

HOUSTON INDEPENDENT SCHOOL DISTRICT

Comprehensive Annual Financial Report



FOR THE FISCAL YEAR ENDED JUNE 30,

2010

HOUSTON, TEXAS

HOUSTON INDEPENDENT SCHOOL DISTRICT

Comprehensive Annual Financial Report

Prepared by the Office of Finance



FOR THE FISCAL YEAR ENDED JUNE 30, 2010

HATTIE MAE WHITE EDUCATIONAL SUPPORT CENTER 4400 WEST 18TH STREET HOUSTON, TEXAS 77092

HOUSTON INDEPENDENT SCHOOL DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>PAGE</u>
Certificate of Board	v
Letter of Transmittal	vi
HISD Administrative Organization	xiv
Elected and Appointed Officials.....	xv
GFOA Certificate of Achievement	xvi
ASBO Certificate of Excellence	xvii
 FINANCIAL SECTION	
Independent Auditors' Report.....	2
Management's Discussion and Analysis (Unaudited)	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	17
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	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 Assets – Proprietary Funds.....	24
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.....	25
Statement of Cash Flows – Proprietary Funds	26
Statement of Fiduciary Net Assets – Fiduciary Funds	28
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	29
Notes to the Basic Financial Statements	30
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund (Unaudited)	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund (Unaudited).....	66
Notes to Required Supplementary Information (Unaudited)	67
Combining and Individual Fund Statements and Schedules:	
Combining Statement of Net Assets – Nonmajor Enterprise Funds	70
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Enterprise Funds	71
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	72
Combining Statement of Net Assets – Internal Service Funds	74
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	75
Combining Statement of Cash Flows – Internal Service Funds	76
Combining Statement of Fiduciary Net Assets – Agency Funds	78
Combining Statement of Changes in Assets and Liabilities – Agency Funds	79

TABLE OF CONTENTS

PAGE

Other Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Debt Service Fund	81
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Capital Renovation Fund	82
Schedule of Revenues, Expenses, and Changes in Fund Net Assets - Budget and Actual – Food Service Fund	83

STATISTICAL SECTION (UNAUDITED)

Financial Trends:

Net Assets by Component	87
Expenses, Program Revenues, and Net (Expense)/Revenue	88
General Revenues and Total Changes in Net Assets	89
Governmental Funds Fund Balances	90
Governmental Funds Revenues	91
Governmental Funds Expenditures and Debt Service Ratio	92
Other Financing Sources and Uses and Net Change in Fund Balances	93
Fund Balance and Cash Flow Calculation Worksheet	94
Schedule of Expenditures for Computations of Indirect Cost for 2011-2012	95

Revenue Capacity:

Assessed Value and Actual Value of Taxable Property	97
Direct and Overlapping Property Tax Rates.	98
Principal Property Taxpayers	99
Property Tax Levies and Collections	100
Schedule of Delinquent Taxes Receivable	101

Debt Capacity:

Legal Debt Margin Information	103
Ratios of Net General Bonded Debt Outstanding	104
Direct and Overlapping Governmental Activities Debt	105
Outstanding Debt by Type	106

Demographic and Economic:

Demographic Information	107
Principal Employers	108

Operating:

District Employees by Function	109
Student Information – General	110
Gifted and Talented/Special Education Student Data	111
LEP/Economically Disadvantaged Student Data	112
Teacher Information – General	113
Teacher Information – Education	114
School Building Information	116

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Introductory Section



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, 2010, at a meeting of the Board of Education of such school district on the 11th day of November 2010.



Carol Mims Galloway
Secretary, Board of Education
Houston Independent School District



Gregory A. Meyers
President, Board of Education
Houston Independent School District

November 11, 2010

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

The Comprehensive Annual Financial Report of the Houston Independent School District (the "District" or "HISD") for the fiscal year ended June 30, 2010, is submitted herein. The Comprehensive Annual Financial Report 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 government-wide financial statements in this report provide an overview of the District's governmental and business-type activities, as well as its nonfiduciary blended component units. The detailed fund financial statements describe specific activities of each fund group used in accounting for the District's financial transactions. This report was prepared by the District's Office of Finance in accordance with generally accepted accounting principles and reporting standards as promulgated by the Governmental Accounting Standards Board ("GASB").

Responsibility for the accuracy and completeness of the financial statements and fairness of the presentation, including all disclosures, rests with the District. We believe that the data, as presented, are accurate in all material respects; that information is presented in a manner designed to set forth fairly the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activities have been included.

Generally accepted accounting principles ("GAAP") require 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.

DISTRICT PROFILE

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.

The District, with approximately 200,000 students and encompassing 301 square miles within greater Houston, is the seventh-largest public school system in the nation and the largest in Texas.

As required by GAAP, the financial statements of the reporting entity include those of the District (the primary government) and its component units in conformity with GASB Statement No. 14, *The Financial Reporting Entity*.

In accordance with GASB Statement No. 14, 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. The District's blended component unit, although a legally separate entity, is in substance part of the District's operations; and 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 include financial accountability of the District for the component unit, appointment of a voting majority, ability to impose the District's will on the component unit, and whether there is a financial benefit or burden to the District.

For financial reporting purposes, the Houston Independent School District Public Facility Corporation ("Public Facility Corporation") is included in the operations and activities of the District because of the fiscal dependency criteria outlined in GASB Statement No. 14.

Organizational Philosophy

The core ideology of the Houston Independent School District outlines the direction of the District and the expectation held for all employees. Our purpose defines what we are, our core values define who we are, and our strategic intent and goals define how we intend to achieve our purpose. Simply, they are the foundation for the District's continued success.

Purpose

The Houston Independent School District exists to strengthen the social and economic foundation of Houston by assuring its youth the highest-quality elementary and secondary education available anywhere.

Strategic Intent

To earn so much respect from the citizens of Houston that HISD becomes their K–12 educational system of choice.

Core Values

- **Safety Above All Else**
Safety takes precedence over all else. A safe environment must be provided for every student and employee.
- **Student Learning Is the Main Thing**
All decisions and actions, at any level, focus on and support "the main thing": effective student learning.
- **Focus on Results and Excellence**
Each employee focuses on results and excellence in individual and organizational efforts.
- **Common Decency**

All members of the organization, both students and employees, deserve and must receive respectful and courteous treatment.

ECONOMIC CONDITION AND OUTLOOK

Houston is the largest city in the State of Texas and the fourth-largest in the country with a burgeoning population of more than two million. The City of Houston is a major corporate center as well a world-class international city offering a proliferation of global business opportunities. Houston is ranked second in the nation for Fortune 500 headquarters and is home to 88 consulate offices, 23 foreign banks, more than 640 foreign-owned firms, and more than 3,300 firms engaged in global commerce. According to *Kiplinger's Personal Finance*, Houston ranked number one on the magazine's Best Cities of 2008 list based on its phenomenal job growth (100,000 jobs created in 2007), the robust economy, affordable cost of living, and abundant recreational activities.

Houston is recognized as the energy capital of the world, and offers a specialized and skilled workforce to accommodate the sector's needs. Nearly half of the region's economic base is related to energy, and the city is headquarters for 17 energy-related Fortune 500 companies. Energy giants such as CITGO Petroleum Corporation and Noble continue to relocate to Houston and are among a multitude of energy companies such as Conoco-Phillips, Exxon-Mobil, and Chevron that have opted to relocate or expand operations in the region.

Contributing to the success of the City's petrochemical complex, the Port of Houston ranks as the nation's largest port in international tonnage and second in total tonnage. The opening phase is now operational on the new Bayport Container and Cruise Terminal. The Bayport facility is expected to generate more than 12,000 jobs and \$1 billion in new business revenues over the course of the next 10 years.

A leader in the global aviation industry, the Houston Airport System ("HAS") fuels the region's economic engines. In 2007, a record 52 million passengers were served and more than 387,000 metric tons of air cargo was moved through Houston's three municipal airports, George Bush Intercontinental Airport, William P. Hobby Airport, and Ellington Field. The HAS is the fourth-largest airport system in the United States and contributes in excess of \$24 billion to the local economy and supports more than 151,000 jobs.

Houston has made a billion-dollar investment in new sports venues over the last decade. Houston is home to first-class professional sports teams including the 2005 National League Champion Houston Astros baseball team, the Houston Rockets basketball team, the Houston Aeros hockey team, the Houston Texans football team, and the Houston Dynamo, 2006 and 2007 Major League Soccer Cup champions.

Houston has more than 85 hospitals and is home to the Texas Medical Center, which consists of 42 member institutions located on over 800 acres of land. The facility employs 65,300 health care workers and has student enrollments of more than 22,000 students. The Medical Center also hosts some of the finest academic research institutions such as Baylor College of Medicine, the University of Texas M.D. Anderson Cancer Center, and the University of Texas Health Science Center at Houston.

An educational powerhouse, Houston has more than 55 colleges and universities. Nearly one-third of all adult Houstonians have completed college, and nearly one out of ten hold graduate degrees. Three-fourths of all adult Houstonians have completed high school, compared to four-fifths of the nation's adult

population. The District must be prepared to meet the challenges of educating an increasingly heterogeneous student population, and these children must be prepared for careers requiring high-level skills in mathematics, science, and technology in addition to solid reading and writing skills. Through its specialized schools such as Michael E. DeBakey High School for Health Professions and its pledge to create a "college- and career-ready culture," HISD continues to enhance educational standards to meet the demands of a progressively more complex and robust economy.

Houston's volatile energy, healthcare, transportation, and distribution sectors have supported the previous tax base growth, which has slowed as property values were affected by the global economic downturn. However, the sharp drop in oil and gas prices recently have impacted local economic conditions leading to a substantial growth in unemployment levels. Moody's economy.com notes that Houston's economy will recover at a pace slower than the rest of the State; however, above-average population growth and further expansion in energy, healthcare and distribution industries will help propel above-average gains over the long term.

Accounting Systems and Budgetary Control

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 Office of Management and Budget ("OMB") Circular A-133. The internal control structure is subject to periodic 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 federal financial assistance programs as well as compliance with applicable laws and regulations. The results of the District's Single Audit for the fiscal year ended June 30, 2010, provided no instances of material weaknesses in the internal control structure. However, there was a material non-compliance finding pertaining to Special Education Cluster (IDEA) - Level of Effort.

The District's financial system allows work-location supervisors access to a variety of business and financial reports on a real-time basis. All reports show summaries and details for transactions.

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 by the Budgeting Department at the function level by organizational unit through the encumbrance of estimated purchase amounts and other expenditures prior to the execution of contracts, approval of personnel transactions, or release of purchase orders to vendors. Those obligations which would result in an overrun of appropriated funds are not released until additional appropriations are made available. Open encumbrances are reported as a reservation of fund balance for the fiscal year ended June 30, 2010.

Cash Management

The District has an active cash management program that consists of expediting the receipt of revenues and prudently investing available cash. Investments of funds for the past fiscal year were placed in U.S. Agency debt securities, local government investment pools, or bank certificates of deposits collateralized as required.

Investments are stated at fair value, which is the amount at which the investment can be exchanged in a current transaction between willing parties. The objectives of the District's *Cash Management and Investment Policy* are to:

- ✓ Assure the safety of District funds;
- ✓ Maintain sufficient liquidity to provide adequate and timely working funds;
- ✓ Match the maturity of investment instruments to daily cash-flow requirements;
- ✓ Attain a market average rate of return consistent with the first two objectives;
- ✓ Diversify by maturity, instrument, and financial institution where permitted by law;
- ✓ Actively pursue portfolio-management techniques; and
- ✓ Avoid speculative investments.

Earnings from all investments for all governmental funds during the fiscal year ended June 30, 2010, were \$6,459,794 which represented .32 percent of the District's total general governmental revenues.

The District's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Cash deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") or secured by collateral held by the District's depository in joint safekeeping at the Federal Reserve Bank in the District's name.

Capital Projects Funding

The Capital Renovation Fund was created to account for the District's capital projects programs, including Rebuild 2002, Rebuild HISD, and the current 2007 Facilities Capital Program. Funding for the current \$1.045 billion program is provided from the \$805 million bond referendum approved in November 2007, \$145 million from the Pay-As-You-Go Program, and \$95 million from sales of capital assets and project reserves. The Public Facility Corporation ("PFC") was established to issue bonds to provide for the acquisition of and placement in service of two shared educational facilities in accordance with the Public Facility Corporation Act. In May 2010, the PFC issued bonds to fund construction of four new schools in the 2007 Facilities Capital Program. For the fiscal year ended June 30, 2010, facilities acquisition and

construction expenditures for the Capital Renovation Fund and the PFC amounted to \$175,322,920. The primary capital funding was provided through bond issues.

Employees' Retirement Plan

Pursuant to state law, all full-time, permanent employees of the District are required to be members of the state-administered Teacher Retirement System of Texas (the "Plan"). The Plan covers approximately 1,100 school systems and more than 500,000 members. The District provides no other retirement income.

The Plan is subjected to annual actuarial valuations based on experience, and all promised benefits are recognized in the actuarial liabilities. Contribution rates, determined annually, provide for both normal and accrued liability funding. On August 31, 2010, the ratio of actuarial assets to actuarial liabilities was 83.1 percent. The Plan uses a five-year smoothing process to translate annual market returns into actuarial returns that are used to develop actuarial valuations. Financial information provided by the Plan is summarized in Note 11 of the "Notes to the Basic Financial Statements."

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.

Major Initiatives

In January 2010, the Houston Independent School District Board of Education and administration worked collaboratively to develop a community plan for transforming the District. The outcome of the six month process was an alignment for five core initiatives to the Board's ***Declaration of Beliefs and Vision*** to meet the needs of the HISD's students, parents, and the broader community.

The purpose of the strategic community plan is to clearly describe the major initiatives of HISD over the next several years. The Board identified the following five core initiatives that will together enable the transformation of HISD.

Effective Teacher in Every Classroom

To be the best school system in the country, HISD will ensure that every student learns from effective teachers. This means bringing the most-talented teachers to HISD, giving the teachers the support they need to be successful, and holding on to the teachers who excel in the classroom. The District is building a new HISD that helps teachers reach their full potential-and helps them love their jobs by useful appraisals, individualized support, new career pathways, and smart and focused recruitment and selection. The new HISD will focus on what matters most: ensuring that every student is learning and growing.

Effective Principal in Every School

To ensure principals are empowered, instructional leaders with clear expectations, the District will focus key strategies to 1) design and implement a rigorous, fair principal appraisal system; 2) create clear standards and recommended practices to guide decision making; 3) institute stronger principal-recruiting

practices; 4) implement a more robust instructional leadership development program; and 5) develop standards and support for safe, secure, and healthy school environments.

Rigorous Instructional Standards and Supports

While the District maintains our decentralized model and continues to be a district of choice, HISD will establish a common rigorous instructional foundation across all schools, with established, specific approaches for addressing underperformance so that every student has the supports required to achieve and meet the requirements for college and career success. One of the key strategies positioned to roll-out in the beginning of the 2010-11 school year is the Apollo 20 Project/Transformation Plan for Low-Performing/High Priority Schools. The Program is designed to improve the academic achievement of students in 20 low-performing schools, partnering with Harvard University's EdLabs.

Data-Driven Accountability

The strategic use of data to track and monitor performance and hold leadership accountable is critical to district success. The District has invested in new and more robust technology infrastructure, systems, and processes to address and enable HISD to use key data to inform its decisions and manage high levels of performance districtwide.

Culture of Trust Through Action

A powerful sense of community and a shared direction among all stakeholders is crucial to the successful transformation of HISD. Therefore, throughout the process of developing Strategic Direction, the District has begun the movement toward a communications approach that is more interactive and transparent and better takes advantage of new technology. In order for the HISD to create a culture of trust through action the District will focus on strategies that foster effective, timely, two-way internal and external communication to engage staff members, parents and community members. The District will use meaningful engagement and increased communication with parents and key stakeholders from the business, philanthropic, religious, and greater community through use of public survey, adding a community component in every major district decision, host public meetings, town hall forums, televised call-in programs, along with on line feedback.

Transforming HISD is a multiyear effort, and it will require the patience and collective vigilance to stay focused on the issues that have the greatest potential to improve the academic performance of our students.

Independent Audit

The Texas Education Code Section 44.008 requires an annual audit of the accounts, financial records, and transactions of the District by independent certified public accountants selected by the Board. This requirement has been complied with, and the independent auditors' report has been included in this report.

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, 2009. This was the 36th consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish a Comprehensive Annual Financial Report, whose contents conform to program standards.

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, 2009. The District has received this award for more than 22 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,



Terry B. Grier, Ed.D.
Superintendent of Schools



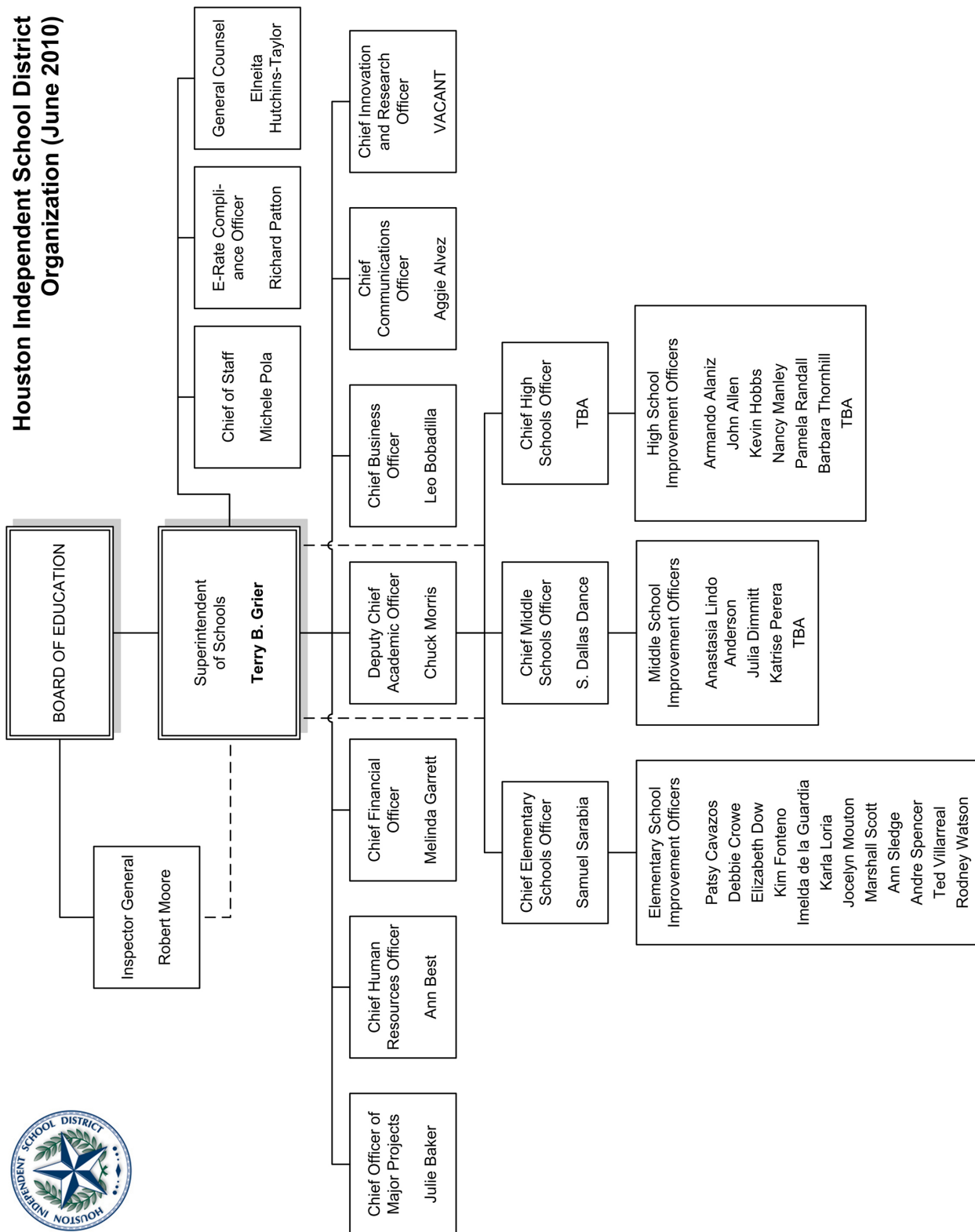
Melinda Garrett
Chief Financial Officer



Kenneth Huewitt
Controller



Houston Independent School District Organization (June 2010)





HOUSTON INDEPENDENT SCHOOL DISTRICT
HATTIE MAE WHITE EDUCATIONAL SUPPORT CENTER
4400 WEST 18TH ST., HOUSTON, TEXAS 77092

ELECTED AND APPOINTED OFFICIALS

BOARD OF EDUCATION

Gregory A. Meyers, PRESIDENT

Paula M. Harris, FIRST VICE PRESIDENT

Diana Dávila, SECOND VICE PRESIDENT

Carol Mims Galloway, SECRETARY

Anna Eastman, ASSISTANT SECRETARY

Manual Rodríguez, Jr.

Mike Lunceford

Harvin C. Moore

Lawrence Marshall

Terry B. Grier, Ed.D.
SUPERINTENDENT OF SCHOOLS

Melinda Garrett
CHIEF FINANCIAL OFFICER

Kenneth Huewitt
CONTROLLER

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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This 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, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Erin Green

President

John D. Messer

Executive Director

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Financial Section



Basic Financial Statements



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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Houston Independent School District:

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 the Houston Independent School District (the "District"), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2010, on our consideration of the 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 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* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund, and Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statement and schedules and other supplementary information listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Deloitte & Touche LLP

November 2, 2010

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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, 2010. 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

On the government-wide financial statements, the assets of the District exceeded liabilities by \$1.383 billion. Of this amount, \$615 million is unrestricted. Total net assets of the District increased from \$1.345 billion in fiscal year 2009 to \$1.383 billion in fiscal year 2010, an increase of approximately \$37.9 million. Total revenues increased \$59.1 million from \$2.125 billion in fiscal year 2009 to \$2.184 billion in fiscal year 2010.

The District's governmental funds financial statements reported a combined ending fund balance in fiscal year 2010 of \$1.531 billion. Of this amount, \$46 million is reserved in the General Fund for restricted purposes and \$199.7 million is unreserved, undesignated in the General Fund and is available for spending at the District's discretion. The combined ending fund balance of the District increased \$324.7 million from \$1.206 billion in fiscal year 2009. This is due to increases in other financing sources, mainly issuances of bonds.

The District prepared a budget for the 2009-2010 fiscal year that was based upon reducing expenditures by \$147 million. The budget included reductions for the \$126 million chapter 41 recapture payment that resulted from the District becoming property wealthy. However, at the end of 2008-2009, the District was no longer property wealthy, and therefore, it was no longer necessary to budget the recapture payment. Other decreases were due to savings in electricity, maintenance contracts, reorganization of the Chief Academic Officers division and other department reductions. Increases for the budget totaled \$88 million primarily from salary and benefit increases of \$30.5 million, the purchase of buses for \$9 million, increase in student enrollment in the amount of \$10 million, and TIRZ participation in the amount of \$4.5 million. Additional increases were from TRS on-behalf of payments in the amount of \$7 million, TRS payroll taxes in the amount of \$3.5 million, transfers to other funds in the amount of \$16 million, increased HCAD appraisal district fees, mandatory increases due to contractual arrangements, and insurance.

During the course of 2009-2010, other adjustments were made to the District's operating budget which included such major items as carryover of encumbrances from 2008-2009 of \$30.8 million, increase in student enrollment of \$11 million, health insurance costs of \$10 million, and the purchase of Food Service assets of \$21.4 million. All increases or decreases to the District's budget are presented to the Board of Education for consideration and approval.

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

All of the District's services are reported in the government-wide financial statements, including instruction, student support services, student transportation, general administration, school leadership, facilities acquisition and construction and food services. Property taxes, state and federal aid, and investment earnings finance most of the activities. Additionally, all capital and debt financing activities are reported here.

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.

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The *statement of activities* details how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only 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 District uses fund accounting to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. 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 money for particular purposes or to show that it is properly using certain taxes and grants.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 that 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 is presented as a non-major 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 functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its food service, business development, and medicaid programs. The Food Service Fund is considered a major proprietary fund. 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 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, private organizations and/or other funds. 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 assets and a statement of changes in fiduciary net assets. 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 full 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, the internal service funds, and the agency funds.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements. 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.

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

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	All activities of the District (except fiduciary funds) and the Agency's component units	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
Required financial statements	◆ Statement of net assets	◆ Balance sheet	◆ Statement of net assets	◆ Statement of fiduciary net assets
	◆ Statement of activities	◆ Statement of revenues, expenditures & changes in fund balances	◆ Statement of revenues, expenses and changes in fund net assets ◆ Statement of cash flows	◆ Statement of changes in fiduciary net assets
Accounting basis and measurement focus	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
Type of asset/liability information	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 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; the Agency's funds do not currently contain capital assets, although they can

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The District's total net assets were approximately \$1.383 billion at June 30, 2010. Net assets of the District's governmental activities increased by \$26.7 million. Net assets of the District's business-type activities increased by \$11.1 million.

The District's Condensed Statement of Net Assets

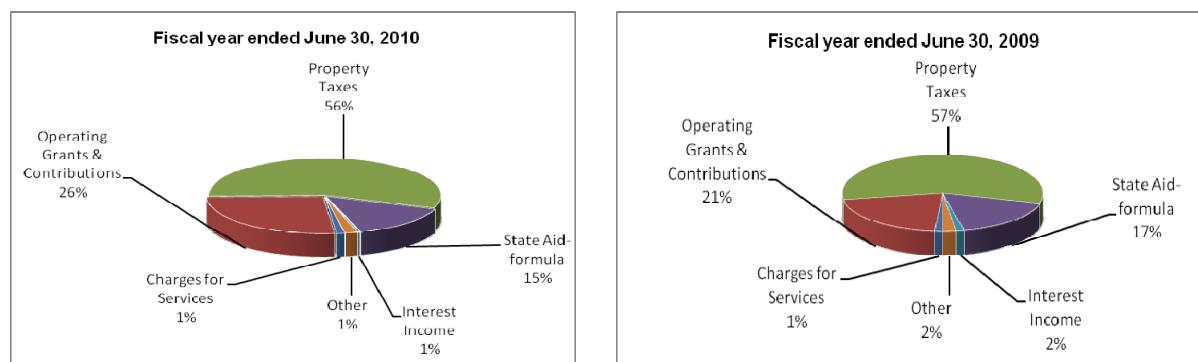
(in thousands of dollars)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		
	2010	2009	2010	2009	2010	2009	Difference
Current and other assets	\$ 2,015,395	\$ 1,652,205	\$ 29,695	\$ (1,727)	\$ 2,045,090	\$ 1,650,478	\$ 394,612
Capital assets	2,394,291	2,296,934	268	21,289	2,394,559	2,318,223	76,336
Total assets	4,409,686	3,949,139	29,963	19,562	4,439,649	3,968,701	470,948
Current liabilities	439,112	380,348	3,503	4,237	442,615	384,585	58,030
Long term liabilities	2,614,114	2,239,053	296	290	2,614,410	2,239,343	375,067
Total liabilities	3,053,226	2,619,401	3,799	4,527	3,057,025	2,623,928	433,097
Net assets:							
Invested in capital assets, net of related debt	683,024	606,423	268	21,289	683,292	627,712	55,580
Restricted	84,381	91,064	-	-	84,381	91,064	(6,683)
Unrestricted	589,055	632,251	25,896	(6,254)	614,951	625,997	(11,046)
Total net assets	\$ 1,356,460	\$ 1,329,738	\$ 26,164	\$ 15,035	\$ 1,382,624	\$ 1,344,773	\$ 37,851

Investment in capital assets (e.g. land, buildings, furniture, and equipment) less any related debt used to acquire those assets that is still outstanding is \$683.3 million. 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. An additional portion of the District's net assets of \$89.5 million represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$615 million may be used to meet the District's ongoing obligations.

Changes in net assets. The District's total revenues were \$2.184 billion. A significant portion, approximately 56 percent, of the District's revenue comes from property taxes. Operating grants & contributions provided revenue of 26 percent, 15 percent comes from state aid - formula grants, while only 1 percent relates to charges for services. (See Figure A-2) The total cost of all programs and services was \$2.146 billion.

Figure A-2 District Sources of Revenue



Governmental Activities

The net assets of the District's governmental activities increased by \$26.7 million due to increases in maintenance and operations and tax increment reinvestment zone payments. The total cost of all governmental activities for the fiscal year ended June 30, 2010 was \$2.028 billion. Funding for these 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 \$2.028 billion.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$461 million.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$1.567 billion of which \$1.222 billion was funded by property taxes and \$317 million was funded by state aid - not restricted to specific programs.

Business-type Activities

The net assets of the District's business-type activities increased by \$11.1 million due to an increase in program revenues for operating grants and contributions. Funding for these business-type activities is by specific program revenue or through general revenues such as investment earnings. The following is a summary of the business-type activities:

- The cost of all *business-type activities* this year was \$118.9 million.
- The majority of the *business-type activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$138.2 million.

Changes in Net Assets

The total net assets of the District increased by \$37.9 million due to the following activities:

- Operating grants and contributions increased \$103.3 million due to an increase in entitlements received from governmental agencies.
- Earnings on investments decreased due to a decrease in daily average interest rates of 1.34 percent partially offset by an increase in average daily balances of \$138.5 million.
- Maintenance and operations property taxes and debt service property taxes increased due to increases in assessed values.
- Medicaid revenue increased \$14 million due to a cost settlement by the Texas Health and Human Services Commission for the SHARS Program and the approval of the new Personal Care Services (PCS) for the SHARS Program.
- Instruction expenses increased \$29 million due to increased enrollment and salaries and benefits.

The District's Changes in Net Assets

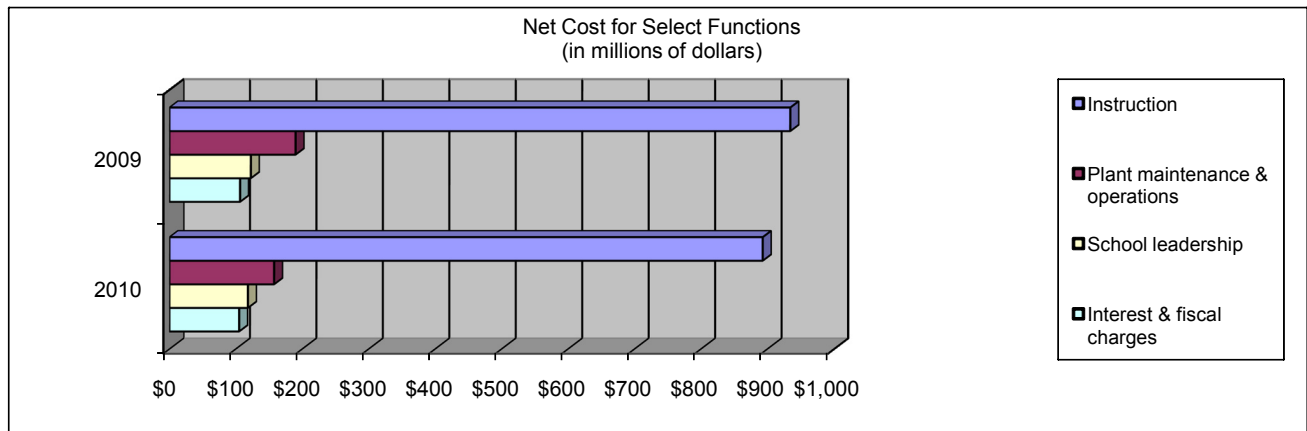
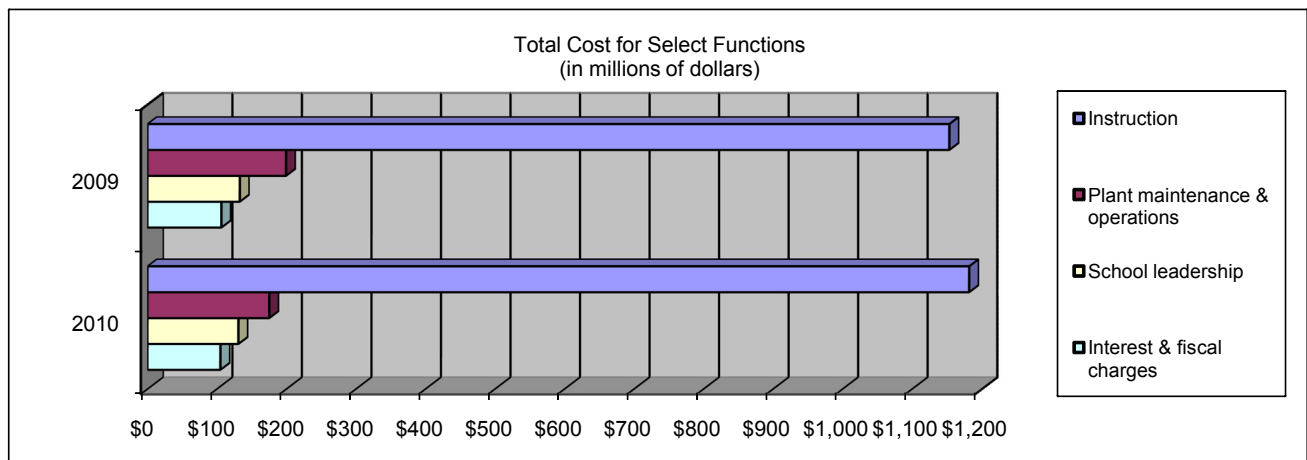
(in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>Difference</u>
Revenues							
Program Revenues							
Charges for services	\$ 2,093	\$ 1,885	\$ 23,135	\$ 24,770	\$ 25,228	\$ 26,655	\$ (1,427)
Operating grants and contributions	458,717	355,445	115,040	89,392	573,757	444,837	128,920
General Revenues							
Property taxes	1,222,462	1,216,067	-	-	1,222,462	1,216,067	6,395
State aid - not restricted to specific programs	317,030	365,109	-	-	317,030	365,109	(48,079)
Earnings on investments	7,127	26,928	59	219	7,186	27,147	(19,961)
Other	<u>37,672</u>	<u>44,503</u>	<u>938</u>	<u>842</u>	<u>38,610</u>	<u>45,345</u>	<u>(6,735)</u>
Total revenues	<u>2,045,101</u>	<u>2,009,937</u>	<u>139,172</u>	<u>115,223</u>	<u>2,184,273</u>	<u>2,125,160</u>	<u>59,113</u>
Expenses							
Instruction	1,181,806	1,153,305	-	-	1,181,806	1,153,305	28,501
Instructional resources and media services	17,261	21,094	-	-	17,261	21,094	(3,833)
Instructional staff development	67,113	66,557	-	-	67,113	66,557	556
Curriculum development	4,665	5,354	-	-	4,665	5,354	(689)
Instructional leadership	27,245	26,930	-	-	27,245	26,930	315
School leadership	130,773	132,668	-	-	130,773	132,668	(1,895)
Guidance, counseling, and evaluation services	62,038	49,789	-	-	62,038	49,789	12,249
Social work services	2,269	2,286	-	-	2,269	2,286	(17)
Health services	20,012	20,803	-	-	20,012	20,803	(791)
Student transportation	49,177	49,162	-	-	49,177	49,162	15
Food service	4,049	2,805	-	-	4,049	2,805	1,244
Co-curricular/extracurricular activities	17,164	17,545	-	-	17,164	17,545	(381)
General administration	34,203	31,644	-	-	34,203	31,644	2,559
Plant maintenance and operations	175,126	199,198	-	-	175,126	199,198	(24,072)
Security and monitoring services	21,152	21,710	-	-	21,152	21,710	(558)
Data processing services	39,021	44,367	-	-	39,021	44,367	(5,346)
Community services	4,522	5,253	-	-	4,522	5,253	(731)
Interest and fiscal charges	104,870	106,192	-	-	104,870	106,192	(1,322)
Juvenile justice alternative education program	551	668	-	-	551	668	(117)
Tax reinvestment zone payments	54,621	35,104	-	-	54,621	35,104	19,517
Tax appraisal and collection	9,877	9,630	-	-	9,877	9,630.00	247
Food service	-	-	107,858	109,348	107,858	109,348	(1,490)
Other	<u>-</u>	<u>-</u>	<u>11,049</u>	<u>11,024</u>	<u>11,049</u>	<u>11,024</u>	<u>25</u>
Total expenses	<u>2,027,515</u>	<u>2,002,064</u>	<u>118,907</u>	<u>120,372</u>	<u>2,146,422</u>	<u>2,122,436</u>	<u>23,986</u>
Change in net assets before transfers	17,586	7,873	20,265	(5,149)	37,851	2,724	35,127
Transfers	<u>9,136</u>	<u>13,200</u>	<u>(9,136)</u>	<u>(13,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	26,722	21,073	11,129	(18,349)	37,851	2,724	35,127
Beginning net assets	<u>1,329,738</u>	<u>1,308,665</u>	<u>15,035</u>	<u>33,385</u>	<u>1,344,773</u>	<u>1,342,050</u>	<u>2,723</u>
Ending net assets	<u>\$ 1,356,460</u>	<u>\$ 1,329,738</u>	<u>\$ 26,164</u>	<u>\$ 15,036</u>	<u>\$ 1,382,624</u>	<u>\$ 1,344,774</u>	<u>\$ 37,850</u>

The following table presents the cost of the District's largest governmental functions as well as their related *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars, state revenues, and other miscellaneous general revenues.

Net Cost of Select District Functions
(in millions of dollars)

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
Instruction	\$ 1,181.8	\$ 1,153.3	\$ 892.7	\$ 934.2
Plant maintenance & operations	175.1	199.2	157.4	189.7
School leadership	130.7	132.7	118.0	122.4
Interest & fiscal charges	104.8	106.2	104.8	106.2



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds The District's accounting records for general governmental operations are maintained on a modified accrual basis as prescribed by the *Financial Accountability System Resource Guide*, Texas Education Agency, with the revenues being recorded when available and measurable to finance expenditures of the fiscal period. Expenditures are recorded when services or goods are received and the fund liabilities are incurred. The general governmental operations include the following major funds: General, Special Revenue, Debt Service, Capital Renovation, and the other nonmajor governmental fund (Public Facility Corporation).

Revenues for general governmental functions totaled \$2.042 billion (excluding other sources) for the fiscal year ended June 30, 2010, an increase of 2.08 percent from the prior fiscal year. Property taxes were the largest source of revenue received by the District at 59% of total revenues. Property taxes are part of the District's target revenue funding system established by House Bill 1 of the 79th Texas Legislature. The District earns \$5,397 per weighted average daily attendance ("WADA"). The difference between what the District collects in property taxes and the target revenue per WADA is made up through state funding. As property taxes increase, the amount of funding from the State of Texas decreases and vice versa.

Expenditures for general governmental operations totaled \$2.220 billion during fiscal year 2010, an increase of 4.96 percent from fiscal year 2009. Increases in expenditures occurred in the functional areas of instruction, instructional staff development, instructional leadership, guidance and counseling services, attendance and social work services, food services, co-curricular activities, general administration, tax reinvestment zone payments, and facilities acquisition and construction.

The governmental funds reported a combined fund balance of \$1.531 billion, an increase of \$324.7 million. The net increase of the combined fund balances was comprised of a fund balance decrease in the General Fund and Special Revenue Fund of \$25.3 million and \$105 thousand, respectively, and an increase in the Debt Service Fund, Capital Renovation Fund, and the nonmajor governmental fund of \$13.4 million, \$283.5 million, and \$53.2 million, respectively. Out of the combined fund balances, \$209 million constitutes *unreserved, undesignated fund balance*. The remainder of the fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed.

The General Fund is the primary operating fund of the District. The fund balance of the General Fund decreased \$25.3 million during the fiscal year primarily due to a decrease in state revenue sources and an increase in other financing uses. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$199.7 million. Unreserved, undesignated fund balance represents 13.58 percent of the total General Fund expenditures, while total fund balance represents 31 percent of that same amount.

The Special Revenue Fund accounts for all grants received by the District. The ending fund balance of \$9.2 million is reserved for E-rate activities. The total revenues from local, state, and federal sources was \$368 million, an increase of 38% from the prior fiscal year. The increase is primarily due to the federal stimulus funding of Title I ARRA (American Recovery and Reinvestment Act of 2009) and State Fiscal Stabilization Fund received in fiscal year 2010.

The Debt Service Fund has a total fund balance of \$120.9 million all of which is reserved for the payment of debt service. The net increase in fund balance during the period in the Debt Service Fund was \$13.4 million. 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 period ended June 30, 2010 included all scheduled payments/accruals due within 30 days of year end.

The Capital Renovation Fund has a total fund balance of \$893.7 million. The majority, \$618.8 million dollars, is designated for future construction while \$274.6 million is reserved for encumbrances. The remaining \$278 thousand is designated for arbitrage. The fund balance increased by \$283.5 million as a result of the sale of bonds for the current Rebuild 2007 Bond Program.

The Capital Renovation Fund – Public Facility Corporation has a total fund balance of \$55 million, all of which is designated for construction of four schools in the Rebuild 2007 Bond Program. The fund balance increased by \$53.2 million as a result of the sale of bonds for the construction of four schools.

Proprietary Funds The District maintains both enterprise funds and internal service funds. Information is presented separately in the proprietary fund statement of net assets and in the proprietary fund statement of revenues, expenses, and changes in fund net assets for the Food Service Fund, which is considered to be a major fund. Net assets in the Food Service Fund as of June 30, 2010 were \$5.5 million. Of this amount, \$249 thousand represented the investment in capital assets and \$5.2 million was unrestricted. For the fiscal year, net assets increased by \$4.7 million.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. As a result, actual expenditures were \$138.1 million less than the appropriated budgeted amounts which resulted in positive variances. These variances are the result of salaries, benefits, performance pay, consultants, and contracted services being budgeted at a greater amount than expenditures. Following were the key variances:

- \$47.5 million resulted from staffing (all areas)
- \$15.5 million resulted instructional non-staffing funds
- \$22.8 million plant maintenance and operations and property insurance
- \$8.2 million data processing services
- \$7.2 million resulted from co-curricular activities
- \$7.0 million resulted from general administration
- \$6.0 million resulted from student transportation

Staffing is budgeted at one hundred percent of actual salary. Budget amounts for vacant positions are monitored to ensure that only limited revisions are allowed for departments. Schools have a more flexible revision policy but cannot take excess salary budgets for non-salary uses.

The final budgeted amount for revenues was \$1.571 billion. Actual revenues are under the revised budget by \$33.1 million. This negative variance was mainly attributed to funds due from the state for the District's foundation school program and available school fund. The settle-up payment for 2009-2010 will be received during the 2010-2011 fiscal year and the District has a receivable for these items.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District had invested \$2.395 billion, net of depreciation, in a broad range of capital assets, including land, buildings and improvements, furniture and equipment, and vehicles. This amount represents a net increase (including additions, deductions, and depreciation) of \$76.3 million over last year.

District's Capital Assets

(net of depreciation, in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2010	2009	2010	2009	2010	2009	2010-2009
Land	\$ 212,705	\$ 204,438	\$ -	\$ -	\$ 212,705	\$ 204,438	4.04%
Buildings and Improvements	1,803,787	1,845,642	-	12,692	1,803,787	1,858,334	-2.93%
Vehicles	37,440	33,281	-	266	37,440	33,547	11.60%
Furniture and equipment	54,707	57,732	268	8,205	54,975	65,937	-16.63%
Construction in progress	285,652	155,841	-	126	285,652	155,967	83.15%
Total	\$ 2,394,291	\$ 2,296,934	\$ 268	\$ 21,289	\$ 2,394,559	\$ 2,318,223	3.29%

During 2010, the District opened Piney Point Elementary School, the first new school in the 2007 Facilities Capital Program. As of June 30, 2010, the District had fully funded construction commitments of \$231,364,395. 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, 2010, the District had total bonded debt outstanding of \$2.304 billion. The District debt totals included \$194.8 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 is presented in the schedule "Ratio of Net General Bonded Debt to Assessed Values and Net Bonded Debt per Student" in the statistical section and reflects an increase in the ratio of net bonded debt to assessed value to 2.00 percent, as compared to 1.67 percent last year.

The District reduced total variable debt by making a mandatory payment of \$4,850,000 of Variable Rate Bonds Series 2004 on June 15, 2010, followed by an additional \$18,300,000 made via an irrevocable payment to the bond trustee on June 29, 2010, having a bond redemption date of July 1, 2010. Variable rate debt as a percentage of total bonded debt outstanding as of June 30, 2010 is 8.5 percent.

In June 2010, the District reduced outstanding debt through the open market purchase of previously issued Limited Tax Refunding Bonds, Series 2005B in the amount of \$1,500,000. The District additionally reduced debt by calling for full redemption the remaining \$13,990,000 balance of Limited Tax School House and Refunding Series 1999-A bonds.

In November 2009, the District issued \$23,500,000 in Contractual Obligations, Series 2009 with a premium of \$1,256,931. Contractual obligations, with a remaining balance of \$75,855,000, 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 issued a total of \$401,520,000 Limited Tax Schoolhouse Bonds in November 2009. The bonds were issued in three separate series. Series 2009A-2 and Series 2009A-3 totaling \$332,600,000 of the bond issuance were issued as Build America Bonds – Direct Payment to the Issuer. The District will receive payment subsidies from the U.S. Treasury equal to 35 percent of interest payable on the Build America Bonds.

In April 2010, the Houston Independent School District Public Facility Corporation issued lease revenue bonds in the total amount of \$54,500,000. The bonds were issued as two series. Series 2010A were sold in the amount of \$16,070,000. Series 2010B were issued for \$38,430,000 as Build America Bonds – Direct Payment to the Issuer.

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. The District records the liability as a designated part of its unreserved fund balance, if needed, on an annual basis. As of June 30, 2010, arbitrage rebate in the amount of \$775,430 has been included as part of the unreserved fund balance on the Governmental Funds Balance Sheet.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Texas Legislature continued the hold-harmless provision in House Bill 3646 (HB 3646) which allows the District to earn the same state revenue and local property tax revenue per student WADA as was generated in the 2008-2009 school year (target revenue) and provided a much needed increase in funding of a minimum of \$120 per WADA. For 2010-2011, the District is entitled to \$5,397 for each projected WADA making the District's target revenue \$1,362,109,739, including the High School Allotment of \$11,415,602. The funding formula adds the District's current and delinquent property tax revenues and compares the revenue to the target revenue number. Any difference between the target revenue and tax revenue is adjusted against the District's state aid.

For 2010-2011 taxable property value is projected to decline by approximately \$4.8 billion (4.4%). However, under the hold-harmless provision the loss in local property value will be made up in state aid, therefore, there is no impact on the District's revenue because of a loss in property value.

Increases for the 2010-11 General Fund operating budget total \$60.9 million. These increases include the following major items:

Budget increases with offsetting revenue of \$22.6 million:

- \$11 million for increased student enrollment
- \$6 million for TRS on-behalf of payments
- \$3 million for Tax Increment Reinvestment Zone (TIRZ)
- \$2.5 million for Texas Connections Academy

Other budget increases:

- Salaries package for teachers, nurses, counselors, librarians and speech pathologists, excluding charter schools - \$7,384,743
- Continuation funding to Per Unit Allocations for enrollment - \$5,000,000
- Increase funds for Priority Schools - \$3,073,220
- Increase to District Health Insurance contribution - \$10,000,000
- Other departmental and district-wide costs - \$2,891,147

Also included in the operating budget were reductions of \$32.6 million. These decreases include the following major items:

- Bus purchases - \$9,000,000
- Re-organization initiatives - \$5,353,171
- Community Services contract - \$2,000,000
- Aspiring Principals Institute - \$1,378,100
- CEP budget - \$4,073,220
- Other department and district-wide cuts - \$2,660,602

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) 556-6600.

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HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,367,759	\$ 140,077	\$ 1,507,836
Investments	1,677,591,649	21,587,270	1,699,178,919
Delinquent taxes receivable - net of estimated uncollectible taxes	107,216,532	-	107,216,532
Accounts receivable	207,339,387	2,530,226	209,869,613
Inventories	3,415,694	5,223,800	8,639,494
Other assets	18,463,929	214,027	18,677,956
Land	212,705,239	-	212,705,239
Construction in progress	285,651,890	-	285,651,890
Buildings and improvements	2,667,090,111	-	2,667,090,111
Furniture and equipment	293,386,566	9,101,241	302,487,807
Vehicles	101,966,595	2,066,132	104,032,727
Accumulated depreciation	(1,166,508,997)	(10,899,795)	(1,177,408,792)
Total assets	<u>4,409,686,354</u>	<u>29,962,978</u>	<u>4,439,649,332</u>
LIABILITIES			
Accounts payable	69,147,420	3,602,906	72,750,326
Accrued salaries and related expenses	105,039,924	1,182,846	106,222,770
Other liabilities	62,442,312	-	62,442,312
Internal balances	1,893,688	(1,893,688)	-
Due to State of Texas	-	67,045	67,045
Unearned revenues	17,109,192	396,337	17,505,529
Interest payable	63,690,306	-	63,690,306
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	44,320,677	-	44,320,677
Contractual obligations payable	16,245,000	-	16,245,000
Notes payable	5,135,000	-	5,135,000
Deferred loss on refunding of bonds	(521,849)	-	(521,849)
Lease purchases	32,070	-	32,070
Arbitrage rebate payable	534,261	-	534,261
Accretion payable	20,746,256	-	20,746,256
Compensated absences payable	2,195,169	147,106	2,342,275
Claims payable	31,102,358	-	31,102,358
Portion due or payable after one year:			
Bonds payable	2,310,554,525	-	2,310,554,525
Contractual obligations payable	59,610,000	-	59,610,000
Notes payable	65,885,000	-	65,885,000
Deferred loss on refunding of bonds	(5,049,680)	-	(5,049,680)
Arbitrage rebate payable	241,169	-	241,169
Accretion payable	151,112,741	-	151,112,741
Compensated absences payable	25,121,603	296,004	25,417,607
Claims payable	6,638,804	-	6,638,804
Total liabilities	<u>3,053,225,946</u>	<u>3,798,556</u>	<u>3,057,024,502</u>
NET ASSETS			
Invested in capital assets, net of related debt	683,024,510	267,578	683,292,088
Restricted for:			
Contractual obligations	13,474,394	-	13,474,394
Debt service	70,906,837	-	70,906,837
Unrestricted	589,054,667	25,896,844	614,951,511
Total net assets	<u>\$ 1,356,460,408</u>	<u>\$ 26,164,422</u>	<u>\$ 1,382,624,830</u>

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

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**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction	\$ 1,181,805,764 \$	924,253 \$	288,141,672 \$	(892,739,839)	\$	(892,739,839)
Instructional resources and media services	17,261,306	-	1,618,711	(15,642,595)		(15,642,595)
Instructional staff development	67,113,124	-	54,231,655	(12,881,469)		(12,881,469)
Curriculum development	4,665,111	-	346,906	(4,318,205)		(4,318,205)
Instructional leadership	27,244,755	-	10,551,896	(16,692,859)		(16,692,859)
School leadership	130,773,278	-	12,714,499	(118,058,779)		(118,058,779)
Guidance, counseling, and evaluation services	62,038,198	-	29,330,334	(32,707,864)		(32,707,864)
Social work services	2,269,165	-	1,261,969	(1,007,196)		(1,007,196)
Health services	20,012,485	-	2,888,692	(17,123,793)		(17,123,793)
Student transportation	49,177,482	-	23,581,587	(25,595,895)		(25,595,895)
Food service	4,048,882	-	5,882	(4,043,000)		(4,043,000)
Co-curricular/extracurricular activities	17,164,043	607,204	2,762,421	(13,794,418)		(13,794,418)
General administration	34,203,064	-	5,776,665	(28,426,399)		(28,426,399)
Plant maintenance and operations	175,125,622	561,756	17,157,046	(157,406,820)		(157,406,820)
Security and monitoring services	21,151,657	-	1,724,072	(19,427,585)		(19,427,585)
Data processing services	39,020,554	-	4,113,690	(34,906,864)		(34,906,864)
Community services	4,521,889	-	2,509,724	(2,012,165)		(2,012,165)
Interest and fiscal charges	104,870,409	-	-	(104,870,409)		(104,870,409)
Juvenile justice alternative education program	551,243	-	-	(551,243)		(551,243)
Tax reinvestment zone payments	54,620,528	-	-	(54,620,528)		(54,620,528)
Tax appraisal and collection	9,876,688	-	-	(9,876,688)		(9,876,688)
Total governmental activities	<u>2,027,515,247</u>	<u>2,093,213</u>	<u>458,717,421</u>	<u>(1,566,704,613)</u>		<u>(1,566,704,613)</u>
Business-type activities:						
Food service	107,858,328	10,632,279	89,948,603	-	(7,277,446)	(7,277,446)
Business development	9,397,281	10,518,232	-	-	1,120,951	1,120,951
Medicaid	1,652,331	1,984,651	25,091,669	-	25,423,989	25,423,989
Total business-type activities	<u>118,907,940</u>	<u>23,135,162</u>	<u>115,040,272</u>	<u>-</u>	<u>19,267,494</u>	<u>19,267,494</u>
Total activities	<u>\$ 2,146,423,187 \$</u>	<u>\$ 25,228,375 \$</u>	<u>\$ 573,757,693</u>	<u>(1,566,704,613)</u>	<u>19,267,494</u>	<u>(1,547,437,119)</u>
General revenues:						
Taxes:						
Maintenance & operations property taxes				1,065,193,515	-	1,065,193,515
Debt service property taxes				157,268,604	-	157,268,604
State aid - not restricted to specific programs				317,029,674	-	317,029,674
Tax increment reinvestment zone				21,653,331	-	21,653,331
Unrestricted investment earnings				7,127,247	58,983	7,186,230
Miscellaneous				16,018,276	938,247	16,956,523
Transfers				9,136,088	(9,136,088)	-
Total general revenues and transfers				<u>1,593,426,735</u>	<u>(8,138,858)</u>	<u>1,585,287,877</u>
Change in net assets				<u>26,722,122</u>	<u>11,128,636</u>	<u>37,850,758</u>
Net assets—beginning				<u>1,329,738,286</u>	<u>15,035,786</u>	<u>1,344,774,072</u>
Net assets—ending				<u>\$ 1,356,460,408 \$</u>	<u>\$ 26,164,422 \$</u>	<u>\$ 1,382,624,830</u>

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010**

	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	\$ 251,453	\$ 50,992	\$ 8,616	\$ 39,206	\$ 805,914	\$ 1,156,181
Investments	470,136,153	8,058,706	150,430,724	911,675,520	54,190,926	1,594,492,029
Delinquent taxes receivable - net of estimated uncollectible taxes	95,784,602	-	11,431,930	-	-	107,216,532
Accounts receivable	126,451,674	80,525,804	-	130,564	-	207,108,042
Due from other funds	24,274,779	-	480,996	526,332	-	25,282,107
Inventories	3,415,694	-	-	-	-	3,415,694
Other assets	6,121,714	-	28,217	408,216	64,400	6,622,547
Total assets	\$ 726,436,069	\$ 88,635,502	\$ 162,380,483	\$ 912,779,838	\$ 55,061,240	\$ 1,945,293,132
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 31,177,072	\$ 13,967,650	\$ -	\$ 18,877,749	\$ 541,792	\$ 64,564,263
Debt payable within one year	-	-	25,708,842	-	-	25,708,842
Accrued salaries and expenditures	96,917,441	7,641,033	-	92,263	-	104,650,737
Other liabilities	59,488,528	2,953,784	-	-	-	62,442,312
Due to other funds	-	42,812,921	-	-	-	42,812,921
Deferred revenues	86,701,470	12,022,765	15,769,420	63,071	-	114,556,726
Total liabilities	\$ 274,284,511	\$ 79,398,153	\$ 41,478,262	\$ 19,033,083	\$ 541,792	\$ 414,735,801
Fund balances:						
Reserved:						
Reserved for encumbrances	28,899,559	-	-	274,636,238	-	303,535,797
Reserved for investment in inventories	3,415,694	-	-	-	-	3,415,694
Reserved for capital acquisition program	13,200,582	-	-	-	-	13,200,582
Reserved for retirement of funded indebtedness	-	-	120,902,221	-	-	120,902,221
Unreserved:						
Designated for arbitrage	497,504	-	-	277,926	-	775,430
Designated for authorized construction	-	-	-	618,832,591	54,519,448	673,352,039
Designated for incentive pay program	35,509,415	-	-	-	-	35,509,415
Designated for insurance programs	16,405,115	-	-	-	-	16,405,115
Designated for auto/general liability	2,493,379	-	-	-	-	2,493,379
Designated for pay as you go	65,000,000	-	-	-	-	65,000,000
Designated for operations	80,669,038	-	-	-	-	80,669,038
Designated for school carryforward	6,334,833	-	-	-	-	6,334,833
Undesignated	199,726,439	9,237,349	-	-	-	208,963,788
Total fund balances	\$ 452,151,558	\$ 9,237,349	\$ 120,902,221	\$ 893,746,755	\$ 54,519,448	\$ 1,530,557,331
Total liabilities and fund balances	\$ 726,436,069	\$ 88,635,502	\$ 162,380,483	\$ 912,779,838	\$ 55,061,240	\$ 1,945,293,132

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 ASSETS
JUNE 30, 2010**

Total Fund Balances— Governmental Funds \$ 1,530,557,331

Amounts reported for governmental activities in the statement of net assets 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 \$3,560,800,401 and the accumulated depreciation is \$1,166,508,997 2,394,291,404

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. 97,447,534

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. A portion of the assets and liabilities of the internal service funds are included with governmental activities. 95,382,161

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	2,304,234,770	
Accretion of interest payable	171,858,997	
Contractual obligations payable	59,610,000	
Notes payable	65,885,000	
Claims payable	37,741,162	
Compensated absences payable	27,316,772	
Lease purchases payable	32,070	
Premium on bonds payable	50,640,432	
Deferred loss on refunding of bonds	(5,571,529)	
Arbitrage accounts payable adjustment	(49,154)	
Arbitrage payable	775,430	
Issue costs	(11,660,492)	
Accrued interest payable	60,404,564	
		(2,761,218,022)

Total Net Assets of Governmental Activities \$ 1,356,460,408

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	MAJOR				NONMAJOR	Total
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation Fund - PFC	Governmental Funds
REVENUES						
Property taxes	\$ 1,065,699,696	\$ -	\$ 157,433,208	\$ -	\$ -	\$ 1,223,132,904
Earnings on investments	2,412,649	-	342,170	3,624,599	80,376	6,459,794
Miscellaneous local sources	15,336,503	7,933,915	-	20,213,092	-	43,483,510
State sources	401,700,370	37,703,717	-	-	-	439,404,087
Federal sources	7,884,349	322,499,202	-	-	-	330,383,551
Total revenues	<u>1,493,033,567</u>	<u>368,136,834</u>	<u>157,775,378</u>	<u>23,837,691</u>	<u>80,376</u>	<u>2,042,863,846</u>
EXPENDITURES						
Current						
Instruction	870,482,894	236,923,143	-	-	-	1,107,406,037
Instructional resources and media services	17,078,700	722,766	-	-	-	17,801,466
Instructional staff development	12,585,537	53,867,827	-	-	-	66,453,364
Curriculum development	4,268,056	346,906	-	-	-	4,614,962
Instructional leadership	17,560,023	9,701,555	-	-	-	27,261,578
School leadership	124,511,904	5,753,260	-	-	-	130,265,164
Guidance, counseling and evaluation services	33,265,615	27,891,276	-	-	-	61,156,891
Social work services	1,066,811	1,197,694	-	-	-	2,264,505
Health services	18,160,519	1,794,113	-	-	-	19,954,632
Student transportation	48,138,888	3,861,215	-	-	-	52,000,103
Food services	10,874,773	4,623	-	-	-	10,879,396
Co-curricular/extracurricular activities	14,279,463	2,419,654	-	-	-	16,699,117
General administration	28,983,316	4,112,100	-	-	-	33,095,416
Plant maintenance and operations	160,575,224	12,765,156	-	-	-	173,340,380
Security and monitoring services	20,072,070	676,016	-	-	-	20,748,092
Data processing services	21,527,370	3,298,582	-	-	-	24,825,952
Community services	2,094,549	2,411,551	-	-	-	4,506,100
Juvenile justice alternative education program	551,243	-	-	-	-	551,243
Tax reinvestment zone payments	54,620,528	-	-	-	-	54,620,528
Tax appraisal and collection	9,876,688	-	-	-	-	9,876,688
Debt service						
Principal	78,604	-	90,839,546	-	-	90,918,150
Interest and fiscal charges	183,292	-	114,448,837	-	-	114,632,129
Capital outlay						
Facilities acquisition and construction	157,133	494,681	-	174,055,690	1,267,230	175,974,734
Total expenditures	<u>1,470,993,206</u>	<u>368,242,118</u>	<u>205,288,383</u>	<u>174,055,690</u>	<u>1,267,230</u>	<u>2,219,846,627</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,040,361</u>	<u>(105,284)</u>	<u>(47,513,005)</u>	<u>(150,217,999)</u>	<u>(1,186,854)</u>	<u>(176,982,781)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	20,674,634	-	60,914,959	30,495,836	-	112,085,429
Transfers out	(92,735,404)	-	-	(9,280,000)	-	(102,015,404)
Issuance of bonds and other debt	23,500,000	-	-	401,520,000	54,500,000	479,520,000
Premium on the sale of bonds	1,256,931	-	-	6,075,972	-	7,332,903
Discount on the sale of bonds	-	-	-	-	(115,214)	(115,214)
Proceeds from sale of capital assets	-	-	-	4,871,945	-	4,871,945
Total other financing sources (uses)	<u>(47,303,839)</u>	<u>-</u>	<u>60,914,959</u>	<u>433,683,753</u>	<u>54,384,786</u>	<u>501,679,659</u>
Net change in fund balances	(25,263,478)	(105,284)	13,401,954	283,465,754	53,197,932	324,696,878
Fund balances--beginning	<u>477,415,036</u>	<u>9,342,633</u>	<u>107,500,267</u>	<u>610,281,001</u>	<u>1,321,516</u>	<u>1,205,860,453</u>
Fund balances--ending	<u>\$ 452,151,558</u>	<u>\$ 9,237,349</u>	<u>\$ 120,902,221</u>	<u>\$ 893,746,755</u>	<u>\$ 54,519,448</u>	<u>\$ 1,530,557,331</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, 2010**

Total Net Change in Fund Balances—Governmental Funds **\$ 324,696,878**

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.

Capital outlays	193,216,660	
Depreciation expense	<u>(95,859,415)</u>	
		97,357,245

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

Bonds payable	(456,020,000)	
Contractual obligations payable	(23,500,000)	
Bonds payable	69,459,547	
Contractual obligations payable	16,245,000	
Notes payable	5,135,000	
Premium on bonds payable	(7,217,689)	
Amortization of premium on bonds payable	9,301,669	
Amortization of deferred loss on refunding of bonds	(521,849)	
Issuance costs	3,519,859	
Amortization of issuance costs	(832,472)	
Lease purchase payable, net	87,365	
Arbitrage expenditure, net	(662)	
Accretion payable, net	<u>15,665,963</u>	
		(368,678,269)

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 increased by this amount this year. (708,256)

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. (17,379,550)

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 used exceeded the compensated absences earned. 3,411,689

Internal service funds - changes in claims payable (2,234,815)

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. A portion of the net revenue (expense) of the internal service funds is reported with governmental activities. (9,742,800)

Change in Net Assets of Governmental Activities **\$ 26,722,122**

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business-type Activities-Enterprise Funds			Governmental Activities-Internal Service Funds
	Food Service Fund	Nonmajor Enterprise Funds	Totals	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 124,576	\$ 15,501	\$ 140,077	\$ 211,578
Investments	3,634,713	17,952,557	21,587,270	83,099,620
Receivables	111,918	2,418,308	2,530,226	231,345
Due from other funds	-	-	-	19,387,845
Accrued interest	-	-	-	180,890
Inventories	5,223,800	-	5,223,800	-
Other assets	214,027	-	214,027	-
Total current assets	<u>9,309,034</u>	<u>20,386,366</u>	<u>29,695,400</u>	<u>103,111,278</u>
Noncurrent assets:				
Buildings and improvements	-	-	-	558,544
Furniture and equipment	8,995,710	105,531	9,101,241	1,186,300
Vehicles	2,066,132	-	2,066,132	128,947
Less accumulated depreciation	<u>(10,812,376)</u>	<u>(87,419)</u>	<u>(10,899,795)</u>	<u>(862,061)</u>
Total noncurrent assets	<u>249,466</u>	<u>18,112</u>	<u>267,578</u>	<u>1,011,730</u>
Total assets	<u>9,558,500</u>	<u>20,404,478</u>	<u>29,962,978</u>	<u>104,123,008</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,958,652	1,644,254	3,602,906	3,589,211
Due to other funds	337,154	33,978	371,132	1,485,899
Due to State of Texas	67,045	-	67,045	-
Deferred revenue	189,195	207,142	396,337	-
Accrued salaries payable	1,146,865	35,981	1,182,846	389,187
Compensated absences payable	105,659	41,447	147,106	23,272
Claims and judgments payable	-	-	-	31,102,358
Total current liabilities	<u>3,804,570</u>	<u>1,962,802</u>	<u>5,767,372</u>	<u>36,589,927</u>
Noncurrent liabilities:				
Compensated absences payable	270,628	25,376	296,004	547,517
Claims and judgments payable	-	-	-	6,638,804
Total noncurrent liabilities	<u>270,628</u>	<u>25,376</u>	<u>296,004</u>	<u>7,186,321</u>
Total liabilities	<u>4,075,198</u>	<u>1,988,178</u>	<u>6,063,376</u>	<u>43,776,248</u>
NET ASSETS				
Invested in capital assets	249,466	18,112	267,578	1,011,730
Unrestricted	5,233,836	18,398,188	23,632,024	59,335,030
Total net assets	<u>\$ 5,483,302</u>	<u>\$ 18,416,300</u>	<u>\$ 23,899,602</u>	<u>\$ 60,346,760</u>

Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.

2,264,820

Net assets of business-type activities

\$ 26,164,422

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 ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Food Service Fund	Nonmajor Enterprise Funds	Totals	
OPERATING REVENUES:				
Charges for sales and services:				
Sales to customers	\$ 10,632,279	\$ -	\$ 10,632,279	\$ 27,775,695
Consulting services	-	12,502,883	12,502,883	-
Charges to other funds	-	-	-	132,106,611
Miscellaneous	937,992	255	938,247	1,356,807
Total operating revenues	<u>11,570,271</u>	<u>12,503,138</u>	<u>24,073,409</u>	<u>161,239,113</u>
OPERATING EXPENSES:				
Payroll costs	43,058,616	1,332,074	44,390,690	19,835,774
Purchased and contracted services	12,794,417	9,489,272	22,283,689	5,344,769
Supplies and materials	50,916,413	64,550	50,980,963	3,590,959
Other operating expenses	454,111	150,366	604,477	1,743,232
Claims and judgments	-	-	-	142,478,854
Depreciation	166,316	13,350	179,666	89,378
Total operating expenses	<u>107,389,873</u>	<u>11,049,612</u>	<u>118,439,485</u>	<u>173,082,966</u>
Operating income (loss)	<u>(95,819,602)</u>	<u>1,453,526</u>	<u>(94,366,076)</u>	<u>(11,843,853)</u>
NONOPERATING REVENUES (EXPENSES):				
Earnings on investments	3,076	55,907	58,983	667,453
Grants from federal agencies:				
Child nutrition program	78,450,154	-	78,450,154	-
Donated commodities	6,106,843	-	6,106,843	-
Summer food program	4,801,361	-	4,801,361	-
School health services (SHARS)	-	25,091,669	25,091,669	-
State matching and other	590,245	-	590,245	-
Total nonoperating revenue	<u>89,951,679</u>	<u>25,147,576</u>	<u>115,099,255</u>	<u>667,453</u>
Income (loss) before transfers	(5,867,923)	26,601,102	20,733,179	(11,176,400)
Transfers in	10,604,609	-	10,604,609	213,770
Transfers out	<u>-</u>	<u>(19,740,697)</u>	<u>(19,740,697)</u>	<u>(1,147,708)</u>
Change in net assets	4,736,686	6,860,405	11,597,091	(12,110,338)
Total net assets—beginning	746,616	11,555,895		72,457,098
Total net assets—ending	<u>\$ 5,483,302</u>	<u>\$ 18,416,300</u>		<u>\$ 60,346,760</u>

Some amounts reported for business-type activities in the statement of activities are different because a portion of the net revenue (expense) of certain internal service funds is reported with business-type activities.

(468,455)

Change in net assets of business-type activities

\$ 11,128,636

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, 2010**

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Food Service Fund	Nonmajor Enterprise Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 11,305,096	\$ 12,248,770	\$ 23,553,866	\$ 159,967,510
Receipts from other funds	-	-	-	1,768,481
Other receipts	6,441,476	801,012	7,242,488	1,616,183
Payments to suppliers	(61,713,254)	(9,795,067)	(71,508,321)	(10,254,716)
Payments to employees	(42,643,165)	(1,323,739)	(43,966,904)	(20,118,806)
Payments to other funds	(25,206,535)	-	(25,206,535)	(14,150,762)
Claims paid	-	-	-	(141,521,999)
Net cash provided (used) by operating activities	<u>(111,816,382)</u>	<u>1,930,976</u>	<u>(109,885,406)</u>	<u>(22,694,109)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Child nutrition program	78,450,154	-	78,450,154	-
State matching and other	590,245	-	590,245	-
Summer food program	4,801,361	-	4,801,361	-
Grants from federal agencies	-	25,091,669	25,091,669	-
Transfers from other funds	10,604,609	-	10,604,609	213,770
Transfers to other funds	-	(19,740,697)	(19,740,697)	(1,147,708)
Net cash provided (used) by noncapital financing activities	<u>94,446,369</u>	<u>5,350,972</u>	<u>99,797,341</u>	<u>(933,938)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	(7,442)	(7,442)	(425,113)
Sales of capital assets	<u>20,849,615</u>	<u>-</u>	<u>20,849,615</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>20,849,615</u>	<u>(7,442)</u>	<u>20,842,173</u>	<u>(425,113)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(49,849,822)	(33,103,581)	(82,953,403)	(163,735,921)
Sales and maturities of investments	46,400,746	25,521,697	71,922,443	187,234,181
Interest and dividends	<u>3,076</u>	<u>55,907</u>	<u>58,983</u>	<u>667,453</u>
Net cash provided (used) by investing activities	<u>(3,446,000)</u>	<u>(7,525,977)</u>	<u>(10,971,977)</u>	<u>24,165,713</u>
Net increase (decrease) in cash and cash equivalents	33,602	(251,471)	(217,869)	112,553
Balances—beginning of the year	<u>90,974</u>	<u>266,972</u>	<u>357,946</u>	<u>99,025</u>
Balances—end of the year	<u>\$ 124,576</u>	<u>\$ 15,501</u>	<u>\$ 140,077</u>	<u>\$ 211,578</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (95,819,602)	\$ 1,453,526	\$ (94,366,076)	\$ (11,843,853)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	166,316	13,350	179,666	89,378
Donated commodities	6,106,843	-	6,106,843	-
Change in assets and liabilities:				
Receivables	231,337	(254,113)	(22,776)	85,203
Inventory	1,878,260	-	1,878,260	-
Accounts payables	573,428	(90,879)	482,549	(853,715)
Due to other funds	(25,206,521)	593,615	(24,612,906)	(14,150,762)
Due from other funds	(14)	-	(14)	1,768,481
Accrued interest	-	-	-	259,374
Accrued salaries payable	455,646	8,335	463,981	(6,504)
Compensated absences payable	(40,196)	-	(40,196)	(276,526)
Current portion of claims and judgments	-	-	-	3,080,570
Other long term claims and judgments	-	-	-	(845,755)
Other	(161,879)	207,142	45,263	-
Net cash provided (used) by operating activities	<u>\$ (111,816,382)</u>	<u>\$ 1,930,976</u>	<u>\$ (109,885,406)</u>	<u>\$ (22,694,109)</u>

Noncash financing activities:

The District received donated commodities valued at \$6,106,843 from the U.S. Department of Agriculture for use in the National School Lunch Program.

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

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**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010**

	Private-Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 3,955,250
Investments	<u>11,174,220</u>	<u>6,998,499</u>
Total assets	<u>11,174,220</u>	<u>\$ 10,953,749</u>
LIABILITIES		
Accounts payable	-	\$ 475,359
Accrued salaries payable	-	24,410
Due to student/administrative groups	<u>-</u>	<u>10,453,980</u>
Total liabilities	<u>-</u>	<u>\$ 10,953,749</u>
NET ASSETS		
Held in trust for scholarships	<u>11,174,220</u>	
Total net assets	<u>\$ 11,174,220</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 ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Private-Purpose Trust Funds
ADDITIONS	
Gifts and contributions	\$ 117,812
Earnings on investments	<u>24,982</u>
Total additions	<u>142,794</u>
DEDUCTIONS	
Scholarships awarded	<u>668,517</u>
Total deductions	<u>668,517</u>
Change in net assets	(525,723)
Net assets—beginning of the year	<u>11,699,943</u>
Net assets—end of the year	<u>\$ 11,174,220</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, 2010***

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 Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, ("GASB Statement No. 14"), 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, on the other hand, are reported in a separate column in the basic financial statements to emphasize they are legally separate from the School District. The District's blended component unit, although a legally separate entity, is in substance 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, appointment of a voting majority, fiscal dependency, ability to impose the District's will on the component unit, and whether there is a financial benefit or burden to the District.

For financial reporting purposes, the Houston Independent School District Public Facility Corporation ("Public Facility Corporation") is included in the operations and activities of the District because of the fiscal dependency criteria whereby the Public Facility Corporation serves the District exclusively.

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 the 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 Assets 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 Assets and the Statement of Activities of the government-wide financial statements report information on all of the nonfiduciary activities of the District and its blended component unit. The effect of interfund activity has been removed from these statements. Governmental activities, which 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, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. 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 properly identified as program revenues are reported instead as general revenues.

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 and major enterprise 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, and liabilities 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, and liabilities 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, are considered to be available when they are 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. 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*.

Funds

The District reports its financial activities through the use of "fund accounting." The activities of the District are organized on the basis of funds. The operations of each fund are accounted for within a separate set of self-balancing accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to assist management in demonstrating compliance with finance-related legal and contractual provisions. 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 the Governmental Fund Types. 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 the proceeds of specific revenue sources (other than private-purpose trust funds or capital projects) such as federal, state or locally financed

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010***

programs where unused balances are returned to the grantor at the close of specified project periods. Funds are legally restricted to expenditures for specified purposes.

- *Debt Service Fund* -- The Debt Service Fund is used to account for the accumulation of resources for, and the retirement of, general long-term debt and related costs.
- *Capital Renovation Fund* -- The Capital Renovation Fund is used to account for financial resources to be used for the acquisition, renovation or construction of major capital facilities other than those financed by proprietary funds.

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 in a manner similar to a private enterprise where the District's intent is to provide services financed primarily through user charges. The Food Service Fund is considered a major proprietary fund as defined by GASB Statement No. 34. The Food Service Fund accounts for food services provided to students of the District and includes all federal and state funds for such services.
- *Internal Service Funds* -- The Internal Service Funds are used to account for operations related to the Print Shop, Professional Development, Media Services, Alternative Certification Program, Athletics, University Interscholastic League ("UIL"), 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this limitation. The District has elected not to follow subsequent private-sector guidance.

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 (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds represent school class and club activity funds. The District does not use clearing accounts to distribute financial resources to other funds of the District.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010***

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

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 of not less than 110 percent of the amount of the deposits collateralized thereby, adjusted by the amount of applicable depository insurance.

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, 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 and Payables

All trade and property tax receivables are shown net of allowance for uncollectibles. The property tax receivable allowance is 27.84 percent of outstanding property taxes at June 30, 2010.

Inventories

Under the consumption method of accounting for inventories, materials and supplies are carried in an inventory account on the basis of the last invoice cost, which approximates the first-in, first-out method, and are subsequently charged to expenses/expenditures when consumed. Inventories include plant maintenance and operating supplies as well as instructional supplies. Revenue for donated commodities is recognized when the commodities are received. Other inventories are offset at year end by a reservation of fund balance in the governmental fund financial statements.

Grant Fund Accounting

The Special Revenue Fund includes programs that are financed on a project grant basis. These projects have grant periods that range from less than twelve months to in excess of two years. Grants are recorded as revenues when earned, which the District considers to be earned to the extent expenditures have been incurred, and the District has met all eligibility requirements. Funds received, but not earned, are recorded as deferred revenue until earned.

Indirect costs earned from grant programs are recorded as revenues of the General Fund. These indirect costs are determined by applying approved indirect cost rates to actual expenditures of the programs.

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,

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

which have not been liquidated, are reported as reservations of fund balance since they do not constitute expenditures or liabilities. District policy requires that such amounts be re-appropriated in the following fiscal year.

Capital Assets

Capital assets, which include land, buildings and improvements, 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 or estimated historical cost if purchased or constructed. The capitalization threshold is a unit cost of \$5,000. Donated capital assets are recorded at estimated fair 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.

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

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.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010***

- 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, professional development, alternative certification, athletics, UIL, and media services programs.

Compensated Absences

The District's contract employees earn one day of sick leave per month for all months under contract, which may either be taken or accumulated with no limitation. Accumulated sick leave balances are not paid upon termination from the District, except those paid on retirement or death of employees who meet certain eligibility requirements and were hired prior to October 10, 1972.

Twelve-month employees earn vacation ranging from two to four weeks per year based on length of service. Vacation days may be carried over from one contract year to another with a maximum limit of 30 days. 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.

The District's compensatory time policy requires that compensatory time be taken by the end of the school year in which it was earned. At June 30, 2010, the District had no material liability for compensatory time.

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 Assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Deferred losses on refunding and bond issuance costs are amortized over the life of the bonds using the straight-line method.

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.

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and changes in *net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$97,357,245 difference are as follows:

Facilities acquisition and construction	\$ 175,974,734
Other acquisitions and disposals	17,241,926
Depreciation expense	<u>(95,859,415)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> .	\$ <u><u>97,357,245</u></u>

FUND BALANCES AND NET ASSETS

Government-wide Financial Statements

Net assets on the Statement of Net Assets include the following:

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

Restricted for contractual obligations -- the component of net assets that reports the difference between assets and liabilities of the capital acquisition program that consists of assets with constraints placed on their use by the bond contracts and covenants contained therein.

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

Restricted for food service -- the component of net assets that reports the difference between assets and liabilities of the Food Service Fund that consists of assets with constraints placed on their use by the Department of Agriculture.

Unrestricted -- the difference between the assets and liabilities that are not reported in net assets invested in capital assets, net of related debt, or restricted net assets.

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

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010***

Governmental Fund Financial Statements

In the fund financial statements, governmental funds report fund balances as either a reserved fund balance or an unreserved fund balance.

Reserved Fund Balance

Reserved fund balance is that portion of fund balance which is not available for appropriation or which has been legally segregated for specific purposes. Reserved fund balance on the balance sheet for the governmental funds includes:

Reserved for encumbrances -- the component of reserved fund balance that represent purchase orders and contractual commitments that do not constitute expenditures or liabilities as of the fiscal year end.

Reserved for investment in inventories -- the component of reserved fund balance that represents the materials and supplies purchased as an asset that do not constitute an expenditure until the period in which the inventories are actually consumed.

Reserved for capital acquisition program -- the component of the fund balance reserved for the acquisition of capital items as authorized under the Public Property Finance Act, Section 271.001 of the Texas Local Government Code.

Reserved for retirement of funded indebtedness -- the component of the fund balance reserved for the retirement of the District's funded indebtedness.

Unreserved Fund Balance

Unreserved fund balance is composed of designated and undesignated portions. Designated fund balances represent tentative plans for future use of financial resources. The undesignated portion of the unreserved fund balance represents that portion of fund balance that is available for budgeting in future periods. Components of the unreserved fund balance include:

Designated for arbitrage -- the component of the unreserved fund balance designated for the investment income received at yields exceeding the District's tax-exempt borrowing rate due at the end of the fifth year to the Internal Revenue Service of the United States Treasury.

Designated for authorized construction -- the component of the unreserved fund balance designated for voter approved construction projects with constraints placed on them by the bond covenants.

Designated for incentive pay program -- the component of the unreserved fund balance designated for the teacher-performance-pay system. For teachers to receive the bonuses, their students must make strong progress on state and national achievement tests.

Designated for insurance programs -- the component of the unreserved fund balance designated for the District's property insurance program. In prior years, the District increased its deductibles for property losses in an effort to reduce premiums. The designated amount would then cover losses up to the deductible limits.

Designated auto/general liability -- the component of the unreserved fund balance designated for meeting financial obligations due to self-insurance for automobile, professional liability and general liability losses.

Designated for pay as you go -- the component of the unreserved fund balance designated for repairs, renovations, and preventive maintenance of the District's infrastructure.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010***

Designated for operations -- the component of the unreserved fund balance designated by the Board of Education as a set aside for the minimum fund balance reserve. These designated funds are not available for use or appropriation, except in emergency circumstances, and such appropriation requires a two-thirds vote of the Board of Education.

Designated for school carryforward -- the component of the unreserved fund balance designated to allow schools to carryover unexpended funds at the end of a fiscal year to the next fiscal year. The total amount of the carryover for all schools for a fiscal year shall be included as part of the budget adoption process for that fiscal year.

Undesignated -- the component of the unreserved fund balance that is available for budgeting in future periods.

Stewardship, Compliance, and Accountability

The Board of Education adopts an appropriated budget for the General Fund, Special Revenue Fund, Debt Service Fund and Capital Renovation Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures and actual revenues and expenditures for the General Fund and Special Revenue Fund, which are considered major funds as defined by GASB Statement No. 34. Both the General Fund Budget and the Special Revenue Fund Budget appear in the required supplementary information section where the District compares the final amended budget to actual revenues and expenditures.

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2: HISD PUBLIC FACILITY CORPORATION

The 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 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, and the building of four elementary schools in 2010.

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, public fund investment pools, mutual funds and money market accounts. All cash balances and investments are held separately in each of its funds.

Funds held at the depository bank were properly secured at all times and the following was disclosed:

- a. Name of depository bank: JP Morgan Chase Bank
- b. Amount of bond or security pledged as of the date of the highest combined balance on deposit was \$30,037,257.
- c. Highest cash, savings and time deposits combined account balances amounted to \$18,753,217 and occurred during the month of June 2010. Collateral required for interest bearing accounts on the date of highest deposit totaled \$20,078,538.
- d. Total amount of Federal Deposit Insurance Corporation ("FDIC") coverage at the time of highest combined balance was \$250,000 for interest and non-interest bearing accounts.

Cash Deposits

As of June 30, 2010, the carrying amount of the District's demand and time deposits and cash on hand was \$4,686,604. The \$18,753,217 bank balance was covered by federal deposit insurance through the FDIC or was collateralized by securities held by the District's depository in joint safekeeping at the Federal Reserve Bank in the District's name. The HISD Public Facility Corporation's \$776,484 was held in a money market account (Morgan Stanley Government Portfolio) at the Bank of New York Trust Company, N. A.

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 investments have been recorded at fair value based upon quoted market prices as of June 30, 2010, with the increase or decrease in fair value being recorded as a component of earnings on investments. None of the District's investments 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 (1) local funds that are not required to be spent immediately and are available for investment in securities with maturities and returns generally greater than those for money market instruments and (2) local funds which provide daily liquidity. The objective of the LSIP is to provide participating local governments with the highest possible rate of return for such funds, while maintaining safety of principal and providing participants with access to funds no less frequently than once per month. To achieve its objective, the LSIP invests primarily in obligations issued or secured by the U.S. Government and its agencies and instrumentalities and in commercial paper. Investment advisory services are provided by American Beacon Advisors and BNY Mellon Cash Management Strategies. The custodial account is managed by The Bank of New York Mellon while RBC Wealth Management provides investment consulting services.

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

The Lone Star Government Overnight Fund is a stable value fund rated AAAM by Standard & Poor's rating service and the Corporate Overnight Plus Fund is a variable net asset value fund rated AA+ by Standard & Poor's.

The District's investment in LSIP's Government Overnight Fund and the Corporate Overnight Plus Fund, as of June 30, 2010, was \$160,886,813 and \$422,587,158, respectively, for a total of \$583,473,971, representing 33.98 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., and the assets are kept in a separate custodial account at the State Street Bank in the name of TexPool. TexPool is rated as an AAAM money market fund by Standard & Poor's.

As of June 30, 2010, the District's investment in TexPool and TexPool Prime was \$358,454,314 and \$266,408,078, respectively, with a value of \$624,862,392, representing 36.38 percent of the total portfolio. All income from investments associated with each fund has been recognized and recorded as income in each of the District's funds.

TexSTAR was created in April 2003, also under the Interlocal Cooperation Act. It is administered by First Southwest Asset Management, Inc. and JP Morgan Chase. The fund is rated AAAM by Standard & Poor's.

As of June 30, 2010, the District's investment in TexSTAR was \$179,338,793, or 10.44 percent of the portfolio. As with all the investment pools, funds are readily available to support daily cash requirements, while maintaining yields slightly higher than standard bank deposit accounts. The balance includes the HISD Public Facility Corporation's \$48,738,276 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 four elementary school projects.

The District has invested in negotiable certificates of deposit issued by Metro Bank and Unity Bank, \$500,000 and \$240,000, respectively, as of June 30, 2010, for a total of \$740,000, or 0.04 percent of the portfolio. The collateral for the Metro Bank certificate is held at the Federal Home Loan Bank of Dallas in the District's name. Unity Bank's certificate is covered in full by Federal Deposit Insurance Corporation ("FDIC"); therefore, it requires no additional collateral under the Public Funds Investment Act Section 2257.022.

The District has invested in U.S. Agency Discount Notes ("DN") and Coupon Notes, issued by Federal National Mortgage Association ("FNMA"), Federal Farm Credit Bank ("FFCB"), Federal Home Loan Mortgage Corporation ("FHLMC"), and Federal Home Loan Bank ("FHLB"). Investments in these securities total \$328,936,482 and represent 19.16 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*.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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) match the maturity of investment instruments to the daily cash flow requirements;
- (4) attain a market average rate of return consistent with (1) and (2) above;
- (5) diversify investments as to maturity, instrument, and financial institution, where permitted, under the laws of the State of Texas;
- (6) actively pursue portfolio management techniques; and
- (7) 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 Operating 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 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.

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

At June 30, 2010, the District's exposure to interest rate risk as measured by the segmented time distribution by investment type is summarized below:

	6/30/2010 Fair Value	Investment Maturities in Years		
		Less than 1	1-5	6-8
FFCB	\$ 30,079,300	\$ 9,999,800	\$ 20,079,500	\$ -
FHLB	293,853,032	145,061,544	141,177,208	7,014,280
FHLMC	5,004,150	-	5,004,150	-
Total US Agency Investments	328,936,482	155,061,344	166,260,858	7,014,280
Lone Star Investment Pool	583,473,971	583,473,971	-	-
TexPool	624,862,392	624,862,392	-	-
TexStar	179,338,793	179,338,793	-	-
Total Investment Pools	1,387,675,156	1,387,675,156	-	-
Certificates of Deposit	740,000	740,000	-	-
Total Investments	\$ 1,717,351,638	\$ 1,543,476,500	\$ 166,260,858	\$ 7,014,280

As of June 30, 2010, the dollar weighted average maturity of the total portfolio was 151 days. The modified duration as of June 30, 2010 was 0.4003 years.

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 or by one agency when fully secured by an irrevocable letter of credit from a United States (nationally associated) or state (state associated) bank;
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, 2010

As of June 30, 2010, the District did not have any investments in commercial paper. The District's exposure to credit risk at June 30, 2010 is presented below by investment category as rated by Standard & Poor's:

	6/30/2010 Fair Value	Rating
FFCB	\$ 30,079,300	AAA/A-1+
FHLB	293,853,032	AAA/A-1+
FHLMC	5,004,150	AAA/A-1+
Total US Agency Investments	<u>328,936,482</u>	
Lone Star Investment Pool	583,473,971	AAAm, AAAf/S1+
TexPool	624,862,392	AAAm
TexSTAR	179,338,793	AAAm
Total Investment Pools	<u>1,387,675,156</u>	
Certificates of Deposit	<u>740,000</u>	Not rated
Total Investments	<u>\$ 1,717,351,638</u>	

Federal Farm Credit Bank, Federal Home Loan Bank, and Federal Home Loan Mortgage Corporation are instrumentalities of U.S. Government; otherwise known as government sponsored corporations. These instrumentalities are established by law to implement the Federal Government's various lending programs.

Custodial Credit Risk - Funds on deposit with the depository bank are collateralized by pledged approved securities as specified by Section 45.208, Subchapter G, of Texas Education Code and/or a surety bond as in Section 45.208, Subchapter G, of the Texas Education Code 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). 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 Federal Deposit Insurance Corporation insurance. The approved securities shall be valued 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 Federal Deposit Insurance Corporation has adopted an interim rule providing a six month extension until December 31, 2010, of the Transaction Account Guarantee (TAG) Program for insured depository institution currently participating in the TAG program. JPMorgan Chase is not a participating institution. Insurance for interest and non-interest bearing accounts is \$250,000 until December 31, 2013.

Investments purchased for Houston Independent School 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 Houston Independent School District Public Facility Corporation (PFC) are purchased in the name of the PFC and held by the trustee, Bank of New York Mellon, as stipulated in related bond documents.

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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.

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

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

*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% 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;
- 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, 2010, the following was the composition of the District's investment portfolio:

Lone Star Investment Pool	33.98%
TexPool	36.38%
U.S. Agency Securities	19.16%
TexSTAR	10.44%
Certificates of Deposit	0.04%
<u>Total</u>	<u>100.00%</u>

Foreign Currency Risk

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 property taxes are levied annually in October on the basis of the Appraisal District's assessed values of property as of January 1 of that calendar year and are due 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 assets and the governmental fund balance sheet is net of estimated uncollectible taxes.

The District is permitted to levy taxes up to \$1.70 per \$100 of assessed valuation for general governmental services and for the payment of principal and interest on general obligation long-term debt. For the current fiscal year, the Board of Education set a tax rate of \$1.1567 per \$100 of assessed valuation. The maintenance and debt service portions of such rate are \$1.0067 and \$0.15, respectively. The 2009 assessed valuation was \$109,064,369,708 which resulted in a gross tax levy of \$1,261,547,564 for the current fiscal year. The 2009 net tax levy of \$1,220,831,835 reflects an adjustment of \$40,715,729 of frozen homestead exemptions for taxpayers 65 years and older as mandated by state property tax laws.

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 deferred revenues in the year of the levy in the governmental financial statements. Such deferred 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 decreased the allowance for uncollectible property taxes in the government-wide and fund financial statements by \$3,196,227.

Delinquent taxes receivable and the related allowance for uncollectible taxes in the governmental fund financial statements as of June 30, 2010 are as follows:

	<u>Delinquent Taxes Receivables, Gross</u>	<u>Allowance for Uncollectible Taxes</u>	<u>Delinquent Taxes Receivable, Net</u>
General Fund	\$ 133,307,990	\$ 37,523,388	\$ 95,784,602
Debt Service Fund	<u>15,265,896</u>	<u>3,833,966</u>	<u>11,431,930</u>
Total	<u>\$ 148,573,886</u>	<u>\$ 41,357,354</u>	<u>\$ 107,216,532</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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 employee's 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:

<u>Revenues</u>	<u>Amount</u>
Per Capita Revenues	\$ 21,511,001
Foundation Fund Revenues	311,536,966
Other Foundation	6,477,291
Other State	28,222,429
TRS on Behalf	70,403,585
Shared Services Arrangement	1,252,815
Total State Aid	<u>\$ 439,404,087</u>

As of June 30, 2010, the District also received state matching funds of \$590,245 in the Food Service Fund.

NOTE 5: RECEIVABLES/PAYABLES

Receivables as of June 30, 2010 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>Capital Renovation Fund</u>	<u>Food Service Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Due from the State of Texas	\$ 121,058,307	\$ 76,835,106	\$ -	\$ -	\$ -	\$ 197,893,413
Due from the Federal government	211,921	1,606,385	-	-	-	1,818,306
Due from Other Funding Agencies	-	1,484,518	130,564	-	2,418,308	4,033,390
Other	<u>5,181,446</u>	<u>599,795</u>	<u>-</u>	<u>111,918</u>	<u>231,345</u>	<u>6,124,504</u>
Gross Receivables	126,451,674	80,525,804	130,564	111,918	2,649,653	209,869,613
Less Allowance for Uncollectibles	-	-	-	-	-	-
Total Net Receivables	<u>\$ 126,451,674</u>	<u>\$ 80,525,804</u>	<u>\$ 130,564</u>	<u>\$ 111,918</u>	<u>\$ 2,649,653</u>	<u>\$ 209,869,613</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2010, the various components of deferred revenue reported in the governmental funds are as follows:

Deferred property taxes, General Fund	\$ 82,963,179
Deferred property taxes, Debt Service Fund	10,682,993
Deferred restitution, General Fund	3,738,291
Build America Bonds , Debt Service Fund	5,086,427
Coca Cola commissions, Capital Projects Fund	63,071
Grant advances, Special Revenue Fund	<u>12,022,765</u>
Total Deferred Revenues	<u>\$ 114,556,726</u>

Payables as of June 30, 2010 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>Capital Renovation Fund</u>	<u>Food Service Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Vendors Payable	\$ 31,113,949	\$ 13,961,382	\$ 7,957,330	\$ 1,958,091	\$ 5,770,138	\$ 60,760,890
Retainage Payable	56,431	-	10,920,419	-	5,000	10,981,850
Other	<u>6,692</u>	<u>6,268</u>	<u>-</u>	<u>561</u>	<u>119</u>	<u>13,640</u>
Total Payables	<u>\$ 31,177,072</u>	<u>\$ 13,967,650</u>	<u>\$ 18,877,749</u>	<u>\$ 1,958,652</u>	<u>\$ 5,775,257</u>	<u>\$ 71,756,380</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 6: CAPITAL ASSETS

A summary of capital asset activity during the fiscal year ended June 30, 2010 follows:

<u>Governmental activities:</u>	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 204,437,823	\$ 8,319,882	\$ (52,466)	\$ 212,705,239
Construction in progress	155,841,017	147,114,232	(17,303,359)	285,651,890
Total capital assets not being depreciated	<u>360,278,840</u>	<u>155,434,114</u>	<u>(17,355,825)</u>	<u>498,357,129</u>
Capital assets being depreciated:				
Buildings and improvements	2,656,536,881	30,579,124	(20,025,894)	2,667,090,111
Furniture and equipment	265,921,568	28,816,603	(1,351,605)	293,386,566
Vehicles	90,050,034	12,396,809	(480,248)	101,966,595
Total capital assets being depreciated	<u>3,012,508,483</u>	<u>71,792,536</u>	<u>(21,857,747)</u>	<u>3,062,443,272</u>
Less accumulated depreciation for:				
Buildings and improvements	810,894,837	63,052,220	(10,643,832)	863,303,225
Furniture and equipment	208,189,423	31,792,183	(1,302,186)	238,679,420
Vehicles	56,768,906	8,237,694	(480,248)	64,526,352
Total accumulated depreciation	<u>1,075,853,166</u>	<u>103,082,097</u>	<u>(12,426,266)</u>	<u>1,166,508,997</u>
Governmental activities capital assets, net	<u>\$ 2,296,934,157</u>	<u>\$ 124,144,553</u>	<u>\$ (26,787,306)</u>	<u>\$ 2,394,291,404</u>
 <u>Business-type activities:</u>				
Capital assets not being depreciated:				
Construction in progress	\$ 126,318	\$ -	\$ (126,318)	\$ -
Total capital assets not being depreciated	<u>126,318</u>	<u>-</u>	<u>(126,318)</u>	<u>-</u>
Capital assets being depreciated:				
Buildings and improvements	13,275,766	-	(13,275,766)	-
Furniture and equipment	21,762,536	568,457	(13,229,752)	9,101,241
Vehicles	4,258,897	1,395,814	(3,588,579)	2,066,132
Total capital assets being depreciated	<u>39,297,199</u>	<u>1,964,271</u>	<u>(30,094,097)</u>	<u>11,167,373</u>
Less accumulated depreciation for:				
Buildings and improvements	583,953	-	(583,953)	-
Furniture and equipment	13,557,521	59,200	(4,783,057)	8,833,664
Vehicles	3,992,627	120,466	(2,046,962)	2,066,131
Total accumulated depreciation	<u>18,134,101</u>	<u>179,666</u>	<u>(7,413,972)</u>	<u>10,899,795</u>
Business-type activities capital assets, net	<u>\$ 21,289,416</u>	<u>\$ 1,784,605</u>	<u>\$ (22,806,443)</u>	<u>\$ 267,578</u>

Internal Service Fund capital assets are included in the Governmental activities table above. Additionally, the Business-type activities table includes the Food Service Fund and the \$18,112 net capital assets of the nonmajor Medicaid Fund.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

Governmental activities:

Instruction	\$ 66,774,610
Instructional resources and media services	61,242
Curriculum development	627,679
Instructional leadership	220,424
School leadership	36,150
Guidance, counseling and evaluation services	57,569
Student transportation	5,428,421
Food service	3,981,821
Co-curricular/extracurricular activities	487,626
General administration	1,559,248
Plant maintenance and operations	1,751,489
Security and monitoring services	370,323
Data processing services	<u>14,502,813</u>

Total depreciation expense, governmental activities	<u>\$ 95,859,415</u>
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Business-type activities:

Food service	\$ 166,316
Other nonmajor business-type activities	<u>13,350</u>

Total depreciation expense, business-type activities	<u>\$ 179,666</u>
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Construction Commitments

The District has active construction projects as of June 30, 2010. These projects include new school construction, expansion, and renovation of existing schools, safety and security projects, non-school facilities, and other projects. At June 30, 2010, the District had fully funded commitments for the following categories:

<u>Project</u>	<u>Spent-To-Date</u>	<u>Remaining Commitment</u>
New schools	\$ 79,335,301	\$ 109,001,986
Expanded schools	10,182,606	9,413,120
Renovated schools	23,446,290	33,258,784
Non-school facilities	593,128	839,621
Safety and security projects	14,645,867	3,488,448
Science Lab Upgrades & Infrastructure	8,965,698	3,029
Early Colleges	1,601,587	117,457
Other projects	<u>52,227,156</u>	<u>75,241,950</u>
Total	<u>\$ 190,997,633</u>	<u>\$ 231,364,395</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 7: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances in the fund financial statements as of June 30, 2010 was as follows.

<u>GENERAL FUND</u>	Capital Renovation Fund	\$ (404,806)
	Debt Service Fund	(480,996)
	Special Revenue Fund	42,803,535
	Food Service Fund	216,278
	Other Enterprise Funds	34,784
	Internal Service Funds	(17,894,016)
	DUE FROM OTHER FUNDS	\$ 24,274,779
<u>SPECIAL REVENUE FUND</u>	General Fund	(42,803,535)
	Capital Renovation Fund	(486)
	Food Service Fund	(504)
	Other Enterprise Funds	(864)
	Internal Service Funds	(7,532)
	DUE TO OTHER FUNDS	\$ (42,812,921)
<u>DEBT SERVICE FUND</u>	General Fund	480,996
	DUE FROM OTHER FUNDS	\$ 480,996
<u>CAPITAL RENOVATION FUND</u>	General Fund	404,806
	Special Revenue Fund	486
	Food Service Fund	121,358
	Internal Service Funds	(318)
	DUE FROM OTHER FUNDS	\$ 526,332
<u>FOOD SERVICE FUND</u>	General Fund	(216,278)
	Capital Renovation Fund	(121,358)
	Special Revenue Fund	504
	Internal Service Funds	(22)
	DUE TO OTHER FUNDS	\$ (337,154)
<u>OTHER ENTERPRISE FUNDS</u>	General Fund	(34,784)
	Special Revenue Fund	864
	Internal Service Funds	(58)
	DUE TO OTHER FUNDS	\$ (33,978)
<u>INTERNAL SERVICE FUNDS</u>	General Fund	17,894,016
	Capital Renovation Fund	318
	Special Revenue Fund	7,532
	Food Service Fund	22
	Other Enterprise Funds	58
	DUE FROM OTHER FUNDS	\$ 17,901,946

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 for payroll and related expenditures covered throughout the year that the General Fund expects to collect in the subsequent year and employer contributions due from the General Fund to Internal Service Funds.

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

The following is a summary of the District's transfers for the fiscal year ended June 30, 2010:

<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>					
	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Internal</u>	<u>Food</u>	
	<u>Fund</u>	<u>Service</u>	<u>Renovation</u>	<u>Service</u>	<u>Service</u>	<u>TOTAL</u>
		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
General Fund	\$ -	\$ 51,634,959	\$ 30,495,836	\$ -	\$ 10,604,609	\$ 92,735,404
Capital Renovation Fund	-	9,280,000	-	-	-	9,280,000
Internal Service Fund	933,937	-	-	213,770	-	1,147,707
Nonmajor Enterprise Fund	19,740,697	-	-	-	-	19,740,697
 TOTAL	 \$ <u>20,674,634</u>	 \$ <u>60,914,959</u>	 \$ <u>30,495,836</u>	 \$ <u>213,770</u>	 \$ <u>10,604,609</u>	 \$ <u>122,903,808</u>

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, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

As of June 30, 2010, the District made transfers of \$60.9 million from the General Fund, Capital Renovation Fund, and Public Facility Corporation to the Debt Service Fund in order to cover lease payments of the Capital Renovation Fund - Public Facility Corporation and principal and interest payments on debt and debt notes.

During the fiscal year ended June 30, 2010, the District transferred a total of \$30.5 million from the General Fund to the Capital Renovation Fund for the purpose of funding projects including the "Pay as you go" initiative and other board authorized projects.

As of June 30, 2010, the District transferred \$19.7 million from the Medicaid Fund to the General Fund reflecting board authorization for the transfer of unrestricted nonoperating revenue.

During the fiscal year ended June 30, 2010, the District transferred \$10.6 million from the General Fund to the Food Service Fund in order to satisfy deficit balances pursuant to Texas Department of Agriculture regulations.

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 8: LONG-TERM LIABILITIES

The following is a summary of the District's long-term liabilities for the fiscal year ended June 30, 2010:

	Balance			Balance	Amortizable/ Payable Within
Governmental activities:	July 1, 2009	Increases	Decreases	June 30, 2010	One year
Bonds payable	\$ 1,917,674,317	\$ 456,020,000	\$ 69,459,547	\$ 2,304,234,770	\$ 34,722,269
Contractual obligations	63,600,000	23,500,000	11,245,000	75,855,000	16,245,000
Notes payable	76,045,000	-	5,025,000	71,020,000	5,135,000
Total debt payable - principal	<u>2,057,319,317</u>	<u>479,520,000</u>	<u>85,729,547</u>	<u>2,451,109,770</u>	<u>56,102,269</u>
Premium/discount	52,724,412	7,217,689	9,301,669	50,640,432	9,598,408
Deferred loss on refunding of bonds	(6,093,378)	-	(521,849)	(5,571,529)	(521,849)
Accretion on capital appreciation bonds	187,524,960	13,659,491	29,325,454	171,858,997	20,746,256
Total amortizations and accretions	<u>234,155,994</u>	<u>20,877,180</u>	<u>38,105,274</u>	<u>216,927,900</u>	<u>29,822,815</u>
Total debt payable	<u>2,291,475,311</u>	<u>500,397,180</u>	<u>123,834,821</u>	<u>2,668,037,670</u>	<u>85,925,084</u>
Arbitrage payable	774,768	17,517	16,855	775,430	534,261
Capital leases payable	119,435	-	87,365	32,070	32,070
Compensated absences payable	31,004,991	541,192	4,229,411	27,316,772	2,195,169
Claims payable	35,506,347	144,713,669	142,478,854	37,741,162	31,102,358
Total other long-term liabilities payable	<u>67,405,541</u>	<u>145,272,378</u>	<u>146,812,485</u>	<u>65,865,434</u>	<u>33,863,858</u>
Total governmental activities long-term liabilities	<u>\$ 2,358,880,852</u>	<u>\$ 645,669,558</u>	<u>\$ 270,647,306</u>	<u>\$ 2,733,903,104</u>	<u>\$ 119,788,942</u>
Business-type activities:					
Compensated absences payable	\$ 481,562	\$ 299,571	\$ 338,023	\$ 443,110	\$ 147,107
Total business-type activities long-term liabilities	<u>\$ 481,562</u>	<u>\$ 299,571</u>	<u>\$ 338,023</u>	<u>\$ 443,110</u>	<u>\$ 147,107</u>

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, \$570,789 of Internal Service Funds' compensated absences payable and \$37,741,162 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. The above business-type activities include the Food Service Fund and the \$66,823 of compensated absences payable from nonmajor enterprise funds.

Debt Payable-Governmental Activities

At June 30, 2010, the District had outstanding \$2,668,037,670 of general obligation and lease revenue bonds, public property finance contractual obligations, asbestos abatement notes, and delinquent maintenance tax notes. Of the \$2,668,037,670 debt payable, \$171,858,997 was attributable to the accretion on capital appreciation bonds. These debt obligations, whose original issuance value was \$3,085,667,603, were issued at various dates from May 15, 1989 through April 26, 2010, with interest rates ranging from 2.0 percent to 7.0 percent for the purpose of new construction and maintenance of facilities. All debt obligations fully mature at various dates through February 15, 2034. At June 30, 2010, outstanding bonds from the delinquent maintenance tax notes from the Series 2001 Refunding in the amount of \$59,100,000 are considered defeased and are not included in the District's government-wide financial statements or the fund financial statements.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010***

Of the District's \$2,668,037,670 total debt payable outstanding at June 30, 2010, \$124,962,713 of bonds payable and \$34,009,931 of CAB accretions are attributable to lease revenue bonds issued by the Public Facility Corporation.

The Variable Rate Bonds, Series 2004, with interest at the initial offering rate of 1.62 percent for the Initial Rate Period, which is defined as beginning on the date of initial delivery of bonds and ending on June 9, 2005, were issued on May 25, 2004. Following the initial rate period, the Variable Rate Bonds, Series 2004 were remarketed annually for one year rate re-set periods of 2.77, 3.63, 3.75, and 1.85 percent respectively. On June 15, 2009, the Bonds were converted to a weekly term rate period with an initial weekly rate of 0.25 percent. Variable Rate Bonds bear interest in a flexible rate or variable rate effective for periods selected and approved by the District.

On June 21, 2010, the District gave notice to the paying agent for a mandatory call for redemption of \$18,300,000 principal amount of the Variable Rate Bonds Series 2004 with a redemption date of July 1, 2010. The District made an irrevocable deposit of \$18,304,036 with the paying agent on June 29, 2010 for the redemption price of the Bonds. The bonds have been removed from District debt totals as of June 30, 2010.

On June 2, 2010, the District purchased and cancelled \$1,500,000 of existing Limited Tax Refunding Bonds, Series 2005B as an open market purchase. These bonds are no longer included in total debt for the District. The purchase premium of \$210,250 was recorded as an expense in the accounting period ended June 30, 2010.

On May 21, 2010, the District gave notice to the paying agent for a call for full redemption of the remaining \$13,990,000 of Limited Tax School House and Refunding Series 1999-A bonds. The redemption date of this transaction was June 24, 2010. The bonds are no longer included in total debt for the District.

In November 2009, the District issued a total of \$401,520,000 in Limited Tax Schoolhouse Bonds. This was the remaining authorized but unissued bonds from the bond election of November 6, 2007. The bonds were sold as three separate series with a dated date of November 1, 2009.

Limited Tax Schoolhouse Bonds, Series 2009A-1 were sold in the amount of \$68,920,000 as serial bonds with interest rates ranging from 4 to 5 percent. The District received a premium of \$6,075,972 on the issuance of the bonds. The total proceeds less the issuance costs and underwriter's discount of \$690,000 and \$954,839, respectively, are to be used for additional construction and renovation.

Limited Tax Schoolhouse Bonds, Series 2009A-2 were sold in the amount of \$148,850,000 as serial and term bonds with interest rates ranging from 6.068 to 6.168 percent. The bonds were issued as Build America Bonds – Direct Payment to Issuer. The bonds are issued pursuant to the federal American Recovery and Reinvestment Act of 2009 and the District expects to receive subsidy payments directly from the U.S. Treasury equal to 35 percent of interest payable on the bonds. The total proceeds are to be used for additional construction and renovation.

Limited Tax Schoolhouse Bonds, Series 2009A-3 were sold in the amount of \$183,750,000 as serial and term bonds with interest rates ranging from 4.761 to 6.125 percent. The bonds were issued as Build America Bonds – Direct Payment to Issuer. The bonds are issued pursuant to the federal American Recovery and Reinvestment Act of 2009 and the District expects to receive subsidy payments directly from the U.S. Treasury equal to 35 percent of interest payable on the bonds. The total proceeds less the underwriter's discount of \$948,150 are to be used for additional construction and renovation.

In April 2010, the Houston Independent School District Public Facility Corporation sold lease revenue bonds in the amount of \$54,500,000. The bonds were issued as two series with a dated date of April 26, 2010.

Lease Revenue Bonds, Series 2010A were sold in the amount of \$16,070,000 with interest rates ranging from 2 to 4 percent. The bonds were issued with a discount of \$115,214. A portion of the proceeds in the amount of

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

\$1,607,000 was utilized to fund a debt service reserve fund. The remaining proceeds less the issuance costs and underwriter's discount of \$126,020 and \$83,029, respectively, are to be used for the construction of four new elementary schools.

Lease Revenue Bonds, Series 2010B were sold in the amount of \$38,430,000 with interest rates ranging from 5.242 to 6.221 percent. The bonds were issued as Build America Bonds – Direct Payment to the Issuer. Subsidy payments totaling 35 percent of the interest portion of debt service is expected to be remitted by the U.S. Treasury directly to the issuer. A portion of the proceeds in the amount of \$3,843,000 was utilized to fund a debt service reserve fund. The remaining proceeds less the issuance costs and underwriter's discount of \$287,000 and \$249,795, respectively, are to be used for the construction of four new elementary schools.

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

	<u>Face Value</u>	<u>Premium/ (Discount)</u>	<u>Total</u>	<u>Underwriter's Discount</u>	<u>Issue Cost</u>
CAP Series 2009	\$ 23,500,000	\$ 1,256,931	\$ 24,756,931	\$ 81,931	\$ 94,150
Limited Tax SH Bonds, Series 2009A-1	68,920,000	6,075,972	74,995,972	954,839	690,000
Limited Tax SH Bonds, Series 2009A-2	148,850,000	-	148,850,000	-	-
Limited Tax SH Bonds, Series 2009A-3	183,750,000	-	183,750,000	948,150	-
PFC Lease Rev Bonds, Series 2010A	16,070,000	(115,214)	15,954,786	83,029	126,020
PFC Lease Rev Bonds, Series 2010B	38,430,000	-	38,430,000	249,795	287,000
Total	<u>\$ 479,520,000</u>	<u>\$ 7,217,689</u>	<u>\$ 486,737,689</u>	<u>\$ 2,317,744</u>	<u>\$ 1,197,170</u>

The District received \$7,217,689 in net premiums from the sale of bonds and notes during the year. Premiums on each bond or note issue will be amortized individually over the life of the said bond or note and the amortization payable has been added to this note. Additionally, underwriter's discount and issue cost related to the transactions of \$2,317,744 and \$1,197,170, respectively, have been added to Other Assets on the Statement of Net Assets and will be amortized over the life of the bonds.

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 issued \$23,500,000 in Contractual Obligation Series 2009 in November, 2009. The District received \$1,256,931 in premiums and paid \$81,931 and \$94,150 in underwriter's discount and issuance costs respectively. The notes issued by the District include both maintenance tax notes and asbestos abatement notes. The maintenance tax notes were issued to provide funding for improvements to and rehabilitation of school facilities and the asbestos abatement notes were issued to pay costs for the District's environmental cleanup and asbestos removal programs. Both maintenance tax notes and asbestos abatement notes are authorized under Section 45.108 of the Texas Education Code.

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

The following table displays total principal debt outstanding by issuance as of June 30, 2010. Accreted values as of June 30, 2010 are included for each applicable debt issuance.

Date of Issue	Description	Interest Rates	Original		Final		CAB		Total Debt
			Issue Amount		Maturity Date	Debt Principal	Accretion		Payable
05-15-89	Series 1989	6.7 to 7.0 %	\$ 190,012,895		8/15/2010	\$ 4,686,417	\$ 16,236,333		\$ 20,922,750
10-15-92	Refunding Series 1992	3.5 to 6.35	71,905,037		8/15/2014	30,112,062	49,013,477		79,125,539
01-01-97	Refunding Series 1997	5.2 to 5.375	31,435,000		8/15/2017	1,765,000	8,964,947		10,729,947
07-22-99	Series 1999C (QZAB)	1.54	8,000,000		8/1/2012	8,000,000	-		8,000,000
08-01-05	Series 2003	4.0 to 5.0	262,535,000		2/15/2033	219,090,000	-		219,090,000
05-25-04	Vaible Rate Series 2004	VARIABLE	300,000,000		6/15/2031	194,755,000	-		194,755,000
02-10-05	Series 2005	3.25 to 6.0	193,300,000		2/15/2032	142,995,000	-		142,995,000
02-10-05	Refunding Series 2005A	4.25 to 4.46	198,078,577		2/15/2020	198,078,578	44,078,807		242,157,385
09/21/05	Refunding Series 2005B	5.0	173,140,000		2/15/2024	167,640,000	-		167,640,000
12/08/05	Series 2005A	4.0 to 5.0	104,700,000		2/15/2032	99,030,000	-		99,030,000
11/21/06	Refunding Series 2006A	5.0	28,100,000		8/15/2017	28,100,000	-		28,100,000
03/22/07	Refunding Series 2007	3.85 to 5.0	279,865,000		2/15/2026	279,865,000	12,365,191		292,230,191
03/01/08	Series 2008	5.0	389,825,000		2/15/2033	389,825,000	-		389,825,000
04/15/09	Refunding Series 2009	4.0	14,160,000		2/15/2012	13,810,000	7,190,311		21,000,311
11/01/09	Series 2009A-1	4.0 to 5.0	68,920,000		2/15/2018	68,920,000	-		68,920,000
11/01/09	Series 2009A-2 (BABS)	6.07 to 6.17	148,850,000		2/15/2034	148,850,000	-		148,850,000
11/01/09	Series 2009A-3 (BABS)	4.76 to 6.13	183,750,000		2/15/2028	183,750,000	-		183,750,000
05/01/98	Lease Revenue Series 1998A (PFC)	4.45 to 5.43	46,246,108		9/15/2022	18,633,160	16,387,659		35,020,819
05/01/98	Lease Revenue Series 1998B (PFC)	4.45 to 5.38	47,999,985		9/15/2022	20,339,553	17,622,272		37,961,825
04/01/06	Lease Revenue Series 2006 (PFC Food)	4.25 to 5.50	33,600,000		9/15/2030	31,490,000	-		31,490,000
04/26/10	Lease Revenue Series 2010A (PFC EI)	2.0 to 4.0	16,070,000		9/15/2021	16,070,000	-		16,070,000
04/26/10	Lease Revenue Series 2010B (PFC EI BABS)	5.24 to 6.22	38,430,000		9/15/2029	38,430,000	-		38,430,000
Bonds Payable						<u>2,304,234,770</u>	<u>171,858,997</u>		<u>2,476,093,767</u>
12/08/05	Contractual Obligations Series 2005	3.25 to 3.75	21,000,000		7/15/2013	12,000,000	-		12,000,000
11/01/06	Contractual Obligations Series 2006	3.625 to 3.75	13,000,000		7/15/2012	8,100,000	-		8,100,000
11/01/07	Contractual Obligations Series 2007	3.50 to 4.00	23,500,000		7/15/2015	17,755,000	-		17,755,000
10/01/08	Contractual Obligations Series 2008	3.00 to 4.00	14,500,000		7/15/2012	14,500,000	-		14,500,000
11/01/09	Contractual Obligations Series 2009	3.00 to 4.00	23,500,000		7/15/2017	23,500,000	-		23,500,000
Contractual Obligations						<u>75,855,000</u>	<u>-</u>		<u>75,855,000</u>
04/19/01	Maintenance Notes Series 2001	3.9 to 5.45	100,000,000		7/15/2011	10,000,000	-		10,000,000
05/15/05	Maintenance Notes Refunding Series 2005	3.9 to 5.45	61,245,000		7/15/2020	61,020,000	-		61,020,000
Notes Payable						<u>71,020,000</u>	<u>-</u>		<u>71,020,000</u>
Total Debt Payable - Principal						<u>\$ 2,451,109,770</u>	<u>\$ 171,858,997</u>		<u>\$ 2,622,968,767</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

The following table summarizes by type the annual debt service requirements of the outstanding debt issues at June 30, 2010 to maturity:

		<u>Bond Principal</u>		<u>Bond Interest</u>		<u>Totals</u>
2011	\$	34,722,269	\$	144,901,392	\$	179,623,661
2012		46,937,493		143,506,462		190,443,955
2013		53,286,800		134,653,492		187,940,292
2014		55,050,414		146,082,547		201,132,961
2015		72,592,739		131,461,547		204,054,286
2016-2020		480,278,526		523,172,280		1,003,450,806
2021-2025		620,706,529		340,563,894		961,270,423
2026-2030		637,550,000		175,082,826		812,632,826
2031-2034		303,110,000		34,817,318		337,927,318
	\$	<u>2,304,234,770</u>	\$	<u>1,774,241,758</u>	\$	<u>4,078,476,528</u>

		<u>Contractual Obligations Principal</u>		<u>Contractual Obligations Interest</u>		<u>Totals</u>
2011	\$	16,245,000	\$	2,568,145	\$	18,813,145
2012		22,635,000		1,737,993		24,372,993
2013		18,120,000		1,014,265		19,134,265
2014		10,535,000		460,987		10,995,987
2015		2,705,000		217,375		2,922,375
2016-2018		5,615,000		215,212		5,830,212
	\$	<u>75,855,000</u>	\$	<u>6,213,977</u>	\$	<u>82,068,977</u>

		<u>Notes Principal</u>		<u>Notes Interest</u>		<u>Totals</u>
2011	\$	5,135,000	\$	3,419,000	\$	8,554,000
2012		5,345,000		3,159,400		8,504,400
2013		5,055,000		2,900,625		7,955,625
2014		5,125,000		2,646,125		7,771,125
2015		5,000,000		2,393,000		7,393,000
2016-2020		35,360,000		7,679,000		43,039,000
2021		10,000,000		250,000		10,250,000
	\$	<u>71,020,000</u>	\$	<u>22,447,150</u>	\$	<u>93,467,150</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Total Principal Requirements</u>	<u>Total Interest Requirements</u>	<u>Totals</u>
2011	\$ 56,102,269	\$ 150,888,537	\$ 206,990,806
2012	74,917,493	148,403,855	223,321,348
2013	76,461,800	138,568,382	215,030,182
2014	70,710,414	149,189,659	219,900,073
2015	80,297,739	134,071,922	214,369,661
2016-2020	521,253,526	531,066,493	1,052,320,019
2021-2025	630,706,529	340,813,894	971,520,423
2026-2030	637,550,000	175,082,826	812,632,826
2031-2034	303,110,000	34,817,317	337,927,317
	\$ <u>2,451,109,770</u>	\$ <u>1,802,902,885</u>	\$ <u>4,254,012,655</u>

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. Arbitrage liability for tax-exempt debt subject to the Tax Reform Act issued through June 30, 2010, amounted to \$775,430. 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 who meet eligibility requirements, the District pays any accumulated sick leave as an employer contribution to a 403(b) plan in the employee's name to such employees or the estates of the employees. Individuals employed after October 9, 1972 are not eligible to receive the lump-sum cash payments. Additionally, certain employees are entitled to receive accrued vacation pay in a lump-sum cash payment upon termination of employment with the District. The net decrease of \$3,688,218 over the prior fiscal year represents the recorded liability for employees vesting in the accumulated sick leave program adjusted by the amounts paid employees retiring from the District.

Capital Leases -- In 2002, the District entered into capital leases with Apple Lease Financing and Compaq Lease Financing. 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 equal to the present value of the future minimum lease payments at the time of acquisition. Principal payments in fiscal year 2010 totaled \$78,604. The General Fund has typically been used in prior years to liquidate capital lease liabilities.

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

Year Ending June 30	Governmental Activities
2011	\$ <u>34,013</u>
Total minimum lease payments	34,013
Amount Representing Interest at 5.712%	<u>(1,943)</u>
Present Value of minimum lease payments	\$ <u><u>32,070</u></u>

NOTE 9: OPERATING LEASES

The District leases office facilities and instructional educational facilities under noncancellable operating leases. Total cost for such leases was \$757,920 for the fiscal year ended June 30, 2010. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2011	\$ 334,081
2012	31,439
2013	<u>8,030</u>
	\$ <u><u>373,550</u></u>

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks related to torts: theft of, damage to and destruction of assets; errors and omissions; 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 \$16,205,162 (discounted at 3 percent), of which \$10,127,558 is the current portion, has been recorded in the fund as of June 30, 2010. 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, 2010

At June 30, 2010, the fund had net assets of \$26,140,631. Changes in claims payable for the fiscal years ended June 30, 2009 and 2010 are as follows:

	<u>2010</u>	<u>2009</u>
Claims payable, beginning of fiscal year	\$ 15,768,347	\$ 14,647,325
Incurred claims and claim adjustment expenses for insured events of the current fiscal year	7,999,381	7,359,487
Increase (decrease) in provision for insured events of prior fiscal year	<u>4,028,085</u>	<u>5,146,030</u>
Total incurred claims and claim adjustment expenses	<u>12,027,466</u>	<u>12,505,517</u>
<u>Payments:</u>		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	3,699,028	3,940,174
Claims and claim adjustment expenses attributable to insured events of the prior fiscal year	<u>7,891,623</u>	<u>7,444,321</u>
Total payments	<u>11,590,651</u>	<u>11,384,495</u>
Claims payable, end of fiscal year	<u>\$ 16,205,162</u>	<u>\$ 15,768,347</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 both aggregate and individual stop loss coverage. Individual stop loss coverage is for catastrophic losses exceeding \$300,000 per claim.

The District is insured for covered medical paid and incurred during the plan year by Aetna and pharmacy costs paid and incurred during the plan year by Caremark 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 \$21,536,000, of which \$20,974,480 is the current portion, has been recorded in the fund as of June 30, 2010. 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, 2010

At June 30, 2010, the fund had net assets of \$31,269,631. Changes in claims payable for the fiscal years ended June 30, 2009 and 2010 are as follows:

	<u>2010</u>	<u>2009</u>
Claims payable, beginning of fiscal year	\$ 19,738,000	\$ 17,931,000
Incurred claims and claim adjustment expenses for insured events of the current fiscal year	126,051,893	112,032,084
Increase in provision for insured events of prior fiscal year	<u>6,634,310</u>	<u>5,896,425</u>
Total incurred claims and claim adjustment expenses	<u>132,686,203</u>	<u>117,928,509</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	124,343,793	110,315,434
Claims and claim adjustment expenses attributable to insured events of the prior fiscal year	<u>6,544,410</u>	<u>5,806,075</u>
Total payments	<u>130,888,203</u>	<u>116,121,509</u>
Claims payable, end of fiscal year	<u>\$ 21,536,000</u>	<u>\$ 19,738,000</u>

Property, Casualty, General and Professional Liability

The District purchases All-Risk Property Insurance with limits of \$200,000,000. National Flood Insurance Program policies are purchased for those facilities in the 100-year and 500-year flood plain. Casualty, General and Professional Liability risks are insured with limits of \$9,750,000. Due to market conditions the Casualty, General and Professional Liability insurance coverage limits were decreased from \$10,000,000 to \$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. The District has not had any claims in excess of its policy limits in the past three years.

NOTE 11: EMPLOYEES' RETIREMENT PLAN

Plan Description

The District's employees are covered by the Teacher Retirement System of Texas ("TRS"). TRS, a public employee retirement system ("PERS"), is a multiple-employer defined pension plan. It is a cost sharing PERS with one exception: all risks and costs are not shared by the District but are the liability of the State of Texas. By statute, the State of Texas contributes to the retirement system an amount equal to the current authorized rate multiplied by the aggregate annual compensation of all members of the retirement system during that fiscal year. The District's covered payroll and the total payroll for the year ended June 30, 2010 were \$1,188,606,743 and \$1,246,131,867, respectively. For members of the retirement system entitled to the State's statutory minimum salary for school personnel, the District pays the State's contribution on the part of the member's salary that exceeds the statutory minimum.

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by TRS. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under TRS. The statutory authority for the program is Texas Insurance Code, Chapter 1575.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010***

Types of Employees Covered

All members of public state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under the Texas Government Code are covered by the plan.

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 any age below 50 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.

Effective September 1, 2005, new employees no longer have the 90-day waiting period for TRS pension plan membership.

Funding Policy

Contribution requirements are not actuarially determined, but are legally established each biennium pursuant to the following state funding policy: (1) the state contribution requires the 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 of the member's annual compensation rate and not more than 10 percent of the aggregate annual compensation of all members of the system during the fiscal year, (2) a state statute prohibits benefit improvements or contribution reductions 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.

State law provides for a state contribution rate of 6.58 percent and member contribution rate of 6.4 percent for fiscal year 2010. The State of Texas contributes 6.58 percent of all employees' eligible gross earnings, except for those District employees subject to the statutory minimum rules and those employees being paid from and participating in federally funded programs for the fiscal year 2010. The statutory minimum requirements are based on the State of Texas minimum teacher schedule and then adjusted based on local tax rates. For employees paid by federal programs, the federal programs are required to contribute the state's portion.

The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2009, 2008, and 2007. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2009, 2008, and 2007, the total contributions paid to the pension plan were \$4,276,812,394, \$4,054,104,521, and \$3,615,804,936 respectively; the active member contributions were \$2,107,057,870, \$1,998,138,487, and \$1,862,595,865, respectively; contributions from the state of Texas were \$1,481,843,941, \$1,451,028,429, and \$1,471,131,358, respectively; and contributions from reporting employers were \$412,728,096, \$353,524,480, and \$282,077,713, respectively. The District's contributions for the years ended

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

August 31, 2009, August 31, 2008, were \$2,358,008, and \$2,286,651, respectively, and the estimated contribution for the year ending August 31, 2010 is \$2,664,295.

Contributions Required and Made

Employees of the District were required to pay 6.65 percent of their eligible gross earnings to TRS. Of the 6.65 percent, 0.25 percent was a contribution towards TRS-Care retiree health insurance. Effective September 1, 2003, the Texas legislature enacted legislation related to the funding of TRS-Care. House Bill 3459 of the 78th Legislature increased the 0.25 percent active member contribution to 0.5 percent of salary and added a new contribution from school districts for 0.4 percent of salary of each active employee. Effective September 1, 2005, the 79th Legislature enacted changes to increase the 0.5 percent of salary of each active member contribution to TRS-Care to 0.65 percent of salary and increased the 0.4 percent contributions from school districts to 0.55 percent of salary of each active employee. The State of Texas contributes 6.0 percent for all District employees except for employees' salaries paid from federal or local grants since their contributions are paid by the District from funds received from grantor agencies. Both of those rates are set by state statutes. The statutory minimum requirements are based on the State of Texas teacher schedule adjusted by local tax rates. For members funded by federal programs, the federal programs are required to contribute 7 percent. Effective September 1, 2007, the Texas legislature enacted legislation to increase the state contribution rate from 6% to 6.58% and to increase the contribution rate for federal funded programs from 7% to 7.58%. Contributions made by the State, the District, and its employees; and the District's covered payroll for fiscal years ended June 30, 2008, June 30, 2009, and June 30, 2010 are equal to required contributions and were made as follows:

Pension Contributions

	Contributions Made on Behalf of the District	Required Contributions to TRS	Member's Contributions to TRS	Covered Payroll	State Contribution Rate	Employee Contribution Rate
2008	\$65,463,311	\$19,829,892	\$70,968,281	\$1,108,879,392	5.58%	6.40%
2009	\$69,339,203	\$19,987,055	\$74,756,303	\$1,168,067,238	5.58%	6.40%
2010	\$69,699,549	\$17,056,850	\$76,070,831	\$1,188,606,743	5.58%	6.40%

Contributions to TRS-Care

	State Contribution Made on Behalf of the District	District Required Contributions to TRS-Care	Member's Contributions to TRS-Care	Covered Payroll	State Contribution Rate	Member's Contribution Rate
2008	\$661,245	\$6,045,801	\$7,207,716	\$1,108,879,392	1.00%	0.65%
2009	\$700,396	\$6,368,357	\$7,592,437	\$1,168,067,238	1.00%	0.65%
2010	\$704,036	\$6,594,628	\$7,725,944	\$1,188,606,743	1.00%	0.65%

The contributions made by the State on behalf of the District have been recorded in the government-wide financial statements and in the fund financial statement of the General Fund as both state revenues and payroll expenditures. These contributions are the legal responsibility of the State.

TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan and TRS-Care. That report may be found by visiting the TRS Web site at www.trs.state.tx.us, by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010***

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 has recorded an estimated liability of \$15 million related to maintenance of effort requirements for IDEA B. Except as described in the previous sentence, 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 included herein or on the overall financial position of the District at June 30, 2010.

NOTE 13: SUBSEQUENT EVENTS

In October 2010, the District issued \$14,500,000 of Public Property Finance Contractual Obligations, Series 2010. Proceeds from the issuance of the contractual obligations will be used to provide funds for the acquisition of certain capital items.

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Required Supplementary Information



**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, 2010
(UNAUDITED)**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUES					
Property taxes	\$ 1,057,170,682	\$ 1,051,222,329	\$ 1,065,699,696	\$ 14,477,367	
Earnings on investments	2,200,000	2,200,000	2,412,649	212,649	
Miscellaneous local sources	12,529,449	14,901,640	15,336,503	434,863	
State sources	430,680,015	447,500,294	401,700,370	(45,799,924)	
Federal sources	8,687,876	8,687,876	7,884,349	(803,527)	
Total revenues	<u>1,511,268,022</u>	<u>1,524,512,139</u>	<u>1,493,033,567</u>	<u>(31,478,572)</u>	
EXPENDITURES					
Current					
Instruction	914,085,874	916,585,835	870,482,894	46,102,941	
Instructional resources and media services	18,294,068	18,324,395	17,078,700	1,245,695	
Instructional staff development	15,226,127	15,355,223	12,585,537	2,769,686	
Curriculum development	4,682,451	4,723,237	4,268,056	455,181	
Instructional leadership	21,089,125	19,224,221	17,560,023	1,664,198	
School leadership	128,285,625	128,365,143	124,511,905	3,853,238	
Guidance, counseling and evaluation services	38,139,567	38,166,587	33,265,614	4,900,973	
Social work services	1,310,023	1,272,373	1,066,811	205,562	
Health services	20,043,852	19,642,484	18,160,519	1,481,965	
Student transportation	51,114,822	53,789,343	48,138,888	5,650,455	
Food services	9,388,324	11,075,653	10,874,773	200,880	
Co-curricular/extracurricular activities	21,545,509	21,515,978	14,279,463	7,236,515	
General administration	39,605,026	37,420,705	28,983,316	8,437,389	
Plant maintenance and operations	196,522,645	196,402,910	160,575,224	35,827,686	
Security and monitoring services	20,009,403	21,019,123	20,072,076	947,047	
Data processing services	28,435,229	32,469,547	21,527,370	10,942,177	
Community services	2,150,091	2,407,405	2,094,549	312,856	
Juvenile justice alternative education programs	2,990,080	2,990,080	551,243	2,438,837	
Tax increment reinvestment zone	37,780,666	54,632,855	54,620,528	12,327	
Tax appraisal and collection	10,232,492	10,232,492	9,876,688	355,804	
Debt service					
Principal	180,483	78,992	78,604	388	
Interest and fiscal charges	-	183,383	183,292	91	
Capital outlay					
Facilities acquisition and construction	163,617	161,490	157,133	4,357	
Total expenditures	<u>1,581,275,099</u>	<u>1,606,039,454</u>	<u>1,470,993,206</u>	<u>135,046,248</u>	
Excess of revenues over (under) expenditures	<u>(70,007,077)</u>	<u>(81,527,315)</u>	<u>22,040,361</u>	<u>103,567,676</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	19,740,697	20,273,217	20,674,634	401,417	
Transfers out	(86,702,303)	(95,826,313)	(92,735,404)	3,090,909	
Capital leases	75,000	-	-	-	
Issuance of bonds and other debt	23,500,000	23,500,000	23,500,000	-	
Premium on the sale of bonds	1,175,000	1,175,000	1,256,931	81,931	
Proceeds from sale of capital leases	-	2,136,346	-	(2,136,346)	
Total other financing uses	<u>(42,211,606)</u>	<u>(48,741,750)</u>	<u>(47,303,839)</u>	<u>1,437,911</u>	
Net change in fund balances	(112,218,683)	(130,269,065)	(25,263,478)	105,005,587	
Fund balances--beginning	<u>477,415,036</u>	<u>477,415,036</u>	<u>477,415,036</u>	<u>-</u>	
Fund balances--ending	<u>\$ 365,196,353</u>	<u>\$ 347,145,971</u>	<u>\$ 452,151,558</u>	<u>\$ 105,005,587</u>	

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

	Budgeted Amounts				
	Original	Final	Actual	Variance with Final Budget Positive (Negative)	
REVENUES					
Local sources	\$ 19,112,651	\$ 20,671,620	\$ 7,933,915	\$ (12,737,705)	
State sources	40,659,765	73,157,300	37,703,717	(35,453,583)	
Federal sources	444,760,415	455,253,691	322,499,202	(132,754,489)	
Total revenues	<u>504,532,831</u>	<u>549,082,611</u>	<u>368,136,834</u>	<u>(180,945,777)</u>	
EXPENDITURES					
Current					
Instruction	176,648,944	263,563,590	236,923,143	26,640,447	
Instructional resources and media services	917,762	1,047,175	722,766	324,409	
Instructional staff development	261,430,068	181,966,299	53,867,827	128,098,472	
Curriculum development	378,507	362,964	346,906	16,058	
Instructional leadership	11,473,699	11,225,944	9,701,555	1,524,389	
School leadership	3,230,938	6,283,417	5,753,260	530,157	
Guidance, counseling and evaluation services	15,715,582	30,651,335	27,891,276	2,760,059	
Social work services	1,600,035	1,595,239	1,197,694	397,545	
Health services	1,105,066	1,835,782	1,794,113	41,669	
Student transportation	1,293,436	5,829,714	3,861,215	1,968,499	
Food services	309,433	1,075,458	4,623	1,070,835	
Co-curricular/extracurricular activities	3,081,509	3,144,055	2,419,654	724,401	
General administration	5,123,139	5,707,896	4,112,100	1,595,796	
Plant maintenance and operations	2,431,900	13,168,482	12,765,156	403,326	
Security and monitoring services	519,422	976,720	676,016	300,704	
Data processing services	23,074,992	14,877,359	3,298,582	11,578,777	
Community services	3,458,665	3,865,512	2,411,551	1,453,961	
Capital outlay					
Facilities acquisition and construction	2,082,367	1,905,670	494,681	1,410,989	
Total expenditures	<u>513,875,464</u>	<u>549,082,611</u>	<u>368,242,118</u>	<u>180,840,493</u>	
Excess (deficiency) of revenues over (under) expenditures	(9,342,633)	-	(105,284)	105,284	
Fund balances-beginning	9,342,633	9,342,633	9,342,633	-	
Fund balances-ending	<u>\$ -</u>	<u>\$ 9,342,633</u>	<u>\$ 9,237,349</u>	<u>\$ 105,284</u>	

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

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 or revenue object accounts (as defined in the Texas Education Agency's *Financial Accountability System Resource Guide*) must be approved by the Board of Education. Additionally, 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 Special Revenue Fund, the Debt Service Fund, the Capital Renovation Fund, and the Food Service 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 Budgeting 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.

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Combining and Individual Fund Statements and Schedules



NONMAJOR ENTERPRISE FUNDS

The **Business Development Fund** is used to account for the financial operations of the District's Marketing Office. The Marketing Office was organized to help develop and coordinate the District's efforts in marketing and the sale of goods and services to other school districts. Primary relationships between HISD and other school districts are through cooperative purchasing programs or inter-local agreements, both of which are statutorily authorized ways for governmental entities to acquire goods or services. Activities involve the marketing and development of business relationships, both directly related to district products, such as the curriculum and virtual schools material, and products/services developed through vendor/HISD partnerships, such as benefits programs and Job Order Contract programs. The Marketing Office also assists other HISD departments in their marketing efforts and schools in fundraising activities. The Marketing Office manages contracts related to marketing and sales activities and participates actively in the development of entrepreneurial approaches to securing funding for various innovative district activities.

The **Medicaid Fund** is used to account for the financial operation of special reimbursement programs offered by the District. For several years, the District has participated in a Medicaid reimbursement program, which is a federal program to provide partial reimbursement for health care services provided to eligible children. The District currently provides Medicaid advisory services to over 200 Texas school districts.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2010**

	Enterprise Funds		
	Business Development	Medicaid	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,234	\$ 12,267	\$ 15,501
Investments	2,311,889	15,640,668	17,952,557
Receivables	1,187,174	1,231,134	2,418,308
Total current assets	<u>3,502,297</u>	<u>16,884,069</u>	<u>20,386,366</u>
Noncurrent assets:			
Furniture and equipment	-	105,531	105,531
Less accumulated depreciation	-	(87,419)	(87,419)
Total noncurrent assets	<u>-</u>	<u>18,112</u>	<u>18,112</u>
Total assets	<u>3,502,297</u>	<u>16,902,181</u>	<u>20,404,478</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,592,406	51,848	1,644,254
Due to other funds	4,381	29,597	33,978
Deferred revenue	88,494	118,648	207,142
Accrued salaries payable	3,574	32,407	35,981
Compensated absences payable	7,591	33,856	41,447
Total current liabilities	<u>1,696,446</u>	<u>266,356</u>	<u>1,962,802</u>
Noncurrent liabilities:			
Compensated absences payable	<u>6,977</u>	<u>18,399</u>	<u>25,376</u>
Total noncurrent liabilities	<u>6,977</u>	<u>18,399</u>	<u>25,376</u>
Total liabilities	<u>1,703,423</u>	<u>284,755</u>	<u>1,988,178</u>
NET ASSETS			
Invested in capital assets	-	18,112	18,112
Unrestricted	1,798,874	16,599,314	18,398,188
Total net assets	<u>\$ 1,798,874</u>	<u>\$ 16,617,426</u>	<u>\$ 18,416,300</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Enterprise Funds		
	Business Development	Medicaid	Totals
OPERATING REVENUES:			
Charges for sales and services:			
Consulting services	\$ 10,518,232	\$ 1,984,651	\$ 12,502,883
Miscellaneous	255	-	255
Total operating revenues	<u>10,518,487</u>	<u>1,984,651</u>	<u>12,503,138</u>
OPERATING EXPENSES:			
Payroll costs	146,344	1,185,730	1,332,074
Purchased and contracted services	9,196,326	292,946	9,489,272
Supplies and materials	2,285	62,265	64,550
Other operating expenses	52,326	98,040	150,366
Depreciation	-	13,350	13,350
Total operating expenses	<u>9,397,281</u>	<u>1,652,331</u>	<u>11,049,612</u>
Operating income	<u>1,121,206</u>	<u>332,320</u>	<u>1,453,526</u>
NONOPERATING REVENUES (EXPENSES)			
Earnings on investments	3,691	52,216	55,907
Grants from federal agencies:			
School health services (SHARS)	-	25,091,669	25,091,669
Total nonoperating revenue	<u>3,691</u>	<u>25,143,885</u>	<u>25,147,576</u>
Income before transfers	1,124,897	25,476,205	26,601,102
Transfers out	<u>-</u>	<u>(19,740,697)</u>	<u>(19,740,697)</u>
Change in net assets	1,124,897	5,735,508	6,860,405
Total net assets—beginning	673,977	10,881,918	11,555,895
Total net assets—ending	<u>\$ 1,798,874</u>	<u>\$ 16,617,426</u>	<u>\$ 18,416,300</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2010**

	Enterprise Funds		
	Business		
	Development	Medicaid	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 10,789,363	\$ 1,459,407	\$ 12,248,770
Other receipts	488,749	312,263	801,012
Payments to suppliers	(9,377,541)	(417,526)	(9,795,067)
Payments to employees	(148,001)	(1,175,738)	(1,323,739)
Net cash provided by operating activities	<u>1,752,570</u>	<u>178,406</u>	<u>1,930,976</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grants from federal agencies	-	25,091,669	25,091,669
Operating subsidies and transfers to other funds	-	(19,740,697)	(19,740,697)
Net cash provided by noncapital financing activities	<u>-</u>	<u>5,350,972</u>	<u>5,350,972</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	(7,442)	(7,442)
Net cash used by capital and related financing activities	<u>-</u>	<u>(7,442)</u>	<u>(7,442)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(7,426,365)	(25,677,216)	(33,103,581)
Proceeds from sales and maturities of investments	5,413,000	20,108,697	25,521,697
Interest and dividends	3,691	52,216	55,907
Net cash used by investing activities	<u>(2,009,674)</u>	<u>(5,516,303)</u>	<u>(7,525,977)</u>
Net increase (decrease) in cash and cash equivalents	(257,104)	5,633	(251,471)
Balances—beginning of the year	<u>260,338</u>	<u>6,634</u>	<u>266,972</u>
Balances—end of the year	<u>\$ 3,234</u>	<u>\$ 12,267</u>	<u>\$ 15,501</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,121,206	\$ 332,320	\$ 1,453,526
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	-	13,350	13,350
Change in assets and liabilities:			
Receivables	271,131	(525,244)	(254,113)
Accounts payables	(126,604)	35,725	(90,879)
Due to other funds	400,001	193,614	593,615
Accrued salaries payable	(1,658)	9,993	8,335
Other	88,494	118,648	207,142
Net cash provided by operating activities	<u>\$ 1,752,570</u>	<u>\$ 178,406</u>	<u>\$ 1,930,976</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 takes in work from other governmental agencies requiring assistance during their peak periods. The District also has reciprocal agreements with other governmental agencies in the event a backlog of jobs is experienced by District users.

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 61.65 percent of the annual cost of the plan with employees paying for the remaining 38.35 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 Professional Development, Alternative Certification, Athletics, UIL and Media Center programs are accounted for within this fund.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2010**

	<u>Print Shop</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Internal Services</u>	<u>Totals</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 438	\$ 8,599	\$ 135,066	\$ 67,475	\$ 211,578
Investments	100,069	36,153,041	42,030,529	4,815,981	83,099,620
Receivables	186,886	-	-	44,459	231,345
Due from other funds	-	18,649,573	738,272	-	19,387,845
Accrued interest	-	137,192	43,698	-	180,890
Total current assets	<u>287,393</u>	<u>54,948,405</u>	<u>42,947,565</u>	<u>4,927,915</u>	<u>103,111,278</u>
Noncurrent assets:					
Buildings and improvements	558,544	-	-	-	558,544
Furniture and equipment	820,429	-	107,670	258,201	1,186,300
Vehicles	112,748	-	-	16,199	128,947
Less accumulated depreciation	<u>(631,072)</u>	<u>-</u>	<u>(107,670)</u>	<u>(123,319)</u>	<u>(862,061)</u>
Total noncurrent assets	<u>860,649</u>	<u>-</u>	<u>-</u>	<u>151,081</u>	<u>1,011,730</u>
Total assets	<u>1,148,042</u>	<u>54,948,405</u>	<u>42,947,565</u>	<u>5,078,996</u>	<u>104,123,008</u>
LIABILITIES					
Current liabilities:					
Accounts payable	468,396	2,085,114	486,838	548,863	3,589,211
Due to other funds	224,597	-	-	1,261,302	1,485,899
Accrued salaries payable	42,708	19,777	29,800	296,902	389,187
Compensated absences payable	10,732	1,960	10,580	-	23,272
Claims and judgments payable	-	20,974,800	10,127,558	-	31,102,358
Total current liabilities	<u>746,433</u>	<u>23,081,651</u>	<u>10,654,776</u>	<u>2,107,067</u>	<u>36,589,927</u>
Noncurrent liabilities:					
Compensated absences payable	84,897	35,923	74,554	352,143	547,517
Claims and judgments payable	-	561,200	6,077,604	-	6,638,804
Total noncurrent liabilities	<u>84,897</u>	<u>597,123</u>	<u>6,152,158</u>	<u>352,143</u>	<u>7,186,321</u>
Total liabilities	<u>831,330</u>	<u>23,678,774</u>	<u>16,806,934</u>	<u>2,459,210</u>	<u>43,776,248</u>
NET ASSETS					
Invested in capital assets	860,649	-	-	151,081	1,011,730
Unrestricted	<u>(543,937)</u>	<u>31,269,631</u>	<u>26,140,631</u>	<u>2,468,705</u>	<u>59,335,030</u>
Total net assets	<u>\$ 316,712</u>	<u>\$ 31,269,631</u>	<u>\$ 26,140,631</u>	<u>\$ 2,619,786</u>	<u>\$ 60,346,760</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Print Shop</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Internal Services</u>	<u>Totals</u>
OPERATING REVENUES:					
Charges for sales and services:					
Sales to customers	\$ 4,925,779	\$ -	\$ -	\$ 22,849,916	\$ 27,775,695
Charges to other funds	-	122,181,716	9,924,895	-	132,106,611
Miscellaneous	3,047	605,608	738,122	10,030	1,356,807
Total operating revenues	<u>4,928,826</u>	<u>122,787,324</u>	<u>10,663,017</u>	<u>22,859,946</u>	<u>161,239,113</u>
OPERATING EXPENSES:					
Payroll costs	1,758,017	999,572	1,298,539	15,779,646	19,835,774
Purchased and contracted services	1,361,418	51,767	1,305,092	2,626,492	5,344,769
Supplies and materials	1,565,295	16,953	15,427	1,993,284	3,590,959
Other operating expenses	23,611	4,934	464,777	1,249,910	1,743,232
Claims and judgments	-	130,888,203	11,590,651	-	142,478,854
Depreciation	62,066	-	-	27,312	89,378
Total operating expenses	<u>4,770,407</u>	<u>131,961,429</u>	<u>14,674,486</u>	<u>21,676,644</u>	<u>173,082,966</u>
Operating income (loss)	<u>158,419</u>	<u>(9,174,105)</u>	<u>(4,011,469)</u>	<u>1,183,302</u>	<u>(11,843,853)</u>
NONOPERATING REVENUES:					
Earnings on investments	26	257,587	397,009	12,831	667,453
Total nonoperating revenue	<u>26</u>	<u>257,587</u>	<u>397,009</u>	<u>12,831</u>	<u>667,453</u>
Income (loss) before transfers	158,445	(8,916,518)	(3,614,460)	1,196,133	(11,176,400)
Transfers in	84,155	-	-	129,615	213,770
Transfers out	-	-	-	(1,147,708)	(1,147,708)
Change in net assets	242,600	(8,916,518)	(3,614,460)	178,040	(12,110,338)
Total net assets—beginning	74,112	40,186,149	29,755,091	2,441,746	72,457,098
Total net assets—ending	<u>\$ 316,712</u>	<u>\$ 31,269,631</u>	<u>\$ 26,140,631</u>	<u>\$ 2,619,786</u>	<u>\$ 60,346,760</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Print Shop	Health Insurance	Workers' Compensation	Internal Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 5,016,260	\$ 122,181,716	\$ 9,924,895	\$ 22,844,639	\$ 159,967,510
Receipts from other funds	-	-	-	1,768,481	1,768,481
Other receipts	3,047	779,103	824,003	10,030	1,616,183
Payments to suppliers	(2,821,118)	(1,030,824)	(682,533)	(5,720,241)	(10,254,716)
Payments to employees	(1,757,427)	(994,419)	(1,294,366)	(16,072,594)	(20,118,806)
Payments to other funds	(176,007)	(13,669,947)	(304,808)	-	(14,150,762)
Claims paid	-	(129,090,203)	(12,431,796)	-	(141,521,999)
Net cash provided (used) by operating activities	<u>264,755</u>	<u>(21,824,574)</u>	<u>(3,964,605)</u>	<u>2,830,315</u>	<u>(22,694,109)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating subsidies and transfers from other funds	84,155	-	-	129,615	213,770
Operating subsidies and transfers to other funds	-	-	-	(1,147,708)	(1,147,708)
Net cash provided (used) by noncapital financing activities	<u>84,155</u>	<u>-</u>	<u>-</u>	<u>(1,018,093)</u>	<u>(933,938)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(335,000)	-	-	(90,113)	(425,113)
Net cash used by capital and related financing activities	<u>(335,000)</u>	<u>-</u>	<u>-</u>	<u>(90,113)</u>	<u>(425,113)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(100,026)	(89,975,751)	(60,790,313)	(12,869,831)	(163,735,921)
Sales and maturities of investments	86,000	111,550,933	64,482,248	11,115,000	187,234,181
Interest and dividends	26	257,587	397,009	12,831	667,453
Net cash provided (used) by investing activities	<u>(14,000)</u>	<u>21,832,769</u>	<u>4,088,944</u>	<u>(1,742,000)</u>	<u>24,165,713</u>
Net increase (decrease) in cash and cash equivalents	<u>(90)</u>	<u>8,195</u>	<u>124,339</u>	<u>(19,891)</u>	<u>112,553</u>
Balances—beginning of the year	528	404	10,727	87,366	99,025
Balances—end of the year	<u>\$ 438</u>	<u>\$ 8,599</u>	<u>\$ 135,066</u>	<u>\$ 67,475</u>	<u>\$ 211,578</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	158,419	(9,174,105)	(4,011,469)	1,183,302	(11,843,853)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	62,066	-	-	27,312	89,378
Change in assets and liabilities:					
Receivables, net	90,481	-	-	(5,278)	85,203
Accounts payable	129,205	(957,169)	(175,196)	149,445	(853,715)
Receipts from other funds	-	-	-	1,768,481	1,768,481
Payments to other funds	(176,007)	(13,669,947)	(304,808)	-	(14,150,762)
Accrued interest	-	173,494	85,880	-	259,374
Accrued salaries payable	(2,516)	256	1,804	(6,048)	(6,504)
Compensated absences payable	3,107	4,897	2,369	(286,899)	(276,526)
Current portion of claims and judgments	-	1,748,150	1,332,420	-	3,080,570
Other long term claims and judgments	-	49,850	(895,605)	-	(845,755)
Net cash provided (used) by operating activities	<u>\$ 264,755</u>	<u>\$ (21,824,574)</u>	<u>\$ (3,964,605)</u>	<u>\$ 2,830,315</u>	<u>\$ (22,694,109)</u>

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, 2010, eighty-one schools are in the program. The program also includes accounting for activity funds of various administrative departments or groups. Centralized accounting includes deposits to a central depository, funds invested by the Accounting Department for best utilization of cash balances, check writing, ledger maintenance and reporting provided through the district's accounting system. Schools in the district are required to maintain uniform accounting records. The Activity Fund Section of the Office of the Inspector General reviews the activity funds of these schools during the fiscal year.

The **Noncentralized Activity Fund** represents the activity fund balances for all elementary schools and one secondary school that maintain the accounting records at their respective campuses. Each school has its own bank account and deposits monies into the various activity fund accounts and disburses funds by check from these accounts. The Activity Fund Section of the Office of the Inspector General audits the activity funds of these schools annually.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2010**

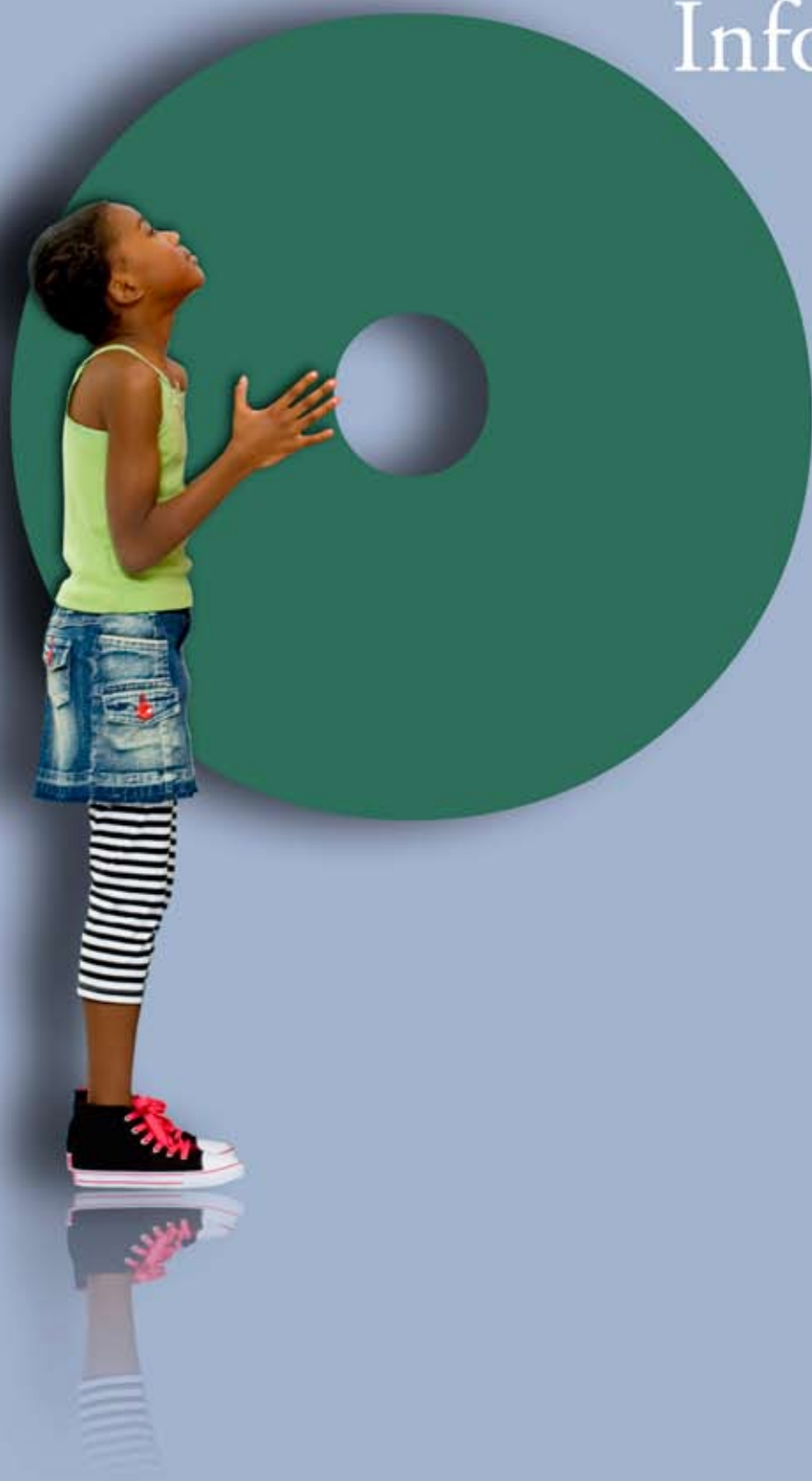
	Agency Funds		
	Centralized	Non Centralized	Total
ASSETS			
Cash and cash equivalents	\$ 126,911	\$ 3,828,339	\$ 3,955,250
Investments	<u>6,493,433</u>	<u>505,066</u>	<u>6,998,499</u>
Total assets	<u>\$ 6,620,344</u>	<u>\$ 4,333,405</u>	<u>\$ 10,953,749</u>
LIABILITIES			
Accounts payable	\$ 387,064	\$ 88,295	\$ 475,359
Accrued salaries payable	24,410	-	24,410
Due to student/administrative groups	<u>6,208,870</u>	<u>4,245,110</u>	<u>10,453,980</u>
Total liabilities	<u>\$ 6,620,344</u>	<u>\$ 4,333,405</u>	<u>\$ 10,953,749</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
CENTRALIZED ACTIVITY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 269,264	\$ 14,713,017	\$ 14,855,370	\$ 126,911
Investments	<u>6,653,387</u>	<u>5,594,045</u>	<u>5,753,999</u>	<u>6,493,433</u>
Total assets	<u>\$ 6,922,651</u>	<u>\$ 20,307,062</u>	<u>\$ 20,609,369</u>	<u>\$ 6,620,344</u>
LIABILITIES				
Accounts payable	\$ 233,028	\$ 387,064	\$ 233,028	\$ 387,064
Accrued salaries payable	31,733	24,410	31,733	24,410
Due to student/administrative groups	<u>6,657,890</u>	<u>8,959,018</u>	<u>9,408,038</u>	<u>6,208,870</u>
Total liabilities	<u>\$ 6,922,651</u>	<u>\$ 9,370,492</u>	<u>\$ 9,672,799</u>	<u>\$ 6,620,344</u>
NONCENTRALIZED ACTIVITY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 4,481,087	\$ 10,058,632	\$ 10,711,380	\$ 3,828,339
Investments	<u>604,007</u>	<u>1,059</u>	<u>100,000</u>	<u>505,066</u>
Total assets	<u>\$ 5,085,094</u>	<u>\$ 10,059,691</u>	<u>\$ 10,811,380</u>	<u>\$ 4,333,405</u>
LIABILITIES				
Accounts payable	\$ 110,230	\$ 88,295	\$ 110,230	\$ 88,295
Due to student/administrative groups	<u>4,974,864</u>	<u>10,044,715</u>	<u>10,774,469</u>	<u>4,245,110</u>
Total liabilities	<u>\$ 5,085,094</u>	<u>\$ 10,133,010</u>	<u>\$ 10,884,699</u>	<u>\$ 4,333,405</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 4,750,351	\$ 24,771,649	\$ 25,566,750	\$ 3,955,250
Investments	<u>7,257,394</u>	<u>5,595,104</u>	<u>5,853,999</u>	<u>6,998,499</u>
Total assets	<u>\$ 12,007,745</u>	<u>\$ 30,366,753</u>	<u>\$ 31,420,749</u>	<u>\$ 10,953,749</u>
LIABILITIES				
Accounts payable	\$ 343,258	\$ 475,359	\$ 343,258	\$ 475,359
Accrued salaries payable	31,733	24,410	31,733	24,410
Due to student/administrative groups	<u>11,632,754</u>	<u>19,003,733</u>	<u>20,182,507</u>	<u>10,453,980</u>
Total liabilities	<u>\$ 12,007,745</u>	<u>\$ 19,503,502</u>	<u>\$ 20,557,498</u>	<u>\$ 10,953,749</u>

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Supplementary
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**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, 2010**

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local maintenance taxes	\$ 155,301,165	\$ 155,301,165	\$ 157,433,208	\$ 2,132,043
Earnings on investments	397,000	397,000	342,170	(54,830)
Total revenues	<u>155,698,165</u>	<u>155,698,165</u>	<u>157,775,378</u>	<u>2,077,213</u>
EXPENDITURES				
Debt service				
Principal	91,049,547	91,049,547	90,839,546	210,001
Interest and fiscal charges	115,509,912	115,509,912	114,448,837	1,061,075
Total expenditures	<u>206,559,459</u>	<u>206,559,459</u>	<u>205,288,383</u>	<u>1,271,076</u>
Deficiency of revenues under expenditures	<u>(50,861,294)</u>	<u>(50,861,294)</u>	<u>(47,513,005)</u>	<u>3,348,289</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	61,077,694	61,077,694	60,914,959	(162,735)
Total other financing sources	<u>61,077,694</u>	<u>61,077,694</u>	<u>60,914,959</u>	<u>(162,735)</u>
Net change in fund balances	10,216,400	10,216,400	13,401,954	3,185,554
Fund balances-beginning	<u>107,500,267</u>	<u>107,500,267</u>	<u>107,500,267</u>	<u>-</u>
Fund balances-ending	<u>\$ 117,716,667</u>	<u>\$ 117,716,667</u>	<u>\$ 120,902,221</u>	<u>\$ 3,185,554</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL RENOVATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
REVENUES				
Earnings on investments	\$ 5,300,000	\$ 5,300,000	\$ 3,624,599	\$ (1,675,401)
Miscellaneous local sources	16,524,760	16,524,760	20,213,092	3,688,332
Total revenues	21,824,760	21,824,760	23,837,691	2,012,931
EXPENDITURES				
Capital outlay				
Facilities acquisition and construction	1,060,921,733	1,067,802,448	174,055,690	893,746,758
Total expenditures	1,060,921,733	1,067,802,448	174,055,690	893,746,758
Deficiency of revenues under expenditures	(1,039,096,973)	(1,045,977,688)	(150,217,999)	895,759,689
OTHER FINANCING SOURCES (USES)				
Transfers in	30,500,000	30,500,000	30,495,836	(4,164)
Transfers out	(9,280,000)	(9,280,000)	(9,280,000)	-
Issuance of bonds and other debt	401,520,000	401,520,000	401,520,000	-
Premium on sale of bonds	6,075,972	6,075,972	6,075,972	-
Proceeds from sale of capital assets	-	4,871,945	4,871,945	-
Total other financing sources	428,815,972	433,687,917	433,683,753	(4,164)
Net change in fund balances	(610,281,001)	(612,289,771)	283,465,754	895,755,525
Fund balances--beginning	610,281,001	610,281,001	610,281,001	-
Fund balances--ending	\$ -	\$ (2,008,770)	\$ 893,746,755	\$ 895,755,525

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Food sales	\$ 10,978,673	\$ 10,520,000	\$ 10,632,279	\$ 112,279
Interest income	2,351	2,572	3,076	504
Miscellaneous local sources	330,790	676,618	937,992	261,374
State matching funds	625,000	590,245	590,245	-
Child nutrition programs/summer food program	82,262,683	83,171,624	83,251,515	79,891
Donated commodities	5,236,841	6,075,998	6,106,843	30,845
Other sources	-	-	10,604,609	10,604,609
Total revenues	99,436,338	101,037,057	112,126,559	11,089,502
EXPENSES				
Current				
Food services	106,442,868	105,076,484	101,216,988	3,859,496
General administration	849,452	729,027	713,826	15,201
Plant maintenance and operations	5,410,351	5,703,978	5,459,059	244,919
Data processing services	18,089	89	-	89
Total expenses	112,720,760	111,509,578	107,389,873	4,119,705
Change in fund net assets	(13,284,422)	(10,472,521)	4,736,686	15,209,207
Total net assets-beginning	746,616	746,616	746,616	-
Total net assets-ending	\$ (12,537,806)	\$ (9,725,905)	\$ 5,483,302	\$ 15,209,207

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Statistical Section



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

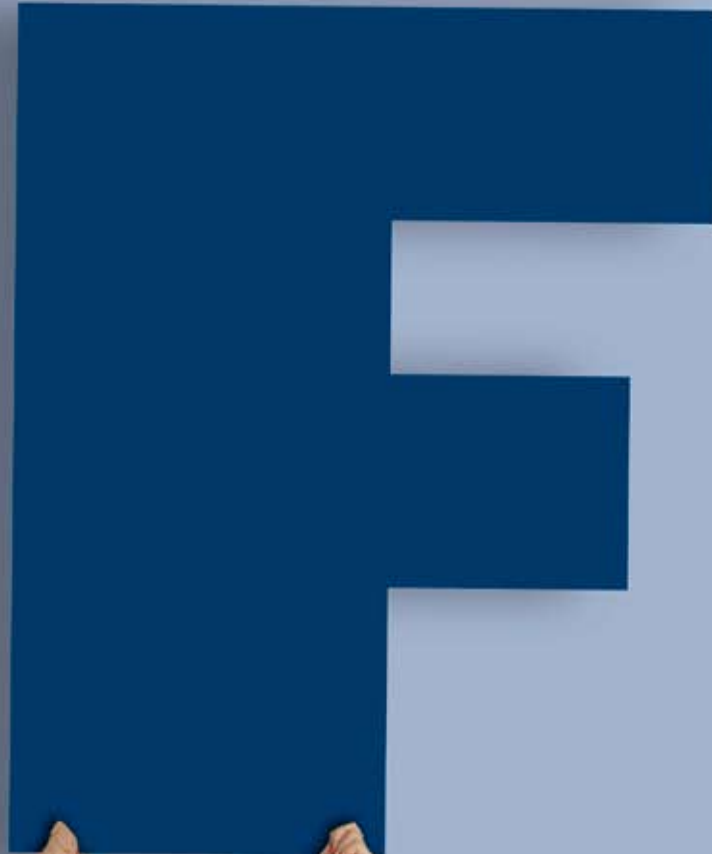
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the District provides and activities it performs.

SOURCES

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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Financial Trends



HOUSTON INDEPENDENT SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(*accrual basis of accounting*)
(UNAUDITED)

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities									
Invested in capital assets, net of related debt	\$ 683,024,510	\$ 606,423,128	\$ 519,175,036	\$ 457,203,250	\$ 374,202,924	\$ 350,980,270	\$ 336,444,250	\$ 364,547,643	\$ 106,527,419
Restricted	84,381,231	91,063,905	84,771,107	83,229,648	119,616,366	68,919,202	63,538,087	66,259,622	337,454,539
Unrestricted	589,054,667	632,251,253	704,719,212	643,682,650	486,330,160	370,591,748	312,889,416	273,186,920	278,625,263
Total governmental activities	\$ 1,356,460,408	\$ 1,329,738,286	\$ 1,308,665,355	\$ 1,184,115,548	\$ 980,149,450	\$ 790,491,220	\$ 712,871,753	\$ 703,994,185	\$ 722,607,221
Business-type activities									
Invested in capital assets, net of related debt	\$ 267,578	\$ 21,289,416	\$ 23,315,673	\$ 18,506,309	\$ 6,821,047	\$ 2,072,307	\$ 1,754,080	\$ 1,282,361	\$ 1,356,594
Restricted	-	-	-	16,171,618	35,179,989	45,795,138	46,072,980	37,085,672	23,592,813
Unrestricted	25,896,844	(6,253,630)	10,069,334	18,070,470	20,622,642	7,591,901	7,064,529	1,805,534	1,751,824
Total business-type activities	\$ 26,164,422	\$ 15,035,786	\$ 33,385,007	\$ 52,748,397	\$ 62,623,678	\$ 55,459,346	\$ 54,891,589	\$ 40,173,567	\$ 26,701,031
Total									
Invested in capital assets, net of related debt	\$ 683,292,088	\$ 627,712,544	\$ 542,490,709	\$ 475,709,559	\$ 381,023,971	\$ 353,052,577	\$ 338,198,330	\$ 365,830,004	\$ 107,884,013
Restricted	84,381,231	91,063,905	84,771,107	99,401,266	154,796,355	114,714,340	109,611,067	103,345,294	361,047,352
Unrestricted	614,951,511	625,997,623	714,788,546	661,753,120	506,952,802	378,183,649	319,953,945	274,982,454	280,376,887
Total net assets	\$ 1,382,624,830	\$ 1,344,774,072	\$ 1,342,050,362	\$ 1,236,863,945	\$ 1,042,773,128	\$ 845,950,566	\$ 767,763,342	\$ 744,167,752	\$ 749,308,252

NOTE: The district did not begin reporting government-wide statements until it implemented GASB Statement No. 34 in 2002. This schedule will ultimately report ten years of data.

For 2002, the fiscal year was September 1st through June 30th.

For the fiscal years ended 2003 and subsequent years, the fiscal year was July 1st through June 30th.

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

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses									
Governmental activities:									
Instruction	\$ 1,181,805,764	\$ 1,153,304,979	\$ 1,089,343,618	\$ 1,023,779,666	\$ 947,935,194	\$ 933,918,916	\$ 930,845,794	\$ 914,481,999	\$ 771,827,152
Instructional resources and media services	17,261,306	21,093,535	14,693,279	14,613,972	14,736,164	15,801,797	17,750,969	17,716,445	16,268,799
Instructional staff development	67,113,124	66,556,702	59,859,578	51,047,354	55,255,485	63,482,263	62,502,617	73,517,087	56,271,350
Curriculum development	4,665,111	5,354,011	4,240,788	3,884,100	3,083,294				
Instructional leadership	27,244,755	26,930,049	23,266,595	21,141,738	22,293,466	20,418,266	18,968,837	20,815,612	17,132,765
School leadership	130,773,278	132,667,937	124,181,161	110,863,454	106,405,451	105,468,250	105,683,747	103,621,499	86,413,711
Guidance, counseling, and evaluation services	62,038,198	49,789,308	50,166,310	43,580,525	40,525,569	32,396,704	34,996,379	42,073,627	42,993,487
Social work services	2,269,165	2,285,724	2,173,752	2,249,125	2,138,796	1,939,208	2,018,097	3,091,918	3,308,199
Health services	20,012,485	20,803,330	19,442,983	18,402,273	17,203,501	17,005,205	17,082,166	17,569,548	15,731,433
Student transportation services	49,177,482	49,161,505	47,790,724	41,696,460	43,702,468	40,416,249	43,522,146	48,408,754	45,065,380
Food service	4,048,882	2,804,934	1,462,442	332,218	941,755	1,778,372	975,323	1,937,675	692,390
Co-curricular/extracurricular activities	17,164,043	17,545,394	15,667,329	13,256,875	12,066,951	10,918,951	10,962,143	10,073,569	9,857,659
General administration	34,203,064	31,644,240	37,274,187	33,028,320	32,952,292	29,644,063	34,798,874	39,258,814	34,637,060
Plant maintenance and operations	175,125,622	199,196,108	184,483,175	177,779,835	170,512,035	143,380,615	139,444,950	139,444,950	126,200,268
Security and monitoring services	21,151,657	21,709,881	19,812,880	18,718,386	17,216,209	15,267,598	15,382,155	15,746,984	13,669,644
Data processing services	39,020,554	44,367,319	52,846,792	52,925,158	42,680,593	37,344,751	33,269,748	27,022,858	23,856,962
Community services	4,521,889	5,252,954	5,453,724	5,775,868	6,491,457	7,038,225	29,467,645	24,814,605	18,447,782
Interest and fiscal charges	104,870,409	106,192,056	95,791,571	104,069,875	84,212,243	96,967,675	77,167,895	93,432,099	65,523,556
Juvenile justice alternative education program			762,071	329,541	1,759,380	898,122	1,530,366	1,222,126	1,001,000
Facilities acquisition and construction	551,243	667,494	-	-	-	-	9,778,522	54,889,358	40,388,478
Payments to fiscal agent/member districts	-	-	-	-	-	-	-	-	539,634
Tax reinvestment zone payments	54,620,528	35,104,450	32,754,533	32,221,847	30,446,611	29,213,095	-	-	-
Tax appraisal and collection	9,876,688	9,629,776	-	-	-	-	-	-	-
Total governmental activities expenses	<u>2,027,515,247</u>	<u>2,002,063,686</u>	<u>1,861,457,492</u>	<u>1,769,696,590</u>	<u>1,652,538,914</u>	<u>1,603,298,325</u>	<u>1,586,978,474</u>	<u>1,649,139,527</u>	<u>1,389,626,709</u>
Business-type activities:									
Food service	107,858,328	109,347,648	109,520,238	98,727,038	93,755,731	87,901,512	85,377,243	77,752,666	70,191,111
Business development	9,397,281	9,594,698	9,759,385	9,655,656	9,975,550	11,504,388	10,862,742	8,845,388	4,893,228
Medicaid	1,652,331	1,630,670	1,262,940	1,163,886	2,189,490	1,590,650	2,578,117	1,318,608	1,121,713
Total business-type activities expenses	<u>118,907,940</u>	<u>120,573,016</u>	<u>120,542,563</u>	<u>109,546,582</u>	<u>105,920,771</u>	<u>100,996,550</u>	<u>98,818,102</u>	<u>87,916,662</u>	<u>76,206,052</u>
Total expenses	<u>\$ 2,146,423,187</u>	<u>\$ 2,122,436,702</u>	<u>\$ 1,982,000,055</u>	<u>\$ 1,879,243,172</u>	<u>\$ 1,758,459,685</u>	<u>\$ 1,704,294,875</u>	<u>\$ 1,685,796,576</u>	<u>\$ 1,737,056,189</u>	<u>\$ 1,466,032,761</u>
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction	\$ 924,253	\$ 817,212	\$ 863,005	\$ 560,736	\$ 601,248	\$ 212,937	\$ 345,807	\$ 702,620	\$ 606,342
Food service	-	-	-	-	-	-	-	240,694	195,677
Co-curricular/extracurricular activities	607,204	611,688	389,723	255,387	799,492	507,209	528,963	967,260	1,187,225
Plant maintenance and operations	561,756	456,395	502,987	511,377	431,318	384,540	496,196	359,981	271,626
Operating grants and contributions	458,717,421	355,444,861	343,082,215	339,591,240	358,241,315	307,780,176	302,207,002	312,508,020	212,929,091
Total governmental entities program revenues	<u>460,810,634</u>	<u>357,330,156</u>	<u>344,837,930</u>	<u>340,918,740</u>	<u>360,073,373</u>	<u>308,884,862</u>	<u>303,577,968</u>	<u>314,778,575</u>	<u>215,189,961</u>
Business-type activities:									
Charges for services:									
Food service	10,632,279	12,814,355	14,512,444	15,334,128	15,272,481	14,285,756	15,208,335	15,691,341	14,946,863
Business development	10,518,232	10,588,704	10,286,253	10,698,365	10,812,621	11,923,323	12,521,850	9,369,647	5,172,821
Medicaid	1,984,651	1,366,900	1,144,819	2,821,622	1,013,606	505,588	972,670	1,005,931	930,137
Operating grants and contributions	115,040,272	89,392,353	86,398,461	80,288,177	88,567,119	77,965,153	84,601,698	78,622,610	68,506,077
Total business-type activities program revenues	<u>138,175,434</u>	<u>114,162,312</u>	<u>112,341,977</u>	<u>109,142,292</u>	<u>115,665,827</u>	<u>104,679,820</u>	<u>113,304,553</u>	<u>104,689,529</u>	<u>89,555,898</u>
Total program revenues	<u>\$ 598,986,068</u>	<u>\$ 471,492,468</u>	<u>\$ 457,179,907</u>	<u>\$ 450,061,032</u>	<u>\$ 475,739,200</u>	<u>\$ 413,564,682</u>	<u>\$ 416,882,521</u>	<u>\$ 419,468,104</u>	<u>\$ 304,745,859</u>
Net (Expense)/Revenue									
Governmental activities	\$ (1,566,704,613)	\$ (1,644,733,530)	\$ (1,516,619,562)	\$ (1,428,777,850)	\$ (1,292,485,541)	\$ (1,294,413,463)	\$ (1,283,400,506)	\$ (1,334,360,952)	\$ (1,174,636,748)
Business-type activities	19,267,494	(6,210,704)	(8,200,586)	(404,290)	9,745,056	3,683,270	14,486,451	16,772,867	13,349,846
Total net expense	<u>\$ (1,547,437,119)</u>	<u>\$ (1,650,944,234)</u>	<u>\$ (1,524,820,148)</u>	<u>\$ (1,429,182,140)</u>	<u>\$ (1,282,720,485)</u>	<u>\$ (1,290,730,193)</u>	<u>\$ (1,268,914,055)</u>	<u>\$ (1,317,588,085)</u>	<u>\$ (1,161,286,902)</u>

NOTE: The district did not begin reporting government-wide statements until it implemented GASB Statement No. 34 in 2002. This schedule will ultimately report ten years of data.

For 2002, the fiscal year was September 1st through June 30th.

For the fiscal years ended 2003 and subsequent years, the fiscal year was July 1st through June 30th.

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

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Net (Expense)/Revenue									
Governmental activities	\$ (1,566,704,613)	\$ (1,644,733,530)	\$ (1,516,619,562)	\$ (1,428,777,850)	\$ (1,292,465,541)	\$ (1,295,413,463)	\$ (1,283,400,506)	\$ (1,334,360,952)	\$ (1,174,636,748)
Business-type activities	19,267,494	(6,210,704)	(8,200,586)	(404,290)	9,745,056	3,683,270	14,486,451	16,772,867	13,349,846
Total net expense	<u>\$ (1,547,437,119)</u>	<u>\$ (1,650,944,234)</u>	<u>\$ (1,524,820,148)</u>	<u>\$ (1,429,182,140)</u>	<u>\$ (1,282,720,485)</u>	<u>\$ (1,291,730,193)</u>	<u>\$ (1,268,914,055)</u>	<u>\$ (1,317,588,085)</u>	<u>\$ (1,161,286,902)</u>
General Revenues									
Governmental activities:									
Taxes:									
Maintenance & operations property taxes	\$ 1,065,193,515	\$ 1,058,019,228	\$ 936,378,261	\$ 1,110,688,088	\$ 1,104,517,658	\$ 1,035,597,439	\$ 999,621,411	\$ 967,995,582	\$ 920,968,767
Debt service property taxes	157,268,604	158,048,285	140,629,766	125,130,825	128,983,844	106,730,488	90,096,030	86,722,125	82,612,661
State aid - not restricted to specific programs	317,029,674	365,108,678	435,758,303	286,432,562	144,072,792	159,812,201	167,739,282	212,887,113	211,844,026
Tax increment reinvestment zone	21,653,331	20,562,533	18,954,929	21,379,916	16,602,724	17,457,486	14,789,089	-	-
Payment in lieu of taxes (PILOT)	-	-	-	-	-	-	-	14,747,423	14,274,841
E-rate activities	-	-	-	-	-	-	-	-	5,326,967
Unrestricted investment earnings	7,127,247	26,927,592	48,972,905	56,967,051	38,502,067	27,140,246	5,150,398	10,621,967	19,619,556
Miscellaneous	16,018,276	23,940,145	13,112,562	18,945,507	44,544,686	20,348,053	14,381,864	18,673,706	16,211,835
Transfers	9,136,088	13,200,000	13,200,000	13,200,000	4,900,000	4,947,017	500,000	4,100,000	4,759,500
Total governmental activities	<u>1,593,426,735</u>	<u>1,665,806,461</u>	<u>1,607,006,726</u>	<u>1,632,743,949</u>	<u>1,482,123,771</u>	<u>1,372,032,930</u>	<u>1,292,278,074</u>	<u>1,315,747,916</u>	<u>1,275,618,153</u>
Business-type activities:									
Unrestricted investment earnings	58,983	219,246	1,055,550	2,510,034	1,679,910	1,132,786	282,105	484,172	385,400
Miscellaneous	938,247	842,237	981,646	1,218,975	639,366	698,718	449,466	315,497	405,366
Transfers	(9,136,088)	(13,200,000)	(13,200,000)	(13,200,000)	(4,900,000)	(4,947,017)	(500,000)	(4,100,000)	(4,759,500)
Total business-type activities	<u>(8,136,858)</u>	<u>(12,138,517)</u>	<u>(11,162,804)</u>	<u>(9,470,991)</u>	<u>(2,580,724)</u>	<u>(3,115,513)</u>	<u>231,571</u>	<u>(3,300,331)</u>	<u>(3,968,734)</u>
Total general revenues	<u>\$ 1,585,287,877</u>	<u>\$ 1,653,667,944</u>	<u>\$ 1,595,843,922</u>	<u>\$ 1,623,272,958</u>	<u>\$ 1,479,543,047</u>	<u>\$ 1,368,917,417</u>	<u>\$ 1,292,509,645</u>	<u>\$ 1,312,447,585</u>	<u>\$ 1,271,649,419</u>
Change in Net Assets									
Governmental activities	\$ 26,722,122	\$ 21,072,931	\$ 90,387,164	\$ 203,966,099	\$ 189,658,230	\$ 76,619,467	\$ 8,877,568	\$ (18,613,036)	\$ 100,981,405
Business-type activities	11,128,636	(18,349,221)	(19,363,390)	(9,875,281)	7,164,332	567,757	14,718,022	13,472,536	10,325,447
Total change in net assets	<u>\$ 37,850,758</u>	<u>\$ 2,723,710</u>	<u>\$ 71,023,774</u>	<u>\$ 194,090,818</u>	<u>\$ 196,822,562</u>	<u>\$ 77,187,224</u>	<u>\$ 23,595,590</u>	<u>\$ (5,140,500)</u>	<u>\$ 111,306,852</u>

NOTE:

The district did not begin reporting government-wide statements until it implemented GASB Statement No. 34 in 2002. This schedule will ultimately report ten years of data.

For 2002, the fiscal year was September 1st through June 30th.

For the fiscal years ended 2003 and subsequent years, the fiscal year was July 1st through June 30th.

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	\$ 45,515,835	\$ 45,001,452	\$ 42,513,114	\$ 26,848,233	\$ 54,911,199	\$ 19,893,679	\$ 20,390,258	\$ 26,178,804	\$ 42,405,158	\$ 30,662,699
Unreserved	406,635,723	432,413,584	481,171,886	430,916,041	297,640,942	236,997,970	186,911,060	188,918,051	173,092,044	141,693,828
Total general fund	\$ 452,151,558	\$ 477,415,036	\$ 523,685,000	\$ 457,764,274	\$ 352,552,141	\$ 256,891,649	\$ 207,301,318	\$ 215,096,855	\$ 215,497,202	\$ 172,356,527
All Other Governmental Funds										
Reserved	\$ 395,538,459	\$ 307,660,468	\$ 223,817,813	\$ 242,325,365	\$ 88,502,799	\$ 79,551,972	\$ 70,992,715	\$ 73,225,482	\$ -	\$ -
Unreserved, reported in:										
Debt Service Fund	-	-	-	-	-	-	-	-	74,127,099	25,818,531
Capital Renovation Fund	619,110,517	410,120,800	532,098,368	168,377,147	421,316,266	519,607,891	533,347,344	334,069,935	271,943,731	514,681,310
Public Facility Corporation	54,519,448	1,321,516	3,291,731	8,953,511	28,981,083	26,090	25,735	25,900	89,873	662,071
Special Revenue Fund	9,237,349	9,342,633	9,451,918	-	-	-	-	-	-	-
Total all other governmental funds	\$ 1,078,405,773	\$ 728,445,417	\$ 768,659,830	\$ 419,656,023	\$ 538,800,148	\$ 599,185,953	\$ 604,365,794	\$ 407,321,317	\$ 346,160,703	\$ 541,161,912

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

For the fiscal years ended 2001 and prior, the fiscal year was September 1st through August 31st.

For 2002, the fiscal year was September 1st through June 30th.

For the fiscal years ended 2003 and subsequent years, the fiscal year was July 1st through June 30th.

For the fiscal year 2002 and prior, the amounts designated for the retirement of funded indebtedness were categorized as unreserved.

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Local sources:										
Property taxes	\$ 1,223,132,904	\$ 1,210,370,148	\$ 1,091,125,248	\$ 1,245,492,112	\$ 1,226,814,245	\$ 1,145,279,404	\$ 1,084,428,925	\$ 1,045,883,756	\$ 983,862,463	\$ 874,413,694
Earnings on investments	6,459,794	24,159,405	43,487,742	50,658,097	34,976,787	25,065,026	4,590,871	9,827,553	19,058,440	72,953,440
Miscellaneous local sources	43,483,510	52,811,748	42,747,211	44,189,252	50,131,080	39,701,826	64,820,496	65,406,784	40,087,931	35,431,452
Total local sources	1,273,076,208	1,287,341,301	1,177,360,201	1,340,339,461	1,311,922,112	1,210,046,256	1,153,840,292	1,121,118,093	1,043,008,834	982,798,586
State sources:										
Per capita	21,511,001	46,266,828	50,818,130	74,173,561	59,912,227	75,338,375	64,291,710	70,840,398	41,795,706	50,409,475
Foundation school program	318,014,257	353,795,852	446,442,074	246,773,526	108,423,690	109,263,401	127,309,758	169,341,688	198,296,751	254,154,114
On behalf payments	70,403,585	70,039,599	66,124,556	57,370,533	53,119,273	52,474,105	54,069,407	55,098,490	49,531,667	53,193,106
Other state sources	29,475,244	28,708,318	24,064,692	25,265,104	28,980,856	22,520,377	23,186,757	61,555,493	18,780,071	26,156,140
Total state sources	439,404,087	498,810,597	587,449,452	403,582,724	250,436,046	259,596,258	268,857,632	356,836,069	308,404,195	383,912,835
Federal sources	330,383,551	215,127,489	196,167,602	203,612,829	229,693,231	177,873,361	165,637,062	135,869,750	109,330,721	116,212,355
Total revenues	\$ 2,042,863,846	\$ 2,001,279,387	\$ 1,960,977,255	\$ 1,947,535,014	\$ 1,792,051,389	\$ 1,647,515,875	\$ 1,588,334,986	\$ 1,613,823,912	\$ 1,460,743,750	\$ 1,482,923,776

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

For the fiscal years ended 2001 and prior, the fiscal year was September 1st through August 31st.

For 2002, the fiscal year was September 1st through June 30th.

For the fiscal years ended 2003 and subsequent years, the fiscal year was July 1st through June 30th.

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction	\$ 1,107,406,037	\$ 1,078,428,648	\$ 1,006,125,503	\$ 959,716,749	\$ 907,371,062	\$ 893,562,004	\$ 896,329,665	\$ 893,898,796	\$ 785,742,307	\$ 815,333,472
Instructional resources and media services	17,801,466	23,903,416	14,576,095	14,646,808	14,559,019	15,547,917	18,730,730	20,494,797	19,926,324	20,693,516
Instructional staff development	66,453,364	65,418,777	58,784,175	53,039,238	55,949,048	63,504,891	63,029,532	76,188,974	57,270,243	65,076,237
Curriculum development	4,614,962	5,277,650	4,223,455	3,944,213	2,882,377	-	-	-	-	-
Instructional leadership	27,261,578	26,410,595	22,956,610	21,082,513	22,306,923	20,512,882	19,275,199	21,746,049	17,261,624	18,632,661
School leadership	130,265,164	130,502,940	123,562,633	112,313,652	107,458,174	105,971,373	106,576,188	105,510,779	88,484,056	90,943,878
Guidance, counseling, and evaluation services	61,156,891	48,002,187	49,384,323	45,171,367	40,846,596	32,572,182	35,627,384	42,725,877	43,613,205	43,074,023
Social work services	2,264,505	2,230,353	2,164,007	2,274,594	2,158,785	1,950,809	2,036,549	3,141,373	3,351,210	4,204,588
Health services	19,954,632	20,532,155	19,345,991	18,679,880	17,414,666	17,110,545	17,307,813	17,867,998	16,412,179	16,561,921
Student transportation	52,000,103	52,242,760	42,442,213	47,201,457	40,041,071	36,659,121	47,348,059	57,078,975	42,817,272	41,580,344
Food services	10,879,396	1,906,326	212,168	309,294	917,782	1,755,110	951,539	1,916,183	630,768	487,881
Co-curricular/extracurricular activities	16,699,117	16,647,786	14,773,408	14,046,806	12,642,612	11,077,343	11,404,264	10,354,586	10,040,983	10,182,522
General administration	33,095,416	29,752,854	35,564,385	31,768,477	34,895,412	29,421,216	35,094,266	38,978,500	34,818,335	41,962,627
Plant maintenance and operations	173,340,380	198,621,677	183,181,687	178,436,705	169,987,554	141,673,653	138,584,290	140,088,041	128,120,020	151,407,437
Security and monitoring services	20,748,092	21,125,694	19,551,020	19,335,915	17,390,324	15,244,512	15,495,847	16,430,370	13,909,591	14,852,448
Data processing services	24,825,952	30,531,146	33,692,358	35,621,196	32,536,397	27,066,680	51,875,733	46,335,585	22,013,916	24,249,071
Community services	4,506,100	5,166,207	5,431,534	5,828,886	6,569,262	7,055,659	29,520,127	24,950,870	18,512,263	11,585,784
Juvenile justice alternative education program	551,243	667,494	762,071	329,541	1,759,380	898,122	1,530,366	1,222,126	1,001,000	895,475
Tax reinvestment zone payments	54,620,528	35,104,450	32,754,533	32,221,847	30,446,611	29,213,095	-	-	-	-
Tax appraisal and collection	9,876,688	9,629,776	-	-	-	-	-	-	-	-
Debt service										
Principal	90,918,150	101,872,999	96,190,448	71,385,689	53,862,694	50,195,486	56,081,833	50,827,141	29,727,811	43,931,475
Interest	114,632,129	113,535,871	98,297,459	99,841,543	91,404,009	78,838,653	60,384,681	60,199,144	30,107,716	47,366,336
Capital outlay										
Facilities acquisition and construction	175,974,734	97,697,019	127,692,090	235,137,735	306,600,491	248,408,891	111,471,496	150,702,316	253,115,980	309,867,343
Intergovernmental charges	-	-	-	-	-	-	-	-	539,634	900,893
Total expenditures	\$ 2,219,846,627	\$ 2,115,408,780	\$ 1,991,668,166	\$ 2,002,334,105	\$ 1,970,000,249	\$ 1,828,240,144	\$ 1,718,655,561	\$ 1,780,658,480	\$ 1,617,416,437	\$ 1,773,789,932

Debt service as a percentage of non-capital expenditures

10.14%

10.81%

10.64%

10.00%

8.96%

8.34%

7.55%

7.13%

4.48%

6.38%

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

After the 2003-2004 fiscal year, the amounts shown under Community Services do not include the expenditures for the Tax Reinvestment Zones.

For the fiscal years ended 2001 and prior, the fiscal year was September 1st through August 31st.

For 2002, the fiscal year was September 1st through June 30th.

For the fiscal years ended 2003 and subsequent years, the fiscal year was July 1st through June 30th.

Prior to 2005-2006, instructional staff development and curriculum development were one function.

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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Excess of revenues under expenditures	\$ (175,867,683)	\$ (114,129,393)	\$ (30,690,911)	\$ (54,799,091)	\$ (177,948,861)	\$ (180,724,269)	\$ (130,320,575)	\$ (166,834,568)	\$ (156,672,687)	\$ (290,866,156)
Other Financing Sources (Uses)										
Capital leases	-	62,307	93,514	47,521	97,233	145,344	45,844	369,161	52,653	238,523
Issuance of bonds and other debt	479,520,000	28,660,000	413,325,000	320,964,999	594,975,000	528,662,757	320,598,660	306,320,674	-	148,883,010
Payments to escrow agents	-	(30,958,706)	-	(329,420,511)	(457,745,910)	(306,205,779)	-	(83,195,000)	-	-
Premium on sale of bonds	7,332,903	17,340,279	12,074,080	23,422,005	28,065,527	-	-	-	-	-
Discount on sale of bonds	(115,214)	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	4,871,945	91,136	1,204,181	14,096,012	44,715,874	-	-	-	-	-
Transfers in	112,085,429	103,858,212	100,241,208	120,880,779	61,323,872	43,065,372	30,632,531	33,365,899	30,736,875	21,476,514
Transfers out	(102,015,404)	(91,408,212)	(88,484,735)	(109,123,706)	(58,208,048)	(40,532,935)	(31,707,520)	(29,265,899)	(25,977,375)	(15,326,514)
Total other financing sources	501,679,659	27,645,016	438,453,248	40,867,099	213,223,548	225,134,759	319,569,515	227,594,835	4,812,153	155,271,533
Net change in fund balances	\$ 325,811,976	\$ (86,484,377)	\$ 407,762,337	\$ (13,931,992)	\$ 35,274,687	\$ 44,410,490	\$ 189,248,940	\$ 60,760,267	\$ (151,860,534)	\$ (135,594,623)

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

For the fiscal years ended 2001 and prior, the fiscal year was September 1st through August 31st.

For 2002, the fiscal year was September 1st through June 30th.

For the fiscal years ended 2003 and subsequent years, the fiscal year was July 1st through June 30th.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
GENERAL FUND AS OF JUNE 30, 2010
(UNAUDITED)**

<u>Explanation</u>	<u>Amount</u>
1 Total General Fund Balance 6/30/10 (Exhibit C-1 object 3000 for the General Fund Only)	<u>\$ 452,151,558</u>
2 Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	<u>\$ 45,515,836</u>
3 Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	<u>\$ 206,909,283</u>
4 Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)	<u>\$ -</u>
5 Estimate of two month's average cash disbursements during the fiscal year	<u>\$ 239,716,684</u>
6 Estimate of delayed payments from state sources (58XX)	<u>\$ -</u>
7 Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	<u>\$ 81,461,639</u>
8 Estimate of delayed payments from federal sources (59XX)	<u>\$ -</u>
9 Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	<u>\$ -</u>
10 Adjustment to meet Board Policy	<u>\$ -</u>
11 Optimum Fund Balance and Cash Flow (2 + 3 + 4 + 5 + 6 + 7 + 8 + 9+10)	<u>\$ 573,603,442</u>
12 Excess/(Deficit) Undesignated Unreserved General Fund Fund Balance (1 -11)	<u><u>\$ (121,451,884)</u></u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2011-2012
GENERAL AND SPECIAL REVENUE FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION, FUNCTION 99 APPRAISAL DISTRICT COS'

Account Number	Account Name	School Board	Tax Collection	Supt's Office	Indirect Cost	Direct Cost	Miscellaneous	Total
611X-6146	Payroll Costs	\$ 258,736	\$ -	\$ 952,962	\$ 33,643,264	\$ 1,344,857	\$ -	\$ 36,199,819
6149	Fringe Benefits (Unused Leave Only for Separating Employees in Function 41 and Related 53)				160,153			160,153
6149	Fringe Benefits (Unused Leave Only for Separating Employees in all Functions except Function 41 and Related 53)				2,898,679			2,898,679
6211	Legal Services	-	-	2,857,902		-		2,857,902
6212	Audit Services				251,200			251,200
6213	Tax Appraisal & Collection (Appraisal district costs only from function 99)		9,876,688					9,876,688
6214	Lobbying				211,404			211,404
621X	Other Professional Services	-	-	-	176,157	2,500	-	178,657
6220	Tuition & Transfer Payments						-	-
6230	Education Service Centers	-	-	-	-	-	-	-
6240	Contracted Maintenance & Repair					4,203,974		4,203,974
6250	Utilities					-		-
6260	Rentals	-	-	-	63,928	-	-	63,928
6290	Miscellaneous Contract	44,768	-	7,084	6,757,150	75,162	-	6,884,164
6320	Textbooks and Reading	239	-	91	33,822	-	-	34,152
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	8,079	-	2,484	525,407	17,923	74,199	628,092
6410	Travel, Subsistence, Stipends	28,196	-	-	399,552	11,712	-	439,460
6420	Insurance & Bonding Costs	-	-	-	93,517	-	-	93,517
6430	Election Costs	339,549						339,549
6490	Miscellaneous Operating	76,896	-	2,972	439,992	46,593	-	566,453
6500	Debt Service						-	-
6600	Capital Outlay						716,092	716,092
6000	TOTAL	\$ 756,463	\$ 9,876,688	\$ 3,823,495	\$ 45,654,225	\$ 5,702,721	\$ 790,291	\$ 66,603,883

Total expenditures/expenses for General and Special Revenue Funds (plus Food Service Enterprise Fund if present) \$ 1,917,685,478

Less: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	\$ 47,225,017
Total Debt & Lease (6500)	\$ 261,896
Plant Maintenance (Function 51, 6100-6400)	\$ 177,307,487
Food	\$ 39,088,405
Stipends (6413)	\$ -
Column 4 (above) - Total Indirect Cost	\$ 45,654,225
Subtotal:	\$ 309,537,030

Net Allowed Direct Cost \$ 1,608,148,448

CUMULATIVE

Total Cost of Buildings before Depreciation	\$ 2,667,090,112
Historical Cost of Buildings over 50 years old	\$ 1,337,742,561
Amount of Federal Money in Building Cost (Net of Above)	\$ 1,857,277
Total Cost of Furniture & Equipment before Depreciation	\$ 293,386,566
Historical Cost of Furniture & Equipment over 16 years old	\$ 14,943,628
Amount of Federal Money in Furniture & Equipment (Net of Above)	\$ 1,492,210

Note A - \$20,019,274 in Function 53 expenditures are included in this report on administrative costs.
\$ 9,876,688 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

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Revenue Capacity



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
2001	\$ 54,386,279,890	\$ 13,320,339,080	\$ 8,488,532,840	\$ 59,218,086,130	\$ 1.519000	\$ N/A
2002	60,455,130,600	14,079,428,610	9,363,630,710	65,170,928,500	1.580000	N/A
2003	64,030,944,440	14,397,788,600	10,152,577,550	68,276,155,490	1.580000	N/A
2004	68,113,266,230	13,864,428,060	10,952,000,430	71,025,693,860	1.580000	N/A
2005	70,978,259,360	13,971,914,230	11,681,949,360	73,268,224,230	1.599000	N/A
2006	75,597,802,444	24,343,574,718	22,311,689,107	77,629,688,055	1.620000	101,680,400,781
2007	83,285,173,149	25,588,015,541	23,692,707,260	85,180,481,430	1.475700	110,419,741,124
2008	93,961,302,124	28,315,796,050	25,702,472,754	96,574,625,420	1.156700	124,486,331,244
2009	105,657,356,884	32,425,515,427	29,974,212,713	108,108,659,598	1.156700	140,724,820,111
2010	106,785,580,557	34,085,106,917	31,806,317,766	109,064,369,708	1.156700	142,508,918,121

SOURCE: Harris County Appraisal District

NOTE: The real property numbers were derived by using the tax roll for the necessary 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. HCAD did not provide market value figures prior to fiscal year 2006.

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	Southside Place	City of West University Place	Houston Community College	Various Harris County MUD'S	
2001	\$ 1,403,000	\$ 0,116,000	\$ 1,519,000	\$ 0,648,020	\$ 0,655,000	\$ 0,490,000	\$ 0,966,000	\$ 0,520,030	\$ 0,221,000	\$ 0,420,000	\$ 0,082,000	\$ 0,144,000 - \$ 1,500,000	
2002	1,450,000	0,130,000	1,580,000	0,646,270	0,655,000	0,490,000	0,841,000	0,503,250	0,215,000	0,420,000	0,081,330	0,144,000 - 1,500,000	
2003	1,450,000	0,130,000	1,580,000	0,646,270	0,655,000	0,490,000	0,899,000	0,491,460	0,215,000	0,430,000	0,081,330	0,144,000 - 1,500,000	
2004	1,450,000	0,130,000	1,580,000	0,646,270	0,655,000	0,480,000	0,819,000	0,510,000	0,215,000	0,447,000	0,081,000	0,144,000 - 1,500,000	
2005	1,450,000	0,149,000	1,599,000	0,646,270	0,650,000	0,480,000	0,807,000	0,501,650	0,215,000	0,440,000	0,095,770	0,144,000 - 1,500,000	
2006	1,450,000	0,170,000	1,620,000	0,646,270	0,647,500	0,470,000	0,831,570	0,498,000	0,230,000	0,430,000	0,095,770	0,143,500 - 1,460,000	
2007	1,325,700	0,150,000	1,475,700	0,646,270	0,645,000	0,440,000	0,708,800	0,494,500	0,230,000	0,402,000	0,095,180	0,143,500 - 1,430,000	
2008	1,006,700	0,150,000	1,156,700	0,635,833	0,643,750	0,400,000	0,671,745	0,499,260	0,251,360	0,366,000	0,092,433	0,143,500 - 1,380,000	
2009	1,006,700	0,150,000	1,156,700	0,635,820	0,638,750	0,377,500	0,661,470	0,517,240	0,347,833	0,359,000	0,092,430	0,143,500 - 1,360,000	
2010	1,006,700	0,150,000	1,156,700	0,636,030	0,638,750	0,375,900	0,721,070	0,528,400	0,347,833	0,358,750	0,092,220	0,143,500 - 1,360,000	

SOURCE: Harris County Appraisal District and Missouri City.

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)**

Taxpayer	Fiscal Year Ending 2010				Fiscal Year Ending 2001			
	Assessed Value	Rank	Percentage of Total Assessed Value		Assessed Value	Rank	Percentage of Total Assessed Value	
Centerpoint Energy Inc.	\$ 1,050,384,614	1	0.9631 %	\$	-	-	- %	
Crescent Real Estate Equities	670,599,627	2	0.6149		334,436,670	8	0.5472	
Hines Interests Ltd Partnership	649,533,262	3	0.5956		773,020,020	1	1.2649	
Cullen Allen Holding	547,697,906	4	0.5022		-	-	-	
Chevron Chemical CO	431,908,700	5	0.3960		-	-	-	
Anheuser Busch Inc.	421,420,837	6	0.3864		410,578,020	5	0.6718	
Southwestern Bell Telephone Co.	418,462,242	7	0.3837		741,244,070	2	1.2129	
MS Crecent Greenway	381,020,446	8	0.3494		-	-	-	
Valero Energy	373,495,188	9	0.3425		-	-	-	
HG Galleria I II III LP	340,594,334	10	0.3123		-	-	-	
Exxon Corp.	-	-	-		244,651,890	9	0.4003	
Trizechahn Allen Center L.P.	-	-	-		408,965,790	6	0.6692	
Continental Airlines Inc.	-	-	-		359,447,820	7	0.5882	
Houston Lighting & Power Co.	-	-	-		692,143,540	3	1.1326	
Crescent Real Estate	-	-	-		498,507,470	4	0.8157	
Metropolitan Life	-	-	-		228,925,200	10	0.3746	
Total	\$ <u>5,285,117,156</u>		<u>4.8461</u> %	\$	<u>4,691,920,490</u>		<u>7.6774</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			Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy		Percentage of Levy		Amount	Percentage of Levy
		Amount					
2001	\$ 876,124,197	\$ 843,876,422		96.32%	\$ 21,156,983	\$ 865,033,405	98.73%
2002	999,199,832	951,716,758		95.25%	34,699,115	986,415,873	98.72%
2003	1,044,932,755	997,991,282		95.51%	34,243,412	1,032,234,694	98.78%
2004	1,084,552,525	1,036,585,717		95.58%	34,217,203	1,070,802,920	98.73%
2005	1,130,129,601	1,083,971,673		95.92%	32,009,805	1,115,981,478	98.75%
2006	1,212,486,814	1,153,120,067		95.10%	47,430,452	1,200,550,519	99.02%
2007	1,217,856,993	1,166,203,551		95.76%	34,382,950	1,200,586,501	98.58%
2008	1,080,025,653	1,037,984,301		96.11%	19,386,281	1,057,370,582	97.90%
2009	1,209,859,983	1,166,266,392		96.40%	10,827,967	1,177,094,359	97.29%
2010	1,220,831,835	1,181,471,318		96.78%	-	1,181,471,318	96.78%

SOURCE: Harris County Tax Assessor

NOTE: For the fiscal years ended 2001 and prior, the fiscal year was September 1st through August 31st.
For 2002, the fiscal year was September 1st through June 30th.
For the fiscal years ended 2003 and subsequent years, the fiscal year was July 1st through June 30th.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

	Last Ten Years Ended	TAX RATE		Assessed Valuation	Fiscal Year Beginning	Current Year Levy	Collection	Debt Service Collection	Adjustments	Fiscal Year Ending
		Maintenance	Debt Service							
	2001 and prior	\$ Various	\$ Various	\$ Various	\$ 25,790,814	\$ -	\$ (1,061,847)	\$ (92,335)	\$ (6,506,651)	\$ 18,129,981
	2002	1.450000	0.130000	65,170,928,500	7,679,703	-	(221,552)	(19,863)	(196,394)	7,241,894
	2003	1.450000	0.130000	68,276,155,490	8,260,694	-	(245,731)	(22,031)	(206,498)	7,786,434
	2004	1.450000	0.130000	71,025,693,860	8,955,724	-	(374,005)	(33,532)	(331,166)	8,217,021
	2005	1.450000	0.149000	73,268,224,230	10,775,955	-	(769,110)	(79,033)	(320,228)	9,607,584
	2006	1.450000	0.170000	77,629,688,055	11,853,577	-	(1,176,817)	(137,972)	(398,522)	10,140,266
	2007	1.325700	0.150000	85,180,481,430	13,466,208	-	(1,400,215)	(158,431)	(1,287,299)	10,620,263
	2008	1.006700	0.150000	96,574,625,420	17,002,352	-	(1,799,081)	(268,066)	(3,739,846)	11,195,359
	2009	1.006700	0.150000	108,108,659,598	53,303,995	-	(9,423,804)	(1,404,163)	(24,426,022)	18,050,006
	2010	1.006700	0.150000	109,064,369,708	-	1,220,831,835	(1,028,258,992)	(153,212,326)	8,224,561	47,585,078
1000	TOTAL			\$ 157,089,022	\$ 1,220,831,835	\$ (1,044,731,156)	\$ (155,427,750)	\$ (29,188,065)	\$ 148,573,886	
9000	Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code			\$ -	\$ -	\$ -	(34,742,855)	(3,025,484)	\$ -	(37,768,339)

Notes: For the years ended 2002 and prior, adjustments include amounts for frozen homestead exemptions for taxpayers 65 years and older as well as amounts for supplemental and correctional tax rolls. In 2003 and subsequent years, the adjustment of frozen homestead exemptions for taxpayers 65 years and older was made directly to the levy figure rather than included with the adjustment column. The frozen homestead exemption for fiscal year 2010 is \$40,715,729.

The June 30, 2010 delinquent taxes receivable balance of \$148,573,886 represents gross taxes receivable and is not reduced by estimated uncollectible taxes of \$41,357,354.

For the fiscal years ended 2001 and prior, the fiscal year was September 1st through August 31st.
For 2002, the fiscal year represents the ten month period of September 1st through June 30th.
For the fiscal year ended 2003 and subsequent years, the fiscal year was July 1st through June 30th.

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Debt Capacity



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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt Limit	\$ 8,889,363,460	\$ 8,811,467,672	\$ 7,871,378,600	\$ 7,308,096,183	\$ 6,660,272,605	\$ 6,286,078,933	\$ 6,093,680,071	\$ 5,857,782,240	\$ 5,591,367,950	\$ 5,080,641,268
Total Net Debt Applicable to Limit	2,183,332,549	1,810,174,050	1,898,989,006	1,597,686,425	1,724,313,845	1,635,328,993	1,422,482,288	1,150,793,497	977,801,709	1,026,110,277
Legal Debt Margin	<u>\$ 6,706,030,911</u>	<u>\$ 7,001,293,622</u>	<u>\$ 5,972,389,594</u>	<u>\$ 5,710,409,758</u>	<u>\$ 4,935,958,760</u>	<u>\$ 4,650,749,940</u>	<u>\$ 4,671,197,783</u>	<u>\$ 4,706,988,743</u>	<u>\$ 4,613,566,241</u>	<u>\$ 4,054,530,991</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.56%	20.54%	24.13%	21.86%	25.89%	26.02%	23.34%	19.65%	17.49%	20.20%

Legal Debt Margin Calculation for Fiscal Year 2010:

Assessed Value	\$109,064,369,708
Maximum Tax Rate (1)	\$0.50
Number of Years (2)	40
Maximum Principal	\$ -
Outstanding Principal (3)	\$ 2,330,239,619

Notes:

(1) Per Section 45.0031 of the Texas Education Code, the district has to have a projected ability to pay the principal of and interest on the bonds from a tax at a rate not to exceed \$0.50 per \$100 of valuation.

(2) Per Section 45.001, the Bonds must mature serially or otherwise not more than 40 years from their date

(3) Outstanding Principal includes bonded debt, contractual obligations, notes payable, and capital leases net of reserves for retirement of bonded debt. Net debt applicable to the legal debt margin is equal to net bonded debt

For the fiscal years ended 2001 and prior, the fiscal year was September 1st through August 31st.

For 2002, the fiscal year was September 1st through June 30th.

For the fiscal year ended 2003 and subsequent years, the fiscal year was July 1st through June 30th

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 Reserve For		Ratio of Net Bonded Debt to Assessed Value (2)	Net Bonded Debt	Net Bonded Debt Per Student (3)	Ratio of Debt to Personal Income (4)	Net Bonded Debt Per Capita (5)
		Retirement of Bonded Debt	Bonded Debt					
2001	\$ 1,051,928,808	\$ 25,818,531	\$ 1,026,110,277	1.73	\$ 4,922	0.59	\$ 208	
2002	1,051,928,808	74,127,099	977,801,709	1.50	4,641	0.56	193	
2003	1,224,018,979	73,225,482	1,150,793,497	1.69	5,434	0.64	222	
2004	1,493,475,003	70,992,715	1,422,482,288	2.00	6,737	0.74	270	
2005	1,714,880,965	79,551,972	1,635,328,993	2.23	7,845	0.80	304	
2006	1,812,816,644	88,502,799	1,724,313,845	2.22	8,216	0.78	314	
2007	1,697,322,423	99,635,998	1,597,686,425	1.88	7,873	0.67	283	
2008	2,003,213,127	104,224,121	1,898,989,006	1.97	9,517	0.74	328	
2009	1,917,674,317	107,500,267	1,810,174,050	1.67	9,072	0.69	304	
2010	2,304,234,770	120,902,221	2,183,332,549	2.00	10,865	0.81	358	

Notes:

- (1) Includes general obligation bonds and lease revenue bonds.
- (2) See assessed value and actual value of taxable property schedule.
- (3) See student information schedule.
- (4) See personal income of demographic information schedule.
- (5) See population of demographic information schedule.

For the fiscal years ended 2001 and prior, the fiscal year was September 1st through August 31st.
For 2002, the fiscal year was September 1st through June 30th.
For the fiscal year ended 2003 and subsequent years, the fiscal year was July 1st through June 30th.

**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>
<u>Overlapping :</u>				
Bellaire, City of	\$ 68,115,000	06/30/10	100.00%	\$ 68,115,000
Ft. Bend WC&ID #2	52,580,000	06/30/10	0.00%	-
Harris County	2,276,936,629	06/30/10	38.50%	876,620,602
Harris County Dept of Ed	8,160,000	06/30/10	38.50%	3,141,600
Harris County Flood Control	105,482,945	06/30/10	38.50%	40,610,934
Harris County ID #1	12,085,000	06/30/10	100.00%	12,085,000
Harris County MUD #122	1,880,000	06/30/10	100.00%	1,880,000
Harris County MUD #355	12,820,000	06/30/10	100.00%	12,820,000
Harris County MUD #390	15,900,000	06/30/10	100.00%	15,900,000
Harris County MUD #393	9,105,000	06/30/10	100.00%	9,105,000
Harris County MUD #407	5,260,000	06/30/10	100.00%	5,260,000
Harris County MUD #410	5,315,000	06/30/10	27.76%	1,475,444
Harris County MUD #411	4,535,000	06/30/10	100.00%	4,535,000
Harris County MUD #420	2,920,000	06/30/10	100.00%	2,920,000
Harris County Toll Road	-	06/30/10	38.50%	-
Harris County WC&ID #89	28,455,000	06/30/10	100.00%	28,455,000
Harris County WC&ID (Fondren Road)	3,305,000	06/30/10	100.00%	3,305,000
Houston, Community College	246,425,000	06/30/10	100.00%	246,425,000
Houston, City of	3,217,575,265	06/30/10	64.87%	2,087,241,074
Jacinto City, City of	5,940,000	06/30/10	35.71%	2,121,174
Missouri City, City of	145,794,997	06/30/10	99.90%	145,649,202
Port of Houston Authority	544,664,397	06/30/10	38.50%	209,695,793
Southside Place, City of	7,980,000	06/30/10	100.00%	7,980,000
Southwest Harris Co. MUD #1	2,485,000	06/30/10	100.00%	2,485,000
West University Place, City of	75,615,000	06/30/10	100.00%	75,615,000
SUBTOTAL OVERLAPPING DEBT				<u>3,863,440,823</u>
<u>Direct :</u>				
Houston Independent School District				<u>2,502,066,546</u>
TOTAL DIRECT AND OVERLAPPING DEBT				<u>\$ 6,365,507,369</u>

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

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

Bonds	\$ 2,179,272,057
Notes	71,020,000
Contractual Obligations	75,855,000
PFC debt	124,962,713
Accretion of HISD CABS	137,849,066
Accretion of PFC CABS	34,009,931
Debt Service Fund Balance	(120,902,221)
	<u>\$ 2,502,066,546</u>

**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 Personal Income (3)	Ratio of Debt to Per Capita (4)
2001	\$ 968,242,992	\$ 83,685,816	\$ 73,345,000	\$ 111,200,000	\$ 588,273	\$ 1,237,062,081	2.09	\$ 5,934	0.71%	\$ 250.16
2002	968,242,992	83,685,816	73,345,000	111,200,000	171,915	1,236,645,723	1.90	5,870	0.71%	244.04
2003	1,145,970,690	78,048,289	65,195,000	112,875,000	370,153	1,402,459,132	2.05	6,623	0.77%	271.02
2004	1,421,065,621	72,409,385	66,580,000	108,500,000	223,423	1,668,778,429	2.35	7,903	0.87%	316.21
2005	1,648,183,856	66,697,109	62,880,000	46,060,000	174,135	1,823,995,100	2.49	8,750	0.89%	338.99
2006	1,718,248,751	94,567,893	64,065,000	36,460,000	174,955	1,913,516,599	2.46	9,117	0.87%	348.01
2007	1,608,741,937	88,580,486	55,455,000	89,320,000	103,719	1,842,201,142	2.16	9,078	0.77%	326.13
2008	1,920,598,412	82,614,715	63,405,000	80,350,000	126,044	2,147,094,171	2.22	10,761	0.84%	370.37
2009	1,841,019,732	76,654,585	63,600,000	76,045,000	119,435	2,057,438,752	1.90	10,312	0.79%	345.91
2010	2,179,272,057	124,962,713	75,855,000	71,020,000	32,070	2,451,141,840	2.25	12,198	0.90%	401.66

Notes: (1) See assessed value and actual value of taxable property schedule

(2) See student information schedule

(3) See personal income of demographic information schedule

(4) See population of demographic information schedule

For the fiscal years ended 2001 and prior, the fiscal year was September 1st through August 31st.
For 2002, the fiscal year was September 1st through June 30th.
For the fiscal year ended 2003 and subsequent years, the fiscal year was July 1st through June 30th.

Lease revenue bonds have not been reported as a separate category in prior year reports.

Demographic and Economic Information



**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
2001	4,945,000	\$ 173,821,695,000	\$ 35,151	188,813	4.70 %	281,341	\$ 20,799,684,250	\$ 73,931
2002	5,067,400	173,766,213,400	34,291	190,944	6.10	283,429	24,093,600,320	85,008
2003	5,174,800	181,061,077,200	34,989	192,490	6.80	286,275	26,546,678,810	92,731
2004	5,277,500	192,781,797,500	36,529	191,701	6.20	287,367	29,279,927,760	101,890
2005	5,380,661	205,591,473,290	38,209	188,998	5.60	289,623	31,617,771,873	109,169
2006	5,498,497	219,968,341,103	40,005	192,231	5.00	292,644	34,076,047,005	116,442
2007	5,648,606	239,396,301,338	42,381	181,493	4.30	298,599	37,232,538,665	124,691
2008	5,797,165	257,043,414,055	44,340	179,329	4.70	302,998	41,506,428,522	136,986
2009	5,947,891	260,799,178,195	43,847	179,830	6.40	307,756	45,467,649,666	147,739
2010	6,102,536	271,031,738,271	44,413	180,948	8.40	309,986	46,752,215,763	150,820

NOTES:

Population figures (for fiscal year 2004 and prior) were for the Houston-Sugarland-Baytown MSA and were obtained from the US Bureau of Economic Analysis via DATAbook Houston (June 2006)
Population figure for fiscal year 2005 is an estimate from the US Census Bureau.
Population figures for fiscal year 2006 and subsequent years are estimates based on the average percentage increase in population

Per capita income figures (for the fiscal year 2004 and prior) were for the Houston-Sugarland-Baytown MSA and were obtained from the US Bureau of Economic Analysis via DATAbook Houston (June 2006)
Per capita income figures for the fiscal year 2005 and subsequent years are estimates based on the increase reported by the US Bureau of Economic Analysis via DATAbook Houston

Average Daily Attendance obtained from the Academic Excellence Indicator System

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

Information 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 2010</u>			<u>Fiscal Year Ending 2001</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	30,535	1	1.2235 %	16,200	4	0.7098 %
Memorial Hermann Healthcare	20,990	2	0.8411	13,406	7	0.5874
Administaff	17,511	3	0.7016	18,496	2	0.8104
UT MD Anderson Cancer Center	17,295	4	0.6930	-	-	-
Continental Airlines	16,643	5	0.6669	20,764	1	0.9097
Kroger Co.	15,117	6	0.6057	15,088	6	0.6611
Exxon Mobil Corp.	14,356	7	0.5752	16,091	5	0.7050
H-E-B	13,575	8	0.5439	-	-	-
Methodist Hospital System	12,408	9	0.4972	-	-	-
Shell Oil Co.	11,000	10	0.4408	-	-	-
UT Medical Branch - Galveston	-	-	-	13,230	8	0.5796
Halliburton	-	-	-	17,743	3	0.7774
Compaq Computer Corp.	-	-	-	11,637	10	0.5099
McDonald's Corp.	-	-	-	11,810	9	0.5174
Total	<u>169,430</u>		<u>6.7889 %</u>	<u>154,465</u>		<u>6.7677 %</u>

Notes: Employment numbers were obtained from the Houston Chronicle

Percentage of total employment was calculated using total non-agricultural employment for the Houston-Sugarland-Baytown MSA and was obtained from the U.S. Bureau of Economic Statistics via DATAbook Houston (April 2010).

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

Operating Information



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

	Employees as of June 30									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Instruction	15,075	14,965	14,782	15,018	14,927	14,510	14,639	14,944	15,165	15,069
Instructional resources and media services	222	244	197	216	233	250	259	276	295	317
Instructional staff development	224	414	379	297	278	370	480	534	536	490
Curriculum development	55	48	48	49	34	-	-	-	-	-
Instructional leadership	293	285	268	263	267	279	256	266	293	258
School leadership	2,462	2,478	2,512	2,391	2,366	2,338	2,332	2,222	2,076	1,928
Guidance, counseling, and evaluation services	523	526	546	520	520	549	512	546	637	646
Social work services	40	38	39	38	45	44	47	52	73	72
Health services	299	319	314	320	326	322	336	334	352	344
Student transportation services	1,282	1,280	1,195	1,203	1,194	1,216	1,174	1,361	1,430	1,420
Food service	1,775	1,672	1,732	1,747	1,599	1,584	1,532	1,513	1,494	1,497
Co-curricular/extracurricular activities	87	146	140	144	139	160	163	192	190	177
General administration	462	445	428	405	385	388	402	439	486	479
Plant maintenance and operations	2,105	2,124	2,060	2,022	1,926	2,003	2,105	2,158	2,331	2,361
Security and monitoring services	828	828	897	823	835	796	750	725	717	673
Data processing services	222	216	215	199	193	169	184	187	227	223
Community services	79	85	92	96	121	142	147	141	133	181
Facilities acquisition and construction	51	43	40	37	133	135	132	142	138	138
Total	26,084	26,156	25,884	25,788	25,521	25,255	25,450	26,032	26,573	26,273

NOTE: Information obtained from the District's payroll system (Peoplesoft)

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

**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
2001	208,462	11,197.1	18.6	14.8	\$ 1,340,808,147	\$ 6,432	77.0 %
2002	210,670	12,097.0	17.4	14.7	1,275,938,590	6,057	79.0
2003	211,762	12,385.7	17.1	14.7	1,445,409,982	6,826	80.3
2004	211,157	12,276.8	17.2	14.9	1,426,901,137	6,758	81.7
2005	208,454	12,008.9	17.4	14.9	1,417,685,634	6,801	82.8
2006	209,879	12,081.6	17.4	14.9	1,475,607,698	7,031	81.8
2007	202,936	12,057.4	16.8	14.7	1,540,473,027	7,591	78.1
2008	199,534	11,970.7	16.7	14.5	1,633,244,460	8,185	79.3
2009	199,524	11,993.8	16.6	14.4	1,735,076,675	8,696	80.5
2010	200,944	12,029.9	16.7	N/A	1,800,176,524	8,959	79.1

NOTES: PEIMS - Fall Collection, Resubmission

Information obtained from AEIS (Academic Excellence Indicator System)

N/A - State Student/Teacher Ratio was not available at time of printing

Operating Expenditures are total governmental expenditures less debt service and capital outlays.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
GIFTED AND TALENTED/SPECIAL EDUCATION STUDENT DATA
LAST TEN CALENDAR YEARS
(UNAUDITED)**

Calendar Year	Gifted and Talented Enrollment	Gifted and Talented % of Total Enrollment	State Gifted and Talented %	Special Education Enrollment	Special Education % of Total Enrollment	State Special Education %
2001	21,231	10.2 %	8.4 %	20,647	9.9 %	11.9 %
2002	19,661	9.3	8.2	20,706	9.8	11.7
2003	19,181	9.1	7.8	20,696	9.8	11.6
2004	20,713	9.8	7.8	21,128	10.0	11.6
2005	21,716	10.4	7.7	21,112	10.1	11.6
2006	23,440	11.2	7.6	20,223	9.6	11.1
2007	24,376	12.0	7.5	20,030	9.9	10.6
2008	23,860	12.0	7.5	17,961	9.0	10.0
2009	24,979	12.5	7.5	16,657	8.3	9.4
2010	27,069	13.3	N/A	16,503	8.1	N/A

NOTES: Information obtained from AEIS (Academic Excellence Indicator System)

State Gifted and Talented/Special Education percentages for 2010 have not been prepared by the Texas Education Agency.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
LEP/ECONOMICALLY DISADVANTAGED STUDENT DATA
LAST TEN CALENDAR YEARS
(UNAUDITED)**

Calendar Year	Limited English Proficiency Enrollment	Limited English Proficiency % of Total Enrollment	State Limited English Proficiency %	Economically Disadvantaged Enrollment	Economically Disadvantaged % of Total Enrollment	State Economically Disadvantaged %
2001	56,738	27.2 %	14.1 %	160,616	77.0 %	49.3 %
2002	59,903	28.4	14.5	166,429	79.0	50.5
2003	60,465	28.6	14.9	170,073	80.3	51.9
2004	61,142	29.0	15.3	172,464	81.7	52.8
2005	59,481	28.5	15.6	172,675	82.8	54.6
2006	58,713	28.0	15.8	171,693	81.8	55.6
2007	55,407	27.4	16.0	158,095	78.1	55.5
2008	59,055	29.7	16.7	157,995	79.5	55.3
2009	61,755	31.0	16.9	161,591	81.0	56.7
2010	62,262	30.7	N/A	160,692	79.2	N/A

NOTES: Information obtained from AEIS (Academic Excellence Indicator System)

State LEP/Economically Disadvantaged percentages for 2010 have not been prepared by the Texas Education Agency.

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

Calendar Year	Beginning Salary			Average Salary		
	HISD	Region	State	HISD	Region	State
2001	32,097	31,320	29,824	41,518	40,266	38,361
2002	32,131	32,226	30,940	42,057	41,149	39,232
2003	34,068	33,398	31,876	43,027	41,964	39,974
2004	34,054	34,588	32,744	43,778	42,531	40,478
2005	34,909	35,733	33,775	44,235	43,107	41,011
2006	36,114	36,154	34,055	44,950	43,852	41,744
2007	39,530	39,454	38,095	48,008	46,675	44,897
2008	42,681	41,296	39,372	50,230	48,053	46,179
2009	44,119	42,418	40,372	51,580	49,186	47,159
2010	45,072	N/A	N/A	52,523	N/A	N/A

NOTES: Information obtained from AEIS (Academic Excellence Indicator System)

Regional and State information for fiscal year 2010 was not available at time of printing

2010 Salaries are from PEIMS (Public Education Information Management System)

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

Calendar Year	Bachelor's Degree			Master's Degree			Doctorate		
	Minimum	Maximum	Teacher Count	Minimum	Maximum	Teacher Count	Minimum	Maximum	Teacher Count
2001	33,750	50,848	7,625.9	34,750	53,586	3,381.1	35,750	56,325	190.1
2002	34,765	53,940	8,509.1	35,795	56,844	3,391.7	36,825	59,750	196.2
2003	34,765	53,940	8,603.4	35,795	56,844	3,560.6	36,825	59,750	221.7
2004	35,000	55,558	8,563.0	36,000	58,549	3,495.4	37,000	61,543	218.4
2005	35,000	56,669	8,391.8	36,000	59,720	3,387.2	37,000	62,774	229.9
2006	36,050	58,369	8,483.0	37,080	61,512	3,371.3	38,110	64,657	227.4
2007	40,269	61,478	8,482.0	41,277	64,652	3,289.0	42,289	67,829	231.6
2008	42,745	63,222	8,398.6	43,745	66,592	3,278.1	44,745	69,864	230.0
2009	44,027	65,222	8,462.0	45,057	68,590	3,246.2	46,087	71,960	223.6
2010	44,987	66,182	8,454.5	46,017	69,550	3,291.3	47,047	72,920	219.6

NOTES: Information obtained from AEIS (Academic Excellence Indicator System)

Minimum/maximum range obtained from District records.

Bachelor's degree teacher count includes a small number of non-degreed teachers

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**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Elementary										
Alcott (1953)										
Square feet	60,497	60,497	60,497	60,497	65,336	65,336	65,336	65,336	65,336	65,336
Capacity	632	632	632	632	774	774	774	774	774	774
Enrollment	467	488	487	532	592	605	589	608	587	564
Almeda (1914)										
Square feet	46,367	46,367	46,367	46,367	42,823	42,823	42,823	42,823	42,823	42,823
Capacity	663	663	663	663	549	549	549	549	549	549
Enrollment	747	757	717	670	598	668	644	679	686	658
Anderson (1959)										
Square feet	76,110	76,110	76,110	76,110	76,110	76,110	76,110	76,110	76,110	98,815
Capacity	959	959	959	959	959	959	959	959	959	1,245
Enrollment	667	695	696	711	801	829	884	926	986	1,467
Armandina Farias (2005)										
Square feet	39,885	39,885	39,885	39,885	40,000	-	-	-	-	-
Capacity	418	418	418	418	350	-	-	-	-	-
Enrollment	418	418	418	377	371	-	-	-	-	-
Ashford (1971)										
Square feet	83,294	83,294	83,294	83,294	78,766	78,766	78,766	78,766	78,766	70,258
Capacity	621	621	621	621	756	756	756	756	756	756
Enrollment	522	443	433	524	559	525	538	542	750	655
Askew (1977)										
Square feet	67,383	67,383	67,383	67,383	70,791	70,791	70,791	70,791	70,791	70,791
Capacity	900	900	900	900	833	833	833	833	833	833
Enrollment	872	884	855	870	914	865	856	875	902	847
Atherton (1927)										
Square feet	48,562	48,562	48,562	48,562	48,131	48,131	48,131	48,131	48,131	48,131
Capacity	411	411	411	411	468	468	468	468	468	468
Enrollment	357	387	347	378	373	413	407	468	494	473
Barrick (1949)										
Square feet	57,857	57,857	57,857	57,857	54,431	54,431	54,431	54,431	54,431	54,431
Capacity	704	704	704	704	679	679	679	679	679	679
Enrollment	709	681	706	735	729	927	908	934	903	897
Bastian (1950)										
Square feet	105,276	105,276	105,276	105,276	108,000	108,000	108,000	108,000	108,000	47,383
Capacity	942	942	942	942	824	824	824	824	824	824
Enrollment	761	765	709	491	543	571	591	602	556	568
Bell (1978)										
Square feet	70,639	70,639	70,639	70,639	71,041	71,041	71,041	71,041	71,041	71,041
Capacity	799	799	799	799	850	850	850	850	850	850
Enrollment	801	772	796	733	736	770	778	857	902	1,004

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Bellfort (1960)										
Square feet	43,583	43,583	43,583	43,583	44,383	44,383	44,383	44,383	44,383	44,383
Capacity	427	427	427	427	342	342	342	342	342	342
Enrollment	336	297	287	271	297	306	324	289	314	298
Benavidez (1962)										
Square feet	93,786	93,786	93,786	93,786	91,419	91,419	91,419	91,419	91,419	91,419
Capacity	1,204	1,204	1,204	1,204	1,033	1,033	1,033	1,033	1,033	1,033
Enrollment	989	954	1,021	1,010	982	993	1,006	1,016	964	1,408
Benbrook (1968)										
Square feet	44,595	44,595	44,595	44,595	43,730	43,730	43,730	43,730	43,730	43,730
Capacity	576	576	576	576	479	479	479	479	479	479
Enrollment	546	507	508	507	577	520	521	541	548	548
Berry (1950)										
Square feet	51,732	51,732	51,732	51,732	54,529	54,529	54,529	54,529	54,529	54,529
Capacity	614	614	614	614	747	747	747	747	747	747
Enrollment	630	630	632	580	571	545	587	597	602	624
Blackshear (1916)										
Square feet	96,976	96,976	96,976	96,976	71,987	71,987	71,987	71,987	71,987	71,987
Capacity	541	541	541	541	660	660	660	660	660	660
Enrollment	427	323	345	387	388	436	451	464	578	558
Bonham (1962)										
Square feet	83,201	83,201	83,201	83,201	70,240	70,240	70,240	70,240	70,240	70,240
Capacity	1,495	1,495	1,495	1,495	1,089	1,089	1,089	1,089	1,089	1,089
Enrollment	877	928	971	1,065	1,149	1,138	1,122	1,170	1,239	1,216
Bonner (1948)										
Square feet	102,316	102,316	102,316	102,316	61,813	61,813	61,813	61,813	61,813	48,757
Capacity	1,214	1,214	1,214	1,214	862	862	862	862	862	862
Enrollment	950	839	854	864	877	835	897	856	877	864
Braeburn (1956)										
Square feet	84,218	84,218	84,218	84,218	85,945	85,945	85,945	85,945	85,945	85,945
Capacity	943	943	943	943	1,096	1,096	1,096	1,096	1,096	1,096
Enrollment	966	965	931	911	923	983	972	976	1,062	1,132
Briargrove (2008)										
Square feet	103,585	103,585	103,585	-	-	-	-	-	-	-
Capacity	817	817	817	-	-	-	-	-	-	-
Enrollment	851	837	792	-	-	-	-	-	-	-
Briar Meadow (2001)										
Square feet	122,759	122,759	122,759	122,759	83,000	83,000	83,000	83,000	83,000	83,000
Capacity	546	546	546	546	432	432	432	432	432	432
Enrollment	541	543	390	515	400	450	414	346	318	214

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Briscoe (1928)										
Square feet	53,829	53,829	53,829	53,829	55,453	55,453	55,453	55,453	55,453	55,453
Capacity	691	691	691	691	612	612	612	612	612	612
Enrollment	528	539	505	525	513	537	543	588	586	545
Brookline (1952)										
Square feet	121,979	121,979	121,979	121,979	89,349	89,349	89,349	89,349	89,349	89,349
Capacity	1,168	1,168	1,168	1,168	1,150	1,150	1,150	1,150	1,150	1,150
Enrollment	1,031	1,019	1,041	988	980	1,013	1,076	1,080	1,388	1,367
Browning (1927)										
Square feet	52,570	52,570	52,570	52,570	46,161	46,161	46,161	46,161	46,161	46,161
Capacity	711	711	711	711	549	549	549	549	549	549
Enrollment	577	562	522	531	509	545	566	592	593	610
Bruce (1959)										
Square feet	80,916	80,916	80,916	80,916	56,757	56,757	56,757	56,757	56,757	56,757
Capacity	671	671	671	671	504	504	504	504	504	504
Enrollment	593	587	513	409	380	425	411	433	456	475
Burbank (1927)										
Square feet	81,647	81,647	81,647	81,647	86,032	86,032	86,032	86,032	86,032	86,032
Capacity	868	868	868	868	893	893	893	893	893	893
Enrollment	858	827	829	777	792	836	839	808	869	933
Burnet (1926)										
Square feet	76,801	76,801	76,801	76,801	81,266	81,266	81,266	81,266	81,266	81,266
Capacity	928	928	928	928	846	846	846	846	846	846
Enrollment	621	652	646	659	713	685	761	803	810	817
Burrus (1926)										
Square feet	71,188	71,188	71,188	71,188	76,679	76,679	76,679	76,679	76,679	76,679
Capacity	517	517	517	517	540	540	540	540	540	540
Enrollment	378	360	363	369	373	422	425	422	408	393
Bush (1992)										
Square feet	87,803	87,803	87,803	87,803	79,320	79,320	79,320	79,320	79,320	79,320
Capacity	978	978	978	978	800	800	800	800	800	800
Enrollment	673	658	627	1,011	1,053	1,039	965	935	1,104	1,096
Cage (1907)										
Square feet	60,205	60,205	60,205	60,205	61,934	61,934	61,934	61,934	61,934	61,934
Capacity	906	906	906	906	706	706	706	706	706	706
Enrollment	847	820	680	706	726	737	745	791	797	778
Carrillo (1993)										
Square feet	80,281	80,281	80,281	80,281	76,474	76,474	76,474	76,474	76,474	76,474
Capacity	830	830	830	830	717	717	717	717	717	717
Enrollment	670	645	707	714	725	749	788	824	861	845

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Chatham (1964)										
Square feet	42,379	42,379	42,379	42,379	42,379	42,379	42,379	42,379	42,379	42,379
Capacity	429	429	429	429	429	429	429	429	429	429
Enrollment	N/A	N/A	N/A	N/A	198	210	220	216	205	219
Codwell (1977)										
Square feet	58,946	58,946	58,946	58,946	59,572	59,572	59,572	59,572	59,572	59,572
Capacity	750	750	750	750	535	535	535	535	535	535
Enrollment	608	648	661	670	702	675	691	680	692	669
Concord/Inspired (1967)										
Square feet	42,230	42,230	42,230	42,230	54,692	54,692	54,692	54,692	54,692	54,692
Capacity	42	42	42	42	358	358	358	358	358	358
Enrollment	66	65	44	41	191	208	210	245	212	273
Condit (1929)										
Square feet	46,502	46,502	46,502	46,502	41,011	41,011	41,011	41,011	41,011	41,011
Capacity	579	579	579	579	498	498	498	498	498	498
Enrollment	649	609	611	585	615	612	616	640	645	658
Cook (2007)										
Square feet	89,049	89,049	89,049	89,049	-	-	-	-	-	-
Capacity	657	657	657	657	-	-	-	-	-	-
Enrollment	718	714	716	677	-	-	-	-	-	-
Coop (1950)										
Square feet	83,409	83,409	83,409	83,409	58,139	58,139	58,139	58,139	58,139	58,139
Capacity	712	712	712	712	781	781	781	781	781	781
Enrollment	745	779	733	723	738	698	738	783	773	759
Cornelius (1960)										
Square feet	76,904	76,904	76,904	76,904	65,926	65,926	65,926	65,926	65,926	65,926
Capacity	920	920	920	920	890	890	890	890	890	890
Enrollment	961	964	946	927	858	878	829	893	1,057	1,053
Crawford (1917)										
Square feet	57,180	57,180	57,180	57,180	59,948	59,948	59,948	59,948	59,948	59,948
Capacity	429	429	429	429	468	468	468	468	468	468
Enrollment	261	273	285	299	353	360	271	294	244	224
Crespo (1991)										
Square feet	85,508	85,508	85,508	85,508	77,109	77,109	77,109	77,109	77,109	77,109
Capacity	900	900	900	900	766	766	766	766	766	766
Enrollment	885	868	935	863	890	872	867	882	931	871
Crockett (1980)										
Square feet	40,749	40,749	40,749	40,749	37,678	37,678	37,678	37,678	37,678	37,678
Capacity	325	325	325	325	322	322	322	322	322	322
Enrollment	412	414	426	533	540	388	388	350	354	380

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Cunningham (1953)										
Square feet	56,747	56,747	56,747	56,747	71,346	71,346	71,346	71,346	71,346	71,346
Capacity	719	719	719	719	963	963	963	963	963	963
Enrollment	708	673	685	704	694	690	767	812	618	900
Daily (2007)										
Square feet	82,572	82,572	82,572	82,572	-	-	-	-	-	-
Capacity	697	697	697	697	-	-	-	-	-	-
Enrollment	717	652	656	343	-	-	-	-	-	-
Davila (1990)										
Square feet	80,396	80,396	80,396	80,396	78,546	78,546	78,546	78,546	78,546	78,546
Capacity	837	837	837	837	720	720	720	720	720	720
Enrollment	662	695	722	731	836	885	928	834	803	781
De Chaumes (1956)										
Square feet	53,559	53,559	53,559	53,559	48,014	48,014	48,014	48,014	48,014	48,014
Capacity	676	676	676	676	585	585	585	585	585	585
Enrollment	686	662	615	660	670	622	621	595	606	592
De Zavala (1928)										
Square feet	64,141	64,141	64,141	64,141	67,437	67,437	67,437	67,437	67,437	67,437
Capacity	747	747	747	747	682	682	682	682	682	682
Enrollment	640	618	615	624	681	678	739	748	717	659
Dodson (1921)										
Square feet	82,976	82,976	82,976	82,976	82,951	82,951	82,951	82,951	82,951	82,951
Capacity	748	748	748	748	810	810	810	810	810	810
Enrollment	437	422	443	503	512	431	463	518	576	678
Dogan (1949)										
Square feet	50,637	50,637	50,637	50,637	54,519	54,519	54,519	54,519	54,519	54,519
Capacity	396	396	396	396	450	450	450	450	450	450
Enrollment	329	334	330	375	358	364	379	409	412	437
Durham (1967)										
Square feet	47,857	47,857	47,857	47,857	70,003	70,003	70,003	70,003	70,003	70,003
Capacity	543	543	543	543	395	395	395	395	395	395
Enrollment	450	457	461	480	499	480	458	462	447	410
Durkee (1954)										
Square feet	72,334	72,334	72,334	72,334	62,206	62,206	62,206	62,206	62,206	62,206
Capacity	764	764	764	764	894	894	894	894	894	894
Enrollment	665	648	665	682	695	1,057	1,039	1,045	1,067	984
Eleanor Tinsely (2001)										
Square feet	90,415	90,415	90,415	90,415	90,000	90,000	90,000	90,000	90,000	90,000
Capacity	757	757	757	757	815	815	815	815	815	815
Enrollment	761	741	675	691	742	715	751	807	831	-

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Eliot (1926)										
Square feet	86,834	86,834	86,834	86,834	86,830	86,830	86,830	86,830	86,830	86,830
Capacity	983	983	983	983	894	894	894	894	894	894
Enrollment	577	542	563	569	634	682	692	692	745	769
Elrod (1964)										
Square feet	66,456	66,456	66,456	66,456	74,096	74,096	74,096	74,096	74,096	74,096
Capacity	731	731	731	731	925	925	925	925	925	925
Enrollment	490	474	541	544	564	578	620	647	728	910
Emerson (1963)										
Square feet	65,364	65,364	65,364	65,364	60,451	60,451	60,451	60,451	60,451	60,451
Capacity	773	773	773	773	762	762	762	762	762	762
Enrollment	831	812	804	720	790	775	797	822	777	815
Fairchild(1960)/Kandy Stripe										
Square feet	51,571	51,571	51,571	51,571	45,427	45,427	45,427	45,427	45,427	45,427
Capacity	536	536	536	536	536	536	536	536	536	536
Enrollment	430	N/A	N/A	299	338	398	401	420	447	488
Field (1928)										
Square feet	54,809	54,809	54,809	54,809	55,224	55,224	55,224	55,224	55,224	55,224
Capacity	483	483	483	483	627	627	627	627	627	627
Enrollment	451	367	378	384	388	438	492	529	548	578
Foerster (1969)										
Square feet	67,013	67,013	67,013	67,013	66,918	66,918	66,918	66,918	66,918	66,918
Capacity	824	824	824	824	817	817	817	817	817	817
Enrollment	643	685	713	695	784	568	664	778	923	1,064
Fondren (1960)										
Square feet	40,001	40,001	40,001	40,001	38,404	38,404	38,404	38,404	38,404	38,404
Capacity	579	579	579	579	594	594	594	594	594	594
Enrollment	425	408	430	410	444	431	430	456	478	510
Foster (1949/2007)										
Square feet	79,998	79,998	79,998	79,998	61,658	61,658	61,658	61,658	61,658	61,658
Capacity	692	692	692	692	663	663	663	663	663	663
Enrollment	520	492	504	548	457	487	597	663	664	701
Franklin (1948)										
Square feet	64,274	64,274	64,274	64,274	74,640	74,640	74,640	74,640	74,640	74,640
Capacity	864	864	864	864	764	764	764	764	764	764
Enrollment	577	591	607	618	691	642	683	700	748	846
Frost (1963)										
Square feet	59,465	59,465	59,465	59,465	60,320	60,320	60,320	60,320	60,320	60,320
Capacity	566	566	566	566	530	530	530	530	530	530
Enrollment	467	552	527	544	619	674	719	729	705	723

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Gabriela Mistral (2005)										
Square feet	38,899	38,899	38,899	38,899	40,000	40,000	-	-	-	-
Capacity	418	418	418	418	350	350	-	-	-	-
Enrollment	412	395	395	394	366	-	-	-	-	-
Gallegos (1992)										
Square feet	73,925	73,925	73,925	73,925	73,176	73,176	73,176	73,176	73,176	73,176
Capacity	697	697	697	697	647	647	647	647	647	647
Enrollment	542	589	571	603	599	647	730	786	793	779
Garcia (1992)										
Square feet	111,056	111,056	111,056	111,056	75,293	75,293	75,293	75,293	75,293	75,293
Capacity	816	816	816	816	754	754	754	754	754	754
Enrollment	801	789	773	780	799	791	791	793	813	828
Garden Oaks (1949)										
Square feet	41,306	41,306	41,306	41,306	54,617	54,617	54,617	54,617	54,617	54,617
Capacity	586	586	586	586	533	533	533	533	533	533
Enrollment	563	498	479	550	542	550	585	619	622	614
Garden Villas (1931)										
Square feet	93,762	93,762	93,762	93,762	83,332	83,332	83,332	83,332	83,332	83,332
Capacity	879	879	879	879	636	636	636	636	636	636
Enrollment	974	991	980	1,013	976	972	943	930	925	927
Golfcrest (1949)										
Square feet	71,475	71,475	71,475	71,475	73,322	73,322	73,322	73,322	73,322	73,322
Capacity	769	769	769	769	872	872	872	872	872	872
Enrollment	735	715	695	750	749	758	773	812	925	917
Gordon (1955)										
Square feet	37,425	37,425	37,425	37,425	40,226	40,226	40,226	40,226	40,226	40,226
Capacity	432	432	432	432	441	441	441	441	441	441
Enrollment	405	379	364	408	453	457	470	470	465	537
Gregg (1954)										
Square feet	47,713	47,713	47,713	47,713	42,512	42,512	42,512	42,512	42,512	42,512
Capacity	704	704	704	704	495	495	495	495	495	495
Enrollment	543	568	606	650	636	594	603	574	733	628
Grimes (1959)										
Square feet	42,432	42,432	42,432	42,432	43,702	43,702	43,702	43,702	43,702	43,702
Capacity	398	398	398	398	485	485	485	485	485	485
Enrollment	351	371	369	360	385	364	380	435	444	433
Grissom (1966)										
Square feet	68,683	68,683	68,683	68,683	69,170	69,170	69,170	69,170	69,170	69,170
Capacity	871	871	871	871	848	848	848	848	848	848
Enrollment	806	812	787	748	763	684	740	841	795	837

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Halpin Early Childhood (1929)										
Square feet	41,873	41,873	41,873	41,873	37,792	37,792	37,792	37,792	37,792	37,792
Capacity	482	482	482	482	378	378	378	378	378	378
Enrollment	486	493	487	415	413	424	383	381	366	455
Harris J.R. (1949)										
Square feet	66,082	66,082	66,082	66,082	62,257	62,257	62,257	62,257	62,257	62,257
Capacity	892	892	892	892	970	970	970	970	970	970
Enrollment	688	692	703	831	831	844	861	792	808	725
Harris R.P. (1958)										
Square feet	61,425	61,425	61,425	61,425	66,453	66,453	66,453	66,453	66,453	66,453
Capacity	718	718	718	718	866	866	866	866	866	866
Enrollment	643	588	563	588	605	618	626	698	1,051	1,051
Hartsfield (1954)										
Square feet	42,767	42,767	42,767	42,767	48,277	48,277	48,277	48,277	48,277	48,277
Capacity	411	411	411	411	414	414	414	414	414	414
Enrollment	413	355	357	358	357	316	346	398	427	444
Harvard (1930)										
Square feet	56,930	56,930	56,930	56,930	58,558	58,558	58,558	58,558	58,558	58,558
Capacity	606	606	606	606	558	558	558	558	558	558
Enrollment	663	627	615	591	627	622	623	648	643	607
Helms (1919)										
Square feet	44,444	44,444	44,444	44,444	39,352	39,352	39,352	39,352	39,352	39,352
Capacity	558	558	558	558	336	336	336	336	336	336
Enrollment	540	547	556	535	489	497	480	451	437	420
Henderson J.P. (1929)										
Square feet	57,524	57,524	57,524	57,524	57,205	57,205	57,205	57,205	57,205	57,205
Capacity	794	794	794	794	861	861	861	861	861	861
Enrollment	785	749	745	762	740	757	714	728	749	766
Henderson N.Q. (1956)										
Square feet	46,846	46,846	46,846	46,846	45,445	45,445	45,445	45,445	45,445	45,445
Capacity	503	503	503	503	445	445	445	445	445	445
Enrollment	355	323	351	406	432	459	470	510	508	476
Herod (1965)										
Square feet	58,230	58,230	58,230	58,230	63,146	63,146	63,146	63,146	63,146	63,146
Capacity	871	871	871	871	763	763	763	763	763	763
Enrollment	729	708	696	697	720	714	743	736	764	789
Herrera (1993)										
Square feet	115,302	115,302	115,302	115,302	76,822	76,822	76,822	76,822	76,822	76,822
Capacity	901	901	901	901	680	680	680	680	680	680
Enrollment	951	952	967	941	905	915	871	886	861	886

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Highland Heights (2007)										
Square feet	85,405	85,405	85,405	85,405	-	-	-	-	-	-
Capacity	725	725	725	725	-	-	-	-	-	-
Enrollment	655	321	316	333	-	-	-	-	-	-
Hobby (1965)										
Square feet	66,680	66,680	66,680	66,680	68,072	68,072	68,072	68,072	68,072	68,072
Capacity	920	920	920	920	853	853	853	853	853	853
Enrollment	817	801	706	711	686	666	761	802	839	915
Hohl (1920)										
Square feet	54,888	54,888	54,888	54,888	44,523	44,523	44,523	44,523	44,523	44,523
Capacity	599	599	599	599	623	623	623	623	623	623
Enrollment	N/A	483	489	510	531	490	534	565	610	572
Horn (1945)										
Square feet	43,504	43,504	43,504	43,504	51,715	51,715	51,715	51,715	51,715	51,715
Capacity	502	502	502	502	535	535	535	535	535	535
Enrollment	577	554	530	536	584	568	553	492	526	522
Houston Gardens (1998)										
Square feet	67,708	67,708	67,708	67,708	42,375	42,375	42,375	42,375	42,375	42,375
Capacity	488	488	488	488	449	449	449	449	449	449
Enrollment	358	350	359	392	460	430	440	452	421	428
Isaacs (1962)										
Square feet	43,883	43,883	43,883	43,883	42,587	42,587	42,587	42,587	42,587	42,587
Capacity	599	599	599	599	538	538	538	538	538	538
Enrollment	468	484	459	561	386	391	403	412	425	425
J. Hines-Caldwell (2005)										
Square feet	85,829	85,829	85,829	85,829	87,000	87,000	-	-	-	-
Capacity	752	752	752	752	750	750	-	-	-	-
Enrollment	766	731	889	898	771	-	-	-	-	-
J.L. Ketelsen (2002)										
Square feet	84,503	84,503	84,503	84,503	87,387	87,387	87,387	87,387	87,387	-
Capacity	632	632	632	632	648	648	648	648	648	-
Enrollment	693	683	677	679	675	634	646	643	-	-
J.M. Gross (2001)										
Square feet	73,277	73,277	73,277	73,277	69,752	69,752	69,752	69,752	69,752	69,752
Capacity	802	802	802	802	749	749	749	749	749	749
Enrollment	789	822	828	801	838	746	732	553	404	-
Janowski (1955)										
Square feet	77,958	77,958	77,958	77,958	54,524	54,524	54,524	54,524	54,524	54,524
Capacity	1,097	1,097	1,097	1,097	761	761	761	761	761	761
Enrollment	658	597	602	594	643	693	770	751	708	803

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Jefferson (1950)										
Square feet	58,657	58,657	58,657	58,657	53,168	53,168	53,168	53,168	53,168	53,168
Capacity	694	694	694	694	722	722	722	722	722	722
Enrollment	532	535	575	603	635	580	681	714	711	723
Joe E. Moreno (2005)										
Square feet	82,810	82,810	82,810	82,810	86,000	86,000	-	-	-	-
Capacity	712	712	712	712	750	750	-	-	-	-
Enrollment	757	756	743	745	707	-	-	-	-	-
Jones J.W. International Studies (1966)										
Square feet	52,255	52,255	52,255	52,255	52,571	52,571	52,571	52,571	52,571	52,571
Capacity	423	423	423	423	485	485	485	485	485	485
Enrollment	323	298	297	321	349	381	415	440	450	480
Juan N. Seguin (2002)										
Square feet	85,427	85,427	85,427	85,427	87,195	87,195	87,195	87,195	87,195	-
Capacity	670	670	670	670	750	750	750	750	750	-
Enrollment	638	625	631	648	706	761	741	671	-	-
Judson Robinson Jr. (2002)										
Square feet	84,928	84,928	84,928	84,928	85,000	85,000	85,000	85,000	85,000	-
Capacity	796	796	796	796	750	750	750	750	750	-
Enrollment	747	743	755	757	720	654	663	687	-	-
Kashmere Gardens (1949)										
Square feet	49,213	49,213	49,213	49,213	46,451	46,451	46,451	46,451	46,451	46,451
Capacity	579	579	579	579	570	570	570	570	570	570
Enrollment	421	460	413	482	451	449	449	561	529	527
Kelso										
Square feet	46,826	46,826	46,826	46,826	58,688	58,688	58,688	58,688	58,688	58,688
Capacity	648	648	648	648	641	641	641	641	641	641
Enrollment	514	521	528	560	569	597	626	653	662	764
Kennedy (1964)										
Square feet	42,648	42,648	42,648	42,648	52,853	52,853	52,853	52,853	52,853	52,853
Capacity	531	531	531	531	519	519	519	519	519	519
Enrollment	736	516	521	534	537	566	586	574	587	565
Kolter (1960)										
Square feet	49,345	49,345	49,345	49,345	44,475	44,475	44,475	44,475	44,475	44,475
Capacity	548	548	548	548	500	500	500	500	500	500
Enrollment	580	572	541	531	541	548	528	520	548	533
Lantrip (1915)										
Square feet	99,529	99,529	99,529	99,529	62,062	62,062	62,062	62,062	62,062	62,062
Capacity	1,110	1,110	1,110	1,110	838	838	838	838	838	838
Enrollment	696	700	716	701	751	784	796	806	858	873

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Laurenzo, Ninfa (2004)										
Square feet	38,399	38,399	38,399	38,399	86,000	86,000	86,000	-	-	-
Capacity	346	346	346	346	350	350	350	-	-	-
Enrollment	299	298	299	270	268	200	-	-	-	-
Law (1966)										
Square feet	53,310	53,310	53,310	53,310	74,192	74,192	74,192	74,192	74,192	74,192
Capacity	650	650	650	650	501	501	501	501	501	501
Enrollment	719	653	575	516	475	505	499	484	543	552
Lewis (1958)										
Square feet	63,548	63,548	63,548	63,548	63,262	63,262	63,262	63,262	63,262	63,262
Capacity	878	878	878	878	905	905	905	905	905	905
Enrollment	830	834	752	780	828	802	811	881	899	941
Lockhart (1950)										
Square feet	74,507	74,507	74,507	74,507	77,221	77,221	77,221	77,221	77,221	77,221
Capacity	558	558	558	558	521	521	521	521	521	521
Enrollment	711	533	475	480	478	451	460	467	463	467
Longfellow (1955)										
Square feet	99,790	99,790	99,790	99,790	52,181	52,181	52,181	52,181	52,181	52,181
Capacity	1,172	1,172	1,172	1,172	672	672	672	672	672	672
Enrollment	713	706	702	635	640	645	630	678	696	699
Looscan (1936)										
Square feet	45,343	45,343	45,343	45,343	48,201	48,201	48,201	48,201	48,201	48,201
Capacity	516	516	516	516	709	709	709	709	709	709
Enrollment	491	490	491	479	515	340	352	361	397	391
Love (1926)										
Square feet	56,312	56,312	56,312	56,312	47,765	47,765	47,765	47,765	47,765	47,765
Capacity	513	513	513	513	509	509	509	509	509	509
Enrollment	419	405	412	468	460	510	341	348	352	372
Lovett (1958)										
Square feet	52,746	52,746	52,746	52,746	50,447	50,447	50,447	50,447	50,447	50,447
Capacity	648	648	648	648	656	656	656	656	656	656
Enrollment	674	653	661	659	674	654	638	647	685	688
Lyons (1993)										
Square feet	82,716	82,716	82,716	82,716	75,085	75,085	75,085	75,085	75,085	75,085
Capacity	901	901	901	901	626	626	626	626	626	626
Enrollment	905	899	900	882						
MacArthur (1969)										
Square feet	61,141	61,141	61,141	61,141	63,734	63,734	63,734	63,734	63,734	63,734
Capacity	451	451	451	451	396	396	396	396	396	396
Enrollment	N/A	334	355	403	391	400	393	408	426	438

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
MacGregor (1966)										
Square feet	45,795	45,795	45,795	45,795	59,696	59,696	59,696	59,696	59,696	59,696
Capacity	397	397	397	397	448	448	448	448	448	448
Enrollment	489	444	420	381	387	399	426	407	415	414
Mading (1959/2006)										
Square feet	94,478	94,478	94,478	94,478	85,100	85,100	85,100	85,100	85,100	85,100
Capacity	616	616	616	616	278	278	278	278	278	278
Enrollment	582	577	559	598	464	515	594	648	647	667
Martin Luther King (2004)										
Square feet	38,707	38,707	38,707	38,707	40,000	40,000	-	-	-	-
Capacity	418	418	418	418	350	350	-	-	-	-
Enrollment	417	413	404	380	376	359	-	-	-	-
Martinez C. (1994)										
Square feet	77,883	77,883	77,883	77,883	76,481	76,481	76,481	76,481	76,481	76,481
Capacity	697	697	697	697	792	792	792	792	792	792
Enrollment	588	591	612	652	637	589	580	605	692	663
Martinez R. (1991)										
Square feet	75,674	75,674	75,674	75,674	76,502	76,502	76,502	76,502	76,502	76,502
Capacity	684	684	684	684	828	828	828	828	828	828
Enrollment	658	652	607	630	648	678	676	672	721	712
McDade (1962)										
Square feet	66,202	66,202	66,202	66,202	69,688	69,688	69,688	69,688	69,688	69,688
Capacity	712	712	712	712	756	756	756	756	756	756
Enrollment	317	341	359	389	413	469	476	508	557	595
McNamara (1958)										
Square feet	54,973	54,973	54,973	54,973	53,358	53,358	53,358	53,358	53,358	53,358
Capacity	948	948	948	948	709	709	709	709	709	709
Enrollment	687	695	721	767	797	742	804	856	865	840
Memorial (1926)										
Square feet	51,276	51,276	51,276	51,276	51,288	51,288	51,288	51,288	51,288	51,288
Capacity	462	462	462	462	414	414	414	414	414	414
Enrollment	336	343	354	376	399	442	264	285	309	312
Milne (1960)										
Square feet	91,611	91,611	91,611	91,611	95,339	95,339	95,339	95,339	95,339	95,339
Capacity	834	834	834	834	774	774	774	774	774	774
Enrollment	654	601	629	708	757	771	811	869	951	974
Mitchell (1968)										
Square feet	61,686	61,686	61,686	61,686	50,523	50,523	50,523	50,523	50,523	50,523
Capacity	982	982	982	982	653	653	653	653	653	653
Enrollment	1,052	1,070	1,075	1,136	1,071	989	953	955	837	90

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Montgomery (1960)										
Square feet	63,393	63,393	63,393	63,393	65,226	65,226	65,226	65,226	65,226	65,226
Capacity	743	743	743	743	709	709	709	709	709	709
Enrollment	759	737	726	732	745	804	827	753	818	839
Neff (1964)										
Square feet	66,007	66,007	66,007	66,007	73,211	73,211	73,211	73,211	73,211	73,211
Capacity	1,255	1,255	1,255	1,255	653	653	653	653	653	653
Enrollment	1,017	996	1,072	1,102	1,085	1,087	973	972	954	939
Northline (1963)										
Square feet	60,102	60,102	60,102	60,102	62,830	62,830	62,830	62,830	62,830	62,830
Capacity	869	869	869	869	632	632	632	632	632	632
Enrollment	666	641	682	702	752	901	902	939	916	882
Oak Forest (1949)										
Square feet	84,120	84,120	84,120	84,120	90,000	90,000	90,000	90,000	90,000	90,000
Capacity	754	754	754	754	600	600	600	600	600	600
Enrollment	774	757	734	769	798	736	711	723	724	726
Oates (1929)										
Square feet	60,417	60,417	60,417	60,417	63,347	63,347	63,347	63,347	63,347	63,347
Capacity	662	662	662	662	735	735	735	735	735	735
Enrollment	444	442	441	432	417	428	435	445	596	670
Osborne (1960)										
Square feet	54,648	54,648	54,648	54,648	50,342	50,342	50,342	50,342	50,342	50,342
Capacity	559	559	559	559	500	500	500	500	500	500
Enrollment	457	450	437	426	390	438	466	519	501	473
Paige (1950)										
Square feet	69,316	69,316	69,316	69,316	64,856	64,856	64,856	64,856	64,856	59,864
Capacity	503	503	503	503	501	501	501	501	501	501
Enrollment	344	375	338	362	365	361	398	453	468	408
Park Place (1915)										
Square feet	109,866	109,866	109,866	109,866	86,000	86,000	40,108	40,108	40,108	40,108
Capacity	1,059	1,059	1,059	1,059	908	908	435	435	435	435
Enrollment	1,064	1,092	1,028	994	1,000	1,079	1,061	944	717	722
Parker; (1959)										
Square feet	72,167	72,167	72,167	72,167	70,258	70,258	70,258	70,258	70,258	70,258
Capacity	871	871	871	871	823	823	823	823	823	823
Enrollment	817	826	785	779	807	775	793	794	773	816
Patterson (1958)										
Square feet	62,986	62,986	62,986	62,986	59,284	59,284	59,284	59,284	59,284	59,284
Capacity	961	961	961	961	828	828	828	828	828	828
Enrollment	809	850	842	801	820	832	852	829	847	869

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Peck (1951)										
Square feet	34,277	34,277	34,277	34,277	38,155	38,155	38,155	38,155	38,155	38,155
Capacity	418	418	418	418	387	387	387	387	387	387
Enrollment	549	338	320	390	341	321	311	323	351	328
Petersen (1966)										
Square feet	52,335	52,335	52,335	52,335	74,380	74,380	74,380	74,380	74,380	74,380
Capacity	753	753	753	753	653	653	653	653	653	653
Enrollment	683	681	641	758	761	708	698	650	624	6,002
Pilgrim (1958/2007)										
Square feet	110,392	110,392	110,392	110,392	50,270	50,270	50,270	50,270	50,270	50,270
Capacity	1,136	1,136	1,136	1,136	635	635	635	635	635	635
Enrollment	1,016	932	836	730	753	742	763	781	802	765
Piney Point (1962)										
Square feet	72,864	72,864	72,864	72,864	71,167	71,167	71,167	71,167	71,167	71,167
Capacity	817	817	817	817	897	897	897	897	897	897
Enrollment	974	929	932	892	996	987	989	973	990	942
Pleasantville (1955)										
Square feet	59,032	59,032	59,032	59,032	59,768	59,768	59,768	59,768	59,768	59,768
Capacity	551	551	551	551	504	504	504	504	504	504
Enrollment	375	357	404	466	460	335	390	423	474	501
Poe (1928)										
Square feet	70,067	70,067	70,067	70,067	62,966	62,966	62,966	62,966	62,966	62,966
Capacity	743	743	743	743	788	788	788	788	788	788
Enrollment	730	706	697	724	723	712	730	698	701	683
Port Houston (1960)										
Square feet	36,309	36,309	36,309	36,309	39,412	39,412	39,412	39,412	39,412	39,412
Capacity	363	363	363	363	500	500	500	500	500	500
Enrollment	342	333	326	317	324	328	334	355	368	353
Pugh (1952)										
Square feet	40,053	40,053	40,053	40,053	44,100	44,100	44,100	44,100	44,100	44,100
Capacity	606	606	606	606	410	410	410	410	410	410
Enrollment	564	517	477	537	539	493	408	417	411	374
Red (1957)										
Square feet	58,830	58,830	58,830	58,830	62,895	62,895	62,895	62,895	62,895	62,895
Capacity	667	667	667	667	604	604	604	604	604	604
Enrollment	567	539	524	479	416	521	539	570	588	590
Reynolds (1959/2007)										
Square feet	83,711	83,711	83,711	83,711	58,524	58,524	58,524	58,524	58,524	58,524
Capacity	642	642	642	642	700	700	700	700	700	700
Enrollment	513	471	462	434	349	346	378	399	434	459

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Rhoads (1957)										
Square feet	43,882	43,882	43,882	43,882	42,874	42,874	42,874	42,874	42,874	42,874
Capacity	397	397	397	397	520	520	520	520	520	520
Enrollment	312	308	316	331	335	318	365	402	439	522
River Oaks (1928)										
Square feet	60,632	60,632	60,632	60,632	47,108	47,108	47,108	47,108	47,108	47,108
Capacity	627	627	627	627	550	550	550	550	550	550
Enrollment	664	674	650	661	632	621	614	602	609	611
Roberts (1936)										
Square feet	62,685	62,685	62,685	62,685	60,683	60,683	60,683	60,683	60,683	60,683
Capacity	606	606	606	606	464	464	464	464	464	464
Enrollment	683	698	669	641	674	614	616	609	632	625
Rodriguez, Sylvan Jr. (2002)										
Square feet	111,716	111,716	111,716	111,716	109,882	109,882	109,882	109,882	109,882	-
Capacity	942	942	942	942	1,000	1,000	1,000	1,000	1,000	-
Enrollment	964	938	937	943	1,004	998	1,001	976	913	-
Roosevelt (1929)										
Square feet	49,583	49,583	49,583	49,583	48,626	48,626	48,626	48,626	48,626	48,626
Capacity	593	593	593	593	582	582	582	582	582	582
Enrollment	634	593	560	532	540	516	509	523	534	575
Ross (1948)										
Square feet	51,820	51,820	51,820	51,820	59,270	59,270	59,270	59,270	59,270	59,270
Capacity	474	474	474	474	535	535	535	535	535	535
Enrollment	471	441	421	389	394	363	405	443	453	488
Rucker (1953)										
Square feet	70,722	70,722	70,722	70,722	86,000	86,000	86,000	86,000	86,000	86,000
Capacity	956	956	956	956	620	620	620	620	620	620
Enrollment	681	684	722	737	749	714	724	714	704	658
Rusk (1960)										
Square feet	39,671	39,671	39,671	39,671	40,157	40,157	40,157	40,157	40,157	40,157
Capacity	405	405	405	405	572	572	572	572	572	572
Enrollment	501	434	351	323	285	343	357	375	360	341
Sanchez (1952)										
Square feet	69,397	69,397	69,397	69,397	84,246	84,246	84,246	84,246	84,246	84,246
Capacity	704	704	704	704	444	444	444	444	444	444
Enrollment	609	634	635	625	644	505	549	581	898	872
Sanderson (1950)										
Square feet	56,255	56,255	56,255	56,255	56,255	56,255	56,255	56,255	56,255	56,255
Capacity	666	666	666	666	666	666	666	666	666	666
Enrollment	N/A	N/A	N/A	N/A	251	297	365	355	370	373

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Scarborough (1959)										
Square feet	64,412	64,412	64,412	64,412	59,366	59,366	59,366	59,366	59,366	59,366
Capacity	788	788	788	788	727	727	727	727	727	727
Enrollment	757	769	789	783	800	804	816	795	831	802
Scott (1959)										
Square feet	43,380	43,380	43,380	43,380	42,867	42,867	42,867	42,867	42,867	42,867
Capacity	418	418	418	418	449	449	449	449	449	449
Enrollment	350	332	362	395	405	422	426	427	413	451
Scroggins (1966)										
Square feet	53,126	53,126	53,126	53,126	51,066	51,066	51,066	51,066	51,066	51,066
Capacity	641	641	641	641	741	741	741	741	741	741
Enrollment	588	590	599	578	587	640	652	647	627	575
Shearn (1954)										
Square feet	43,132	43,132	43,132	43,132	39,729	39,729	39,729	39,729	39,729	39,729
Capacity	543	543	543	543	486	486	486	486	486	486
Enrollment	485	467	466	449	462	389	381	441	485	479
Sherman (1964)										
Square feet	55,289	55,289	55,289	55,289	59,788	59,788	59,788	59,788	59,788	59,788
Capacity	747	747	747	747	716	716	716	716	716	716
Enrollment	495	486	542	507	584	595	517	627	617	644
Sinclair (1959)										
Square feet	54,308	54,308	54,308	54,308	48,362	48,362	48,362	48,362	48,362	48,362
Capacity	774	774	774	774	564	564	564	564	564	564
Enrollment	510	476	461	527	607	619	480	509	472	478
Smith, K. (1954)										
Square feet	56,294	56,294	56,294	56,294	63,754	63,754	63,754	63,754	63,754	63,754
Capacity	1,345	1,345	1,345	1,345	884	884	884	884	884	884
Enrollment	861	858	1,001	834	933	851	835	787	810	828
Southmayd (1936)										
Square feet	67,258	67,258	67,258	67,258	65,908	65,908	65,908	65,908	65,908	65,908
Capacity	701	701	701	701	937	937	937	937	937	937
Enrollment	700	649	661	636	689	706	698	727	757	747
St. George Place (2007)										
Square feet	10,116	10,116	10,116	10,116	-	-	-	-	-	-
Capacity	961	961	961	961	-	-	-	-	-	-
Enrollment	614	598	508	952	-	-	-	-	-	-
Stevens (1952)										
Square feet	68,822	68,822	68,822	68,822	62,694	62,694	62,694	62,694	62,694	62,694
Capacity	682	682	682	682	727	727	727	727	727	727
Enrollment	642	693	656	648	665	700	700	675	677	737

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Stevenson (1926)										
Square feet	43,259	43,259	43,259	43,259	42,529	42,529	42,529	42,529	42,529	42,529
Capacity	411	411	411	411	443	443	443	443	443	443
Enrollment	360	359	348	422	427	439	428	421	426	398
Sugar Grove (1959)										
Square feet	88,108	88,108	88,108	88,108	54,463	54,463	54,463	54,463	54,463	54,463
Capacity	796	796	796	796	378	378	378	378	378	378
Enrollment	443	213	420	444	508	505	539	492	417	501
Sutton (958)										
Square feet	88,701	88,701	88,701	88,701	91,002	91,002	91,002	91,002	91,002	91,002
Capacity	1,370	1,370	1,370	1,370	902	902	902	902	902	902
Enrollment	1,133	1,053	1,049	1,007	1,028	1,043	1,078	1,091	1,379	1,341
Thompson (1949)										
Square feet	96,252	96,252	96,252	96,252	58,860	58,860	58,860	58,860	58,860	58,860
Capacity	1,047	1,047	1,047	1,047	568	568	568	568	568	568
Enrollment	618	640	624	615	700	668	636	692	736	732
Tijerina (1979)										
Square feet	35,771	35,771	35,771	35,771	61,360	61,360	61,360	61,360	61,360	61,360
Capacity	858	858	858	858	783	783	783	783	783	783
Enrollment	613	647	664	712	716	788	794	858	840	824
Travis (1926/2007)										
Square feet	86,530	86,530	86,530	86,530	43,135	43,135	43,135	43,135	43,135	43,135
Capacity	674	674	674	674	557	557	557	557	557	557
Enrollment	724	726	690	654	610	633	635	631	624	615
Turner (1951)										
Square feet	70,968	70,968	70,968	70,968	74,845	74,845	74,845	74,845	74,845	74,845
Capacity	381	381	381	381	683	683	683	683	683	683
Enrollment	N/A	258	259	330	327	357	388	427	550	629
Twain (1950/2007)										
Square feet	83,634	83,634	83,634	83,634	86,000	49,429	49,429	49,429	49,429	49,429
Capacity	781	781	781	781	750	505	505	505	505	505
Enrollment	793	775	743	778	736	686	682	653	679	632
Valley West (1994)										
Square feet	46,763	46,763	46,763	46,763	32,165	32,165	32,165	32,165	32,165	32,165
Capacity	676	676	676	676	698	698	698	698	698	698
Enrollment	604	580	601	598	619	579	538	397	342	328
Wainwright (1962)										
Square feet	56,531	56,531	56,531	56,531	53,040	53,040	53,040	53,040	53,040	53,040
Capacity	699	699	699	699	599	599	599	599	599	599
Enrollment	760	701	689	649	652	678	639	651	647	675

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Walnut Bend (1964)										
Square feet	114,707	114,707	114,707	114,707	37,204	37,204	37,204	37,204	37,204	37,204
Capacity	1,590	1,590	1,590	1,590	788	788	788	788	788	788
Enrollment	625	608	674	342	796	697	733	794	806	763
Wesley (1949)										
Square feet	73,580	73,580	73,580	73,580	79,720	79,720	79,720	79,720	79,720	79,720
Capacity	639	639	639	639	1,031	1,031	1,031	1,031	1,031	1,031
Enrollment	480	458	443	549	688	760	817	773	800	860
West University (1928/2007)										
Square feet	99,423	99,423	99,423	99,423	87,337	87,337	87,337	87,337	87,337	87,337
Capacity	1,067	1,067	1,067	1,067	1,006	1,006	1,006	1,006	1,006	1,006
Enrollment	1,068	1,071	1,002	1,015	981	972	951	949	915	947
Wharton/Dual Language (1959)										
Square feet	32,310	32,310	32,310	32,310	32,986	32,986	32,986	32,986	32,986	32,986
Capacity	397	397	397	397	442	442	442	442	442	442
Enrollment	428	396	376	376	372	370	360	380	347	338
Whidby (1959)										
Square feet	49,942	49,942	49,942	49,942	49,519	49,519	49,519	49,519	49,519	49,519
Capacity	572	572	572	572	607	607	607	607	607	607
Enrollment	614	577	580	566	605	562	623	616	645	650
White (1966)										
Square feet	65,599	65,599	65,599	65,599	62,835	62,835	62,835	62,835	62,835	62,835
Capacity	920	920	920	920	742	742	742	742	742	742
Enrollment	795	746	726	761	808	790	809	803	827	835
Whittier (1959)										
Square feet	46,154	46,154	46,154	46,154	45,590	45,590	45,590	45,590	45,590	45,590
Capacity	659	659	659	659	514	514	514	514	514	514
Enrollment	537	547	517	514	513	528	523	527	574	572
Wilson/Montessori (1924)										
Square feet	41,579	41,579	41,579	41,579	44,481	44,481	44,481	44,481	44,481	44,481
Capacity	471	471	471	471	499	499	499	499	499	499
Enrollment	459	447	417	430	413	408	413	427	413	405
Windsor Village (1960)										
Square feet	59,414	59,414	59,414	59,414	57,048	57,048	57,048	57,048	57,048	57,048
Capacity	892	892	892	892	762	762	762	762	762	762
Enrollment	790	800	770	767	742	947	917	917	810	783
Woodson, Carter G. (1966)										
Square feet	143,251	143,251	143,251	143,251	143,251	143,251	143,251	143,251	143,251	143,251
Capacity	749	749	749	749	749	749	749	749	749	749
Enrollment	211	214	203	207	262	969	1,032	1,098	357	394

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Young, Ethel Mosley (1960)										
Square feet	45,447	45,447	45,447	45,447	47,248	47,248	47,248	47,248	47,248	47,248
Capacity	390	390	390	390	424	424	424	424	424	424
Enrollment	431	460	407	311	308	312	347	391	394	423
Middle										
Attucks (1953)										
Square feet	173,819	173,819	173,819	173,819	182,375	182,375	182,375	182,375	182,375	182,375
Capacity	898	898	898	898	857	857	857	857	857	857
Enrollment	581	650	735	865	879	885	873	949	926	936
Black (1957)										
Square feet	165,662	165,662	165,662	165,662	166,511	166,511	166,511	166,511	166,511	166,511
Capacity	935	935	935	935	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	547	559	577	682	708	714	734	853	908	951
Burbank (1950)										
Square feet	162,511	162,511	162,511	162,511	175,200	175,200	175,200	175,200	175,200	175,200
Capacity	1,406	1,406	1,406	1,406	1,547	1,547	1,547	1,547	1,547	1,547
Enrollment	1,214	1,170	1,198	1,240	1,302	1,317	1,381	1,321	1,262	1,272
Clifton (1979)										
Square feet	156,742	156,742	156,742	156,742	141,046	141,046	141,046	141,046	141,046	141,046
Capacity	992	992	992	992	996	996	996	996	996	996
Enrollment	1,044	1,075	1,070	1,119	1,169	1,132	1,109	1,142	1,159	1,125
Cullen (1955)										
Square feet	158,581	158,581	158,581	158,581	158,838	158,838	158,838	158,838	158,838	158,838
Capacity	898	898	898	898	740	740	740	740	740	740
Enrollment	639	692	656	758	745	745	687	679	692	749
Deady (1929)										
Square feet	183,653	183,653	183,653	183,653	185,684	185,684	185,684	185,684	185,684	185,684
Capacity	1,267	1,267	1,267	1,267	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	975	1,015	1,018	1,160	1,159	1,184	1,128	1,064	1,162	1,173
Dowling (1968)										
Square feet	199,121	199,121	199,121	199,121	180,257	180,257	180,257	180,257	180,257	180,257
Capacity	1,824	1,824	1,824	1,824	1,187	1,187	1,187	1,187	1,187	1,187
Enrollment	1,432	1,534	1,661	1,845	1,911	1,745	1,589	1,498	1,408	1,507
Edison (1925)										
Square feet	143,758	143,758	143,758	143,758	146,844	146,844	146,844	146,844	146,844	146,844
Capacity	1,042	1,042	1,042	1,042	880	880	880	880	880	880
Enrollment	843	910	930	986	945	1,009	1,016	1,022	1,047	1,062

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Fleming (1968)										
Square feet	179,515	179,515	179,515	179,515	161,888	161,888	161,888	161,888	161,888	161,888
Capacity	785	785	785	785	580	580	580	580	580	580
Enrollment	528	544	532	534	587	583	638	615	670	679
Fondren (1966)										
Square feet	158,349	158,349	158,349	158,349	172,923	172,923	172,923	172,923	172,923	172,923
Capacity	1,136	1,136	1,136	1,136	1,187	1,187	1,187	1,187	1,187	1,187
Enrollment	880	737	749	833	982	868	941	1,023	1,129	1,100
Fonville (1951)										
Square feet	162,228	162,228	162,228	162,228	149,355	149,355	149,355	149,355	149,355	149,355
Capacity	1,085	1,085	1,085	1,085	896	896	896	896	896	896
Enrollment	1,081	1,119	1,124	1,177	1,158	1,201	1,237	1,204	1,072	1,052
Grady (1949)										
Square feet	64,902	64,902	64,902	64,902	56,680	56,680	56,680	56,680	56,680	56,680
Capacity	690	690	690	690	620	620	620	620	620	620
Enrollment	471	463	485	544	583	565	585	603	596	547
Gregory-Lincoln (1966)										
Square feet	134,194	134,194	134,194	134,194	165,312	165,312	165,312	165,312	165,312	165,312
Capacity	896	896	896	896	1,137	1,137	1,137	1,137	1,137	1,137
Enrollment	689	570	516	546	367	N/A	N/A	N/A	N/A	573
Hamilton (1919)										
Square feet	137,710	137,710	137,710	137,710	136,066	136,066	136,066	136,066	136,066	136,066
Capacity	1,020	1,020	1,020	1,020	957	957	957	957	957	957
Enrollment	1,378	1,346	1,324	1,287	1,288	1,221	1,243	1,211	1,160	1,087
Harper Alternative (1926)										
Square feet	49,301	49,301	49,301	49,301	49,301	49,301	49,301	49,301	49,301	49,301
Capacity	482	482	482	482	482	482	482	482	482	482
Enrollment	78	73	78	61	69	78	81	80	63	68
Hartman (1954)										
Square feet	222,606	222,606	222,606	222,606	214,755	214,755	214,755	214,755	214,755	169,703
Capacity	1,349	1,349	1,349	1,349	1,078	1,078	1,078	1,078	1,078	N/A
Enrollment	1,597	1,632	1,587	1,527	1,518	1,491	1,495	1,485	1,478	1,438
Henry (1965)										
Square feet	181,623	181,623	181,623	181,623	187,784	187,784	187,784	187,784	187,784	187,784
Capacity	1,179	1,179	1,179	1,179	780	780	780	780	780	780
Enrollment	1,026	1,065	1,075	1,098	1,147	1,138	1,196	1,151	1,140	1,106
Hogg (1926)										
Square feet	176,380	176,380	176,380	176,380	134,163	134,163	134,163	134,163	134,163	134,163
Capacity	926	926	926	926	978	978	978	978	978	978
Enrollment	816	813	840	849	919	944	919	888	846	1,000

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Holland (1980)										
Square feet	131,290	131,290	131,290	131,290	131,289	131,289	131,289	131,289	131,289	131,289
Capacity	875	875	875	875	799	799	799	799	799	799
Enrollment	771	797	808	809	836	835	848	871	778	848
Jackson (1925)										
Square feet	211,186	211,186	211,186	211,186	194,544	194,544	194,544	194,544	194,544	194,544
Capacity	1,235	1,235	1,235	1,235	1,079	1,079	1,079	1,079	1,079	1,079
Enrollment	893	957	995	1,068	1,150	1,238	1,236	1,181	1,200	1,208
Johnston (1959)										
Square feet	174,981	174,981	174,981	174,981	177,767	177,767	177,767	177,767	177,767	177,767
Capacity	1,294	1,294	1,294	1,294	1,171	1,171	1,171	1,171	1,171	1,171
Enrollment	1,426	1,357	1,362	1,351	1,407	1,358	1,318	1,289	1,394	1,460
Key (1957)										
Square feet	185,923	185,923	185,923	185,923	184,337	184,337	184,337	184,337	184,337	184,337
Capacity	1,033	1,033	1,033	1,033	779	779	779	779	779	779
Enrollment	543	585	602	722	818	895	869	878	915	1,017
Lanier (1926)										
Square feet	159,574	159,574	159,574	159,574	153,525	153,525	153,525	153,525	153,525	153,525
Capacity	1,155	1,155	1,155	1,155	1,117	1,117	1,117	1,117	1,117	1,117
Enrollment	1,336	1,319	1,297	1,328	1,300	1,316	1,362	1,413	1,422	1,456
Long (1957)										
Square feet	177,135	177,135	177,135	177,135	174,414	174,414	174,414	174,414	174,414	174,414
Capacity	1,577	1,577	1,577	1,577	1,482	1,482	1,482	1,482	1,482	1,482
Enrollment	1,004	1,154	1,163	1,327	1,440	1,536	1,539	1,497	1,609	1,639
Marshall (1981)										
Square feet	212,645	212,645	212,645	212,645	192,596	192,596	192,596	192,596	192,596	192,596
Capacity	1,153	1,153	1,153	1,153	1,080	1,080	1,080	1,080	1,080	1,080
Enrollment	964	941	908	1,027	1,102	1,158	1,140	1,120	1,109	1,122
McReynolds (1956)										
Square feet	130,392	130,392	130,392	130,392	125,719	125,719	125,719	125,719	125,719	125,719
Capacity	863	863	863	863	793	793	793	793	793	793
Enrollment	602	580	626	611	687	751	733	743	714	736
Ortiz (2002)										
Square feet	178,481	178,481	178,481	178,481	175,000	175,000	175,000	175,000	175,000	-
Capacity	1,126	1,126	1,126	1,126	1,200	1,200	1,200	1,200	1,200	-
Enrollment	979	998	1,046	1,078	1,064	1,028	971	900	-	-
Pershing (1948/2007)										
Square feet	240,234	240,234	240,234	240,234	208,512	208,512	208,512	208,512	208,512	208,512
Capacity	1,478	1,478	1,478	1,478	1,430	1,430	1,430	1,430	1,430	1,430
Enrollment	1,748	1,795	1,747	1,732	1,749	1,701	1,690	1,627	1,889	1,809

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Pin Oak (2002)										
Square feet	233,081	233,081	233,081	233,081	174,500	174,500	174,500	174,500	174,500	-
Capacity	1,077	1,077	1,077	1,077	1,200	1,200	1,200	1,200	1,200	-
Enrollment	1,153	1,140	1,138	1,160	1,194	1,200	1,075	922	-	-
Revere (1980)										
Square feet	194,031	194,031	194,031	194,031	190,536	190,536	190,536	190,536	190,536	190,536
Capacity	1,295	1,295	1,295	1,295	953	953	953	953	953	953
Enrollment	873	834	1,015	1,115	1,360	1,209	1,265	1,251	1,425	1,322
Rice (1994)										
Square feet	202,704	202,704	202,704	202,704	175,550	175,550	175,550	175,550	175,550	175,550
Capacity	1,101	1,101	1,101	1,101	931	931	931	931	931	931
Enrollment	1,140	1,135	1,145	1,121	456	N/A	N/A	N/A	N/A	440
Rogers, T.H. (1962)										
Square feet	187,570	187,570	187,570	187,570	183,418	183,418	183,418	183,418	183,418	183,418
Capacity	1,227	1,227	1,227	1,227	1,025	1,025	1,025	1,025	1,025	1,025
Enrollment	857	825	810	764	458	N/A	N/A	N/A	N/A	423
Ryan (1925)										
Square feet	113,447	113,447	113,447	113,447	116,780	116,780	116,780	116,780	116,780	116,780
Capacity	899	899	899	899	778	778	778	778	778	778
Enrollment	364	389	498	633	581	556	708	778	830	879
Shadowbriar (1992)										
Square feet	74,382	74,382	74,382	74,382	75,057	75,057	75,057	75,057	75,057	75,057
Capacity	524	524	524	524	522	522	522	522	522	522
Enrollment	449	437	401	518	N/A	583	614	648	845	790
Sharpstown (1969)										
Square feet	168,247	168,247	168,247	168,247	180,977	180,977	180,977	180,977	180,977	180,977
Capacity	1,406	1,406	1,406	1,406	1,253	1,253	1,253	1,253	1,253	1,253
Enrollment	1,000	927	1,074	1,125	1,211	1,264	1,394	1,454	1,619	1,503
Smith, E.O. (1913)										
Square feet	134,926	134,926	134,926	134,926	145,022	145,022	145,022	145,022	145,022	145,022
Capacity	850	850	850	850	616	616	616	616	616	616
Enrollment	442	496	417	617	N/A	565	517	549	561	622
Stevenson (1994)										
Square feet	173,685	173,685	173,685	173,685	172,318	172,318	172,318	172,318	172,318	172,318
Capacity	1,156	1,156	1,156	1,156	1,172	1,172	1,172	1,172	1,172	1,172
Enrollment	1,386	1,329	1,232	1,215	1,213	1,191	1,174	1,150	1,760	1,717
Thomas (1968)										
Square feet	174,596	174,596	174,596	174,596	175,385	175,385	175,385	175,385	175,385	175,385
Capacity	869	869	869	869	840	840	840	840	840	840
Enrollment	570	651	621	730	829	864	822	779	803	886

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Welch (1979)										
Square feet	156,530	156,530	156,530	156,530	160,681	160,681	160,681	160,681	160,681	160,681
Capacity	1,331	1,331	1,331	1,331	1,240	1,240	1,240	1,240	1,240	1,240
Enrollment	1,159	1,176	1,286	1,369	1,338	1,316	1,326	1,374	1,388	1,431
West Briar (2002)										
Square feet	169,062	169,062	169,062	169,062	175,000	175,000	175,000	175,000	175,000	-
Capacity	1,106	1,106	1,106	1,106	1,499	1,499	1,499	1,499	1,499	-
Enrollment	1,310	1,316	1,383	1,306	1,369	1,379	1,382	1,179	-	-
Williams (1962)										
Square feet	163,107	163,107	163,107	163,107	136,192	136,192	136,192	136,192	136,192	136,192
Capacity	1,299	1,299	1,299	1,299	700	700	700	700	700	700
Enrollment	438	449	457	527	626	634	620	654	640	745
Woodson (1966)										
Square feet	165,100	165,100	165,100	165,100	143,251	143,251	143,251	143,251	143,251	143,251
Capacity	1,509	1,509	1,509	1,509	749	749	749	749	749	749
Enrollment	581	633	793	1,024	769	N/A	N/A	N/A	755	711
High										
Austin (1953)										
Square feet	314,157	314,157	314,157	314,157	302,429	302,429	302,429	302,429	302,429	302,429
Capacity	2,079	2,079	2,079	2,079	1,781	1,781	1,781	1,781	1,781	1,781
Enrollment	1,944	1,936	1,927	1,865	1,825	1,833	2,025	2,060	2,083	2,215
Barabara Jordan (1979)										
Square feet	287,615	287,615	287,615	287,615	248,092	248,092	248,092	248,092	248,092	248,092
Capacity	1,661	1,661	1,661	1,661	943	943	943	943	943	943
Enrollment	1,155	1,160	1,158	1,227	1,175	1,261	1,253	1,211	1,248	1,193
Bellaire (1955)										
Square feet	362,451	362,451	362,451	362,451	379,308	379,308	379,308	379,308	379,308	379,308
Capacity	2,801	2,801	2,801	2,801	2,433	2,433	2,433	2,433	2,433	2,433
Enrollment	3,377	3,447	3,361	3,392	3,456	3,387	3,298	3,237	3,236	3,222
Carnegie Vanguard (2003)										
Square feet	42,504	42,504	42,504	42,504	42,504	42,504	42,504	42,504	-	-
Capacity	525	525	525	525	525	525	525	525	-	-
Enrollment	426	399	371	349	310	254	238	173	-	-
Carter Career Center (1929)										
Square feet	69,319	69,319	69,319	69,319	68,954	68,954	68,954	68,954	68,954	68,954
Capacity	461	461	461	461	352	352	352	352	352	352
Enrollment	75	107	109	158	75	96	92	103	85	118

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Chavez (2000)										
Square feet	519,307	519,307	519,307	519,307	450,000	450,000	450,000	450,000	450,000	450,000
Capacity	2,082	2,082	2,082	2,082	2,600	2,600	2,600	2,600	2,600	2,600
Enrollment	2,770	2,612	2,375	2,480	2,361	2,297	2,295	2,194	1,950	1,495
Contemporary LC (1925)										
Square feet	112,742	112,742	112,742	112,742	113,709	113,709	113,709	113,709	113,709	113,709
Capacity	926	926	926	926	635	635	635	635	635	635
Enrollment	755	691	522	687	504	691	676	712	693	533
Davis (1925)										
Square feet	264,038	264,038	264,038	264,038	199,909	199,909	199,909	199,909	199,909	199,909
Capacity	1,558	1,558	1,558	1,558	988	988	988	988	988	988
Enrollment	1,655	1,677	1,630	1,577	1,580	1,624	1,706	1,689	1,706	1,724
Debakey (1980)										
Square feet	161,426	161,426	161,426	161,426	114,118	114,118	114,118	114,118	114,118	114,118
Capacity	851	851	851	851	704	704	704	704	704	704
Enrollment	887	797	740	728	710	706	713	690	642	701
Eastwood Academy (1985)										
Square feet	28,823	28,823	28,823	28,823	23,500	23,500	23,500	23,500	23,500	23,500
Capacity	293	293	293	293	264	264	264	264	264	264
Enrollment	320	292	255	244	257	252	223	225	210	205
Furr (1961)										
Square feet	168,285	168,285	168,285	168,285	169,159	169,159	169,159	169,159	169,159	169,159
Capacity	1,384	1,384	1,384	1,384	1,239	1,239	1,239	1,239	1,239	1,239
Enrollment	1,278	1,224	893	940	1,025	1,079	1,144	1,152	1,202	1,220
HS Law Enforcement (1925)										
Square feet	102,694	102,694	102,694	102,694	98,329	98,329	98,329	98,329	98,329	98,329
Capacity	926	926	926	926	659	659	659	659	659	659
Enrollment	562	606	641	674	710	685	725	779	801	825
HSPVA (1980)										
Square feet	104,092	104,092	104,092	104,092	116,657	116,657	116,657	116,657	116,657	116,657
Capacity	863	863	863	863	460	460	460	460	460	460
Enrollment	638	651	647	664	678	671	652	663	661	656
Jones (1958)										
Square feet	198,401	198,401	198,401	198,401	202,088	202,088	202,088	202,088	202,088	202,088
Capacity	1,278	1,278	1,278	1,278	540	540	540	540	540	540
Enrollment	788	829	846	902	1,011	1,077	1,109	1,168	1,342	1,277
Kashmere (1968)										
Square feet	202,496	202,496	202,496	202,496	179,458	179,458	179,458	179,458	179,458	179,458
Capacity	1,088	1,088	1,088	1,088	1,008	1,008	1,008	1,008	1,008	1,008
Enrollment	593	589	531	583	1,013	1,021	941	931	855	739

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Kay-On-Going (1951)										
Square feet	42,826	42,826	42,826	42,826	42,826	42,826	42,826	42,826	42,826	42,826
Capacity	150	150	150	150	150	150	150	150	150	150
Enrollment	N/A	N/A	N/A	N/A	106	164	158	165	138	138
Lamar (1937)										
Square feet	279,700	279,700	279,700	279,700	285,765	285,765	285,765	285,765	285,765	285,765
Capacity	2,229	2,229	2,229	2,229	1,738	1,738	1,738	1,738	1,738	1,738
Enrollment	3,003	3,013	3,289	3,324	3,539	3,429	3,292	3,227	3,356	3,222
Lee (1962)										
Square feet	332,694	332,694	332,694	332,694	332,484	332,484	332,484	332,484	332,484	332,484
Capacity	2,523	2,523	2,523	2,523	1,818	1,818	1,818	1,818	1,818	1,818
Enrollment	1,891	1,928	1,924	2,000	2,179	2,086	2,163	2,138	2,151	2,201
Madison (1965)										
Square feet	225,541	225,541	225,541	225,541	220,241	220,241	220,241	220,241	220,241	220,241
Capacity	1,875	1,875	1,875	1,875	1,529	1,529	1,529	1,529	1,529	1,529
Enrollment	2,289	2,373	2,349	2,492	2,403	2,161	2,102	2,186	2,090	2,169
Milby (1925)										
Square feet	389,342	389,342	389,342	389,342	387,603	387,603	387,603	387,603	387,603	387,603
Capacity	2,868	2,868	2,868	2,868	2,352	2,352	2,352	2,352	2,352	2,352
Enrollment	2,187	2,246	2,189	2,156	2,242	2,197	2,130	2,175	2,305	2,583
Reagan (1926/2007)										
Square feet	360,372	360,372	360,372	360,372	231,857	231,857	231,857	231,857	231,857	231,857
Capacity	2,306	2,306	2,306	2,306	1,477	1,477	1,477	1,477	1,477	1,477
Enrollment	1,861	1,756	1,582	1,715	1,720	1,720	1,683	1,687	1,710	1,844
Sam Houston (1955)										
Square feet	325,181	325,181	325,181	325,181	317,681	317,681	317,681	317,681	317,681	317,681
Capacity	3,047	3,047	3,047	3,047	2,442	2,442	2,442	2,442	2,442	2,442
Enrollment	2,599	2,384	2,507	2,540	2,678	2,788	2,897	2,709	2,715	2,809
Scarborough (1968)										
Square feet	182,593	182,593	182,593	182,593	108,720	108,720	108,720	108,720	108,720	108,720
Capacity	1,032	1,032	1,032	1,032	984	984	984	984	984	984
Enrollment	828	736	788	869	948	888	822	866	933	966
Sharpstown (1971)										
Square feet	195,195	195,195	195,195	195,195	239,747	239,747	239,747	239,747	239,747	239,747
Capacity	1,781	1,781	1,781	1,781	1,716	1,716	1,716	1,716	1,716	1,716
Enrollment	1,254	1,455	1,528	1,685	1,834	1,702	1,734	1,721	1,705	1,817
Sterling (1965)										
Square feet	219,667	219,667	219,667	219,667	220,407	220,407	220,407	220,407	220,407	220,407
Capacity	1,397	1,397	1,397	1,397	1,247	1,247	1,247	1,247	1,247	1,247
Enrollment	1,086	1,081	1,141	1,118	1,114	1,137	1,176	1,212	1,172	1,274

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Waltrip (1960)										
Square feet	264,659	264,659	264,659	264,659	282,264	282,264	282,264	282,264	282,264	282,264
Capacity	1,805	1,805	1,805	1,805	1,643	1,643	1,643	1,643	1,643	1,643
Enrollment	1,777	1,808	1,777	1,769	1,849	1,819	1,790	1,789	1,740	1,646
Washington (1959)										
Square feet	244,527	244,527	244,527	244,527	243,826	243,826	243,826	243,826	243,826	243,826
Capacity	1,652	1,652	1,652	1,652	1,362	1,362	1,362	1,362	1,362	1,362
Enrollment	960	903	966	1,075	1,155	1,182	1,260	1,245	1,213	1,329
Westbury (1961)										
Square feet	324,292	324,292	324,292	324,292	319,658	319,658	319,658	319,658	319,658	319,658
Capacity	2,263	2,263	2,263	2,263	1,438	1,438	1,438	1,438	1,438	1,438
Enrollment	2,116	2,010	1,955	2,099	2,445	2,184	1,881	1,800	1,779	1,989
Westside (2000)										
Square feet	448,776	448,776	448,776	448,776	450,500	450,500	450,500	450,500	450,500	450,500
Capacity	2,171	2,171	2,171	2,171	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment	2,960	2,950	2,943	2,830	3,047	2,828	2,840	2,653	2,308	1,772
Wheatley (1950/2007)										
Square feet	268,485	268,485	268,485	268,485	193,415	193,415	193,415	193,415	193,415	193,415
Capacity	976	976	976	976	1,036	1,036	1,036	1,036	1,036	1,036
Enrollment	1,086	1,166	1,248	1,168	902	836	794	770	731	871
Worthing (1962)										
Square feet	220,983	220,983	220,983	220,983	188,807	188,807	188,807	188,807	188,807	188,807
Capacity	1,470	1,470	1,470	1,470	1,288	1,288	1,288	1,288	1,288	1,288
Enrollment	1,023	1,024	1,023	1,030	1,088	1,201	1,250	1,325	1,512	1,692
Yates (1958)										
Square feet	289,881	289,881	289,881	289,881	291,221	291,221	291,221	291,221	291,221	291,221
Capacity	2,120	2,120	2,120	2,120	1,361	1,361	1,361	1,361	1,361	1,361
Enrollment	1,320	1,337	1,333	1,339	1,359	1,302	1,379	1,426	1,401	1,502

NOTE: Information obtained from District records

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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, race, religion, sex, veteran status or political affiliation in its educational or employment programs and activities.