

FINANCIAL EXCELLENCE

2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

SUPPORTING ACADEMIC SUCCESS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020 • HOUSTON, TEXAS



Prepared by the Office of Finance

2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Hattie Mae White Educational Support Center
4400 West 18th Street • Houston, Texas 77092-8501





HOUSTON INDEPENDENT SCHOOL DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

INTRODUCTORY SECTION

Certificate of Board	v
Letter of Transmittal.....	vi
HISD Administrative Organization Chart	xi
HISD Board of Education	xii
Appointed Officials	xiii
ASBO Certificate of Excellence.....	xiv
GFOA Certificate of Achievement.....	xv

FINANCIAL SECTION

Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	23
Statement of Net Position - Proprietary Funds	24
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds.....	25
Statement of Cash Flows - Proprietary Funds.....	26
Statement of Fiduciary Net Position - Fiduciary Funds	27
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	28
Notes to the Basic Financial Statements	29
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund	79
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher Retirement System.....	80
Schedule of the District's Contributions - Teacher Retirement System	81
Schedule of the District's Contributions for Other Post Employment Benefits	82
Schedule of the District's Proportionate Share of the Net OPEB Liability - Teacher Retirement System.....	83
Notes to Required Supplementary Information	84
Combining and Individual Fund Statements and Schedules:	
Non-Major Enterprise Funds.....	89
Combining Statement of Net Position - Nonmajor Enterprise Funds.....	90
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Enterprise Funds.....	91
Combining Statement of Cash Flows - Nonmajor Enterprise Funds.....	92
Internal Service Funds	93
Combining Statement of Net Position - Internal Service Funds.....	94
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	95

Combining Statement of Cash Flows - Internal Service Funds	96
Agency Funds.....	97
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	98

Other Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund.....	101
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Nutrition Services.....	102

STATISTICAL SECTION

HISD Statistical Information (Unaudited).....	105
---	-----

Financial Trends:

Net Position by Component	109
Expenses, Program Revenues, and Net (Expense)/Revenue.....	110
General Revenues and Total Changes in Net Position	111
Governmental Funds Fund Balances	112
Governmental Funds Revenues.....	113
Governmental Funds Expenditures and Debt Service Ratio	114
Other Financing Sources and Uses and Net Change in Fund Balances	115

Revenue Capacity:

Assessed Value and Actual Value of Taxable Property	119
Property Tax Exemptions.....	120
Direct and Overlapping Property Tax Rates	121
Principal Property Taxpayers.....	122
Property Tax Levies and Collections	123
Schedule of Delinquent Taxes Receivable.....	124

Debt Capacity:

Legal Debt Margin Information	127
Ratios of Net General Bonded Debt Outstanding.....	128
Direct and Overlapping Governmental Activities Debt.....	129
Outstanding Debt by Type	130

Demographic and Economic Capacity:

Demographic Information.....	133
Principal Employers	134

Operating Information:

District Employees by Function.....	137
Student Information - General	138
Teacher Information - General	139
Teacher Salary Information - Education.....	140
School Building Information	141

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	165
Independent Auditor's Report on Compliance for Each Major Federal and State Program and Report on Internal Control over Compliance Required by the Uniform Guidance and Texas Uniform Grant Management Standards.....	167
Section I – Summary of Auditor's Results	170
Section II – Findings Related to Financial Statements	172
Section III - Federal and State Award Findings and Questioned Costs.....	175
Section IV - Corrective Action Plans.....	176
Section V – Findings Related to Financial Statements (Prior Year).....	178
Schedule of Expenditures of Federal Awards.....	179
Schedule of Expenditures of State Awards	183
Notes to the Compliance Section.....	184

**2020 COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**INTRODUCTORY
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally



CERTIFICATE OF BOARD

Houston Independent School District

Harris County

101-912-IV

We, the undersigned, certify that the attached auditors' reports of the above-named school district were reviewed and approved for the fiscal year ended June 30, 2020, at a meeting of the Board of Education of such school district on the 12th day of November 2020.

Patricia K. Allen
Secretary, Board of Education
Houston Independent School District

Sue Deigaard
President, Board of Education
Houston Independent School District



November 12, 2020

Members of the Board of Trustees and Citizens of the Houston Independent School District:

The Comprehensive Annual Financial Report (CAFR) of the Houston Independent School District (the "District" or "HISD") for the fiscal year ended June 30, 2020 is hereby submitted. This document is management's report of financial operations to the Board of Education (the "Board"), taxpayers, grantor agencies, employees, the Texas Education Agency, and other interested parties.

The Texas Education Code requires that all school districts file an annual report with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The annual report must be prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental entities and must be audited by a firm of independent licensed certified public accountants. This Comprehensive Annual Financial Report is submitted in fulfillment of that requirement. An audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The financial statements of the District have been audited by Weaver and Tidwell, L.L.P.

To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to fairly present the financial position as well as the financial condition of the District. Disclosures necessary to enable the reader to gain understanding of such financial operations have been included. Responsibility for the accuracy and completeness of the data presented, as well as the presentation of this report, rests with District management.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.





PROFILE OF THE HOUSTON INDEPENDENT SCHOOL DISTRICT

The District was created and incorporated by an act of the Thirty-Eighth Legislature of the State of Texas in 1923. As an independent school district, a nine-member board of trustees elected from single-member districts constitutes the governing body. Based on legislative authority codified in the Texas Education Code, the trustees (1) have exclusive power and duty to govern and oversee the District; (2) can acquire and hold real and personal property, sue and be sued, and hold all rights and titles to school property; (3) shall have power to levy and collect taxes and to issue bonds; (4) can contract for appointed officers, teachers, and other personnel as well as for goods and services; and (5) have the right of eminent domain to acquire real property.

HISD, with an enrollment of over 210,000 students, is the seventh-largest public school system in the nation and the largest in Texas. The District encompasses 332 square miles within Harris County, Texas including 51% of the current geographic area of the City of Houston and all or part of four other cities or villages. HISD is an ethnically diverse district as 61.8 percent of all students are Hispanic, 24.0 percent are African American, 8.7 percent are White, 4.0 percent are Asian and 1.5 percent are of other ethnicities.

Houston Independent School District provides services through 280 schools, of which 8 are early childhood centers (pre-kindergarten for four year old students), 160 elementary schools (grades K-5), 38 middle schools (grades 6-8), 37 high schools (grades 9-12) and 37 combination/alternative sites. The average age of the District's schools is 42.56 years. A list of school buildings with year of construction can be found in the Statistical Data Section.

The District offers many education programs in addition to general education including special education services, gifted and talented programs, career and technical education, dual language programs, and various magnet programs. HISD contracted for the operation of 9 charter schools which are funded with state tier one funds that flow through the District.

ECONOMIC OUTLOOK

Houston is the largest city in Texas and the fourth largest city in the United States with a population of 2.3 million and 7.1 million people in the Houston metro area. The region's largest industries are energy, life science, and manufacturing. Employment in the Houston-Woodlands-Sugar Land Metropolitan Statistical Area stood at 3.0 million people in June 2020 per the U.S. Bureau of Labor Statistics, down 5.8 percent from one year earlier. Employment losses incurred in March and April due to the effects of the COVID-19 pandemic were partially reversed in subsequent months; however, like the rest of the country, Houston's recovery remains uneven due to uncertainty of the virus' containment.

LONG-TERM FINANCIAL PLANNING

The District is subject to a target revenue formula for school district funding. Under the target revenue methodology, the District's maintenance and operations revenue from property taxes and state aid is capped. As collections from property taxes increase, state aid is reduced by the same amount. The District is challenged with providing salary increases and other inflationary fixed costs within a capped budget. Therefore, the District is constantly adjusting future projections as costs in the market shift and as changes are proposed or adopted by the Texas Legislature.

Due to the COVID-19 pandemic, students attended school virtually for the first six weeks and will choose either virtual or in-person instruction for the remainder of the school year. After the first eight weeks, enrollment was down 10,633 students from projected enrollment of 207,809. TEA announced that districts would be held harmless from attendance and FTE based funding for the first half of the year. The District's certified net taxable value for the 2020 tax year increased by 7 percent over the 2019 value. The collection rate for fiscal year 2020 was 97 percent. The District expects to maintain a 97 percent collection rate.

With the 2017 fiscal year, the Houston Independent School District became a "Chapter 41" or "Robin Hood" district under the current state finance system, whereby the District is considered property rich and required to equalize its wealth by sending funds back to the state. As of June 30, 2020, the District's "Chapter 41" expense was \$81 million.



ACCOUNTING AND BUDGETARY CONTROLS

The diverse nature of the District's operations and the necessity of legal compliance preclude recording the financial transactions of the District in a single fund. The District's accounting system is organized and operated on a "fund basis." Each fund is a distinct, self-balancing accounting entity. The various funds are fully described in Note 1 of the "Notes to the Basic Financial Statements."

In developing, evaluating, and improving the District's accounting system, consideration is given to the adequacy of the internal control structure. Internal controls are designed to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and those transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above-mentioned framework. We believe the District's internal control structure adequately safeguards assets and provides reasonable assurance of the proper recording of financial transactions.

As a recipient of federal, state, and local grants, the District is also responsible for an adequate internal control structure that ensures compliance with applicable laws and regulations related to these grants. All funded grants are subject to testing as part of the District's Single Audit as mandated by the Uniform Guidance. The internal control structure is subject to ongoing reviews by management. As a part of the District's Single Audit, tests are conducted to determine the adequacy of the internal control structure as related to state and federal award programs as well as compliance with applicable laws and regulations. The Single Audit reports are included in the compliance section of this report.

The District utilizes a line-item budget of proposed expenditures and the means of financing them. The emphasis of the budget process is to identify the activities requiring resources and to rank those activities according to the needs of the entire District. Budgetary control is maintained at the function level by organizational unit through the encumbrance of estimated purchase amounts to coincide with the execution of contracts, approval of personnel transactions, or release of purchase orders to vendors. The Board of Education approves budgets for the General Fund, Debt Service Fund, and Nutrition Services Fund.

Mission, Vision and Goals

The Board of Education's mission is to equitably educate the whole child so that every student graduates with the tools to reach their full potential.

HISD's vision is that every child shall have equitable opportunities and equal access to an effective and personalized education in a nurturing and safe environment. Our students will graduate as critical thinkers and problem solvers; they will know and understand how to be successful in a global society. HISD is a global district in a global city. We place an emphasis on ensuring our students graduate ready for the world – possessing the characteristics they need to be successful in college and to compete in today's global workforce.

The District's goals are:

- Increase Student Achievement in Reading and Writing
- Increase Number of Students Meeting Global Graduate Standards
- Increase Student Academic Growth
- Closing of Achievement Gaps



Major Initiatives

ACHIEVE 180 is a research-based action plan to support, strengthen, and empower underserved and underperforming HISD feeder pattern communities to increase student achievement.

Forty-one school support officers and lead principals report to six area superintendents. They provide leadership to principals, align resources and support for teachers, and ensure that the district is providing equitable and quality educational opportunities to students. HISD's organization is designed to emphasize teaching and learning, align school goals and programs for sustained improvement, eliminate duplication of services, and maintain compliance with both federal and state requirements.

The Wraparound Services Department was developed to assist in connecting the non-academic support needed to improve the well-being of all students in 140 schools across the district. These non-academic supports address critical issues such as mental health and physical needs, food in security, lack of stable housing, violence, incarceration of a parent, legal and crisis support, and many other challenges that can have adverse effects on a student's ability to learn.

The Ascending to Men (ATM) Project and the Resilient Outstanding Sisters Exemplifying Success (Roses) works with cohorts of male and female students, respectively, at select schools to build out their future post-secondary educational and career aspects through academic, social-emotional, and workforce interventions.

AWARDS AND ACKNOWLEDGMENTS

Perhaps no responsibility is as great as that of educating our youth, and all of our efforts lead back to the classroom. Given that the District's academic advancements are dependent upon its fiscal successes, it is imperative that HISD continue to improve upon its reporting proficiencies. The following text cites awards received by the District for financial reporting excellence and the related acknowledgments in this regard.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the 47th consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a District must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence

The District received the Association of School Business Officials' ("ASBO") Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2019. The District has received this award for 41 consecutive years. This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO.



Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the dedicated services of the entire staff of the District's Office of Finance. Also, we would like to express our appreciation to other departments, schools, and individuals who assisted in its preparation.

Moreover, we wish to thank and express appreciation to the administrators and other employees of the District for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner.

Respectfully submitted,

Grenita F. Lathan, Ph.D.

Interim Superintendent of Schools

Glenn Reed

Chief Financial Officer

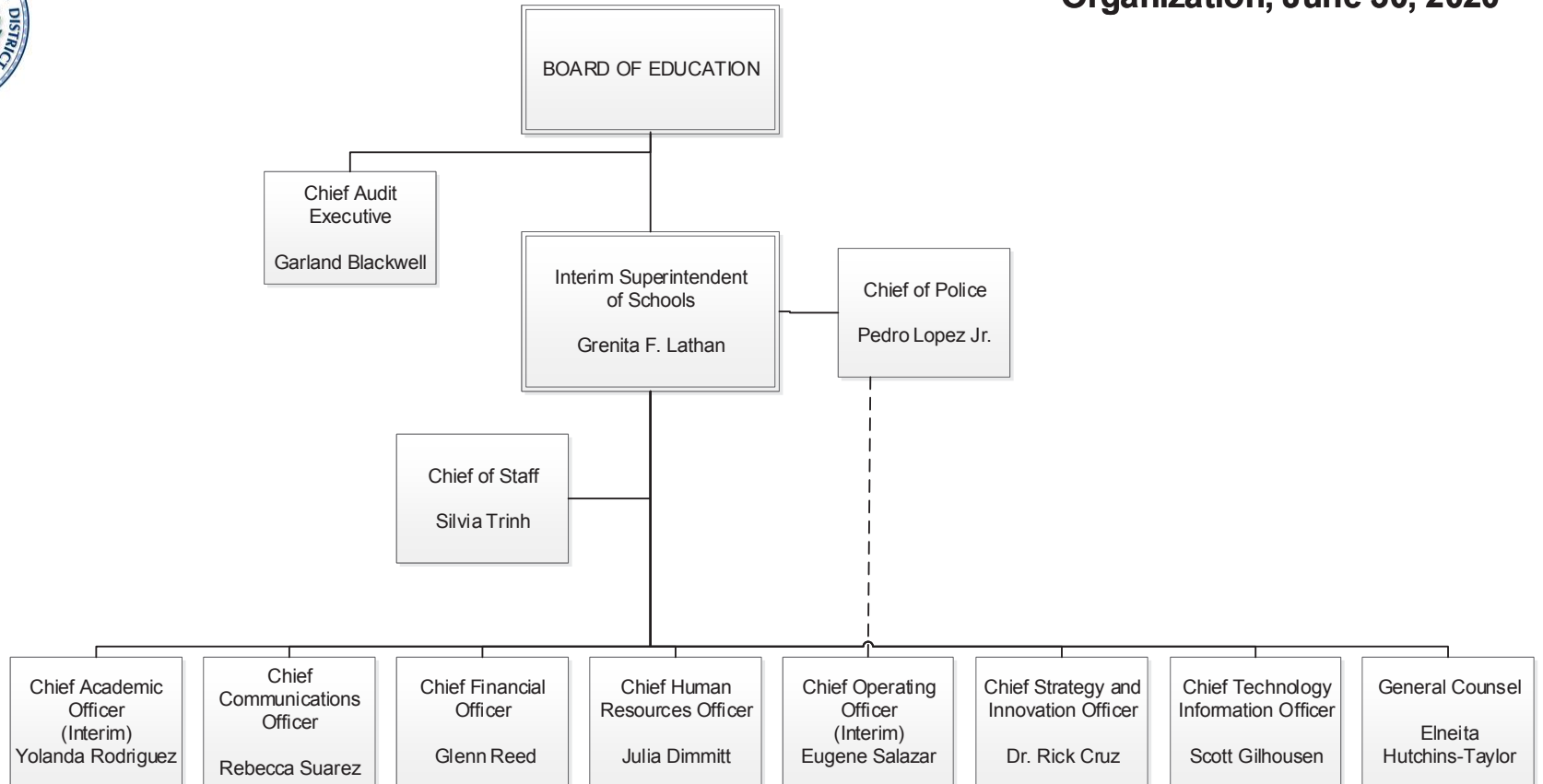
Sherrie H. Robinson

Controller



Houston Independent School District

Organization, June 30, 2020





2020 HISD BOARD OF EDUCATION



Sue Deigaard
President



Wanda Adams
First Vice President



Judith Cruz
Second Vice President



Patricia K. Allen
Secretary



Daniela "Dani" Hernandez
Assistant Secretary



Elizabeth Santos
District I



Kathy Blueford-Daniels
District II



Holly Maria Flynn Vilaseca
District VI



Anne Sung
District VII



APPOINTED OFFICIALS

HOUSTON INDEPENDENT SCHOOL DISTRICT

Appointed Officials as of June 30, 2020

Grenita F. Lathan	Interim Superintendent of Schools
Silvia Trinh	Chief of Staff
Glenn Reed	Chief Financial Officer
Yolanda Rodriguez	Interim Chief Academic Officer
Rebecca Suarez	Chief Communications Officer
Julia Dimmitt	Chief Human Resources Officer
Eugene Salazar	Interim Chief Operating Officer
Rick Cruz	Chief Strategy and Innovation Officer
Elneita Hutchins-Taylor	General Counsel
Scott Gilhousen	Chief Technology Information Officer
Garland Blackwell	Chief Audit Executive
Nicole Moore	Area Superintendent – Achieve 180
Geovanny Ponce	Area Superintendent – East
Staci Taylor	Area Superintendent – North
Cesar Martinez	Area Superintendent – Northwest
Kenneth Davis	Area Superintendent – South
James McSwain	Area Superintendent - West



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Houston Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Houston Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

**2020 COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FINANCIAL
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

2020 BASIC FINANCIAL STATEMENTS

**FINANCIAL
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

Independent Auditor's Report

To the Board of Trustees and Management of
Houston Independent School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Houston Independent School District (the District), as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.
24 Greenway Plaza, Suite 1800 | Houston, Texas 77046
Main: 713.850.8787

CPAs AND ADVISORS | WEAVER.COM

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, Schedule of the District's Proportionate Share of the Net Pension Liability – Teacher Retirement System, Schedule of the District's Contributions – Teacher Retirement System, Schedule of District's Proportionate Share of the Net OPEB Liability – Teacher Retirement System, and Schedule of the District's Contributions for Other Postemployment Benefits – Teacher Retirement System, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section, Combining and Individual Fund Statements and Schedules, Other Supplementary Information and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information and Individual and Combining Fund Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information and Individual and Combining Fund Statements and Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Board of Trustees and Management of
Houston Independent School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2020 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
November 13, 2020

FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Houston Independent School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. It should be read in conjunction with the transmittal letter at the front of this report and the basic financial statements which follow this section.

The Management's Discussion and Analysis provides information on both government-wide financial statements and fund financial statements.

FINANCIAL HIGHLIGHTS

- The District's total net position as presented on the Government-wide *Statement of Net Position* is \$1.571 billion. For the fiscal year ended June 30, 2020, the net position of the District increased by \$174 million.
- 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.
- For the fiscal year ended June 30, 2020, total revenue and transfers from governmental activities in the *Statement of Activities* was \$2.878 billion. Program revenues accounted for \$639 million. General revenues and transfers accounted for \$2.238 billion.
- The General Fund had \$1.982 billion in revenues of which \$1.715 billion is property taxes. General Fund expenditures and other financing sources were \$1.864 billion and \$30.7 million, respectively. This resulted in an increase to fund balance of \$148.9 million.
- The debt obligations of the District that receive credit ratings are rated without regard to credit enhancement and received ratings of "Aaa" by Moody's Investor Service Inc. and "AA+" by Standard and Poor's Financial Services LLC. Most general obligation debt receives an enhancement to "AAA" by virtue of a guarantee by the Texas Permanent School Fund Guarantee Program. Lease revenue debt issued by the Houston Independent School District's Public Facility Corporation received ratings of "Aa1" and "AA" by Moody's Investor Service Inc. and Standard and Poor's Financial Services LLC, respectively. Rating information referenced is as of the last rating reviews in November of 2019 for Moody's and May of 2020 for Standard and Poor's.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers a broad overview of the District's finances in a manner similar to a private-sector business and are comprised of the *Statement of Net Position* and the *Statement of Activities*. These statements provide information about the activities of the District as a whole and present both long-term and short-term information about the District's overall financial status. The District's

basic services are primarily financed by property taxes and include instruction, counseling services, instructional staff development, student transportation, food service, co-curricular/extracurricular activities, general administration, and plant maintenance and operations.

The *Statement of Net Position* presents information on all the District's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating. The *Statement of Net Position* includes the District's non-fiduciary assets and liabilities.

The *Statement of Activities* presents information for all the current fiscal year's revenues and expenses. This activity is reported as soon as the underlying event giving rise to the activity occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements include not only the District itself, but also a legally separate entity for which the District is financially accountable. Financial information for this component unit is reported separately in the fund financial statements as a nonmajor governmental fund.

Fund Financial Statements

The fund financial statements focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law and by bond covenants. The Board of Trustees establishes other funds to control and manage resources and expenditures for particular purposes or to delineate the use of certain taxes and grants.

The District has three kinds of funds:

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the District's activities are included in governmental funds which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out, and (2) the balances left at year end that are available. However, unlike the government-wide financial statements, governmental fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.

The District maintains five governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Special Revenue Fund, the Debt Service Fund, and the Capital Renovation Fund, all of which are considered to be major funds. Data from the Capital Renovation Fund - Public Facility Corporation (PFC) is presented as a nonmajor governmental fund on the same statements.

Proprietary funds are used to account for operations that are financed similar to those found in the private sector. These funds provide both long and short-term financial information. The District maintains two types of proprietary funds. Enterprise funds are used to report the same type of information as reported in the government-wide financial statements. The District uses enterprise funds to account for the employee cafeteria (MarketPlace), catering and Medicaid programs. The District uses internal service funds to report activities that provide services for the District's other programs and activities, i.e., health insurance, workers' compensation, print shop, and other internal services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities within the government-wide financial statements.

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals and organizations. No fiduciary funds are used as clearing accounts to distribute financial resources to other funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Immediately following the required supplementary information, combining statements are included for the nonmajor enterprise funds and the internal service funds.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1. Major Features of the District's Government-wide and Fund Financial Statements

<i>Type of Statements</i>	<i>Government-wide</i>	<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
<i>Scope</i>	All activities of the District (except fiduciary funds) and the District's component unit	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is the trustee or agent for someone else's resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	Not applicable to Agency Funds

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the District's financial position. The District's combined net position increased \$174 million. The District's net investment in capital assets is \$1.773 billion and includes investments in capital assets (e.g. land, buildings and improvements, furniture, equipment, capital leases, and construction in progress) less any related debt used to acquire those assets that is still outstanding.

The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's restricted net position of \$128 million represents resources that are subject to external restrictions on how they may be used. The remaining (\$330 million) is unrestricted net position.

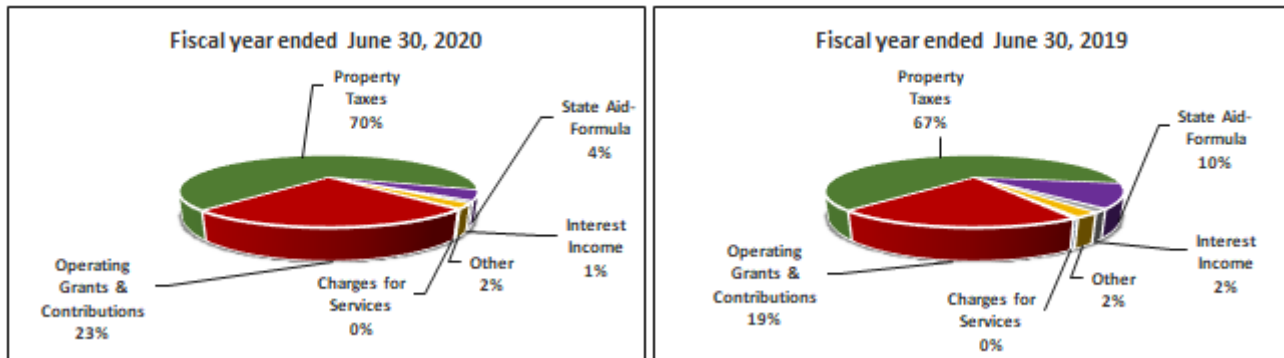
The District's Condensed Statement of Net Position
(in thousands of dollars)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		<i>Difference</i>
	2020	2019	2020	2019	2020	2019	
Current and other assets	\$ 1,957,784	\$ 2,092,008	\$ 22,278	\$ 26,360	\$ 1,980,062	\$ 2,118,368	\$ (138,306)
Capital assets	4,612,115	4,449,203	30	73	4,612,145	4,449,276	162,869
Total assets	6,569,899	6,541,211	22,308	26,433	6,592,207	6,567,644	24,563
Deferred outflows	489,081	568,470	-	-	489,081	568,470	(79,389)
Current liabilities	441,605	454,036	40	125	441,645	454,161	(12,516)
Long term liabilities	4,476,470	4,844,529	323	257	4,476,793	4,844,786	(367,993)
Total liabilities	4,918,075	5,298,565	363	382	4,918,438	5,298,947	(380,509)
Deferred Inflows	591,545	439,676	-	-	591,545	439,676	151,869
Net position:							
Net investment in capital assets	1,772,876	1,588,774	30	73	1,772,906	1,588,847	184,059
Restricted	127,918	151,611	-	-	127,918	151,611	(23,693)
Unrestricted	(351,434)	(368,945)	21,915	25,978	(329,519)	(342,967)	13,448
Total net position	\$ 1,549,360	\$ 1,371,440	\$ 21,945	\$ 26,051	\$ 1,571,305	\$ 1,397,491	\$ 173,814

The District's total revenues were \$2.881 billion. A significant portion, approximately 70 percent, of the District's revenue is from property taxes. Operating grants and contributions provided 23 percent while another 4 percent is provided by state aid.

Total revenues decreased by \$134.4 million from the prior year due to an decrease in state aid, not restricted to specific programs.

**Figure A-2 District
Sources of Revenue**



Governmental Activities

The net position of the District's governmental activities increased by \$178 million due primarily to an increase in operating grants and contributions. Funding for governmental activities is by specific program revenue or through general revenues such as property taxes and investment earnings. The following is a summary of the governmental activities:

- The cost of all *governmental activities* this year was \$2.7 billion.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$634 million.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$2.060 billion including \$2.004 billion funded by property taxes and \$128 million funded by state aid which is not restricted to specific programs.

Business-type Activities

The net position of the District's business-type activities decreased by \$4.1 million which is due to transfers out. Funding for business-type activities is by specific program revenue or through general revenues such as investment earnings and miscellaneous sources. The following is a summary of the business-type activities:

- The cost of all *business-type activities* this year was \$7.7 million.
- The specific program revenue directly attributable to specific activities was \$25.6 million.

HOUSTON INDEPENDENT SCHOOL DISTRICT

The District's Changes in Net Position

(in thousands of dollars)

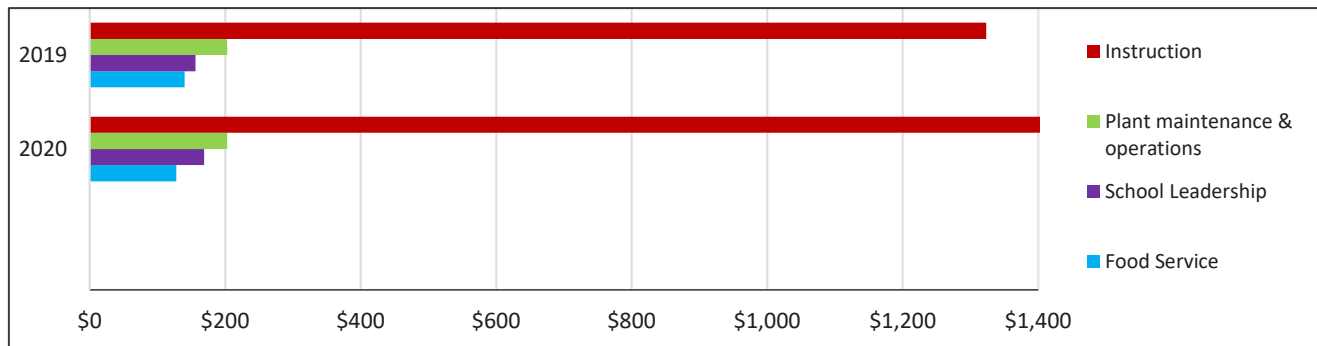
	Governmental Activities		Business-type Activities		Total		
Revenues	2020	2019	2020	2019	2020	2019	Difference
Program Revenues							
Charges for services	\$ 5,028	\$ 8,325	\$ 2,773	\$ 3,783	\$ 7,801	\$ 12,108	\$ (4,307)
Operating grants and contributions	634,112	546,582	22,821	25,435	656,933	572,017	84,916
General Revenues							
Property taxes	2,003,745	2,011,348	-	-	2,003,745	2,011,348	(7,603)
State aid - not restricted to specific programs	128,245	313,004	-	-	128,245	313,004	(184,759)
Earnings on investments	25,410	42,718	303	332	25,713	43,050	(17,337)
Other	58,713	64,293	-	-	58,713	64,293	(5,580)
Total revenues	2,855,253	2,986,270	25,897	29,550	2,881,150	3,015,820	(134,670)
Expenses							
Instruction	1,435,884	1,323,127	-	-	1,435,884	1,323,127	112,757
Instructional resources and media services	8,970	10,977	-	-	8,970	10,977	(2,007)
Instructional staff development	67,209	67,734	-	-	67,209	67,734	(525)
Instructional leadership	43,213	43,361	-	-	43,213	43,361	(148)
School leadership	168,546	156,580	-	-	168,546	156,580	11,966
Guidance, counseling, and evaluation services	88,399	73,049	-	-	88,399	73,049	15,350
Social work services	16,537	10,962	-	-	16,537	10,962	5,575
Health services	27,038	25,368	-	-	27,038	25,368	1,670
Student transportation	69,556	70,408	-	-	69,556	70,408	(852)
Food service	127,967	139,925	-	-	127,967	139,925	(11,958)
Co-curricular/extracurricular activities	24,268	17,398	-	-	24,268	17,398	6,870
General administration	41,927	47,456	-	-	41,927	47,456	(5,529)
Plant maintenance and operations	202,730	202,841	-	-	202,730	202,841	(111)
Security and monitoring services	27,551	26,356	-	-	27,551	26,356	1,195
Data processing services	75,603	71,500	-	-	75,603	71,500	4,103
Community services	17,705	9,219	-	-	17,705	9,219	8,486
Fiscal agent/member districts of shared services	3,599	3,719	-	-	3,599	3,719	(120)
Juvenile justice alternative education program	792	792	-	-	792	792	-
Tax reinvestment zone payments	61,322	58,465	-	-	61,322	58,465	2,857
Tax appraisal and collection	14,981	14,991	-	-	14,981	14,991	(10)
Other	-	-	7,693	8,421	7,693	8,421	(728)
Interest and fiscal charges	95,002	95,507	-	-	95,002	95,507	(505)
Chapter 41\Purchase of WADA	80,844	265,232	-	-	80,844	265,232	(184,388)
Total expenses	2,699,643	2,734,967	7,693	8,421	2,707,336	2,743,388	(36,052)
Change in net position before transfers	155,610	251,303	18,204	21,129	173,814	272,432	(98,618)
Transfers	22,310	28,135	(22,310)	(28,135)	-	-	-
Change in net position	177,920	279,438	(4,106)	(7,006)	173,814	272,432	(98,618)
Beginning net position	1,371,440	1,092,002	26,051	33,057	1,397,491	1,125,059	272,432
Ending net position	\$ 1,549,360	\$ 1,371,440	\$ 21,945	\$ 26,051	\$ 1,571,305	\$ 1,397,491	\$ 173,814

The following table presents the cost of the District's largest governmental functions as well as their related *net cost*. The net cost reflects what was funded by local tax dollars, state revenues, grants, and other miscellaneous general revenues.

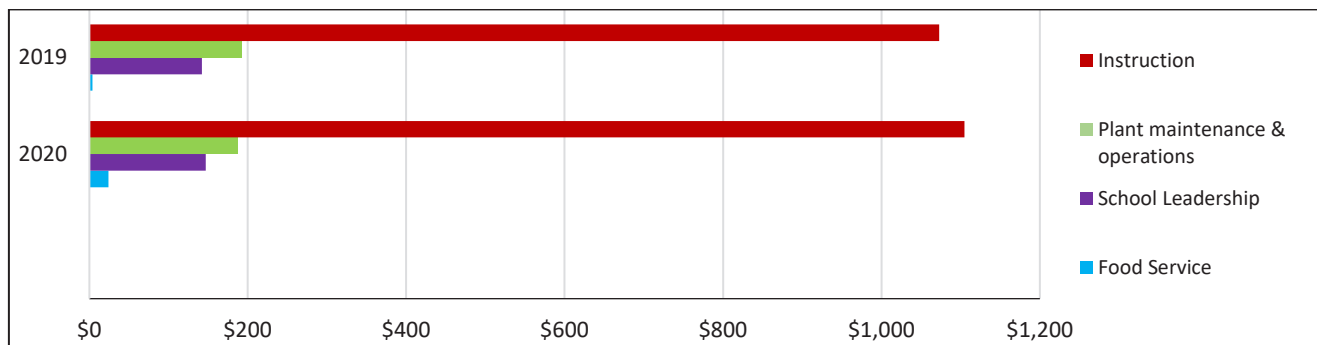
(in millions of dollars)

	<i>Total Cost of Services</i>		<i>Net Cost of Services</i>	
	2020	2019	2020	2019
Instruction	\$ 1,436	\$ 1,323	\$ 1,103	\$ 1,073
Plant maintenance & operations	203	203	187	192
School Leadership	169	156	147	142
Food Service	128	140	24	4

Total Cost of Services



Net Cost of Services



- Instruction and School Leadership costs increased by \$125 million due to salary increases and COVID-19 related purchases of online instructional devices and services.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds For the fiscal year ended June 30, 2020, the District's governmental funds reported ending fund balances of \$1.427 billion. Of this amount, \$655 million is unassigned and available for use in activities at the District's discretion. The remainder of the fund balance is designated as nonspendable, restricted, committed, or assigned, which indicates that it is not available for new spending because it has already been obligated for grants, debt service, bond projects and other purposes of the District.

The General Fund is the primary operating fund of the District. The fund balance of the General Fund increased \$149 million during the fiscal year primarily due to decreased spending during the last quarter of the fiscal year when campuses were closed as a result of the COVID-19 pandemic. At the end of the fiscal year, the unassigned fund balance of \$655 million represented 35 percent of the total General Fund expenditures, while total fund balance of \$968 million represented 52 percent of that same amount.

The Debt Service Fund has a total fund balance of \$113 million all of which is restricted for the payment of debt service. The net increase in fund balance during the fiscal year was \$8 million. The increase resulted primarily from a reduction in the amount of debt service principal expenditures than originally budgeted. The District makes semi-annual debt service payments in December/June, January/July, February/August and March/September of each year. Debt service payments for the fiscal year ended June 30, 2020 included all scheduled payments including payments due within 30 days of year end.

The Special Revenue Fund accounts for all grants received by the District from local, state, and federal sources. The fund balance decreased \$33 million primarily due to decreases in the Nutrition Services and Instructional Materials Allotment programs.

The Capital Renovation Fund has a total fund balance of \$287 million. The restricted fund balance at the end of the fiscal year totaled \$249 million and represents bond funds for facility construction projects. The assigned fund balance totaled \$38 million and represents funds for the Pay-As-You-Go Capital Program. The fund balance decreased by \$242 million due to expenditures for bond construction projects.

The Capital Renovation Fund – Public Facility Corporation has a total fund balance of \$3 million, all of which is restricted for construction of three projects.

Proprietary Funds The District maintains both enterprise funds and internal service funds. Information is presented separately in the proprietary funds statement of net position and in the proprietary funds statement of revenues, expenses, and changes in net position.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of June 30, 2020, the District has invested \$4.612 billion, net of depreciation, in a broad range of capital assets, including land, buildings and improvements, furniture and equipment, capital leases, and vehicles. This amount represents a net increase of \$163 million over last year.

District's Capital Assets							
(net of depreciation, in thousands of dollars)							
	Governmental		Business-Type		Total		Total
	Activities		Activities				Percentage
	2020	2019	2020	2019	2020	2019	Change
Land	\$ 294,143	293,032	\$ -	-	\$ 294,143	293,032	0.38%
Construction in Progress	338,934	232,854	-	-	338,934	232,854	45.56%
Buildings and Improvements	3,854,644	3,833,930	-	-	3,854,644	3,833,930	0.54%
Furniture and Equipment	33,431	34,557	30	73	33,461	34,630	-3.38%
Vehicles	31,650	36,435	-	-	31,650	36,435	-13.13%
Capital Leases	59,313	18,394	-	-	59,313	18,394	222.46%
Total	\$ 4,612,115	4,449,202	\$ 30	73	\$ 4,612,145	4,449,275	3.66%

As of June 30, 2020, the District had fully funded construction commitments of \$95 million. More detailed information about the District's capital assets is presented in Note 6 of the "Notes to the Basic Financial Statements."

Long Term Debt

As of June 30, 2020, the District had net bonded debt outstanding of \$2.8 billion. The District debt totals included \$385.7 million in Variable Rate Bonds outstanding at fiscal year end. The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per student are useful indicators of the District's debt position. This data reflects a decrease in the ratio of net bonded debt to assessed value to 1.51 percent, as compared to 1.75 percent last year.

The Houston Independent School District Public Facility Corporation issued refunding bonds in the amount of \$29.7 million on October 22, 2019 for the purpose of reducing overall annual debt service costs. The proceeds along with a premium on the sale of the bonds were utilized to refund \$38.4 million of previously issued bonds.

On June 1, 2020 the District issued variable rate refunding debt with a par value of \$119.2 million in conjunction with the refunding and remarketing of existing variable rate debt at the end of term rate periods.

Outstanding variable rate debt decreased by \$58.8 million compared to prior year ending balances as a result of redemptions utilizing available debt service funds and the use of premiums on variable rate refundings. Variable rate debt as a percentage of net bonded debt outstanding as of June 30, 2020 is 13.8 percent.

The District did not issue any maintenance tax notes during the year ended June 30, 2020. The remaining balance of maintenance tax notes issued previously is \$178.9 million as of June 30, 2020.

The District did not issue any contractual obligations during the year ended June 30, 2020 and remaining obligations outstanding matured during the fiscal year.

Interest earnings on proceeds from debt issued since May 15, 1989, are subject to arbitrage regulations contained in the Federal Tax Reform Act of 1986. As of June 30, 2020 no arbitrage rebate liability is estimated to exist.

More detailed information about the District's long term debt is presented in Note 8 of the "Notes to the Basic Financial Statements."

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. Significant budget adjustments include:

- Increase of \$36.9 in Foundation School Program revenue due to a 2017 property value audit
- Carryover encumbrances of \$51 million
- Increase of \$27 million in Early Education Allotment expenditures to be compliant with HB3
- Increase of \$10 million in State Compensatory Education expenditures
- Increase of \$20 million in capital lease recognition
- Increase of \$19 million for various facility improvements

On May 21, 2020 TEA released the amounts that districts were allocated from the CARES Act funding. HISD was allocated \$81,721,075. District's received ADA funding through the first four-week periods, then ADA was adjusted for the historical change for the last two-week periods. TEA reduced the district's ADA to adjust the Foundation School Program (FSP) entitlement funding in the amount of the CARES Act Funding.

The CARES ACT Funding was used to hold district's harmless for the ADA impact due to the closure of campuses and virtual instruction. This is a net zero change to the budget, however, it does create a recapture payment, reduces Tier II revenue and increases indirect cost revenue (IDC). Budget amendments related to the CARES Act were:

- Decrease of \$76.8 million in payroll which was moved the CARES Act fund
- Decrease of \$6.3 million in Tier II revenue (FSP)
- Increase of \$75.4 in recapture payments
- Increase of \$4.9 million in IDC/Federal revenue

Total actual expenditures were \$188 million less than the final budget. Following were the key variances:

- \$102 million under budget in salaries and related due to vacancies not filled and overtime/extra pay not needed during COVID-19 pandemic closure of buildings.
- \$11 million under budget due to decrease in utilities and maintenance during COVID-19 pandemic closure of buildings.
- \$30 million in technology related expenditures including devices postponed to FY21.

The 2019-2020 final expenditure budget decreased by \$115 million over the prior year budget. The decrease was primarily driven by Chapter 41/WADA payments.

The final budgeted amount for revenues was \$1.948 billion. Actual revenues were over budget by \$34.1 million primarily due to state sources.

Budget amendments are presented to the Board of Education for consideration and approval throughout the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's General Fund is funded primarily between local property taxes and state revenue. Through the state's funding formula, a school district receives a basic allotment for each student with weights added to that allotment if the student receives additional services such as special education, at-risk (state compensatory education) bilingual, dyslexia, early education, college, career or military readiness outcomes, career and technology and transportation.

The 2020-2021 general fund budget, adopted in June 2020, included projected increases of \$53.8 million in revenues and \$64.6 in expenditures. The state revenue projections are based on an estimated average daily attendance (ADA) of 188,244.477 or 265,559.429 based on a weighted average daily attendance (WADA).

Actions of the 86th Legislature in 2019:

House Bill 3 (HB3) which took effect on September 1, 2019 made sweeping changes to the school finance system. The bill amended the Education Code to transfer certain sections from Chapter 42 to Chapter 48 and certain sections from Chapter 41 to Chapter 49. It revised formulas used to determine entitlement under the Foundation School Program (FSP).

For 2020-21, the local share of Tier 1 was budgeted at a tax rate of \$0.9010 multiplied by the current year Comptroller value divided by 100. The district also budgeted for five Tier II “Golden Pennies” with a total Maintenance and Operations tax rate \$0.9510.

The bill repealed the cost of education index (CEI), the gifted and talented allotment, and the high school allotment. It added 10 new allotments and moved one previously authorized component into Tier 1. The numerous changes in school finance which impacted Houston Independent School District are described below:

Tier 1

Regular Program - \$6,160 basic allotment, CEI repealed, and no district size adjustment: the basic allotment is subject to reduction if the district adopts a tax rate which is less than the Tier I local share rate (the tax rate of \$1.00 multiplied by the compression percentage).

Special Education - There was an increase in the mainstream weight to 1.15 and the bill created a Special Education Allotment Advisory Committee.

Dyslexia allotment - New allotment, weight of 0.10 multiplied by the number of students served.

Compensatory Education Allotment - A new spectrum of weights from 0.225 to 0.275 are applied to counts of educationally disadvantaged students. The bill identified the criteria for the Texas Education Commissioner to use to assign weights to each census block.

Bilingual Education Allotment - HB3 maintained the current 0.1 weight for limited English proficient students in traditional bilingual and ESL programs. It created a new weight of 0.15 for limited English proficient students using dual language immersion, a new weight of 0.05 for a student that is not limited English proficient in a dual language immersion program.

Career and Technology allotment - HB3 extended current weighting to grades 7 and 8. The bill also created an allotment of \$50 for each student in attendance at a campus designated as a P-TECH school.

Early Education Allotment - HB3 created a new weight of 0.1 for each educationally disadvantaged student in ADA in grades K-3, and weight of 0.1 for each student in a bilingual program. Students can get both weights.

College, Career, or Military-Readiness Outcomes (CCMR) Bonus - HB3 created a funding bonus based on the number of graduates that meet criteria in numbers that exceed the 25th percentile threshold. Award amounts are \$5,000 for educationally disadvantaged, \$3,000 for those not educationally disadvantaged, and \$2,000 for students enrolled in special education programs.

Teacher Incentive Allotment - For classroom teachers with a designation of “master”, “exemplary”, or “recognized,” based on an optional, local appraisal system that qualifies, a district is entitled to an allotment that ranges from \$3,000 to \$32,000, based on the designation and place of work of the teacher. Higher amounts are awarded for teachers at “high needs” or “rural” schools. Each district must develop a local designation system which will be approved by TEA in partnership with Texas Tech University.

Mentor Program Allotment - The commissioner was authorized to establish a formula to distribute funds to support mentor teachers. Funding would support teachers with less than 2 years’ experience. Each district must have a mentor program.

Transportation Allotment - The bill directed that regular transportation be funded with a single mileage reimbursement rate instead of the multiple weights for linear density groupings.

Dropout Recovery School and Residential Placement Facility Allotment - The bill created an allotment of \$275 per ADA at qualifying schools.

College Preparation Assessment Reimbursement - HB3 created a new allocation to reimburse the cost of college preparation assessments such as SAT or ACT. The district is eligible for 1 test reimbursement per student.

Certification Examination Reimbursement - HB3 created a new allocation to reimburse exam fees.

At least 55% of the funds allocated for each of the following allotments must be used for the services for which the money is allotted:

- Special Education Allotment
- Bilingual Education Allotment
- Compensatory Education Allotment
- Career and Technology Education Allotment
- CCMR Outcomes Bonus

In FY2020-2021, HISD's total Tier I cost is estimated at \$1.65 billion.

Tier II

Tier II funding of the FSP is known as "enrichment" or "guaranteed yield" and is used to supplement the revenue received in Tier I. The yield is calculated as the greater of the basic allotment multiplied by 0.016, or the yield per penny of the district at the 96th percentile of property value per WADA (\$98.56 for 2020). The second level yield is stated as the basic allotment multiplied by 0.008 (\$49.28 for 2020). Level 1 yield is available for the first 9 cents above the compressed rate and Level 2 yield applies to any rates adopted above that.

WADA is defined to be the result of dividing a subset of the Tier I allotments by the basic allotment. For this purpose, the Tier I allotments excludes the Transportation Allotment, the New Instructional Facilities Allotment, the Dropout Recovery School and Residential Placement Facility Allotment, the College Preparation Assessment Reimbursement, and the Certification Examination Reimbursement.

WADA does include the Early Education Allotment, the College, Career, or Military-Readiness Outcomes Bonus, the Fast Growth Allotment, and the Teacher Incentive Allotment.

Level 1 yield is available for the first 8 cents above the compressed rate, and Level 2 yield applies to any rates adopted above that.

Teacher Pay

HB3 required all districts to allocate 30% of the total gain from the foundation school program to compensation increases. Of that amount, 75% must be used to increase the compensation paid to classroom teachers, full-time librarians, full-time school counselors, full-time nurses, prioritizing differentiated compensation for classroom teachers with more than 5 years of experience. The remaining 25% may be used as determined by the district to increase compensation paid to full-time district employees (Non-administrators).

Tax Compression

HB3 contains multiple levels of tax compression. In 2019-20, the first year of tax compression, the state's compressed rate went from \$1.00 to \$0.93. In 2020-2021, the \$0.93 was compressed to \$0.9164 with further reductions in the tax rate based on tax values in July 2020. At the time of budget adoption, it was projected that the tax year 2020 adopted M&O rate would be compressed to \$0.9010 and prescribed as the district's Tier 1 M&O tax rate.

Of the resulting compressed total M&O tax rate, the first 93 cents are assigned to Tier 1. The adopted rate up to 93 cents is used to compute the local share of Tier 1. The next 8 cents are assigned to Tier 2 Level 1 (\$98.56 yield, no recapture), and any remaining pennies are assigned to Tier 2 Level 2 (\$49.28 yield).

Beginning in 2020-21, there are two dynamic aspects of tax compression that will be applied.

First, the state compression percentage is adjusted based on Comptroller's projected property value growth for tax year 2020 and subsequent years. If projected growth exceeds 2.5, the state compression percentage is adjusted by the amount of excess.

The comptroller has forecast value growth of about 4.01% for tax year 2020, which will result in a compressed rate of about \$0.916498 in 2020-21.

Second, the bill calls for additional tax compression based on each district's tax base growth, starting in 2020-21. The Maximum Compressed Tax rate (MCR) is defined in formula to be the product of the prior year maximum compressed rate and the prior year Comptroller study taxable value plus any value exclusions expiring in the current tax year, multiplied by 1.025, then divided by the current year Comptroller study taxable value.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at 4400 West 18th Street, Houston, Texas 77092, or call (713) 556-5500.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,919,943	\$ 940	\$ 14,920,883
Investments	1,733,710,252	8,500,834	1,742,211,086
Delinquent taxes receivable - net of estimated uncollectible taxes	26,018,319	-	26,018,319
Accounts receivable	34,812,277	-	34,812,277
Due from other governments	124,513,086	13,775,640	138,288,726
Internal balances	38,709	(38,709)	-
Inventories	11,375,250	39,085	11,414,335
Other assets	12,396,131	-	12,396,131
Land	294,142,961	-	294,142,961
Construction in progress	338,934,242	-	338,934,242
Buildings and improvements	5,535,548,567	-	5,535,548,567
Property under capital lease	78,422,053	-	78,422,053
Furniture and equipment	228,300,204	450,672	228,750,876
Vehicles	136,904,837	-	136,904,837
Accumulated depreciation	(2,000,137,469)	(420,431)	(2,000,557,900)
Total assets	6,569,899,362	22,308,031	6,592,207,393
DEFERRED OUTFLOWS OF RESOURCES			
Deferred losses on debt refundings	22,687,077	-	22,687,077
Deferred outflows related to TRS-Pension	341,350,533	-	341,350,533
Deferred outflows related to TRS-OPEB	125,043,828	-	125,043,828
	489,081,438	-	489,081,438
LIABILITIES			
Accounts payable	97,634,094	39,563	97,673,657
Accrued wages payable	130,116,526	-	130,116,526
Due to other governments	92,518,919	-	92,518,919
Other liabilities	71,963,124	-	71,963,124
Unearned revenues	1,996,693	-	1,996,693
Interest payable	47,375,771	-	47,375,771
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	205,102,943	-	205,102,943
Notes payable	15,955,000	-	15,955,000
Lease purchases	17,351,368	-	17,351,368
Accretion payable	2,708,544	-	2,708,544
Compensated absences payable	10,908,280	69,889	10,978,169
Claims payable	15,195,093	-	15,195,093
Portion due or payable after one year:			
Bonds payable	2,656,366,152	-	2,656,366,152
Notes payable	162,970,000	-	162,970,000
Lease purchases	35,252,627	-	35,252,627
Accretion payable	2,482,624	-	2,482,624
Compensated absences payable	39,308,482	253,513	39,561,995
Claims payable	2,103,093	-	2,103,093
Net pension liability (District's share)	594,268,532	-	594,268,532
Net OPEB liability (District's share)	716,497,750	-	716,497,750
Total liabilities	4,918,075,615	362,965	4,918,438,580
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to TRS-Pension	241,833,730	-	241,833,730
Deferred inflows related to TRS-OPEB	349,711,223	-	349,711,223
	591,544,953	-	591,544,953
NET POSITION			
Net investment in capital assets	1,772,875,824	30,241	1,772,906,065
Restricted for:			
Debt service	71,170,215	-	71,170,215
Grants	56,747,896	-	56,747,896
Unrestricted	(351,433,703)	21,914,825	(329,518,878)
Total net position	\$ 1,549,360,232	\$ 21,945,066	\$ 1,571,305,298

The notes to the basic financial statements are an integral part of this statement.

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction	\$ 1,435,884,407	\$ 812,190	\$ 332,034,770	\$ (1,103,037,447)	\$ -	\$ (1,103,037,447)
Instructional resources and media services	8,970,002	-	998,439	(7,971,563)	-	(7,971,563)
Instructional staff development	67,208,807	-	36,246,908	(30,961,899)	-	(30,961,899)
Instructional leadership	43,213,325	-	17,312,153	(25,901,172)	-	(25,901,172)
School leadership	168,545,819	-	21,554,099	(146,991,720)	-	(146,991,720)
Guidance, counseling, and evaluation services	88,399,437	-	30,232,052	(58,167,385)	-	(58,167,385)
Social work services	16,537,125	-	4,471,933	(12,065,192)	-	(12,065,192)
Health services	27,037,545	-	6,194,255	(20,843,290)	-	(20,843,290)
Student transportation	69,556,241	-	24,848,028	(44,708,213)	-	(44,708,213)
Food service	127,966,809	3,316,403	100,401,289	(24,249,117)	-	(24,249,117)
Co-curricular/extracurricular activities	24,267,944	544,044	11,154,107	(12,569,793)	-	(12,569,793)
General administration	41,927,221	-	9,890,730	(32,036,491)	-	(32,036,491)
Plant maintenance and operations	202,730,249	355,534	15,033,936	(187,340,779)	-	(187,340,779)
Security and monitoring services	27,551,246	-	3,711,012	(23,840,234)	-	(23,840,234)
Data processing services	75,602,561	-	6,743,203	(68,859,358)	-	(68,859,358)
Community services	17,705,140	-	13,285,053	(4,420,087)	-	(4,420,087)
Fiscal agent/member districts of shared services	3,598,894	-	-	(3,598,894)	-	(3,598,894)
Juvenile justice alternative education program	792,000	-	-	(792,000)	-	(792,000)
Tax reinvestment zone payments	61,321,789	-	-	(61,321,789)	-	(61,321,789)
Tax appraisal and collection	14,980,471	-	-	(14,980,471)	-	(14,980,471)
WADA-Chapter 41	80,843,995	-	-	(80,843,995)	-	(80,843,995)
Interest and fiscal charges	95,002,219	-	-	(95,002,219)	-	(95,002,219)
Total governmental activities	2,699,643,246	5,028,171	634,111,967	(2,060,503,108)	-	(2,060,503,108)
Business-type activities:						
Medicaid	6,548,041	2,004,850	22,821,331	-	18,278,140	18,278,140
The Marketplace	1,144,716	768,251	-	-	(376,465)	(376,465)
Total business-type activities	7,692,757	2,773,101	22,821,331	-	17,901,675	17,901,675
Total activities	\$ 2,707,336,003	\$ 7,801,272	\$ 656,933,298	(2,060,503,108)	17,901,675	(2,042,601,433)
General revenues:						
Taxes:						
Maintenance & operations property taxes				1,710,176,310	-	1,710,176,310
Debt service property taxes				293,568,308	-	293,568,308
State aid - not restricted to specific programs				128,245,356	-	128,245,356
Tax increment reinvestment zone				28,622,580	-	28,622,580
Unrestricted investment earnings				25,410,000	302,886	25,712,886
Miscellaneous				28,787,839	-	28,787,839
Proceeds from sale of capital assets				1,302,703	-	1,302,703
Transfers in (out)				22,310,000	(22,310,000)	-
Total general revenues and transfers				2,238,423,096	(22,007,114)	2,216,415,982
Change in net position				177,919,988	(4,105,439)	173,814,549
Net position—beginning				1,371,440,244	26,050,505	1,397,490,749
Net position—ending				\$ 1,549,360,232	\$ 21,945,066	\$ 1,571,305,298

The notes to the basic financial statements are an integral part of this statement.

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

	MAJOR				NONMAJOR	
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation Fund - PFC	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 14,810,666	\$ 21,395	\$ -	\$ -	\$ 87,882	\$ 14,919,943
Investments	1,155,249,743	48,807,212	123,838,052	306,188,271	2,878,561	1,636,961,839
Delinquent taxes receivable - net of estimated uncollectible taxes	23,049,169	-	2,969,150	-	-	26,018,319
Accounts receivable	13,034,152	595,227	-	21,166,997	-	34,796,376
Due from other governments	29,900,326	94,612,760	-	-	-	124,513,086
Due from other funds	81,970,334	-	7,764,593	-	-	89,734,927
Inventories	4,674,242	6,701,008	-	-	-	11,375,250
Other assets	11,882,163	493,931	10,420	-	9,617	12,396,131
Total assets	\$ 1,334,570,795	\$ 151,231,533	\$ 134,582,215	\$ 327,355,268	\$ 2,976,060	\$ 1,950,715,871
LIABILITIES						
Accounts payable	\$ 39,352,546	\$ 11,038,746	\$ 18	\$ 40,078,053	\$ -	\$ 90,469,363
Debt service payable	-	-	20,190,450	-	-	20,190,450
Accrued wages payable	130,116,526	-	-	-	-	130,116,526
Due to other governments	92,353,759	19,186	145,974	-	-	92,518,919
Other liabilities	71,958,124	5,000	-	-	-	71,963,124
Due to other funds	15,529,721	81,424,012	-	261,837	19,820	97,235,390
Unearned revenues	-	1,996,693	-	-	-	1,996,693
Total liabilities	349,310,676	94,483,637	20,336,442	40,339,890	19,820	504,490,465
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	13,841,011	-	1,386,676	-	-	15,227,687
Other deferred resource inflows	3,518,960	-	-	-	-	3,518,960
Total deferred inflows of resources	17,359,971	-	1,386,676	-	-	18,746,647
FUND BALANCES						
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
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,334,570,795	\$ 151,231,533	\$ 134,582,215	\$ 327,355,268	\$ 2,976,060	\$ 1,950,715,871

The notes to the basic financial statements are an integral part of this statement.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total Fund Balances— Governmental Funds **\$ 1,427,478,759**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds. The cost of the assets is \$6,587,822,764 and the accumulated depreciation is \$1,996,956,521. 4,590,866,243

Property taxes and other receivables are not available soon enough to pay for the current period's expenditures, and therefore, are deferred in the funds. 18,746,647

Internal service funds are used by the District's management to charge the costs of workers' compensation, health insurance, and print shop activities to the funds. The assets and liabilities of the internal service funds are included with governmental activities. 81,893,713

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Long term liabilities at year-end consist of:

Bonds payable	\$	(2,676,821,528)	
Accretion of interest payable		(5,191,168)	
Notes payable		(162,970,000)	
Compensated absences payable		(49,346,917)	
Lease purchases payable		(34,277,832)	
Premium on bonds payable		(184,647,567)	
			(3,113,255,012)

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds. (43,140,321)

Deferred gains and losses on the refunding of bonds are not reported in the funds but are considered deferred inflows and outflows in the statement of net position. 22,687,077

Included in the items related to debt is the recognition of the District's proportionate share of the pension liability:

Net pension liability	\$	(594,268,532)	
Deferred resource inflow related to TRS		(241,833,730)	
Deferred resource outflow related to TRS		341,350,533	
Decrease in Net Position			(494,751,729)

Included in the items related to debt is the recognition of the District's proportionate share of the OPEB liability:

Net OPEB liability	\$	(716,497,750)	
Deferred resource inflow related to TRS-OPEB		(349,711,223)	
Deferred resource outflow related to TRS-OPEB		125,043,828	
Decrease in Net Position			(941,165,145)

Total Net Position of Governmental Activities **\$ 1,549,360,232**

The notes to the basic financial statements are an integral part of this statement.

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	MAJOR				NONMAJOR	Total
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation Fund - PFC	Governmental Funds
REVENUES						
Property taxes	\$ 1,715,002,326	\$ -	\$ 295,277,106	\$ -	\$ -	\$ 2,010,279,432
Earnings on investments	14,027,724	588,540	1,397,123	8,257,162	68,193	24,338,742
Miscellaneous local sources	9,972,928	25,752,957	-	28,654,613	-	64,380,498
State sources	218,933,263	27,010,581	2,385,404	-	-	248,329,248
Federal sources	23,877,840	328,324,044	442,004	-	-	352,643,888
Total revenues	<u>1,981,814,081</u>	<u>381,676,122</u>	<u>299,501,637</u>	<u>36,911,775</u>	<u>68,193</u>	<u>2,699,971,808</u>
EXPENDITURES						
Current						
Instruction	996,399,361	206,378,524	-	-	-	1,202,777,885
Instructional resources and media services	7,798,643	42,674	-	-	-	7,841,317
Instructional staff development	29,215,532	28,372,315	-	-	-	57,587,847
Instructional leadership	20,983,417	12,531,435	-	-	-	33,514,852
School leadership	149,489,190	1,515,175	-	-	-	151,004,365
Guidance, counseling and evaluation services	60,053,228	18,030,085	-	-	-	78,083,313
Social work services	12,142,590	2,229,676	-	-	-	14,372,266
Health services	21,317,891	3,528,432	-	-	-	24,846,323
Student transportation	53,629,143	5,174,915	-	-	-	58,804,058
Food services	234,114	112,251,568	-	-	-	112,485,682
Co-curricular/extracurricular activities	16,107,773	4,441,246	-	-	-	20,549,019
General administration	32,135,554	2,177,874	-	3,563,383	-	37,876,811
Plant maintenance and operations	192,496,074	1,859,188	-	1,277,000	-	195,632,262
Security and monitoring services	24,179,218	739,634	-	-	-	24,918,852
Data processing services	62,025,501	3,689,402	-	1,432,817	-	67,147,720
Community services	3,828,274	10,892,096	-	-	-	14,720,370
Fiscal agent/member districts of shared services arrangements	-	3,598,894	-	-	-	3,598,894
Juvenile justice alternative education program	792,000	-	-	-	-	792,000
Tax reinvestment zone payments	61,321,789	-	-	-	-	61,321,789
Tax appraisal and collection	14,980,471	-	-	-	-	14,980,471
Chapter 41/Purchase of WADA	80,843,995	-	-	-	-	80,843,995
Debt service						
Principal	14,420,016	-	207,826,219	-	-	222,246,235
Interest	575,307	-	135,949,858	-	132,729	136,657,894
Fiscal charges	-	-	1,017,674	-	-	1,017,674
Payments to escrow agents - current refunding	-	-	168,815,269	-	-	168,815,269
Capital outlay						
Facilities acquisition and construction	8,635,291	18,080	-	271,011,962	835,464	280,500,797
Total expenditures	<u>1,863,604,372</u>	<u>417,471,213</u>	<u>513,609,020</u>	<u>277,285,162</u>	<u>968,193</u>	<u>3,072,937,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>118,209,709</u>	<u>(35,795,091)</u>	<u>(214,107,383)</u>	<u>(240,373,387)</u>	<u>(900,000)</u>	<u>(372,966,152)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	22,500,000	2,929,957	56,414,421	5,000,000	-	86,844,378
Transfers out	(43,199,832)	-	-	(7,637,546)	(13,697,000)	(64,534,378)
Issuance of refunding debt	-	-	148,895,000	-	-	148,895,000
Premium on the sale of refunding debt	-	-	17,082,670	-	-	17,082,670
Capital leases	35,099,520	-	-	-	-	35,099,520
Sale of real and personal property	-	-	-	1,302,706	-	1,302,706
Insurance proceeds	16,296,947	-	-	-	-	16,296,947
Total other financing sources (uses)	<u>30,696,635</u>	<u>2,929,957</u>	<u>222,392,091</u>	<u>(1,334,840)</u>	<u>(13,697,000)</u>	<u>240,986,843</u>
Net change in fund balances	148,906,344	(32,865,134)	8,284,708	(241,708,227)	(14,597,000)	(131,979,309)
Fund balances - beginning	<u>818,993,804</u>	<u>89,613,030</u>	<u>104,574,389</u>	<u>528,723,605</u>	<u>17,553,240</u>	<u>1,559,458,068</u>
Fund balances - ending	<u>\$ 967,900,148</u>	<u>\$ 56,747,896</u>	<u>\$ 112,859,097</u>	<u>\$ 287,015,378</u>	<u>\$ 2,956,240</u>	<u>\$ 1,427,478,759</u>

The notes to the basic financial statements are an integral part of this statement.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Total Net Change in Fund Balances—Governmental Funds **\$ (131,979,309)**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Facilities acquisition and construction and other acquisitions	309,724,573	
Disposals	(5,893,714)	
Depreciation expense	(162,631,533)	
Depreciation on disposals	<u>3,728,459</u>	144,927,785

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Proceeds from the sale of bonds is a source of financing in the governmental funds, but the statement of net position recognizes it as an increase in the long term liabilities. The changes in long term liabilities at year end consist of:

Bonds payable	211,421,219	
Notes payable	15,955,000	
Amortization of premium on bonds payable	24,313,151	
Arbitrage rebate payable	140,000	
Lease purchase payable, net	(20,679,504)	
Accretion payable, net	<u>2,210,254</u>	233,360,120

Deferred inflows of gains and losses on debt refunding are amortized over the term of the bonds in the statements but are expensed in the year incurred in governmental funds. (3,009,882)

Property taxes and other receivables, that will not be collected until after the District's fiscal year end, are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues, net of allowance for bad debt, and other deferred revenues decreased by this amount. (3,847,134)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due. 2,600,045

In the statement of activities, compensated absences (sick pay, state personal leave, vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amounts earned exceeded the compensated absences used. (7,728,227)

Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation, health insurance, and print shop activities, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 16,096,628

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred resource inflow related to TRS increased	(52,739,273)	
Deferred resource outflow related to TRS decreased	(90,386,921)	
Net pension liability decreased	<u>79,926,875</u>	(63,199,319)

The net change in net other postemployment benefit liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred resource inflow related to TRS-OPEB increased	(99,129,575)	
Deferred resource outflow related to TRS-OPEB increased	14,008,071	
Net OPEB liability decreased	<u>75,820,785</u>	<u>(9,300,719)</u>

Change in Net Position of Governmental Activities **\$ 177,919,988**

The notes to the basic financial statements are an integral part of this statement.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 940	\$ -
Investments	8,500,834	96,748,413
Receivables	-	15,901
Due from other governments	13,775,640	-
Due from other funds	39,764	7,725,364
Inventories	39,085	-
Total current assets	<u>22,356,263</u>	<u>104,489,678</u>
Noncurrent assets:		
Land	-	929,880
Buildings and improvements	-	2,146,578
Furniture and equipment	450,672	1,314,543
Vehicles	-	192,423
Capital leases	-	19,840,850
Less accumulated depreciation	(420,431)	(3,175,122)
Total noncurrent assets	<u>30,241</u>	<u>21,249,152</u>
Total assets	<u>22,386,504</u>	<u>125,738,830</u>
LIABILITIES		
Current liabilities:		
Accounts payable	39,563	7,164,731
Due to other funds	78,473	186,192
Compensated absences payable	69,889	188,931
Claims and judgments payable	-	15,195,093
Capital leases	-	3,739,943
Total current liabilities	<u>187,925</u>	<u>26,474,890</u>
Noncurrent liabilities:		
Compensated absences payable	253,513	680,914
Claims and judgments payable	-	2,103,093
Capital leases	-	14,586,220
Total noncurrent liabilities	<u>253,513</u>	<u>17,370,227</u>
Total liabilities	<u>441,438</u>	<u>43,845,117</u>
NET POSITION		
Net investment in capital assets	30,241	2,922,989
Unrestricted	21,914,825	78,970,724
Total net position	<u>\$ 21,945,066</u>	<u>\$ 81,893,713</u>

The notes to the basic financial statements are an integral part of this statement.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
OPERATING REVENUES:		
Charges for sales and services:		
Sales to customers	\$ 768,251	\$ 23,602,141
Consulting services	2,004,850	-
Charges to employees and other funds	-	163,013,671
Miscellaneous	-	29,853,585
Total operating revenues	<u>2,773,101</u>	<u>216,469,397</u>
OPERATING EXPENSES:		
Payroll costs	3,572,390	14,970,471
Purchased and contracted services	3,007,167	18,967,818
Supplies and materials	707,182	1,597,661
Other operating expenses	363,450	1,450,415
Claims and judgments	-	162,250,830
Depreciation	42,568	1,914,213
Total operating expenses	<u>7,692,757</u>	<u>201,151,408</u>
Operating income (loss)	<u>(4,919,656)</u>	<u>15,317,989</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings on investments	302,886	1,071,259
School health services (SHARS)	22,821,331	-
Interest expense	-	(292,620)
Total nonoperating revenue	<u>23,124,217</u>	<u>778,639</u>
Income before transfers	18,204,561	16,096,628
Transfers in	190,000	-
Transfers out	<u>(22,500,000)</u>	<u>-</u>
Change in net position	(4,105,439)	16,096,628
Total net position—beginning	26,050,505	65,797,085
Total net position—ending	<u>\$ 21,945,066</u>	<u>\$ 81,893,713</u>

The notes to the basic financial statements are an integral part of this statement.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from user charges	\$ 2,989,973	\$ 198,147,227
Other receipts	-	29,813,484
Payments to suppliers	(4,203,170)	(20,440,918)
Payments to employees	(3,486,425)	(14,823,652)
Other payments	-	(166,281,442)
Net cash provided by (used in) operating activities	<u>(4,699,622)</u>	<u>26,414,699</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from SHARS	22,667,463	-
Transfers from other funds	190,000	-
Transfers to other funds	<u>(22,500,000)</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>357,463</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	-	(58,387)
Principal paid on capital leases	-	(1,514,687)
Interest paid on capital leases	-	(292,620)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(1,865,694)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(24,338,040)	(215,123,902)
Proceeds from sales and maturities of investments	28,377,303	189,503,638
Interest and dividends	<u>302,886</u>	<u>1,071,259</u>
Net cash provided by (used in) investing activities	<u>4,342,149</u>	<u>(24,549,005)</u>
 Net increase (decrease) in cash and cash equivalents	 <u>(10)</u>	 <u>-</u>
Balances—beginning of the year	<u>950</u>	<u>-</u>
Balances—end of the year	<u>\$ 940</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (4,919,656)	\$ 15,317,989
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	42,568	1,914,213
Change in assets and liabilities:		
Receivables	4,032	(10,967)
Due from other governments	173,482	-
Inventories and other assets	18,939	-
Due from other funds	39,358	11,517,013
Accounts payables	(85,587)	1,574,976
Due to other funds	(38,972)	25,367
Accrued salaries payable	-	(58,477)
Compensated absences payable	66,214	205,296
Current portion of claims and judgments	-	(3,046,070)
Other long term claims and judgments	-	(984,541)
Unearned Revenue	-	(40,100)
Net cash provided by (used in) operating activities	<u>\$ (4,699,622)</u>	<u>\$ 26,414,699</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital leases assets acquired	\$ -	\$ 19,840,850

The notes to the basic financial statements are an integral part of this statement.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 4,050
Investments	5,058,427	18,049,179
Accounts receivable	-	-
Total assets	<u>5,058,427</u>	<u>18,053,229</u>
LIABILITIES		
Accounts payable	20,644	3,559,747
Due to student/administrative groups	-	14,493,482
Total liabilities	<u>20,644</u>	<u>\$ 18,053,229</u>
NET POSITION		
Held in trust for scholarships	<u>5,037,783</u>	
Total net position	<u>\$ 5,037,783</u>	

The notes to the basic financial statements are an integral part of this statement.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Private-Purpose Trust Funds
ADDITIONS	
Gifts and contributions	\$ 143,830
Earnings on investments	71,389
Total additions	<u>215,219</u>
DEDUCTIONS	
Scholarships awarded	198,024
Total deductions	<u>198,024</u>
Change in net position	17,195
Net position - beginning of the year	<u>5,020,588</u>
Net position - end of the year	<u>\$ 5,037,783</u>

The notes to the basic financial statements are an integral part of this statement.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Houston Independent School District ("District") is an independent school district created and incorporated through legislation enacted by the Thirty-Eighth Texas State Legislature in 1923. The District is the largest school district in Texas and is governed by the Board of Education, composed of nine Board Members, all of whom are elected officials.

In accordance with Governmental Accounting Standards, a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the District are financially accountable, or for which the relationship to the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize they are legally separate from the District. The District's blended component unit, although a legally separate entity, is in substance a part of the District's operations, and so data from this entity is combined with data of the primary government.

The criteria used to determine whether an organization is a component unit of the District includes: financial accountability of the District for the component unit, whether the District appoints a voting majority of the entity's board, the ability to impose the District's will on the component unit, fiscal dependency criterion, if it is a financial benefit to or burden to the District, and whether services are provided entirely or almost entirely to the District.

For financial reporting purposes, the Houston Independent School District Public Facility Corporation ("Public Facility Corporation" or "PFC") is included as a blended component unit in the operations and activities of the District. The criteria used to include the Public Facility Corporation as a blended component unit of the District include: the District appoints a voting majority of the Public Facility Corporation's governing body, the District is able to impose its will on the Public Facility Corporation, and the Public Facility Corporation serves the District exclusively as a financing vehicle for capital projects. The Public Facility Corporation's data is reported in a separate column in the governmental funds financial statements.

For financial reporting purposes, the Houston Independent School District GEAR UP Trust ("GEAR UP Trust") is included in the fiduciary activities of the District because of the financial accountability of the District, the appointment of a voting majority, and the fiscal dependency criteria whereby the GEAR UP Trust serves the District's students exclusively. The GEAR UP Trust was incorporated to ensure that the scholarship funds are properly spent and to guarantee a college scholarship to the eligible students at participating schools of the GEAR UP program. The GEAR UP financial information is blended with that of the District in the Statement of Fiduciary Net Position for Private-Purpose Trust Funds. Separate financial statements for GEAR UP Trust are not issued.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities of the government-wide financial statements report information on all the nonfiduciary activities of the District and its blended component unit. The District eliminates from the Statement of Net Position and the Statement of Activities most interfund receivables, payables and transfers between funds. Interfund services provided and used are eliminated in the process of consolidation. Governmental activities, which

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include (1) charges to customers or applicants for goods or services provided, and (2) grants and contributions that are restricted to meeting operational requirements of a particular function. Program revenues included in the Statement of Activities reduce the cost of the function to be financed from general revenues. Taxes and other items not restricted to specific programs are properly excluded from program revenues and reported instead as general revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense to each function.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. In accordance with the provisions of GASB Statement No. 34, the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Government-wide Financial Statements - The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place, regardless of the timing of the related cash flows. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with GASB Statement No. 33. Property taxes are recognized as revenues in the year for which they are levied. Grants, and similar items, are recognized as revenue as soon as all eligibility requirements have been met and funds are available to meet current expenditures.

Fund Financial Statements - Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. State aid and miscellaneous revenues, other than property taxes and state and federal grants, are considered to be available if collected within the current period or within 90 days of the fiscal year end to pay liabilities of the current period. Property taxes are considered to be available if collected within 60 days of the fiscal year end. State and federal grants are considered to be available if collected within 120 days of the fiscal year end. Expenditures are generally recognized under the modified accrual basis of accounting in the accounting period in which the fund liability is incurred, if measurable. However, debt service expenditures are recognized in the current fiscal period for debt service principal and interest payments due within 30 days in the subsequent fiscal period as these funds have been set aside for that purpose. Compensated absences and claims and judgments are recorded only when payment is due. Proprietary fund statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Fiduciary fund statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FUNDS

The District's accounting system is organized and operated with the use of funds, each of which is a separate accounting entity with a self-balancing set of accounts. The District's resources are allocated to and accounted for in individual funds based on the intended purposes for spending and the means by which spending activities are controlled. As required by the Texas Education Agency, the following fund types are included in the financial statements:

Governmental Funds

Governmental Funds 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 governmental funds. The following are the District's major governmental funds:

- *General Fund* - The General Fund is the general 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 Nutrition Service activities, federal and state financed programs, and other local programs.
- *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 capital facilities.

Proprietary Funds

Proprietary Funds are used to account for operations that are financed in a manner similar to those found in the private sector, where the determination of net income is appropriate for sound financial administration.

- *Enterprise Funds* - The Enterprise Funds are used to account for operations that are financed and operated similar to a private enterprise where the District's intent is to provide services financed primarily through user charges. The District's enterprise funds include Medicaid and the Marketplace activities.
- *Internal Service Funds* - The Internal Service Funds are used to account for operations related to the Print Shop, Alternative Certification Program, Athletics, University Interscholastic League ("UIL"), Shared Services, and risk financing activities of the District.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers and other funds for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other funds.

- *Private-Purpose Trust Funds* - Private-purpose trust funds are used to account for resources legally held in trust under which principal and income benefit individuals, private organizations or other governments. The District's private-purpose trust funds represent scholarship funds being held in trust for students.
- *Agency Funds* - Agency funds are custodial in nature. These funds have no equity. Assets are equal to liabilities and do not include revenues and expenditures for general operations of the District. Agency funds use the accrual basis of accounting to recognize assets and liabilities. The District's agency funds represent school class and club activity funds.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Stewardship, Compliance, and Accountability

The District is required by law to prepare and file a budget with the Texas Education Agency (TEA). Activities of the General Fund, Nutrition Services Fund, and Debt Service Fund are included in the District's formally adopted budget. Budgets for the Special Revenue Fund (other than Nutrition Services) and Capital Projects Fund are approved on a project basis. The District is required to present the adopted and final amended budgeted revenues and expenditures and actual revenues and expenditures for the General Fund, Nutrition Services Fund and Debt Service Fund. These budgets are in the financial section of the Comprehensive Annual Financial Report.

Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ASSETS, LIABILITIES, AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Cash and Cash Equivalents

The District's *Cash Management and Investment Policy* requires all deposits to be fully collateralized with depository insurance; obligations of the United States of America or its agencies and instrumentalities (excluding those mortgage backed securities prohibited by the Public Funds Investment Act); public funds investment pools; or in any other manner and amount provided by law for deposits of the District. At all times, such securities are to have a fair value sufficient to fully collateralize deposit balances as adjusted by the amount of applicable depository insurance pursuant to Texas Government Code Section 2257.022.

The District considers cash and cash equivalents to be cash on hand and demand deposits. All other monetary assets are treated as investments including certificates of deposit, investment pools, money market instruments, and other securities defined under the Public Funds Investment Act.

Investments

Investments are stated at fair value where applicable under the GASB statements, which is the amount at which the investment can be exchanged in a current transaction between willing parties. Management of the District believes that in the areas of investment practice, management reports, and establishment of appropriate policies, the District adhered to the requirements of the State of Texas Public Funds Investment Act. Additionally, management of the District believes that investment practices of the District were in accordance with local policies.

Receivables

All trade and property tax receivables are shown net of allowance for uncollectible balances. The property tax receivable allowance is 77.0 percent of outstanding property taxes at June 30, 2020.

Inventories

Under the moving average inventory method, the average cost of each inventory item in stock is recalculated after every inventory purchase. This method tends to yield inventory valuations and cost of goods sold that are in-between those derived under the first in, first out (FIFO) method and the last in, last out (LIFO) method. These materials and supplies are subsequently charged to expenditures when consumed. Inventories include instructional materials, plant maintenance operating supplies, as well as nutrition service food and supplies. Prepaids are charged to expenditures when consumed. Revenue for donated commodities is recognized when the commodities are received. Non-food inventories are offset at year end by non-spendable fund balance in the governmental fund financial statements.

Other Assets

Other assets include accrued interest, prepaid insurance, and prepaid travel. Prepaids are offset at year end by non-spendable fund balance in the governmental fund financial statements.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the accounting system in order to reserve the portion of the applicable appropriation, is employed in the Governmental Fund Types on the governmental fund financial statements. Encumbrances outstanding at year end are reported as restricted or assigned, as appropriate.

At June 30, 2020, encumbrances included in governmental fund balances are as follows:

	Restricted Fund Balance	Assigned Fund Balance
General Fund	\$ -	\$ 57,112,528
Capital Renovation Fund	102,650,577	-
Special Revenue Fund	11,525,208	-
Total Encumbrances	\$ 114,175,785	\$ 57,112,528

The General Fund outstanding encumbrances in the amount of \$57,112,528 at June 30, 2020 were charged to the following functions:

Function 53 – Data processing services	\$ 21,316,131
Function 11 – Instruction	10,097,751
Function 51 – Facilities – Maintenance & Operations	14,483,339
Various other functions	11,215,307

Capital Assets

Capital assets, which include land, buildings and improvements, construction in progress, furniture and equipment, and vehicles are reported in the applicable governmental and business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital acquisition and construction are reflected as expenditures in governmental funds. Land, buildings and improvements, furniture and equipment, and vehicles are recorded at historical cost if purchased or constructed. The capitalization threshold is a unit cost of \$5,000. Donated capital assets are recorded at estimated acquisition value at the date of donation. Depreciation on all depreciable capital assets begins on the date the asset is placed into service using the straight-line method of depreciation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Capital assets are depreciated over the following estimated useful lives:

<u>Asset Classification</u>	<u>Useful Life</u>
Buildings and improvements	40 years
Vehicles:	
Buses	12 years
Medium	7 years
Small	5 years
Furniture	5 years
Equipment	5 years
Capital leases	5 years

Interfund Transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” All other balances between funds are reported as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as “internal balances.”

A description of the basic types of interfund transactions and the related accounting policies are as follows:

- Charges for services are reported as revenues for the performing fund and expenditures/expenses of the requesting fund.
- Transactions to reimburse a fund for expenditures made by it for the benefit of another fund are recorded as expenditures or expenses in the reimbursing fund and as a reduction of expenditures or expenses in the fund that is reimbursed.
- All other interfund transfers, such as legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended, are transfers. Transfers are classified as other financing sources or uses in the Statement of Revenues, Expenditures, and Changes in Fund Balances.

For reporting at the government-wide financial statement level, the District eliminates direct interfund charges for services and the balances created within the same activity categories (i.e. governmental vs. business-type). This process ensures neither governmental nor business-type activities report direct internal revenue/expenditures. Interfund activity and balances resulting from transactions with the fiduciary funds are not eliminated. Instead, the fiduciary interfund activity and balances are treated as transactions with an external party. The Internal Service Funds are essentially repositories for income, expenses, assets and liabilities of the District’s health insurance, worker’s compensation, print shop, alternative certification, athletics, shared services, and UIL activities.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Compensated Absences

The District's contract employees earn one day of personal leave per month for all months under contract, which may either be taken or accumulated with no limitation. Accumulated sick leave balances are paid upon termination from the District to employees meeting certain criteria and hired before October 10, 1972. In addition, the District may "buy-back" accrued but unused state leave in accordance with the "Attendance Incentive Plan."

Twelve-month employees earn vacation ranging from two to four weeks per year based on length of service. Beginning with FY 2021, vacation days may be carried over from one contract year to another with a maximum limit of 50 days compared to previous years when only 30 days could be carried over. For twelve-month employees, the contract runs from September 1st through August 31st.

The District accrues vacation, state personal leave, and eligible sick leave in the government-wide and proprietary fund financial statements. A liability and related expenditure for these amounts is reported in the governmental funds only if they have matured as a result of employee retirements or resignations and are due.

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Gains and losses on refunds are amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources which represents a consumption of net position that applies to a future period(s) and therefore, will not be recognized as an outflow of resources (expenses/expenditures) until then. Included in this category are deferred losses on refunding, TRS pension costs, and TRS OPEB costs.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources which represents an acquisition of net position that applies to a future period(s) and therefore, will not be recognized as an inflow of resources (revenue) until then. Included in this category are TRS pension and OPEB. The Governmental Funds Balance Sheet also includes a section for deferred inflows of resources. Unavailable revenue is reported as deferred inflows of resources only in the Governmental Funds Balance Sheet.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NET POSITION AND FUND BALANCES

Government-wide Financial Statements

The District's net position is composed of the following:

Net Investment in Capital Assets - the component of net position that reports capital assets less both the accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction, or improvement of these capital assets.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities of the Debt Service Fund adjusted on a government-wide basis that consists of assets with constraints placed on their use by the bond covenants.

Restricted for Grants - the component of net position that reports the difference between assets and liabilities of the Special Revenue Fund that consists of assets with constraints placed on their use by the Department of Education, Department of Agriculture, TEA, and other grantor agencies and organizations.

Unrestricted - the difference between the assets and liabilities that are not reported in net position invested in capital assets, net position restricted for debt service, and net position restricted for grants.

The District applies restricted resources before unrestricted resources when an expense is incurred for which restricted net position is available.

Governmental Fund Financial Statements

In the fund financial statements, governmental funds report fund balances as either a non-spendable fund balance or a spendable fund balance.

Non-spendable Fund Balance

Non-spendable fund balance is that portion of fund balance that is not expendable (such as inventories) or is legally earmarked for a specific use. Non-spendable fund balance reserves include inventories and prepaid items.

Spendable Fund Balance

Spendable fund balance is the portion of fund balance that is comprised of restricted, committed, assigned, and unassigned fund balances.

Restricted Fund Balance -- the component of the spendable fund balance constrained to a specific purpose by the provider, such as a grantor. Restricted fund balance includes funds for the Nutrition Services program, funds restricted for construction programs, funds used to retire debt, and resources from other granting agencies.

Committed Fund Balance -- the component of the spendable fund balance constrained to a specific purpose by a resolution approved by the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action used to establish it. Committed fund balance includes funds for potential litigation, claims, and judgments.

Assigned Fund Balance -- the component of the spendable fund balance that is earmarked for a specific purpose by the Superintendent or Chief Financial Officer. The assigned amounts can only be removed by the Superintendent or Chief Financial Officer. Assigned fund balance includes

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

funds for encumbrances which are purchase orders, contracts, and other commitments for the expenditure of funds that are carried forward, insurance deductibles, specific program costs, and other legal issues.

Unassigned Fund Balance -- the component of the spendable fund balance within the General Fund which may be spent for any legal purpose. This portion of the total fund balance in the general fund is available to finance operating expenditures.

In general, it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which restricted and unrestricted (i.e. committed, assigned, or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

FUND BALANCES	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation Fund - PFC	Total Governmental Funds
Nonspendable						
Inventory	\$ 4,674,241	\$ -	\$ -	\$ -	\$ -	\$ 4,674,241
Prepays	9,836,467	-	-	-	-	9,836,467
Restricted						
Special Revenue/Grants	-	56,747,896	-	-	-	56,747,896
Debt Service	-	-	112,859,097	-	-	112,859,097
Capital Projects	-	-	-	249,171,715	2,956,240	252,127,955
Committed						
Contingency Operating Reserve	46,364,840	-	-	-	-	46,364,840
Assigned						
Auto/General Liability	4,541,910	-	-	-	-	4,541,910
Insurance Programs	25,000,000	-	-	-	-	25,000,000
ERP Projects	12,951,087	-	-	-	-	12,951,087
Encumbrances	57,112,528	-	-	-	-	57,112,528
Instructional Reserve	133,930,224	-	-	-	-	133,930,224
PFC Debt Service/Capital Projects	18,434,625	-	-	37,843,663	-	56,278,288
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

NOTE 2: HISD PUBLIC FACILITY CORPORATION

The Houston Independent School District Public Facility Corporation is a public non-profit corporation, the creation of which was sponsored by the District pursuant to the Public Facility Corporation Act, Article 717s, Vernon's Texas Civil Statutes, as amended (the "Public Facility Corporation Act"). The Public Facility Corporation Act authorizes the creation and utilization by school districts of public facility corporations to issue bonds to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placing in service of public facilities of its governmental sponsor and further authorizes the governmental sponsor to incur lease purchase obligations in favor of the corporation to serve as security for the bonds issued by the Public Facility Corporation.

To accomplish the financings, the Public Facility Corporation and the District have entered into a number of "Leases With An Option to Purchase" pursuant to the terms of which the District will pay

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

to the Public Facility Corporation such lease payments at such times and in such amounts as will be required to pay the principal and premium, if any, and interest on the lease revenue bonds as they become due.

The Public Facility Corporation has utilized this structure to issue Lease Revenue Bonds for building two high schools in 1998, a food warehouse facility in 2006, four elementary schools in 2010 and three instructional facilities in 2015. The Public Facility Corporation refunded the Series 2006 (food warehouse) bonds in fiscal year 2017 for the purpose of decreasing debt service costs in future years. In fiscal year 2020 the Public Facility Corporation refunded the Series 2010B (BAB) bonds for the purpose of decreasing debt service costs in future years.

NOTE 3: CASH DEPOSITS AND INVESTMENTS

Statutes of the State of Texas and policies mandated by the District's Board of Education authorize the District to invest in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, corporate bonds, public fund investment pools, mutual funds and money market accounts. All investments are held separately in each of the funds. With the exception of the Public Facility Corporation, all bank demand accounts are held within the General Fund.

Funds held at the depository bank were properly secured at all times during the fiscal year ended June 30, 2020. The following disclosure pertains to the date of highest deposit:

- a. Name of depository bank: JP Morgan Chase Bank
- b. The combined total of collateral pledged at the date of highest deposit on June 30, 2020 was \$35,700,917 and was comprised of \$30,000,917 in market value of pledged securities and a Federal Home Loan Bank (FHLB) Letter of Credit with a pledge value of \$5,700,000.
- c. Highest cash deposit account balances amounted to \$25,890,431 and occurred on June 30, 2020. The required amount of collateral was \$25,640,431.
- d. Total amount of Federal Deposit Insurance Corporation ("FDIC") coverage at the time of highest balance was \$250,000 for all accounts.

Cash, Demand and Time Deposits

As of June 30, 2020, the carrying amount of the District's demand deposits and cash on hand was \$14,837,052. The \$25,890,431 bank balance was fully covered on June 30, 2020 by a combination of federal deposit insurance through the FDIC, collateralization by securities held by the District's depository in joint safekeeping at the Federal Reserve Bank in the District's name, and a Federal Home Loan Bank Letter of Credit issue with the District as beneficiary. The HISD Public Facility Corporation's \$87,882 was held in money market accounts at the Bank of New York Mellon Trust Company, N. A.

The District purchased nonnegotiable certificates of deposit issued by East West Bank, Independent Bank, and Unity Bank, of \$140,000,000, \$70,000,000, and \$240,000, respectively, as of June 30, 2020, for a total of \$210,240,000, or 11.91 percent of the investment portfolio. The collateral for the East West Bank certificates is comprised of a Federal Home Loan Bank Letter of Credit in the amount of \$144,306,900 issued with the District as beneficiary. The collateral for the Independent

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Bank certificates of deposit is comprised of Federal Home Loan Bank Letter of Credits in the amount of \$84,000,000 issued with the District as beneficiary. Unity Bank's certificate of deposits are covered in full by the FDIC; therefore, require no additional collateral under the Public Funds Investment Act, Section 2257.022. Certificates of deposit are reported at cost by the District.

Investments

In accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* ("GASB Statement No. 31"), the District's investment securities have been recorded at fair value based upon quoted market prices as of June 30, 2020, with the increase or decrease in fair value being recorded as a component of earnings on investments. None of the District's investment securities have been reported at amortized cost.

The District's investments in public funds investment pools and money market mutual funds include those with the Lone Star Investment Pool ("LSIP"), TexSTAR, and TexPool. The fair value of the District's position in the above pools is the same as the value of the pool shares.

LSIP is a public funds investment pool created pursuant to the Interlocal Cooperation Act of the State of Texas, Article 4413(32c), Vernon's Texas Civil Statutes, as amended, and is designed to provide participating local governments with investment vehicles for local funds that may be required for immediate expenditure. The primary objective of the LSIP is to emphasize the importance of safety of principal and liquidity of pool assets. The administrator and distributor of LSIP is First Public, LLC, a Texas limited liability company. Investment advisory services are provided by American Beacon Advisors and Standish Mellon Asset Management Company. The custodial account is managed by State Street Bank and Trust while CAPTRUST Financial Advisors provides investment consulting services.

The Lone Star Government Overnight Fund is a stable net asset value fund rated AAAm by Standard & Poor's rating service, Lone Star Corporate Overnight Fund is a stable net asset value fund rated AAAm by Standard & Poor's, and the Lone Star Corporate Overnight Plus Fund is a stable net asset value rated AA+ / S1+ by Standard & Poor's. All of these funds seek to maintain a stable \$1.00 net asset value.

The District's investment in LSIP's Government Overnight Fund, Corporate Overnight Fund, and the Corporate Overnight Plus Fund, as of June 30, 2020 was \$135,280,314, \$141,855,062, and \$279,965,840, respectively, for a total of \$557,101,216 representing 31.56 percent of the total portfolio.

TexPool is a public funds investment pool operated by the Texas Treasury Safekeeping Trust Company, an entity of which the Texas Comptroller of Public Accounts is the sole officer, director, and shareholder. Administrative and investment services are provided by Federated Investors, Inc. TexPool and TexPool Prime funds are rated AAAm by Standard & Poor's.

As of June 30, 2020, the District's investment in TexPool and TexPool Prime was \$359,209,941 and \$260,468,369 respectively, for a total of \$619,678,310 representing 35.10 percent of the total portfolio.

TexSTAR was created in April 2003, also under the Interlocal Cooperation Act. Hilltop Securities, Inc. and J.P. Morgan Investment Management Inc. are co-administrators. JPMorgan Investment Management, Inc. provides investment management services while Hilltop Securities, Inc. provides participant services and marketing. The fund is rated AAAm by Standard & Poor's.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

As of June 30, 2020, the District's investment in TexSTAR was \$376,062,280, or 21.30 percent of the portfolio. As with all the investment pools, funds are readily available to support daily cash requirements. The balance includes the HISD Public Facility Corporation's \$641,675 invested in TexSTAR through its trustee, the Bank of New York Mellon Trust Company, N.A. These funds are restricted for use in the building of specific school projects as defined in bond issuance documents.

The District holds an investment in a U.S. Agency Security issued by the Federal Home Loan Mortgage Corporation ("FHLMC") as of June 30, 2020. The market value of the security is \$2,236,886 and represents 0.13 percent of the value of the total portfolio.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment to GASB Statement No. 3, establishes and modifies disclosure requirements related to deposits and investment risks: credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk.

To ensure compliance with the various risk factors addressed in GASB Statement No. 40, the District's Investment Advisory Committee reviewed the *Cash Management and Investment Policy*. The *Cash Management and Investment Policy* is reviewed by the Investment Advisory Committee at least annually and presented to the Board of Education for approval. The Investment Officers submit a Quarterly Investment Report to the Board of Education certifying that all investments were purchased in compliance with the *Cash Management and Investment Policy*.

The District's *Cash Management and Investment Policy* contains the following objectives:

- (1) assure the safety of District's funds;
- (2) maintain sufficient liquidity to provide adequate and timely working funds;
- (3) maintenance of the public trust as custodians and managers responsible for the investing of funds subject to state and federal laws;
- (4) optimization of yield as expressed in terms of rate of return and interest earnings;
- (5) diversification of investments as relating to maturity, instruments, and issuers shall be considered a priority within the context of the overall investment policy; and
- (6) avoid investments for speculation.

All objectives are approached with the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the capital, as well as the probable income to be derived. Preservation of District capital is of highest importance. All participants in the investment process seek to act responsibly as custodians of the public trust. Investment officials avoid any transaction that might impair public confidence in the District's ability to govern effectively.

Interest Rate Risk

As a means of limiting its exposure to fair value losses that could occur from rising interest rates, the District's investment policy limits the maturities of investments and prohibits any investment for speculative gains. The available funds in the General Fund may be invested for greater than one year provided that all cash flow requirements have been met. Available monies in all other funds, except for bond proceeds, can be invested for a period of up to ten years provided that cash flow needs are

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

met. Bond proceeds can be invested for a period up to five years provided that the drawdown schedules permit such maturities.

The District recognizes that investment risks can result from market price changes. Portfolio diversification is employed as a way to control risk. Investment officers are expected to display prudence in the selection of securities, as a way to minimize risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio.

At June 30, 2020, the District's exposure to interest rate risk as measured by segmented time distribution by investment type is summarized as follows:

	6/30/2020 Fair Value	Issuer Concentration	Investment Maturities in Years	
			Less than 1	1-5
FHLMC	\$ 2,236,886	0.13%	\$ -	\$ 2,236,886
Total agency securities	2,236,886	0.13%	-	2,236,886
Lone Star Investment Pool	557,101,216	31.56%	557,101,216	-
TexPool	619,678,310	35.10%	619,678,310	-
TexStar	376,062,280	21.30%	376,062,280	-
Total Investment Pools	1,552,841,806	87.96%	1,552,841,806	-
Certificates of Deposit	210,240,000	11.91%	210,240,000	-
Total Investments	\$ 1,765,318,692	100.00%	\$ 1,763,081,806	\$ 2,236,886

As of June 30, 2020, the dollar weighted average maturity of the total portfolio, assuming investments are held to final maturity date and not call dates, was 13 days. The modified duration as of June 30, 2020 was 0.0346 years. As of June 30, 2020, there was one investment with a maturity greater than or equal to one year.

Credit Risk

The District's *Cash Management and Investment Policy* allows for investments in commercial paper provided it meets the following criteria:

1. the maximum maturity does not exceed 270 days from the date of issuance;
2. it is rated at least A1 or P1 by two nationally recognized credit rating agencies;
3. be issued for a specific face amount;
4. be issued either through a direct placement or through broker dealers;
5. the District will diversify its investment in commercial paper by issuer and by length of maturity; and
6. the maximum the District will have in commercial paper at any time is 30 percent of the District's portfolio.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

As of June 30, 2020, the District did not have any investments in commercial paper. The District's exposure to credit risk at June 30, 2020 is presented below by investment category as rated by Standard & Poor's along with the District's level of input hierarchy utilized to measure fair values:

	6/30/2020 Value	Fair Value Measurement Input Level	Rating
FHLMC	<u>2,236,886</u>	Level 2	AA+
Total U.S. Agency Investments	<u>2,236,886</u>		
Lone Star Investment Pool	557,101,216	N/A	AAAm, AAAf/S1+
TexPool	619,678,310	N/A	AAAm
TexSTAR	<u>376,062,280</u>	N/A	AAAm
Total Investment Pools	<u>1,552,841,806</u>		
Certificates of Deposit	<u>210,240,000</u>	N/A	Not rated
Total Investments	<u>\$ 1,765,318,692</u>		

GASB Statement Number 72 established a hierarchy that prioritizes the inputs used to measure fair value. Certain investment types utilized by the District are not required to be fair valued. Debt securities classified as Level 2 have used a number of pricing methodologies including matrix pricing, Bloomberg Valuation and Interactive Data Corporation inputs. The District additionally chooses to utilize the average of three price inputs from separate providers. Since these are not prices quoted for identical securities quoted in active markets they are not classified as Level 1 inputs.

The District has investments in TexPool, including both TexPool and TexPool Prime, which maintain stable net asset values of \$1 per share and utilize the amortized cost method as allowed by GASB 79. The District has investments in TexSTAR which maintains a stable net asset value of \$1 and has chosen to utilize the amortized cost method as allowed by GASB 79. The District invests in the Lone Star Government Fund and Lone Star Corporate Overnight Fund which both maintain a stable net asset value of \$1 and the underlying pool investments are reported at amortized cost per GASB 79. The District invests in the Lone Star Corporate Overnight Plus Fund which maintains a stable net asset value of \$1.00 and the pool utilizes fair value reporting per GASB 72. The District has no unfunded commitments to these pools and may redeem investments at any time.

The Federal Home Loan Mortgage Corporation (FHLMC) is an instrumentality of the U.S. government; otherwise known as a government sponsored corporation. These instrumentalities are established by law to implement the Federal Government's various lending programs. These instrumentalities frequently do not have individual debt offerings rated therefore the credit rating disclosed is the overall long term rating of the entity.

Custodial Credit Risk - Funds on deposit with the depository bank are collateralized by pledged approved securities, surety bonds, or Federal Home Loan Bank Letters of Credit as specified by Section 45.208, Subchapter G, of Texas Education Code in order to adequately protect the funds of the District. Further, the District will require pledged securities at least equal to that set forth in Texas Government Code Chapter 2257.022, Subchapter B, Depository: Security For Deposit of Public Funds (currently 110 percent of the amount of the deposit if a reducing value security and equal to the deposit otherwise). The District has the right to designate the amount of approved securities and/or the aggregate amount of the bond to adequately protect the District. The District may not designate an amount less than the balance of school district funds on deposit with the depository bank from day to day, less any applicable FDIC insurance. The approved securities shall be valued

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

at market value for purposes of calculating the designated amount of collateral required. The bank shall have the right and privilege of substituting approved securities upon obtaining the approval of the District.

The FDIC provides deposit insurance limits of \$250,000 for all accounts in total.

Investments purchased for the District are made in the name of the Houston Independent School District. All investments are purchased with the delivery versus payment method and are recorded in the District's name on the Federal Reserve's book entry system and confirmed to the District via safekeeping receipt maintained on the books of the depository bank's safekeeping department.

Investments purchased for the Public Facility Corporation are purchased in the name of the Public Facility Corporation and held by the trustee, Bank of New York Mellon, as stipulated in related bond documents.

Concentration of Credit Risk - The investment portfolio is diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue, or a specific class of securities. Within the cash flow requirement constraints, investment maturities are staggered in a way that avoids undue concentration of assets in a specific maturity sector.

As of June 30, 2020 no single investment security comprised more than 0.13 percent of the total investment portfolio. No investment securities by issuer comprised a concentration of 5.00 percent or greater of the total portfolio.

The maximum asset mix approved by the investment policy is as follows:

<u>Type</u>	<u>District Limit</u>	<u>Issuer Limit</u>
U.S. Government Securities	100%	100%
Investment Pools*	100%	40%
U.S. Agency Securities	80%	40%
Certificates of Deposit	50%	10%
Commercial Paper	30%	5%
Municipal Securities	20%	5%
Money Market Mutual Funds	15%	5%
Mutual Funds	15%	5%
Corporate Bonds	15%	5%
Repurchase Agreements	8%	8%
Money Market Accounts	7%	7%

*The District does not invest its portfolio in any single investment pool. Funds are subdivided between various pools for diversification and security reasons. Investments in any pool will be limited to 25 percent of the average Net Asset Value of that pool.

The District is prohibited from investing in the following types of investments:

- a. obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- b. obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

- c. collateralized mortgage obligations that have a stated final maturity date of greater than 10 years;
- d. collateralized mortgage obligations whose interest rate is determined by an index that adjusts opposite to the changes in a market index; and
- e. banker's acceptances.

The District neither enters into reverse repurchase agreements nor trades in options or future contracts. Additionally, the District does not participate in any securities lending program.

As of June 30, 2020, the following was the composition of the District's investment portfolio:

TexPool	35.10%
Lone Star Investment Pool	31.56%
TexSTAR	21.30%
Certificates of Deposit	11.91%
U.S. Agency Securities	0.13%
Total	100.00%

Foreign Currency Risk

The District does not engage in any deposit or investment transactions involving foreign currency.

NOTE 4: PROPERTY TAXES AND STATE AID REVENUE

PROPERTY TAXES

The appraisal of property within the District is the responsibility of the Harris County Appraisal District ("Appraisal District"). The District's ad valorem property tax is levied annually in October on the assessed value as of the prior January 1 for all real and business personal property located in the District. Taxes are due on receipt of the tax bill and are delinquent if not paid by January 31 of the next calendar year. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on property after January 31 of the subsequent calendar year. Delinquent taxes receivable on the government-wide statement of net position and the governmental fund balance sheet is net of estimated uncollectible taxes.

For the current fiscal year, the Board of Education set a tax rate of \$1.1367 per \$100 of assessed valuation. The maintenance and debt service portions of such rate are \$0.97 and \$0.1667 respectively. The 2019 tax year assessed valuation was \$185,535,534,086 which resulted in a gross tax levy of \$2,108,982,416 for the current fiscal year. After deductions of all exemptions and reductions provided by law and those granted by the District, the 2019 tax year levy was \$2,048,599,091.

Property taxes which are measurable (quantifiable) and available (collectible within the current period or soon enough thereafter to finance expenditures of the current period, which the District has estimated to be collected in the two months after the fiscal year end) are recognized as revenue in the year of levy in the governmental fund financial statements. Property taxes, which are measurable but not available, are recorded net of estimated uncollectible amounts, as unavailable revenues in the year of the levy in the governmental financial statements. Such unavailable

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

revenues are recognized in the fund financial statements as revenue in the fiscal year in which they become available. In the government-wide financial statements, property taxes are recognized as revenues in the year for which the taxes are levied. Uncollectible property taxes in the current period increased the allowance for uncollectible property taxes in the government-wide and fund financial statements by \$16,060,065.

Delinquent taxes receivable and the related allowance for uncollectible taxes in the governmental fund financial statements as of June 30, 2020 are as follows:

	Delinquent Taxes Receivables, Gross	Allowance for Uncollectible Taxes	Delinquent Taxes Receivable, Net
General Fund	\$ 97,271,660	\$ 74,222,491	\$ 23,049,169
Debt Service Fund	<u>15,729,538</u>	<u>12,760,388</u>	<u>2,969,150</u>
Total	<u>\$ 113,001,198</u>	<u>\$ 86,982,879</u>	<u>\$ 26,018,319</u>

STATE AID REVENUE

The Texas Education Agency, through its application of state law, allocates state revenues to school districts by formula allocation. The District receives two allocations—a per capita allocation and a foundation program allocation. The District also recognizes revenues for the state's share of the contributions to the Teacher Retirement System of Texas (TRS). See Note 11 for additional information on the employees' retirement plan. Other state revenues are received through other state miscellaneous programs on an allocated basis. The components of state aid as shown in the governmental fund financial statements are as follows:

Revenues	General Fund	Special Revenue Fund	Debt Service Fund	Total
Per Capita Revenues	\$ 60,517,457	\$ -	\$ -	\$ 60,517,457
Foundation Fund Revenues	71,137,762	-	-	71,137,762
Other State	1,807,809	27,010,581	2,385,404	31,203,794
TRS On-Behalf	85,470,235	-	-	85,470,235
Total State Aid	<u>\$ 218,933,263</u>	<u>\$ 27,010,581</u>	<u>\$ 2,385,404</u>	<u>\$ 248,329,248</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5: RECEIVABLES AND PAYABLES

Receivables as of June 30, 2020 for the District's individual major funds and nonmajor enterprise funds and internal service funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Renovation Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Due from the State of Texas	\$ 25,857,263	\$ 92,661,422	\$ -	\$ -	\$ 13,338,510	\$ 131,857,195
Due from the Federal government	4,043,063	1,951,338	-	-	-	5,994,401
Other Governments	-	-	-	-	437,130	437,130
	<u>\$ 29,900,326</u>	<u>\$ 94,612,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,775,640</u>	<u>\$ 138,288,726</u>
Other Accounts Receivables	\$ <u>13,034,152</u>	\$ <u>595,227</u>	\$ <u>-</u>	\$ <u>21,166,997</u>	\$ <u>15,901</u>	\$ <u>34,812,277</u>

Governmental funds report unearned/deferred revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2020, the various components of deferred inflows and unearned revenue reported in the governmental funds expected to be received during the subsequent fiscal year are as follows:

Liabilities

Grant advances (unearned), Special Revenue Fund \$ 1,996,693

Deferred inflows of resources

Unavailable property taxes, General Fund 13,841,011

Unavailable property taxes, Debt Service Fund 1,386,676

Deferred inflows, General fund 3,518,960

Total deferred inflows 18,746,647

Total Deferred & Unearned Revenues \$ 20,743,340

Payables as of June 30, 2020 for the District's individual major funds and nonmajor enterprise funds and internal service funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Renovation Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Vendors Payable	\$ 39,352,546	\$ 11,038,746	\$ 18	\$ 20,418,327	\$ 7,204,294	\$ 78,013,931
Retainage Payable	-	-	-	19,659,726	-	19,659,726
Total Payables	<u>\$ 39,352,546</u>	<u>\$ 11,038,746</u>	<u>\$ 18</u>	<u>\$ 40,078,053</u>	<u>\$ 7,204,294</u>	<u>\$ 97,673,657</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6: CAPITAL ASSETS

A summary of capital asset activity during the fiscal year ended June 30, 2020 follows:

	Balance June 30, 2019	Increases	Decreases	Transfer/ Adjustments	Balance June 30, 2020
<u>Governmental activities:</u>					
Capital assets not being depreciated:					
Land	\$ 293,031,742	\$ -	\$ (863,933)	\$ 1,975,152	\$ 294,142,961
Construction in progress	232,853,958	151,946,297	(1,255,820)	(44,610,193)	338,934,242
Total capital assets not being depreciated	525,885,700	151,946,297	(2,119,753)	(42,635,041)	633,077,203
Capital assets being depreciated:					
Buildings and improvements	5,389,280,446	105,616,571	(1,160,771)	41,812,321	5,535,548,567
Furniture and equipment	212,370,004	15,275,388	(122,528)	777,340	228,300,204
Vehicles	137,510,760	1,839,359	(2,490,662)	45,380	136,904,837
Capital Leases	23,481,683	54,940,370	-	-	78,422,053
Total capital assets being depreciated	5,762,642,893	177,671,688	(3,773,961)	42,635,041	5,979,175,661
Less accumulated depreciation for:					
Buildings and improvements	(1,555,350,093)	(126,722,882)	1,144,856	23,578	(1,680,904,541)
Furniture and equipment	(177,812,944)	(17,158,283)	117,490	(15,568)	(194,869,305)
Vehicles	(101,075,274)	(6,637,330)	2,466,113	(8,010)	(105,254,501)
Capital Leases	(5,087,698)	(14,021,424)	-	-	(19,109,122)
Total accumulated depreciation	(1,839,326,009)	(164,539,919)	3,728,459	-	(2,000,137,469)
Governmental activities capital assets, net	\$ 4,449,202,584	\$ 165,078,066	\$ (2,165,255)	\$ -	\$ 4,612,115,395
<u>Business-type Activities:</u>					
Capital assets being depreciated:					
Furniture and Equipment	\$ 450,672	\$ -	\$ -	\$ -	\$ 450,672
Total capital assets being depreciated:	450,672	-	-	-	450,672
Less Accumulated depreciation for:					
Furniture and Equipment	(377,862)	(42,569)	-	-	(420,431)
Total accumulated depreciation	(377,862)	(42,569)	-	-	(420,431)
Business-type activities capital assets, net	\$ 72,810	\$ (42,569)	\$ -	\$ -	\$ 30,241

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Internal Service Funds capital assets are included in the governmental activities in the summary of capital asset activity.

The column titled "Transfer/Adjustment" reflects the transfer from Construction in Progress to the appropriate asset classes for equipment placed into service as of June 30, 2020.

The net amount of \$30,241 in Business-type activities are capital assets related to the non-major Medicaid and Marketplace Funds for the 2019-2020 fiscal year.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Instructional	\$ 144,908,935
Resources	352,138
Staff Development	17,137
Instructional Development	3,822,716
School Administration	5,660
Guidance & Counseling Services	275,315
Health Services	658
Student Transportation	5,143,742
Food Service	1,484,743
Extracurricular Activities	303,986
General Administration	1,726,351
Plant Maintenance & Operation	1,102,610
Security & Monitoring Services	201,389
Data Processing Services	5,192,527
Community Services	2,012

Total depreciation expense, governmental activities	\$ 164,539,919
---	----------------

Business-type activities:

Other nonmajor business-type activities	42,569
---	--------

Total depreciation expense, business-type activities	\$ 42,569
--	-----------

Grand Total	164,582,488
-------------	-------------

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Construction Commitments

The District has active construction projects as of June 30, 2020. These projects include new school construction, renovation of existing schools, safety and security projects, non-school facilities, middle school restrooms, and technology upgrades. At June 30, 2020, the District had fully funded commitments for the following categories:

<u>Project</u>	<u>Spent-To-Date</u>	<u>Remaining Commitment</u>
New Schools	\$ 207,684,391	\$ 89,823,497
Renovated Schools	10,307,952	1,150,951
Middle School Restrooms	48,548	-
Technology Upgrades	4,074,137	2,881,638
Safety and Security	<u>9,995,331</u>	<u>1,043,400</u>
Total	<u>\$ 232,110,359</u>	<u>\$ 94,899,486</u>

Impairments

GASB Statement No. 42, *Accounting and Financial Reporting for Impairments of Capital Assets and Insurance Recoveries*, requires the disclosure of impairment losses and associated insurance recoveries. In fiscal year 2020, the District did not have any significant impairments to be reported. The District received \$16.3 million in insurance recovery in connection with Hurricane Harvey.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 7: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances in the fund financial statements as of June 30, 2020 was as follows.

<u>GENERAL FUND</u>	Special Revenue Fund	81,424,012
	Capital Renovation Funds	261,837
	Capital Renovation Fund PFC	19,820
	Medicaid Fund	78,473
	Internal Service Funds	186,192
	DUE FROM OTHER FUNDS	\$ 81,970,334
<u>GENERAL FUND</u>	Debt Service Fund	\$ (7,764,593)
	Marketplace Fund	(39,764)
	Print Shop Fund	(133,616)
	Insurance Fund	(7,358,400)
	Worker's Comp Fund	(233,348)
	DUE TO OTHER FUNDS	\$ (15,529,721)
<u>CAPITAL RENOVATION FUNDS</u>	General Fund	\$ (261,837)
	DUE TO OTHER FUNDS	(261,837)
<u>CAPITAL RENOVATION FUND-PFC</u>	General Fund	\$ (19,820)
	DUE TO OTHER FUNDS	\$ (19,820)
<u>DEBT SERVICE FUND</u>	General Fund	\$ 7,764,593
	DUE FROM OTHER FUNDS	\$ 7,764,593
<u>SPECIAL REVENUE FUND</u>	General Fund	\$ (81,424,012)
	DUE TO OTHER FUNDS	\$ (81,424,012)
<u>MEDICAID FUND</u>	General Fund	\$ (78,473)
	DUE TO OTHER FUNDS	\$ (78,473)
<u>MARKETPLACE FUND</u>	General Fund	\$ 39,764
	DUE FROM OTHER FUNDS	\$ 39,764
<u>PRINT SHOP FUND</u>	General Fund	\$ 133,616
	DUE FROM OTHER FUNDS	\$ 133,616
<u>INSURANCE FUND</u>	General Fund	\$ 7,358,400
	DUE FROM OTHER FUNDS	\$ 7,358,400
<u>WORKERS' COMPENSATION FUND</u>	General Fund	\$ 233,348
	DUE FROM OTHER FUNDS	\$ 233,348
<u>OTHER INTERNAL SERVICE FUNDS</u>	General Fund	\$ (186,192)
	DUE TO OTHER FUNDS	\$ (186,192)

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments from funding agencies are received. The primary interfund transactions included amounts due from the Special Revenue Fund to the General Fund for remittances made by General

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Fund, for amounts due from the General Fund to the Health Insurance Fund, and for amounts due from the General Fund to the Debt Service Fund.

The following is a summary of the District's transfers for the fiscal year ended June 30, 2020:

\$ 35,079,875	From the General Fund to the Debt Service Fund for interest and principal debt payments
5,000,000	From the General Fund to the Capital Renovation Fund for a facilities assessment
7,637,546	From the Capital Renovation Fund to the Debt Service Fund for TIRZ High School and Elementary School debt payments
13,697,000	From the Capital Renovation Fund-PFC to the Debt Service Fund for debt service payments resulting from unspent bond proceeds and reserve release from a refunding transaction
282,067	From the General Fund to the Special Revenue Funds for pre-kindergarten tuition
2,647,890	From the General Fund to the Nutrition Services Fund for salary increase expenditures
190,000	From the General Fund to the Marketplace fund for operational support
22,500,000	From the Nonmajor Medicaid Enterprise Fund to the General Fund for use of unrestricted revenues
\$ 87,034,378	Total transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) use unrestricted revenues collected in an internal service fund to finance activities in another internal service fund.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8: LONG-TERM LIABILITIES AND RELATED DEFERRED INFLOWS AND OUTFLOWS

The District's long-term liabilities consist of bond indebtedness, health insurance, workers' compensation, compensated absences, net pension liability and net OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Current funding requirements for health insurance, and workers' compensation are accounted for in the governmental and proprietary funds. Pension and OPEB long-term liabilities are generally liquidated with resources of the general fund.

The following is a summary of the District's long-term liabilities for the fiscal year ended June 30, 2020:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Amortizable/ Payable Within One year
Governmental activities:					
Bonds payable	\$ 2,888,242,747	\$ 148,895,000	\$ (360,316,219)	\$ 2,676,821,528	\$ 162,071,456
Contractual obligations	1,400,000	-	(1,400,000)	-	-
Notes payable	194,660,000	-	(15,735,000)	178,925,000	15,955,000
Total debt payable - principal	<u>3,084,302,747</u>	<u>148,895,000</u>	<u>(377,451,219)</u>	<u>2,855,746,528</u>	<u>178,026,456</u>
Premium/discount	208,960,718	17,082,670	(41,395,821)	184,647,567	43,031,487
Accretion on capital appreciation bonds	7,401,422	498,290	(2,708,544)	5,191,168	2,708,544
Total amortizations and accretions	<u>216,362,140</u>	<u>17,580,960</u>	<u>(44,104,365)</u>	<u>189,838,735</u>	<u>45,740,031</u>
Total debt payable	<u>3,300,664,887</u>	<u>166,475,960</u>	<u>(421,555,584)</u>	<u>3,045,585,263</u>	<u>223,766,487</u>
Arbitrage payable	140,000	-	(140,000)	-	-
Capital leases payable	13,598,328	54,940,370	(15,934,703)	52,603,995	17,351,368
Compensated absences payable	42,283,238	22,493,402	(14,559,878)	50,216,762	10,908,280
Claims payable	21,328,797	158,220,220	(162,250,831)	17,298,186	15,195,093
Net pension liability	674,195,407	78,981,442	(158,908,317)	594,268,532	-
Net OPEB liability	792,318,535	73,017,431	(148,838,216)	716,497,750	-
Total other long-term liabilities payable	<u>1,543,864,305</u>	<u>387,652,865</u>	<u>(500,631,945)</u>	<u>1,430,885,225</u>	<u>43,454,741</u>
Total governmental activities long-term liabilities	<u>\$ 4,844,529,192</u>	<u>\$ 554,128,825</u>	<u>\$ (922,187,529)</u>	<u>\$ 4,476,470,488</u>	<u>\$ 267,221,228</u>
Business-type activities:					
Compensated absences payable	\$ 257,187	\$ 155,974	\$ (89,760)	\$ 323,401	\$ 69,889
Total business-type activities long-term liabilities	<u>\$ 257,187</u>	<u>\$ 155,974</u>	<u>\$ (89,760)</u>	<u>\$ 323,401</u>	<u>\$ 69,889</u>
Deferred outflows of resources:					
Deferred loss on debt refundings	\$ (25,696,959)	\$ (370,269)	\$ 3,380,151	\$ (22,687,077)	\$ (3,391,568)

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$869,845 of Internal Service Funds' compensated absences payable and \$17,298,186 of claims payable is included in the above governmental activities amounts. For the governmental activities, claims and judgments, and compensated absences are generally liquidated by the General Fund.

Debt Payable-Governmental Activities

At June 30, 2020, the District had outstanding \$3,045,585,263 of general obligation and lease revenue bonds, public property finance contractual obligations, and maintenance tax notes. These debt obligations, whose original issuance value was \$4,011,816,108 were issued at various dates from May 1, 1998 through June 1, 2020, with interest rates ranging from 1.00 percent to 6.17 percent for the purpose of new construction and maintenance of facilities. All debt obligations fully mature at various dates through February 15, 2043. As of June 30, 2020, the District had no authorized but unissued debt.

Of the District's \$3,045,585,263 total debt payable outstanding at June 30, 2020, \$74,971,528 of bonds payable and \$5,191,568 of CAB accretions are attributable to lease revenue bonds issued by the Public Facility Corporation.

Lease Revenue Refunding Bonds, Series 2019 were issued on October 22, 2019 by the Houston Independent School District Public Facility Corporation in the amount of \$29,675,000 in order to lower the overall annual debt service costs of the Corporation and to pay for the issuance of the bonds. The issuance currently refunded Public Facility Corporation Lease Revenue Bonds, Series 2010B (BAB).

Proceeds from the sale of the refunding bonds were utilized in order to refund \$38,430,000 in par value of Lease Revenue Bonds, Series 2010B (BAB). As part of the refunding transaction \$38,800,269 was placed into an irrevocable escrow account until the redemption date of the bonds. Combined costs of issuance and underwriter's discount for the sale were \$494,024. The refunded bonds are considered defeased and no longer included in the debt schedules of the district.

The refunding transaction resulted in aggregate debt service cash flow savings of \$9,689,940 over the life of the refunding bond debt service compared to the refunded bond debt service. The economic gain on the refunding was \$4,661,940 with a net present value savings of 12.13%. The accounting loss on the transaction of (\$370,269) will be deferred and amortized over the life of the refunding bonds as a deferred outflow of resources.

Refunded debt: Lease Revenue Bonds, Series 2010B (BAB)

Maturity Dates Refunded	Principal Refunded
9/15/2022	5,245,000
9/15/2023	5,530,000
9/15/2024	4,620,000
9/15/2025	4,660,000
9/15/2026	3,890,000
9/15/2027	4,140,000
9/15/2028	3,875,000
9/15/2029	6,470,000
	<u>\$ 38,430,000</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

On June 1, 2020, the District issued \$37,115,000 of Variable Rate Limited Tax Refunding Bonds, Series 2012 in a remarketing and current refunding issuance transaction. The bonds were originally issued on June 1, 2012 with three tranches of initial rate periods expiring on the first day of June in 2013, 2014, and 2015 and were subsequently remarketed with the same three year tranche schedule. Bonds with a maturity date of June 1, 2029, yield of 1.45% and principal amount of \$40,420,000 were subject to remarketing. The scheduled remarketing amount of \$40,420,000 was reduced by utilizing a portion of the issuance premium of \$3,513,677 in order to extinguish \$3,305,000 in outstanding bonds.

The \$37,115,000 of bonds refunded and remarketed were issued as a single series in a three year term with a coupon rate of 4.00% and a yield of 0.80%. The final stated maturity of the bonds remained the same at June 1, 2029. Costs of issuance and underwriter's discount for the remarketing/refunding was \$202,337.

Variable Rate Limited Tax Schoolhouse Bonds, Series 2012

Maturity June 1st	Rate Period Ending June 1st	Principal	Rate	Yield
2028	2016	\$ Redeemed	0.00%	0.00%
2029	2023	37,115,000	4.00%	0.80%
2030	2021	57,470,000	2.40%	2.40%
		<u>\$ 94,585,000</u>		

* The 2030 maturity was not in a term subject to remarketing in the fiscal year ended June 30, 2020.

Variable Rate Limited Tax Refunding Bonds, Series 2013B for a par amount of \$48,030,000 were scheduled to be remarketed on June 1, 2020. The bonds were originally issued on February 14, 2013 with three tranches of initial rate periods expiring on the first day of June in 2014, 2015, and 2016 and have all been subsequently remarketed with the same three year tranche schedule. Bonds with a maturity date of June 1, 2035 were subject to remarketing. The District utilized available debt service funds to redeem the \$48,030,000 subject to remarketing.

Variable Rate Limited Tax Schoolhouse Bonds, Series 2013B

Maturity June 1st	Rate Period Ending June 1st	Principal	Rate	Yield
2035	2020	\$ Redeemed	0.00%	0.00%
*2036	2021	49,050,000	2.40%	2.40%
*2037	2022	49,425,000	2.25%	1.68%
		<u>\$ 98,475,000</u>		

* The 2036 and 2037 maturities were not in a term subject to remarketing in the fiscal year ended June 30, 2020.

On June 1, 2020, the District issued \$82,105,000 of Variable Rate Limited Tax Refunding Bonds, Series 2014A-1B in a remarketing and current refunding issuance transaction. The bonds were originally issued in 2014 and had been currently refunded creating two sub-series on June 1, 2016. Bonds with a maturity date of June 1, 2039, yield of 2.20% and principal amount of \$89,595,000 were subject to remarketing. The scheduled remarketing amount of \$89,595,000 was reduced by utilizing a portion of the issuance premium of \$7,772,880 in order to extinguish \$7,490,000 in outstanding bonds.

The \$82,105,000 of bonds refunded and remarketed were issued as a single series in a three year term with a coupon rate of 4.00% and a yield of 0.80%. The final stated maturity of the bonds remained the

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

same at June 1, 2039. Costs of issuance and underwriter's discount for the remarketing/refunding was \$274,635.

Variable Rate Limited Tax Bonds, Series 2014A1-B

Maturity June 1st	Rate Period Ending June 1st	Principal	Rate	Yield
2039	2023	\$ 82,105,000	4.00%	0.80%
		<u>\$ 82,105,000</u>		

Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A-2 were not in a term period subject to remarketing in the year ended June 30, 2020.

Variable Rate Limited Tax Bonds, Series 2014A-2

Maturity June 1st	Rate Period Ending June 1st	Principal	Rate	Yield
2039	2022	\$ 110,520,000	2.25%	1.68%
		<u>\$ 110,520,000</u>		

The District issues variable rate debt for term periods and interest rate modes which may be changed should the District elect to do so at remarketing dates. The maximum rate of the variable rate debt cannot exceed the maximum net effective interest rate permitted under Chapter 1204 Texas Government Code, as amended. Following the new rate periods, the bonds will convert to and bear interest at a term rate to be determined by the remarketing agent. Subsequent to the new rate periods, the interest rate modes may be changed to a weekly rate, monthly rate, quarterly rate, semiannual rate, flexible rate or converted to a fixed rate until stated maturity. The Bonds are subject to mandatory tender at the end of the new rate period. In the event of a failed remarketing for any series, a step rate of 6.50 percent (Series 2012, 2013B, 2014A-2) or 7.00 percent (Series 2014A-1B) will be invoked until such time as the bonds are successfully remarketed. A failed remarketing will not be considered an event of default.

Contractual Obligations are issued for the purpose of acquiring personal property assets and are authorized pursuant to the laws of the State of Texas, including the Public Property Finance Act, Section 271.001 of the Texas Local Government Code. The District did not issue any contractual obligations in the fiscal year ended June 30, 2020.

The following table provides details of the related debt transactions during the fiscal year:

	Face Value	Premium/ (Discount)	Total	Underwriter's Discount	Issue Cost
<u>Issuance</u>					
PFC LR Ref Series 2019	\$ 29,675,000	\$ 5,796,113	\$ 35,471,113	\$ 115,256	\$ 378,768
Ref/Rem Series 2012	37,115,000	3,513,677	40,628,677	78,587	123,750
Ref/Rem Series 2014A-1B	82,105,000	7,772,880	89,877,880	150,885	123,750
Total	<u>\$ 148,895,000</u>	<u>\$ 17,082,670</u>	<u>\$ 165,977,670</u>	<u>\$ 344,728</u>	<u>\$ 626,268</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Premiums or discounts on each bond transaction is amortized over the life of the bond and the amortization payable of the bonds have been added to this note. Pursuant to GASB 65 underwriter's discounts and issuance costs have been expensed in the period reported.

The following table summarizes by type the annual debt service requirements of the outstanding debt issues at June 30, 2020 to maturity. Capital Appreciation Bond accretions are included in bond interest.

	Bond Principal		Bond Interest		Totals
2021	\$	162,071,456	\$	121,712,479	\$ 283,783,935
2022		152,645,072		114,610,775	267,255,847
2023		141,960,000		104,779,370	246,739,370
2024		155,455,000		97,592,401	253,047,401
2025		158,155,000		90,141,696	248,296,696
2026-2030		779,295,000		342,370,779	1,121,665,779
2031-2035		630,425,000		171,203,549	801,628,549
2036-2040		392,325,000		67,057,900	459,382,900
2041-2043		104,490,000		6,734,050	111,224,050
	\$	<u>2,676,821,528</u>	\$	<u>1,116,202,999</u>	\$ <u>3,793,024,527</u>

	Notes Principal		Notes Interest		Totals
2021	\$	15,955,000	\$	8,250,025	\$ 24,205,025
2022		6,260,000		7,872,650	14,132,650
2023		6,580,000		7,551,650	14,131,650
2024		6,920,000		7,214,150	14,134,150
2025		7,275,000		6,859,275	14,134,275
2026-2030		42,360,000		28,303,750	70,663,750
2031-2035		54,345,000		16,329,300	70,674,300
2036-2038		39,230,000		3,169,250	42,399,250
	\$	<u>178,925,000</u>	\$	<u>85,550,050</u>	\$ <u>264,475,050</u>

	Total Principal Requirements		Total Interest Requirements		Totals
2021	\$	178,026,456	\$	129,962,504	\$ 307,988,960
2022		158,905,072		122,483,425	281,388,497
2023		148,540,000		112,331,020	260,871,020
2024		162,375,000		104,806,551	267,181,551
2025		165,430,000		97,000,971	262,430,971
2026-2030		821,655,000		370,674,529	1,192,329,529
2031-2035		684,770,000		187,532,849	872,302,849
2036-2040		431,555,000		70,227,150	501,782,150
2041-2043		104,490,000		6,734,050	111,224,050
	\$	<u>2,855,746,528</u>	\$	<u>1,201,753,049</u>	\$ <u>4,057,499,577</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The following table displays total principal debt outstanding by issuance as of June 30, 2020. Accreted values as of June 30, 2020 are included for each applicable debt issuance.

Premiums on Capital Appreciation Bonds are included in the accreted value of the bonds.

Date of Issue	Description	Purpose
3/22/07	Limited Tax Sch Refunding Bonds, Series 2007	Refund a portion of the District's outstanding indebtedness
5/01/98	Public Facility Corp Lease Revenue Series 1998A	Construction of certain shared educational high school facilities
11/01/09	Limited tax Sch Bonds, Series 2009A-2 (BABS)	Construction, acquisition and equipment of school buildings
11/01/09	Limited Tax Sch Bonds, Taxable Series 2009A-3 (BABS)	Construction, acquisition and equipment of school buildings
4/26/10	Public Facility Corp Lease Revenue Series 2010A	Construction of public school facilities
5/15/12	Variable Rate Limited Tax Refunding Bonds, Series 2012	Refund a portion of the District's outstanding indebtedness
2/14/13	Limited Tax Refunding Bonds, Series 2013C	Refund a portion of the District's outstanding indebtedness
2/14/13	Limited Tax Sch and Refunding Bonds, Series 2013A	Construction of school buildings and refund indebtedness
2/14/13	Variable Rate Limited Tax Sch Bonds, Series 2013B	Construction, acquisition and equipment of school buildings
12/16/14	Limited Tax Refunding Bonds, Series 2014B	Refund a portion of the District's outstanding indebtedness
12/23/14	Public Facility Corp Lease Revenue Series 2014	Construction of public school facilities
4/12/16	Limited Tax Sch and Ref Bonds, Series 2016A	Construction of school buildings and refund indebtedness
4/19/16	Limited Tax Refunding Bonds, Series 2016B	Refund a portion of the District's outstanding indebtedness
5/23/17	Limited Tax Sch and Ref Bonds, Series 2017	Construction of school buildings and refund indebtedness
6/29/17	Public Facility Corp Lease Rev Ref Bonds, Series 2017	Refund all of the Corporation's Lease Revenue Series 2006 outstanding debt
6/27/18	Limited Tax Sch Bonds, Series 2018	Construction, acquisition and equipment of school buildings
6/01/19	Variable Rate Limited Tax Sch Bonds, Series 2013B	Refund and remarket a portion of the District's outstanding variable rate debt
6/01/19	Variable Rate Limited Tax Sch Bonds, Series 2014A-2	Refund and remarket a portion of the District's outstanding variable rate debt
10/22/19	Public Facility Corp Lease Rev Ref Bonds, Series 2019	Refund all of the Corporation's Lease Revenue Series 2010B (BABS) outstanding debt
6/01/20	Variable Rate Limited Tax Refunding Bonds, Series 2012	Refund and remarket a portion of the District's outstanding variable rate debt
6/01/20	Variable Rate Limited Tax Sch Bonds, Series 2014A-1B	Refund and remarket a portion of the District's outstanding variable rate debt
Bonds Payable		
7/13/15	Maintenance Notes Refunding, Series 2015	Refund a portion of the District's outstanding indebtedness
6/27/18	Maintenance Tax Notes, Series 2018	Maintenance of existing facilities including repair and renovation along with replacement of building systems of existing properties
Notes Payable		
Total Debt Payable		

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Type	Interest Rates	Original Issue Amount	Final Maturity Date	Debt Principal	CAB Accretion	Total Debt Payable
GO	3.85 to 5.00	\$ 279,865,000	2/15/2021	\$ 10,000,000	\$ -	\$ 10,000,000
LR	4.45 to 5.43	46,246,108	9/15/2021	2,291,528	5,191,568	7,483,096
GO	6.07 to 6.17	148,850,000	2/15/2034	148,850,000	-	148,850,000
GO	4.76 to 6.13	183,750,000	2/15/2028	151,950,000	-	151,950,000
LR	2.00 to 4.00	16,070,000	9/15/2021	7,280,000	-	7,280,000
GO	1.50 to 2.50	182,080,000	6/1/2030	57,470,000	-	57,470,000
GO	2.50 to 5.00	92,905,000	2/15/2032	72,240,000	-	72,240,000
GO	2.50 to 5.00	209,640,000	2/15/2038	134,270,000	-	134,270,000
GO	1.00 to 2.00	147,130,000	6/1/2037	49,050,000	-	49,050,000
GO	1.00 to 5.00	365,395,000	2/15/2033	173,090,000	-	173,090,000
LR	4.00 to 5.00	81,650,000	9/15/2020	17,985,000	-	17,985,000
GO	4.00 to 5.00	757,195,000	2/15/2041	654,295,000	-	654,295,000
GO	3.50	19,975,000	2/15/2033	19,975,000	-	19,975,000
GO	2.25 to 5.00	848,740,000	2/15/2042	766,645,000	-	766,645,000
LR	2.00 to 5.00	21,550,000	9/15/2030	17,740,000	-	17,740,000
GO	4.00 to 5.00	86,960,000	2/15/2043	84,850,000	-	84,850,000
GO	2.25	49,425,000	6/1/2037	49,425,000	-	49,425,000
GO	2.25	110,520,000	6/1/2039	110,520,000	-	110,520,000
LR	5.00	29,675,000	9/15/2029	29,675,000	-	29,675,000
GO	4.00	37,115,000	6/1/2029	37,115,000	-	37,115,000
GO	4.00	82,105,000	6/1/2039	82,105,000	-	82,105,000
		<u>3,796,841,108</u>		<u>2,676,821,528</u>	<u>5,191,568</u>	<u>2,682,013,096</u>
NT	1.44	40,360,000	7/15/2020	10,000,000	-	10,000,000
NT	4.00 to 5.00	174,615,000	1/15/2038	168,925,000	-	168,925,000
		<u>214,975,000</u>		<u>178,925,000</u>	<u>-</u>	<u>178,925,000</u>
		<u>\$ 4,011,816,108</u>		<u>\$ 2,855,746,528</u>	<u>\$ 5,191,568</u>	<u>\$ 2,860,938,096</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Other long-term debt

Arbitrage - The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The U.S. Treasury requires payment for each issue every five years. The District had no estimated arbitrage liability for tax-exempt debt subject to the Tax Reform Act as of the measurement period ended June 30, 2020. The estimated liability is updated annually for any tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. Liabilities resulting from issuances in the General Fund are typically liquidated in the General Fund. Liabilities resulting from issuances in the Capital Renovation Fund are liquidated in the Capital Renovation Fund if unspent proceeds are remaining.

Compensated Absences - On retirement or death of certain employees hired before October 10, 1972, the District pays any accumulated unused sick leave. Additionally, the District may "buy back" any accrued but unused state leave from employees in accordance with the *Attendance Incentive Plan*. Also, certain employees are entitled to receive accrued vacation pay in a lump-sum cash payment upon termination of employment with the District. The General Fund has typically been used in prior years to liquidate compensated absences.

Capital Leases: Computers & Equipment - In 2020, the District entered into new capital lease agreements with HP Lease Financing for the amount of \$35,099,520. Further, the District has exercised the option of early termination of leases, which has resulted in the reduction of payments during the current year. The District entered into new capital lease agreements with Ricoh for an amount \$19,840,850. Each lease meets the criteria of a capital lease as defined by generally accepted accounting principles, which define a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital assets acquired by lease have been capitalized in an amount minimum principal lease payment at the time of acquisition. Principal and interest payments in fiscal year 2020 totaled \$15,934,702 and \$867,927 respectively. Capital assets acquired by lease have a net book value of \$59,312,931. The General Fund has typically been used in prior years to liquidate capital lease liabilities.

The future minimum lease obligations and the net present value of these minimum equipment lease payments as of June 30, 2020 were as follows:

Year Ending	Governmental
<u>June 30</u>	<u>Activities</u>
2021	19,575,775
2022	15,007,799
2023	13,677,722
2024	4,348,357
2025	2,541,051
Total minimum lease payment	55,150,704
Amount representing interest	2,546,709
Present Value of minimum lease payment	52,603,995

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 9: OPERATING LEASES

The District leases temporary buildings, parking lots, an instructional educational facility, and communication towers under non-cancellable operating leases. Total cost for such leases was \$3,032,592 for the fiscal year ended June 30, 2020. The future minimum lease payments for these leases are as follows:

Year Ending <u>June 30</u>	<u>Amount</u>
2021	\$ 627,697
2022	152,400
2023	25,400
	<u>\$ 805,497</u>

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District's risk management program encompasses various means of protecting the District against losses through policies with commercial insurance carriers or through self-insurance.

Workers' Compensation

The District maintains a self-insurance program for workers' compensation. Contributions are paid from all governmental and proprietary funds to the Workers' Compensation Internal Service Fund from which all claims and administrative expenses are paid. Claims administration, loss control, and consultant services are provided by a third-party administrator. The District maintains a catastrophic loss insurance policy for catastrophic losses exceeding \$1,000,000 per occurrence up to statutory limit of liability.

An accrual for incurred but not reported claims in the amount of \$4,206,186 (discounted at 2 percent), of which \$2,103,093 is the current portion, has been recorded in the fund as of June 30, 2020. Claims payable, including an estimate of claims incurred but not reported, was actuarially determined based on the District's historical claims experience and an estimate of the remaining liability on known claims.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

At June 30, 2020 the fund had net position of \$34,960,455. Changes in claims payable for the fiscal years ended June 30, 2019 and 2020 are as follows:

	<u>2020</u>	<u>2019</u>
Claims payable, beginning of fiscal year	\$ 5,598,797	\$ 6,112,307
Incurring claims and claim adjustment expenses for insured events of the current fiscal year	1,588,638	2,518,172
Increase (decrease) in provision for insured events of prior fiscal year	<u>51,973</u>	<u>3,292,309</u>
Total incurred claims and claim adjustment expense	<u>1,640,611</u>	<u>5,810,481</u>
<u>Payments:</u>		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	1,526,954	3,238,805
Claims and claim adjustment expenses attributable to insured events of the prior fiscal year	<u>1,506,268</u>	<u>3,085,186</u>
Total payments	<u>3,033,222</u>	<u>6,323,991</u>
Claims payable, end of fiscal year	<u>\$ 4,206,186</u>	<u>\$ 5,598,797</u>

Health Insurance

Effective January 1, 2002, the District established a self-insurance program for health insurance. Contributions are paid from all governmental and proprietary funds to the Health Insurance Internal Service Fund from which all claims and administrative expenses are paid. Claims administration and consultant services are provided by a third party administrator. The District maintains aggregate stop loss coverage for medical cost.

The District is insured for covered medical paid and incurred during the plan year by Cigna and Aetna under an annual aggregate insurance contract. The coverage provides that the insurer will reimburse the District for such paid claims that exceed an annual aggregate attachment point that is determined by a monthly amount per covered employee based on the tier of coverage enrolled.

An accrual for incurred but not reported claims in the amount of \$13,092,000, all of which is a current liability, has been recorded in the fund as of June 30, 2020. Claims payable, including an estimate of claims incurred but not reported, was actuarially determined based on an estimate of the remaining liability on known claims.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

At June 30, 2020, the fund had net position of \$39,136,679. Changes in claims payable for the fiscal years ended June 30, 2019 and 2020 are as follows:

	<u>2020</u>	<u>2019</u>
Claims payable, beginning of fiscal year	\$ 15,730,000	\$ 13,305,000
Incurred claims and claim adjustment expenses for insured events of the current fiscal year	139,710,546	142,477,719
Increase in provision for insured events of prior fiscal year	<u>16,869,063</u>	<u>27,909,543</u>
Total incurred claims and claim adjustment expenses	<u>156,579,609</u>	<u>170,387,262</u>
<u>Payments:</u>		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	126,725,125	148,553,927
Claims and claim adjustment expenses attributable to insured events of the prior fiscal year	<u>32,492,484</u>	<u>19,408,335</u>
Total payments	<u>159,217,609</u>	<u>167,962,262</u>
Claims payable, end of fiscal year	<u>\$ 13,092,000</u>	<u>\$ 15,730,000</u>

Property, Casualty, General and Professional Liability

The District purchases All-Risk Property Insurance with limits of \$250,000,000. The policies include sublimits of \$75,000,000 per occurrence for flood and quake and \$150,000,000 per occurrence for Named Storms. General and Professional Liability risks are insured with limits of \$9,750,000. Within these policy limits, the District's exposure for covered losses is limited to the policy deductibles and self-insured retentions. Automobile liability exposures are self-insured in Texas and insurance coverage is purchased for out of state risks with a \$1,000,000 limit. The District is self-insured for workers compensation and employer's liability risk exposure. The District has not had any claims in excess of its policy limits in the past three years.

NOTE 11: EMPLOYEES' RETIREMENT PLAN

Pensions

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's Fiduciary Net Position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by visiting <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to the TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2019 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position for the year ending August 31, 2019:

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 209,961,325,288
Less: Plan Fiduciary Net Position	157,978,199,075
Net Pension Liability	<u>\$ 51,983,126,213</u>
Net Position as % of Total Pension Liability	75.24%

Benefit Provisions and Service Requirements

TRS administers retirement and disability annuities and death and survivor benefits to employees and beneficiaries of employees of the public school system of Texas. It operates primarily under the provisions of the Texas Constitution Article XVI, Section 67 and the Texas Government Code, Title 8, Subtitle C, Chapter 803 and 805, respectively. Service requirements are as follows:

Normal -- Age 65 with 5 years of credited service, or when the sum of member's age and years of credit equals or exceeds 80.

Reduced -- Age 55 with at least 5 years of credited service, or earlier than 55 with 30 or more years of credited service.

Members are fully vested after five years of creditable service and are entitled to any benefit for which eligibility requirements have been met. For more detail about benefits see the Summary of Benefits section of TRS 2019 Comprehensive Annual Financial Report.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular actions, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or if the amortization period exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

Contribution Rates

	<u>2019</u>	<u>2020</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	6.8%
District's 2020 District Contributions	\$	42,327,919
District's 2020 Member Contributions	\$	94,168,820
District's 2020 NECE On-Behalf Contributions	\$	62,929,417

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the GAA.

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers including public schools are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding source, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non OASDI surcharge that was in effect in fiscal year 2019.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2019	2.63%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection period (100 years)	2116
Inflation	2.30%
Salary Increases	3.05% to 9.05%, including inflation
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018.

Discount Rate

The single discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The long-term rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized as follows:

Asset Class	Target Allocation ¹ %	New Target Allocation ² %	Long-Term Expected Geometric Real Rate of Return ³
Global Equity			
U.S.	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.4%
Stable Value			
U.S. Treasuries ⁴	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Absolute Return	0.0%	0.0%	0.0%
Real Return			
Global Inflation Linked Bonds ⁴	3.0%	-	-
Real Assets	14.0%	15.0%	8.5%
Energy, Natural Resources and Infrastructure	5.0%	6.0%	7.3%
Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	8.0%	5.8%/6.5% ⁵
Leverage			
Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage	-	-6.0%	2.7%
Expected Return	100.00%	100.00%	7.23%

¹ Target allocations are based on the Strategic Asset Allocation as of FY2019.

² New allocations are based on the Strategic Asset Allocation to be implemented FY2020

³ 10-Year annualized geometric nominal returns include the real rate of return and inflation

⁴ New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds

⁵ 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) volatility

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the current discount rate that was used (7.25 percent) in measuring the Net Pension Liability.

	1% Decrease (6.25%)	Current Single Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability:	\$ 913,477,063	\$ 594,268,532	\$ 335,648,009

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the District reported a net pension liability of \$ 594,268,532 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 594,268,532
State's proportionate share that is associated with the District	807,327,463
Total	<u><u>\$ 1,401,595,995</u></u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that day. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was 0.011431950625 which was a decrease of 0.000816699064 from its proportion measured as of August 31, 2018.

Changes since the Prior Actuarial Valuation

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000 whichever is less.

For the year ended August 31, 2019, the District recognized total pension expense of \$232,346,999 and revenue of \$126,819,761 for support provided by the State.

At June 30, 2020, the District reported deferred outflows of resources for contributions made subsequent to the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 2,496,460	\$ 20,633,946
Changes in actuarial assumptions	184,371,284	76,190,937
Difference between projected and actual investment earnings	5,967,142	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	111,259,059	145,008,847
Contributions paid to TRS subsequent to the measurement date	37,256,588	-
Total	\$ 341,350,533	\$ 241,833,730

Contributions of \$37,256,588 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other net amounts of the employer's balances of deferred outflows and (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Pension Expense Amount
2021	\$ 19,796,731
2022	15,124,995
2023	33,355,812
2024	4,177,906
2025	(2,960,851)
Thereafter	(7,234,378)

Other Post-Employment Benefit Plans

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) in accordance with Texas Insurance Code, Chapter 1551.

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in a separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by visiting <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to the TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Net OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 48,583,247,239
Less: Plan Fiduciary Net Position	1,292,022,349
Net OPEB Liability	<u>\$ 47,291,224,890</u>
Net Position as % of Total OPEB Liability	2.66%

Benefit Provided

TRS-Care provides health insurance coverage to retirees from public schools who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes, including automatic COLAs.

The premium rates for retirees are reflected in the following table.

TRS-Care Monthly Premium Rates

	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	<u>2019</u>	<u>2020</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
District's 2020 District Contributions	\$	10,608,341
District's 2020 Member Contributions	\$	7,931,291
District's 2020 NECE On-Behalf Contributions	\$	17,340,361

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to. When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

Actuarial Assumptions

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

The total OPEB liability in the August 31, 2018 was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019.
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.5%, including inflation
Ad hoc post-employment benefit changes	None

Other Information:

The impact of the Cadillac Tax that is returning in fiscal year 2023, has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

Discount Rate

A single discount rate of 2.63 percent was used to measure the total OPEB liability. There was an decrease of 1.06 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (2.63 percent) in measuring Net OPEB Liability.

	1% Decrease (1.63%)	Current Single Discount Rate (2.63%)	1% Increase (3.63%)
District's proportionate share of the Net OPEB liability:	\$ 865,042,688	\$ 716,497,750	\$ 600,290,909

Healthcare Cost Trend Rates Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1 percent less than and 1 percent greater than the assumed rate.

	1% Decrease	Current Single Healthcare Trend Rate	1% Increase
District's proportionate share of the Net OPEB liability:	\$ 584,493,731	\$ 716,497,750	\$ 893,322,522

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2020, the District reported a liability of \$ 716,497,750 for its proportionate share of the TRS's Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportionate share of the collective Net OPEB liability	\$ 716,497,750
State's proportionate share that is associated with the District	952,065,245
Total	<u>\$ 1,668,562,995</u>

The Net OPEB liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the Total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

At June 30, 2020 the employer's proportion of the collective Net OPEB liability was 0.015150754746, compared to 0.015868295779 of August 31, 2019.

Changes since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- The discount rate was changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the Total OPEB Liability.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the Total OPEB Liability.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the Total OPEB Liability.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the Total OPEB Liability.

For the measurement period August 31, 2019, the District recognized total OPEB expense of \$45,001,591 and revenue of \$25,092,531 for support provided by the State.

At June 30, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 35,150,305	\$ 117,247,258
Changes in actuarial assumptions	39,795,863	192,720,310
Difference between projected and actual investment earnings	77,299	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	40,932,469	39,743,655
Contributions paid to TRS subsequent to the measurement date	9,087,892	-
Total	\$ 125,043,828	\$ 349,711,223

Contributions paid subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021.

The net amounts of the employer's balances of deferred outflows and (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Year ended June 30:	OPEB Expense Amount
2021	\$ (38,666,206)
2022	(38,666,206)
2023	(38,691,227)
2024	(38,705,537)
2025	(38,701,619)
Thereafter	(40,324,492)

Medicare Part D

The Medicare Modernization Act of 2003 (MMA) created an outpatient prescription drug benefit program known as Medicare Part D. The Texas Public School Retired Employee Group Insurance Program (TRS-Care) is offering a Medicare Part D Plan and is participating in the Retiree Drug Subsidy plan for eligible TRS-Care participants. For the years ended August 30, 2020 and August 31, 2019, the subsidy payments received by TRS-Care on behalf of the District were \$5,427,482 and \$4,709,107, respectively. TRS issues a publicly available financial report. That report may be found by visiting the TRS Web site at www.trs.state.tx.us.

NOTE 12: COMMITMENTS AND CONTINGENCIES

The District received significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies and the Texas Education Agency. Any disallowed claims resulting from such audits could become a liability of the General Fund.

The District is party to various other legal actions, none of which is believed by the administration or legal counsel to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

NOTE 13: NONMONETARY TRANSACTIONS

During fiscal year 2020, the District received goods purchased by the State of Texas for the benefit of the District through the Technology and Instructional Materials Allotment program. The instructional materials have been recorded in the amount \$9,262,779 in the special revenue fund as both state revenues and expenditures, which represent the amount of consideration given by the State of Texas.

Note 14: SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the novel coronavirus ('COVID-19') a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected public education, workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020***

results of the outbreak and its disruptive effects on the District's operations and financial results at this time.

At the end of the first eight weeks in the 2020-21 school year, enrollment decreased by 10,633 students from projected enrollment primarily due to the COVID-19 pandemic. Students attended school virtually the first six weeks, then chose virtual or in-person classes for the remainder of the school year. The Texas Education Agency has announced that districts will be held harmless on attendance and FTE based funding for the first 18 weeks. Due to the uncertainty of enrollment and TEA actions regarding funding, management cannot estimate the financial implications as of the financial statement preparation date.

2020 REQUIRED SUPPLEMENTARY INFORMATION

**FINANCIAL
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

**HOUSTON INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Variance with Final Budget Better (Worse)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 1,702,171,380	\$ 1,710,396,565	\$ 1,715,002,326	\$ 4,605,761
Earnings on investments	15,000,000	13,000,000	14,027,724	1,027,724
Miscellaneous local sources	11,879,675	8,478,613	9,972,928	1,494,315
State sources	153,313,693	193,222,095	218,933,263	25,711,168
Federal sources	20,720,946	22,601,296	23,877,840	1,276,544
Total revenues	<u>1,903,085,694</u>	<u>1,947,698,569</u>	<u>1,981,814,081</u>	<u>34,115,512</u>
EXPENDITURES				
Current				
Instruction	1,139,170,882	1,083,430,156	996,399,361	87,030,795
Instructional resources and media services	8,905,787	9,561,437	7,798,643	1,762,794
Instructional staff development	30,786,402	39,917,034	29,215,532	10,701,502
Instructional leadership	24,033,019	23,446,381	20,983,417	2,462,964
School leadership	144,526,927	147,275,047	149,489,190	(2,214,143)
Guidance, counseling and evaluation services	65,946,068	68,226,676	60,053,228	8,173,448
Social work services	10,379,352	12,631,896	12,142,590	489,306
Health services	20,835,004	24,044,135	21,317,891	2,726,244
Student transportation	60,867,135	57,980,343	53,629,143	4,351,200
Food Services	-	32,051	234,114	(202,063)
Co-curricular/extracurricular activities	12,213,691	16,246,000	16,107,773	138,227
General administration	36,269,706	36,980,596	32,135,554	4,845,042
Plant maintenance and operations	197,181,393	223,139,476	192,496,074	30,643,402
Security and monitoring services	23,890,855	25,903,174	24,179,218	1,723,956
Data processing services	50,583,977	102,902,730	62,025,501	40,877,229
Community services	2,365,684	3,348,525	3,828,274	(479,749)
Juvenile justice alternative education programs	893,650	792,000	792,000	-
Tax reinvestment zone payments	61,526,976	59,612,025	61,321,789	(1,709,764)
Chapter 41/Purchase of WADA	-	75,441,870	80,843,995	(5,402,125)
Tax appraisal and collection	15,342,598	16,000,000	14,980,471	1,019,529
Debt service				
Principal	15,539,739	14,513,803	14,420,016	93,787
Interest and fiscal charges	2,375,000	575,985	575,307	678
Capital outlay				
Facilities acquisition and construction	108,561	9,836,744	8,635,291	1,201,453
Total expenditures	<u>1,923,742,406</u>	<u>2,051,838,084</u>	<u>1,863,604,372</u>	<u>188,233,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,656,712)</u>	<u>(104,139,515)</u>	<u>118,209,709</u>	<u>222,349,224</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	22,500,000	22,500,000	22,500,000	-
Transfers out	(40,134,765)	(43,199,832)	(43,199,832)	-
Capital leases	15,089,788	35,099,521	35,099,520	(1)
Insurance proceeds	-	-	16,296,947	16,296,947
Total other financing sources (uses)	<u>(2,544,977)</u>	<u>14,399,689</u>	<u>30,696,635</u>	<u>16,296,946</u>
Net change in fund balances	(23,201,689)	(89,739,826)	148,906,344	238,646,170
Fund balances-beginning	<u>818,993,804</u>	<u>818,993,804</u>	<u>818,993,804</u>	<u>818,993,804</u>
Fund balances-ending	<u>\$ 795,792,115</u>	<u>\$ 729,253,978</u>	<u>\$ 967,900,148</u>	<u>\$ 1,057,639,974</u>

The notes to required supplementary information are an integral part of this schedule.

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM
FOR THE LAST SIX FISCAL YEARS ENDING JUNE 30TH**

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.011431951	0.012248650	0.014532544	0.01757928	0.008479058	0.010781403
District's proportionate share of the net pension liability	\$ 594,268,532	\$ 674,195,407	\$ 464,672,473	\$ 664,294,849	\$ 299,723,414	\$ 287,986,184
State's proportionate share of the net pension liability associated with the District	807,327,463	911,547,549	460,406,284	648,209,392	645,866,011	510,071,049
Total	<u>\$ 1,401,595,995</u>	<u>\$ 1,585,742,956</u>	<u>\$ 925,078,757</u>	<u>\$ 1,312,504,241</u>	<u>\$ 945,589,425</u>	<u>\$ 798,057,233</u>
District's covered payroll	1,167,177,661	1,216,307,679	1,208,366,962	1,173,667,245	1,159,791,606	1,107,330,812
District's proportionate share of the net pension liability as a percentage of its Covered Payroll	50.92%	55.43%	38.45%	56.60%	25.84%	26.01%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore, the amounts reported for FY 2020 are based on the August 31st measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM
FOR THE LAST SIX FISCAL YEARS ENDING JUNE 30TH**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 42,327,919	\$ 36,063,434	\$ 42,988,120	\$ 50,787,112	\$ 44,318,451	\$ 35,477,854
Contribution in Relation to the Contractually Required Contribution	<u>(42,327,919)</u>	<u>(36,063,434)</u>	<u>(42,988,120)</u>	<u>(50,787,112)</u>	<u>(44,318,451)</u>	<u>(35,477,854)</u>
Contribution Deficiency (Excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
District's Covered Payroll	1,222,971,688	1,187,024,982	1,209,753,335	1,173,667,245	1,221,845,231	1,153,641,436
Contributions as a Percentage of Covered Payroll	3.46%	3.04%	3.55%	4.33%	3.63%	3.08%

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR OTHER POST EMPLOYMENT BENEFITS
TEACHER RETIREMENT SYSTEM
FOR THE LAST SIX FISCAL YEARS ENDING JUNE 30TH**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 10,608,341	\$ 10,482,849	\$ 10,561,622	\$ 7,844,378	\$ 8,414,747	\$ 7,742,748
Contribution in Relation to the Contractually Required Contribution	<u>(10,608,341)</u>	<u>(10,482,849)</u>	<u>(10,561,622)</u>	<u>(7,844,378)</u>	<u>(8,414,747)</u>	<u>(7,742,748)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	1,222,971,688	1,187,024,982	1,209,753,335	1,173,667,245	1,221,845,231	1,153,641,436
Contributions as a Percentage of Covered Payroll	0.87%	0.88%	0.87%	0.67%	0.69%	0.67%

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM
FOR THE LAST THREE FISCAL YEARS ENDING JUNE 30, 2020**

	2020	2019	2018
District's proportion of the net OPEB liability	0.015150755	0.015868296	0.015015496
District's proportionate share of the net OPEB liability	\$ 716,497,750	\$ 792,318,535	\$ 652,967,581
State's proportionate share of the net OPEB liability associated with the District	952,065,245	991,937,695	892,054,326
Total	<u>\$ 1,668,562,995</u>	<u>\$ 1,784,256,230</u>	<u>\$ 1,545,021,907</u>
District's covered payroll	1,167,177,661	1,216,307,679	1,208,366,962
District's proportionate share of the net OPEB liability as a percentage of its Covered Payroll	61.39%	65.14%	54.04%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2020 are based on the August 31st measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Note 1: Stewardship, Compliance, and Accountability

The District uses the following procedures in establishing the budgets reflected in the financial statements:

- Prior to June 30th of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain citizens' comments. However, the final priorities and funding of projects are determined by the Board of Education that establishes a tax rate to support the approved budget.
- A meeting of the Board of Education is then called for the purpose of adopting the proposed budget.
- Budgets are approved on a fund-by-fund basis. The District can make amendments to the budget at any time during the year; however, amendments changing functional expenditure categories (as defined in the Texas Education Agency's *Financial Accountability System Resource Guide*) must be ratified by the Board of Education. The Board of Education formally reviews the budget twice during the fiscal year.
- Budgets are considered a management control and planning tool and, as such, are incorporated into the accounting system of the District.
- Annual budgets are legally adopted for the General Fund, the Debt Service Fund, and the Nutrition Services Fund. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles and are monitored by the Budget and Financial Planning Office. By state law, expenditures may not legally exceed budgeted appropriations, as amended, at the function level by fund. Unexpended appropriations lapse at the end of the fiscal year.
- Per TEA requirements, the expenditure in any functional category should not exceed the approved budget. For the year ended June 30, 2020:

Function 23, School Leadership exceeded budget due to TRS on-behalf higher than expected
Function 35, Food Services exceeded budget due to COVID-19 food distributions
Function 61, Community services exceeded budget due to COVID-19 related activities
Function 97, Tax reinvestment zone payments to the City of Houston higher than expected
Function 91, Chapter 41/Purchase of WADA obligation higher than expected due to year end ADA adjustment.

Note 2: Notes to Schedules for the TRS Pension

Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of Assumptions

- The single discount rate changed from a blended rate of 6.907 percent as of August 31, 2018 to the long-term rate of 7.25 percent as of August 31, 2019.
- An assumption has been made based on the enactment of SB 3 by the 2019 Texas Legislature that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

Note 3: Notes to Schedules for the TRS OPEB Plan*Changes of Benefit Terms*

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes of Assumptions

The following assumptions, methods, and plan changes which are specific to TRS-Care were updated from the prior year's report:

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent, as of August 31, 2019. This change increased the Total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 70 to 65 percent and post-65 retirees was lowered from 75 to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the Total OPEB Liability.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the Total OPEB Liability.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 to 15 percent. The participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the Total OPEB Liability.

FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

**2020 COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

**FINANCIAL
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

NON-MAJOR ENTERPRISE FUNDS

The **Medicaid Fund** is used to account for the financial operations of special education reimbursement programs. The District participates in a Medicaid reimbursement program, which is a federal program to provide partial reimbursement for health care services provided to eligible children. In addition, the District currently provides Medicaid advisory services to over 500 schools in over 100 Texas school districts.

The **Marketplace Fund** is used to account for the financial operations of the restaurant-style cafeteria on the first level of the Hattie Mae White (HMW) Educational Support Center. The District established the Marketplace years ago as a benefit to employees working in the HMW building. Both breakfast and lunch are available to guests and the 600 employees at HMW. The Marketplace was re-named Hattie Mae's Café and expanded to include a Starbucks® coffee bar in 2017. The catering department was added to this fund to increase revenue to subsidize the Marketplace as well as to promote HISD catering activities. Branded in 2017 as "Houston Eats, A Taste of HISD", the catering department continues to provide fee-based catering for HISD school and departmental events as well as to the general public.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2020**

	<u>Medicaid</u>	<u>The Marketplace</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 940	\$ 940
Investments	8,489,705	11,129	8,500,834
Due from other governments	13,775,640	-	13,775,640
Due from other funds	-	39,764	39,764
Inventories	-	39,085	39,085
Total current assets	<u>22,265,345</u>	<u>90,918</u>	<u>22,356,263</u>
Noncurrent assets:			
Furniture and equipment	435,470	15,202	450,672
Less accumulated depreciation	(409,282)	(11,149)	(420,431)
Total noncurrent assets	<u>26,188</u>	<u>4,053</u>	<u>30,241</u>
Total assets	<u>22,291,533</u>	<u>94,971</u>	<u>22,386,504</u>
LIABILITIES			
Current liabilities:			
Accounts payable	39,370	193	39,563
Due to other funds	78,473	-	78,473
Compensated absences payable	65,848	4,041	69,889
Total current liabilities	<u>183,691</u>	<u>4,234</u>	<u>187,925</u>
Noncurrent liabilities:			
Compensated absences payable	238,856	14,657	253,513
Total noncurrent liabilities	<u>238,856</u>	<u>14,657</u>	<u>253,513</u>
Total liabilities	<u>422,547</u>	<u>18,891</u>	<u>441,438</u>
NET POSITION			
Net investment in capital assets	26,188	4,053	30,241
Unrestricted	21,842,798	72,027	21,914,825
Total net position	<u>\$ 21,868,986</u>	<u>\$ 76,080</u>	<u>\$ 21,945,066</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Medicaid</u>	<u>The Marketplace</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for sales and services:			
Sales to customers	\$ -	\$ 768,251	\$ 768,251
Consulting services	2,004,850	-	2,004,850
Total operating revenues	<u>\$ 2,004,850</u>	<u>\$ 768,251</u>	<u>\$ 2,773,101</u>
OPERATING EXPENSES			
Payroll costs	2,989,598	582,792	3,572,390
Purchased and contracted services	2,958,395	48,772	3,007,167
Supplies and materials	208,862	498,320	707,182
Other operating expenses	351,659	11,791	363,450
Depreciation	39,527	3,041	42,568
Total operating expenses	<u>6,548,041</u>	<u>1,144,716</u>	<u>7,692,757</u>
Operating income (loss)	<u>(4,543,191)</u>	<u>(376,465)</u>	<u>(4,919,656)</u>
NONOPERATING REVENUES (EXPENSES)			
Earnings on investments	297,354	5,532	302,886
School health services (SHARS)	22,821,331	-	22,821,331
Total nonoperating revenue	<u>23,118,685</u>	<u>5,532</u>	<u>23,124,217</u>
Income (loss) before transfers	18,575,494	(370,933)	18,204,561
Transfers in	-	190,000	190,000
Transfers out	<u>(22,500,000)</u>	<u>-</u>	<u>(22,500,000)</u>
Change in net position	(3,924,506)	(180,933)	(4,105,439)
Total net position—beginning	25,793,492	257,013	26,050,505
Total net position—ending	<u>\$ 21,868,986</u>	<u>\$ 76,080</u>	<u>\$ 21,945,066</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Medicaid	The Marketplace	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from user charges	\$ 2,257,454	\$ 732,519	\$ 2,989,973
Payments to suppliers	(3,564,640)	(638,530)	(4,203,170)
Payments to employees	(2,851,876)	(634,549)	(3,486,425)
Net cash provided (used) in operating activities	<u>(4,159,062)</u>	<u>(540,560)</u>	<u>(4,699,622)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts from SHARS program	22,667,463	-	22,667,463
Transfers from other funds	-	190,000	190,000
Transfers to other funds	<u>(22,500,000)</u>	<u>-</u>	<u>(22,500,000)</u>
Net cash provided (used) in noncapital financing activities	<u>167,463</u>	<u>190,000</u>	<u>357,463</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(23,690,476)	(647,564)	(24,338,040)
Proceeds from sales and maturities of investments	27,384,721	992,582	28,377,303
Interest and dividends	<u>297,354</u>	<u>5,532</u>	<u>302,886</u>
Net cash provided (used) in investing activities	<u>3,991,599</u>	<u>350,550</u>	<u>4,342,149</u>
Net decrease in cash and cash equivalents	<u>-</u>	<u>(10)</u>	<u>(10)</u>
Balances—beginning of the year	<u>-</u>	<u>950</u>	<u>950</u>
Balances—end of the year	<u>\$ -</u>	<u>\$ 940</u>	<u>\$ 940</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (4,543,191)	\$ (376,465)	\$ (4,919,656)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	39,527	3,041	42,568
Change in assets and liabilities:			
Receivables	-	4,032	4,032
Due from other governments	173,482	-	173,482
Due from other funds	79,122	(39,764)	39,358
Inventories and other assets	-	18,939	18,939
Accounts payables	(45,724)	(39,863)	(85,587)
Due to other funds	78,473	(117,445)	(38,972)
Compensated absence payable	59,249	6,965	66,214
Net cash provided (used) in operating activities	<u>\$ (4,159,062)</u>	<u>\$ (540,560)</u>	<u>\$ (4,699,622)</u>

INTERNAL SERVICE FUNDS

The **Print Shop Fund** is used to account for all the printing and distribution activities of the District's two print shop facilities. Schools and departments are charged for the costs of printing and distribution requests. During non-peak times, the Print Shop contracts with other governmental agencies requiring assistance during their peak periods. In addition, the Print Shop handles the districtwide copier contract/services for all schools and departments.

The **Health Insurance Fund** is used to account for the health insurance plan administered by the District. The plan is a self-insured plan requiring the District and its employees to contribute the cost. The District contributes approximately 78.82 percent of the annual cost of the plan with employees paying for the remaining 21.18 percent. These contributions are paid from all governmental and proprietary funds to the Health Insurance Fund from which all claims and administrative expenses are paid.

The **Workers' Compensation Fund** is used to account for risk financing activities related to the self-insured 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 **Internal Services Fund** is used to account for the fee-for-services offered by the District to serve the specific needs of schools and departments. The Alternative Certification, Athletics, UIL, and Shared Services programs are accounted for within this fund.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020**

	Print Shop	Health Insurance	Workers' Compensation	Internal Services	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1,691,852	50,896,738	39,690,284	4,469,539	96,748,413
Receivables	15,901	-	-	-	15,901
Due from other funds	133,616	7,358,400	233,348	-	7,725,364
Total current assets	<u>1,841,369</u>	<u>58,255,138</u>	<u>39,923,632</u>	<u>4,469,539</u>	<u>104,489,678</u>
Noncurrent assets:					
Land	-	-	-	929,880	929,880
Buildings and improvements	555,828	-	-	1,590,750	2,146,578
Furniture and equipment	-	-	-	1,314,543	1,314,543
Vehicles	97,585	-	-	94,838	192,423
Capital leases	19,840,850	-	-	-	19,840,850
Less accumulated depreciation	(1,958,052)	-	-	(1,217,070)	(3,175,122)
Total noncurrent assets	<u>18,536,211</u>	<u>-</u>	<u>-</u>	<u>2,712,941</u>	<u>21,249,152</u>
Total assets	<u>20,377,580</u>	<u>58,255,138</u>	<u>39,923,632</u>	<u>7,182,480</u>	<u>125,738,830</u>
LIABILITIES					
Current liabilities:					
Accounts payable	35,157	5,902,997	670,444	556,133	7,164,731
Due to other funds	-	-	-	186,192	186,192
Compensated absences payable	22,319	26,816	18,798	120,998	188,931
Claims and judgments payable	-	13,092,000	2,103,093	-	15,195,093
Capital leases	3,739,943	-	-	-	3,739,943
Total current liabilities	<u>3,797,419</u>	<u>19,021,813</u>	<u>2,792,335</u>	<u>863,323</u>	<u>26,474,890</u>
Noncurrent liabilities:					
Compensated absences payable	80,437	96,646	67,749	436,082	680,914
Claims and judgments payable	-	-	2,103,093	-	2,103,093
Capital leases	14,586,220	-	-	-	14,586,220
Total noncurrent liabilities	<u>14,666,657</u>	<u>96,646</u>	<u>2,170,842</u>	<u>436,082</u>	<u>17,370,227</u>
Total liabilities	<u>18,464,076</u>	<u>19,118,459</u>	<u>4,963,177</u>	<u>1,299,405</u>	<u>43,845,117</u>
NET POSITION					
Net investment in capital assets	210,048	-	-	2,712,941	2,922,989
Unrestricted	1,703,456	39,136,679	34,960,455	3,170,134	78,970,724
Total net position	<u>\$ 1,913,504</u>	<u>\$ 39,136,679</u>	<u>\$ 34,960,455</u>	<u>\$ 5,883,075</u>	<u>\$ 81,893,713</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Print Shop	Health Insurance	Workers' Compensation	Internal Services	Total Internal Service Funds
OPERATING REVENUES:					
Charges for sales and services:					
Sales to customers	\$ 8,620,598	\$ -	\$ -	\$ 14,981,543	\$ 23,602,141
Charges to employees and other funds	-	156,410,323	6,603,348	-	163,013,671
Miscellaneous	-	29,536,798	222,544	94,243	29,853,585
Total operating revenues	<u>8,620,598</u>	<u>185,947,121</u>	<u>6,825,892</u>	<u>15,075,786</u>	<u>216,469,397</u>
OPERATING EXPENSES:					
Payroll costs	1,406,203	1,429,319	1,405,762	10,729,187	14,970,471
Purchased and contracted services	3,540,647	12,598,852	1,204,193	1,624,126	18,967,818
Supplies and materials	913,843	8,181	1,173	674,464	1,597,661
Other operating expenses	2,114	2,611	505,184	940,506	1,450,415
Claims and judgments	-	159,217,608	3,033,222	-	162,250,830
Depreciation	1,665,928	-	-	248,285	1,914,213
Total operating expenses	<u>7,528,735</u>	<u>173,256,571</u>	<u>6,149,534</u>	<u>14,216,568</u>	<u>201,151,408</u>
Operating income (loss)	<u>1,091,863</u>	<u>12,690,550</u>	<u>676,358</u>	<u>859,218</u>	<u>15,317,989</u>
NONOPERATING REVENUES (EXPENSES):					
Earnings on investments	32,604	244,112	670,498	124,045	1,071,259
Interest	(292,620)	-	-	-	(292,620)
Total nonoperating revenue	<u>(260,016)</u>	<u>244,112</u>	<u>670,498</u>	<u>124,045</u>	<u>778,639</u>
Change in net position	831,847	12,934,662	1,346,856	983,263	16,096,628
Total net position—beginning	1,081,657	26,202,017	33,613,599	4,899,812	65,797,085
Total net position—ending	<u>\$ 1,913,504</u>	<u>\$ 39,136,679</u>	<u>\$ 34,960,455</u>	<u>\$ 5,883,075</u>	<u>\$ 81,893,713</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Print Shop	Health Insurance	Workers' Compensation	Internal Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from user charges	\$ 8,510,723	\$ 168,091,789	\$ 6,537,804	\$ 15,006,911	\$ 198,147,227
Other receipts	-	29,536,798	222,544	54,142	29,813,484
Payments to suppliers	(4,455,439)	(11,855,944)	(1,152,033)	(2,977,502)	(20,440,918)
Payments to employees	(1,388,904)	(1,414,914)	(1,399,540)	(10,620,294)	(14,823,652)
Claims paid	-	(161,855,609)	(4,425,833)	-	(166,281,442)
Net cash provided (used) by operating activities	<u>2,666,380</u>	<u>22,502,120</u>	<u>(217,058)</u>	<u>1,463,257</u>	<u>26,414,699</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	-	-	-	(58,387)	(58,387)
Principal paid on capital leases	(1,514,687)	-	-	-	(1,514,687)
Interest paid on capital leases	(292,620)	-	-	-	(292,620)
Net cash used by capital and related financing activities	<u>(1,807,307)</u>	<u>-</u>	<u>-</u>	<u>(58,387)</u>	<u>(1,865,694)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(3,647,311)	(196,643,106)	(3,639,440)	(11,194,045)	(215,123,902)
Proceeds from sales and maturities of investments	2,755,634	173,896,874	3,186,000	9,665,130	189,503,638
Interest and dividends	32,604	244,112	670,498	124,045	1,071,259
Net cash provided (used) by investing activities	<u>(859,073)</u>	<u>(22,502,120)</u>	<u>217,058</u>	<u>(1,404,870)</u>	<u>(24,549,005)</u>
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balances - beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balances - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	1,091,863	12,690,550	676,358	859,218	15,317,989
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	1,665,928	-	-	248,285	1,914,213
Change in assets and liabilities:					
Receivables	(10,967)	-	-	-	(10,967)
Due from other funds	(98,909)	11,681,466	(65,544)	-	11,517,013
Accounts payable	1,166	753,698	558,517	261,595	1,574,976
Due to other funds	-	-	-	25,367	25,367
Accrued salaries payable	-	(2,840)	-	(55,637)	(58,477)
Compensated absences payable	17,299	17,246	6,222	164,529	205,296
Current portion of claims and judgments	-	(2,153,000)	(893,070)	-	(3,046,070)
Other long term claims and judgments	-	(485,000)	(499,541)	-	(984,541)
Unearned Revenue	-	-	-	(40,100)	(40,100)
Net cash provided (used) by operating activities	<u>\$ 2,666,380</u>	<u>\$ 22,502,120</u>	<u>\$ (217,058)</u>	<u>\$ 1,463,257</u>	<u>\$ 26,414,699</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital leases assets acquired	\$ 19,840,850	\$ -	\$ -	\$ -	\$ 19,840,850

AGENCY FUNDS

The **Centralized Activity Fund** was created in 1977 for the purpose of providing centralized accounting for school activity funds. As of June 30, 2020, two hundred sixty-four schools are in the program. The program also includes accounting for activity funds of various administrative departments. Centralized accounting includes deposits to a central depository, funds invested by the Treasury Department for best utilization of cash balances, payments, ledger maintenance and reporting provided through the District's accounting system. Schools in the district are required to maintain uniform accounting records.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Student/Administrative Activity Funds				
ASSETS				
Cash and cash equivalents	\$ 4,050	\$ 28,508,088	\$ 28,508,088	\$ 4,050
Investments	16,804,830	12,422,499	11,178,150	18,049,179
Accounts receivable	245,867	4,589,950	4,835,817	-
Total assets	<u>\$ 17,054,747</u>	<u>\$ 45,520,537</u>	<u>\$ 44,522,055</u>	<u>\$ 18,053,229</u>
LIABILITIES				
Accounts payable	\$ 293,652	\$ 12,496,467	\$ 9,230,371	\$ 3,559,747
Due to student/administrative groups	16,761,095	10,498,400	12,766,013	14,493,482
Total liabilities	<u>\$ 17,054,747</u>	<u>\$ 22,994,867</u>	<u>\$ 21,996,384</u>	<u>\$ 18,053,229</u>

2020 OTHER SUPPLEMENTARY INFORMATION

**FINANCIAL
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Variance with Final Budget Better (Worse)
	Original	Final	Actual	
REVENUES				
Local maintenance taxes	\$ 295,289,491	\$ 293,019,801	\$ 295,277,106	\$ 2,257,305
Earnings on investments	1,700,000	1,375,000	1,397,123	22,123
State sources	2,598,721	2,374,039	2,385,404	11,365
Federal sources	732,878	442,005	442,004	(1)
Total revenues	<u>300,321,090</u>	<u>297,210,845</u>	<u>299,501,637</u>	<u>2,290,792</u>
EXPENDITURES				
Debt service				
Principal	213,796,219	207,826,219	207,826,219	-
Interest	138,064,729	135,949,860	135,949,858	2
Fiscal charges	1,200,000	1,200,000	1,017,674	182,326
Payment to escrow agents - current refunding	-	168,815,270	168,815,269	1
Total expenditures	<u>353,060,948</u>	<u>513,791,349</u>	<u>513,609,020</u>	<u>182,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(52,739,858)</u>	<u>(216,580,504)</u>	<u>(214,107,383)</u>	<u>2,473,121</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	52,807,342	56,414,421	56,414,421	-
Issuance of bonds and other debt	-	148,895,000	148,895,000	-
Premium on the sale of bonds	-	17,082,669	17,082,670	1
Total other financing sources	<u>52,807,342</u>	<u>222,392,090</u>	<u>222,392,091</u>	<u>1</u>
Net change in fund balance	67,484	5,811,586	8,284,708	2,473,122
Fund balance-beginning	<u>104,574,389</u>	<u>104,574,389</u>	<u>104,574,389</u>	<u>-</u>
Fund balance-ending	<u>\$ 104,641,873</u>	<u>\$ 110,385,975</u>	<u>\$ 112,859,097</u>	<u>\$ 2,473,122</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - NUTRITION SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Better (Worse)
	Original	Final		
REVENUES				
Food sales	\$ 4,636,048	\$ 2,774,881	\$ 3,284,162	\$ 509,281
Interest income	900,000	468,626	588,540	119,914
Miscellaneous local sources	20,366	19,076	32,241	13,165
State matching funds and others	585,000	585,000	537,247	(47,753)
Child nutrition programs/Summer food program	127,255,188	89,872,508	82,876,222	(6,996,286)
Donated commodities	6,989,654	7,187,885	6,695,872	(492,013)
Total revenues	<u>140,386,256</u>	<u>100,907,976</u>	<u>94,014,284</u>	<u>(6,893,692)</u>
EXPENDITURES				
Food services	145,840,408	119,165,953	112,235,811	6,930,142
General administration	-	350	324	26
Plant maintenance and operations	882,406	1,203,700	1,211,448	(7,748)
Total expenditures	<u>146,722,814</u>	<u>120,370,003</u>	<u>113,447,583</u>	<u>6,922,420</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,336,558)</u>	<u>(19,462,027)</u>	<u>(19,433,299)</u>	<u>28,728</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,147,890	2,647,890	2,647,890	-
Net change in fund balance	<u>(1,188,668)</u>	<u>(16,814,137)</u>	<u>(16,785,409)</u>	<u>28,728</u>
Fund balance-beginning	<u>30,132,828</u>	<u>30,132,828</u>	<u>30,132,828</u>	<u>-</u>
Fund balance-ending	<u>\$ 28,944,160</u>	<u>\$ 13,318,691</u>	<u>\$ 13,347,419</u>	<u>\$ 28,728</u>

**2020 COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**STATISTICAL
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATISTICAL INFORMATION
(Unaudited)

The Statistical Section of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

CONTENTS

Financial Trends

These schedules contain information to help the reader understand how the District's financial performance has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's major revenue sources.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the District provides and activities it performs.

SOURCES

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

2020 FINANCIAL TRENDS

**STATISTICAL
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (accrual basis of accounting) (UNAUDITED)

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities										
Net investment in capital assets	\$ 1,772,875,824	\$ 1,588,774,533	\$ 1,420,746,056	\$ 1,365,783,744	\$ 1,248,306,026	\$ 1,251,173,392	\$ 1,107,825,229	\$ 1,017,816,914	\$ 849,051,723	\$ 607,088,046
Restricted	127,918,111	151,610,825	139,895,641	97,427,017	78,988,962	47,832,498	84,103,019	56,598,918	84,478,848	115,045,479
Unrestricted	(351,433,703)	(368,945,114)	(468,639,284)	484,463,989	604,451,655	536,765,712	700,219,163	665,555,330	683,841,354	754,037,910
Total governmental activities	\$ 1,549,360,232	\$ 1,371,440,244	\$ 1,092,002,413	\$ 1,947,674,750	\$ 1,931,746,643	\$ 1,835,771,602	\$ 1,892,147,411	\$ 1,739,971,162	\$ 1,617,371,925	\$ 1,476,171,435
Business-type activities										
Net investment in capital assets	\$ 30,241	\$ 72,810	\$ 126,544	\$ 3,377,334	\$ 3,543,365	\$ 2,312,189	\$ 1,423,266	\$ 833,369	\$ 386,947	\$ 306,387
Restricted	-	-	-	7,310,854	5,268,295	7,004,373	20,426,635	14,605,458	8,423,522	-
Unrestricted	21,914,825	25,977,695	32,930,896	29,264,803	34,936,560	43,924,804	48,677,085	42,285,257	55,946,769	33,966,335
Total business-type activities	\$ 21,945,066	\$ 26,050,505	\$ 33,057,440	\$ 39,952,991	\$ 43,748,220	\$ 53,241,366	\$ 70,526,986	\$ 57,724,084	\$ 64,757,238	\$ 34,272,722
Total										
Net investment in capital assets	\$ 1,772,906,065	\$ 1,588,847,343	\$ 1,420,872,600	\$ 1,369,161,078	\$ 1,251,849,391	\$ 1,253,485,581	\$ 1,109,248,495	\$ 1,018,650,283	\$ 849,438,670	\$ 607,394,433
Restricted	127,918,111	151,610,825	139,895,641	104,737,871	84,257,257	54,836,871	104,529,654	71,204,376	92,902,370	115,045,479
Unrestricted	(329,518,878)	(342,967,419)	(435,708,388)	513,728,792	639,388,215	580,690,516	748,896,248	707,840,587	739,788,123	788,004,245
Total net position	\$ 1,571,305,298	\$ 1,397,490,749	\$ 1,125,059,853	\$ 1,987,627,741	\$ 1,975,494,863	\$ 1,889,012,968	\$ 1,962,674,397	\$ 1,797,695,246	\$ 1,682,129,163	\$ 1,510,444,157

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE LAST TEN FISCAL YEARS (accrual basis of accounting) (UNAUDITED)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
Instruction	\$ 1,435,884,407	\$ 1,323,127,345	\$ 993,744,972	\$ 1,354,643,323	\$ 1,321,923,485	\$ 1,209,883,205	\$ 1,182,118,522	\$ 1,042,458,041	\$ 1,059,621,975	\$ 1,183,179,760
Instructional resources and media services	8,970,002	10,977,023	11,024,125	8,606,334	6,736,868	7,702,863	9,944,748	10,869,915	9,156,011	16,023,275
Instructional staff development	67,208,807	67,733,815	56,629,458	56,859,881	61,690,290	60,005,763	59,082,951	55,893,549	63,721,103	54,518,931
Curriculum development	-	-	-	-	9,683,262	5,717,871	6,139,884	5,622,290	4,128,424	4,902,643
Instructional leadership	43,213,325	43,360,921	26,716,134	41,414,704	31,044,536	28,477,630	25,360,441	18,901,501	20,131,917	24,911,226
School leadership	168,545,819	156,579,651	96,092,512	142,369,897	144,729,360	129,495,908	125,593,716	115,221,354	117,065,506	128,978,440
Guidance, counseling, and evaluation services	88,399,437	73,049,354	45,699,226	59,189,470	56,613,106	46,638,994	49,573,307	46,489,885	54,065,013	57,842,064
Social work services	16,537,125	10,961,771	2,085,558	3,680,254	3,667,034	2,920,092	3,201,197	1,708,965	1,815,776	2,198,842
Health services	27,037,545	25,368,169	13,620,061	21,968,601	21,657,215	20,326,190	20,089,065	18,126,396	16,734,818	21,446,184
Student transportation services	69,556,241	70,407,658	59,264,188	67,016,009	60,617,212	56,262,972	54,382,120	49,177,675	47,554,907	51,893,718
Food service	127,966,809	139,924,627	95,083,392	7,594	260,243	735,266	739,979	1,852,859	3,188,052	3,008,334
Co-curricular/extracurricular activities	24,267,944	17,397,958	17,097,818	20,825,642	19,065,366	17,216,086	15,882,667	15,819,706	16,987,312	20,340,457
General administration	41,927,221	47,456,366	29,646,295	45,509,427	36,675,151	35,366,990	36,400,073	32,135,778	31,731,912	34,477,259
Plant maintenance and operations	202,730,249	202,841,435	205,899,444	188,418,295	259,431,697	175,914,882	192,637,508	165,753,820	171,545,597	173,578,807
Security and monitoring services	27,551,246	26,356,333	17,118,026	26,353,998	26,590,964	22,506,620	21,716,890	19,354,386	18,767,276	20,382,003
Data processing services	75,602,561	71,500,038	73,051,368	87,198,668	93,903,264	95,132,817	68,775,556	47,359,605	33,848,438	37,132,523
Community services	17,705,140	9,218,974	6,306,700	7,855,726	7,124,283	6,532,422	4,871,601	4,117,037	4,997,510	5,908,205
Fiscal agent/member districts of shared services	3,598,894	3,719,430	3,045,173	2,911,732	2,260,646	2,704,595	1,956,874	2,405,128	-	-
Juvenile justice alternative education program	792,000	792,000	792,000	792,117	792,000	792,000	843,660	843,660	984,270	-
Tax reinvestment zone payments	61,321,789	58,465,450	56,170,397	55,616,783	52,100,723	49,360,389	53,641,961	51,016,677	52,834,027	49,634,345
Tax appraisal and collection	14,980,471	14,990,752	13,814,336	13,995,353	13,355,890	12,555,327	10,588,700	9,927,290	9,775,757	9,797,218
WADA-Chapter 41	80,843,995	265,231,840	204,404,117	93,080,703	-	-	-	-	-	-
Interest and fiscal charges	95,002,219	95,506,991	93,472,234	84,888,843	87,029,681	89,351,058	92,546,879	102,759,843	113,712,948	107,186,397
Total governmental activities expenses	<u>2,699,643,246</u>	<u>2,734,967,901</u>	<u>2,120,777,534</u>	<u>2,383,203,354</u>	<u>2,316,952,276</u>	<u>2,075,599,940</u>	<u>2,036,088,299</u>	<u>1,817,815,360</u>	<u>1,852,368,549</u>	<u>2,007,340,631</u>
Business-type activities:										
Nutrition services	-	-	-	129,529,363	128,435,220	122,401,383	115,781,436	106,852,176	105,832,493	115,099,249
Business development	-	-	3,760,760	4,720,556	4,576,260	4,490,622	4,576,179	9,404,905	10,136,636	10,845,529
Medicaid	6,548,041	6,964,911	6,327,467	6,630,716	6,992,294	4,287,529	3,977,731	3,028,196	2,130,061	1,637,317
Marketplace	1,144,716	1,457,388	1,130,270	1,088,138	1,163,580	1,007,281	500,486	528,513	599,041	-
Total business-type activities expenses	<u>7,692,757</u>	<u>8,422,299</u>	<u>11,218,497</u>	<u>141,968,773</u>	<u>141,167,354</u>	<u>132,186,815</u>	<u>124,835,832</u>	<u>119,813,790</u>	<u>118,698,231</u>	<u>127,582,095</u>
Total expenses	<u>\$ 2,707,336,003</u>	<u>\$ 2,743,390,200</u>	<u>\$ 2,131,996,031</u>	<u>\$ 2,525,172,127</u>	<u>\$ 2,458,119,630</u>	<u>\$ 2,207,786,755</u>	<u>\$ 2,160,924,131</u>	<u>\$ 1,937,629,150</u>	<u>\$ 1,971,066,780</u>	<u>\$ 2,134,922,726</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 812,190	\$ 2,534,647	\$ 2,334,403	\$ 2,121,163	\$ 1,615,963	\$ 1,406,428	\$ 1,492,445	\$ 924,014	\$ 891,197	\$ 840,370
Food Service	3,316,403	4,992,232	-	-	-	-	-	-	-	-
Co-curricular/extracurricular activities	544,044	302,933	400,260	400,260	369,886	814,171	1,027,891	991,819	1,003,509	592,192
Plant maintenance and operations	355,534	495,455	366,504	294,928	451,698	326,551	613,334	589,794	620,570	525,656
Operating grants and contributions	634,111,967	546,582,105	132,119,461	257,062,737	284,606,909	283,688,955	358,082,926	328,935,582	369,299,966	445,161,872
Total governmental entities program revenues	<u>639,140,138</u>	<u>554,907,372</u>	<u>135,220,628</u>	<u>259,879,088</u>	<u>287,044,456</u>	<u>286,236,105</u>	<u>361,216,596</u>	<u>331,441,209</u>	<u>371,815,242</u>	<u>447,120,090</u>
Business-type activities:										
Charges for services:										
Nutrition services	-	-	-	7,816,438	7,287,832	8,374,719	10,245,808	10,301,716	10,347,193	9,645,209
Business development	-	-	3,504,667	5,616,323	5,047,196	4,944,367	5,656,010	9,695,176	11,006,871	11,251,482
Medicaid	2,004,850	2,490,659	2,639,068	3,212,201	2,366,643	3,345,480	2,746,689	2,471,830	2,282,917	2,719,083
Marketplace	768,251	1,292,392	1,400,135	569,122	598,726	755,925	424,008	451,426	100,823	-
Operating grants and contributions	22,821,331	25,435,615	36,237,575	150,103,306	143,417,677	144,334,759	138,265,205	128,754,038	162,517,103	141,623,302
Total business-type activities program revenues	<u>25,594,432</u>	<u>29,218,666</u>	<u>43,781,445</u>	<u>167,317,390</u>	<u>158,718,074</u>	<u>161,755,250</u>	<u>157,337,720</u>	<u>151,674,186</u>	<u>186,254,907</u>	<u>165,239,076</u>
Total program revenues	<u>\$ 664,734,570</u>	<u>\$ 584,126,038</u>	<u>\$ 179,002,073</u>	<u>\$ 427,196,478</u>	<u>\$ 445,762,530</u>	<u>\$ 447,991,355</u>	<u>\$ 518,554,316</u>	<u>\$ 483,115,395</u>	<u>\$ 558,070,149</u>	<u>\$ 612,359,166</u>
Net (Expense)/Revenue										
Governmental activities	\$ (2,060,503,108)	\$ (2,180,060,529)	\$ (1,985,556,906)	\$ (2,123,324,266)	\$ (2,029,907,820)	\$ (1,789,363,835)	\$ (1,674,871,703)	\$ (1,486,374,151)	\$ (1,480,553,307)	\$ (1,560,220,541)
Business-type activities	<u>17,901,675</u>	<u>20,796,367</u>	<u>32,562,948</u>	<u>25,348,617</u>	<u>17,550,720</u>	<u>29,568,435</u>	<u>32,501,888</u>	<u>31,860,396</u>	<u>67,556,676</u>	<u>37,656,981</u>
Total net expense	<u>\$ (2,042,601,433)</u>	<u>\$ (2,159,264,162)</u>	<u>\$ (1,952,993,958)</u>	<u>\$ (2,097,975,649)</u>	<u>\$ (2,012,357,100)</u>	<u>\$ (1,759,795,400)</u>	<u>\$ (1,642,369,815)</u>	<u>\$ (1,454,513,755)</u>	<u>\$ (1,412,996,631)</u>	<u>\$ (1,522,563,560)</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting) (UNAUDITED)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (Expense)/Revenue										
Governmental activities	\$ (2,060,503,108)	\$ (2,180,060,529)	\$ (1,985,556,906)	\$ (2,123,324,266)	\$ (2,029,907,820)	\$ (1,788,912,045)	\$ (1,674,871,703)	\$ (1,486,374,151)	\$ (1,480,553,307)	\$ (1,560,220,541)
Business-type activities	17,901,675	20,796,367	32,562,948	25,348,617	17,550,720	29,116,645	32,501,888	31,860,396	67,556,676	37,656,981
Total net expense	<u>\$ (2,042,601,433)</u>	<u>\$ (2,159,264,162)</u>	<u>\$ (1,952,993,958)</u>	<u>\$ (2,097,975,649)</u>	<u>\$ (2,012,357,100)</u>	<u>\$ (1,759,795,400)</u>	<u>\$ (1,642,369,815)</u>	<u>\$ (1,454,513,755)</u>	<u>\$ (1,412,996,631)</u>	<u>\$ (1,522,563,560)</u>
General Revenues										
Governmental activities:										
Taxes:										
Maintenance & operations property taxes	\$ 1,710,176,310	\$ 1,735,078,589	\$ 1,701,821,616	\$ 1,616,374,560	\$ 1,524,975,899	\$ 1,397,469,254	\$ 1,236,374,779	\$ 1,102,005,554	\$ 992,624,091	\$ 1,027,522,513
Debt service property taxes	293,568,308	276,269,130	272,242,638	289,758,068	247,590,294	232,266,371	195,804,754	164,908,522	147,135,700	151,859,268
State aid - not restricted to specific programs	128,245,356	313,004,066	157,551,822	116,880,152	219,041,630	286,405,460	323,852,977	249,637,884	361,077,829	393,524,758
Tax increment reinvestment zone	28,622,580	29,611,649	30,250,708	29,369,236	28,256,492	25,200,451	23,850,334	28,760,661	31,010,087	43,023,511
Unrestricted investment earnings	25,410,000	42,717,816	26,551,157	13,156,226	6,979,458	3,724,932	3,979,465	2,755,071	3,780,140	4,255,542
Miscellaneous	28,787,839	33,441,505	25,298,359	20,277,442	17,286,979	19,274,951	18,604,624	20,945,146	47,425,950	29,345,976
Insurance Recovery	-	-	22,510,326	-	-	-	-	-	-	-
Sale of real and personal property	1,302,703	1,240,622	-	(10,252,446)	(7,730,853)	53,413,990	-	-	-	-
On-behalf contribution relating to pension-GASB 68	-	-	-	33,289,135	59,082,962	-	-	-	-	-
Transfers	22,310,000	28,134,983	39,776,855	30,400,000	30,400,000	30,400,000	21,260,550	39,960,550	38,700,000	30,400,000
Total governmental activities	<u>\$ 2,238,423,096</u>	<u>\$ 2,459,498,360</u>	<u>\$ 2,276,003,481</u>	<u>\$ 2,139,252,373</u>	<u>\$ 2,125,882,861</u>	<u>\$ 2,048,155,409</u>	<u>\$ 1,823,727,483</u>	<u>\$ 1,608,973,388</u>	<u>\$ 1,621,753,797</u>	<u>\$ 1,679,931,568</u>
Business-type activities:										
Unrestricted investment earnings	302,886	331,681	304,954	510,543	146,707	57,514	59,550	87,300	109,681	88,424
Miscellaneous	-	-	13,402	745,611	619,151	425,772	1,055,403	979,700	1,518,159	762,895
On-behalf contribution relating to pension-GASB 68	-	-	-	-	2,590,276	-	-	-	-	-
Transfers	(22,310,000)	(28,134,983)	(39,776,855)	(30,400,000)	(30,400,000)	(30,400,000)	(21,260,550)	(39,960,550)	(38,700,000)	(30,400,000)
Total business-type activities	<u>(22,007,114)</u>	<u>(27,803,302)</u>	<u>(39,458,499)</u>	<u>(29,143,846)</u>	<u>(27,043,866)</u>	<u>(29,916,714)</u>	<u>(20,145,597)</u>	<u>(38,893,550)</u>	<u>(37,072,160)</u>	<u>(29,548,681)</u>
Total general revenues	<u>\$ 2,216,415,982</u>	<u>\$ 2,431,695,058</u>	<u>\$ 2,236,544,982</u>	<u>\$ 2,110,108,527</u>	<u>\$ 2,098,838,995</u>	<u>\$ 2,018,238,695</u>	<u>\$ 1,803,581,886</u>	<u>\$ 1,570,079,838</u>	<u>\$ 1,584,681,637</u>	<u>\$ 1,650,382,887</u>
Change in Position										
Governmental activities	\$ 177,919,988	\$ 279,437,831	\$ 290,446,575	\$ 15,928,107	\$ 95,975,041	\$ 259,243,364	\$ 148,855,780	\$ 122,599,237	\$ 141,200,490	\$ 119,711,027
Business-type activities	(4,105,439)	(7,006,935)	(6,895,551)	(3,795,229)	(9,493,146)	(800,069)	12,356,291	(7,033,154)	30,484,516	8,108,300
Total change in net position	<u>\$ 173,814,549</u>	<u>\$ 272,430,896</u>	<u>\$ 283,551,024</u>	<u>\$ 12,132,878</u>	<u>\$ 86,481,895</u>	<u>\$ 258,443,295</u>	<u>\$ 161,212,071</u>	<u>\$ 115,566,083</u>	<u>\$ 171,685,006</u>	<u>\$ 127,819,327</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT GOVERNMENTAL FUNDS FUND BALANCES LAST TEN FISCAL YEARS (modified accrual basis of accounting) (UNAUDITED)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund Balances										
Nonspendable	\$ 14,510,708	\$ 11,893,235	\$ 11,394,093	\$ 10,115,337	\$ 10,166,319	\$ 11,234,622	\$ 10,919,610	\$ 10,970,265	\$ 11,274,260	\$ 8,535,501
Restricted	-	-	-	-	-	5,686,179	10,558,662	23,628,833	25,294,791	23,746,635
Committed	46,364,840	46,364,840	46,364,840	102,364,840	91,482,865	89,706,733	83,790,695	81,161,009	78,974,229	100,954,015
Assigned	251,970,374	248,407,583	165,504,729	222,413,318	250,970,779	256,992,372	155,446,311	128,138,692	124,225,921	92,059,275
Unassigned	655,054,226	512,328,146	389,415,008	366,955,184	385,625,902	282,545,916	279,351,748	276,796,499	312,621,371	257,315,672
Total general fund	<u>\$ 967,900,148</u>	<u>\$ 818,993,804</u>	<u>\$ 612,678,670</u>	<u>\$ 701,848,679</u>	<u>\$ 738,245,865</u>	<u>\$ 646,165,822</u>	<u>\$ 540,067,026</u>	<u>\$ 520,695,298</u>	<u>\$ 552,390,572</u>	<u>\$ 482,611,098</u>
All Other Governmental Funds										
Restricted, reported in:										
Special Revenue Fund	\$ 56,747,896	\$ 89,613,030	\$ 62,903,803	\$ 37,058,450	\$ 34,657,380	\$ 28,091,528	\$ 25,304,978	\$ 25,304,978	\$ 25,445,723	\$ 9,703,595
Debt Service Fund	112,859,097	104,574,389	120,557,656	129,036,673	123,124,995	125,699,276	127,037,935	127,037,935	144,143,368	131,866,758
Capital Renovation Fund	249,171,715	453,423,732	734,975,292	921,555,203	876,943,939	648,942,505	573,881,680	573,881,680	376,547,064	553,805,808
Public Facility Corporation	2,956,240	17,553,240	17,399,029	28,509,693	63,955,273	93,235,178	6,837,689	6,837,689	6,817,756	17,857,956
Committed, reported in:										
Capital Renovation Fund	-	1,728,295	2,729,367	7,922,067	21,000,196	38,462,761	75,469,488	75,469,488	93,542,185	124,962,185
Assigned, reported in:										
Capital Renovations Fund	37,843,663	73,571,578	76,731,028	52,416,845	59,896,209	70,481,908	45,155,473	45,155,473	57,889,113	54,177,283
Total all other governmental funds	<u>\$ 459,578,611</u>	<u>\$ 740,464,264</u>	<u>\$ 1,015,296,175</u>	<u>\$ 1,176,498,931</u>	<u>\$ 1,179,577,992</u>	<u>\$ 1,004,913,156</u>	<u>\$ 853,687,243</u>	<u>\$ 853,687,243</u>	<u>\$ 704,385,209</u>	<u>\$ 892,373,585</u>

NOTES: Governmental Funds Balances include fund balances from the following funds: General, Special Revenue, Debt Service, Capital Renovation, and the nonmajor governmental fund (Public Facility Corporation).

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT GOVERNMENTAL FUNDS REVENUES LAST TEN FISCAL YEARS (modified accrual basis of accounting) (UNAUDITED)

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Local sources:										
Property taxes	\$ 2,010,279,432	\$ 2,024,206,276	\$ 1,983,988,484	\$ 1,893,322,642	\$ 1,777,993,410	\$ 1,620,768,964	\$ 1,439,001,774	\$ 1,267,605,956	\$ 1,199,168,635	\$ 1,188,465,129
Earnings on investments	24,338,742	41,075,497	25,732,548	12,674,863	6,537,913	3,227,580	3,567,672	2,491,504	3,405,057	3,976,620
Miscellaneous local sources	64,380,498	83,112,013	70,388,913	55,920,082	53,679,466	46,389,598	52,031,641	59,749,175	73,964,248	68,656,990
Total local sources	<u>2,098,998,672</u>	<u>2,148,393,786</u>	<u>2,080,109,945</u>	<u>1,961,917,587</u>	<u>1,838,210,789</u>	<u>1,670,386,142</u>	<u>1,494,601,087</u>	<u>1,329,846,635</u>	<u>1,276,537,940</u>	<u>1,261,098,739</u>
State sources:										
Per capita	60,517,457	94,244,907	40,054,418	76,341,323	35,116,457	49,580,221	49,423,912	85,664,101	46,005,198	59,890,994
Foundation school program	71,137,762	227,892,870	127,331,532	49,296,541	193,435,639	247,558,062	285,992,699	175,880,327	327,816,675	369,544,820
On behalf payments	85,470,235	76,909,310	75,597,807	32,914,554	42,570,730	46,763,431	67,095,628	60,285,800	57,774,897	69,305,020
Other state sources	31,203,794	40,381,995	20,467,949	23,740,776	39,394,909	7,355,681	39,304,253	21,289,371	49,854,401	23,520,135
Total state sources	<u>248,329,248</u>	<u>439,429,082</u>	<u>263,451,706</u>	<u>182,293,194</u>	<u>310,517,735</u>	<u>351,257,395</u>	<u>441,816,492</u>	<u>343,119,599</u>	<u>481,451,171</u>	<u>522,260,969</u>
Federal sources	352,643,888	332,883,354	352,337,407	185,375,265	185,158,431	213,682,616	206,949,586	203,715,416	246,425,350	319,183,246
Total revenues	<u>\$ 2,699,971,808</u>	<u>\$ 2,920,706,222</u>	<u>\$ 2,695,899,058</u>	<u>\$ 2,329,586,046</u>	<u>\$ 2,333,886,955</u>	<u>\$ 2,235,326,153</u>	<u>\$ 2,143,367,165</u>	<u>\$ 1,876,681,650</u>	<u>\$ 2,004,414,461</u>	<u>\$ 2,102,542,954</u>

NOTE: Governmental Funds Revenues include those received by the following funds: General, Special Revenue, Debt Service, Capital Renovation, and the nonmajor governmental fund (Public Facility Corporation).

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO LAST TEN FISCAL YEARS (modified accrual basis of accounting) (UNAUDITED)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction	\$ 1,202,777,885	\$ 1,099,683,185	\$ 1,196,178,528	\$ 1,099,037,778	\$ 1,156,049,711	\$ 1,104,440,814	\$ 1,088,908,173	\$ 992,163,478	\$ 1,013,494,213	\$ 1,101,162,131
Instructional resources and media services	7,841,317	9,953,448	9,436,233	8,963,155	6,593,406	7,952,267	10,278,369	11,118,905	11,555,276	16,381,158
Instructional staff development	57,587,847	61,344,044	68,555,448	54,161,088	60,270,149	59,107,913	58,154,670	54,939,279	63,856,333	54,263,839
Curriculum development	-	-	-	-	9,394,342	5,697,622	6,127,068	5,687,120	4,201,940	4,890,219
Instructional leadership	33,514,852	34,238,527	29,936,424	33,352,131	29,042,244	27,204,848	24,074,779	22,416,685	21,599,188	24,888,930
School leadership	151,004,365	146,089,651	151,711,305	132,074,470	138,095,849	128,611,645	124,755,647	116,733,825	119,183,528	128,698,374
Guidance, counseling, and evaluation services	78,083,313	64,754,757	62,330,230	55,556,445	53,831,166	45,117,000	49,135,835	48,204,442	56,123,250	57,677,493
Social work services	14,372,266	9,745,580	3,038,670	3,430,189	3,549,028	2,899,837	3,193,461	1,735,345	1,846,464	2,192,944
Health services	24,846,323	23,797,821	21,626,132	21,288,305	20,779,347	19,860,156	19,925,875	18,590,270	17,042,335	21,422,280
Student transportation	58,804,058	63,477,203	72,577,424	70,696,961	58,910,024	54,059,722	53,007,805	54,970,802	47,175,230	48,240,258
Food services	112,485,682	128,750,448	124,090,805	13,090	253,641	591,158	172,172	583,973	583,260	131,151
Co-curricular/extracurricular activities	20,549,019	16,468,189	21,400,667	18,388,966	18,942,687	17,083,246	15,831,469	16,029,157	17,217,488	20,289,786
General administration	37,876,811	44,963,888	40,567,588	42,607,689	35,182,633	35,119,538	36,289,625	32,554,127	32,363,024	33,915,789
Plant maintenance and operations	195,632,262	199,177,637	240,650,346	181,942,691	165,977,640	173,825,216	191,750,049	166,933,319	172,762,187	175,450,003
Security and monitoring services	24,918,852	24,356,065	26,041,443	24,841,791	25,332,111	22,425,128	22,059,980	19,739,550	18,835,057	20,264,492
Data processing services	67,147,720	60,175,446	71,130,255	73,362,175	85,484,194	89,624,688	61,605,594	45,275,495	27,338,836	26,180,383
Community services	14,720,370	8,079,861	8,216,172	7,479,612	6,963,614	6,467,383	4,840,611	4,167,845	5,087,450	5,890,353
Fiscal agent/member districts of shared services arrangements	3,598,894	3,719,430	3,045,173	2,911,732	2,260,646	2,704,595	1,956,874	2,405,128	-	-
Juvenile justice alternative education program	792,000	792,000	792,000	792,117	792,000	792,000	843,660	843,660	984,270	-
Tax reinvestment zone payments	61,321,789	58,465,450	56,170,397	55,616,783	52,100,723	49,360,389	53,641,961	51,016,677	52,834,027	49,634,345
Tax appraisal and collection	14,980,471	14,990,752	13,814,336	13,995,353	13,355,890	12,555,327	10,588,700	9,927,290	9,775,757	9,797,218
Chapter 41/ Purchase of WADA	80,843,995	265,231,840	204,404,117	93,080,703	-	-	-	-	-	-
Debt service										
Principal	222,246,235	216,959,476	216,850,992	215,034,493	140,278,176	117,446,886	129,080,391	96,045,369	74,639,997	71,034,340
Interest	136,657,894	144,967,361	130,364,390	130,444,013	157,739,465	132,138,517	153,493,148	160,202,075	142,211,510	141,891,751
Fiscal charges	1,017,674	547,878	740,121	2,808,883	1,959,956	2,728,904	243,134	-	-	-
Payments to escrow agent- current refunding	168,815,269	162,110,000	-	601,759,534	203,287,228	752,140,331	-	-	186,455,000	-
Capital outlay										
Facilities acquisition and construction	280,500,797	339,354,224	593,524,936	603,314,687	429,290,307	241,104,027	181,127,977	211,984,053	287,682,245	294,750,604
Total expenditures	\$ 3,072,937,960	\$ 3,202,194,161	\$ 3,367,194,132	\$ 3,546,954,834	\$ 2,875,716,177	\$ 3,111,059,157	\$ 2,301,087,027	\$ 2,144,267,869	\$ 2,384,847,865	\$ 2,309,047,841
(1) Debt service as a percentage of non-capital expenditures	13.83%	13.53%	12.85%	14.75%	13.21%	11.88%	13.62%	13.71%	11.48%	10.55%
(2) Debt service as a percentage of non-capital expenditures including payments to escrow agent	19.10%	18.47%	12.85%	32.17%	20.39%	35.11%	13.62%	13.71%	19.44%	10.55%

NOTES: Governmental Funds expenditures include those made by the following funds: General, Special Revenue, Debt Service, Capital Renovation, and the nonmajor governmental fund (Public Facility Corporation).

(1) The current refundings in fiscal years 2012, 2015, 2016, 2017, 2019 and 2020 have been deducted from non-capital expenditures in order to insure comparability between years.

(2) The debt service ratio is calculated by dividing total debt service (principal, interest, and current refundings) by total noncapital expenditures. Noncapital expenditures are total expenditures less capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditure categories. The calculation for the debt service ratio in the year reported is as follows: (222,246,235 + 136,657,894) / (3,072,937,960 - 309,724,573) where 309,724,573 is the portion of capital outlay capitalized in the government-wide statements. The ratio of 18.47% was restated from the original 19.59% published in fiscal year 2019.

Prior to fiscal year 2014, interest and fiscal charges were reported in aggregate.

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting) (UNAUDITED)

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess of revenues under expenditures	\$ (372,966,152)	\$ (281,487,939)	\$ (671,295,074)	\$ (1,217,368,788)	\$ (541,829,222)	\$ (875,733,004)	\$ (157,719,862)	\$ (267,586,219)	\$ (380,433,404)	\$ (206,504,887)
Other Financing Sources (Uses)										
Capital leases	35,099,520	-	23,481,683	562,012	8,640,097	19,814,339	15,732,872	66,979	-	55,772
Sale of real and personal property	1,302,706	-	-	484,960	3,049,975	-	-	-	-	-
Issuance of bonds and other debt	148,895,000	159,945,000	261,575,000	488,670,000	492,880,000	1,132,865,000	-	449,675,000	205,580,000	14,500,000
Issuance of refunding debt	-	-	-	531,575,000	461,945,000	-	-	-	-	-
Payments to escrow agents	-	-	-	-	(313,982,644)	(51,072,776)	-	(158,136,613)	-	-
Premium on sale of bonds	17,082,670	2,650,288	40,253,761	53,599,739	69,665,118	65,105,203	-	50,189,281	6,371,654	727,960
Premium on sale of refunding bonds	-	-	-	72,600,830	55,976,555	-	-	-	-	-
Discount on sale of bonds	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	16,296,947	24,375,874	40,478,727	-	-	61,799,149	1,259,647	3,437,781	11,572,848	4,748,507
Transfers in	86,844,378	85,807,398	151,069,290	97,486,060	69,663,964	79,648,453	120,753,258	122,337,002	144,071,182	150,794,392
Transfers out	(64,534,378)	(59,807,398)	(95,936,152)	(67,086,060)	(39,263,964)	(49,732,387)	(99,492,708)	(82,376,451)	(105,371,182)	(119,894,392)
Total other financing sources	<u>240,986,843</u>	<u>212,971,162</u>	<u>420,922,309</u>	<u>1,177,892,541</u>	<u>808,574,101</u>	<u>1,258,426,981</u>	<u>38,253,069</u>	<u>385,192,979</u>	<u>262,224,502</u>	<u>50,932,239</u>
Net change in fund balances	<u>\$ (131,979,309)</u>	<u>\$ (68,516,777)</u>	<u>\$ (250,372,765)</u>	<u>\$ (39,476,247)</u>	<u>\$ 266,744,879</u>	<u>\$ 382,693,977</u>	<u>\$ (119,466,793)</u>	<u>\$ 117,606,760</u>	<u>\$ (118,208,902)</u>	<u>\$ (155,572,648)</u>

NOTE: Governmental Funds include the following: General, Special Revenue, Debt Service, Capital Renovation, and the nonmajor governmental fund (Public Facility Corporation).

FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

2020 REVENUE CAPACITY

**STATISTICAL
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Real Property	Personal Property	Less Exemptions	Assessed Value	Total Direct Rate	Actual Value
2011	\$ 103,475,205,925	\$ 32,721,545,410	\$ 31,757,721,688	\$ 104,439,029,647	\$ 1.156700	\$ 136,968,429,462
2012	104,819,348,791	33,583,123,258	32,507,383,892	105,895,088,157	1.156700	138,915,121,643
2013	109,332,409,911	37,212,465,190	34,976,103,329	111,568,771,772	1.156700	147,084,283,042
2014	121,883,221,417	40,189,161,984	36,959,867,237	125,112,516,134	1.186700	163,016,705,430
2015	137,640,731,747	41,268,373,303	39,328,697,496	139,580,407,554	1.196700	183,562,093,146
2016	153,367,413,252	44,404,146,318	44,911,076,773	152,860,482,797	1.196700	206,223,497,079
2017	168,120,296,681	44,977,402,521	47,236,054,537	165,861,644,665	1.206700	218,146,974,374
2018	174,959,532,253	45,435,432,088	48,784,335,870	171,610,628,471	1.206700	223,346,451,297
2019	177,702,168,246	46,441,069,441	50,219,607,578	173,923,630,109	1.206700	225,614,769,174
2020	189,412,295,055	49,526,043,170	53,402,804,139	185,535,534,086	1.136700	241,869,462,270

SOURCE: Harris County Appraisal District (HCAD)

NOTES: The real property numbers were derived by using the tax roll for the corresponding year and adding the totals for all items designated as "real" in the category description.
Personal property represents items not identified as "real" in the category description.
Actual value is the Market value as reported by HCAD.

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT PROPERTY TAX EXEMPTIONS LAST TEN FISCAL YEARS (UNAUDITED)

Classification of Exemption or Exclusion	2020		2019		2018		2017		2016	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Local Option and State-Mandated Homestead Exemption	\$ 20,982,691,668	39.29%	\$ 20,193,510,231	40.21%	\$ 20,130,642,759	41.26%	\$ 19,425,189,768	41.12%	\$ 18,223,216,591	40.58%
Local Option and State-Mandated Homestead Exemption Over 65 years of age or older (up to \$10,000 AV)	1,124,531,151	2.11%	980,845,610	1.95%	958,814,009	1.97%	938,082,355	1.99%	894,636,337	1.99%
Disabled Veterans, Surviving Spouses and/or Children and Certain Other Disabled Persons	268,830,840	0.50%	340,711,295	0.68%	319,965,918	0.66%	294,923,836	0.62%	272,968,718	0.61%
Tax Exempt (i.e., Church)	29,372,489,351	55.00%	27,104,231,423	53.98%	26,091,717,785	53.48%	25,123,729,903	53.19%	23,862,120,885	53.13%
Pollution Control	319,174,813	0.60%	318,792,626	0.63%	299,434,085	0.61%	328,871,032	0.70%	312,294,880	0.70%
Foreign Trade	631,736,979	1.18%	669,123,302	1.33%	377,921,871	0.77%	192,057,213	0.41%	299,554,557	0.67%
Other	703,349,337	1.32%	612,393,091	1.22%	605,839,443	1.24%	933,200,430	1.98%	1,046,284,805	2.33%
Total Exemptions from Assessed Value	<u>\$ 53,402,804,139</u>	<u>100.00%</u>	<u>\$ 50,219,607,578</u>	<u>100.00%</u>	<u>\$ 48,784,335,870</u>	<u>100.00%</u>	<u>\$ 47,236,054,537</u>	<u>100.00%</u>	<u>\$ 44,911,076,773</u>	<u>100.00%</u>

Classification of Exemption or Exclusion	2015		2014		2013		2012		2011	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Local Option and State-Mandated Homestead Exemption	\$ 14,564,042,575	37.03%	\$ 13,441,842,882	36.37%	\$ 12,806,116,133	36.61%	\$ 12,883,366,847	39.63%	\$ 12,894,170,714	40.60%
Local Option and State-Mandated Homestead Exemption Over 65 years of age or older (up to \$10,000 AV)	930,079,467	2.36%	913,697,777	2.47%	856,136,308	2.45%	864,938,181	2.66%	864,784,473	2.72%
Disabled Veterans, Surviving Spouses and/or Children and Certain Other Disabled Persons	283,067,126	0.72%	270,328,598	0.73%	246,378,759	0.70%	237,097,058	0.73%	229,161,105	0.72%
Tax Exempt (i.e., Church)	21,929,143,755	55.76%	20,610,459,907	55.76%	19,534,688,907	55.85%	17,299,253,783	53.22%	16,522,229,073	52.03%
Pollution Control	307,945,565	0.78%	311,426,503	0.84%	320,196,159	0.92%	294,242,289	0.91%	256,699,345	0.81%
Foreign Trade	370,778,596	0.94%	422,087,984	1.14%	358,450,852	1.02%	121,857,525	0.37%	282,810,548	0.89%
Other	943,640,412	2.40%	990,023,586	2.68%	854,136,211	2.44%	806,628,209	2.48%	707,866,430	2.23%
Total Exemptions from Assessed Value	<u>\$ 39,328,697,496</u>	<u>100.00%</u>	<u>\$ 36,959,867,237</u>	<u>100.00%</u>	<u>\$ 34,976,103,329</u>	<u>100.00%</u>	<u>\$ 32,507,383,892</u>	<u>100.00%</u>	<u>\$ 31,757,721,688</u>	<u>100.00%</u>

SOURCE: Harris County Appraisal District

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (RATE PER \$100 OF ASSESSED VALUE) (UNAUDITED)

Fiscal Year	District Direct Rates			Overlapping Rates									
	General Fund	Debt Service Fund	Total	Harris County	City of Houston	City of Bellaire	Jacinto City	Missouri City	City of Southside Place	City of West University Place	Houston Community College	Various Harris County MUD'S	
2011	\$ 1.006700	\$ 0.150000	\$ 1.156700	\$ 0.636561	\$ 0.638750	\$ 0.399900	\$ 0.801526	\$ 0.528400	\$ 0.347833	\$ 0.374110	\$ 0.092220	\$ 0.143500	\$ 1.360000
2012	1.006700	0.150000	1.156700	0.636561	0.638750	0.399900	0.795926	0.528400	0.347833	0.374110	0.097222	0.143500	1.360000
2013	1.006700	0.150000	1.156700	0.636597	0.638750	0.399900	0.766120	0.544800	0.367833	0.374110	0.097173	0.143500	1.440000
2014	1.026700	0.160000	1.186700	0.636338	0.638750	0.399900	0.799907	0.573750	0.367833	0.374000	0.097173	0.143450	1.470000
2015	1.026700	0.170000	1.196700	0.417310	0.631080	0.393600	0.799907	0.565000	0.337159	0.361790	0.106890	0.143450	1.400000
2016	1.026700	0.170000	1.196700	0.419230	0.601120	0.380500	0.783554	0.544680	0.324000	0.331790	0.101942	0.143450	1.290000
2017	1.026700	0.180000	1.206700	0.416560	0.586420	0.387400	0.783554	0.560100	0.324000	0.316800	0.100263	0.143450	1.250000
2018	1.040000	0.166700	1.206700	0.418010	0.584210	0.415900	0.783554	0.600000	0.320000	0.316800	0.100263	0.143450	1.250000
2019	1.040000	0.166700	1.206700	0.418580	0.588310	0.431300	0.783554	0.630000	0.318768	0.316800	0.100263	0.143450	0.845000
2020	0.970000	0.166700	1.136700	0.407130	0.567920	0.447300	0.783554	0.630000	0.318768	0.309210	0.100263	0.143450	0.785000

SOURCE: Harris County Appraisal District and Missouri City

NOTE: The rate reported for Harris County consists of the rates for Harris County, Harris County Flood Control District, Harris County Department of Education, Harris County Port Authority, and the Harris County Hospital District.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

<u>Taxpayer</u>	<u>Fiscal Year Ending 2020</u>			<u>Fiscal Year Ending 2011</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
Centerpoint Energy, Inc.	\$ 1,607,141,120	1	0.8662 %	\$ 995,198,786	1	0.9529 %
Chevron Chemical Company	925,255,450	2	0.4987	443,254,388	5	0.4244
PKY CITY WEST 1-4, POC	843,913,327	3	0.4549	-	-	-
GWP (Greenway Plaza)	820,850,180	4	0.4424	-	-	-
One, Two, and Three Allen Center	788,054,141	5	0.4247	-	-	-
Valero Energy	695,743,538	6	0.3750	260,555,913	10	0.2495
BSREP (Brookfield)	659,534,812	7	0.3555	-	-	-
HG Galleria I II III LP	619,381,877	8	0.3338	315,388,094	8	0.3020
Finger FSC	510,735,741	9	0.2753	-	-	-
Busycon Properties	480,421,218	10	0.2589	-	-	-
Hines Interests LTD Partnership	-	-	-	855,601,250	2	0.8192
Crescent Real Estate Equities	-	-	-	603,998,244	3	0.5783
Cullen Allen Holding	-	-	-	510,186,148	4	0.4885
Anheuser Busch, Inc.	-	-	-	404,399,350	6	0.3872
Southwestern Bell Telephone Co.	-	-	-	370,474,547	7	0.3547
Exxon Mobil Corp	-	-	-	299,630,733	9	0.2869
	<u>\$ 7,951,031,404</u>		<u>4.2854 %</u>	<u>\$ 5,058,687,453</u>		<u>4.8436 %</u>

SOURCE: Harris County Appraisal District.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 1,169,639,727	\$ 1,137,633,695	97.26%	\$ 25,839,048	\$ 1,163,472,743	99.47%
2012	1,189,044,360	1,161,106,348	97.65%	21,939,824	1,183,046,172	99.50%
2013	1,257,650,819	1,230,398,073	97.83%	20,960,765	1,251,358,838	99.50%
2014	1,448,983,295	1,420,969,869	98.07%	6,427,346	1,427,397,215	98.51%
2015	1,626,867,734	1,593,140,114	97.93%	8,783	1,593,148,898	97.93%
2016	1,776,902,751	1,738,512,893	97.84%	15,373,570	1,753,886,463	98.70%
2017	1,938,101,993	1,904,734,976	98.28%	(15,187,235)	1,889,547,740	97.49%
2018	2,002,012,192	1,963,918,398	98.10%	(1,415,745)	1,962,502,653	98.03%
2019	2,039,948,464	1,999,695,187	98.03%	12,990,782	2,012,685,969	98.66%
2020	2,048,599,091	1,993,877,549	97.33%	-	1,993,877,549	97.33%

SOURCE: Harris County Tax Assessor

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Fiscal Year Ended	Tax Rates		Assessed Taxable Value For School Tax Purposes	Fiscal Year Beginning Balance	Current Year Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Fiscal Year Ending Balance
	Maintenance	Debt Service							
2011 and prior	various	various	various	\$ 16,897,347	\$ -	\$ 924,409	\$ 111,662	\$ (2,082,649)	\$ 13,778,627
2012	1.006700	0.150000	105,895,088,157	3,324,005	-	179,949	26,813	(8,852)	3,108,391
2013	1.006700	0.150000	111,568,771,772	3,492,402	-	243,996	36,356	51,966	3,264,016
2014	1.026700	0.160000	125,112,516,134	3,573,606	-	260,035	40,524	(19,590)	3,253,457
2015	1.026700	0.170000	139,580,407,554	4,428,093	-	360,482	59,688	(90,075)	3,917,848
2016	1.026700	0.170000	152,860,482,797	4,834,805	-	572,345	94,768	(15,228)	4,152,464
2017	1.026700	0.180000	165,861,644,665	6,876,226	-	664,068	116,424	(645,324)	5,450,410
2018	1.040000	0.166700	171,610,628,471	12,826,971	-	(2,389,195)	(382,961)	(7,235,465)	8,363,662
2019	1.040000	0.166700	173,923,630,109	40,253,277	-	(4,577,381)	(733,701)	(32,573,578)	12,990,781
2020	0.970000	0.166700	185,535,534,086	-	2,048,599,091	1,701,470,241	292,407,308	-	54,721,542
1000 Total				<u>\$ 96,506,732</u>	<u>\$ 2,048,599,091</u>	<u>\$ 1,697,708,949</u>	<u>\$ 291,776,881</u>	<u>\$ (42,618,795)</u>	<u>\$ 113,001,198</u>
9000 Portion of Row 1000 for Taxes Paid into Tax Increment Zone under Chapter 311, Tax Code				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,911,949</u>	<u>\$ 3,900,075</u>	<u>\$ -</u>	<u>\$ 49,812,024</u>

2020 DEBT CAPACITY

**STATISTICAL
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS (UNAUDITED)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 15,122,196,192	\$ 14,175,760,293	\$ 13,987,237,567	\$ 13,518,662,850	\$ 12,458,994,566	\$ 11,376,593,266	\$ 10,197,378,224	\$ 9,093,486,399	\$ 8,631,049,053	\$ 8,512,372,059
Total Net Debt Applicable to Limit	2,800,313,188	3,044,000,722	3,268,500,408	3,394,612,558	3,075,365,261	2,674,555,713	2,394,535,582	2,476,907,334	2,295,333,491	2,372,615,315
Legal Debt Margin	<u>\$ 12,321,883,004</u>	<u>\$ 11,131,759,571</u>	<u>\$ 10,718,737,159</u>	<u>\$ 10,124,050,292</u>	<u>\$ 9,383,629,305</u>	<u>\$ 8,702,037,553</u>	<u>\$ 7,802,842,642</u>	<u>\$ 6,616,579,065</u>	<u>\$ 6,335,715,562</u>	<u>\$ 6,139,756,744</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.52%	21.47%	23.37%	25.11%	24.68%	23.51%	23.48%	27.24%	26.59%	27.87%

Legal Debt Margin Calculation for Fiscal Year 2020:

Assessed Value	\$185,535,534,086
Maximum Tax Rate (1)	\$0.50
Number of Years (2)	40
Maximum Principal	\$ -
Outstanding Principal (3)	\$ 2,800,313,188

Notes:

- (1) Per Section 45.0031 of the Texas Education Code, the District has to have a projected ability to pay the principal and interest on the bonds from a tax at a rate not to exceed \$0.50 per \$100 valuation.
- (2) Per Section 45.001, the Bonds must mature serially or otherwise not more than 40 years from their date.
- (3) Outstanding principal of General Obligation and Lease Revenue Bonds net of premiums, accretions for capital appreciation bonds, and funds restricted for payment of principal on the related debt. Net debt applicable to the legal debt margin is equal to net bonded debt.

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
TO ASSESSED VALUE AND NET BONDED DEBT PER STUDENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended	Gross Bonded Debt (1)	Less Restricted For Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (2)	Net Bonded Debt Per Student (3)	Ratio of Debt to Personal Income (4)	Net Bonded Debt Per Capita (5)
2011	\$ 2,453,286,391	\$ 80,671,076	\$ 2,372,615,315	\$ 2.27	\$ 11,671	\$ 4.01	\$ 1,800
2012	2,375,354,550	80,021,059	2,295,333,491	2.17	11,386	3.86	1,734
2013	2,588,759,849	114,852,515	2,473,907,334	2.22	12,212	4.15	1,861
2014	2,508,442,969	113,907,387	2,394,535,582	1.91	11,364	3.76	1,688
2015	2,771,510,713	96,955,000	2,674,555,713	1.92	12,427	4.12	1,851
2016	3,154,354,223	78,988,962	3,075,365,261	2.01	14,262	4.62	2,078
2017	3,462,409,946	67,797,388	3,394,612,558	2.05	15,708	5.00	2,245
2018	3,320,324,548	51,824,140	3,268,500,408	1.90	15,261	4.75	2,137
2019	3,082,881,941	38,881,219	3,044,000,722	1.75	14,511	4.36	1,963
2020	2,846,481,269	46,168,081	2,800,313,188	1.51	13,331	3.73	1,788

Notes: (1) Includes general obligation bonds as well as lease revenue bonds issued by the Houston Independent School District Public Facility Corporation, a component unit of the District. See Note 2 of the financial statements for additional detail.

(2) See assessed value and actual value of taxable property schedule. Ratio is per \$100 of assessed value.

(3) See student information schedule.

(4) See personal income of demographic information schedule.

(5) See population of demographic information.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)**

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Outstanding as of</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to the District</u>
Overlapping :				
Bellaire, City of	\$ 116,440,000	06/30/20	100.00%	\$ 116,440,000
Fort Bend Co WC&ID #2	98,230,000	06/30/20	1.22%	1,198,406
Harris County	1,885,182,125	06/30/20	38.78%	731,073,628
Harris County Dept of Ed	6,320,000	06/30/20	38.78%	2,450,896
Harris County Flood Control	83,075,000	06/30/20	38.78%	32,216,485
Harris County Hospital District	86,050,000	06/30/20	38.78%	33,370,190
Harris County ID #1	36,240,000	06/30/20	100.00%	36,240,000
Harris County ID #3	2,135,000	06/30/20	100.00%	2,135,000
Harris County MUD #122	1,140,000	06/30/20	100.00%	1,140,000
Harris County MUD #148	21,675,000	06/30/20	2.77%	600,398
Harris County MUD #355	5,925,000	06/30/20	100.00%	5,925,000
Harris County MUD #382	11,160,000	06/30/20	1.16%	129,456
Harris County MUD #390	38,885,000	06/30/20	100.00%	38,885,000
Harris County MUD #393	9,570,000	06/30/20	90.31%	8,642,667
Harris County MUD #404	8,465,000	06/30/20	100.00%	8,465,000
Harris County MUD #407	4,035,000	06/30/20	100.00%	4,035,000
Harris County MUD #410	12,540,000	06/30/20	22.49%	2,820,246
Harris County MUD #411	7,360,000	06/30/20	100.00%	7,360,000
Harris County MUD #420	7,860,000	06/30/20	100.00%	7,860,000
Harris County MUD #451	6,385,000	06/30/20	100.00%	6,385,000
Harris County MUD #460	16,635,000	06/30/20	100.00%	16,635,000
Harris County MUD #480	10,435,000	06/30/20	100.00%	10,435,000
Harris County MUD #529	11,700,000	06/30/20	100.00%	11,700,000
Harris County MUD #537	10,850,000	06/30/20	100.00%	10,850,000
Harris County WC&ID #89	46,965,000	06/30/20	100.00%	46,965,000
Harris County WC&ID (Fondren Road)	1,860,000	06/30/20	100.00%	1,860,000
Houston, Community College	528,150,000	06/30/20	90.08%	475,757,520
Houston, City of	3,423,995,000	06/30/20	68.41%	2,342,354,980
Jacinto City, City of	925,000	06/30/20	63.63%	588,578
Lower Kirby Pearland Mgmt District	25,730,000	06/30/20	100.00%	25,730,000
Missouri City, City of	155,195,000	06/30/20	4.91%	7,620,075
Pine Village PUD	105,000	06/30/20	6.95%	7,298
Port of Houston Authority	572,569,397	06/30/20	38.78%	222,042,412
Southside Place, City of	6,530,000	06/30/20	100.00%	6,530,000
Southwest Harris Co. MUD #1	1,300,000	06/30/20	100.00%	1,300,000
West University Place, City of	25,955,000	06/30/20	100.00%	25,955,000
SUBTOTAL OVERLAPPING DEBT				4,253,703,235
Direct :				
Houston Independent School District				3,098,189,258
TOTAL DIRECT AND OVERLAPPING DEBT				\$ 7,351,892,493

Notes: Information furnished by Texas Municipal Advisory Council, except for the net debt of the Houston Independent School District.

The percentage of overlapping debt is estimated using property market values. Percentages were estimated by determining the portion of the overlapping taxing authority's market value contained within the District's boundaries and dividing it by the overlapping taxing authority's total market value.

Net debt for the Houston Independent School District includes the following:

Bonds	\$ 2,601,850,000
Notes	178,925,000
PFC debt	74,971,528
Accretion of PFC CABS	5,191,168
Premium/discount on debt	184,647,567
Capital leases payable	52,603,995
	<u>\$ 3,098,189,258</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended	General Obligation Bonds	Lease Revenue Bonds	Contractual Obligations	Notes Payable	Capital Leases	Total Primary Government	Ratio of Debt to Assessed Value (1)	Debt Per Student (2)	Percentage of Total Personal Income (3)	Total Debt Per Capita (4)
2011	\$ 2,300,865,182	\$ 152,421,209	\$ 75,390,744	\$ 65,072,753	\$ 55,772	\$ 2,593,805,660	2.48	\$ 12,759	4.39%	\$ 1,968
2012	2,230,594,347	144,760,203	76,525,910	59,448,724	28,268	2,511,357,452	2.37	12,458	4.23%	1,897
2013	2,452,198,822	136,561,027	53,188,101	54,170,251	66,678	2,696,184,879	2.42	13,309	4.52%	2,029
2014	2,382,594,863	125,848,106	31,378,525	50,811,081	15,766,729	2,606,399,304	2.08	12,369	4.09%	1,837
2015	2,564,919,056	206,591,656	17,468,401	45,360,000	31,008,613	2,865,347,726	2.05	13,313	4.41%	1,983
2016	2,961,137,471	193,216,752	8,387,221	40,360,000	29,416,353	3,232,517,797	2.11	14,991	4.86%	2,184
2017	3,298,533,887	163,876,059	5,657,240	35,360,000	16,742,354	3,520,169,540	2.12	16,289	5.18%	2,328
2018	3,180,310,237	140,014,311	2,809,325	229,569,460	24,223,370	3,576,926,703	2.08	16,701	5.20%	2,339
2019	2,967,014,762	115,867,179	1,400,000	216,382,946	13,598,328	3,314,263,215	1.91	15,799	4.75%	2,137
2020	2,759,294,436	87,186,833	-	199,103,994	52,603,995	3,098,189,258	1.69	14,749	4.13%	1,979

Notes: (1) See assessed value and actual value of taxable property schedule. Ratio is per \$100 of assessed value.

(2) See student information schedule.

(3) See personal income of demographic information schedule.

(4) See population of demographic information schedule.

Increase in capital leases starting in 2014 is due to the District's "Power Up" program which provides a lap top to each high school student for use at school and at home. Starting in FY2020 increases in capital leases also include capitalization of new copier leases.

**2020 DEMOGRAPHIC AND
ECONOMIC CAPACITY**

**STATISTICAL
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC INFORMATION
LAST TEN CALENDAR YEARS
(UNAUDITED)**

Calendar Year	Population	Personal Income	Per Capita Income	Average Daily Attendance	Unemployment Rate	Residential Units	Total Assessed Value of Residential Units	Average Assessed Value of Residential Units
2011	1,318,111	\$ 59,126,493,499	\$ 44,857	184,022	8.80 %	311,812	\$ 46,554,622,525	\$ 149,303
2012	1,323,559	59,389,427,420	44,871	182,376	7.50	313,110	46,864,855,862	149,675
2013	1,329,030	59,652,195,763	44,884	182,589	7.80	313,971	47,432,413,118	151,073
2014	1,418,820	63,713,530,920	44,906	191,150	5.10	315,004	49,776,901,061	158,020
2015	1,445,277	64,927,623,948	44,924	188,957	4.20	332,960	56,700,980,749	170,294
2016	1,480,107	66,513,048,366	44,938	193,965	5.80	335,533	63,143,658,828	188,189
2017	1,512,221	67,956,187,298	44,938	194,935	5.30	338,185	69,142,683,603	204,452
2018	1,529,513	68,760,786,428	44,956	194,049	4.60	339,806	73,027,017,795	214,908
2019	1,550,689	69,746,889,842	44,978	187,105	3.20	343,065	74,460,981,034	217,046
2020	1,565,856	75,077,389,865	47,947	173,665	9.90	345,454	80,110,954,207	231,900

NOTES: Population data for the district boundaries is from US Census Bureau, Small Area Income and Poverty Program (SAIPE).

Per Capita Income data from the Bureau of Economic Analysis, Harris County Per Capita Income.
Data for 2019 and 2020 estimated based on national average, actual not available at time of printing.

Average Daily Attendance information obtained from PEIMS (Public Education Information Management System)
Prior year information maintained as previously disclosed.

Unemployment rate for the City of Houston, as reported by the US Bureau of Labor Statistics

Residential Unit data obtained from the Harris County Appraisal District - Certified Values Only
(Single Family and Mobile Homes)

**HOUSTON INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

<u>Employer</u>	<u>Fiscal Year Ending 2020</u>			<u>Fiscal Year Ending 2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Wal-Mart Stores	37,000	1	1.0625 %	28,500	1	1.1310 %
Memorial Hermann Health System	24,108	2	0.6923	20,551	2	0.8156
H-E-B	23,732	3	0.6815	16,500	4	0.6548
UT MD Anderson Cancer Center	21,086	4	0.6055	18,012	3	0.7148
McDonald's Corp	20,918	5	0.6007	-	-	-
Houston Methodist	20,000	6	0.5743	13,322	8	0.5287
Kroger Co	16,000	7	0.4595	14,015	7	0.5562
United Airlines	14,941	8	0.4291	16,290	5	0.6465
Schlumberger	12,069	9	0.3466	9,612	10	0.3815
Shell Oil Co.	11,507	10	0.3305	10,700	9	0.4246
Exxon Mobil Corp.	-		-	14,600	6	0.5794
Total	<u>201,361</u>		<u>5.7826 %</u>	<u>162,102</u>		<u>6.4331 %</u>

Sources: Employment numbers were obtained from the Houston Chronicle.

Notes: Percentage of total employment was calculated using total non-agricultural employment for the Houston-Sugarland-Baytown MSA and was obtained directly from the U.S. Bureau of Economic Statistics via DATAbook Houston.

These lists exclude employment numbers for Houston ISD and the City of Houston

2020 OPERATING INFORMATION

**STATISTICAL
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT DISTRICT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS (UNAUDITED)

	Employees as of June 30									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Instruction	12,211	11,919	12,539	13,564	13,763	13,502	12,679	12,561	12,627	13,461
Instructional resources and media services	88	109	96	74	68	78	87	122	131	174
Instructional staff development	456	479	356	351	390	360	333	324	307	257
Curriculum development	-	-	-	-	65	73	67	65	56	61
Instructional leadership	306	272	253	242	236	238	222	198	197	221
School leadership	2,273	2,182	2,318	2,347	2,520	2,391	2,276	2,201	2,188	2,291
Guidance, counseling, and evaluation services	734	670	631	560	550	472	437	432	442	509
Social work services	220	175	45	51	57	53	41	30	30	31
Health services	250	293	286	293	285	295	281	280	262	279
Student transportation services	1,108	1,076	1,195	1,332	1,383	1,294	1,307	1,287	1,184	1,252
Nutrition service	1,823	1,824	1,922	1,964	1,861	1,909	1,834	1,828	1,846	1,788
Co-curricular/extracurricular activities	99	96	98	253	80	73	73	73	80	81
General administration	436	385	320	384	426	422	422	396	421	406
Plant maintenance and operations	1,814	1,785	1,833	1,975	1,954	2,031	2,013	2,024	1,986	1,972
Security and monitoring services	787	796	838	883	842	826	814	783	749	790
Data processing services	320	327	298	328	328	296	260	244	234	213
Community services	179	128	105	107	134	111	108	68	71	79
Facilities acquisition and construction	18	70	82	67	60	74	73	67	52	53
Total	23,122	22,586	23,215	24,775	25,001	24,496	23,327	22,984	22,864	23,918

Source: District records

Note: Count includes both FTE and hourly employees (excluding hourly employees where the position is not their primary job) and excludes substitutes.

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT
STUDENT INFORMATION - GENERAL
LAST TEN CALENDAR YEARS
(UNAUDITED)

Calendar Year	Enrollment	Teacher Count	Student / Teacher Ratio	State Student / Teacher Ratio	Operating Expenditures	Cost Per Pupil	Percentage of Students Eligible for Free or Reduced-Price Meals
2011	203,294	11,818.1	17.3	14.7	1,869,338,031	9,195	78.3
2012	201,594	11,340.5	17.8	15.4	1,655,450,631	8,212	81.2
2013	202,586	11,266.9	18.0	15.5	1,622,981,707	8,011	80.7
2014	210,716	11,739.2	18.0	15.4	1,776,791,156	8,432	81.5
2015	215,225	11,678.5	18.4	15.2	1,794,759,572	8,339	77.6
2016	215,627	12,009.8	18.0	15.2	1,909,369,634	8,855	75.4
2017	216,106	12,061.7	18.7	15.1	1,993,593,224	9,225	81.2
2018	214,175	12,367.7	17.3	15.1	2,354,485,916	10,978	89.9
2019	209,772	11,569.0	18.1	15.1	2,312,607,490	11,024	97.1
2020	210,061	11,856.0	18.0	N/A	2,432,515,360	11,009	97.7

Sources: 2011-2012 AEIS (Academic Excellence Indicator System)
2013-2016 TAPR (Texas Academic Performance Report)
2017-2020 PEIMS (Public Education Information Management System)

NOTES: Operating Expenditures are total governmental expenditures less debt service and capital outlay.

State Student/Teacher Ratio was not available at time of printing.

Increase in Operating Expenditures in 2018 is primarily due to the transfer of Nutrition Service Fund from Proprietary Funds to to Special Revenue Funds.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
TEACHER INFORMATION - GENERAL
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Average Beginning Salary			Average Salary		
	HISD	Region	State	HISD	Region	State
2011	\$ 44,952	\$ 43,029	\$ 41,272	\$ 52,387	\$ 50,616	\$ 48,638
2012	44,107	42,716	40,911	51,866	50,383	48,375
2013	45,425	44,365	41,878	51,922	50,968	48,821
2014	46,506	45,902	43,480	52,186	52,222	49,692
2015	48,949	48,275	44,540	53,698	54,157	50,715
2016	51,051	49,117	45,507	55,431	55,580	51,891
2017	50,541	50,173	46,199	53,471	55,992	52,525
2018	48,539	52,725	47,667	54,538	57,076	53,334
2019	47,385	51,122	47,218	54,125	57,707	54,122
2020	40,106	N/A	N/A	54,008	N/A	N/A

Sources: 2011-2012 AEIS (Academic Excellence Indicator System)
2013-2016 TAPR (Texas Academic Performance Report)
2017-2020 PEIMS (Public Education Information Management System)

Note: Region and State information for 2020 was not available at time of printing.
Certain prior year amounts have been updated based on updated data from PEIMS.

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
TEACHER SALARY INFORMATION - EDUCATION
LAST TEN CALENDAR YEARS
(UNAUDITED)**

Fiscal Year	Bachelor's Degree			Master's Degree			Doctorate		
	Minimum	Maximum	Teacher Count	Minimum	Maximum	Teacher Count	Minimum	Maximum	Teacher Count
2011	44,987	66,182	8,200.4	46,017	69,550	3,331.8	47,047	72,920	224.4
2012	44,987	66,182	7,749.2	46,017	69,550	3,283.2	47,047	72,920	221.4
2013	45,887	67,506	8,288.0	46,937	70,941	3,402.0	47,988	74,378	218.0
2014	46,805	68,856	8,244.0	47,876	72,360	3,314.0	48,948	75,866	201.0
2015	49,100	69,956	8,241.0	49,100	69,956	3,250.0	49,100	69,956	187.0
2016	51,500	71,500	8,612.4	51,500	71,500	3,190.8	51,500	71,500	206.7
2017	51,500	71,500	8,821.0	51,500	71,500	3,058.8	51,500	71,500	181.9
2018	52,530	74,360	9,468.8	52,530	74,360	2,740.4	52,530	74,360	158.5
2019	52,530	74,360	8,641.3	52,530	74,360	2,751.9	52,530	74,360	175.8
2020	54,369	80,309	8,079.0	54,369	80,309	2,613.6	54,369	80,309	184.0

Sources: Teacher Count information obtained from PEIMS (Public Education Information Management System)
Teacher Salary information obtained from HISD Compensation Manual

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Smith, K. (1954)										
Square feet	73,399	73,399	73,399	73,399	56,294	56,294	56,294	56,294	56,294	56,294
Capacity	898	898	898	898	860	860	1,218	1,218	1,218	1,345
Enrollment	892	889	885	919	937	890	760	748	742	793
Southmayd (1936)										
Square feet	76,614	76,614	76,614	76,614	67,258	67,258	67,258	67,258	67,258	67,258
Capacity	745	745	745	745	773	773	773	773	773	701
Enrollment	559	592	659	716	727	711	698	739	764	728
Stevens (1952)										
Square feet	47,145	56,361	56,361	68,822	68,822	68,822	68,822	68,822	68,822	68,822
Capacity	886	886	849	849	824	815	815	815	815	682
Enrollment	659	658	692	721	731	776	655	627	656	646
Sutton (1958)										
Square feet	107,898	113,274	113,274	91,002	88,701	88,701	88,701	88,701	88,701	88,701
Capacity	1,368	1,368	1,312	1,312	1,233	1,233	1,233	1,233	1,233	1,370
Enrollment	1,155	1,140	1,145	1,138	1,097	1,148	1,060	1,029	1,047	1,126
Thompson (2006)										
Square feet	83,694	83,694	83,694	96,252	96,252	96,252	96,252	96,252	96,252	96,252
Capacity	729	729	729	729	816	816	816	816	816	1,047
Enrollment	408	403	450	458	467	552	561	619	620	659
Tijerina (1979)										
Square feet	68,452	68,452	68,452	68,452	35,771	35,771	35,771	35,771	35,771	35,771
Capacity	860	860	860	860	857	857	857	857	857	858
Enrollment	337	339	379	422	426	458	491	502	620	624
Tinsley (2001)										
Square feet	90,415	90,415	90,415	90,415	90,415	90,415	90,415	90,415	90,415	90,415
Capacity	775	775	775	775	815	815	815	815	815	757
Enrollment	680	734	739	789	792	780	812	700	705	739
Travis (2007)										
Square feet	88,641	88,641	88,641	88,641	86,530	86,530	86,530	86,530	86,530	86,530
Capacity	729	729	729	729	734	734	734	669	669	674
Enrollment	719	695	710	712	698	723	755	733	729	734
Twain (2007)										
Square feet	88,047	86,511	86,511	86,511	83,634	83,634	83,634	83,634	83,634	83,634
Capacity	812	812	887	887	815	815	815	815	815	781
Enrollment	924	899	895	870	905	953	924	873	810	787
Valley West (1994)										
Square feet	84,231	91,911	91,911	84,763	84,763	84,763	84,763	84,763	84,763	84,763
Capacity	1,172	1,172	1,209	1,209	1,023	1,023	1,023	1,023	1,023	726
Enrollment	839	875	843	879	878	845	830	748	705	623
Wainwright (1962)										
Square feet	46,212	60,036	60,036	56,531	56,531	56,531	56,531	56,531	56,531	56,531
Capacity	915	915	877	877	824	824	824	824	824	699
Enrollment	493	495	559	510	608	722	751	835	760	794
Walnut Bend (2005)										
Square feet	82,451	82,451	82,451	114,707	114,707	114,707	114,707	114,707	114,707	114,707
Capacity	746	746	746	746	753	753	753	753	753	1,590
Enrollment	716	715	736	734	762	743	750	678	647	694

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Benbrook (1968)										
Square feet	42,394	48,538	48,538	44,595	44,595	44,595	44,595	44,595	44,595	44,595
Capacity	636	636	598	598	573	573	606	606	606	576
Enrollment	553	590	614	620	600	613	551	523	524	536
Berry (2012)										
Square feet	87,137	87,137	87,137	87,137	85,988	85,988	85,988	85,988	85,988	51,732
Capacity	819	819	819	819	806	806	716	716	716	614
Enrollment	825	799	824	836	808	809	740	736	708	643
Blackshear (1916)										
Square feet	57,274	57,274	57,274	96,976	96,976	96,976	96,976	96,976	96,976	96,976
Capacity	778	778	778	778	711	711	711	711	711	541
Enrollment	399	412	485	520	519	531	343	378	406	425
Bonham (1962)										
Square feet	73,741	78,349	78,349	83,201	83,201	83,201	83,201	83,201	83,201	83,201
Capacity	1,335	1,335	1,297	1,297	1,236	1,236	1,358	1,358	1,358	1,495
Enrollment	963	944	988	1,049	1,140	1,091	1,054	952	928	1,054
Bonner (1948)										
Square feet	96,219	95,451	95,451	102,316	102,316	102,316	102,316	102,316	102,316	102,316
Capacity	1,021	1,021	1,040	1,040	982	982	982	982	982	1,214
Enrollment	772	799	860	955	1,001	989	986	992	977	997
Braeburn (1956)										
Square feet	59,668	81,172	81,172	84,218	84,218	84,218	84,218	84,218	84,218	84,218
Capacity	1,116	1,116	1,116	1,116	1,075	1,075	1,075	1,075	1,075	943
Enrollment	602	644	770	930	902	870	934	916	912	950
Briargrove (2008)										
Square feet	102,025	102,025	102,025	103,585	103,585	103,585	103,585	103,585	103,585	103,585
Capacity	823	823	823	823	788	815	815	815	815	817
Enrollment	899	911	917	837	869	838	918	896	885	877
Briarmeadow (2001)										
Square feet	122,759	122,759	122,759	136,689	136,689	136,689	136,689	136,689	130,189	122,759
Capacity	621	621	621	621	606	606	606	606	606	546
Enrollment	608	575	594	595	594	595	603	595	590	549
Briscoe (1928)										
Square feet	56,305	56,305	56,305	56,305	53,829	53,829	53,829	53,829	53,829	53,829
Capacity	655	655	655	655	690	690	690	690	690	691
Enrollment	271	269	330	381	385	381	420	433	491	490
Brookline (1952)										
Square feet	67,874	87,074	87,074	121,979	121,979	121,979	121,979	121,979	121,979	121,979
Capacity	1,396	1,396	1,340	1,340	1,290	1,290	1,290	1,290	1,290	1,168
Enrollment	874	907	922	962	962	955	1,002	1,039	996	1,023
Browning (1927)										
Square feet	49,951	52,255	52,255	52,570	52,570	52,570	52,570	52,570	52,570	52,570
Capacity	653	653	653	653	585	585	585	585	585	711
Enrollment	521	486	541	557	559	556	612	634	600	600
Bruce (2005)										
Square feet	82,648	82,648	82,648	82,648	80,916	80,916	80,916	80,916	80,916	80,916
Capacity	739	739	739	739	732	732	732	732	732	671
Enrollment	432	501	516	571	601	627	597	571	593	600

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Burbank (1927)										
Square feet	77,825	82,433	82,433	81,647	81,647	81,647	81,647	81,647	81,647	81,647
Capacity	1,059	1,059	1,040	1,040	985	985	1,087	1,087	1,087	868
Enrollment	916	905	904	943	856	860	920	891	835	829
Burnet (1926)										
Square feet	77,339	77,339	77,339	77,339	76,801	76,801	76,801	76,801	76,801	76,801
Capacity	780	780	780	780	788	836	836	836	836	928
Enrollment	439	473	497	511	501	521	509	524	593	630
Burrus (1926)										
Square feet	72,128	72,128	72,128	72,128	71,372	71,372	71,372	71,372	71,188	71,188
Capacity	678	678	678	678	690	690	690	690	690	517
Enrollment	364	421	471	436	484	506	420	453	514	390
Bush (1992)										
Square feet	79,337	80,105	80,105	87,803	87,803	87,803	87,803	87,803	87,803	87,803
Capacity	892	892	892	892	878	878	920	920	920	978
Enrollment	870	869	899	837	833	860	771	733	724	698
Cage (1907) / Chrysalis MS										
Square feet	56,355	64,803	64,803	60,205	60,205	60,205	60,205	60,205	60,205	60,205
Capacity	1,120	1,120	783	783	806	1,128	1,128	1,128	1,328	906
Enrollment	510	517	524	538	575	617	798	808	819	826
Carrillo (1993)										
Square feet	46,371	48,675	48,675	80,281	80,281	80,281	80,281	80,281	80,281	80,281
Capacity	853	853	853	853	857	857	857	857	857	830
Enrollment	526	505	549	585	610	613	608	623	690	670
Codwell (1977)										
Square feet	48,194	54,338	54,338	58,946	58,946	58,946	58,946	58,946	58,946	58,946
Capacity	465	465	577	577	555	555	836	836	836	750
Enrollment	422	404	451	417	451	501	555	570	599	599
Condit (2017)										
Square feet	82,698	91,146	91,146	82,698	46,502	46,502	46,502	46,502	46,502	46,502
Capacity	934	934	692	692	731	731	731	731	731	579
Enrollment	783	773	760	725	667	707	683	652	646	663
Cook (2007)										
Square feet	121,370	121,370	121,370	121,370	89,049	89,049	89,049	89,049	89,049	89,049
Capacity	853	853	853	853	815	815	815	815	815	657
Enrollment	644	628	654	654	712	712	756	693	712	702
Coop (2005)										
Square feet	84,504	84,504	84,504	84,504	83,409	83,409	83,409	83,409	83,409	83,409
Capacity	746	746	746	746	690	690	690	690	690	712
Enrollment	698	745	747	712	759	745	755	745	738	772
Cornelius (1960)										
Square feet	71,978	78,122	78,122	76,904	76,904	76,904	76,904	76,904	76,904	76,904
Capacity	1,136	1,136	1,098	1,098	1,057	1,057	1,236	1,236	1,236	920
Enrollment	860	857	921	911	942	983	920	913	918	976
Crespo (1991)										
Square feet	85,583	84,047	84,047	85,508	85,508	85,508	85,508	85,508	85,508	85,508
Capacity	1,025	1,025	1,062	1,062	1,170	1,170	1,170	1,170	1,170	900
Enrollment	716	772	874	908	979	946	958	933	930	878

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Crockett (1980/2011)										
Square feet	59,744	59,744	59,744	63,783	63,783	63,783	63,783	63,783	63,783	63,783
Capacity	582	582	582	582	573	573	711	711	711	557
Enrollment	562	572	563	543	500	486	474	500	456	402
Cunningham (2012)										
Square feet	88,687	88,687	88,687	88,687	84,500	84,500	84,500	84,500	84,500	56,747
Capacity	783	783	783	783	716	716	716	716	716	719
Enrollment	697	710	722	732	724	755	755	707	696	713
Daily (2007)										
Square feet	82,572	82,572	82,572	82,572	82,572	82,572	82,572	82,572	82,572	82,572
Capacity	729	729	729	729	699	699	711	711	711	697
Enrollment	800	789	828	751	733	700	744	741	737	794
Davila (1990)										
Square feet	79,231	79,231	79,231	80,396	80,396	80,396	80,396	80,396	80,396	80,396
Capacity	866	866	866	866	878	878	878	878	878	837
Enrollment	441	409	401	417	454	460	478	531	540	641
DeChaumes (1956)										
Square feet	86,847	86,847	86,847	86,847	84,650	84,650	84,500	84,500	84,500	53,559
Capacity	765	765	765	765	752	716	716	716	716	676
Enrollment	835	838	834	841	834	826	820	791	739	691
DeZavala (1928)										
Square feet	65,505	67,041	67,041	64,141	64,141	64,141	64,141	64,141	64,141	64,141
Capacity	857	857	857	857	898	898	898	898	898	747
Enrollment	576	538	586	605	564	547	553	588	586	612
DeAnda (2011)										
Square feet	90,904	90,904	90,904	90,904	85,450	85,450	84,500	84,500	84,500	N/A
Capacity	767	767	767	767	734	857	857	857	857	N/A
Enrollment	666	690	674	724	719	781	763	691	536	N/A
Dogan (1949)										
Square feet	93,136	93,136	93,136	93,136	87,500	87,500	87,000	43,380	43,380	50,637
Capacity	725	725	725	725	732	732	732	732	732	396
Enrollment	614	578	618	630	681	649	617	592	625	321
Durham (1967)										
Square feet	46,111	49,951	49,951	70,003	70,003	70,003	70,003	70,003	70,003	70,003
Capacity	616	616	616	616	609	609	609	772	772	543
Enrollment	611	567	558	590	591	555	547	517	523	490
Durkee (1954)										
Square feet	62,319	64,623	64,623	72,334	72,334	72,334	72,334	72,334	72,334	72,334
Capacity	847	847	959	959	931	931	1,045	1,045	1,045	764
Enrollment	555	611	591	653	713	714	739	683	679	679
Eliot (1926) / EL DAEP										
Square feet	79,754	79,754	79,754	86,834	86,834	86,834	86,834	86,834	86,834	86,834
Capacity	735	735	735	735	734	734	1,066	1,066	1,066	983
Enrollment	599	599	583	608	627	597	571	571	545	550
Elmore (2000)*										
Square feet	123,225	123,225	123,225	124,800	124,800	124,800	124,800	N/A	N/A	N/A
Capacity	718	718	718	718	681	788	788	N/A	N/A	N/A
Enrollment	678	623	633	656	671	713	769	N/A	N/A	N/A

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Elrod (1964)										
Square feet	54,801	60,945	60,945	66,456	66,456	66,456	66,456	66,456	66,456	66,456
Capacity	1,008	1,008	914	914	842	842	1,400	1,400	1,400	731
Enrollment	769	751	776	742	695	697	658	623	589	489
Emerson (1963)										
Square feet	79,754	79,754	79,754	79,754	65,364	65,364	65,364	65,364	65,364	65,364
Capacity	856	856	856	856	860	774	774	774	774	773
Enrollment	939	907	956	919	919	955	917	883	869	874
Farias ECC (2005)										
Square feet	38,885	38,885	38,885	39,885	39,885	39,885	39,885	39,885	39,885	39,885
Capacity	374	374	374	374	418	418	418	418	418	418
Enrollment	411	414	414	408	368	368	418	421	418	420
Field (1928)										
Square feet	52,841	56,681	56,681	54,809	54,809	54,809	54,809	54,809	54,809	54,809
Capacity	728	728	710	710	732	732	732	732	732	483
Enrollment	434	452	490	508	516	476	455	463	472	488
Foerster (1969)										
Square feet	59,136	66,816	66,816	67,013	67,013	67,013	67,013	67,013	67,013	67,013
Capacity	932	932	932	932	898	898	898	898	898	824
Enrollment	784	721	715	672	669	758	672	717	705	641
Fondren (1960)										
Square feet	31,446	39,126	39,126	40,001	40,001	40,001	40,001	40,001	40,001	40,001
Capacity	592	592	573	573	647	647	647	647	647	579
Enrollment	318	321	366	402	420	423	464	433	430	408
Fonwood ECC (2017)*										
Square feet	89,147	89,147	89,147	89,147	75,900	75,900	75,900	N/A	N/A	N/A
Capacity	617	617	617	617	609	609	609	N/A	N/A	N/A
Enrollment	523	538	561	520	465	419	494	N/A	N/A	N/A
Foster (1949)										
Square feet	87,704	87,704	87,704	87,704	79,998	79,998	79,998	79,998	79,998	79,998
Capacity	729	729	729	729	753	753	753	753	753	692
Enrollment	417	422	426	419	432	435	438	426	454	525
Franklin (1948)										
Square feet	64,894	68,734	68,734	64,274	64,274	64,274	64,274	64,274	64,274	64,274
Capacity	761	761	724	724	770	982	982	982	982	864
Enrollment	398	443	423	441	440	445	479	530	502	562
Frost (2012)										
Square feet	87,054	87,054	87,054	87,054	89,277	89,277	89,277	89,277	89,277	59,465
Capacity	766	766	766	766	716	716	716	716	716	566
Enrollment	608	598	652	630	623	647	597	576	580	443
Gallegos (1992)										
Square feet	73,958	75,494	75,494	73,958	73,925	73,925	73,925	73,925	73,925	73,925
Capacity	798	798	798	798	836	836	836	836	836	697
Enrollment	353	363	380	422	481	502	529	524	524	542
Garcia (1992)										
Square feet	78,664	83,272	83,272	111,056	111,056	111,056	111,056	111,056	111,056	111,056
Capacity	872	872	872	872	836	836	836	836	836	816
Enrollment	516	583	629	643	745	747	744	771	789	805

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Garden Oaks Montessori (1949/2018)										
Square feet	103,958	103,958	114,710	41,306	41,306	41,306	41,306	41,306	41,306	41,306
Capacity	756	756	638	638	645	645	645	645	584	586
Enrollment	840	850	804	799	768	693	670	637	635	601
Garden Villas (1931)										
Square feet	88,871	85,799	85,799	93,762	93,762	93,762	93,762	93,762	93,762	93,762
Capacity	1,105	1,105	1,068	1,068	899	899	899	899	899	879
Enrollment	582	674	778	833	892	847	825	866	925	938
Golfcrest (1949)										
Square feet	66,249	73,161	73,161	71,475	71,475	71,475	71,475	71,475	71,475	71,475
Capacity	894	894	838	838	877	877	877	877	877	769
Enrollment	592	653	653	730	787	766	790	763	786	762
Gregg (2012)										
Square feet	84,908	94,892	94,892	84,908	84,704	84,704	84,704	84,704	84,704	47,713
Capacity	991	991	748	748	716	716	716	716	716	704
Enrollment	457	539	567	577	606	575	531	542	562	553
Gregory-Lincoln (2007)										
Square feet	114,786	125,538	125,538	158,561	158,561	158,561	158,561	158,561	158,561	158,561
Capacity	1,221	1,221	947	947	938	938	938	938	938	896
Enrollment	717	720	733	687	732	646	660	638	599	704
Grissom (1966)										
Square feet	56,765	72,893	72,893	68,683	68,683	68,683	68,683	68,683	68,683	68,683
Capacity	1,042	1,042	930	930	877	877	877	877	877	871
Enrollment	504	516	559	535	563	586	569	629	787	791
Gross, (2001)										
Square feet	71,711	75,551	75,551	73,277	73,277	73,277	73,277	73,277	73,277	73,277
Capacity	832	832	832	832	806	806	565	565	565	802
Enrollment	625	641	652	640	644	737	673	663	681	813
Halpin ECC (1929)										
Square feet	40,484	40,484	40,484	41,873	41,873	41,873	41,873	41,873	41,873	41,873
Capacity	431	431	506	506	731	731	731	731	731	482
Enrollment	419	454	439	417	457	476	482	491	440	461
Harris J.R. (1949)										
Square feet	63,708	66,780	66,780	66,082	66,082	66,082	66,082	66,082	66,082	66,082
Capacity	824	824	824	824	815	815	815	815	815	892
Enrollment	417	411	449	489	541	625	637	697	692	684
Harris R.P. (1958)										
Square feet	48,016	58,768	58,768	61,425	61,425	61,425	61,425	61,425	61,425	61,425
Capacity	743	743	743	743	918	918	918	918	918	718
Enrollment	603	605	604	662	624	634	624	642	615	624
Hartsfield (1954)										
Square feet	44,321	44,321	44,321	44,321	42,767	42,767	42,767	42,767	42,767	42,767
Capacity	544	544	544	544	543	543	543	543	543	411
Enrollment	411	423	350	325	317	362	374	403	435	414
Harvard (1930)										
Square feet	58,721	58,721	58,721	58,721	56,930	56,930	56,930	56,930	56,930	56,930
Capacity	681	681	681	681	690	690	690	690	690	606
Enrollment	646	658	669	717	704	708	716	700	710	689

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Helms (1919)										
Square feet	47,574	49,878	49,878	44,444	44,444	44,444	44,444	44,444	44,444	44,444
Capacity	664	664	664	664	543	543	543	543	543	558
Enrollment	488	471	474	464	493	500	530	532	540	533
Henderson J.P. (1929)										
Square feet	54,241	58,081	58,081	57,524	57,524	57,524	57,524	57,524	57,524	57,524
Capacity	735	735	735	735	878	878	878	878	878	794
Enrollment	716	828	782	776	789	784	795	789	816	773
Henderson N.Q. (1956)										
Square feet	44,872	45,640	45,640	46,894	46,894	46,894	46,846	46,846	46,846	46,846
Capacity	502	502	558	558	710	710	710	710	710	503
Enrollment	306	327	315	279	304	323	370	376	394	349
Herod (2012)										
Square feet	87,110	87,110	87,110	87,110	86,000	86,000	86,000	86,000	86,000	58,230
Capacity	779	779	779	779	716	716	716	716	716	871
Enrollment	815	836	791	748	766	784	828	770	778	746
Herrera (1993)										
Square feet	82,771	87,379	87,379	115,302	115,302	115,302	115,302	115,302	115,302	115,302
Capacity	965	965	984	984	920	920	920	920	920	901
Enrollment	880	890	878	892	874	891	901	906	919	959
Highland Heights (2007)										
Square feet	87,977	87,977	87,977	87,977	85,405	85,405	85,405	85,405	85,405	85,405
Capacity	747	747	747	747	681	681	815	815	815	725
Enrollment	466	504	551	569	586	553	617	628	635	643
Hilliard (2000)*										
Square feet	112,106	112,106	112,106	112,106	45,500	45,500	45,500	N/A	N/A	N/A
Capacity	878	878	878	878	878	878	878	N/A	N/A	N/A
Enrollment	571	533	570	674	647	712	861	N/A	N/A	N/A
Hines-Caldwell (2005)										
Square feet	88,778	88,778	88,778	88,788	85,829	85,829	85,829	85,829	85,829	85,829
Capacity	758	758	758	758	711	711	711	711	711	752
Enrollment	798	786	787	778	764	810	788	756	798	791
Hobby (1965)										
Square feet	69,342	69,342	69,342	66,680	66,680	66,680	66,680	66,680	66,680	66,680
Capacity	949	949	912	912	1,065	1,065	1,065	1,065	1,065	920
Enrollment	758	833	805	790	865	835	767	830	829	851
Horn (2012)										
Square feet	86,220	86,220	86,220	86,220	84,500	84,500	84,500	84,500	84,500	43,504
Capacity	767	767	767	767	716	716	716	716	716	502
Enrollment	815	804	859	845	849	875	829	765	701	610
Isaacs (1962)										
Square feet	41,999	46,607	46,607	43,883	43,883	43,883	43,883	43,883	43,883	43,883
Capacity	646	646	646	646	751	751	751	751	751	599
Enrollment	306	324	298	304	381	390	379	410	459	482
Janowski (1955)										
Square feet	63,828	67,668	67,668	77,958	77,958	77,958	77,958	77,958	77,958	77,958
Capacity	804	804	804	804	770	770	815	815	815	1,097
Enrollment	519	560	593	607	623	625	644	653	686	657

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Jefferson (1950)										
Square feet	47,118	44,046	44,046	58,657	58,657	58,657	58,657	58,657	58,657	58,657
Capacity	813	813	851	851	877	877	877	877	877	694
Enrollment	440	447	445	438	451	465	485	482	509	527
Kashmere Gardens (1949)										
Square feet	45,161	47,465	47,465	49,213	49,213	49,213	49,213	49,213	49,213	49,213
Capacity	607	607	644	644	710	710	710	710	710	579
Enrollment	459	386	379	433	452	439	430	410	408	416
Kelso (1951)										
Square feet	42,451	47,059	47,059	46,826	46,826	46,826	46,826	46,826	46,826	46,826
Capacity	703	703	703	703	689	689	689	689	689	648
Enrollment	499	462	469	487	430	449	445	448	454	515
Kennedy (1964/2012)										
Square feet	92,580	92,580	92,580	92,580	86,041	86,041	86,041	86,041	86,041	42,648
Capacity	765	765	765	765	732	732	732	732	732	531
Enrollment	687	707	740	743	741	794	784	761	737	743
Ketelsen (2002)										
Square feet	86,504	86,504	86,504	86,504	84,503	84,503	84,503	84,503	84,503	84,503
Capacity	764	764	764	764	732	732	732	732	732	632
Enrollment	542	570	598	616	620	623	655	650	647	718
King, M.L. ECC (2004)										
Square feet	40,150	40,150	40,150	40,150	38,707	38,707	38,707	38,707	38,707	38,707
Capacity	374	374	374	374	418	418	418	418	418	418
Enrollment	392	434	401	353	413	411	411	405	413	417
Kolter (1960)										
Square feet	42,420	50,868	50,868	49,345	49,345	49,345	49,345	49,345	49,345	49,345
Capacity	686	686	686	686	668	668	668	668	668	548
Enrollment	687	666	631	652	661	659	614	617	580	594
Lantrip (2005)										
Square feet	91,936	91,936	91,936	99,529	99,529	99,529	99,529	99,529	99,529	99,529
Capacity	851	851	851	851	920	920	920	920	920	1,110
Enrollment	695	706	725	755	759	756	765	715	706	717
Laurenzo ECC (2004)										
Square feet	40,026	40,026	40,026	40,026	38,399	38,399	38,399	38,399	38,399	38,399
Capacity	337	337	337	765	376	376	376	376	376	346
Enrollment	307	332	329	743	321	324	334	329	310	311
Law (1966)										
Square feet	60,672	62,976	62,976	53,310	53,310	53,310	53,310	53,310	53,310	53,310
Capacity	804	804	804	804	731	731	731	731	731	650
Enrollment	683	703	795	808	771	776	754	710	741	737
Lewis (2012)										
Square feet	107,963	107,963	107,963	107,963	105,595	105,595	98,444	98,444	98,444	63,548
Capacity	972	972	972	972	904	904	904	904	904	878
Enrollment	779	835	816	835	890	906	961	963	905	878
Lockhart (1950/2012)										
Square feet	85,728	85,728	85,728	86,960	86,960	86,960	86,960	86,960	86,960	74,507
Capacity	728	728	728	728	716	716	913	913	913	558
Enrollment	562	549	637	654	722	747	697	685	675	708

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Longfellow (2007)										
Square feet	86,069	86,069	99,790	99,790	99,790	99,790	99,790	99,790	99,790	99,790
Capacity	780	780	780	780	774	774	774	774	774	1,172
Enrollment	676	723	794	733	746	726	764	743	732	732
Looscan (1936)										
Square feet	46,310	52,454	52,454	45,343	45,343	45,343	45,343	45,343	45,343	45,343
Capacity	570	570	570	570	606	606	606	606	606	516
Enrollment	333	337	363	422	472	473	482	498	510	481
Love (1926)										
Square feet	47,800	55,480	55,480	56,312	56,312	56,312	56,312	56,312	56,312	56,312
Capacity	758	758	683	683	543	543	543	543	543	513
Enrollment	357	376	406	463	447	433	492	503	493	426
Lovett (2012)										
Square feet	88,696	88,696	88,696	88,696	86,000	86,000	86,000	86,000	86,000	52,746
Capacity	729	729	729	729	716	716	716	716	648	648
Enrollment	672	673	710	697	683	705	723	706	675	681
Lyons (1993)										
Square feet	78,972	82,044	82,044	82,716	82,716	82,716	82,716	82,716	82,716	82,716
Capacity	911	911	892	892	878	878	878	878	878	901
Enrollment	976	992	1,021	982	1,008	1,022	1,013	995	943	925
MacGregor (1966)										
Square feet	65,333	65,333	65,333	59,189	45,795	45,795	45,795	45,795	45,795	45,795
Capacity	692	692	692	692	699	699	699	710	710	397
Enrollment	531	567	555	546	541	510	505	514	511	483
Mading (1959/2006)										
Square feet	97,754	97,754	97,754	97,754	94,478	94,478	94,478	94,478	94,478	94,478
Capacity	711	711	711	711	690	690	690	690	690	616
Enrollment	415	407	493	524	597	616	591	590	612	545
Mandarin (2012) / Gordon (1955)										
Square feet	119,966	119,966	119,966	119,966	37,425	37,425	37,425	37,425	37,425	37,425
Capacity	987	987	954	954	543	543	543	543	543	432
Enrollment	688	718	627	536	473	389	333	251	399	355
Marshall, T. (2000)										
Square feet	107,200	107,200	107,200	107,200	46,400	46,400	46,400	N/A	N/A	N/A
Capacity	878	878	915	915	878	878	878	N/A	N/A	N/A
Enrollment	900	917	1,005	1,071	1,020	1,021	802	N/A	N/A	N/A
Martinez C. (1994)										
Square feet	78,295	78,295	78,295	77,883	77,883	77,883	77,883	77,883	77,883	77,883
Capacity	773	773	773	773	795	795	795	795	795	697
Enrollment	387	422	491	522	532	587	572	577	601	614
Martinez R. (1991)										
Square feet	77,277	77,277	77,277	77,277	75,674	75,674	75,674	75,674	75,674	75,674
Capacity	737	737	737	737	732	732	732	732	732	684
Enrollment	513	543	566	566		546	526	571	578	612
McGowen / Houston Gardens (1998)										
Square feet	70,591	70,591	70,591	70,591	67,708	67,708	67,708	67,708	67,708	67,708
Capacity	494	494	494	494	459	459	459	459	459	488
Enrollment	444	458	483	440	432	433	437	432	439	362

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
McNamara (1958)										
Square feet	40,607	55,967	55,967	54,973	54,973	54,973	54,973	54,973	54,973	54,973
Capacity	858	858	858	858	814	814	814	814	814	948
Enrollment	946	946	904	939	891	903	826	788	816	763
Memorial (1926)										
Square feet	53,216	53,216	53,216	53,216	51,276	51,276	51,276	51,276	51,276	51,276
Capacity	557	557	557	557	543	543	543	543	543	462
Enrollment	326	340	354	434	493	410	390	390	405	338
Milne (1960)										
Square feet	93,225	93,225	93,225	93,225	91,611	91,611	91,611	91,611	91,611	91,611
Capacity	857	857	857	857	857	857	857	857	857	834
Enrollment	565	543	583	658	676	698	747	703	667	568
Mistral ECC (2005)										
Square feet	40,217	40,217	40,217	40,150	38,899	38,899	38,899	38,899	38,899	38,899
Capacity	374	374	374	374	418	418	418	418	418	418
Enrollment	338	343	337	331	347	312	368	366	394	411
Mitchell (1968)										
Square feet	44,368	48,625	48,625	62,617	62,617	62,617	62,617	62,617	61,686	61,686
Capacity	663	663	626	626	591	591	1,484	1,484	1,484	982
Enrollment	431	377	404	538	549	597	518	486	513	1,011
Montgomery (1960)										
Square feet	56,474	64,154	64,154	63,393	63,393	63,393	63,393	63,393	63,393	63,393
Capacity	892	892	911	911	961	961	961	961	961	743
Enrollment	524	544	592	731	687	740	632	678	785	738
Moreno (2005)										
Square feet	82,810	82,810	82,810	82,810	82,810	82,810	82,810	82,810	82,810	82,810
Capacity	709	709	709	709	753	753	753	753	753	712
Enrollment	743	757	744	768	811	812	807	814	788	777
Neff ECC (2012)										
Square feet	51,183	49,647	49,647	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	731	731	769	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	666	660	675	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Neff ES (1964)										
Square feet	37,950	44,094	44,094	86,000	86,000	86,000	86,000	86,000	66,007	66,007
Capacity	954	954	804	1,573	1,359	609	1,984	1,984	1,234	1,255
Enrollment	784	781	763	1,571	1,492	687	1,347	1,245	1,090	1,035
Northline (1963)										
Square feet	53,943	64,695	64,695	60,102	60,102	60,102	60,102	60,102	60,102	60,102
Capacity	949	949	987	987	949	949	1,128	1,128	1,128	869
Enrollment	543	584	595	673	634	639	615	652	686	694
Oak Forest (2004)										
Square feet	86,664	86,664	86,664	86,664	84,120	84,120	84,120	84,120	84,120	84,120
Capacity	740	740	740	740	795	795	795	795	795	754
Enrollment	890	858	861	824	819	809	815	782	761	760
Oates (1929)										
Square feet	62,713	64,249	64,249	61,945	60,417	60,417	60,417	60,417	60,417	60,417
Capacity	723	723	742	742	732	732	732	732	732	662
Enrollment	385	370	364	362	368	366	397	391	446	440

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Osborne (1960)										
Square feet	51,266	55,874	55,874	55,514	55,514	55,514	55,514	55,514	54,648	54,648
Capacity	709	709	634	634	573	573	626	626	626	559
Enrollment	327	418	420	425	395	397	410	400	430	464
Paige / Bowie (1950)										
Square feet	71,382	71,382	71,382	86,000	86,000	86,000	86,000	86,000	86,000	86,000
Capacity	542	542	579	579	543	543	543	543	543	503
Enrollment	480	441	498	459	492	457	356	376	392	349
Park Place (2005)										
Square feet	108,881	115,025	115,025	109,866	109,866	109,866	109,866	109,866	109,866	109,866
Capacity	1,045	1,045	1,045	1,045	1,003	1,003	836	836	836	1,059
Enrollment	947	958	923	938	985	1,002	1,034	1,063	1,028	1,041
Parker (1959)										
Square feet	113,800	113,800	64,255	72,167	72,167	72,167	72,167	72,167	72,167	72,167
Capacity	954	954	823	823	857	857	857	857	857	871
Enrollment	912	895	850	813	833	839	824	844	846	844
Patterson (2012)										
Square feet	99,708	99,708	99,708	99,708	98,444	98,444	98,444	98,444	98,444	62,986
Capacity	935	935	935	935	931	931	931	931	931	961
Enrollment	903	943	949	936	968	951	969	965	950	824
Peck (2012)										
Square feet	108,178	108,178	108,178	108,178	89,365	89,365	89,365	89,365	89,365	34,277
Capacity	767	767	767	767	711	711	711	711	711	418
Enrollment	480	535	537	533	573	589	563	506	497	506
Petersen (1966)										
Square feet	44,114	51,026	51,026	52,335	52,335	52,335	52,335	52,335	52,335	52,335
Capacity	768	768	881	881	877	877	877	877	877	753
Enrollment	427	433	462	501	504	627	641	587	630	672
Pilgrim (2007/2018)										
Square feet	91,025	94,097	101,777	110,392	110,392	110,392	110,392	110,392	110,392	110,392
Capacity	1,404	1,404	1,115	1,115	997	997	997	997	997	1,136
Enrollment	1,186	1,183	1,148	1,146	1,145	1,155	1,109	1,136	1,100	1,071
Piney Point (2011)										
Square feet	113,476	113,476	113,476	114,185	114,185	114,185	114,185	114,185	114,185	114,185
Capacity	1,010	1,010	1,010	1,010	1,003	1,000	1,000	1,000	1,000	1,000
Enrollment	1,237	1,211	1,195	1,220	1,173	1,212	1,203	1,141	1,119	1,004
Pleasantville (1955)										
Square feet	60,505	60,505	60,505	60,505	59,032	59,032	59,032	59,032	59,032	59,032
Capacity	744	744	744	744	753	753	753	753	753	551
Enrollment	280	280	264	301	319	331	317	340	365	356
Poe (1928)										
Square feet	67,821	70,893	70,893	70,067	70,067	70,067	70,067	70,067	70,067	70,067
Capacity	800	800	800	800	815	815	815	815	815	743
Enrollment	850	889	841	868	791	794	771	762	748	730
Port Houston (1960)										
Square feet	38,068	38,836	38,836	36,309	36,309	36,309	36,309	36,309	36,309	36,309
Capacity	513	513	494	494	502	502	502	502	502	363
Enrollment	305	300	304	302	322	794	343	339	342	352

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Pugh (1952)										
Square feet	34,999	38,839	38,839	40,053	40,053	40,053	40,053	40,053	40,053	40,053
Capacity	538	538	538	538	627	627	627	627	627	606
Enrollment	396	393	403	439	431	436	434	443	501	522
Reagan, B. (2012)										
Square feet	179,191	179,191	179,191	179,191	143,000	143,000	143,000	143,000	N/A	N/A
Capacity	1,072	1,072	1,072	1,072	900	900	900	900	N/A	N/A
Enrollment	984	1,018	1,091	1,085	1,046	1,044	1,194	938	N/A	N/A
Red (1957)										
Square feet	59,081	60,617	60,617	58,830	58,830	58,830	58,830	58,830	58,830	58,830
Capacity	760	760	760	760	732	732	732	732	732	667
Enrollment	637	586	631	667	699	663	645	597	588	601
Reynolds (1959)										
Square feet	86,084	86,084	86,084	86,084	83,711	83,711	83,711	83,711	83,711	83,711
Capacity	728	728	728	728	795	795	795	795	795	642
Enrollment	426	465	488	556	516	543	468	519	556	551
Rice, The School (1994)										
Square feet	183,564	183,564	183,564	202,704	202,704	202,704	202,704	202,704	202,704	202,704
Capacity	1,252	1,252	1,252	1,252	1,056	1,056	1,056	1,056	1,056	1,101
Enrollment	1,114	1,119	1,132	1,135	1,139	1,138	1,151	1,157	1,228	1,145
River Oaks (1928)										
Square feet	62,632	62,632	62,632	62,632	60,632	60,632	60,632	60,632	60,632	60,632
Capacity	669	669	669	669	648	648	648	648	648	627
Enrollment	629	672	649	679	677	681	704	714	717	680
Roberts (1936)										
Square feet	57,366	64,278	64,278	62,685	62,685	62,685	62,685	62,685	62,685	62,685
Capacity	762	762	781	781	773	773	773	773	773	606
Enrollment	746	742	730	807	781	804	756	740	755	746
Robinson (2002)										
Square feet	85,640	84,872	84,872	84,872	84,928	84,928	84,928	84,928	84,928	84,928
Capacity	745	745	782	782	753	753	753	753	753	796
Enrollment	559	507	556	626	699	708	737	684	712	726
Rodriguez (2002)										
Square feet	115,118	116,654	116,654	115,118	111,716	111,716	111,716	111,716	111,716	111,716
Capacity	1,047	1,047	1,010	1,010	962	962	962	962	962	942
Enrollment	983	981	956	1,002	1,032	1,067	1,023	944	935	931
Rogers, T.H. (1962)										
Square feet	182,267	183,035	183,035	187,570	187,570	187,570	187,570	187,570	187,570	187,570
Capacity	1,360	1,360	1,321	1,321	1,310	1,368	1,368	1,368	1,368	1,227
Enrollment	1,008	969	958	918	935	789	794	815	820	846
Roosevelt (2012)										
Square feet	94,865	94,865	94,865	94,865	84,500	84,500	84,500	84,500	84,500	49,583
Capacity	785	785	785	785	732	732	732	732	732	593
Enrollment	608	665	646	722	735	721	710	709	669	612
Ross (1948)										
Square feet	42,703	45,775	45,775	51,820	51,820	51,820	51,820	51,820	51,820	51,820
Capacity	650	650	631	631	627	627	627	627	627	474
Enrollment	328	348	358	359	387	447	423	432	457	462

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Rucker (1953)										
Square feet	53,801	64,553	64,553	70,722	70,722	70,722	70,722	70,722	70,722	70,722
Capacity	995	995	995	995	961	961	961	961	961	956
Enrollment	406	426	473	538	595	609	611	614	662	677
Rusk (1960)										
Square feet	40,395	43,467	43,467	39,671	39,671	39,671	39,671	39,671	39,671	39,671
Capacity	715	715	715	715	699	699	502	502	502	405
Enrollment	616	474	388	369	537	576	534	535	558	534
Saint George Place (2007)										
Square feet	86,054	86,054	86,054	86,054	86,000	86,000	86,000	86,000	86,000	86,000
Capacity	729	729	729	729	732	732	732	732	732	961
Enrollment	774	788	797	808	788	795	753	764	723	699
Sanchez (1952)										
Square feet	70,105	70,105	70,105	70,105	69,397	69,397	69,397	69,397	69,397	69,397
Capacity	735	735	735	735	716	899	899	899	899	704
Enrollment	598	585	530	562	598	606	623	592	562	596
Scarborough (1959)										
Square feet	51,234	66,594	66,594	64,412	64,412	64,412	64,412	64,412	64,412	64,412
Capacity	926	926	907	907	824	824	898	898	898	788
Enrollment	632	667	697	751	744	773	761	737	741	780
Scroggins (1966)										
Square feet	45,994	52,906	52,906	53,126	53,126	53,126	53,126	53,126	53,126	53,126
Capacity	739	739	701	701	663	663	459	459	459	641
Enrollment	421	518	556	589	614	621	631	597	576	606
Seguin (2002)										
Square feet	87,186	87,186	87,186	87,186	85,427	85,427	85,427	85,427	85,427	85,427
Capacity	767	767	767	767	732	732	732	732	732	670
Enrollment	517	571	572	610	652	689	667	613	621	643
Shadowbriar (1992)										
Square feet	75,704	75,704	75,704	78,704	74,382	74,382	74,382	74,382	74,382	74,382
Capacity	763	763	763	763	732	732	732	732	732	524
Enrollment	566	524	488	512	494	393	392	365	398	434
Shadydale (2000)										
Square feet	141,270	141,270	141,270	141,270	102,400	102,400	102,400	N/A	N/A	N/A
Capacity	765	765	765	765	842	1,003	1,003	N/A	N/A	N/A
Enrollment	869	921	927	932	897	897	806	N/A	N/A	N/A
Shearn (1954)										
Square feet	37,058	43,970	43,970	43,132	43,132	43,132	43,132	43,132	43,132	43,132
Capacity	650	650	650	650	584	584	584	584	584	543
Enrollment	571	581	641	657	650	610	564	551	518	502
Sherman (1964)										
Square feet	86,950	86,950	86,950	87,020	87,020	87,020	87,020	55,289	55,289	55,289
Capacity	784	784	784	784	836	836	836	836	836	747
Enrollment	584	587	599	653	661	664	570	555	587	369
Sinclair (1959)										
Square feet	51,434	59,114	59,114	54,308	54,308	54,308	54,308	54,308	54,308	54,308
Capacity	742	742	723	723	716	716	835	835	835	774
Enrollment	591	587	599	549	539	525	536	513	546	532

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Smith, K. (1954)										
Square feet	73,399	73,399	73,399	73,399	56,294	56,294	56,294	56,294	56,294	56,294
Capacity	898	898	898	898	860	860	1,218	1,218	1,218	1,345
Enrollment	892	889	885	919	937	890	760	748	742	793
Southmayd (1936)										
Square feet	76,614	76,614	76,614	76,614	67,258	67,258	67,258	67,258	67,258	67,258
Capacity	745	745	745	745	773	773	773	773	773	701
Enrollment	559	592	659	716	727	711	698	739	764	728
Stevens (1952)										
Square feet	47,145	56,361	56,361	68,822	68,822	68,822	68,822	68,822	68,822	68,822
Capacity	886	886	849	849	824	815	815	815	815	682
Enrollment	659	658	692	721	731	776	655	627	656	646
Sutton (1958)										
Square feet	107,898	113,274	113,274	91,002	88,701	88,701	88,701	88,701	88,701	88,701
Capacity	1,368	1,368	1,312	1,312	1,233	1,233	1,233	1,233	1,233	1,370
Enrollment	1,155	1,140	1,145	1,138	1,097	1,148	1,060	1,029	1,047	1,126
Thompson (2006)										
Square feet	83,694	83,694	83,694	96,252	96,252	96,252	96,252	96,252	96,252	96,252
Capacity	729	729	729	729	816	816	816	816	816	1,047
Enrollment	408	403	450	458	467	552	561	619	620	659
Tijerina (1979)										
Square feet	68,452	68,452	68,452	68,452	35,771	35,771	35,771	35,771	35,771	35,771
Capacity	860	860	860	860	857	857	857	857	857	858
Enrollment	337	339	379	422	426	458	491	502	620	624
Tinsley (2001)										
Square feet	90,415	90,415	90,415	90,415	90,415	90,415	90,415	90,415	90,415	90,415
Capacity	775	775	775	775	815	815	815	815	815	757
Enrollment	680	734	739	789	792	780	812	700	705	739
Travis (2007)										
Square feet	88,641	88,641	88,641	88,641	86,530	86,530	86,530	86,530	86,530	86,530
Capacity	729	729	729	729	734	734	734	669	669	674
Enrollment	719	695	710	712	698	723	755	733	729	734
Twain (2007)										
Square feet	88,047	86,511	86,511	86,511	83,634	83,634	83,634	83,634	83,634	83,634
Capacity	812	812	887	887	815	815	815	815	815	781
Enrollment	924	899	895	870	905	953	924	873	810	787
Valley West (1994)										
Square feet	84,231	91,911	91,911	84,763	84,763	84,763	84,763	84,763	84,763	84,763
Capacity	1,172	1,172	1,209	1,209	1,023	1,023	1,023	1,023	1,023	726
Enrollment	839	875	843	879	878	845	830	748	705	623
Wainwright (1962)										
Square feet	46,212	60,036	60,036	56,531	56,531	56,531	56,531	56,531	56,531	56,531
Capacity	915	915	877	877	824	824	824	824	824	699
Enrollment	493	495	559	510	608	722	751	835	760	794
Walnut Bend (2005)										
Square feet	82,451	82,451	82,451	114,707	114,707	114,707	114,707	114,707	114,707	114,707
Capacity	746	746	746	746	753	753	753	753	753	1,590
Enrollment	716	715	736	734	762	743	750	678	647	694

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Wesley (1949)										
Square feet	58,639	62,479	62,479	73,580	73,580	73,580	73,580	73,580	73,580	73,580
Capacity	740	740	740	740	681	681	1,045	1,045	1,045	639
Enrollment	370	343	359	334	412	418	438	448	436	464
West University (1928)										
Square feet	105,818	115,034	115,034	105,818	99,423	99,423	99,423	99,423	99,423	99,423
Capacity	1,247	1,247	1,247	1,247	1,108	1,108	1,108	1,108	1,108	1,067
Enrollment	1,282	1,283	1,305	1,286	1,259	1,300	1,245	1,210	1,202	1,197
Wharton (1959/2018) / Dual Language										
Square feet	22,032	38,928	32,310	32,310	32,310	32,310	32,310	32,310	32,310	32,310
Capacity	943	943	582	469	469	469	469	469	469	397
Enrollment	595	509	520	490	490	486	474	436	439	425
Whidby (1959)										
Square feet	43,614	47,454	47,454	46,870	46,870	46,870	46,870	46,870	46,870	49,942
Capacity	619	619	657	657	609	609	710	710	710	572
Enrollment	506	567	609	612	631	577	536	483	518	482
White (1966)										
Square feet	67,403	62,795	62,795	65,599	65,599	65,599	65,599	65,599	65,599	65,599
Capacity	699	699	868	868	806	806	522	522	522	920
Enrollment	788	759	773	829	855	871	851	824	811	813
White, Mark (2017)										
Square feet	89,834	89,834	89,834	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	748	748	748	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	674	632	659	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Whittier (1959)										
Square feet	48,055	51,895	51,895	46,154	46,154	46,154	46,154	46,154	46,154	46,154
Capacity	746	746	709	709	606	606	606	606	606	659
Enrollment	499	514	549	553	592	589	582	578	526	530
Wilson (1924) / Montessori										
Square feet	36,032	36,032	36,032	41,579	41,579	41,579	41,579	41,579	41,579	41,579
Capacity	949	949	619	619	539	539	539	508	508	471
Enrollment	604	590	572	538	547	520	501	502	500	489
Windsor Village (1960)										
Square feet	59,242	60,010	60,010	59,414	59,414	59,414	59,414	59,414	59,414	59,414
Capacity	912	912	931	931	913	913	967	967	967	892
Enrollment	711	749	808	780	782	781	748	745	755	750
Young, Ethel Mosley (1960)										
Square feet	42,238	42,238	42,238	45,477	45,447	45,447	45,447	45,447	45,447	45,447
Capacity	518	518	518	518	501	501	501	501	501	390
Enrollment	392	344	308	281	366	414	388	414	456	421

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Middle										
Attucks (1953)										
Square feet	175,418	181,562	181,562	176,123	176,123	176,123	173,819	173,819	173,819	173,819
Capacity	1,140	1,140	1,440	1,140	1,144	1,144	1,144	1,144	1,144	898
Enrollment	428	494	490	497	482	483	459	445	446	506
Black (1957)										
Square feet	169,343	169,343	169,343	169,343	166,511	166,511	165,662	165,662	165,662	165,662
Capacity	1,380	1,380	1,380	1,380	1,238	1,238	1,238	1,238	1,238	935
Enrollment	1,306	1,230	1,093	1,024	966	932	840	714	536	490
Burbank (1950)										
Square feet	161,780	164,852	164,852	196,811	196,811	196,811	162,511	162,511	162,511	162,511
Capacity	1,631	1,631	1,843	1,843	1,988	1,988	1,988	1,988	1,988	1,406
Enrollment	1,529	1,491	1,414	1,433	1,440	1,424	1,422	1,418	1,417	1,261
Clifton (1979)										
Square feet	142,025	147,401	147,401	156,742	156,742	156,742	156,742	156,742	156,742	156,742
Capacity	1,128	1,128	1,128	1,128	1,163	1,163	1,163	1,163	1,163	992
Enrollment	613	698	725	777	837	919	919	987	1,009	1,001
Cullen (1955)										
Square feet	162,379	162,379	162,379	162,379	158,851	158,851	158,581	158,581	158,581	158,581
Capacity	1,201	1,201	1,201	1,201	1,106	1,106	1,106	1,106	1,106	898
Enrollment	378	410	474	484	576	623	656	494	510	580
Deady (1929)										
Square feet	193,876	193,876	193,876	193,000	183,653	183,653	183,653	183,653	183,653	183,653
Capacity	1,456	1,456	1,456	1,456	1,388	1,388	1,388	1,388	1,388	1,267
Enrollment	687	660	716	703	702	775	861	898	880	872
Edison (1925)										
Square feet	146,432	146,432	146,432	146,432	143,758	143,758	143,758	143,758	143,758	143,758
Capacity	1,172	1,172	1,172	1,172	1,144	1,144	1,144	1,144	1,144	1,042
Enrollment	643	645	655	674	721	750	744	720	706	791
Fleming (1968)										
Square feet	183,474	183,474	183,474	183,474	179,515	179,515	179,515	179,515	179,515	179,515
Capacity	1,197	1,197	1,197	1,197	1,031	1,031	1,031	1,031	1,031	785
Enrollment	427	478	508	486	497	525	492	539	644	528
Fondren (1966)										
Square feet	147,989	148,757	148,757	161,421	161,421	161,421	158,349	158,349	158,349	158,349
Capacity	1,078	1,078	1,078	1,078	1,369	1,369	1,369	1,369	1,369	1,136
Enrollment	1,049	1,030	988	926	938	870	780	750	679	723
Fonville (1951)										
Square feet	161,248	164,320	164,320	162,228	162,228	162,228	162,228	162,228	162,228	162,228
Capacity	1,297	1,297	1,297	1,297	1,444	1,444	1,444	1,444	1,444	1,085
Enrollment	715	804	855	985	934	1047	1,111	1,088	1,045	1,080
Forest Brook (1972)*										
Square feet	211,723	211,723	211,723	226,770	226,770	226,770	226,770	N/A	N/A	N/A
Capacity	1,108	1,108	1,108	1,108	1,256	1,256	1,256	N/A	N/A	N/A
Enrollment	813	849	852	896	911	937	990	N/A	N/A	N/A
Hamilton (1919)										
Square feet	138,848	138,080	138,080	140,674	140,674	140,674	137,710	137,710	137,710	137,710
Capacity	1,224	1,224	1,394	1,394	1,125	1,125	1,125	1,125	1,125	1,020
Enrollment	1,200	1,251	1,355	1,287	1,267	1,223	1,253	1,269	1,307	1,390

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Hartman (2005)										
Square feet	195,556	195,556	195,556	222,606	222,606	222,606	222,606	222,606	222,606	222,606
Capacity	1,679	1,679	1,679	1,679	1,444	1,444	1,444	1,444	1,444	1,349
Enrollment	1,262	1,273	1,314	1,401	1,356	1,424	1,421	1,448	1,436	1,527
Henry (1965)										
Square feet	175,625	182,537	182,537	182,031	182,031	182,031	181,623	181,623	181,623	181,623
Capacity	1,279	1,279	1,279	1,279	1,200	1,200	1,200	1,200	1,200	1,179
Enrollment	809	817	835	889	876	896	939	975	983	1,004
HS Ahead Academy / (1920)										
Square feet	41,171	45,779	45,779	54,936	54,936	54,936	54,888	54,888	54,888	54,888
Capacity	621	621	641	641	617	617	617	617	617	599
Enrollment	145	128	164	165	269	208	297	301	368	386
Hogg (1926)										
Square feet	160,545	162,849	162,849	177,148	177,148	177,148	177,148	176,380	176,380	176,380
Capacity	1,211	1,211	1,211	1,211	1,069	1,069	1,069	1,069	1,069	926
Enrollment	1,033	986	891	779	698	735	722	733	668	732
Holland (1980)										
Square feet	133,068	137,676	137,676	135,130	135,130	135,130	135,130	131,290	131,290	131,290
Capacity	1,167	1,167	1,124	1,124	994	994	994	994	994	875
Enrollment	685	668	655	675	693	719	675	698	696	749
Key (1957)										
Square feet	186,507	188,403	188,403	186,507	185,923	185,923	185,923	185,923	185,923	185,923
Capacity	1,111	1,111	1,153	1,153	1,294	1,294	1,294	1,294	1,294	1,033
Enrollment	666	687	644	698	691	705	654	483	518	485
Lanier, Bob (1926)										
Square feet	157,674	159,210	159,210	159,574	159,574	159,574	159,574	159,574	159,574	159,574
Capacity	1,282	1,282	1,282	1,282	1,276	1,276	1,276	1,276	1,276	1,155
Enrollment	1,472	1,466	1,461	1,431	1,375	1,348	1,396	1,391	1,341	1,347
Lawson, Audrey H.(1968/2018)										
Square feet	197,093	197,093	197,093	207,029	207,029	207,029	199,121	199,121	199,121	199,121
Capacity	2,128	2,128	2,087	2,087	1,800	1,800	1,800	1,800	1,800	1,824
Enrollment	1,345	1,251	1,128	1,080	1,115	1,208	1,129	1,188	1,335	1,301
Marshall, J. (1981)										
Square feet	216,160	216,160	216,160	212,645	212,645	212,645	212,645	212,645	212,645	212,645
Capacity	1,406	1,406	1,406	1,406	1,331	1,331	1,538	1,538	1,538	1,153
Enrollment	732	767	817	887	888	889	960	952	950	1,013
McReynolds (1956)										
Square feet	153,168	157,008	157,008	153,168	133,056	133,056	130,392	130,392	130,392	130,392
Capacity	1,055	1,055	1,034	1,034	1,163	1,163	1,163	1,163	1,163	863
Enrollment	552	577	599	588	598	602	637	651	712	646
Meyerland Performing and Visual Arts MS (1959)										
Square feet	182,144	162,176	189,637	189,637	189,637	189,637	174,981	174,981	174,981	174,981
Capacity	1,448	1,448	2,128	2,128	2,063	2,063	2,063	2,063	2,063	1,294
Enrollment	1,455	1,564	1,597	1,723	1,722	1,744	1,676	1,619	1,501	1,486
Navarro MS (1925)										
Square feet	188,537	188,537	188,537	211,186	211,186	211,186	211,186	211,186	211,186	211,186
Capacity	1,286	1,286	1,286	1,286	1,632	1,632	1,632	1,632	1,632	1,235
Enrollment	650	705	697	835	821	901	931	1,015	985	912

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Ortiz (2002)										
Square feet	185,322	183,786	183,786	183,786	178,481	178,481	178,481	178,481	178,481	178,481
Capacity	1,432	1,432	1,432	1,432	1,313	1,313	1,313	1,313	1,313	1,126
Enrollment	1,068	1,081	1,056	1,055	993	1028	1,010	1,014	1,035	1,032
Pershing (2007)										
Square feet	233,281	233,281	233,281	233,281	226,410	226,410	240,234	240,234	240,234	240,234
Capacity	1,844	1,844	1,844	1,844	1,631	1,631	1,631	1,631	1,631	1,478
Enrollment	1,765	1,755	1,698	1,651	1,592	1,594	1,653	1,751	1,748	1,816
Pin Oak (2002)										
Square feet	253,616	253,616	253,616	233,281	233,081	233,081	233,081	233,081	233,081	233,081
Capacity	1,295	1,298	1,295	1,295	1,200	1,200	1,200	1,200	1,200	1,077
Enrollment	1,244	1,205	1,237	1,233	1,210	1,208	1,205	1,195	1,157	1,161
Revere (1980)										
Square feet	193,600	192,064	192,064	194,079	194,079	194,079	194,031	194,031	194,031	194,031
Capacity	1,341	1,341	1,405	1,405	1,294	1,294	1,294	1,294	1,294	1,295
Enrollment	1,234	1,230	1,285	1,324	1,250	1,264	1,221	1,108	940	883
Baylor College of Medicine / Ryan (1925)										
Square feet	114,156	114,156	114,156	133,488	133,488	133,488	113,447	113,447	113,447	113,447
Capacity	1,237	1,237	1,237	1,237	941	941	956	956	956	899
Enrollment	616	699	757	741	789	471	236	272	305	329
Stevenson (1994)										
Square feet	171,553	170,785	170,785	173,685	173,685	173,685	173,685	173,685	173,685	173,685
Capacity	1,476	1,476	1,519	1,519	1,388	1,388	1,388	1,388	1,388	1,156
Enrollment	1,424	1,440	1,380	1,357	1,333	1,319	1,386	1,420	1,374	1,396
Sugar Grove Academy (2009)										
Square feet	54,463	54,463	54,463	88,108	88,108	88,108	88,108	88,108	88,108	88,108
Capacity	822	822	822	822	902	902	902	902	902	796
Enrollment	760	684	687	798	842	839	739	717	920	429
Tanglewood MS (1949)										
Square feet	61,073	61,073	94,746	94,746	94,746	94,746	94,746	94,746	94,746	64,902
Capacity	1,625	1,625	988	988	713	713	488	488	488	690
Enrollment	872	831	840	759	632	604	558	527	518	482
Thomas (1968)										
Square feet	155,059	155,059	155,059	155,059	151,508	151,508	151,508	151,508	151,508	174,596
Capacity	994	994	994	994	956	956	1,294	1,294	1,294	869
Enrollment	570	621	556	464	459	504	492	531	531	545
Welch (1979)										
Square feet	132,523	153,259	153,259	156,530	156,530	156,530	156,530	156,530	156,530	156,530
Capacity	1,569	1,569	1,633	1,633	1,726	1,726	1,726	1,726	1,726	1,331
Enrollment	658	671	733	808	859	884	919	926	995	1,099
West Briar (2002)										
Square feet	176,463	177,231	177,231	174,159	170,614	170,614	169,062	169,062	169,062	169,062
Capacity	1,481	1,481	1,460	1,460	1,181	1,181	1,181	1,181	1,181	1,106
Enrollment	1,142	1,123	1,078	1,033	993	1,022	1,158	1,257	1,359	1,347
Williams (1962)										
Square feet	139,230	139,230	139,230	163,107	163,107	163,107	163,107	163,107	163,107	163,107
Capacity	1,087	1,087	1,087	1,087	975	975	975	975	975	1,299
Enrollment	471	500	516	504	511	529	490	468	443	441
Woodson (1966) / Middle										
Square feet	161,353	169,033	169,033	164,732	164,732	164,732	164,732	164,732	164,732	164,732
Capacity	1,426	1,426	1,426	1,426	1,310	1,310	1,870	1,870	1,870	2,258
Enrollment	642	608	727	767	757	904	891	798	772	686

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
High										
Austin (1953)										
Square feet	131,474	131,474	131,474	314,157	314,157	314,157	314,157	314,157	314,157	314,157
Capacity	2,542	2,542	2,542	2,542	1,900	1,900	1,900	2,156	2,156	2,079
Enrollment	1,562	1,593	1,709	1,837	1,899	1,719	1,696	1,830	1,859	1,864
Bellaire (1955)										
Square feet	416,084	432,980	474,451	474,451	474,451	474,451	474,451	474,451	418,451	362,451
Capacity	3,847	3,847	3,756	3,756	2,906	2,906	2,906	2,906	2,906	2,801
Enrollment	3,363	3,260	3,379	3,400	3,615	3,550	3,604	3,520	3,476	3,466
Carnegie Vanguard (2002)										
Square feet	103,502	103,502	103,502	103,502	99,208	99,208	99,000	99,000	42,504	42,504
Capacity	826	826	826	826	600	600	600	600	656	525
Enrollment	827	783	611	623	623	598	608	590	523	458
Chavez (2000)										
Square feet	519,307	519,307	519,307	519,307	519,307	519,307	519,307	519,307	519,307	519,307
Capacity	2,806	2,806	2,806	2,806	2,213	2,213	2,213	2,213	2,213	2,082
Enrollment	2,665	2,810	2,908	3,023	3,142	3,103	2,988	2,831	2,856	2,757
DeBaKey (2017)										
Square feet	193,000	193,000	193,000	193,000	161,426	161,426	161,426	161,426	161,426	161,426
Capacity	1,238	1,238	1,673	1,673	825	825	825	825	825	851
Enrollment	853	863	860	822	842	832	823	864	871	865
East Early College (2009)										
Square feet	45,524	45,524	45,524	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	414	414	414	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	452	469	479	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eastwood Academy (1985/2018)										
Square feet	59,849	59,849	59,849	59,849	40,391	40,391	28,823	28,823	28,823	28,823
Capacity	626	626	420	420	525	525	525	525	525	293
Enrollment	446	428	425	425	419	415	415	407	407	359
Energy Institute (2018)										
Square feet	114,146	114,146	114,476	82,976	82,976	82,976	82,976	82,976	82,976	82,976
Capacity	1,017	1,017	1,048	1,048	1,033	0	941	941	941	748
Enrollment	717	747	692	683	546	336	644	487	506	563
Furr (2018)										
Square feet	190,354	213,394	213,394	178,044	170,589	170,589	168,285	168,285	168,285	168,285
Capacity	1,869	1,869	1,587	1,407	1,407	1,407	1,407	1,407	1,407	1,384
Enrollment	1,102	968	1,047	1,050	1,022	964	1,274	1,194	1,160	1,167
Heights (1926)										
Square feet	341,371	353,659	353,659	360,372	360,372	360,372	360,372	360,372	360,372	360,372
Capacity	2,508	2,508	2,141	2,141	1,781	1,781	1,781	1,781	1,781	2,306
Enrollment	2,270	2,305	2,328	2,312	2,334	2,192	2,190	2,135	2,047	2,001
HS for Law & Justice (1925/2018)										
Square feet	115,502	115,502	115,502	102,862	102,862	102,862	102,694	102,694	102,694	102,694
Capacity	1,259	1,259	1,127	1,127	900	900	900	900	900	926
Enrollment	450	441	415	408	413	434	504	548	547	570
Houston Academy International / Jones, J.W. (1966)										
Square feet	51,203	51,203	53,761	53,761	53,761	53,761	52,255	52,255	52,255	52,255
Capacity	589	589	630	630	665	665	665	665	665	423
Enrollment	486	483	478	460	425	430	432	426	414	385

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Houston, Sam MST (1955/2019)										
Square feet	280,923	334,683	334,683	355,049	355,049	355,049	355,049	355,049	325,181	325,181
Capacity	2,533	2,533	4,048	4,048	3,412	3,412	3,412	3,412	3,412	3,047
Enrollment	2,718	2,557	2,595	2,691	2,689	2,346	2,614	2,533	2,653	2,613
Jones Futures Academy (1958)										
Square feet	189,156	190,692	190,692	212,457	212,457	212,457	198,401	198,401	198,401	198,401
Capacity	2,092	2,092	1,503	2,100	1,425	1,425	1,425	1,425	1,425	1,278
Enrollment	336	375	420	343	274	175	512	594	653	663
Kashmere (1968)										
Square feet	206,405	207,173	207,173	204,032	204,032	204,032	202,496	202,496	202,496	202,496
Capacity	1,553	1,553	1,609	1,609	1,238	1,238	1,238	1,238	1,238	1,088
Enrollment	764	715	690	556	561	502	501	497	535	600
Kinder HS Performing & Visual Arts (HSPVA) (1980/2018)										
Square feet	168,000	168,000	106,464	104,124	104,124	104,124	104,092	104,092	104,092	104,092
Capacity	1,310	1,310	844	844	751	751	751	751	751	863
Enrollment	787	749	751	746	724	707	699	690	687	655
Lamar (1937)										
Square feet	302,907	316,731	316,731	302,907	279,700	279,700	279,700	279,700	279,700	279,700
Capacity	2,681	2,681	2,681	2,681	3,306	3,306	3,306	3,306	2,194	2,229
Enrollment	2,775	3,023	3,278	3,323	3,347	3,236	3,225	3,270	3,371	3,268
Madison (1965/2019)										
Square feet	206,225	236,177	236,177	206,225	259,405	259,405	225,541	225,541	225,541	225,541
Capacity	2,876	2,876	2,571	2,571	2,044	2,044	2,044	2,044	2,044	1,875
Enrollment	1,705	1,644	1,548	1,653	1,828	1,723	2,005	2,033	2,027	2,213
Milby (2017)										
Square feet	385,765	385,765	385,765	389,342	389,342	389,342	389,342	389,342	389,342	389,342
Capacity	1,949	1,949	1,974	3,075	3,075	3,075	3,075	3,075	3,075	2,868
Enrollment	2,031	1,837	1,616	1,342	1,470	1,570	2,092	2,032	2,009	2,190
North Forest (2017) *										
Square feet	205,000	205,000	205,000	307,050	307,050	307,050	307,050	N/A	N/A	N/A
Capacity	2,180	2,180	2,180	2,180	1,725	1,725	1,725	N/A	N/A	N/A
Enrollment	954	962	946	904	1,011	954	1,044	N/A	N/A	N/A
Northside (1925/2019)										
Square feet	260,056	260,056	260,056	267,110	267,110	267,110	264,038	264,038	264,038	264,038
Capacity	1,974	1,974	1,974	1,974	1,613	1,613	1,613	1,613	1,613	1,558
Enrollment	1,410	1,435	1,444	1,517	1,693	1,650	1,652	1,613	1,603	1,674
Scarborough HS (1968/2018)										
Square feet	175,129	176,665	176,665	183,119	183,119	183,119	183,119	183,119	182,593	182,593
Capacity	1,437	1,437	1,435	1,435	1,482	1,482	1,482	1,482	1,482	1,032
Enrollment	723	709	745	729	773	673	670	1,065	1,028	753
Sharpstown HS (2018)										
Square feet	234,779	234,779	254,747	234,779	201,355	201,355	195,195	195,195	195,195	195,195
Capacity	2,473	2,473	2,183	2,183	2,062	2,062	2,062	2,062	2,062	1,781
Enrollment	1,729	1,647	1,608	1,567	1,535	1,439	1,683	1,335	1,276	1,280
South Early College (2017)										
Square feet	56,719	56,719	56,719	168,247	168,247	168,247	168,247	168,247	168,247	168,247
Capacity	368	368	368	368	1,350	1,350	1,350	1,350	1,350	1,406
Enrollment	409	388	369	270	1,049	1,010	1,068	1,008	973	973

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Sterling (2017)										
Square feet	209,685	218,133	218,133	219,683	219,683	219,683	219,667	219,667	219,667	219,667
Capacity	1,773	1,773	1,925	1,925	1,537	1,537	1,537	1,537	1,537	1,397
Enrollment	1,491	1,382	1,303	1,086	1,129	973	830	938	939	1,090
Waltrip (1960/2017)										
Square feet	259,100	266,780	266,780	264,979	264,979	264,979	264,659	264,659	264,659	264,659
Capacity	2,265	2,265	2,333	2,333	1,932	1,932	1,932	1,932	1,932	1,805
Enrollment	1,841	1,833	1,732	1,577	1,760	1,612	1,631	1,668	1,701	1,762
Washington (1959/2018)										
Square feet	184,734	401,627	248,142	248,775	248,775	248,775	244,527	244,527	244,527	244,527
Capacity	1,235	1,235	2,264	2,264	1,931	1,931	1,931	1,931	1,931	1,652
Enrollment	759	723	732	723	734	653	773	831	823	907
Westbury (1961/2018)										
Square feet	291,780	328,644	328,644	324,292	324,292	324,292	324,292	324,292	324,292	324,292
Capacity	4,176	4,176	3,303	3,303	2,644	2,644	2,644	2,644	2,644	2,263
Enrollment	2,345	2,203	2,271	2,153	2,108	2,026	2,083	2,101	2,219	2,160
Westside (2000)										
Square feet	490,480	490,480	490,480	490,480	448,776	448,776	448,776	448,776	448,776	448,776
Capacity	2,768	2,768	2,768	2,768	2,381	2,381	2,381	2,381	2,381	2,171
Enrollment	2,776	2,822	2,836	2,875	2,948	2,728	2,755	2,736	2,996	3,143
Wheatley (1950)										
Square feet	272,749	274,285	274,285	272,749	268,485	268,485	268,485	268,485	268,485	268,485
Capacity	1,224	1,224	1,178	1,178	1,144	1,144	1,144	1,144	1,144	976
Enrollment	737	797	875	782	773	715	860	902	1,007	1,080
Wisdom (2018)										
Square feet	259,600	259,600	259,600	332,694	332,694	332,694	332,694	332,694	332,694	332,694
Capacity	2,121	2,121	2,829	2,829	2,981	2,981	2,981	2,981	2,981	2,523
Enrollment	1,948	1,972	1,950	1,865	1,598	1,464	1,362	1,418	1,609	1,691
Worthing (1962/2018)										
Square feet	200,896	229,967	229,967	229,967	220,983	220,983	220,983	220,983	220,983	220,983
Capacity	1,508	1,508	1,508	1,508	1,707	1,707	1,707	1,707	1,707	1,470
Enrollment	787	738	758	806	669	631	641	728	812	935
Yates (1958/2018)										
Square feet	286,628	286,628	291,236	289,881	289,881	289,881	289,881	289,881	289,881	289,881
Capacity	1,911	1,911	2,735	2,735	2,644	2,644	2,644	2,644	2,644	2,120
Enrollment	801	815	764	791	950	935	935	972	966	1,329

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
MS/HS Combination										
Harper School (1951)										
Square feet	53,035	56,107	56,107	53,605	53,605	53,605	42,826	42,826	42,826	42,826
Capacity	N/A	N/A	N/A	372	75	75	75	75	75	150
Enrollment	18	17	N/A	34	56	70	45	64	71	N/A
Long Academy (1957)										
Square feet	158,409	159,945	159,945	178,671	178,671	178,671	177,135	177,135	177,135	177,135
Capacity	1,494	1,494	1,450	1,450	1,200	1,200	1,463	1,463	1,463	1,577
Enrollment	939	878	914	1,013	1,070	1,021	1,133	1,028	946	934
Las Americas (Sq. ft. Housed at Long Academy)										
Square feet	158,409	159,945	159,945	178,671	178,671	178,671	N/A	N/A	N/A	N/A
Capacity	600	600	450	450	413	413	N/A	N/A	N/A	N/A
Enrollment	352	372	243	334	112	305	N/A	N/A	N/A	N/A
Mickey Leland College Prep (2017)										
Square feet	140,862	140,862	140,862	66,902	66,092	66,092	134,926	134,926	134,926	134,926
Capacity	1,108	1,108	719	719	999	999	999	999	999	850
Enrollment	468	500	479	441	422	435	384	258	148	406
Sharpstown International School / MS (1969)										
Square feet	180,298	181,931	180,395	169,643	168,247	168,247	168,247	168,247	168,247	168,247
Capacity	1,590	1,590	1,546	1,546	1,350	1,350	1,350	1,350	1,350	1,406
Enrollment	1,227	1,148	1,090	1,046	1,049	1,010	1,068	1,008	973	973
Young Women's College Prep (1925/2018)										
Square feet	155,045	155,045	116,757	168,125	168,125	168,125	112,742	112,742	112,742	112,742
Capacity	1,080	1,080	921	921	1,257	1,257	1,257	1,257	1,257	926
Enrollment	512	466	495	579	629	497	497	354	211	581
Charter										
Community Services / Chatham (1964)										
Square feet	40,620	40,620	40,620	47,379	47,379	47,379	42,379	42,379	42,379	42,379
Capacity	115	115	N/A	429	429	429	429	429	429	429
Enrollment	83	134	120	100	83	93	114	N/A	N/A	2
Program										
Jordan, Barbara (1979/2019)										
Square feet	288,366	119,869	289,134	288,366	287,903	287,903	287,615	287,615	287,615	287,615
Capacity	525	830	1,905	1,905	1,988	1,988	1,988	1,988	1,988	1,661
Enrollment	380	190	142	314	551	779	883	952	925	1,109

* Campus acquired via annexation of North Forest ISD in 2014.

Source for capacity and enrollment is PEIMS.

Note: Changes to square feet are due to new construction, additions or deletions of temporary buildings, and/or adjustments due to a facilities assessment.

**2020 COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**COMPLIANCE
SECTION**



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally



**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
with Government Auditing Standards**

To the Board of Trustees of
Houston Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Houston Independent School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-003 and 2020-004 to be significant deficiencies.

Weaver and Tidwell, L.L.P.
24 Greenway Plaza, Suite 1800 | Houston, Texas 77046
Main: 713.850.8787

CPAs AND ADVISORS | WEAVER.COM

The Board of Trustees of
Houston Independent School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Houston Independent School District's Response to Findings

The District's response to the findings identified in our audit are described in the accompanying schedule of findings and responses or schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
November 13, 2020



**Independent Auditor's Report on Compliance for Each Major Federal and State
Program and Report on Internal Control over Compliance
Required by the Uniform Guidance and Texas Uniform Grant Management Standards**

To the Board of Trustees of
Houston Independent School District

Report on Compliance for Each Major Federal Program and State Program

We have audited Houston Independent School District's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the *Texas Uniform Grant Management Standards* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2020. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Texas Uniform Grant Management Standards (UGMS). Those standards and the Uniform Guidance and UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2020.

Weaver and Tidwell, L.L.P.
24 Greenway Plaza, Suite 1800 | Houston, Texas 77046
Main: 713.850.8787

CPAs AND ADVISORS | WEAVER.COM

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and UGMS. Accordingly, this report is not suitable for any other purpose.

The Board of Trustees of
Houston Independent School District

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and Texas Uniform Grant Management Standards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 12, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of expenditure of state awards are presented for purposes of additional analysis as required by the Uniform Guidance and UGMS and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
November 13, 2020

HOUSTON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

Section I — Summary of Auditor's Results**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal and State Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of Uniform Guidance and Texas Uniform Grant Management Standards?	No

HOUSTON INDEPENDENT SCHOOL DISTRICT
June 30, 2020

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program
84.425D	COVID-19 – Elementary and Secondary School Emergency Relief Fund

Identification of major state programs:

<u>Identifying Number(s)</u>	<u>Name of State Program</u>
529-15-0053-00006	Texas Home Visit Program
03002001	School Lunch Matching

Dollar threshold used to distinguish between Type A and Type B federal programs: \$3,000,000

Dollar threshold used to distinguish between Type A and Type B state programs: \$300,000

Auditee qualified as low-risk auditee? No

HOUSTON INDEPENDENT SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section II - Findings Related to Financial Statements

2020-001

Material Weakness in Internal Control over Financial Reporting: Capital Leases

Criteria

Management is responsible for the accuracy and completeness of all financial records and related information and for establishing and maintaining effective internal control over financial reporting. The existence of a material misstatement of an entity's financial statements is an indication of a material weakness in internal control.

Condition

During the year ended June 30, 2020, the District improperly recorded capital leases, resulting in the following adjustments:

1. In the Internal Service Funds, the District failed to record a capital lease entered into during the year, resulting in adjustments to capital lease assets of approximately \$19.8MM, capital leases payable of approximately \$18.3MM and adjustments to the related depreciation and interest expense.
2. In the General Fund, the District failed to record capital leases entered into during the year, resulting in material adjustments to other financing sources (proceeds from leases) and capital outlay expenditures of approximately \$35.1MM.

Cause

In the preparation of its financial records for the year ended June 30, 2020, the District failed to properly identify and record capital leases. Because these errors were not detected timely, there is an indication that internal controls surrounding the identification and recording of capital leases are not operating as intended.

Effect or Potential Effect

Material misstatement of the District's financial statements was not prevented, or detected and corrected, by the District's system of internal control. Failure to establish effective monitoring and closing procedures will allow for misstatements to exist and continue without notice.

Recommendation

We recommend that the District review its internal control procedures over financial reporting to ensure controls are in place to identify and record all transactions surrounding capital leases in a timely manner.

Views of Responsible Officials and Planned Corrective Actions

See corrective action plan

2020-002**Material Weakness in Internal Control over Financial Reporting: Goods Receipts***Criteria*

Management is responsible for the accuracy and completeness of all financial records and related information and for establishing and maintaining effective internal control over financial reporting. The existence of a potential material misstatement of an entity's financial statements is an indication of a material weakness in internal control.

Condition

Goods and services on purchase orders were marked as received in the accounting and financial reporting system, triggering the recording of expenditures and the related liabilities, though the goods and services were not received. These items were not reviewed and reconciled in a timely manner against the invoices, resulting in overstated expenditures in prior periods, and understated expenditures during the year ended June 30, 2020 by approximately \$1.7MM. Because some of these items were capital outlay expenditures, capital assets were recorded at an incorrect cost basis in the government-wide statement of net position in prior years.

Cause

Departments are incorrectly identifying goods and services as received on purchase orders.

Effect or Potential Effect

Failure to accurately record goods receipts could result in material misstatement of the District's financial statements and payment of invoices for goods or services not received.

Recommendation

We recommend that the District provide additional training and guidance to employees to ensure processes over recording goods receipts are followed and reconciliations are completed accurately and timely.

Views of Responsible Officials and Planned Corrective Actions

See corrective action plan

2020-003**Significant Deficiency in Internal Control over Financial Reporting: Timely Deposit of Cash Receipts****Criteria**

Due to the nature of checks held for deposit, an inherent risk of fraud is present. Therefore, it is critical that internal control processes are in place surrounding the custody and timely deposit of checks received by the District.

Condition

The Treasury department was not made aware of three checks received by other departments within the District, with one check being held for approximately six months prior to being deposited in the bank. Therefore, these items were not deposited in a timely manner. Additionally, prior to deposit, these items were not protected in a safe or similar manner, exposing the District to the potential for misappropriation of funds.

Cause

Lack of communication between departments caused checks to be improperly held for an extended period of time. This condition indicates ineffective control processes surrounding the custody of checks and timely communication and remittance to the Treasury department.

Effect or Potential Effect

If the Treasury department is not made aware of all checks received, the District is exposed to the potential for fraudulent activity surrounding checks on hand. Additionally, these cash receipts could fail to be recorded in the financial statements in the correct period, leading to inaccurate financial reporting.

Recommendation

We recommend that the District review its internal control procedures over financial reporting to ensure that processes are in place so all checks received by the District are remitted to the Treasury department in a timely manner and custody of checks is appropriately maintained until the date of deposit.

Views of Responsible Officials and Planned Corrective Actions

See corrective action plan

2020-004**Significant Deficiency in Internal Control over Financial Reporting: Collectability of Receivables****Criteria**

Accounts receivable should be reported net of allowance for doubtful accounts to accurately reflect the collectability of the customer balance. Periodic evaluation and review of collectability of receivables, as well as other accounting estimates, is essential to ensure accurate financial reporting.

Condition

Receivables from other governments were not evaluated for collectability, resulting in an overstatement of accounts receivable and deferred inflows of resources by approximately \$3.1MM.

Cause

In the preparation of its financial records for the year ended June 30, 2020, the District failed to perform an evaluation of collectability of receivables from other governments and had not identified that funds were no longer available to pay the outstanding balance. This indicates an absence of effective internal controls over the determination of accurate accounts receivable balances and the allowance for doubtful accounts.

Effect or Potential Effect

If receivables are not evaluated for collectability on a timely basis, the District could be exposed to inaccurate financial reporting of receivables, revenue, and deferred inflows of resources.

Recommendation

We recommend that the District review its internal control procedures over financial reporting to ensure controls are in place to review all receivables for collectability and record allowances, as necessary.

Views of Responsible Officials and Planned Corrective Actions

See corrective action plan

Section III – Federal and State Award Findings and Questioned Costs

None reported

HOUSTON INDEPENDENT SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section IV – Corrective Action Plans

2020-001

Material Weakness in Internal Control over Financial Reporting: Capital Leases

Corrective Action Plan: As part of our implementation of GASB Statement 87, Leases, internal controls will be reviewed to ensure all transactions identified as capital leases are recorded timely and correctly in the financial records.

Estimated Completion Date: June 30, 2021

Management Contact: Bejoy Joseph, Sr. Manager Accounting

Status: In process

2020-002

Material Weakness in Internal Control over Financial Reporting: Goods Receipts

Corrective Action Plan: Staff will ensure purchase order activity is more accurately recorded and work with vendors to invoice correctly. This has been communicated to those individuals whom handle the posting of good receipts for purchase orders.

Estimated Completion Date: November 4, 2020

Management Contact: Tanya Pridgeon, Sr. Manager, Information Technology Administration and Strategic Planning

Status: Complete

2020-003**Significant Deficiency in Internal Control over Financial Reporting: Timely Deposit of Cash Receipts**

Corrective Action Plan: The Controller's Office will prepare communications to periodically remind campuses and departments about timely deposits. In addition, deposit procedures will be added to training documents and videos.

Estimated Completion Date: January 31, 2021

Management Contact: Sherrie H. Robinson, Controller

Status: In process

2020-004**Significant Deficiency in Internal Control over Financial Reporting: Collectability of Receivables**

Corrective Action Plan: Account receivable accounts are now reviewed for collectability.

Estimated Completion Date: Complete

Management Contact: Sherrie H. Robinson, Controller

Status: Complete

HOUSTON INDEPENDENT SCHOOL DISTRICT**STATUS OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2019**

Section V – Findings Related to Financial Statements**Corrective Action Plan 2019-001:****Material Weakness in Internal Control over Financial Reporting: Board Governance**

Corrective Action Plan: In a letter dated November 6, 2019, the TEA Commissioner notified the District that he intends to appoint a board of managers to the District to exercise the powers and duties of the District's Board.

Estimated Completion Date: Unknown

Management Contact: Grenita F. Lathan, Ph.D., Interim Superintendent of Schools

Status: A court ruling temporarily halted TEA's plans to appoint a board of managers. The issue is still in litigation.

Corrective Action Plan 2019-002:**Material Weakness in Internal Control over Financial Reporting: Improper Cutoff**

Corrective Action Plan: Staff will review and analyze expenditures and accounts payable detail on a monthly basis to ensure expenditures are recorded properly.

Estimated Completion Date: December 31, 2019

Management Contact: James Moore, Sr. Manager - Bond Accounting

Status: Completed

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Pass-Through Entity Identifying Number</u>	<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE—FOOD AND NUTRITION SERVICE</u>			
71402001	Pass-Through Texas Department of Agriculture: School Breakfast Program - Cash Assistance	10.553	\$ 27,749,809
71302001	National School Lunch Program - Cash Assistance	10.555	53,767,232
806780706	National School Lunch Program - Non-Cash Assistance	10.555	6,631,508
	Total National School Lunch Program		60,398,740
806780706	Summer Food Service Program for Children - Cash Assistance	10.559	521,848
806780706	COVID-19 – Summer Food Service Program for Children	10.559	925,120
806780706	Summer Food Service Program for Children - Non-Cash Assistance	10.559	64,364
	Total Summer Food Service Program for Children		1,511,332
	Total Child Nutrition Cluster		89,659,881
806780706	Child and Adult Care Food Program - Cash Assistance	10.558	5,590,810
806780706	Fresh Fruit and Vegetable Program - Cash Assistance	10.582	1,483,631
CN-F2S-IMP-18-TX	Direct Program: Farm to School Grant Program	10.575	15,690
	Total Direct Program		15,690
	Total U.S. Department of Agriculture—Food and Nutrition Service		96,750,012
<u>U.S. DEPARTMENT OF DEFENSE</u>			
N/A	Direct Program: JROTC Career Academy	12.000	1,909,354
	Total U.S. Department of Defense		1,909,354
<u>U.S. DEPARTMENT OF JUSTICE</u>			
214274	Pass-Through The Bureau of Justice Assistance: Bulletproof Vest Partnership Program	16.607	19,186
	Total U.S. Department of Justice		19,186
<u>U.S. DEPARTMENT OF EDUCATION</u>			
U165A170059	Direct Programs: Magnet Schools Assistance	84.165A	4,286,475
U215J180032	Full-Service Community Schools	84.215J	403,652
U351C170101	Arts in Education	84.351C	399,634
U374A170050	Teacher and School Leader Incentive Grants	84.374A	10,845,419
	Total Direct Programs		15,935,180
20610101101912	Pass-Through Texas Education Agency: Title I Grants to Local Educational Agencies	84.010A	72,782,624
19610101101912	Title I Grants to Local Educational Agencies	84.010A	7,637,267
20610141101912	Title I Grants to Local Educational Agencies	84.010A	792,885
19610141101912	Title I Grants to Local Educational Agencies	84.010A	445,777
20610103101912	Title I Grants to Local Educational Agencies	84.010A	113,819
	Total Title I Part A, Part D and Title I 1003		81,772,372

HOUSTON INDEPENDENT SCHOOL DISTRICT

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Pass-Through Entity Identifying Number</u>	<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
206600011019126000	Special Education Cluster (IDEA):		
196600011019126600	Special Education-Grants to States	84.027A	35,499,759
186600011019126000	Special Education-Grants to States	84.027A	367,254
66002006	Special Education-Grants to States	84.027A	3,901,642
	Special Education-Grants to States	84.027A	828,794
	Subtotal for Program		40,597,449
206610011019126610	Special Education-Preschool Grants	84.173A	183,934
196610011019126610	Special Education-Preschool Grants	84.173A	12,154
186610011019126610	Special Education-Preschool Grants	84.173A	268,861
	Subtotal for Program		464,949
	Total Special Education Cluster (IDEA)		41,062,398
20615001101912	Migrant Education-State Grant Program	84.011A	292,716
19615001101912	Migrant Education-State Grant Program	84.011A	82,680
	Subtotal for Program		375,396
20420006101912	Career and Technical Education Basic Grants to State	84.048A	2,415,459
19420006101912	Career and Technical Education Basic Grants to State	84.048A	430,338
184200557110020	Career and Technical Education Basic Grants to State	84.048A	7,587
	Subtotal for Program		2,853,384
204600057110040	Education for Homeless Children and Youth	84.196A	218,573
194600057110036	Education for Homeless Children and Youth	84.196A	85,189
	Subtotal for Program		303,762
206950267110024	Twenty-First Century Community Learning Centers	84.287C	1,234,585
196950267110024	Twenty-First Century Community Learning Centers	84.287C	111,952
206950247110015	Twenty-First Century Community Learning Centers	84.287C	1,431,266
196950247110015	Twenty-First Century Community Learning Centers	84.287C	159,144
	Subtotal for Program		2,936,947
20671001101912	English Language Acquisition State Grants	84.365A	4,382,920
19671001101912	English Language Acquisition State Grants	84.365A	754,427
20671003101912	English Language Acquisition State Grants	84.365A	207,396
19671003101912	English Language Acquisition State Grants	84.365A	186,951
	Subtotal for Program		5,531,694
20694501101912	Supporting Effective Instruction State Grants	84.367A	6,896,752
19694501101912	Supporting Effective Instruction State Grants	84.367A	3,257,110
69451971	Supporting Effective Instruction State Grants	84.367A	500
	Subtotal for Program		10,154,362
69552002	Grants for State Assessments and Related Activities	84.369A	82,974
69551902	Grants for State Assessments and Related Activities	84.369A	(30,157)
	Subtotal for Program		52,817
156107297110002	School Improvement Grants	84.377A	1,187,150
156107287110002	School Improvement Grants	84.377A	48,302
156107297110003	School Improvement Grants	84.377A	1,376,130
156107287110003	School Improvement Grants	84.377A	207,371
176107327110005	School Improvement Grants	84.377A	1,194,390
166107317110005	School Improvement Grants	84.377A	240,544
	Subtotal for Program		4,253,887
20680101101912	Student Support and Academic Enrichment Program	84.424A	3,589,138
19680101101912	Student Support and Academic Enrichment Program	84.424A	502,080
	Subtotal for Program		4,091,218

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Pass-Through Entity Identifying Number</u>	<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
20521001101912	COVID-19 – Elementary and Secondary School Emergency Relief Fund	84.425D	76,418,652
19513701101912	Disaster Recovery Assistance for Education	84.938B	423,753
20511703101912	Disaster Recovery Assistance for Education	84.938A	241,505
18510701101912	Disaster Recovery Assistance for Education	84.938G	47,571
	Subtotal for Program		<u>712,829</u>
	Total Pass-Through Texas Education Agency		<u>230,519,718</u>
	Pass-Through Education Service Center:		
	Special Education Cluster (IDEA):		
3159-93-878	Special Education-Grants to State	84.027A	23,845
3150-93-878	Special Education-Grants to State	84.027A	258,195
	Total Pass-Through Education Service Center		<u>282,040</u>
	Pass-Through Harris County Department of Education:		
206950247110014	Twenty-First Century Community Learning Centers	84.287C	138,976
196950247110014	Twenty-First Century Community Learning Centers	84.287C	4,774
	Total Pass-Through Harris County Department of Education		<u>143,750</u>
	Total U.S. Department of Education		<u>246,880,688</u>
	<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
	Direct Program:		
NU87PS004356	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	285,133
H17MC29438	Maternal and Child Health Federal Consolidated Programs	93.110	44,996
	Total Direct Programs		<u>330,129</u>
	Pass-Through University of Texas Health Science Center at Houston:		
	Child Care and Development Fund (CCDF) Cluster:		
183914017110001	Child Care and Development Block Grant	93.575	165,513
	Total Pass-Through University of Texas Health Science Center at Houston		<u>165,513</u>
	Pass-Through Harris County Department of Education:		
	Child Care and Development Fund (CCDF) Cluster:		
2820CCMC24	Child Care Mandatory & Matching Funds of the Child Care and Development Fund	93.596	199,414
2819CCMC24	Child Care Mandatory & Matching Funds of the Child Care and Development Fund	93.596	2,138
	Total Pass-Through Harris County Department of Education		<u>201,552</u>
	Pass-Through Health and Human Services Commission:		
	Medicaid Cluster:		
529-07-0157-00261	Medical Assistance Program - MAC	93.778	843,452
	Total Pass-Through Health and Human Services Commission		<u>843,452</u>
	Pass-Through Texas Department of State Health Services:		
	Maternal and Child Health Services Block Grant to the States	93.994	7,371
HHS000176300001	Total Pass-Through Texas Department of State Health Services		<u>7,371</u>
	Total U.S. Department of Health and Human Services		<u>1,548,017</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Pass-Through Entity Identifying Number</u>	<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
	<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>		
	Pass-Through University of North Texas:		
GF40128-5	AmeriCorps	94.006	30,210
GF40098-5	AmeriCorps	94.006	525
	Total Corporation for National and Community Service		<u>30,735</u>
	<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>		
	Pass-Through Texas Department of Public Safety:		
PA-06-TX-4223-PW-00499	Disaster Grants - Public Assistance	97.036	86,512
PA-06-TX-4332-PW-04454	Disaster Grants - Public Assistance	97.036	50,027
PA-06-TX-4332-PW-04586	Disaster Grants - Public Assistance	97.036	13,853
PA-06-TX-4332-PW-04674	Disaster Grants - Public Assistance	97.036	63,251
PA-06-TX-4332-PW-04941	Disaster Grants - Public Assistance	97.036	264,182
PA-06-TX-4332-PW-06854	Disaster Grants - Public Assistance	97.036	74,333
	Total U.S. Department of Homeland Security		<u>552,158</u>
	TOTAL EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE		<u>\$ 347,690,150</u>

The notes to the schedule of expenditures of federal and state awards is an integral part of this schedule.

(Concluded)

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Contract Number</u>	<u>Grantor/ Pass-Through Grantor/ Program Title</u>	<u>State Expenditures</u>
	TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES	
529-15-0053-00006	Texas Home Visit Program	\$ 83,108
529-15-0053-00006	Texas Home Visit Program	833,000
	Total Texas Department of Family and Protective Services	<u>916,108</u>
	CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS	
	Pass-Through the University of Texas Health Science Center at Houston:	
PP170046	University of Texas Health Science Center at Houston–HPV Program	31,219
		<u>31,219</u>
	TEXAS PARKS AND WILDLIFE DEPARTMENT	
52-000735	Texas Parks & Wildlife Project Adventure Outdoors & Recreation	4,867
	Total Texas Parks and Wildlife Department	<u>4,867</u>
	TEXAS DEPARTMENT OF AGRICULTURE	
03002001	School Lunch Matching	537,247
US-20-008	Urban Schools Agricultural Grant Project	1,127
	Total Texas Department of Agriculture	<u>538,374</u>
	TEXAS COMPTROLLER OF PUBLIC ACCOUNTS	
NA	Law Enforcement Officer Standards and Education	12,575
	Total Texas Comptroller of Public Accounts	<u>12,575</u>
	TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE	<u><u>\$ 1,503,143</u></u>

The notes to the schedule of expenditures of federal and state awards is an integral part of this schedule.

(Concluded)

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2020

1. The Houston Independent School District (the "District") utilizes the funds specified in the Texas Education Agency Financial Accountability System Resource Guide. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

The Special Revenue Fund is used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current-financial-resources measurement focus. All federal grant funds are accounted for in the Special Revenue Fund, a component of the governmental funds. With this measurement focus, only current assets and current liabilities, generally, are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified-accrual basis of accounting is used for the governmental funds. This basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and expenditures in the accounting period in which the fund liability is incurred, except that principal and interest on general long-term debt are recognized when due.

National School Lunch Program and Summer Food Service Program non-cash commodities are recorded at their estimated market value at the time of donation.

Federal grant funds are considered to be earned when all eligibility requirements have been met. Any excess of revenues or expenditures is recorded as unearned revenues or accounts receivable, respectively.

3. The period of availability for federal grant funds for the purpose of liquidating outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, *Period of Availability of Federal Funds, Part 3, OMB Uniform Guidance*.
4. The disbursement of funds received under federal grant programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund. In the opinion of management, such disallowed claims, if any, will not have a material effect on any of the financial statements of the individual fund types or on the overall financial position of the District at June 30, 2020.

Total Expenditures of Federal Financial Assistance:	\$ 347,690,150
--	-----------------------

Additional federal revenues reported

Interest Subsidy on Build America & Qualified School Construction Bonds	4,953,738
School Health and Related Services (SHARS)	<u>22,821,331</u>

Total Federal Revenues Reported	\$ <u>375,465,219</u>
--	------------------------------

5. The District has elected not to use the 10-percent de minimis indirect cost as allowed under the Uniform Guidance.
6. The expenditures reported for Disaster Grants (CFDA 97.036) were incurred in the prior year.

FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



This page left blank intentionally

CONTROLLER'S OFFICE

FINANCIAL EXCELLENCE
SUPPORTING ACADEMIC SUCCESS

It is the policy of the Houston Independent School District not to discriminate on the basis of age, color, handicap or disability, ancestry, national origin, marital status, race, religion, sex, veteran status, political affiliation, sexual orientation, gender identity and/or gender expression in its educational or employment programs and activities.

