

# Katy Independent School District

Post Office Box 159 Katy, Texas 77492-0159

**To:** Board of Trustees  
**From:** Alton L. Frailey, Superintendent  
**Subject:** Proposed 2010-11 Official Budget  
**Date:** August 24, 2010

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The Texas Education Code requires that every local education agency in Texas prepare and file a budget of anticipated revenues and expenditures with the Texas Education Agency. The State Board of Education requires that the budget be prepared no later than August 20 and adopted by August 31 by the Board of Trustees. The Superintendent is designated as the District's budget officer and is responsible for calling a board meeting to adopt the official budget.

The attached budget is based on the guidelines as outlined in the Texas Education Code and Texas Education Agency Financial Accounting Guide. The budget includes total revenues of \$558,427,916, total expenditures of \$561,358,382 and other sources of \$675,000. The budget is composed of three fund types: General Fund, Special Revenue Fund, and Debt Service Fund.

The General Fund budget includes revenues of \$447,693,360, expenditures of \$447,802,056 and other sources of \$500,000. Revenues are generated by local revenues, including property taxes (52%) and revenues received from the state (48%). Tax revenues are based on the current Maintenance and Operations tax rate of \$1.1266 and taxable values of \$20.0 billion. State revenues are based on a projected enrollment of 60,857 students. Major expenditure categories include payroll, contracted services, supplies, operating expenditures, and capital. Payroll expenditures, which comprise 88% of the General Fund budget, include the staffing plans and salary increases approved by the Board earlier in the year. Revenues exceed expenditures resulting in an increase in fund balance of \$391,304.

The Special Revenue budget reflects anticipated revenues and expenditures pertaining to the District's food services operations and the state technology allotment. Food Service revenues and expenditures are projected to be \$26,426,168 and \$26,374,807 respectively, and the state technology allotment is expected to generate \$1,711,519 in revenues. Fund balance is projected to increase \$51,361.

The Debt Service Fund is used to account for payment of principal and interest on the District's long-term debt. The District's Debt Service expenditure budget for 2010-11 is \$85,470,000. As with the General Fund, the primary revenue sources are local property taxes and state funds. Local revenues of \$79,310,152 are based on a Debt Service tax rate of \$.40 and state funds total \$3,286,717. Other Sources include \$175,000 of interest earnings on bond proceeds. \$2,698,131 of fund balance will be used to maintain the current tax rate.

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**It is recommended:** that the Board of Trustees approve the 2010-11 Official Budget for the Katy Independent School District as presented.

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Respectfully submitted,

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Alton L. Frailey  
Superintendent

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Christopher J. Smith  
Business Manager

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William L. Moore  
Chief Financial Officer

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Sharri Butterfield  
Budget Coordinator