of bonds and other debt	-	-	159,945,000	148,895,000	-	-	-	-
Issuance of refunding debt	531,575,000	-	-	17,082,670	-	-	-	-
Premium on the sale of bonds	-	-	2,650,288	-	-	-	-	-
Premium on the sale of refunding bonds	72,600,830	-	-	-	-	-	-	-
Payments to escrow agents - advance refunding	-	-	-	-	-	-	-	-
Total other financing sources (uses)	643,261,890	39,936,152	216,345,590	222,392,091	42,788,700	26,744,350	22,155,075	22,256,775
Net change in fund balances	5,911,678	(8,479,017)	(15,983,267)	8,284,708	(5,411,230)	359,959	482,383	579,503
Fund balances, beginning	123,124,995	129,036,673	120,557,656	104,574,389	112,859,097	107,447,867	107,807,826	108,290,209
Fund balances, ending	129,036,673	120,557,656	104,574,389	112,859,097	107,447,867	107,807,826	108,290,209	108,869,712

Budget Projection Assumptions

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

Roll value increases 2 percent in each fiscal year.

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

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
EXPENDITURES BY FUNCTION AND MAJOR OBJECT - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Function	Function Name	Salaries 6100	Contracted Services 6200	Supplies & Materials 6300	Other Operating Expenses 6400	Debt Service 6500	Capital Outlay 6600	Function Totals
11	Instruction	-	-	-	-	-	-	-
12	Instructional resources and media services	-	-	-	-	-	-	-
13	Curriculum development and instructional staff development	-	-	-	-	-	-	-
21	Instructional leadership	-	-	-	-	-	-	-
23	School leadership	-	-	-	-	-	-	-
31	Guidance, counseling, and evaluation services	-	-	-	-	-	-	-
32	Social work services	-	-	-	-	-	-	-
33	Health services	-	-	-	-	-	-	-
34	Student (pupil) transportation	-	-	-	-	-	-	-
35	Food services	-	-	-	-	-	-	-
36	Extracurricular activities	-	-	-	-	-	-	-
41	General administration	-	-	-	-	-	-	-
51	Facilities maintenance and operations	-	-	-	-	-	-	-
52	Security and monitoring services	-	-	-	-	-	-	-
53	Data processing services	-	-	-	-	-	-	-
61	Community services	-	-	-	-	-	-	-
71	Debt service	-	-	-	-	360,458,046	-	360,458,046
81	Facilities acquisition and construction	-	-	-	-	-	-	-
95	Juvenile justice alternative education programs	-	-	-	-	-	-	-
00	Other financing sources (uses)	-	-	-	-	-	-	-
Major Object Totals		-	-	-	-	360,458,046	-	360,458,046

VALUATION, EXEMPTIONS AND TAX-SUPPORTED DEBT

Tax Year 2018 Taxable Assessed Valuation (100% of estimated market value).....	173,923,630,109	(1)
Tax Year 2019 Taxable Assessed Valuation (100% of estimated market value).....	185,535,534,086	(1)
Total Ad Valorem Tax Debt as of June 30, 2020.....	\$ 2,780,775,000	(2)
Less: Debt Service Fund as of June 30, 2020.....	(112,859,097)	
Net Debt Outstanding.....	\$ 2,667,915,903	
Ratio of Net Debt to Tax Year 2018 Taxable Assessed Valuation.....	1.53%	
Ratio of Net Debt to Tax Year 2019 Taxable Assessed Valuation.....	1.44%	
Tax Year 2019 District Tax Rate (per \$100 T.A.V.):		
Local Maintenance.....	\$ 0.97000	
Debt Service.....	0.16670	
Total.....	\$ 1.13670	
Tax Rate Limitation (per \$100 T.A.V.):.....	\$ 1.70000	
Average percentage of current tax collections for Tax Years 2015 through 2019.....	97.91%	
Average percentage of total (current and delinquent) tax collections for Tax Years 2015 through 2019.....	97.82%	
Peak Student Enrollment (2019).....	210,061	(3)
District Population Estimate.....	1,565,856	(4)

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

(2) Debt payable from I&S taxes at 7/1/2020	\$ 2,601,850,000
Debt payable from M&O taxes	178,925,000
Total	\$ 2,780,775,000

Comprised of \$2,601,850,000 in bonds payable from debt service taxes and \$178,925,000 in obligations payable from maintenance taxes. Does not include \$74,971,528 in lease/purchase obligations issued by the Public Facilities Corporation.

(3) Source: The District. PEIMS fall 2019 resubmission.

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



Capital Renovation Fund

Houston Independent School District

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

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

Budget Assumptions

REVENUE

TIRZ sources will continue based on the estimated return to HISD for educational facilities and “pass-through funds” for the 2020-2021 fiscal year.

EXPENDITURES

Decreased from 2019-2020 due to a small number of projects expected to be completed for the 2012 Facilities Capital Program.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - CAPITAL RENOVATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST**

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
REVENUES								
Property taxes	-	-	-	-	-	-	-	-
Earnings on investments	6,353,995	12,973,017	18,417,781	8,257,162	3,449,578	1,766,244	1,259,578	898,255
Miscellaneous local sources	28,250,666	29,726,832	34,928,738	28,654,613	31,085,797	32,000,000	33,000,000	34,000,000
Total revenues	34,604,661	42,699,849	53,346,519	36,911,775	34,535,375	33,766,244	34,259,578	34,898,255
EXPENDITURES								
General Administration	-	-	-	3,563,383	4,890,744	4,000,000	4,000,000	4,000,000
Facilities Maintenance and Operations	-	-	-	1,277,000	-	-	-	-
Data processing services	-	-	-	1,432,817	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Total expenditures	566,868,571	560,551,102	338,763,270	271,011,962	146,992,946	81,000,000	16,000,000	10,000,000
Excess (deficiency) of revenues over (under) expenditures	566,868,571	560,551,102	338,763,270	277,285,162	151,883,690	85,000,000	20,000,000	14,000,000
OTHER FINANCING SOURCES (USES)								
Transfers in	28,000,000	56,000,000	6,057,096	5,000,000	-	-	-	-
Transfers out	(14,437,018)	(7,435,936)	(7,593,049)	(7,637,546)	(7,987,450)	(10,371,850)	(5,768,875)	(5,861,125)
Issuance of bonds and other debt	488,670,000	261,575,000	-	-	-	-	-	-
Premium on the sale of bonds	53,599,739	40,253,761	-	-	-	-	-	-
Insurance proceeds on sale of capital assets	484,960	-	1,240,622	1,302,706	-	-	-	-
Total other financing sources (uses)	556,317,681	350,392,825	(295,331)	(1,334,840)	(7,987,450)	(10,371,850)	(5,768,875)	(5,861,125)
Net change in fund balances	24,053,771	(167,458,428)	(285,712,082)	(241,708,227)	(125,335,765)	(61,605,606)	8,490,703	15,037,130
Fund balances, beginning	957,840,344	981,894,115	814,435,687	528,723,605	287,015,378	161,679,613	100,074,007	108,564,710
Fund balances, ending	981,894,115	814,435,687	528,723,605	287,015,378	161,679,613	100,074,007	108,564,710	123,601,840

Budget Projection Assumptions

- Remaining funds from prior projects and using other remaining funds for school renovations, maintenance and repairs.
- Bond sales for 2012 bond per original published plan

Other Assumptions and Notes

Expenditures-based on trends of other programs and the expectation of the pace increasing for Bond 2012 program with the program expecting to be completed in 2021-2022.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
EXPENDITURES BY FUNCTION AND MAJOR OBJECT - CAPITAL RENOVATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Function	Function Name	Salaries 6100	Contracted Services 6200	Supplies & Materials 6300	Other Operating Expenses 6400	Debt Service 6500	Capital Outlay 6600	Other Uses 8900	Function Totals
11	Instruction	-	-	-	-	-	-	-	-
12	Instructional resources and media services	-	-	-	-	-	-	-	-
13	Curriculum development and instructional staff development	-	-	-	-	-	-	-	-
21	Instructional leadership	-	-	-	-	-	-	-	-
23	School leadership	-	-	-	-	-	-	-	-
31	Guidance, counseling, and evaluation services	-	-	-	-	-	-	-	-
32	Social work services	-	-	-	-	-	-	-	-
33	Health services	-	-	-	-	-	-	-	-
34	Student (pupil) transportation	-	-	-	-	-	-	-	-
35	Food services	-	-	-	-	-	-	-	-
36	Extracurricular activities	-	-	-	-	-	-	-	-
41	General administration	4,307,145	397,849	63,000	100,250	-	22,500	-	4,890,744
51	Facilities maintenance and operations	-	-	-	-	-	-	-	-
52	Security and monitoring services	-	-	-	-	-	-	-	-
53	Data processing services	-	-	-	-	-	-	-	-
61	Community services	-	-	-	-	-	-	-	-
71	Debt service	-	-	-	-	-	-	-	-
81	Facilities acquisition and construction	1,982,946	-	-	-	-	145,010,000	-	146,992,946
95	Juvenile justice alternative education programs	-	-	-	-	-	-	-	-
00	Other financing sources (uses)	-	-	-	-	-	-	7,987,450	7,987,450
Major Object Totals		6,290,091	397,849	63,000	100,250	-	145,032,500	7,987,450	159,871,140

Capital Program

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

Capital Renovation Fund

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

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

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

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

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

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

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

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

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

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

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

Pay-As-You-Go Program

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

Tax Increment Reinvestment Zones (TIRZ)

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

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

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

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

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

Special Projects Fund

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

Miscellaneous Funding

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

Available Program Funds as of June 30, 2020

Below is a table representing the funds discussed above.

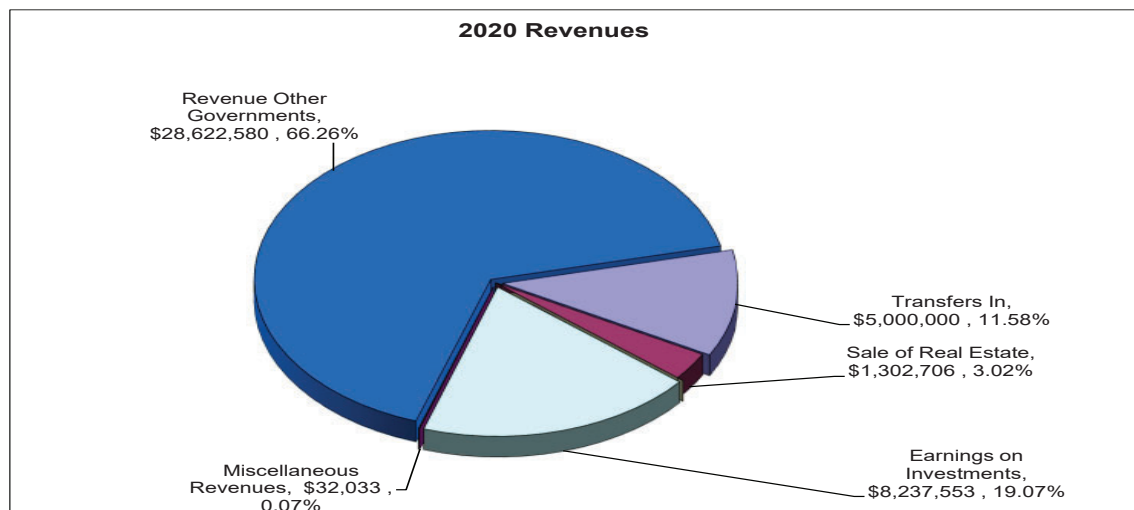
Fund	Available Balances as of June 30, 2020
Rebuild 2012	\$ 212,160,202
Pay-As-You-Go Program	1,734,303
TIRZ's	37,011,513
Special Projects Fund	4,714,459
Miscellaneous Funding	31,394,901
TOTAL	\$ 287,015,378

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

Revenue Sources for the Capital Renovation Fund

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

Revenue Source	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Transfers In	\$ 15,553,307	\$ 28,000,000	\$ 56,000,000	\$ -	\$ 5,000,000
Sale of Real Estate	\$ 3,049,975	\$ 538,560	\$ -	\$ 1,863,822	\$ 1,302,706
Sale of Bonds	\$ 562,545,118	\$ 542,269,739	\$ 301,828,761	\$ -	\$ -
Earnings on Investments	\$ 2,644,715	\$ 6,593,246	\$ 13,241,926	\$ 18,841,493	\$ 8,237,553
Rental of Facilities	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	\$ 189,594	\$ 78,640	\$ 798,091	\$ 5,317,089	\$ 32,033
Revenue Other Governments	\$ 25,512,752	\$ 28,172,027	\$ 28,928,741	\$ 29,611,649	\$ 28,622,580
Total Revenues	\$ 609,495,461	\$ 605,652,212	\$ 400,797,519	\$ 55,634,053	\$ 43,194,872

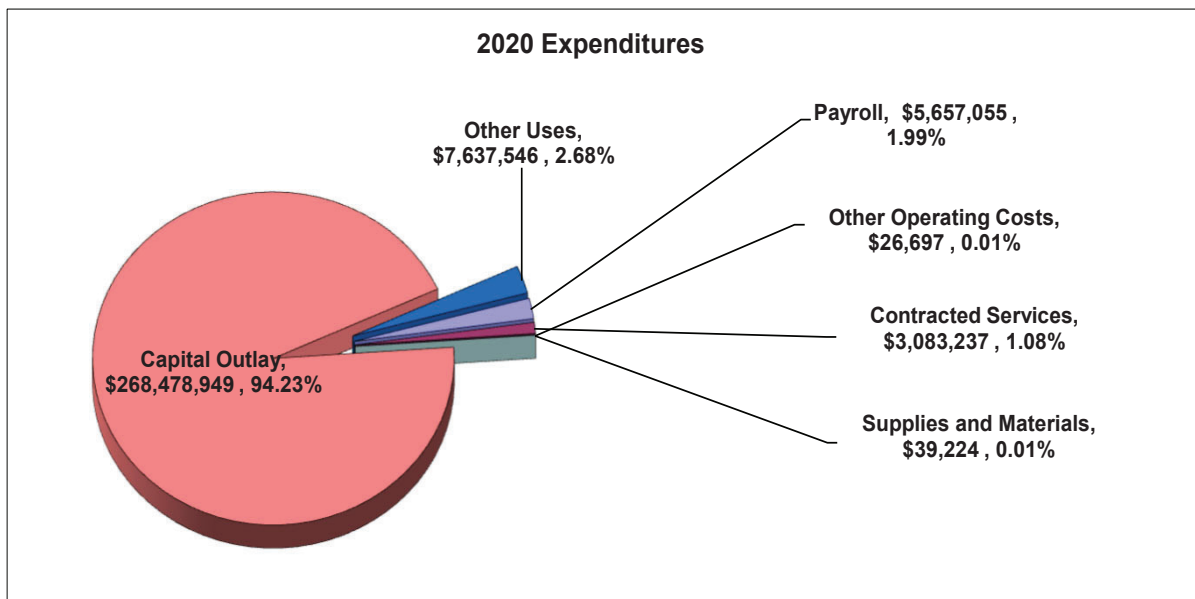


*Chart may not add to 100% due to rounding.

Expenditures for the Capital Renovation Fund

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

Expenditures by Major Object	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Payroll	\$ 5,734,580	\$ 5,096,850	\$ 5,877,608	\$ 6,474,550	\$ 5,657,055
Contracted Services	\$ 258,071	\$ 188,173	\$ 2,152,045	\$ 1,121,221	\$ 3,083,237
Supplies and Materials	\$ 49,604	\$ 48,330	\$ 62,978	\$ 38,833	\$ 39,224
Other Operating Costs	\$ 9,460	\$ 24,479	\$ 110,362	\$ 75,608	\$ 26,697
Cost of Issuance	\$ 2,537,197	\$ 7,329,275	\$ 1,819,695	\$ -	\$ -
Capital Outlay	\$ 388,084,497	\$ 1,060,615,443	\$ 564,089,186	\$ 329,526,586	\$ 268,478,949
Other Uses	\$ 12,868,881	\$ 14,437,018	\$ 7,435,936	\$ 7,593,049	\$ 7,637,546
Total Expenditures	\$ 409,542,290	\$ 1,087,739,568	\$ 581,547,810	\$ 344,829,847	\$ 284,922,708



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

Impact on General Operating Budget

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

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

Primary Items Impacting the General Fund Budget

Typically, three primary items impact the General Fund Budget:

1. **Utility Costs** – The fiscal year 2020 had approximately \$40 million (gas, water, electricity) of expenses. This is 14 percent less than the previous year. Contributing factors for this cost savings are reduced contracted electricity rate and other cost saving initiatives implemented by HISD's Energy and Sustainability Department. The district budgets utilities based on total utility rates, historical analysis, expected square footage, and the district's contracted rate to determine total expenditures. To date, our construction program has not significantly affected our operating expenses because HISD currently holds over 30,000,000 square feet within its real estate portfolio. Thus far, our construction programs have focused primarily on building elementary and high schools. As a result, adding two or three new schools each budget year does not significantly change the district's total square footage or utility expenses. In fact, the district is affected more by swings in utility rates than the district's construction programs. In the cases of construction projects that had temporary or swing space added, these utility costs were paid by the construction project budgets.
2. **Custodial / Maintenance staff costs** - Because HISD has been primarily renovating and replacing facilities, HISD has not seen significant costs associated with construction activities. Renovations and expansions to a campus are generally absorbed by existing staff. The district has also been closing small campuses and the staff have been redirected to other facilities. The district solicits changes to staffing each year during the budget process to identify additional staffing needs due to new campuses coming online.
3. **Insurance** - Unlike most homeowners, HISD does not purchase insurance covering every loss. Instead, the district purchases a loss value for the total district. For example, the district may purchase insurance for losses up to \$250 million. The amount afforded fluctuates in the market based on current or recent events. For example, multiple hurricanes and/or tornadoes throughout the country can cause the amount of available insurance to decrease. In this instance, the district may have to pay the same or more for less coverage.

Routine vs. Non-Routine Expenditures

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

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

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

Non-Routine Expenditures

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

These high-cost, non-routine expenditures are generally handled through the district's Pay-As-You-Go Program and

can either be planned major maintenance items or unexpected emergency repairs and maintenance.

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

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

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

Routine Expenditures

The district funds the routine expenditures from the General Operating Fund in the Facility Services (FS). FS operates with a staff of over 2,000 full-time employees. This HISD department manages over 1,900 buildings (approximately 600 permanent and 1,300 temporary). The FS Leadership Teams oversee 3,500 acres of school and administrative spaces. At over 30 million square feet, FS administers one of the largest and most diverse portfolios of real estate assets in the U.S.

The FS budget provides routine maintenance services in the major categories below. The FS Department has a total budget of approximately \$93 million for routine maintenance and operations. This includes salary and non-salary costs. Below are the major areas of maintenance for which FS is responsible:

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

HISD Bond Programs

HISD Rebuild 2002 Bond

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

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

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

1. Current overcrowding
2. Broad public support

3. Maintaining community participation in the schools
4. Potential/projected growth of the community
5. Geographic equity
6. Cost effectiveness and program effectiveness

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

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

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

Rebuild HISD Bond

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

The Rebuild HISD program was credited with:

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

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

2007 Facilities Capital Program

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

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

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

- Safety and Security upgrades, including new fencing, security cameras, public address systems, and other enhancements at all schools in the district

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

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

2012 Houston Schools Bond Program

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

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

Projects funded through the bond program include:

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

Partially replacing three high schools: Waltrip, Westbury, and Young Women's College Prep Academy.
Renovating four high schools: Jones, Kashmere, Scarborough, and Sharpstown International.

Converting five elementary schools to K-8 campuses: Garden Oaks Montessori, Mandarin Chinese Language Immersion School, Pilgrim Academy, Wharton Dual Language School, and Wilson Montessori.
Building three new elementary campuses: Askew, Parker, and Mark White.

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

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

2012 Houston Schools Bond Program Projects

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Over the 2015-2016 school year, more than 300 Project Advisory Team meetings have taken place and nearly 25 community meetings were facilitated to keep hundreds of stakeholders informed. The Bond Oversight Committee,

an independent citizens panel established to monitor the progress of the bond program, is ensuring that all bond revenues are being spent appropriately as well as evaluating progress. Construction is underway on 17 campuses across the city – with more soon to begin. Additionally, 10 schools have celebrated the beginning of construction with groundbreaking, beam-signings, and other events.

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

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

2012 Houston Schools Bond Project Highlights

The 2020-2021 school year began with a delayed start and online-only first six weeks of school due to the ongoing COVID-19 pandemic.

On October 19, 2020 some students returned for in-person learning, marking the first time Mitchell, Kolter, Scarborough, and Braeburn elementary schools opened their doors to students after being rebuilt due to Hurricane Harvey. All four Harvey Rebuild schools had been set to open in August, but the timelines were delayed due to COVID-19 supply delays and manpower shortages.

The schools were not funded by the bond program but overseen by Construction Services staff.

Work being done as part of the 2012 Bond is continuing but nearing its end — nearly eight years after Houston voters approved the massive initiative by a two-to-one margin.

The \$2 billion bond was set to renovate or repair 40 schools, including 29 high schools, across the district. Now, school construction across the district stands at 96 percent complete, with just two 2012 Bond schools yet to open — Austin and Bellaire high schools.

Like the Harvey schools, Austin also was originally scheduled to open in August 2020, but was delayed due to COVID-19 supply delays and manpower shortages. The school is now on track to welcome students in January 2021.

Bellaire — the final school under active construction as part of the 2012 Bond — is still on track to open to students in time for the start of the 2021-2022 school year.

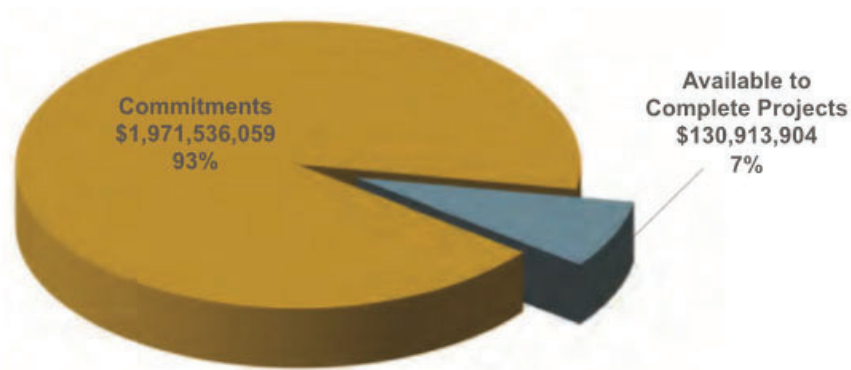
Work also continued on realignment projects. Pool facilities were completed at Milby, Washington, and Yates high schools. Other completed realignment projects include a fine arts wing at Westbury High School and a dining canopy at Sharpstown International School. Realignment projects are new, bond-approved projects that were not part of the original scope of work but are funded by surplus bond dollars.

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

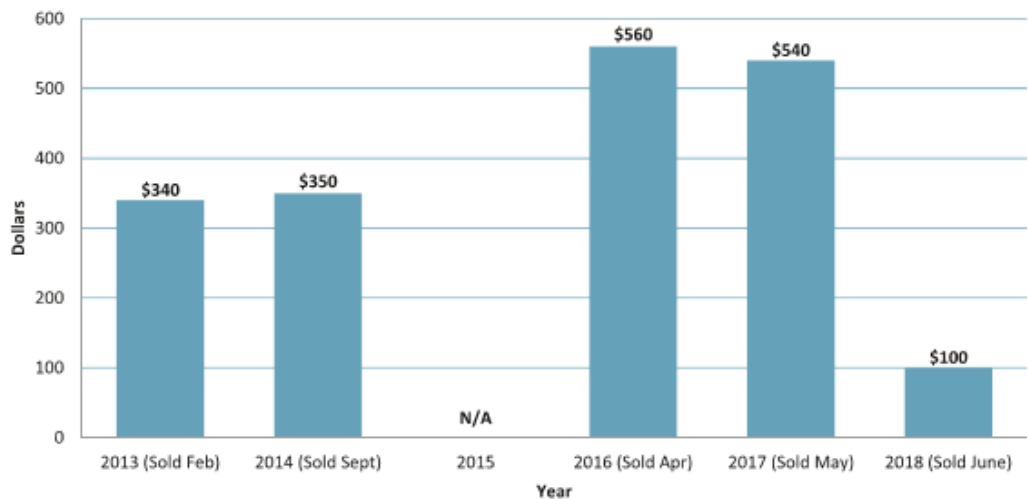
2012 BOND FINANCIAL REPORT

The total budget for the 2012 Bond Program is \$1.89 billion. The Board of Education approved an additional \$212.4 million in October 2015 for a total budget of \$2.102 billion. Of that amount, \$1,971,536,059 is committed, including encumbrances of \$63,676,822 and actual expenditures of \$1,907,859,238. A total of \$130,913,904 is available to complete projects.

TOTAL BUDGET, COMMITMENTS &
AVAILABLE FUNDING TO DATE
TOTAL BUDGET \$2.1 BILLION



TOTAL BOND REFERENDUM
\$1.89 BILLION
(ISSUANCE SALES IN MILLIONS)



PROJECT BUDGET/COMMITMENT/ AVAILABLE FUNDS REPORT



REPORT DESCRIPTIONS

PROJECT BUDGET/COMMITMENT/AVAILABLE FUNDS REPORT

COLUMN 1

Org (Organization)

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

COLUMN 2

Campus

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

COLUMN 3

Total Budget

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

COLUMN 4

Adjustments

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

COLUMN 5

Total Adjusted Plan

Column 3 plus Column 4.

COLUMN 6

Program Reserve, Inflation, Management, & Swing Space

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

COLUMN 7

Construction Budget

Column 5 – Column 6.

COLUMN 8

Pre-Encumbrance

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

COLUMN 9

Encumbrance

Purchase order – also referred to as "commitment."

COLUMN 10

Actual

Represents total expenditures paid.

COLUMN 11

Available to Complete Projects

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

2012 Bond Program - Project Budget/Commitment/Available Funds Report
As of September 30, 2020

Org	Campus	Total Budget	Adjustments	Total Adjusted Budget	Program Reserve, Inflation, Mgt. & Swing Space	Construction Budget	Pre-Encumb	Encumbrance	Actual	Available to Complete Projects
		\$	\$	\$	(\$)	\$	(\$)	(\$)	(\$)	\$
001	Austin H.S.	68,429,000.00	12,511,679.00	80,940,679.00	3,191,964.00	77,748,715.00	11,567.04	5,785,818.38	69,744,352.95	2,206,976.63
002	Bellaire H.S.	106,724,000.00	34,790,428.00	141,514,428.00	6,726,701.00	134,787,727.00	480.00	43,956,065.39	80,277,742.38	10,553,439.23
003	Northside H.S.	46,764,000.00	19,633,657.00	66,397,657.00	4,677,515.00	61,720,142.00	82,452.82	435,562.69	59,775,505.86	1,426,620.63
004	Furr H.S.	55,100,000.00	499,287.00	55,599,287.00	4,435,547.88	51,163,739.12	-	6,596.16	51,157,142.96	-
006	Jones H.S.	1,125,000.00	296,011.00	1,421,011.00	889,513.00	531,498.00	-	-	531,498.00	-
007	Kashmere H.S.	17,000,000.00	2,053,729.00	19,053,729.00	2,021,610.71	17,032,118.29	-	-	16,954,868.53	77,249.76
008	Lamar H.S.	107,974,000.00	14,927,465.00	122,901,465.00	7,109,726.00	115,791,739.00	400.00	5,595,300.37	104,144,951.80	6,051,086.83
009	Wisdom H.S.	73,801,000.00	3,785,865.00	77,586,865.00	6,197,532.12	71,389,332.88	-	-	71,389,332.88	-
010	Madison H.S.	82,736,000.00	4,037,444.00	86,773,444.00	3,821,223.00	82,952,221.00	48,839.77	628,743.47	77,918,073.73	4,356,564.03
011	Milby H.S.	68,810,000.00	13,114,723.00	81,924,723.00	5,979,331.00	75,945,392.00	19,776.79	32,785.89	75,477,069.21	415,760.11
014	Sterling H.S.	72,304,000.00	-8,618,325.00	63,685,675.00	4,806,950.00	58,878,725.00	13,546.35	852,500.00	57,736,197.71	276,480.94
015	Waltrip H.S.	30,115,000.00	5,123,961.00	35,238,961.00	3,692,307.03	31,546,653.97	-	5,422.65	31,541,231.32	-
016	Washington H.S.	51,732,000.00	10,847,934.00	62,579,934.00	2,434,397.00	60,145,537.00	49,650.85	149,291.38	58,805,063.73	1,141,531.04
017	Westbury H.S.	40,006,000.00	20,257,598.00	60,263,598.00	2,342,551.00	57,921,047.00	-	925,694.75	53,669,673.84	3,325,678.41
019	Worthing H.S.	30,180,000.00	2,897,460.00	33,077,460.00	2,705,036.00	30,372,424.00	-	6,742.75	30,365,681.25	-
020	Yates H.S.	59,481,000.00	16,124,271.00	75,605,271.00	2,536,557.65	73,068,713.35	1,095.00	120,173.14	68,893,053.87	4,054,391.34
023	Sharpstown H.S.	54,944,000.00	5,646,534.00	60,590,534.00	4,931,626.24	55,658,907.76	-	5,422.65	55,653,485.11	-
024	Scarborough H.S.	12,566,000.00	2,077,625.00	14,643,625.00	2,493,566.98	12,150,058.02	-	-	12,150,058.02	-
025	HSVPA	80,178,000.00	6,587,477.00	86,765,477.00	3,220,456.00	83,545,021.00	-	1,117.21	83,003,292.36	540,611.43
026	DeBakey H.S.	64,512,000.00	2,515,113.00	67,027,113.00	8,131,761.10	58,895,351.90	-	-	58,895,351.90	-
033	Jordan H.S.	36,693,000.00	331,913.00	37,024,913.00	1,945,515.00	35,079,398.00	3,726.83	837,179.43	29,454,793.77	4,783,697.97
068	Tanglewood M.S.	14,825,000.00	96,404.00	14,921,404.00	705,280.00	14,216,124.00	-	-	13,618,182.12	597,941.88
075	Lawson M.S.	59,125,000.00	4,081,598.00	63,206,598.00	2,875,782.00	60,330,816.00	-	576,558.57	56,807,721.90	2,946,535.53
081	Sharpstown International	6,125,000.00	808,379.00	6,933,379.00	405,096.00	6,528,283.00	75.00	34,298.65	5,462,000.85	1,031,908.50
157	Garden Oaks K-8	26,678,000.00	4,195,956.00	30,873,956.00	4,031,958.62	26,841,997.38	-	-	26,841,997.38	-
215	Parker E.S.	29,485,000.00	1,814,820.00	31,299,820.00	1,475,697.27	29,824,122.73	4,978.05	-	29,561,590.75	257,553.93
218	Pilgrim K-8	7,989,000.00	960,481.00	8,949,481.00	307,200.00	8,642,281.00	-	-	8,067,724.11	550,253.44
256	Wharton Dual Language	35,603,000.00	2,482,075.00	38,085,075.00	1,682,824.38	36,402,250.62	-	-	36,402,250.62	-
259	Wilson Montessori	18,914,000.00	5,808,033.00	24,722,033.00	2,997,158.38	21,724,874.62	-	-	21,724,874.62	-
274	Askew E.S.	26,632,000.00	1,254,972.00	27,886,972.00	2,781,171.25	25,105,800.75	-	-	25,105,800.75	-
301	Eastwood Academy	10,875,000.00	432,421.00	11,307,421.00	-131,600.69	11,439,021.69	-	-	11,439,021.69	-
308	North Houston EC H.S.	13,500,000.00	-2,961,043.00	10,538,957.00	477,201.66	10,061,755.34	3,859.17	-	10,021,790.38	36,105.79
310	Sam Houston H.S.	101,428,000.00	5,291,029.00	106,719,029.00	4,851,931.00	101,867,098.00	668,739.16	9,444.40	93,565,234.82	7,623,679.62
458	Mickey Leland C.P.A.	28,675,000.00	835,976.00	29,510,976.00	2,339,420.70	27,171,555.30	-	-	27,171,555.30	-
460	Mandarin Chinese K-8	32,161,000.00	2,087,906.00	34,248,906.00	2,171,205.90	32,077,700.10	-	-	32,077,700.10	-
463	Young Women's	27,159,000.00	4,009,189.00	31,168,189.00	1,694,617.28	29,473,571.72	-	-	29,473,571.72	-
483	M. White E.S.	23,417,000.00	-	23,417,000.00	442,600.00	22,974,400.00	-	-	22,671,946.71	302,453.29
486	S. Early College H.S.	13,500,000.00	-2,793,911.00	10,706,089.00	441,479.94	10,264,609.06	-	-	9,662,507.92	602,101.14
660	School Athletics	44,675,000.00	1,100,544.00	45,775,544.00	3,137,428.38	42,638,115.62	-	-	42,638,115.62	-
1994	Construction Contingency	-	11,983,987.82	11,983,987.82	3,554,725.47	8,429,262.35	-	-	-	8,429,262.35
TOTAL CAMPUSES		1,681,940,000.00	210,930,665.82	1,892,870,665.82	120,532,565.25	1,772,338,100.57	909,186.83	59,989,021.38	1,649,852,008.54	61,587,883.82
1998	Middle School Restrooms	35,000,000.00	-8,301,566.82	26,698,433.18	-655,001.35	26,043,431.83	-	6,632.35	26,036,799.48	-
1997	District-wide Technology	100,000,000.00	-	100,000,000.00	-	100,000,000.00	440.00	1,798,801.00	60,763,384.87	37,437,374.13
1996	District-wide Safety & Security	17,293,000.00	12,058,745.00	29,351,745.00	29,476,585.67	58,828,330.67	276,332.54	-	28,073,427.40	30,478,570.73
1995	Land	55,767,000.00	-8,425,744.00	47,341,256.00	-437,255.30	46,904,000.70	-	6,841.19	46,897,159.51	-
1999	Program & Management Cost	-	6,187,863.00	6,187,863.00	92,148,236.23	98,336,099.23	1,536.19	688,030.26	96,236,457.79	1,410,074.99
GRAND TOTAL		1,890,000,000.00	212,449,963.00	2,102,449,963.00		2,102,449,963.00	1,187,495.56	62,489,326.18	1,907,859,237.59	130,913,903.67

*This report solely reflects 201



Public Facility Corporation

Houston Independent School District

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

Budget Assumptions

REVENUE

Projected remaining interest earnings.

EXPENDITURES

Increased from 2019-2020 with projects nearing final completion and closeout.

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - PUBLIC FACILITIES CORPORATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
REVENUES								
Earnings on investments	239,252	268,909	426,090	68,193	-	-	-	-
Total revenues	<u>239,252</u>	<u>268,909</u>	<u>426,090</u>	<u>68,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Capital outlay								
Facilities acquisition and construction	35,684,832	11,379,573	271,879	835,464	-	-	-	-
Debt Service	-	-	-	132,729	-	-	-	-
Total expenditures	<u>35,684,832</u>	<u>11,379,573</u>	<u>271,879</u>	<u>968,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,445,580)</u>	<u>(11,110,664)</u>	<u>154,211</u>	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(13,697,000)	-	(2,956,240)	-	-
Issuance of bonds and other debt	-	-	-	-	-	-	-	-
Premium on the sale of bonds	-	-	-	-	-	-	-	-
Discount on the sale of bonds	-	-	-	-	-	-	-	-
Insurance proceeds and (loss) on sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,697,000)</u>	<u>-</u>	<u>(2,956,240)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(35,445,580)</u>	<u>(11,110,664)</u>	<u>154,211</u>	<u>(14,597,000)</u>	<u>-</u>	<u>(2,956,240)</u>	<u>-</u>	<u>-</u>
Fund balances, beginning	63,955,273	28,509,693	17,399,029	17,553,240	2,956,240	2,956,240	-	-
Fund balances, ending	<u>28,509,693</u>	<u>17,399,029</u>	<u>17,553,240</u>	<u>2,956,240</u>	<u>2,956,240</u>	<u>-</u>	<u>-</u>	<u>-</u>



Internal Service Funds

Houston Independent School District

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

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

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

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

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

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

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

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

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



Internal Service Funds - Budget Assumptions

Houston Independent School District

Health Insurance

REVENUE

Estimated medical plan enrollment is projected at 18,675 for 2020-2021 based on enrollment data adjusted for typical monthly variations. This is an anticipated decline in enrollment of 1.2 percent from the previous year's budget estimate

EXPENDITURES

The total operating expenditures was unchanged from the prior adopted budget. This is primarily due to use of managed networks or Accountable Care Organizations for many participants starting in 2020 as well as improved network pricing.

Workers' Compensation

REVENUE

The estimated decrease in 2020-2021 revenue is based on employer contributions, but projections increased by 7.2 percent due to revised projections. However, the rates applied for Workers' Compensation remain unchanged from the 2019-2020 fiscal year. Interest revenue remains unchanged.

EXPENDITURES

Expenses are projected to decline by 13.7 percent from the 2019-2020 fiscal year due to improved claim experience.

Print Shop – Administrative Services

REVENUE

HISD Printing Services has made a substantial contribution to essential District operations during this public health emergency. The team has worked tirelessly for several months to ensure the important printing and mailing work of the District was produced, even while the District was closed or working remotely. Our high-speed inkjet printing press was used to produce a massive volume of full-color instructional materials at a low cost, to support remote learning and even inserted all of them into envelopes and mailed them directly to students at their homes. Our large format printers and cutting devices were used to produce a substantial volume of signage required to safely reopen our campuses and offices, so students could safely return to face-to-face learning. This year printing services, printed and mailed Report Cards and Progress Reports directly to households for most of the District for the first time, and saved the district a substantial amount in postage. Many HISD schools are ordering window, wall, and floor graphics as a way of updating and revitalizing the school buildings. Finally, last year we launched our online store called PrintCenter which allows all employees to shop and order their District forms, stationery, District maps, teacher tools, assessments and even to have their Report Cards and Progress Reports printed, inserted and mailed. All these and hundreds of other items are available for 24x7 shopping and ordering.

EXPENDITURES

Our expanded product offering and rapidly growing sales volume have required us to use substantially more paper, ink, postage and other supplies and to pay for staff overtime to deliver the required work. We've expanding our use of FedEx Ground service to deliver print projects to our customers because it's

a cost-effective, scalable and reliable way to deliver the next business day to anywhere in Texas with tracking and proof of delivery receipt..

Alternative Certification Program (ACP)

REVENUE

Alternative Certification Program revenue is based on available staffing, resignation, and termination data at the time of budget submission. As HISD continues to compete for new teacher talent and aggressively works to address strategic staffing needs, ACP, in conjunction with HR projects 2,000 teacher vacancy postings. Houston ISD ACP will serve as a certification entity for approximately 77 of these new teachers. ACP will facilitate a fee-for-service professional development program focused on Classroom Management and Culture (CMC) and Time and Task Management (TTM) throughout the year, as needed. Both areas have been identified as critical foci for new teachers. ACP will also partner with Teacher Career Development to co-create and facilitate learning opportunities for new teachers.

EXPENDITURES

Staff reflects the enrollment numbers and business operation needs for 2020-2021. Staff and operating costs will be regularly monitored and adjusted as needed, based on actual enrollment numbers.

UIL Department

REVENUE

The FY 2021 proposed budget projects revenue to decrease slightly to \$1,024,094 due to adjustments in the pricing of some UIL programs. The largest initiative within the UIL budget is The Houston Urban Debate League (HUDL). The FY 2021 budget also assumes that the district will continue to fund HUDL at the same level as 2019-2020.

EXPENDITURES

Department expenditures are anticipated to increase due to higher UIL annual membership fees, and increased fees for UIL music contests. Use of commercial bus rentals when HISD bus transportation is unavailable is also expected to increase expenditures for rentals.

Athletics Department

REVENUE

The Athletic Department has based its 2020-2021 revenue projections on the 2019-2020 participation level for the first year of the program. The ticket sales and other revenues are forecasted on a conservative basis and does not take into consideration playoff receipts which is included in the current year to date receipts..

EXPENDITURES

Estimated expenditures for annual costs include official's pay for all sports which will increase by \$100,000 along with the cost of vendor transportation at a cost of approximately \$500,000. End zone cameras (\$50,000); Uniforms and equipment for MS (\$442,000); Uniforms and equipment for HS (\$800,000); Replace football helmets (\$50,000).

Special Education Shared Services

REVENUE

The amount charged to schools for 2020-2021 for shared special education services will remain the same as in 2019-2020 at \$68 per student.

EXPENDITURES

Staffing of all shared service employees such as evaluation specialists and nurses, etc. will remain the same for 2020-2021. There will be no additional employees added for the new school year. The remaining expenditures will be for equipment, supplies and subscriptions, etc. paid for the schools for special education services.

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2021-2022 Forecast	2021-2022 Forecast	2023-2024 Forecast
OPERATING REVENUES:								
Charges for sales and services								
Sales to customers	23,433,802	23,419,076	22,490,440	23,602,141	24,431,011	24,675,321	24,922,074	25,171,295
Charges to employees or other funds	136,610,820	158,204,737	165,039,904	163,013,671	169,251,031	170,943,541	172,652,977	174,379,506
Miscellaneous	7,062,025	9,887,991	9,861,225	29,853,585	9,521,470	9,616,685	9,712,852	9,809,980
Total operating revenues	167,106,647	191,511,804	197,391,569	216,469,397	203,203,512	205,235,547	207,287,903	209,360,782
OPERATING EXPENSES:								
Payroll costs	13,603,961	15,233,356	15,972,981	14,970,471	15,659,004	15,815,594	15,973,750	16,133,487
Purchased and contracted services	8,038,577	12,650,227	12,003,956	18,967,818	15,984,367	16,144,211	16,305,653	16,468,709
Supplies and materials	2,181,386	2,377,594	1,468,140	1,597,661	1,452,135	1,466,656	1,481,323	1,496,136
Other operating expenses	1,830,825	1,231,993	1,630,705	1,450,415	1,486,801	1,501,669	1,516,686	1,531,853
Claims and judgements	147,983,254	146,449,690	174,769,438	162,250,830	172,848,591	174,577,077	176,322,848	178,086,076
Depreciation	185,075	229,637	294,756	1,914,213	19,564	19,760	19,957	20,157
Capital assets	7,543	-	-	-	51,934	52,453	52,978	53,508
Total operating expenses	173,830,621	178,172,497	206,139,976	201,151,408	207,502,396	209,577,420	211,673,194	213,789,926
Operating income (loss)	(6,723,974)	13,339,307	(8,748,407)	15,317,989	(4,298,884)	(4,341,873)	(4,385,292)	(4,429,144)
NONOPERATING REVENUES (EXPENSES)								
Earnings on investments	450,508	818,610	1,642,319	1,071,259	594,912	600,861	606,870	612,938
Interest	-	-	-	(292,620)	-	-	-	-
Gain (Loss) on sale of assets	(301,700)	-	-	-	-	-	-	-
Miscellaneous	-	73,517	27,250	-	-	-	-	-
Total nonoperating revenue	148,808	892,127	1,669,569	778,639	594,912	600,861	606,870	612,938
Income (loss) before transfers	(6,575,166)	14,231,434	(7,078,838)	16,096,628	(3,703,972)	(3,741,012)	(3,778,422)	(3,816,206)
Transfers In	-	-	-	-	-	-	-	-
Change in net assets	(6,575,166)	14,231,434	(7,078,838)	16,096,628	(3,703,972)	(3,741,012)	(3,778,422)	(3,816,206)
Total net assets, beginning	65,219,655	58,644,469	72,875,923	65,797,085	81,893,713	78,189,741	74,448,729	70,670,307
Total net assets, ending	58,644,489	72,875,923	65,797,085	81,893,713	78,189,741	74,448,729	70,670,307	66,854,101

Budget Projection Assumption

The state of Texas has projected growth of 1.8 percent in the education and health services industry. Accordingly, HISD is projecting a 1 percent growth rate in revenue and expenses.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - HEALTH INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted
OPERATING REVENUES:					
Charges for sales and services					
Charges to employees other funds	129,300,850	149,653,307	158,940,001	156,410,323	163,004,368
Miscellaneous	6,060,736	9,323,506	9,064,010	29,536,798	9,354,000
Total operating revenues	<u>135,361,586</u>	<u>158,976,813</u>	<u>168,004,011</u>	<u>185,947,121</u>	<u>172,358,368</u>
OPERATING EXPENSES:					
Payroll costs	843,421	1,023,119	1,525,418	1,429,319	1,501,799
Purchased and contracted services	126,979	4,185,104	4,222,392	12,598,852	5,936,046
Supplies and materials	9,861	3,677	17,402	8,181	8,175
Other operating expenses	4,111	5,692	3,734	2,611	17,220
Claims and judgements	142,412,341	139,817,987	167,962,262	159,217,608	166,600,000
Total operating expenses	<u>143,396,713</u>	<u>145,035,579</u>	<u>173,731,208</u>	<u>173,256,571</u>	<u>174,063,240</u>
Operating income (loss)	<u>(8,035,127)</u>	<u>13,941,234</u>	<u>(5,727,197)</u>	<u>12,690,550</u>	<u>(1,704,872)</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	84,871	130,690	496,432	244,112	256,962
Total nonoperating revenue	<u>84,871</u>	<u>130,690</u>	<u>496,432</u>	<u>244,112</u>	<u>256,962</u>
Income (loss) before transfers	<u>(7,950,256)</u>	<u>14,071,924</u>	<u>(5,230,765)</u>	<u>12,934,662</u>	<u>(1,447,910)</u>
Change in net assets	(7,950,256)	14,071,924	(5,230,765)	12,934,662	(1,447,910)
Total net assets, beginning	25,311,114	17,360,858	31,432,782	26,202,017	39,136,679
Total net assets, ending	<u>17,360,858</u>	<u>31,432,782</u>	<u>26,202,017</u>	<u>39,136,679</u>	<u>37,688,769</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - WORKERS' COMPENSATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted
OPERATING REVENUES:					
Charges for sales and services					
Charges to employees other funds	7,309,970	8,551,430	6,099,903	6,603,348	6,246,663
Miscellaneous	860,011	475,066	740,397	222,544	140,000
Total operating revenues	<u>8,169,981</u>	<u>9,026,496</u>	<u>6,840,300</u>	<u>6,825,892</u>	<u>6,386,663</u>
OPERATING EXPENSES:					
Payroll costs	872,783	1,762,975	1,368,516	1,405,762	1,569,746
Purchased and contracted services	11,939	10,797	45,840	1,204,193	99,110
Supplies and materials	2,120	2,654	967	1,173	18,960
Other operating expenses	32,599	29,473	379,608	505,184	518,840
Claims and judgements	5,570,913	6,631,703	6,323,991	3,033,222	6,248,591
Depreciation	1,068	913	-	-	7,764
Total operating expenses	<u>6,491,422</u>	<u>8,438,515</u>	<u>8,118,922</u>	<u>6,149,534</u>	<u>8,463,011</u>
Operating income (loss)	<u>1,678,559</u>	<u>587,981</u>	<u>(1,278,622)</u>	<u>676,358</u>	<u>(2,076,348)</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	290,387	543,842	951,121	670,498	296,000
Total nonoperating revenue	<u>290,387</u>	<u>543,842</u>	<u>951,121</u>	<u>670,498</u>	<u>296,000</u>
Income (loss) before transfers	<u>1,968,946</u>	<u>1,131,823</u>	<u>(327,501)</u>	<u>1,346,856</u>	<u>(1,780,348)</u>
Change in net assets	1,968,946	1,131,823	(327,501)	1,346,856	(1,780,348)
Total net assets, beginning	<u>30,840,331</u>	<u>32,809,277</u>	<u>33,941,100</u>	<u>33,613,599</u>	<u>34,960,455</u>
Total net assets, ending	<u>32,809,277</u>	<u>33,941,100</u>	<u>33,613,599</u>	<u>34,960,455</u>	<u>33,180,107</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PRINT SHOP FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted
OPERATING REVENUES:					
Charges for sales and services					
Sales to customers	8,031,464	7,996,764	7,287,431	8,620,598	8,992,832
Total operating revenues	<u>8,031,464</u>	<u>7,996,764</u>	<u>7,287,431</u>	<u>8,620,598</u>	<u>8,992,832</u>
OPERATING EXPENSES:					
Payroll costs	1,402,206	1,442,845	1,470,570	1,406,203	1,443,942
Purchased and contracted services	5,858,072	5,913,887	6,112,566	3,540,647	6,747,675
Supplies and materials	859,351	947,822	652,479	913,843	851,707
Other operating expenses	1,996	1,497	1,873	2,114	2,350
Depreciation	13,896	14,637	13,896	1,665,928	-
Capital Assets	-	-	-	-	-
Total operating expenses	<u>8,135,521</u>	<u>8,320,688</u>	<u>8,251,384</u>	<u>7,528,735</u>	<u>9,045,674</u>
Operating income (loss)	<u>(104,057)</u>	<u>(323,924)</u>	<u>(963,953)</u>	<u>1,091,863</u>	<u>(52,842)</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	33,850	53,208	78,366	32,604	40,000
Miscellaneous	-	73,517	27,250	-	-
Interest	-	-	-	(292,620)	-
Total nonoperating revenue	<u>33,850</u>	<u>126,725</u>	<u>105,616</u>	<u>(260,016)</u>	<u>40,000</u>
Income (loss) before transfers	<u>(70,207)</u>	<u>(197,199)</u>	<u>(858,337)</u>	<u>831,847</u>	<u>(12,842)</u>
Change in net assets	(70,207)	(197,199)	(858,337)	831,847	(12,842)
Total net assets, beginning	1,077,624	2,137,193	1,939,994	1,081,657	1,913,504
Adjustment for Copier Services*	1,129,776	-	-	-	-
Total net assets, ending	<u>2,137,193</u>	<u>1,939,994</u>	<u>1,081,657</u>	<u>1,913,504</u>	<u>1,900,662</u>

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

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - ALTERNATIVE CERTIFICATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted
OPERATING REVENUES:					
Charges for sales and services					
Sales to customers	937,148	618,316	901,773	815,987	751,890
Miscellaneous	-	87,181	30,713	48,408	27,470
Total operating revenues	<u>937,148</u>	<u>705,497</u>	<u>932,486</u>	<u>864,395</u>	<u>779,360</u>
OPERATING EXPENSES:					
Payroll costs	1,416,614	947,084	675,252	520,844	541,433
Purchased and contracted services	1,440	25,585	1,937	7,700	1,700
Supplies and materials	22,458	11,850	40,889	8,118	8,202
Other operating expenses	32,117	38,714	32,341	23,130	25,914
Capital assets	7,543	-	-	-	-
Depreciation	-	7,543	7,543	7,542	-
Total operating expenses	<u>1,480,172</u>	<u>1,030,776</u>	<u>757,962</u>	<u>567,334</u>	<u>577,249</u>
Operating income (loss)	<u>(543,024)</u>	<u>(325,279)</u>	<u>174,524</u>	<u>297,061</u>	<u>202,111</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	2,537	-	4,435	9,849	-
Total nonoperating revenue	<u>2,537</u>	<u>-</u>	<u>4,435</u>	<u>9,849</u>	<u>-</u>
Income (loss) before transfers	<u>(540,487)</u>	<u>(325,279)</u>	<u>178,959</u>	<u>306,910</u>	<u>202,111</u>
Change in net assets	(540,487)	(325,279)	178,959	306,910	202,111
Total net assets, beginning	542,824	2,337	(31,932)	147,027	453,937
*Reclassifications	-	291,010	-	-	-
Total net assets, ending	<u>2,337</u>	<u>(31,932)</u>	<u>147,027</u>	<u>453,937</u>	<u>656,048</u>

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UIL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted
OPERATING REVENUES:					
Charges for sales and services	1,134,458	1,117,092	1,028,559	1,023,609	1,022,144
Total operating revenues	<u>1,134,458</u>	<u>1,117,092</u>	<u>1,028,559</u>	<u>1,023,609</u>	<u>1,022,144</u>
OPERATING EXPENSES:					
Payroll costs	581,804	569,642	550,004	494,872	564,312
Purchased and contracted services	204,687	169,236	195,136	137,172	165,000
Supplies and materials	135,682	83,160	50,906	80,832	72,900
Other operating expenses	273,245	260,189	223,982	146,620	212,676
Depreciation	4,071	14,680	11,446	11,446	11,800
Total operating expenses	<u>1,199,489</u>	<u>1,096,907</u>	<u>1,031,474</u>	<u>870,942</u>	<u>1,026,688</u>
Operating income (loss)	<u>(65,031)</u>	<u>20,185</u>	<u>(2,915)</u>	<u>152,667</u>	<u>(4,544)</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	1,710	5,510	8,509	11,536	1,950
Total nonoperating revenue	<u>1,710</u>	<u>5,510</u>	<u>8,509</u>	<u>11,536</u>	<u>1,950</u>
Income (loss)	<u>(63,321)</u>	<u>25,695</u>	<u>5,594</u>	<u>164,203</u>	<u>(2,594)</u>
Change in net assets	<u>(63,321)</u>	<u>25,695</u>	<u>5,594</u>	<u>164,203</u>	<u>(2,594)</u>
Total net assets, beginning	<u>399,681</u>	<u>336,360</u>	<u>362,055</u>	<u>366,333</u>	<u>530,536</u>
*Reclassifications	-	(1,316)	-	-	-
Total net assets, ending	<u>336,360</u>	<u>362,055</u>	<u>366,333</u>	<u>530,536</u>	<u>527,942</u>

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - ATHLETICS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted
OPERATING REVENUES:					
Charges for sales and services					
Sales to customers	6,243,252	6,397,236	6,164,645	6,141,823	6,536,827
Miscellaneous	141,278	2,238	-	45,834	-
Total operating revenues	<u>6,384,530</u>	<u>6,399,474</u>	<u>6,164,645</u>	<u>6,187,657</u>	<u>6,536,827</u>
OPERATING EXPENSES:					
Payroll costs	2,714,493	3,129,929	3,222,017	2,906,546	3,099,076
Purchased and contracted services	1,586,055	1,733,031	1,130,388	1,237,893	1,399,400
Supplies and materials	957,458	1,189,200	703,667	585,514	484,300
Other operating expenses	1,181,139	866,828	989,167	770,756	709,801
Capital assets	-	-	-	-	50,100
Claims and judgements	-	-	483,185	-	-
Depreciation	79,574	93,540	171,978	170,749	-
Total operating expenses	<u>6,518,719</u>	<u>7,012,528</u>	<u>6,700,402</u>	<u>5,671,458</u>	<u>5,742,677</u>
Operating income (loss)	<u>(134,189)</u>	<u>(613,054)</u>	<u>(535,757)</u>	<u>516,199</u>	<u>794,150</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	17,743	27,079	38,470	45,834	-
Gain (Loss) on sale of assets	(301,700)	-	-	-	-
Total nonoperating revenue	<u>(283,957)</u>	<u>27,079</u>	<u>38,470</u>	<u>45,834</u>	<u>-</u>
Income (loss)	<u>(418,146)</u>	<u>(585,975)</u>	<u>(497,287)</u>	<u>562,033</u>	<u>794,150</u>
Transfers in	-	-	-	-	-
Change in net assets	(418,146)	(585,975)	(497,287)	562,033	794,150
Total net assets, beginning	<u>3,619,446</u>	<u>3,201,300</u>	<u>2,091,301</u>	<u>1,594,014</u>	<u>2,156,047</u>
*Reclassifications	-	(524,024)	-	-	-
Total net assets, ending	<u>3,201,300</u>	<u>2,091,301</u>	<u>1,594,014</u>	<u>2,156,047</u>	<u>2,950,197</u>

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - SPECIAL EDUCATION SHARED SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted
OPERATING REVENUES:					
Charges for sales and services					
Sales to customers	7,087,480	7,289,668	7,093,640	7,000,124	7,127,318
Total operating revenues	<u>7,087,480</u>	<u>7,289,668</u>	<u>7,093,640</u>	<u>7,000,124</u>	<u>7,127,318</u>
OPERATING EXPENSES:					
Payroll costs	5,772,640	6,357,762	7,161,204	6,806,925	6,938,696
Purchased and contracted services	249,405	612,587	295,697	241,361	1,635,436
Supplies and materials	194,456	139,231	1,830	-	7,891
Other operating expenses	305,618	29,600	-	-	-
Depreciation	86,466	98,324	89,894	58,548	-
Capital Assets	-	-	-	-	1,834
Total operating expenses	<u>6,608,585</u>	<u>7,237,504</u>	<u>7,548,625</u>	<u>7,106,834</u>	<u>8,583,857</u>
Operating income (loss)	<u>478,895</u>	<u>52,164</u>	<u>(454,985)</u>	<u>(106,710)</u>	<u>(1,456,539)</u>
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	19,410	58,281	64,986	56,825	-
Total nonoperating revenue	<u>19,410</u>	<u>58,281</u>	<u>64,986</u>	<u>56,825</u>	<u>-</u>
Income (loss)	<u>498,305</u>	<u>110,445</u>	<u>(389,999)</u>	<u>(49,885)</u>	<u>(1,456,539)</u>
Change in net assets	498,305	110,445	(389,999)	(49,885)	(1,456,539)
Total net assets, beginning	<u>2,212,901</u>	<u>2,711,206</u>	<u>3,055,979</u>	<u>2,665,980</u>	<u>2,616,095</u>
*Reclassifications	-	234,328	-	-	-
Total net assets, ending	<u>2,711,206</u>	<u>3,055,979</u>	<u>2,665,980</u>	<u>2,616,095</u>	<u>1,159,556</u>

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - VIRTUAL SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted
OPERATING REVENUES:					
Charges for sales and services	-	-	-	-	-
Sales to customers	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total operating revenues					
OPERATING EXPENSES:					
Payroll costs	-	-	-	-	-
Purchased and contracted services	-	-	-	-	-
Supplies and materials	-	-	-	-	-
Other operating expenses	-	-	-	-	-
Total operating expenses					
Operating income (loss)					
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	-	-	-	-	-
Total nonoperating revenue					
Income (loss)					
Change in net assets	-	-	-	-	-
Total net assets, beginning	85,959	-	-	-	-
Adjustment for Virtual Schools*	(85,959)	-	-	-	-
Total net assets, ending	-	-	-	-	-

Note: In 2016-2017, Virtual Schools transitioned to the General Fund.

* A final adjustment has been made to eliminate Virtual Schools by adding the same adjustment to the General Fund, net zero.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - COPIER SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted
OPERATING REVENUES:					
Charges for sales and services	-	-	-	-	-
Sales to customers	-	-	-	-	-
Total operating revenues					
OPERATING EXPENSES:					
Purchased and contracted services	-	-	-	-	-
Total operating expenses	-	-	-	-	-
Operating income (loss)					
NONOPERATING REVENUES (EXPENSES)					
Earnings on investments	-	-	-	-	-
Total nonoperating revenue	-	-	-	-	-
Income (loss)	-	-	-	-	-
Change in net assets	-	-	-	-	-
Total net assets, beginning	1,129,776	-	-	-	-
Adjustment for Copier Services*	(1,129,776)	-	-	-	-
Total net assets, ending	-	-	-	-	-

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

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



Enterprise Funds

Houston Independent School District

The **Marketplace & Catering Fund** is used to account for the financial operation of the restaurant-style cafeteria on the first level of the Hattie Mae White (HMW) Educational Support Center as well as the district-wide Catering service program. The district established the Marketplace years ago as a benefit to employees working in the HMW building. The Marketplace is currently not in operation due to depleted sales potential as a result of COVID-19 social distancing protocols. The catering department was not funded for 2020-2021 due to declining sales prior to the pandemic.

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



Enterprise Funds - Budget Assumptions

Houston Independent School District

MARKETPLACE & CATERING

The Marketplace is currently not in operation due to depleted sales potential as a result of COVID-19 social distancing protocols. The catering department was not funded for 2020-2021 due to declining sales prior to the pandemic.

REVENUE

Marketplace revenues are projected to remain relatively flat in anticipation of breakeven results, if operations resume in 2020-2021. Catering's return is doubtful in 2021-2022 due to COVID-19 and declining sales prior to the pandemic.

EXPENSES

Personnel costs and food costs are estimated to decrease from prior year based on reduced menu options and reductions in staffing.

MEDICAID FINANCE SERVICES

REVENUE

Revenues are estimated to remain relatively flat due to the reduction in the federal rates of reimbursement.

EXPENSES

Expenses were expected to increase by only 3 percent, primarily in personnel costs. Other costs, such as marketing, fees related to marketing efforts, and general supplies rose marginally.

HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
OPERATING REVENUES:								
Charges for sales and services:								
Sales to customers	8,385,560	1,400,135	1,292,392	768,251	414,871	414,871	414,871	414,871
Consulting services	8,828,524	6,143,735	2,490,659	2,004,850	1,920,970	1,920,970	1,920,970	1,920,970
Miscellaneous	745,611	13,402	-	-	-	-	-	-
Total operating revenues	17,959,695	7,557,272	3,783,051	2,773,101	2,335,841	2,335,841	2,335,841	2,335,841
OPERATING EXPENSES:								
Payroll costs	55,735,310	2,989,030	3,646,635	3,572,390	3,558,870	3,558,870	3,558,870	3,558,870
Purchased and contracted services	18,564,440	7,581,873	3,216,908	3,007,167	3,895,275	3,895,275	3,895,275	3,895,275
Supplies and materials	60,807,862	1,159,608	1,031,700	707,182	596,916	596,916	596,916	596,916
Other operating expenses	5,211,317	450,880	473,322	363,450	902,496	902,496	902,496	902,496
Depreciation	1,133,711	59,667	53,734	42,568	109,240	109,240	109,240	109,240
Total operating expenses	141,452,640	12,241,058	8,422,299	7,692,757	9,062,797	9,062,797	9,062,797	9,062,797
Operating income (loss)	(123,492,945)	(4,683,786)	(4,639,248)	(4,919,656)	(6,726,956)	(6,726,956)	(6,726,956)	(6,726,956)
NONOPERATING REVENUES (EXPENSES)								
Earnings on investments	510,543	304,954	331,681	302,886	55,415	55,415	55,415	55,415
Grants from federal agencies								
Child nutrition program	107,814,878	-	-	-	-	-	-	-
Child and Adult Care Program	2,174,821	-	-	-	-	-	-	-
Summer food program	3,629,092	-	-	-	-	-	-	-
Donated Commodities	7,399,764	-	-	-	-	-	-	-
School health services (SHARS)	27,444,421	36,237,575	25,435,615	22,821,331	23,387,384	23,387,384	23,387,384	23,387,384
State matching and other	1,640,330	-	-	-	-	-	-	-
Capital asset contribution to Special Revenue Fund	-	-	-	-	-	-	-	-
Debt assignments to Special Revenue Fund	-	-	-	-	-	-	-	-
Total nonoperating revenue	150,613,949	36,542,529	25,767,296	23,124,217	23,442,799	23,442,799	23,442,799	23,442,799
Income (loss) before transfers	27,120,904	31,858,743	21,128,048	18,204,561	16,715,843	16,715,843	16,715,843	16,715,843
Transfers out	(30,400,000)	(29,274,879)	(26,000,000)	(22,500,000)	(22,500,000)	(20,000,000)	(20,000,000)	(20,000,000)
Change in net assets	(3,279,096)	2,583,864	(4,871,952)	(4,105,439)	(5,784,157)	(3,284,157)	(3,284,157)	(3,284,157)
Total net assets, beginning	42,119,665	28,338,593	30,922,457	26,050,505	21,945,066	16,160,909	12,876,752	9,592,595
Adjustment to reclassify Nutrition Services	(10,501,976)	-	-	-	-	-	-	-
Total net assets, ending	28,338,593	30,922,457	26,050,505	21,945,066	16,160,909	12,876,752	9,592,595	6,308,438

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - THE MARKETPLACE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
OPERATING REVENUES								
Food sales	569,122	1,400,135	1,292,392	768,251	414,871	414,871	414,871	414,871
Miscellaneous local sources	668,317	-	-	-	-	-	-	-
Total revenues	1,237,439	1,400,135	1,292,392	768,251	414,871	414,871	414,871	414,871
OPERATING EXPENSES								
Payroll costs	294,215	326,773	616,823	582,792	147,154	147,154	147,154	147,154
Purchased and contracted services	-	37,712	5,691	48,772	7,425	7,425	7,425	7,425
Supplies and materials	775,276	843,720	811,902	498,320	253,859	253,859	253,859	253,859
Other operating expenses	16,620	22,048	19,932	11,791	9,580	9,580	9,580	9,580
Depreciation	2,027	3,040	3,040	3,041	2,268	2,268	2,268	2,268
Total operating expenses	1,088,138	1,233,293	1,457,388	1,144,716	420,286	420,286	420,286	420,286
NONOPERATING REVENUES (EXPENSES)								
Earnings on investments	87	6,488	12,497	5,532	5,415	5,415	5,415	5,415
Total nonoperating revenue	87	6,488	12,497	5,532	5,415	5,415	5,415	5,415
Transfers in	-	-	-	190,000	-	-	-	-
Change in net assets	149,388	173,330	(152,499)	(180,933)	-	-	-	-
Total net assets, beginning	86,794	236,182	409,512	257,013	76,080	76,080	76,080	76,080
Total net assets, ending	236,182	409,512	257,013	76,080	76,080	76,080	76,080	76,080

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - MEDICAID
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
OPERATING REVENUES:								
Charges for sales and services:								
Consulting services	3,212,201	2,639,088	2,490,659	2,004,850	1,920,970	1,920,970	1,920,970	1,920,970
Total operating revenues	<u>3,212,201</u>	<u>2,639,088</u>	<u>2,490,659</u>	<u>2,004,850</u>	<u>1,920,970</u>	<u>1,920,970</u>	<u>1,920,970</u>	<u>1,920,970</u>
OPERATING EXPENSES:								
Payroll costs	2,159,002	2,662,257	3,029,812	2,989,598	3,411,716	3,411,716	3,411,716	3,411,716
Purchased and contracted services	3,722,222	3,440,869	3,211,217	2,958,395	3,887,850	3,887,850	3,887,850	3,887,850
Supplies and materials	197,428	315,628	219,798	208,862	343,057	343,057	343,057	343,057
Other operating expenses	473,101	428,832	453,390	351,659	892,916	892,916	892,916	892,916
Depreciation	78,963	56,627	50,694	39,527	106,972	106,972	106,972	106,972
Total operating expenses	<u>6,630,716</u>	<u>6,904,213</u>	<u>6,964,911</u>	<u>6,548,041</u>	<u>8,642,511</u>	<u>8,642,511</u>	<u>8,642,511</u>	<u>8,642,511</u>
Operating income (loss)	<u>(3,418,515)</u>	<u>(4,265,145)</u>	<u>(4,474,252)</u>	<u>(4,543,191)</u>	<u>(6,721,541)</u>	<u>(6,721,541)</u>	<u>(6,721,541)</u>	<u>(6,721,541)</u>
NONOPERATING REVENUES (EXPENSES)								
Earnings on investments	177,177	260,884	319,184	297,354	50,000	50,000	50,000	50,000
Grants from federal agencies:								
School health services (SHARS)	27,444,421	36,237,575	25,435,615	22,821,331	23,387,384	23,387,384	23,387,384	23,387,384
Total nonoperating revenue	<u>27,621,598</u>	<u>36,498,459</u>	<u>25,754,799</u>	<u>23,118,685</u>	<u>23,437,384</u>	<u>23,437,384</u>	<u>23,437,384</u>	<u>23,437,384</u>
Income (loss) before transfers	24,203,083	32,233,314	21,280,547	18,575,494	16,715,843	16,715,843	16,715,843	16,715,843
Transfers out	(30,000,000)	(28,000,000)	(26,000,000)	(22,500,000)	(22,500,000)	(20,000,000)	(20,000,000)	(20,000,000)
Change in net assets	(5,796,917)	4,233,314	(4,719,453)	(3,924,506)	(5,784,157)	(3,284,157)	(3,284,157)	(3,284,157)
Total net assets, beginning	32,076,548	26,279,631	30,512,945	25,793,492	21,868,986	16,084,829	12,800,672	9,516,515
Total net assets, ending	<u>26,279,631</u>	<u>30,512,945</u>	<u>25,793,492</u>	<u>21,868,986</u>	<u>16,084,829</u>	<u>12,800,672</u>	<u>9,516,515</u>	<u>6,232,358</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - BUSINESS DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE DATA FOR PRIOR YEARS**

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
OPERATING REVENUES:								
Charges for sales and services:								
Consulting services	5,616,323	3,504,667	-	-	-	-	-	-
Miscellaneous	13,975	13,402	-	-	-	-	-	-
Total operating revenues	5,630,298	3,518,069	-	-	-	-	-	-
OPERATING EXPENSES:								
Purchased and contracted services	4,720,556	4,103,292	-	-	-	-	-	-
Supplies and materials	-	260	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-
Total operating expenses	4,720,556	4,103,552	-	-	-	-	-	-
Operating income (loss)	909,742	(585,483)	-	-	-	-	-	-
NONOPERATING REVENUES (EXPENSES)								
Earnings on investments	21,255	37,582	-	-	-	-	-	-
Total nonoperating revenue	21,255	37,582	-	-	-	-	-	-
Income before transfers	930,997	(547,901)	-	-	-	-	-	-
Transfers out	(400,000)	(1,274,879)	-	-	-	-	-	-
Change in net assets	530,997	(1,822,780)	-	-	-	-	-	-
Total net assets, beginning	1,291,783	1,822,780	-	-	-	-	-	-
Total net assets, ending	1,822,780	-	-	-	-	-	-	-

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