

Houston Independent

School District

# Comprehensive Annual Financial Report 2008

FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
HOUSTON, TEXAS



**Creating a College-Bound Culture**





Houston Independent

School District

# Comprehensive Annual Financial Report 2008

PREPARED BY THE OFFICE OF FINANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008



## Creating a College-Bound Culture

HATTIE MAE WHITE EDUCATIONAL SUPPORT CENTER  
4400 WEST 18TH STREET, HOUSTON, TEXAS 77092-8501



# HOUSTON INDEPENDENT SCHOOL DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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2008

Houston  
Independent  
School  
District



**INTRODUCTORY**



## **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, 2008, at a meeting of the Board of Education of such school district on the 12th day of November 2008.

---

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

---

Harvin C. Moore  
President, Board of Education  
Houston Independent School District



## HOUSTON INDEPENDENT SCHOOL DISTRICT

HATTIE MAE WHITE EDUCATIONAL SUPPORT CENTER  
4400 WEST 18th STREET • HOUSTON, TEXAS 77092-8501

**ABELARDO SAAVEDRA, Ph.D.**

*Superintendent of Schools*

Tel: 713-556-6300 • Fax: 713-556-6323

November 12, 2008

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, 2008, is submitted herewith. 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 component units, while 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 Finance Department 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 to manage and govern 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 unit 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 unit are 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 ranks 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 recently opting to relocate or expand operations in the region equating to local job growth.

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; when complete, the \$1.2 billion facility will serve seven ships, a new cruise port, and a 378-acre container storage yard. The Bayport facility will generate more than 12,000 jobs and \$10 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's economy is moving. Houston's ongoing revitalization efforts include new downtown businesses and entertainment venues, renovations in the theater district, the museum district, George R. Brown Convention Center, and Port of Houston. The housing market, though slowing somewhat, remains relatively strong compared with those of other large U.S. cities. Additionally, Houston's manufacturing and construction sectors continue to grow, bucking the national trend.

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 Rockets basketball team, the Comets women's basketball team, the Aeros hockey team, Houston Wranglers tennis team, the Houston Texans football team, and the Houston Dynamo, 2006 and 2007 Major League Soccer Cup champions.

"Space City," has a flourishing aerospace industry that continues to be a major economic influence in the area. NASA/Johnson Space Center and its contractors contribute approximately \$3.5 billion annually to the local economy. NASA/JSC grants provide approximately \$72 million to universities located within Houston and \$44 million to local non-profit organizations.



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-bound culture," HISD continues to enhance educational standards to meet the demands of a progressively more complex and robust economy.

### **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, 2008, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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, 2008.

### **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, 2008, were \$43,487,742, which represented 2.24 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 and Rebuild HISD. The Public Facility Corporation 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 ("PFC"). In April 2006, the PFC issued bonds to fund the new Food Service warehouse facility. A new \$805 million bond referendum was approved in November 2007 to continue funding facilities improvements throughout the District. For the fiscal year ended June 30, 2008, facilities acquisition and construction expenditures for the Capital Renovation Fund and the Public Facility Corporation amounted to \$126,474,257. 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 June 30, 2007, the ratio of actuarial assets to actuarial liabilities was 89.2 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**

Beginning in 2007-2008 as required by House Bill 1 (HB1) adopted by the 79<sup>th</sup> Third Called Special Session of the Texas Legislature, the district is under a new target revenue formula for school district funding. With this new 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**

The District has announced plans to launch major educational initiatives designed to support its pledge to create a "college-bound culture." In order to assist HISD's youngest students to become successful in higher grades, the District provides full-day pre-kindergarten to every eligible four-year-old. Additionally, HISD continues to offer free breakfast to every student at every school with the August 2006 launch of the universal breakfast program.

HISD also endorsed a major financial initiative to attract and retain exceptional teachers. The District implemented a bold new performance-pay program that has attracted national and international attention for its growth-model system for rewarding the District's best teachers. This unprecedented plan rewards what matters most – increased student learning at all levels.

The District's major new proposals for the coming school year include college-readiness courses for high-school seniors, college-awareness classes and campus visits for sixth-graders, specially equipped buses to take college-counseling into neighborhoods, training for middle school teachers and administrators to use test scores to prepare those students for college, intensive intervention to help students in kindergarten through third grade avoid retention, development of a strategic plan for safe and secure schools, higher pay for top-performing math and science teachers, consideration of new schools that combine primary and secondary schools, and a new long-term plan for facilities.

### **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, 2007. This was the 34th 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, 2007. The District has received this award for more than 20 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 Finance Department. 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,



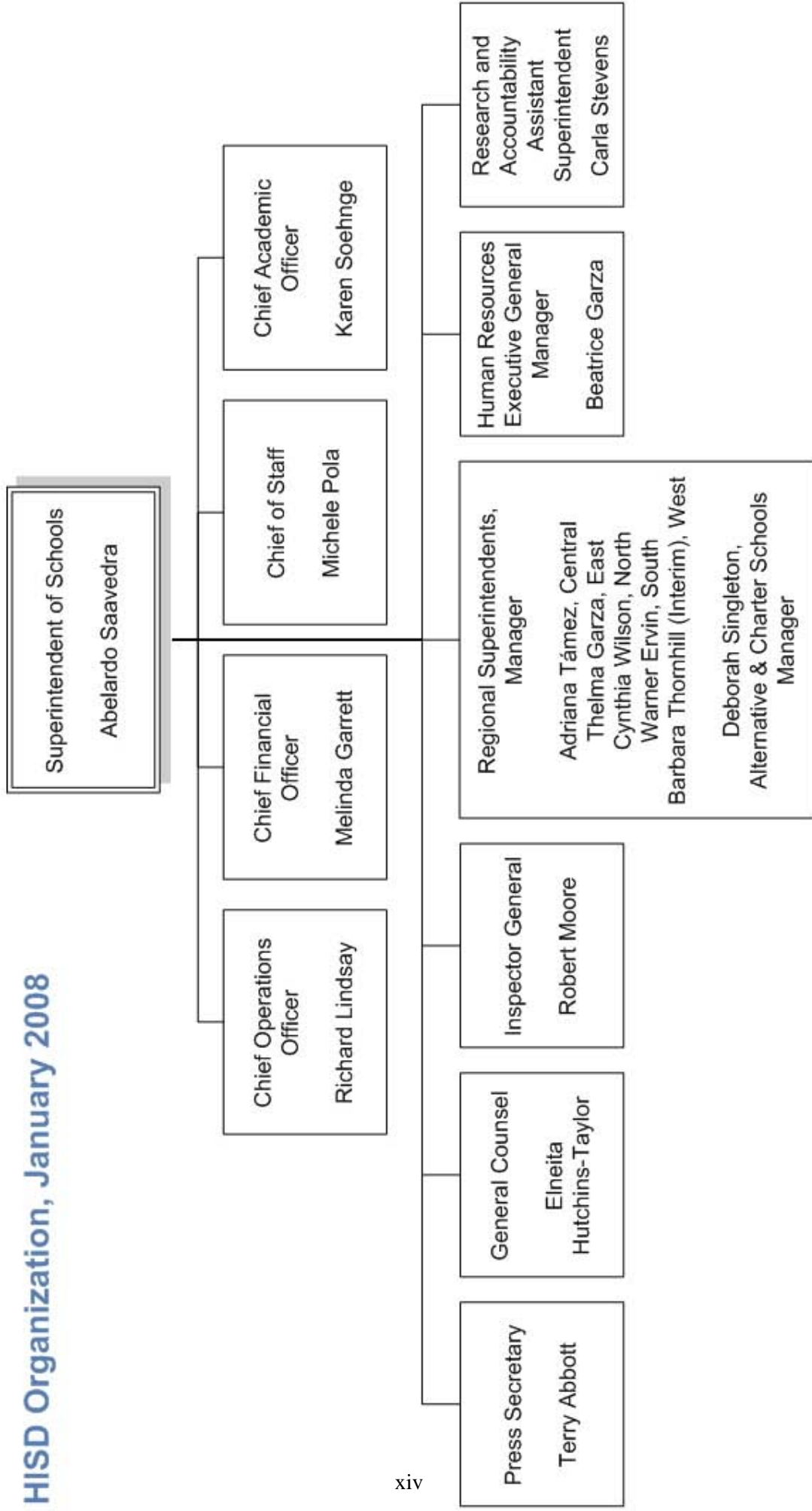
Abelardo Saavedra, Ph.D.  
Superintendent of Schools

  
Melinda Garrett  
Chief Financial Officer

Kenneth Huewitt  
Controller

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## HISD Organization, January 2008







**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
HATTIE MAE WHITE EDUCATIONAL SUPPORT CENTER  
4400 WEST 18<sup>TH</sup> ST., HOUSTON, TEXAS 77092

**ELECTED AND APPOINTED OFFICIALS**

**BOARD OF EDUCATION**

**Harvin C. Moore**, PRESIDENT

**Paula Harris**, FIRST VICE PRESIDENT

**Natasha Kamrani**, SECOND VICE PRESIDENT

**Carol Mims Galloway**, SECRETARY

**Lawrence Marshall**, ASSISTANT SECRETARY

**Diana Dávila**

**Dianne Johnson**

**Gregory A. Meyers**

**Manuel Rodr guez, Jr.**

**Dr. Abelardo Saavedra**  
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, 2007

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.



*Oliver S. Cox*

President

*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, 2007

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

*Gloria E. Brendel*

President

*John D. Quess*

Executive Director



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2008

Houston  
Independent  
School  
District



Financial Section

FINANCIAL



2008

Houston  
Independent  
School  
District



# BASIC FINANCIAL STATEMENTS





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## INDEPENDENT AUDITORS' 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, 2008, 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 an opinion on the respective financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") 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 respective 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2008, 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.

The Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, and Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the District's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

Our audit was conducted for the purpose of forming an opinion on 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 not a required part of the basic financial statements but are presented for the purposes of additional analysis. This information is the responsibility of the District's management. This information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the

basic financial statements taken as a whole. The Introductory and Statistical Sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is also the responsibility of the District's management. 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Deloitte & Touche LLP

November 11, 2008

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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, 2008. 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 is a combination of 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 \$1.342 billion. Of this amount, \$714.8 million is unrestricted. Total net assets of the District increased from \$1.237 billion in fiscal year 2007 to \$1.342 billion in fiscal year 2008, an increase of approximately \$105.2 million. Total revenues increased \$6.7 million from \$2.073 billion in fiscal year 2007 to \$2.08 billion in fiscal year 2008.

The District's governmental funds financial statements reported a combined ending fund balance in fiscal year 2008 of \$1.292 billion. Of this amount, \$42.5 million is reserved in the General Fund for restricted purposes and \$224.2 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 \$414.9 million from \$877.4 million in fiscal year 2007. This is due to the sale of bonds for authorized construction.

The District prepared a budget for the 2007-08 fiscal year that was based upon reducing expenditures by \$27 million which included reductions for central office operations, Hurricane Katrina education needs, reserve adjustments, and operating costs. Increases for the budget totaled \$159.8 million due to salary and benefits increases, utilities, transfers to debt service, transfers to the "pay as you go" program for capital projects, maintenance needs, technology, security, transportation, and one-time funds for schools in the areas of fine arts and capital outlay.

### **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) as opposed to 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 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. We use 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	<ul style="list-style-type: none"> <li>Statement of net assets</li> </ul>	<ul style="list-style-type: none"> <li>Balance sheet</li> </ul>	<ul style="list-style-type: none"> <li>Statement of net assets</li> </ul>	<ul style="list-style-type: none"> <li>Statement of fiduciary net assets</li> </ul>
	<ul style="list-style-type: none"> <li>Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>Statement of revenues, expenses and changes in fund net assets</li> <li>Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>Statement of changes in fiduciary net assets</li> </ul>
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
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

## 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 \$1.342 billion at June 30, 2008. Net assets of the District's governmental activities increased by \$117.4 million. Net assets of the District's business-type activities decreased by \$19.4 million.

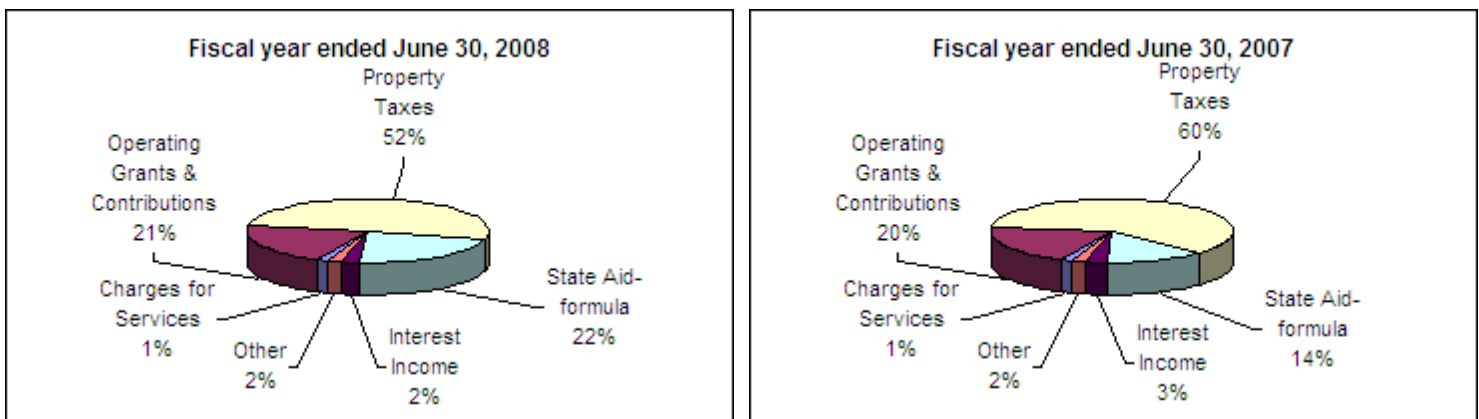
**The District's Condensed Statement of Net Assets**  
(in thousands of dollars)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>Difference</u>
Current and other assets	\$ 1,797,560	\$ 1,385,476	\$ 17,063	\$ 38,471	\$ 1,814,623	\$ 1,423,947	\$ 390,676
Capital assets	<u>2,270,537</u>	<u>2,219,262</u>	<u>23,316</u>	<u>18,506</u>	<u>2,293,853</u>	<u>2,237,768</u>	<u>56,085</u>
Total assets	<u>4,068,097</u>	<u>3,604,738</u>	<u>40,379</u>	<u>56,977</u>	<u>4,108,476</u>	<u>3,661,715</u>	<u>446,761</u>
Current liabilities	419,953	401,739	6,701	3,912	426,654	405,651	21,003
Long term liabilities	<u>2,339,478</u>	<u>2,018,883</u>	<u>293</u>	<u>317</u>	<u>2,339,771</u>	<u>2,019,200</u>	<u>320,571</u>
Total liabilities	<u>2,759,431</u>	<u>2,420,622</u>	<u>6,994</u>	<u>4,229</u>	<u>2,766,425</u>	<u>2,424,851</u>	<u>341,574</u>
Net assets:							
Invested in capital assets, net of related debt	519,175	457,203	23,316	18,506	542,491	475,709	66,782
Restricted	84,771	83,230	-	16,172	84,771	99,402	(14,631)
Unrestricted	<u>704,719</u>	<u>643,683</u>	<u>10,069</u>	<u>18,070</u>	<u>714,788</u>	<u>661,753</u>	<u>53,035</u>
Total net assets	<u>\$ 1,308,665</u>	<u>\$ 1,184,116</u>	<u>\$ 33,385</u>	<u>\$ 52,748</u>	<u>\$ 1,342,050</u>	<u>\$ 1,236,864</u>	<u>\$ 105,186</u>

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 \$542.5 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 \$84.8 million represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$714.8 million may be used to meet the District's ongoing obligations.

**Changes in net assets.** The District's total revenues were \$2.08 billion. A significant portion, approximately 52 percent, of the District's revenue comes from property taxes. Operating grants & contributions provided revenue of 21 percent, 22 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 \$1.982 billion.

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





## Governmental Activities

The net assets of the District's governmental activities increased by \$117.4 million due to increases in debt service property taxes and state aid. The total cost of all governmental activities for the fiscal year ended June 30, 2008 was \$1.861 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 \$1.861 billion.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$344.8 million.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$1.517 billion of which \$1.077 billion was funded by property taxes and \$462.8 million was funded by state aid - not restricted to specific programs.

## Business-type Activities

The net assets of the District's business-type activities decreased by \$19.4 million due to an increase in Food Service operating expenses, a decrease in investment earnings, and transfers out to the General Fund. 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 \$120.5 million.
- The majority of the *business-type activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$112.3 million.

## Changes in Net Assets

The total net assets of District increased by \$105.2 million due to the following activities:

- Operating grants and contributions increased \$9.6 million due to an increase in entitlements received from governmental agencies.
- State aid increased partially due to salary increases for teachers.
- Earnings on investments decreased due to a decrease of daily average interest rates of 1.02 percent.
- Instruction expenses increased \$45.6 million due to increases in funding for the performance pay program, library upgrades, and fine arts program.
- Food service expenses increased due to increases in salaries, food, and supplies.

**The District's Changes in Net Assets**

*(in thousands of dollars)*

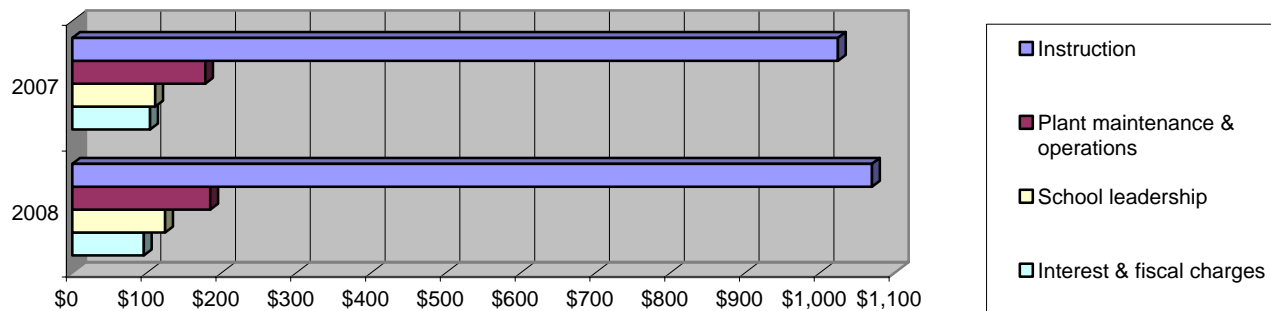
	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>Difference</b>
<b>Revenues</b>							
Program Revenues							
Charges for services	\$ 1,756	\$ 1,328	\$ 25,943	\$ 28,854	\$ 27,699	\$ 30,182	\$ (2,483)
Operating grants and contributions	343,082	339,591	86,398	80,288	429,480	419,879	9,601
General Revenues							
Property taxes	1,077,008	1,235,819	-	-	1,077,008	1,235,819	(158,811)
State aid - not restricted to specific programs	462,759	286,433	-	-	462,759	286,433	176,326
Earnings on investments	48,973	56,967	1,056	2,510	50,029	59,477	(9,448)
Other	32,067	40,325	982	1,219	33,049	41,544	(8,495)
Total revenues	<u>1,965,645</u>	<u>1,960,463</u>	<u>114,379</u>	<u>112,871</u>	<u>2,080,024</u>	<u>2,073,334</u>	<u>6,690</u>
<b>Expenses</b>							
Instruction	1,069,344	1,023,780	-	-	1,069,344	1,023,780	45,564
Instructional resources and media services	14,693	14,614	-	-	14,693	14,614	79
Instructional staff development	59,860	51,047	-	-	59,860	51,047	8,813
Curriculum development	4,241	3,884	-	-	4,241	3,884	357
Instructional leadership	23,267	21,142	-	-	23,267	21,142	2,125
School leadership	124,181	110,863	-	-	124,181	110,863	13,318
Guidance, counseling, and evaluation services	50,166	43,581	-	-	50,166	43,581	6,585
Social work services	2,174	2,249	-	-	2,174	2,249	(75)
Health services	19,443	18,402	-	-	19,443	18,402	1,041
Student transportation	47,791	41,697	-	-	47,791	41,697	6,094
Food service	1,462	332	-	-	1,462	332	1,130
Co-curricular/extracurricular activities	15,657	13,257	-	-	15,657	13,257	2,400
General administration	37,274	33,028	-	-	37,274	33,028	4,246
Plant maintenance and operations	184,483	177,780	-	-	184,483	177,780	6,703
Security and monitoring services	19,813	18,718	-	-	19,813	18,718	1,095
Data processing services	52,847	52,925	-	-	52,847	52,925	(78)
Community services	5,454	5,776	-	-	5,454	5,776	(322)
Interest and fiscal charges	95,792	104,070	-	-	95,792	104,070	(8,278)
Juvenile justice alternative education program	762	330	-	-	762	330	432
Tax reinvestment zone payments	32,754	32,222	-	-	32,754	32,222	532
Food service	-	-	109,520	98,727	109,520	98,727	10,793
Other	-	-	11,022	10,820	11,022	10,820	202
Total expenses	<u>1,861,458</u>	<u>1,769,697</u>	<u>120,542</u>	<u>109,547</u>	<u>1,982,000</u>	<u>1,879,244</u>	<u>102,756</u>
Change in net assets before transfers	104,187	190,766	(6,163)	3,324	98,024	194,090	(96,066)
Transfers	13,200	13,200	(13,200)	(13,200)	-	-	-
Change in net assets	117,387	203,966	(19,363)	(9,876)	98,024	194,090	(96,066)
<b>Beginning net assets</b>	1,184,116	980,150	52,748	62,624	1,236,864	1,042,774	194,090
<b>Change in beginning net assets-</b>							
<b>Prior Period Adjustment (Note 13)</b>	7,162	-	-	-	7,162	-	7,162
<b>Ending net assets</b>	<u>\$ 1,308,665</u>	<u>\$ 1,184,116</u>	<u>\$ 33,385</u>	<u>\$ 52,748</u>	<u>\$ 1,342,050</u>	<u>\$ 1,236,864</u>	<u>\$ 105,186</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.

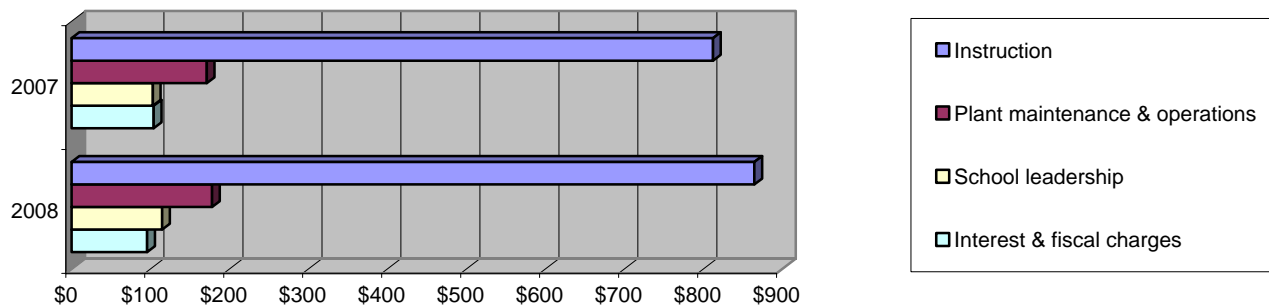
**Net Cost of Selected District Functions**  
(in million of dollars)

	<i>Total Cost of Services</i>		<i>Net Cost of Services</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Instruction	1,069.3	1,023.8	864.6	812.2
Plant maintenance & operations	184.5	177.8	177.9	171.2
School leadership	124.2	110.9	114.7	102.6
Interest & fiscal charges	95.8	104.1	95.8	104.1

Total Cost for Select Functions  
(in millions of dollars)



Net Cost for Select Functions  
(in millions of dollars)



## 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 \$1.961 billion for the fiscal year ended June 30, 2008, an increase of .67 percent from the prior fiscal year. Property taxes were the largest source of revenue received by the District. The District's total tax levy decreased by \$137.8 million from the prior year as a result of House Bill 1 (HB1) lowering of the maintenance and operations 2005-2006 tax rate of \$1.45 to the current rate of \$1.0067. As a result of the lower rate, state revenues increased by 45.6 percent from fiscal year 2007. The hold-harmless provisions of HB1 allowed districts to either earn the higher of the 2006-2007 or the 2007-2008 amount of revenue generated per weighted average daily attendance (WADA) with the state making up the difference between the hold-harmless provisions and the amount collected from property taxes. Federal revenues decreased 3.7 percent from fiscal year 2007 primarily due to a decrease in various federal funds distributed by the Texas Education Agency.

Expenditures for general governmental operations totaled \$1.992 billion during fiscal year 2008, a decrease of .50 percent from fiscal year 2007. While there is an overall decrease in expenditures, increases occurred in expenditures for the functional areas of instructional resources and media services, social work services, student transportation, food services, data processing services, community services, debt service interest and fiscal charges, and facilities acquisition and construction.

The governmental funds reported a combined fund balance of \$1.292 billion, an increase of \$414.9 million. The net increase of the combined fund balances was comprised of a fund balance increase in the General Fund, Special Revenue Fund, Debt Service Fund, and Capital Renovation Fund of \$65.9 million, \$9.5 million, \$4.6 million, and \$340.6 million, respectively, and a decrease in the nonmajor governmental fund of \$5.7 million. Out of the combined fund balances, \$233.6 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 increased \$65.9 million during the fiscal year primarily due to lower than expected expenditures. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$224.2 million. Unreserved, undesignated fund balance represents 15.7 percent of the total general fund expenditures, while total fund balance represents 36.7 percent of that same amount.

The Special Revenue Fund accounts for all grants received by the District. The ending fund balance of \$9.5 million consists of a prior period adjustment of \$7.2 million of accumulated revenues collected in prior years and \$2.3 million of revenues collected in the current year from the E-rate program.

The Debt Service Fund has a total fund balance of \$104.2 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 \$4.6 million. The District makes semi-annual debt service payments in December/June, January/July, February/August, and September of each year. Debt service payments for the period ended June 30, 2008 included all scheduled payments/accruals due within 30 days of year end.

The Capital Renovation Fund has a total fund balance of \$651.7 million. The majority, \$530.8 million dollars, is designated for future construction while \$119.6 million is reserved for encumbrances. The remaining \$1.3 million is designated for arbitrage. The fund balance increased by \$340.6 million as a result of the sale of bonds for the District's new Rebuild HISD 2007 program and the completion of projects in the Rebuild HISD program.



The Capital Renovation Fund – Public Facility Corporation has a total fund balance of \$3.3 million, all of which is designated for construction of the food service warehouse facility. The fund balance decreased by \$5.7 million as a result of increased expenditures for the food service warehouse facility.

**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, 2008 were \$17.7 million. Of this amount, \$23.3 million represented the investment in capital assets, which is offset by (\$5.6 million) in unrestricted assets. For the fiscal year, net assets decreased by \$17.1 million due primarily to a \$9.7 million increase in total operating expenses.

### General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. As a result, actual expenditures were \$62.6 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:

- \$27.4 million resulted from staffing
- \$13.7 million school reserves
- \$8.3 million campus funding
- \$6.4 million data processing services

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 \$1.543 billion. Actual revenues exceeded the revised budget by \$27.5 million. This positive variance was mainly attributed to federal revenue collections exceeding budgeted amounts and the state reimbursement of the District's payments to the Tax Increment Reinvestment Zones.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### CAPITAL ASSETS

The District had invested \$2.271 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 \$51.3 million over last year.

#### District's Capital Assets

(net of depreciation, in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2008-2007
Land	\$ 203,526	\$ 198,599	\$ -	\$ -	\$ 203,526	\$ 198,599	2.48%
Buildings and Improvements	1,758,060	1,650,280	13,030	3,088	1,771,090	1,653,368	7.12%
Vehicles	28,132	32,776	706	1,185	28,838	33,961	-15.09%
Furniture and equipment	72,968	80,258	9,580	5,736	82,548	85,994	-4.01%
Construction in progress	207,851	257,349	-	8,497	207,851	265,846	-21.82%
Total	\$ 2,270,537	\$ 2,219,262	\$ 23,316	\$ 18,506	\$ 2,293,853	\$ 2,237,768	2.51%

The District opened the largest group of newly replaced campuses at one time including Bastian Elementary School, Briargrove Elementary School, Bruce Elementary School, Lantrip Elementary School, Longfellow

Elementary School, Pilgrim Academy, Thompson Elementary School, and Walnut Bend Elementary School. Two of the schools, Thompson Elementary School and Walnut Bend Elementary School are the District's first "green" schools, and the District is also seeking LEED certification for the "green" building design of Walnut Bend Elementary School. A LEED certified school is one that meets the criteria of the U.S. Green Building Council for building performance and sustainability. As of June 30, 2008, the District had fully funded construction commitments of \$89,694,742. More detailed information about the District's capital assets is presented in Note 6 to the financial statements.

### **Long Term Debt**

As of June 30, 2008, the District had total bonded debt outstanding of \$2.003 billion. The District debt totals included \$237 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. These data are presented in the schedule "Ratio of Net General Bonded Debt to Assessed Values and Net Bonded Debt per Student" in the statistical section and reflect a minor increase in the ratio of net bonded debt to assessed value of 1.97 percent, as compared to 1.88 percent last year.

The District reduced total variable debt by choosing to redeem \$42,000,000 of Variable Rate Bonds Series 2004 in June 2008. Variable rate debt as a percentage of total bonded debt outstanding is 11.8%. The variable rate debt will be remarketed again in June 2009.

In March 2008 the District issued \$389,825,000 in Limited Tax Schoolhouse Bonds Series 2008 with a premium of \$11,975,015. The sale was the first segment of an \$805 million bond referendum passed in November 2007. Proceeds of the sale will be utilized for a combination of projects including new school construction, major repair and remodeling of existing facilities, acquisition of future sites, and to pay costs associated with issuance of the bonds.

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, 2008, arbitrage rebate in the amount of \$1,857,019 has been included as part of the unreserved fund balance on the Governmental Funds Balance Sheet.

In October 2007, the District issued \$23,500,000 in Contractual Obligations Series 2007 with a premium of \$99,064. Contractual obligations, with a remaining balance of \$63,405,000, 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.

More detailed information about the District's long term debt is presented in Note 8 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Increases for the 2008-09 General Fund operating budget total \$183.9 million. These increases include the following major factors:

- \$36.2 million salary package
- \$41 million Chapter 41 Recapture Payment
- \$11.2 million per unit allocations and other subsidies
- \$2.1 million Aspiring Principals Institute
- \$3.6 million four new charter schools
- \$1.4 million charter school enrollment, Per Unit Allocation & Cost Of Living Adjustments

Also included were reductions of \$35.6 million that included reductions primarily to Districtwide reserve accounts, transfers to other funds, closure of charter schools, reduction in refined units from decreasing enrollment, and property insurance.

## **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 18<sup>th</sup> Street, Houston, Texas 77092, or call (713) 556-6600.

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**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,468,364	\$ 107,420	\$ 5,575,784
Investments	1,500,986,404	12,689,679	1,513,676,083
Delinquent taxes receivable - net of estimated uncollectible taxes	106,954,639	-	106,954,639
Accounts receivable	166,069,170	2,524,872	168,594,042
Internal balances	2,678,789	(2,678,789)	-
Inventories	2,113,158	4,419,816	6,532,974
Other assets	13,289,437	607	13,290,044
Land	203,526,192	-	203,526,192
Construction in progress	207,850,869	-	207,850,869
Buildings and improvements	2,508,307,573	13,275,766	2,521,583,339
Furniture and equipment	253,697,957	20,644,154	274,342,111
Vehicles	82,593,235	4,448,520	87,041,755
Accumulated depreciation	(985,438,652)	(15,052,767)	(1,000,491,419)
Total assets	<u>4,068,097,135</u>	<u>40,379,278</u>	<u>4,108,476,413</u>
<b>LIABILITIES</b>			
Accounts payable	48,606,105	5,824,837	54,430,942
Accrued salaries and related expenses	110,546,694	678,434	111,225,128
Other liabilities	94,234,804	-	94,234,804
Unearned revenues	13,487,586	-	13,487,586
Interest payable	38,626,702	-	38,626,702
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	37,284,084	-	37,284,084
Contractual obligations payable	14,305,000	-	14,305,000
Notes payable	4,305,000	-	4,305,000
Premium/discount	7,962,190	-	7,962,190
Deferred loss on refunding of bonds	(519,869)	-	(519,869)
Lease purchases	68,916	-	68,916
Arbitrage rebate payable	49,155	-	49,155
Accretion payable	22,439,767	-	22,439,767
Compensated absences payable	2,937,214	197,822	3,135,036
Claims payable	25,619,978	-	25,619,978
Portion due or payable after one year:			
Bonds payable	1,965,929,043	-	1,965,929,043
Contractual obligations payable	49,100,000	-	49,100,000
Notes payable	76,045,000	-	76,045,000
Premium/discount	52,122,449	-	52,122,449
Deferred loss on refunding of bonds	(6,088,183)	-	(6,088,183)
Lease purchases	57,128	-	57,128
Arbitrage rebate payable	1,807,864	-	1,807,864
Accretion payable	172,568,582	-	172,568,582
Compensated absences payable	20,978,224	293,178	21,271,402
Claims payable	6,958,347	-	6,958,347
Total liabilities	<u>2,759,431,780</u>	<u>6,994,271</u>	<u>2,766,426,051</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	519,175,036	23,315,673	542,490,709
Restricted for:			
Contractual obligations	6,376,679	-	6,376,679
Debt service	78,394,428	-	78,394,428
Unrestricted	704,719,212	10,069,334	714,788,546
Total net assets	<u>\$ 1,308,665,355</u>	<u>\$ 33,385,007</u>	<u>\$ 1,342,050,362</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, 2008**

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
<b>Governmental activities:</b>						
Instruction	\$ 1,069,343,618	\$ 863,005	\$ 203,911,079	\$ (864,569,534)	\$ -	\$ (864,569,534)
Instructional resources and media services	14,693,279	-	1,374,754	(13,318,525)	-	(13,318,525)
Instructional staff development	59,859,578	-	46,282,821	(13,576,757)	-	(13,576,757)
Curriculum development	4,240,788	-	4,899	(4,235,889)	-	(4,235,889)
Instructional leadership	23,266,595	-	8,753,332	(14,513,263)	-	(14,513,263)
School leadership	124,181,161	-	9,465,291	(114,715,870)	-	(114,715,870)
Guidance, counseling, and evaluation services	50,166,310	-	11,505,630	(38,660,680)	-	(38,660,680)
Social work services	2,173,752	-	983,056	(1,190,696)	-	(1,190,696)
Health services	19,442,983	-	2,119,960	(17,323,023)	-	(17,323,023)
Student transportation	47,790,724	-	20,476,451	(27,314,273)	-	(27,314,273)
Food service	1,462,442	-	50,881	(1,411,561)	-	(1,411,561)
Co-curricular/extracurricular activities	15,657,329	389,723	3,625,750	(11,641,856)	-	(11,641,856)
General administration	37,274,187	-	4,989,960	(32,284,227)	-	(32,284,227)
Plant maintenance and operations	184,483,175	502,987	6,101,936	(177,878,252)	-	(177,878,252)
Security and monitoring services	19,812,880	-	1,558,860	(18,254,020)	-	(18,254,020)
Data processing services	52,846,792	-	18,489,033	(34,357,759)	-	(34,357,759)
Community services	5,453,724	-	3,387,420	(2,066,304)	-	(2,066,304)
Interest and fiscal charges	95,791,571	-	1,102	(95,790,469)	-	(95,790,469)
Juvenile justice alternative education program	762,071	-	-	(762,071)	-	(762,071)
Tax reinvestment zone payments	32,754,533	-	-	(32,754,533)	-	(32,754,533)
Total governmental activities	<u>1,861,457,492</u>	<u>1,755,715</u>	<u>343,082,215</u>	<u>(1,516,619,562)</u>		<u>(1,516,619,562)</u>
<b>Business-type activities:</b>						
Food service	109,520,238	14,512,444	76,275,076	-	(18,732,718)	(18,732,718)
Business development	9,759,385	10,286,253	-	-	526,868	526,868
Medicaid	1,262,940	1,144,819	10,123,385	-	10,005,264	10,005,264
Total business-type activities	<u>120,542,563</u>	<u>25,943,516</u>	<u>86,398,461</u>	<u>(1,516,619,562)</u>	<u>(8,200,586)</u>	<u>(8,200,586)</u>
Total activities	<u>\$ 1,982,000,055</u>	<u>\$ 27,699,231</u>	<u>\$ 429,480,676</u>		<u>(8,200,586)</u>	<u>(1,524,820,148)</u>
<b>General revenues:</b>						
<b>Taxes:</b>						
Maintenance & operations property taxes				936,378,261	-	936,378,261
Debt service property taxes				140,629,766	-	140,629,766
State aid - not restricted to specific programs				462,758,750	-	462,758,750
Tax increment reinvestment zone				18,954,929	-	18,954,929
Unrestricted investment earnings				48,972,905	1,055,550	50,028,455
Miscellaneous				13,112,562	981,646	14,094,208
Transfers				13,200,000	(13,200,000)	-
Total general revenues and transfers				<u>1,634,007,173</u>	<u>(11,162,804)</u>	<u>1,622,844,369</u>
Change in net assets				<u>117,387,611</u>	<u>(19,363,390)</u>	<u>98,024,221</u>
Net assets—beginning				<u>1,184,115,548</u>	<u>52,748,397</u>	<u>1,236,863,945</u>
Change in beginning net assets -						
Prior Period Adjustment (Note 13)				<u>7,162,196</u>	<u>-</u>	<u>7,162,196</u>
Net assets—ending				<u>\$ 1,308,665,355</u>	<u>\$ 33,385,007</u>	<u>\$ 1,342,050,362</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, 2008**

	MAJOR				NONMAJOR		
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation Fund - PFC	Total Governmental Funds	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 316,782	\$ 139,464	\$ 42	\$ 4,478	\$ 4,812,116	\$ 5,272,882	
Investments	581,913,257	16,634,615	126,317,014	664,430,440	-	1,389,295,326	
Delinquent taxes receivable - net of estimated uncollectible taxes	96,276,695	-	10,677,944	-	-	106,954,639	
Accounts receivable	120,130,579	44,932,729	-	788,535	-	165,851,843	
Due from other funds	16,353,687	-	12,682	892,099	-	17,258,468	
Inventories	2,113,158	-	-	-	-	2,113,158	
Other assets	1,152,125	-	300,250	1,657,264	-	3,109,639	
<b>Total assets</b>	<b>\$ 818,256,283</b>	<b>\$ 61,706,808</b>	<b>\$ 137,307,932</b>	<b>\$ 667,772,816</b>	<b>\$ 4,812,116</b>	<b>\$ 1,689,855,955</b>	
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 18,050,923	\$ 8,198,719	\$ -	\$ 16,011,778	\$ 1,520,385	\$ 43,781,805	
Debt payable within one year	-	-	23,371,650	-	-	23,371,650	
Accrued salaries and expenditures	101,080,943	9,028,517	-	68,978	-	110,178,438	
Other liabilities	92,225,084	2,009,720	-	-	-	94,234,804	
Due to other funds	-	19,530,348	-	-	-	19,530,348	
Deferred revenues	83,214,333	13,487,586	9,712,161	-	-	106,414,080	
<b>Total liabilities</b>	<b>\$ 294,571,283</b>	<b>\$ 52,254,890</b>	<b>\$ 33,083,811</b>	<b>\$ 16,080,756</b>	<b>\$ 1,520,385</b>	<b>\$ 397,511,125</b>	
<b>Fund balances:</b>							
<b>Reserved:</b>							
Reserved for encumbrances	34,303,718	-	-	119,593,692	-	153,897,410	
Reserved for investment in inventories	2,113,158	-	-	-	-	2,113,158	
Reserved for capital acquisition program	6,096,238	-	-	-	-	6,096,238	
Reserved for retirement of funded indebtedness	-	-	104,224,121	-	-	104,224,121	
<b>Unreserved:</b>							
Designated for arbitrage	515,879	-	-	1,304,010	37,130	1,857,019	
Designated for authorized construction	-	-	-	530,794,358	3,254,601	534,048,959	
Designated for incentive pay program	33,523,280	-	-	-	-	33,523,280	
Designated for insurance programs	11,842,420	-	-	-	-	11,842,420	
Designated for auto/general liability	2,744,453	-	-	-	-	2,744,453	
Designated for pay as you go	60,000,000	-	-	-	-	60,000,000	
Designated for operations	84,278,447	-	-	-	-	84,278,447	
Designated for school carryforward	64,109,345	-	-	-	-	64,109,345	
Undesignated	224,158,062	9,451,918	-	-	-	233,609,980	
<b>Total fund balances</b>	<b>\$ 523,685,000</b>	<b>\$ 9,451,918</b>	<b>\$ 104,224,121</b>	<b>\$ 651,692,060</b>	<b>\$ 3,291,731</b>	<b>\$ 1,292,344,830</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 818,256,283</b>	<b>\$ 61,706,808</b>	<b>\$ 137,307,932</b>	<b>\$ 667,772,816</b>	<b>\$ 4,812,116</b>	<b>\$ 1,689,855,955</b>	

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, 2008**

**Total Fund Balances— Governmental Funds** **\$ 1,292,344,830**

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 \$3,255,975,826 and the accumulated depreciation is \$985,438,652. 2,270,537,174

Property taxes receivable are not available soon enough to pay for the current period's expenditures, and therefore, are deferred in the funds. 92,926,494

Proceeds collected in the current year from the sale of capital assets deferred in the prior fiscal year. -

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. 114,134,433

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	2,003,213,127	
Accretion of interest payable	195,008,349	
Contractual obligations payable	49,100,000	
Notes payable	76,045,000	
Claims payable	32,578,325	
Compensation absences payable	23,915,438	
Lease purchases payable	126,044	
Premium on bonds payable	60,084,639	
Deferred loss on refunding of bonds	(6,608,052)	
Arbitrage payable	1,807,864	
Issue costs	(9,254,572)	
Accrued interest payable	35,261,414	
		(2,461,277,576)

**Total Net Assets of Governmental Activities** **\$ 1,308,665,355**

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, 2008**

	MAJOR			NONMAJOR		Total
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation Fund - PFC	Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 950,170,420	\$ -	\$ 140,954,828	\$ -	\$ -	\$ 1,091,125,248
Earnings on investments	23,978,689	-	3,304,546	15,834,699	369,808	43,487,742
Miscellaneous local sources	10,783,107	13,348,464	-	18,614,573	1,067	42,747,211
Slate sources	543,571,805	43,877,847	-	-	-	587,449,652
Federal sources	5,776,363	190,391,239	-	-	-	196,167,602
Total revenues	1,534,280,384	247,617,350	144,259,374	34,449,272	370,875	1,960,977,255
<b>EXPENDITURES</b>						
Current						
Instruction	849,732,803	156,392,700	-	-	-	1,006,125,503
Instructional resources and media services	13,969,591	606,504	-	-	-	14,576,095
Instructional staff development	12,951,385	45,832,790	-	-	-	58,784,175
Curriculum development	4,218,556	4,899	-	-	-	4,223,455
Instructional leadership	15,020,435	7,936,175	-	-	-	22,956,610
School leadership	120,966,699	2,595,934	-	-	-	123,562,633
Guidance, counseling and evaluation services	39,467,566	9,916,757	-	-	-	49,384,323
Social work services	1,272,704	891,303	-	-	-	2,164,007
Health services	18,340,351	1,005,640	-	-	-	19,345,991
Student transportation	40,866,838	1,575,375	-	-	-	42,442,213
Food services	172,373	39,795	-	-	-	212,168
Co-curricular/extracurricular activities	11,364,981	3,408,427	-	-	-	14,773,408
General administration	32,512,122	3,052,263	-	-	-	35,564,385
Plant maintenance and operations	181,157,438	2,024,249	-	-	-	183,181,687
Security and monitoring services	18,970,819	560,201	-	-	-	19,531,020
Data processing services	28,417,659	5,274,699	-	-	-	33,692,358
Community services	2,156,951	3,274,583	-	-	-	5,431,534
Juvenile justice alternative education program	762,071	-	-	-	-	762,071
Tax reinvestment zone payments	32,754,533	-	-	-	-	32,754,533
Debt service						
Principal	60,077	11,113	96,119,258	-	-	96,190,448
Interest and fiscal charges	6,836	1,102	98,289,521	-	-	98,297,459
Capital outlay						
Facilities acquisition and construction	314,714	903,119	-	120,441,602	6,032,655	127,692,090
Total expenditures	1,425,457,502	245,327,628	194,408,779	120,441,602	6,032,655	1,991,668,166
<b>Excess (deficiency) of revenues over (under) expenditures</b>	108,822,882	2,289,722	(50,149,405)	(85,992,330)	(5,661,780)	(30,690,911)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	13,200,000	-	54,737,528	32,303,680	-	100,241,208
Transfers out	(79,794,735)	-	-	(8,690,000)	-	(88,484,735)
Capital leases	93,514	-	-	-	-	93,514
Issuance of bonds and other debt	23,500,000	-	-	389,825,000	-	413,325,000
Premium on the sale of bonds	99,065	-	-	11,975,015	-	12,074,080
Proceeds from sale of capital assets	-	-	-	1,204,181	-	1,204,181
Total other financing sources (uses)	(42,902,156)	-	54,737,528	426,617,876	-	438,453,248
Net change in fund balances	65,920,726	2,289,722	4,588,123	340,625,546	(5,661,780)	407,762,337
<b>Fund balances--beginning</b>	457,764,274	-	99,635,998	311,066,514	8,953,511	877,420,297
Change in beginning fund balances - Prior Period Adj. (Note 13)	-	7,162,196	-	-	-	7,162,196
<b>Fund balances--ending</b>	\$ 523,685,000	\$ 9,451,918	\$ 104,224,121	\$ 651,692,060	\$ 3,291,731	\$ 1,292,344,830

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, 2008**

**Total Net Change in Fund Balances—Governmental Funds** **\$ 407,762,337**

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. 51,275,279

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	(389,825,000)	
Contractual obligations payable	(23,500,000)	
Bonds payable	83,934,296	
Contractual obligations payable	14,305,000	
Notes payable	4,305,000	
Arbitrage payable	49,155	
Premium on bonds payable	(12,074,079)	
Amortization of premium on bonds payable	48,320,321	
Amortization of deferred loss on refunding of bonds	(519,869)	
Issuance costs	1,885,828	
Amortization of issuance costs	(501,404)	
Lease purchase payable, net	(22,325)	
Arbitrage expenditure, net	872,412	
Accretion payable, net	<u>(46,933,743)</u>	(319,704,408)

Property taxes, 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, decreased by this amount this year. (17,977,503)

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. (3,231,569)

In the statement of activities, compensated absences (sick pay and 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. 612,325

Internal service funds - changes in claims payable 833,596

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. (2,182,446)

**Change in Net Assets of Governmental Activities** **\$ 117,387,611**

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, 2008**

	<b>Business-type Activities-Enterprise Funds</b>			<b>Governmental Activities Internal Service Fund</b>
	<b>Food Service Fund</b>	<b>Nonmajor Enterprise Fund</b>	<b>Totals</b>	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 85,122	\$ 22,298	\$ 107,420	\$ 195,482
Investments	350,918	12,338,761	12,689,679	111,691,078
Receivables	509,621	2,015,251	2,524,872	217,327
Due from other funds	-	-	-	9,313,783
Accrued interest	-	-	-	925,226
Inventories	4,419,816	-	4,419,816	-
Other assets	-	607	607	-
Total current assets	<u>5,365,477</u>	<u>14,376,917</u>	<u>19,742,394</u>	<u>122,342,896</u>
Noncurrent assets:				
Buildings and improvements	13,275,766	-	13,275,766	558,545
Furniture and equipment	20,524,946	119,208	20,644,154	795,766
Vehicles	4,448,520	-	4,448,520	111,068
Less accumulated depreciation	<u>(14,970,680)</u>	<u>(82,087)</u>	<u>(15,052,767)</u>	<u>(730,204)</u>
Total noncurrent assets	<u>23,278,552</u>	<u>37,121</u>	<u>23,315,673</u>	<u>735,175</u>
Total assets	<u>28,644,029</u>	<u>14,414,038</u>	<u>43,058,067</u>	<u>123,078,071</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	3,606,741	1,975,451	5,582,192	3,477,094
Due to other funds	6,036,129	53,848	6,089,977	951,926
Due to State of Texas	242,645	-	242,645	-
Accrued salaries payable	649,688	28,746	678,434	368,256
Compensated absences payable	178,224	19,598	197,822	-
Claims and judgments payable	-	-	-	25,619,978
Total current liabilities	<u>10,713,427</u>	<u>2,077,643</u>	<u>12,791,070</u>	<u>30,417,254</u>
Noncurrent liabilities:				
Compensated absences payable	251,606	41,572	293,178	791,634
Claims and judgments payable	-	-	-	6,958,347
Total noncurrent liabilities	<u>251,606</u>	<u>41,572</u>	<u>293,178</u>	<u>7,749,981</u>
Total liabilities	<u>10,965,033</u>	<u>2,119,215</u>	<u>13,084,248</u>	<u>38,167,235</u>
<b>NET ASSETS</b>				
Invested in capital assets	23,278,552	37,121	23,315,673	735,175
Unrestricted	<u>(5,599,556)</u>	<u>12,257,702</u>	<u>6,658,146</u>	<u>84,175,661</u>
Total net assets	<u>\$ 17,678,996</u>	<u>\$ 12,294,823</u>	<u>29,973,819</u>	<u>\$ 84,910,836</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.

3,411,188

Net assets of business-type activities

\$ 33,385,007

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, 2008**

	<b>Business-type Activities-Enterprise Funds</b>			<b>Governmental Activities Internal Service Fund</b>
	<b>Food Service Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	
<b>OPERATING REVENUES:</b>				
Charges for sales and services:				
Sales to customers	\$ 14,512,444	\$ -	\$ 14,512,444	\$ 26,670,137
Consulting services	-	11,431,072	11,431,072	-
Charges to other funds	-	-	-	114,193,571
Miscellaneous	981,646	-	981,646	1,276,711
Total operating revenues	<u>15,494,090</u>	<u>11,431,072</u>	<u>26,925,162</u>	<u>142,140,419</u>
<b>OPERATING EXPENSES:</b>				
Payroll costs	41,947,043	1,096,672	43,043,715	19,809,199
Purchased and contracted services	12,318,987	9,716,229	22,035,216	7,146,228
Supplies and materials	50,546,369	56,610	50,602,979	3,241,209
Other operating expenses	1,770,225	138,084	1,908,309	1,717,961
Claims and judgments	-	-	-	118,745,838
Depreciation	2,601,581	14,730	2,616,311	97,147
Total operating expenses	<u>109,184,205</u>	<u>11,022,325</u>	<u>120,206,530</u>	<u>150,757,582</u>
Operating income (loss)	<u>(93,690,115)</u>	<u>408,747</u>	<u>(93,281,368)</u>	<u>(8,617,163)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Earnings on investments	334,691	720,859	1,055,550	5,485,163
Grants from federal agencies:				
Child nutrition program	66,742,268	-	66,742,268	-
Donated commodities	4,447,518	-	4,447,518	-
Summer food program	4,460,139	-	4,460,139	-
School health services (SHARS)	-	3,993,545	3,993,545	-
Star health	-	6,129,840	6,129,840	-
State matching and other	625,151	-	625,151	-
Total nonoperating revenue	<u>76,609,767</u>	<u>10,844,244</u>	<u>87,454,011</u>	<u>5,485,163</u>
Income (loss) before transfers	(17,080,348)	11,252,991	(5,827,357)	(3,132,000)
Transfers in	-	-	-	1,443,527
Transfers out	-	(13,200,000)	(13,200,000)	-
Change in net assets	(17,080,348)	(1,947,009)	(19,027,357)	(1,688,473)
Total net assets—beginning	34,759,344	14,241,832		86,599,309
Total net assets—ending	<u>\$ 17,678,996</u>	<u>\$ 12,294,823</u>		<u>\$ 84,910,836</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.

336,033

Change in net assets of business-type activities \$ (19,363,390)

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, 2008**

	<b>Business-type Activities-Enterprise Funds</b>			<b>Governmental Activities- Internal Service Funds</b>
	<b>Food Service Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 15,284,166	\$ 11,617,068	\$ 26,901,234	\$ 140,788,861
Receipts from other funds	2,305,766	60,904	2,366,670	73,112
Other receipts	862,398	-	862,398	989,851
Payments to suppliers	(58,299,660)	(9,799,816)	(68,099,476)	(10,394,935)
Payments to employees	(41,265,171)	(1,064,957)	(42,330,128)	(19,367,162)
Payments to other funds	-	(8,375)	(8,375)	(2,583,821)
Claims paid	-	-	-	(120,729,819)
Other payments	-	(607)	(607)	-
Net cash provided (used) by operating activities	<u>(81,112,501)</u>	<u>804,217</u>	<u>(80,308,284)</u>	<u>(11,223,913)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Child nutrition program	66,742,268	-	66,742,268	-
State matching and other	625,151	-	625,151	-
Summer food program	4,460,139	-	4,460,139	-
Grants from federal agencies	-	10,123,385	10,123,385	-
Transfers from other funds	-	-	-	1,443,527
Transfers to other funds	-	(13,200,000)	(13,200,000)	-
Net cash provided (used) by noncapital financing activities	<u>71,827,558</u>	<u>(3,076,615)</u>	<u>68,750,943</u>	<u>1,443,527</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	<u>(7,425,675)</u>	<u>-</u>	<u>(7,425,675)</u>	<u>(93,556)</u>
Net cash used by capital and related financing activities	<u>(7,425,675)</u>	<u>-</u>	<u>(7,425,675)</u>	<u>(93,556)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(62,788,658)	(15,160,860)	(77,949,518)	(423,357,922)
Sales and maturities of investments	79,093,253	16,563,100	95,656,353	427,855,370
Interest and dividends	334,691	720,860	1,055,551	5,485,163
Net cash provided by investing activities	<u>16,639,286</u>	<u>2,123,100</u>	<u>18,762,386</u>	<u>9,982,611</u>
Net increase (decrease) in cash and cash equivalents	(71,332)	(149,298)	(220,630)	108,669
Balances—beginning of the year	<u>156,454</u>	<u>171,596</u>	<u>328,050</u>	<u>86,813</u>
Balances—end of the year	<u>\$ 85,122</u>	<u>\$ 22,298</u>	<u>\$ 107,420</u>	<u>\$ 195,482</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (\$93,690,115)	\$ 408,747	\$ (93,281,368)	\$ (8,617,163)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	2,601,581	14,730	2,616,311	97,147
Donated commodities	4,447,518	-	4,447,518	-
Change in assets and liabilities:				
Receivables	409,829	185,997	595,826	(74,847)
Inventories	190,634	-	190,634	-
Accounts payables	1,940,414	111,106	2,051,520	1,198,445
Due to other funds	2,298,298	52,529	2,350,827	(2,583,820)
Due from other funds	7,468	-	7,468	73,112
Accrued interest	-	-	-	(925,226)
Accrued salaries payable	648,431	31,715	680,146	365,423
Compensated absences payable	33,441	-	33,441	76,612
Other assets	-	(607)	(607)	-
Current portion of claims and judgments	-	-	-	465,256
Other long term claims and judgments	-	-	-	(1,298,852)
Net cash provided (used) by operating activities	<u>\$ (81,112,501)</u>	<u>\$ 804,217</u>	<u>\$ (80,308,284)</u>	<u>\$ (11,223,913)</u>

**Noncash financing activities:**

The District received donated commodities valued at \$4,447,518 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, 2008**

	<b>Private-Purpose Trust Funds</b>	<b>Agency Funds</b>
	<hr/>	<hr/>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 4,818,056
Investments	<u>11,913,194</u>	<u>8,209,688</u>
Total assets	<u>11,913,194</u>	<u>\$ 13,027,744</u>
<b>LIABILITIES</b>		
Accounts payable	-	\$ 1,153,215
Accrued salaries payable	-	27,761
Due to student/school/administrative groups	<u>-</u>	<u>11,846,768</u>
Total liabilities	<u>-</u>	<u>\$ 13,027,744</u>
<b>NET ASSETS</b>		
Held in trust for scholarships	<u>11,913,194</u>	
Total net assets	<u>\$ 11,913,194</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, 2008**

	<u><b>Private-Purpose Trust Funds</b></u>
<b>ADDITIONS</b>	
Gifts and contributions	\$ 8,795
Earnings on investments	<u>471,592</u>
Total additions	<u>480,387</u>
<b>DEDUCTIONS</b>	
Scholarships awarded	<u>368,229</u>
Total deductions	<u>368,229</u>
Change in net assets	112,158
Net assets—beginning of the year	<u>11,801,036</u>
Net assets—end of the year	<u><u>\$ 11,913,194</u></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, 2008**

**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 unit 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 operations and 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.

**NEW ACCOUNTING STANDARD**

During the fiscal year 2008, the District adopted GASB Statement No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions*. Implementation of this standard had no significant effect on the District. Please refer to Note 11 for required disclosures.

**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

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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.

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.

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

- *Special Revenue Fund* -- The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than private-purpose trust funds or capital projects) such as federal, state or locally financed programs where unused balances 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 include 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, 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



***HOUSTON INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008***

funds. The District does not use clearing accounts to distribute financial resources to other funds of the District.

**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 29.14 percent of outstanding property taxes at June 30, 2008.

**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, the District has met all eligibility requirements, and funds are available. 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.

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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, 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:

<b><u>Asset Classification</u></b>	<b><u>Useful Life</u></b>
Buildings and improvements	40 years
Vehicles:	
Buses	12 years
Medium	7 years
Small	5 years
Furniture	5 years
Equipment	5 years
Computer Laptops	3 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.

***HOUSTON INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008***

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

For reporting at the government-wide financial statement level, the District eliminates direct interfund charges for services and the balances created within the same activity categories (i.e. governmental vs. business-type). This process ensures neither governmental nor business-type activities report direct internal revenue/expenditures. Interfund activity and balances resulting from transactions with the fiduciary funds are not eliminated. Instead, the fiduciary interfund activity and balances are treated as transactions with an external party. The Internal Service Funds are essentially repositories for income, expenses, assets and liabilities of the District's health insurance, worker's compensation, print shop, professional development, alternative certification, athletics, UIL, regional offices, 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 9, 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 1<sup>st</sup> through August 31<sup>st</sup>.

The District accrues vacation 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, 2008, 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.

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**  
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**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 \$51,275,279 difference are as follows:

Facilities acquisition and construction	\$ 127,692,090
Other acquisitions and disposals	20,389,664
Depreciation expense	<u>(96,806,475)</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>51,275,279</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**  
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**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  
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*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.

Lease revenue bonds in the principal amount of \$95,798,020 were issued in 1997-98, pursuant to a resolution by the Board of Directors of the Public Facility Corporation and a Master Trust Indenture dated as of May 1, 1998, as supplemented by a first Supplemental Indenture and a Second Supplemental Indenture each dated May 1, 1998, (the "Trust Indenture") between the Public Facility Corporation and Chase Bank of Texas, National Association, as trustee to finance for the benefit of the District the acquisition and construction of two new shared educational facilities.

Lease revenue bonds in the principal amount of \$33,600,000 were issued in 2005-06, pursuant to a resolution by the Board of Directors of the Public Facility Corporation and a Third Supplemental Trust Indenture dated as of April 1, 2006, (the "Trust Indenture") between the Public Facility Corporation and JP Morgan Chase Bank of



***HOUSTON INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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Texas, National Association, as trustee to finance, for the benefit of the District, the construction of a new Food Service Warehouse facility.

To accomplish the financing, the Public Facility Corporation and the District entered into a "Lease With An Option to Purchase Relating to the Houston Independent School District Shared Educational Facility and Food Service Warehouse Facility," 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.

**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 with one exception 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 \$59,289,846.
- c. Highest cash, savings and time deposits combined account balances amounted to \$52,027,055 and occurred during the month of February 2008.
- d. Total amount of Federal Deposit Insurance Corporation ("FDIC") coverage at the time of highest combined balance was \$200,000.

**Cash Deposits**

As of June 30, 2008, the carrying amount of the District's demand and time deposits and cash on hand was \$5,386,038. The \$14,807,415 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 \$4,782,960 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, 2008, 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.

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
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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 Standish Mellon Asset Management. The custodial account is managed by The Bank of New York while RBC Dain Rauscher, Inc. provides investment advisory service. LSIP has been rated AAAf/S1+ by Standard & Poor's.

The District's investment in LSIP's Liquidity Plus Fund and the Liquidity Corporate Fund, as of June 30, 2008, was \$130,397,618 and \$433,282,294, respectively, for a total of \$563,679,912. The market value share of the District in the LSIP was \$563,679,912, representing 36.75 percent of the total portfolio.

TexPool is a public funds investment pool administered by the State Comptroller of Texas. The portfolio of TexPool is managed by Lehman Brothers Holdings, Inc. (Lehman Brothers) and 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, 2008, the District's investment in TexPool and TexPool Prime was \$197,390,627 and \$337,615,033 respectively, with a value of \$535,005,660, representing 34.88 percent of the portfolio value. 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, 2008, the District's investment in TexSTAR was \$90,374,814, or 5.89 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 District has invested in negotiable certificates of deposit issued by Metro Bank and Unity Bank, \$500,000 and \$95,000, respectively, as of June 30, 2008, for a total of \$595,000, 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 \$344,143,581 and represent 22.44 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*.

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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.

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At June 30, 2008, the District's exposure to interest rate risk as measured by the segmented time distribution by investment type is summarized below:

	6/30/2008 Fair Value	Investment Maturities in Years		
		Less than 1	1-5	6-7
FFCB	\$ 40,190,556	\$ -	\$ 23,108,786	\$ 17,081,770
FHLB	74,416,166	14,084,685	40,161,187	20,170,294
FHLMC	147,347,889	-	90,966,802	56,381,087
FNMA	82,188,970	-	78,080,223	4,108,747
Total US Agency Investments	344,143,581	14,084,685	232,316,998	97,741,898
Lone Star Investment Pool	563,679,912	563,679,912	-	-
TexPool	535,005,660	535,005,660	-	-
TexStar	90,374,814	90,374,814	-	-
Total Investment Pools	1,189,060,386	1,189,060,386	-	-
Certificates of Deposit	595,000	595,000	-	-
Total Investments	\$ 1,533,798,967	\$ 1,203,740,071	\$ 232,316,998	\$ 97,741,898

As of June 30, 2008 the dollar weighted average maturity of the total portfolio was 286 days. The modified duration as of June 30, 2008 was .6942 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.

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As of June 30, 2008, the District did not have any investments in commercial paper. The District's exposure to credit risk at June 30, 2008 is presented below by investment category as rated by Standard & Poor's:

	6/30/2008 Fair Value	Rating
FFCB	\$ 40,190,556	AAA/A-1+
FHLB	74,416,166	AAA/A-1+
FHLMC	147,347,889	AAA/A-1+
FNMA	82,188,970	AAA
Total US Agency Investments	<u>344,143,581</u>	
Lone Star Investment Pool	563,679,912	AAAf/S1+
TexPool	535,005,660	AAAm
TexSTAR	90,374,814	AAAm
Total Investment Pools	<u>1,189,060,386</u>	
Certificates of Deposit	<u>595,000</u>	Not rated
Total Investments	<u>\$ 1,533,798,967</u>	

Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, 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.

With the exception of one day, cash deposits of the District at the Depository Bank were covered by pledged securities held as collateral at a third party bank. On June 19, 2008, an electronic deposit was received after normal business hours causing a temporary under-collateralization of District balances for one night.

All investments 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.

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
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**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, 2008, the following was the composition of the District's investment portfolio:

Lone Star Investment Pool	36.75%
TexPool	34.88%
U.S. Agency Securities	22.44%
TexSTAR	5.89%
Certificates of Deposit	0.04%



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**Foreign Currency Risk**

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

**NOTE 4: PROPERTY TAXES AND STATE AID REVENUE**

**Property Taxes**

The appraisal of property within the District is the responsibility of the Harris County Appraisal District ("Appraisal District"). The District's 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 2007 assessed valuation was \$96,574,625,420 which resulted in a gross tax levy of \$1,117,078,692 for the current fiscal year. The 2007 net tax levy of \$1,080,025,653 reflects an adjustment of \$37,053,039 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 increased the allowance for uncollectible property taxes in the government-wide and fund financial statements by \$3,860,282.

Delinquent taxes receivable and the related allowance for uncollectible taxes in the governmental fund financial statements as of June 30, 2008 are as follows:

	<b><u>Delinquent Taxes Receivables, Gross</u></b>	<b><u>Allowance for Uncollectible Taxes</u></b>	<b><u>Delinquent Taxes Receivable, Net</u></b>
<b>General Fund</b>	\$ 136,382,174	\$ 40,105,479	\$ 96,276,695
<b>Debt Service Fund</b>	<u>14,557,435</u>	<u>3,879,491</u>	<u>10,677,944</u>
<b>Total</b>	<u>\$ 150,939,609</u>	<u>\$ 43,984,970</u>	<u>\$ 106,954,639</u>

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**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	\$ 50,818,130
Foundation Fund Revenues	440,306,183
Other Foundation	6,135,891
Other State	22,530,549
TRS on Behalf	66,124,556
Shared Services Arrangement	1,534,143
Total State Aid	<u>\$ 587,449,452</u>

As of June 30, 2008, the District also received state matching funds of \$625,151 in the Food Service Fund.

**NOTE 5: RECEIVABLES/PAYABLES**

Receivables as of June 30, 2008 for the District's individual major funds, 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	\$ 117,952,552	\$ 41,101,875	\$ -	\$ -	\$ -	\$ 159,054,427
Due from the Federal government	211,824	1,638,430	-	-	-	1,850,254
Due from Other Funding Agencies	-	1,198,992	344,140	-	2,015,251	3,558,383
Due from Coca Cola	-	-	444,395	176,355	-	620,750
Other	<u>1,966,203</u>	<u>993,432</u>	<u>-</u>	<u>333,266</u>	<u>217,327</u>	<u>3,510,228</u>
Gross Receivables	120,130,579	44,932,729	788,535	509,621	2,232,578	168,594,042
Less Allowance for Uncollectibles	-	-	-	-	-	-
Total Net Receivables	<u>\$ 120,130,579</u>	<u>\$ 44,932,729</u>	<u>\$ 788,535</u>	<u>\$ 509,621</u>	<u>\$ 2,232,578</u>	<u>\$ 168,594,042</u>

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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, 2008, the various components of deferred revenue reported in the governmental funds are as follows:

Deferred property taxes, General Fund	\$ 83,015,286
Deferred property taxes, Debt Service Fund	9,712,161
Deferred restitution, General Fund	199,047
Grant advances, Special Revenue Fund	<u>13,487,586</u>
Total Deferred Revenues	<u><u>\$ 106,414,080</u></u>

Payables as of June 30, 2008 for the District's individual major funds, 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	\$ 17,715,983	\$ 7,862,399	\$ 5,102,772	\$ 3,281,187	\$ 5,451,645	\$ 39,413,986
Retainage Payable	306,651	322,575	12,429,345	324,645	-	13,383,216
Other	<u>28,289</u>	<u>13,745</u>	<u>46</u>	<u>909</u>	<u>900</u>	<u>43,889</u>
Total Payables	<u><u>\$ 18,050,923</u></u>	<u><u>\$ 8,198,719</u></u>	<u><u>\$ 17,532,163</u></u>	<u><u>\$ 3,606,741</u></u>	<u><u>\$ 5,452,545</u></u>	<u><u>\$ 52,841,091</u></u>

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**NOTE 6: CAPITAL ASSETS**

A summary of capital asset activity during the fiscal year ended June 30, 2008 follows:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 198,598,665	\$ 4,969,617	\$ (42,090)	\$ 203,526,192
Construction in progress	257,348,611	115,721,215	(165,218,957)	207,850,869
Total capital assets not being depreciated	<u>455,947,276</u>	<u>120,690,832</u>	<u>(165,261,047)</u>	<u>411,377,061</u>
Capital assets being depreciated:				
Buildings and improvements	2,344,019,292	165,218,957	(930,676)	2,508,307,573
Furniture and equipment	229,540,104	26,906,483	(2,748,630)	253,697,957
Vehicles	83,793,868	1,100,724	(2,301,357)	82,593,235
Total capital assets being depreciated	<u>2,657,353,264</u>	<u>193,226,164</u>	<u>(5,980,663)</u>	<u>2,844,598,765</u>
Less accumulated depreciation for:				
Buildings and improvements	693,739,486	57,155,266	(647,186)	750,247,566
Furniture and equipment	149,281,746	33,952,178	(2,504,085)	180,729,839
Vehicles	51,017,413	5,699,031	(2,255,197)	54,461,247
Total accumulated depreciation	<u>894,038,645</u>	<u>96,806,475</u>	<u>(5,406,468)</u>	<u>985,438,652</u>
Governmental activities capital assets, net	<u>\$ 2,219,261,895</u>	<u>\$ 217,110,521</u>	<u>\$ (165,835,242)</u>	<u>\$ 2,270,537,174</u>
 <u>Business-type activities:</u>				
Capital assets not being depreciated:				
Construction in progress	\$ 8,496,648	\$ 1,659,495	\$ (10,156,143)	\$ -
Total capital assets not being depreciated	<u>8,496,648</u>	<u>1,659,495</u>	<u>(10,156,143)</u>	<u>-</u>
Capital assets being depreciated:				
Buildings and improvements	3,119,623	10,156,143	-	13,275,766
Furniture and equipment	15,026,649	5,766,180	(148,675)	20,644,154
Vehicles	4,531,692	-	(83,172)	4,448,520
Total capital assets being depreciated	<u>22,677,964</u>	<u>15,922,323</u>	<u>(231,847)</u>	<u>38,368,440</u>
Less accumulated depreciation for:				
Buildings and improvements	31,406	214,566	-	245,972
Furniture and equipment	9,289,917	1,922,776	(148,675)	11,064,018
Vehicles	3,346,980	478,969	(83,172)	3,742,777
Total accumulated depreciation	<u>12,668,303</u>	<u>2,616,311</u>	<u>(231,847)</u>	<u>15,052,767</u>
Business-type activities capital assets, net	<u>\$ 18,506,309</u>	<u>\$ 14,965,507</u>	<u>\$ (10,156,143)</u>	<u>\$ 23,315,673</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 \$37,121 net capital assets of the nonmajor Medicaid Fund.

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

**Governmental activities:**

Instruction	\$ 60,452,985
Instructional resources and media services	82,287
Curriculum development	577,798
Instructional leadership	204,293
School leadership	39,878
Guidance, counseling and evaluation services	48,174
Student transportation	5,220,307
Food service	1,222,590
Co-curricular/extracurricular activities	855,426
General administration	1,570,523
Plant maintenance and operations	1,527,780
Security and monitoring services	480,651
Data processing services	<u>24,523,783</u>
Total depreciation expense, governmental activities	<u>\$ 96,806,475</u>

**Business-type activities:**

Food service	\$ 2,601,581
Other nonmajor business-type activities	<u>14,730</u>
Total depreciation expense, business-type activities	<u>\$ 2,616,311</u>

**Construction Commitments**

The District has projects that have significant construction work in progress as of June 30, 2008. These projects include renovation, replacement and expansion of existing schools, playgrounds, non-school facilities, and other projects. At June 30, 2008, the District had fully funded commitments for the following categories:

<u>Project</u>	<u>Spent-To-Date</u>	<u>Remaining Commitment</u>
Renovated schools	\$ 132,961,792	\$ 1,507,986
Replacement schools	374,811,113	3,156,811
Expanded schools	61,688,025	721,849
Playgrounds	9,246,678	242,071
Non-school facilities	18,071,999	431,245
Other projects	<u>339,291,506</u>	<u>83,634,780</u>
Total	<u>\$ 936,071,113</u>	<u>\$ 89,694,742</u>

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**NOTE 7: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances in the fund financial statements as of June 30, 2008 was as follows.

<b><u>GENERAL FUND</u></b>	Capital Renovation Fund	\$ (462,788)
	Debt Service Fund	(12,682)
	Special Revenue Fund	14,305,405
	Food Service Fund	10,598,557
	Other Enterprise Funds	57,762
	Internal Service Funds	(8,132,567)
	<b>DUE FROM OTHER FUNDS</b>	<b>\$ 16,353,687</b>
<b><u>SPECIAL REVENUE FUND</u></b>	General Fund	(14,305,405)
	Capital Renovation Fund	(432,085)
	Food Service Fund	(4,563,288)
	Other Enterprise Funds	(4,083)
	Internal Service Funds	(225,487)
	<b>DUE TO OTHER FUNDS</b>	<b>\$ (19,530,348)</b>
<b><u>DEBT SERVICE FUND</u></b>	General Fund	12,682
	<b>DUE FROM OTHER FUNDS</b>	<b>\$ 12,682</b>
<b><u>CAPITAL RENOVATION FUND</u></b>	General Fund	462,788
	Special Revenue Fund	432,085
	Food Service Fund	(138)
	Internal Service Funds	(2,636)
	<b>DUE FROM OTHER FUNDS</b>	<b>\$ 892,099</b>
<b><u>FOOD SERVICE FUND</u></b>	General Fund	(10,598,557)
	Capital Renovation Fund	138
	Special Revenue Fund	4,563,288
	Internal Service Funds	(998)
	<b>DUE TO OTHER FUNDS</b>	<b>\$ (6,036,129)</b>
<b><u>OTHER ENTERPRISE FUNDS</u></b>	General Fund	(57,762)
	Special Revenue Fund	4,083
	Internal Service Funds	(169)
	<b>DUE TO OTHER FUNDS</b>	<b>\$ (53,848)</b>
<b><u>INTERNAL SERVICE FUNDS</u></b>	General Fund	8,132,567
	Capital Renovation Fund	2,636
	Special Revenue Fund	225,487
	Food Service Fund	998
	Other Enterprise Funds	169
	<b>DUE FROM OTHER FUNDS</b>	<b>\$ 8,361,857</b>

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.



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The following is a summary of the District's transfers for the fiscal year ended June 30, 2008:

<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>				
	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Internal</u>	
	<u>Fund</u>	<u>Service</u>	<u>Renovation</u>	<u>Service</u>	<u>TOTAL</u>
		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
General Fund	\$ -	\$ 46,047,528	\$ 32,303,680	\$ 1,443,527	\$ 79,794,735
Capital Renovation Fund	-	8,690,000	-	-	8,690,000
Non-major Enterprise Fund	13,200,000	-	-	-	13,200,000
 TOTAL	 \$ <u>13,200,000</u>	 \$ <u>54,737,528</u>	 \$ <u>32,303,680</u>	 \$ <u>1,443,527</u>	 \$ <u>101,684,735</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, 2008, the District made operating transfers of \$54.7 million from the General Fund and Capital Renovation Fund 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.

At June 30, 2008, the Internal Service Fund Print Shop had a deficit of \$122,368. The District plans to continue growing external business and expand product offerings in an effort to decrease the deficit.

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**NOTE 8: LONG-TERM LIABILITIES**

The following is a summary of the District's long-term liabilities for the fiscal year ended June 30, 2008:

	Balance			Balance	Amortizable/ Payable Within
Governmental Activities:	July 1, 2007	Increases	Decreases	June 30, 2008	One year
Bonds payable	\$ 1,697,322,423	\$ 389,825,000	\$ 83,934,296	\$ 2,003,213,127	\$ 37,284,084
Contractual obligations	55,455,000	23,500,000	15,550,000	63,405,000	14,305,000
Notes payable	89,320,000	-	8,970,000	80,350,000	4,305,000
Total debt payable - principal	<u>1,842,097,423</u>	<u>413,325,000</u>	<u>108,454,296</u>	<u>2,146,968,127</u>	<u>55,894,084</u>
Premium/discount	96,330,881	12,074,079	48,320,321	60,084,639	7,962,190
Deferred loss on refunding of bonds	(7,127,921)	-	(519,869)	(6,608,052)	(519,869)
Accretion on capital appreciation bonds	148,074,606	85,208,743	38,275,000	195,008,349	22,439,767
Total amortizations and accretions	<u>237,277,566</u>	<u>97,282,822</u>	<u>86,075,452</u>	<u>248,484,936</u>	<u>29,882,088</u>
Total debt payable	<u>2,079,374,989</u>	<u>510,607,822</u>	<u>194,529,748</u>	<u>2,395,453,063</u>	<u>85,776,172</u>
Arbitrage payable	2,729,431	263,934	1,136,346	1,857,019	49,155
Capital leases payable	103,719	93,514	71,189	126,044	68,916
Compensated absences payable	24,451,151	2,753,045	3,288,758	23,915,438	2,937,214
Claims payable	33,411,921	117,912,242	118,745,838	32,578,325	25,619,978
Total other long-term liabilities payable	<u>60,696,222</u>	<u>121,022,735</u>	<u>123,242,131</u>	<u>58,476,826</u>	<u>28,675,263</u>
Total governmental activities long-term liabilities	<u>\$ 2,140,071,211</u>	<u>\$ 631,630,557</u>	<u>\$ 317,771,879</u>	<u>\$ 2,453,929,889</u>	<u>\$ 114,451,435</u>
<b>Business-type activities:</b>					
Compensated absences payable	\$ 454,592	\$ 311,290	\$ 274,882	\$ 491,000	\$ 197,822
Total business-type activities long-term liabilities	<u>\$ 454,592</u>	<u>\$ 311,290</u>	<u>\$ 274,882</u>	<u>\$ 491,000</u>	<u>\$ 197,822</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, \$791,634 of Internal Service Funds' compensated absences payable and \$32,578,325 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 \$61,170 of compensated absences payable from nonmajor enterprise funds.

**Debt Payable-Governmental Activities**

At June 30, 2008, the District had outstanding \$2,395,453,063 of general obligation and lease revenue bonds, public property finance contractual obligations, asbestos abatement notes, and delinquent maintenance tax notes. Of the \$2,395,453,063 debt payable, \$195,008,349 was attributable to the accretion on capital appreciation bonds. These debt obligations, whose original issuance value was \$3,364,497,603, were issued at various dates from May 15, 1989 through March 1, 2008, with interest rates ranging from 3.25 percent to 7.0 percent for the purpose of new construction and maintenance of facilities. All debt obligations fully mature at various dates through August 15, 2033. At June 30, 2008, outstanding bonds from Series 1999 and delinquent maintenance tax notes from the Series 2001 Refunding in the amount of \$713,234,696 are considered defeased and are not included in the District's government-wide financial statements or the fund financial statements.

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Of the District's \$2,395,453,063 total debt payable outstanding at June 30, 2008, \$82,614,714 is 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, and 3.75 percent respectively. On June 14, 2008, the Bonds were remarketed at a rate of 1.85 percent for the period extending through June 15, 2009. Variable Rate Bonds bear interest in a flexible rate or variable rate effective for periods selected and approved by the District.

In March 2008, the District issued \$389,825,000 in Limited Tax Schoolhouse Bonds, Series 2008 with interest rates ranging from 4.25 to 5 percent. The District received a premium of \$11,975,015 on the issuance of Series 2008 bonds. The total proceeds less the issuance costs and underwriter's discount of \$1,149,007 and \$651,008 respectively, are to be used for additional construction and renovation. This was the first segment of an \$805 million bond referendum passed in November 2007.

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

	<u>Face Value</u>	<u>Premium</u>	<u>Total</u>	<u>Underwriter's Discount</u>	<u>Issue Cost</u>
CAP Series 2007	\$ 23,500,000	\$ 99,064	\$ 23,599,064	\$ -	\$ 85,814
Bond Series 2008	389,825,000	11,975,015	401,800,015	651,008	1,149,007
Total	<u>\$ 413,325,000</u>	<u>\$ 12,074,079</u>	<u>\$ 425,399,079</u>	<u>\$ 651,008</u>	<u>\$ 1,234,821</u>

The District received \$12,074,079 in premiums from the sale of bonds and notes during the year. Premium 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 \$651,008 and \$1,234,821, 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 2007 in October 2007. The District received \$99,064 in premium and paid \$85,814 in issuance costs. 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. A reclassification was made in fiscal year 2008 between bonds payable, premium/discount, and accretion on capital appreciation bonds in order to properly reflect each category. Additionally, the effective interest method of premium/discount amortizations and accretions has been implemented. The net effect of the adjustments was an increase in total debt payable of \$3,066,387.

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The following table displays total principal debt outstanding by issuance as of June 30, 2008. Accreted values as of June 30, 2008 are included for each applicable debt issuance.

Date of		Interest	Original	Final			
Issue	Description	Rates	Issue Amount	Maturity Date	Bond Principal	CAB Accretion	Total Bonds Payable
05-15-89	Series 1989	6.7 to 7.0	\$ 190,012,895	8/15/2010	\$ 12,785,094	\$ 36,716,348	\$ 49,501,442
10-15-92	Refunding Series 1992	3.5 to 6.35	71,905,037	8/15/2014	33,330,037	47,595,162	80,925,199
01-01-97	Refunding Series 1997	5.2 to 5.375	31,435,000	8/15/2017	1,765,000	7,786,864	9,551,864
01-01-99	Series 1999A	4.0 to 5.3	698,830,000	2/15/2026	30,899,701	18,190,278	49,089,979
01-01-99	Series 1999B	4.5 to 4.65	10,680,000	2/15/2009	3,375,002	1,949,750	5,324,752
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	239,085,000	-	239,085,000
05-25-04	Vaible Rate Series 2004	VARIABLE	300,000,000	6/15/2031	237,000,000	-	237,000,000
02-10-05	Series 2005	3.25 TO 6.0	193,300,000	2/15/2032	180,650,000	-	180,650,000
02-10-05	Refunding Series 2005A	4.25 to 4.46	198,078,577	2/15/2020	198,078,578	37,621,312	235,699,890
09/21/05	Refunding Series 2005B	5.0	173,140,000	2/15/2024	173,140,000	-	173,140,000
12/08/05	Series 2005A	4.0 to 5.0	104,700,000	2/15/2032	104,700,000	-	104,700,000
11/21/06	Refunding Series 2006	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	11,406,428	291,271,428
03/01/08	Series 2008	5.0	389,825,000	2/15/2033	389,825,000	-	389,825,000
05/01/98	Lease Revenue Series 1998A (PFC)	4.45 TO 5.43	46,246,108	9/15/2022	23,216,877	15,837,582	39,054,459
05/01/98	Lease Revenue Series 1998B (PFC)	4.45 TO 5.38	47,999,985	9/15/2022	26,622,838	17,904,625	44,527,463
04/01/06	Lease Revenue Series 2006 (PFC Food)	4.25 TO 5.50	33,600,000	9/15/2030	32,775,000	-	32,775,000
<b>Bonds Payable</b>					<u>2,003,213,127</u>	<u>195,008,349</u>	<u>2,198,221,476</u>
11/16/00	Contractual Obligations Series 2000	4.75 TO 5.0	37,000,000	7/15/2008	2,705,000	-	2,705,000
10/09/03	Contractual Obligations Series 2003	3.0	20,000,000	7/15/2008	2,000,000	-	2,000,000
10/01/04	Contractual Obligations Series 2004	3.25 TO 3.75	12,000,000	7/15/2008	4,200,000	-	4,200,000
12/08/05	Contractual Obligations Series 2005	3.25 TO 3.75	21,000,000	7/15/2013	18,000,000	-	18,000,000
11/01/06	Contractual Obligations Series 2006	3.625 TO 3.75	13,000,000	7/15/2012	13,000,000	-	13,000,000
11/01/07	Contractual Obligations Series 2007	3.50 TO 4.00	23,500,000	7/15/2015	23,500,000	-	23,500,000
<b>Contractual Obligations</b>					<u>63,405,000</u>	<u>-</u>	<u>63,405,000</u>
04/19/01	Maintenance Notes Series 2001	3.9 TO 5.45	100,000,000	7/15/2011	19,105,000	-	19,105,000
05/15/05	Maintenance Notes Refunding Series 2005	3.9 TO 5.45	61,245,000	7/15/2020	61,245,000	-	61,245,000
<b>Notes Payable</b>					<u>80,350,000</u>	<u>-</u>	<u>80,350,000</u>
<b>Total Debt Payable - Principal</b>					<u>\$ 2,146,968,127</u>	<u>\$ 195,008,349</u>	<u>\$ 2,341,976,476</u>

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The following table summarizes by type the annual debt service requirements of the outstanding debt issues at June 30, 2008 to maturity:

	<b><u>Bond</u></b>		<b><u>Bond</u></b>		<b><u>Totals</u></b>	
		<b><u>Principal</u></b>		<b><u>Interest</u></b>		
2009	\$	37,284,084	\$	106,362,009	\$	143,646,093
2010		40,274,608		115,213,472		155,488,080
2011		45,342,243		114,981,594		160,323,837
2012		39,782,178		129,158,798		168,940,976
2013		57,091,800		112,597,512		169,689,312
2014-2018		330,480,944		515,709,744		846,190,688
2019-2023		500,177,270		312,453,889		812,631,159
2024-2028		556,650,000		173,180,418		729,830,418
2029-2033		396,130,000		52,010,560		448,140,560
	\$	<u>2,003,213,127</u>	\$	<u>1,631,667,996</u>	\$	<u>3,634,881,123</u>

	<b><u>Contractual</u></b>		<b><u>Contractual</u></b>		<b><u>Totals</u></b>	
		<b><u>Obligations</u></b>		<b><u>Obligations</u></b>		
		<b><u>Principal</u></b>		<b><u>Interest</u></b>		
2009	\$	14,305,000	\$	2,275,066	\$	16,580,066
2010		11,245,000		1,615,418		12,860,418
2011		11,605,000		1,179,230		12,784,230
2012		11,970,000		744,593		12,714,593
2013		7,080,000		401,640		7,481,640
2014-2016		7,200,000		308,663		7,508,663
	\$	<u>63,405,000</u>	\$	<u>6,524,610</u>	\$	<u>69,929,610</u>

	<b><u>Notes</u></b>		<b><u>Notes</u></b>		<b><u>Totals</u></b>	
		<b><u>Principal</u></b>		<b><u>Interest</u></b>		
2009	\$	4,305,000	\$	3,902,825	\$	8,207,825
2010		5,025,000		3,670,700		8,695,700
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
2014-2018		25,350,000		10,712,500		36,062,500
2019-2021		30,135,000		2,255,625		32,390,625
	\$	<u>80,350,000</u>	\$	<u>30,020,675</u>	\$	<u>110,370,675</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

		<u>Total Principal Requirements</u>		<u>Total Interest Requirements</u>		<u>Totals</u>
2009	\$	55,894,084	\$	112,539,900	\$	168,433,984
2010		56,544,608		120,499,590		177,044,198
2011		62,082,243		119,579,824		181,662,067
2012		57,097,178		133,062,791		190,159,969
2013		69,226,800		115,899,777		185,126,577
2014-2018		363,030,944		526,730,907		889,761,851
2019-2023		530,312,270		314,709,514		845,021,784
2024-2028		556,650,000		173,180,418		729,830,418
2029-2033		396,130,000		52,010,560		448,140,560
	\$	<u>2,146,968,127</u>	\$	<u>1,668,213,281</u>	\$	<u>3,815,181,408</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, 2008, amounted to \$1,857,019. 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 \$535,714 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 Statement of Financial Accounting Standards No. 13, *Accounting for Leases*, which defines 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 2008 totaled \$71,189. The General Fund has typically been used in prior years to liquidate capital lease liabilities. Capital assets, net of depreciation, acquired through capital leases and recorded in the government-wide financial statements for governmental activities amounted to \$93,514.



**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008 were as follows:

<b>Year Ending June 30th</b>	<b>Governmental Activities</b>
2009	\$ 77,488
2010	<u>51,796</u>
Total minimum lease payments	129,284
Amount Representing Interest at 2.51%	<u>(3,240)</u>
Present Value of minimum lease payments	<u><u>\$ 126,044</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 \$1,240,378 for the fiscal year ended June 30, 2008. The future minimum lease payments for these leases are as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2009	\$ 773,352
2010	469,766
2011	123,706
2012	<u>8,610</u>
	<u>\$ 1,375,434</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 \$1,500,000 per occurrence up to statutory limit of liability.

An accrual for incurred but not reported claims in the amount of \$14,647,325 (discounted at 3 percent), of which \$8,153,676 is the current portion, has been recorded in the fund as of June 30, 2008. Claims payable, including

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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.

At June 30, 2008, the fund had net assets of \$32,270,102. Changes in claims payable for the fiscal years ended June 30, 2007 and 2008 are as follows:

	<u>2008</u>	<u>2007</u>
Claims payable, beginning of fiscal year	\$ 17,150,921	\$ 21,358,828
Incurred claims and claim adjustment expenses for insured events of the current fiscal year	6,456,209	7,838,388
Decrease in provision for insured events of prior fiscal year	<u>(845,832)</u>	<u>(7,150,399)</u>
Total incurred claims and claim adjustment expenses	<u>5,610,377</u>	<u>687,989</u>
<u>Payments:</u>		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	8,113,973	4,895,896
Claims and claim adjustment expenses attributable to insured events of the prior fiscal year	<u>-</u>	<u>-</u>
Total payments	<u>8,113,973</u>	<u>4,895,896</u>
Claims payable, end of fiscal year	<u>\$ 14,647,325</u>	<u>\$ 17,150,921</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 \$17,931,000, of which \$17,466,300 is the current portion, has been recorded in the fund as of June 30, 2008. 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, 2008**

At June 30, 2008, the fund had net assets of \$49,442,671. Changes in claims payable for the fiscal years ended June 30, 2007 and 2008 are as follows:

	<u>2008</u>	<u>2007</u>
Claims payable, beginning of fiscal year	\$ 16,261,000	\$ 16,094,000
Incurred claims and claim adjustment expenses for insured events of the current fiscal year	106,686,772	87,023,492
Increase in provision for insured events of prior fiscal year	<u>5,615,093</u>	<u>4,580,184</u>
Total incurred claims and claim adjustment expenses	<u>112,301,865</u>	<u>91,603,676</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	105,100,272	86,864,842
Claims and claim adjustment expenses attributable to insured events of the prior fiscal year	<u>5,531,593</u>	<u>4,571,834</u>
Total payments	<u>110,631,865</u>	<u>91,436,676</u>
Claims payable, end of fiscal year	<u>\$ 17,931,000</u>	<u>\$ 16,261,000</u>

**Property, Casualty, General and Professional Liability**

The District purchases All-Risk Property Insurance with limits of \$200,000,000. Due to market conditions, the property insurance coverage limits were increased from \$150,000,000 to \$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 \$10,000,000. 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, 2008 were \$1,108,879,392 and \$1,160,273,914, 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, 2008***

**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 2008. 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 2008. 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 2008, 2007, 2006, and 2005. 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, 2007, 2006, and 2005, the total contributions paid to the pension plan were \$3,615,804,936, \$3,299,916,519, and \$3,057,170,112 respectively; the active member contributions were \$1,862,595,865, \$1,700,415,419, and \$1,578,339,475, respectively; contributions from the state of Texas were \$1,471,131,358, \$1,332,101,481, and \$1,257,671,695, respectively; and contributions from reporting employers were

**HOUSTON INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

\$282,077,713, \$267,399,619, and \$221,158,942, respectively. The District's contributions for the years ended August 31, 2007, and August 31, 2006, were \$3,026,730, and \$2,062,491, respectively, and the estimated contribution for the year ending August 31, 2008 is \$2,306,405.

**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, .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 78<sup>th</sup> Legislature increased the .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 79<sup>th</sup> 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, 2006, June 30, 2007, and June 30, 2008 are equal to required contributions and were made as follows:

**Pension Contributions**

	<b>Contributions Made on Behalf of the District</b>	<b>Required Contributions to TRS</b>	<b>Required Contributions to Active Care</b>	<b>Member's Contributions to TRS</b>	<b>Covered Payroll</b>	<b>State Contribution Rate</b>	<b>Employee Contribution Rate</b>
2006	\$53,119,273	\$9,415,480	\$5,138,571	\$68,630,562	\$975,754,935	6.00%	7.05%
2007	\$57,370,533	\$2,312,873	\$5,763,264	\$74,352,376	\$1,054,643,626	6.00%	7.05%
*2008	\$65,463,311	\$19,829,892	-	\$70,968,281	\$1,108,879,392	5.58%	6.40%

\* For fiscal year ended June 30, 2008, the Contributions Made on Behalf of the District and the Member's Contributions to TRS do not reflect contributions for the TRS-Care.

**Contributions to TRS - Active Care**

	<b>State Contribution Made on Behalf of the District</b>	<b>District Required Contributions to Active Care</b>	<b>Member's Contributions to Active Care</b>	<b>Covered Payroll</b>	<b>State Contribution Rate</b>	<b>Member's Contribution Rate</b>
2008	\$661,245	\$6,045,801	\$7,207,716	\$1,108,879,392	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 visiting the TRS Web site at

***HOUSTON INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008***

[www.trs.state.tx.us](http://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.

**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. However, in the opinion of management, any 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, 2008.

**NOTE 13: PRIOR PERIOD ADJUSTMENT**

The District adjusted its beginning fund balance for its Special Revenue Fund to account for cash received for prior year reimbursements that were recorded as deferred revenues. The recognition of revenue resulted in an adjustment to beginning fund balance of \$7,162,196.

**NOTE 14: SUBSEQUENT EVENTS**

In October 2008, the District issued \$14,500,000 of Public Property Finance Contractual Obligations, Series 2008. Proceeds from the issuance of the contractual obligations will be used to provide funds for the acquisition of certain capital items.

On September 12, 2008, the District was impacted by Hurricane Ike. Any damage to district facilities is covered under the district's property casualty insurance subject to a \$2.5 million deductible. The district plans to request reimbursement of its deductible from the Federal Emergency Management Agency.

On September 15, 2008, Lehman Brothers filed for Chapter 11 bankruptcy. Lehman Brothers had provided certain management services (marketing and client services) to TexPool, a local government pool, in which the District has funds invested. The services provided by Lehman Brothers were transferred to Federated Investors Inc. There was no loss incurred by the District in connection with this event.



2008

Houston  
Independent  
School  
District



**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, 2008  
(UNAUDITED)**

	Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Original	Final	Actual		
<b>REVENUES</b>					
Property taxes	\$ 947,164,828	\$ 945,621,039	\$ 950,170,420	\$	4,549,381
Earnings on investments	22,000,000	22,000,000	23,978,689		1,978,689
Miscellaneous local sources	8,097,660	9,312,142	10,783,107		1,470,965
State sources	538,716,676	524,696,294	543,571,805		18,875,511
Federal sources	5,163,139	5,163,139	5,776,363		613,224
Total revenues	<u>1,521,142,303</u>	<u>1,506,792,614</u>	<u>1,534,280,384</u>		<u>27,487,770</u>
<b>EXPENDITURES</b>					
Current					
Instruction	890,298,392	881,445,863	849,732,803		31,713,060
Instructional resources and media services	16,552,339	28,595,460	13,969,591		14,625,869
Instructional staff development	14,538,484	16,644,184	12,951,385		3,692,799
Curriculum development	4,701,277	4,401,424	4,218,556		182,868
Instructional leadership	19,146,083	16,032,676	15,020,435		1,012,241
School leadership	122,889,784	121,066,699	120,966,699		100,000
Guidance, counseling and evaluation services	40,390,997	40,012,698	39,467,566		545,132
Social work services	1,653,996	1,548,110	1,272,704		275,406
Health services	19,464,878	18,947,918	18,340,351		607,567
Student transportation	49,835,233	48,637,185	40,866,838		7,770,347
Food services	291,963	289,450	172,373		117,077
Co-curricular/extracurricular activities	9,823,884	18,917,979	11,364,981		7,552,998
General administration	37,925,640	36,978,255	32,512,122		4,466,133
Plant maintenance and operations	187,263,607	192,585,200	181,157,438		11,427,762
Security and monitoring services	19,326,156	19,070,819	18,970,819		100,000
Data processing services	36,793,767	39,988,915	28,417,659		11,571,256
Community services	2,505,914	2,226,488	2,156,951		69,537
Juvenile justice alternative education programs	2,990,050	2,990,050	762,071		2,227,979
Tax increment reinvestment zone	33,628,613	32,754,602	32,754,533		69
Debt service					
Principal	66,913	60,078	60,077		1
Interest and fiscal charges	-	6,836	6,836		-
Capital outlay					
Facilities acquisition and construction	234,487	338,409	314,714		23,695
Total expenditures	<u>1,510,322,457</u>	<u>1,523,539,298</u>	<u>1,425,457,502</u>		<u>98,081,796</u>
<b>Excess of revenues over (under) expenditures</b>	<u>10,819,846</u>	<u>(16,746,684)</u>	<u>108,822,882</u>		<u>125,569,566</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	13,200,000	13,200,000	13,200,000		-
Transfers out	(79,189,139)	(79,794,736)	(79,794,735)		1
Capital leases	75,000	93,514	93,514		-
Issuance of bonds and other debt	23,599,065	23,500,000	23,500,000		-
Premium on the sale of bonds	-	99,065	99,065		-
Total other financing uses	<u>(42,315,074)</u>	<u>(42,902,157)</u>	<u>(42,902,156)</u>		<u>1</u>
Net change in fund balances	(31,495,228)	(59,648,841)	65,920,726		125,569,567
<b>Fund balances--beginning</b>	<u>457,764,274</u>	<u>457,764,274</u>	<u>457,764,274</u>		<u>-</u>
<b>Fund balances--ending</b>	<u>\$ 426,269,046</u>	<u>\$ 398,115,433</u>	<u>\$ 523,685,000</u>		<u>\$ 125,569,567</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, 2008  
(UNAUDITED)

	Budgeted Amounts		
	Original	Final	Actual
<b>REVENUES</b>			
Local sources	\$ 23,537,213	\$ 25,211,910	\$ 13,348,464
State sources	56,004,299	68,611,235	43,877,647
Federal sources	185,213,153	269,802,408	190,391,239
Total revenues	<u>264,754,665</u>	<u>363,625,553</u>	<u>247,617,350</u>
			Variance with Final Budget Positive (Negative)
			\$ (11,863,446)
			(24,733,588)
			(79,411,169)
			<u>(116,008,203)</u>
<b>EXPENDITURES</b>			
Current			
Instruction	138,458,051	203,035,448	156,392,700
Instructional resources and media services	796,058	984,420	606,504
Instructional staff development	67,751,852	75,656,232	45,832,790
Curriculum development	7,500	7,502	4,899
Instructional leadership	10,399,406	12,451,981	7,936,175
School leadership	2,140,965	3,800,851	2,595,934
Guidance, counseling and evaluation services	8,432,623	15,960,808	9,916,757
Social work services	1,135,466	1,085,007	891,303
Health services	896,074	1,358,147	1,005,640
Student transportation	549,709	2,042,995	1,575,375
Food services	35,971	191,535	39,795
Co-curricular/extracurricular activities	4,160,249	4,905,701	3,408,427
General administration	3,649,117	12,452,737	3,052,263
Plant maintenance and operations	511,170	2,663,837	2,024,249
Security and monitoring services	699,419	1,083,220	580,201
Data processing services	19,982,778	19,906,838	5,274,699
Community services	4,038,554	4,880,373	3,274,583
Debt service			
Principal	11,214	11,214	11,113
Interest and fiscal charges	1,325	1,325	1,102
Capital outlay			
Facilities acquisition and construction	1,097,164	1,145,382	903,119
Total expenditures	<u>264,754,665</u>	<u>363,625,553</u>	<u>245,327,628</u>
			<u>242,263</u>
			<u>118,297,925</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	2,289,722
			(2,289,722)
<b>Fund balances-beginning</b>	-	-	-
			-
Change in beginning fund balances - Prior Period Adj. (Note 13)	-	-	7,162,196
			(7,162,196)
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,451,918</u>
			<u>\$ (9,451,918)</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, 2008  
(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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2008

Houston  
Independent  
School  
District



**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 in early 2002 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 CLEAR curriculum and also to products/services developed through vendor/HISD partnerships, such as lighting retrofit and JOC programs. The Marketing Office also assists other HISD departments, such as Professional Development and Virtual Schools, in their marketing efforts. The 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, 2008**

	<b>Enterprise Funds</b>		
	<b>Business Development</b>	<b>Medicaid</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,125	\$ 19,173	\$ 22,298
Investments	1,397,321	10,941,440	12,338,761
Receivables	1,444,019	571,232	2,015,251
Other assets	-	607	607
Total current assets	<u>2,844,465</u>	<u>11,532,452</u>	<u>14,376,917</u>
Noncurrent assets:			
Furniture and equipment	-	119,208	119,208
Less accumulated depreciation	-	(82,087)	(82,087)
Total noncurrent assets	<u>-</u>	<u>37,121</u>	<u>37,121</u>
Total assets	<u>2,844,465</u>	<u>11,569,573</u>	<u>14,414,038</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,968,799	6,652	1,975,451
Due to other funds	5,488	48,360	53,848
Accrued salaries payable	3,683	25,063	28,746
Compensated absences payable	2,533	17,065	19,598
Total current liabilities	<u>1,980,503</u>	<u>97,140</u>	<u>2,077,643</u>
Noncurrent liabilities:			
Compensated absences payable	13,159	28,413	41,572
Total noncurrent liabilities	<u>13,159</u>	<u>28,413</u>	<u>41,572</u>
Total liabilities	<u>1,993,662</u>	<u>125,553</u>	<u>2,119,215</u>
<b>NET ASSETS</b>			
Invested in capital assets	-	37,121	37,121
Unrestricted	850,803	11,406,899	12,257,702
Total net assets	<u>\$ 850,803</u>	<u>\$ 11,444,020</u>	<u>\$ 12,294,823</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, 2008**

	<b>Enterprise Funds</b>		
	<b>Business Development</b>	<b>Medicaid</b>	<b>Totals</b>
<b>OPERATING REVENUES:</b>			
Charges for sales and services:			
Consulting services	\$ 10,286,253	\$ 1,144,819	\$ 11,431,072
Total operating revenues	<u>10,286,253</u>	<u>1,144,819</u>	<u>11,431,072</u>
<b>OPERATING EXPENSES:</b>			
Payroll costs	142,384	954,288	1,096,672
Purchased and contracted services	9,561,728	154,501	9,716,229
Supplies and materials	1,306	55,304	56,610
Other operating expenses	53,967	84,117	138,084
Depreciation	-	14,730	14,730
Total operating expenses	<u>9,759,385</u>	<u>1,262,940</u>	<u>11,022,325</u>
Operating income (loss)	<u>526,868</u>	<u>(118,121)</u>	<u>408,747</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Earnings on investments	80,475	640,384	720,859
School health services (SHARS)	-	3,993,545	3,993,545
Star health	-	6,129,840	6,129,840
Total nonoperating revenue	<u>80,475</u>	<u>10,763,769</u>	<u>10,844,244</u>
Income before transfers	607,343	10,645,648	11,252,991
Transfers out	<u>(1,200,000)</u>	<u>(12,000,000)</u>	<u>(13,200,000)</u>
Change in net assets	(592,657)	(1,354,352)	(1,947,009)
Total net assets—beginning	1,443,460	12,798,372	14,241,832
Total net assets—ending	<u>\$ 850,803</u>	<u>\$ 11,444,020</u>	<u>\$ 12,294,823</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2008**

	<b>Enterprise Funds</b>		
	<b>Business Development</b>	<b>Medicaid</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 10,490,725	\$ 1,126,343	\$ 11,617,068
Receipts from other funds	60,904	-	60,904
Payments to suppliers	(9,493,727)	(306,089)	(9,799,816)
Payments to employees	(138,165)	(926,792)	(1,064,957)
Payments to other funds	-	(8,375)	(8,375)
Other payments	-	(607)	(607)
Net cash provided (used) by operating activities	<u>919,737</u>	<u>(115,520)</u>	<u>804,217</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grants from federal agencies	-	10,123,385	10,123,385
Operating subsidies and transfers to other funds	<u>(1,200,000)</u>	<u>(12,000,000)</u>	<u>(13,200,000)</u>
Net cash used by noncapital financing activities	<u>(1,200,000)</u>	<u>(1,876,615)</u>	<u>(3,076,615)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	(3,835,475)	(11,325,385)	(15,160,860)
Proceeds from sales and maturities of investments	3,981,100	12,582,000	16,563,100
Interest and dividends	<u>80,475</u>	<u>640,385</u>	<u>720,860</u>
Net cash provided by investing activities	<u>226,100</u>	<u>1,897,000</u>	<u>2,123,100</u>
Net decrease in cash and cash equivalents	(54,163)	(95,135)	(149,298)
Balances—beginning of the year	<u>57,288</u>	<u>114,308</u>	<u>171,596</u>
Balances—end of the year	<u>\$ 3,125</u>	<u>\$ 19,173</u>	<u>\$ 22,298</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 526,868	\$ (118,121)	\$ 408,747
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	14,730	14,730
Change in assets and liabilities:			
Receivables	204,472	(18,475)	185,997
Accounts payables	123,274	(12,168)	111,106
Due to other funds	60,904	(8,375)	52,529
Accrued salaries payable	4,219	27,496	31,715
Other assets	-	(607)	(607)
Net cash provided (used) by operating activities	<u>\$ 919,737</u>	<u>\$ (115,520)</u>	<u>\$ 804,217</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 56.49 percent of the annual cost of the plan with employees paying for the remaining 43.51 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, Regional Offices, 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, 2008**

	<u>Print Shop</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Internal Services</u>	<u>Totals</u>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 62,395	\$ 960	\$ 36,712	\$ 95,415	\$ 195,482
Investments	15,820	59,903,319	46,703,222	5,068,717	111,691,078
Receivables	185,792	5,894	-	25,641	217,327
Accrued interest	-	614,718	310,508	-	925,226
Due from other funds	-	8,849,533	464,250	-	9,313,783
Total current assets	<u>264,007</u>	<u>69,374,424</u>	<u>47,514,692</u>	<u>5,189,773</u>	<u>122,342,896</u>
Noncurrent assets:					
Buildings and improvements	558,545	-	-	-	558,545
Furniture and equipment	508,889	-	128,623	158,254	795,766
Vehicles	111,068	-	-	-	111,068
Less accumulated depreciation	<u>(542,976)</u>	<u>-</u>	<u>(128,623)</u>	<u>(58,605)</u>	<u>(730,204)</u>
Total noncurrent assets	<u>635,526</u>	<u>-</u>	<u>-</u>	<u>99,649</u>	<u>735,175</u>
Total assets	<u>899,533</u>	<u>69,374,424</u>	<u>47,514,692</u>	<u>5,289,422</u>	<u>123,078,071</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	176,294	1,957,555	503,679	839,566	3,477,094
Due to other funds	705,632	-	-	246,294	951,926
Accrued salaries payable	41,615	18,793	25,355	282,493	368,256
Claims and judgments payable	-	17,466,300	8,153,678	-	25,619,978
Total current liabilities	<u>923,541</u>	<u>19,442,648</u>	<u>8,682,712</u>	<u>1,368,353</u>	<u>30,417,254</u>
Noncurrent liabilities:					
Compensated absences payable	98,360	24,405	68,231	600,638	791,634
Claims and judgments payable	-	464,700	6,493,647	-	6,958,347
Total noncurrent liabilities	<u>98,360</u>	<u>489,105</u>	<u>6,561,878</u>	<u>600,638</u>	<u>7,749,981</u>
Total liabilities	<u>1,021,901</u>	<u>19,931,753</u>	<u>15,244,590</u>	<u>1,968,991</u>	<u>38,167,235</u>
<b>NET ASSETS</b>					
Invested in capital assets	635,526	-	-	99,649	735,175
Unrestricted	<u>(757,894)</u>	<u>49,442,671</u>	<u>32,270,102</u>	<u>3,220,782</u>	<u>84,175,661</u>
Total net assets	<u>\$ (122,368)</u>	<u>\$ 49,442,671</u>	<u>\$ 32,270,102</u>	<u>\$ 3,320,431</u>	<u>\$ 84,910,836</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, 2008**

	<u>Print Shop</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Internal Services</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>					
Charges for sales and services:					
Sales to customers	\$ 4,806,210	\$ -	\$ -	\$ 21,863,927	\$ 26,670,137
Charges to other funds	-	107,486,299	6,707,272	-	114,193,571
Miscellaneous	4,120	833,934	420,613	18,044	1,276,711
Total operating revenues	<u>4,810,330</u>	<u>108,320,233</u>	<u>7,127,885</u>	<u>21,881,971</u>	<u>142,140,419</u>
<b>OPERATING EXPENSES:</b>					
Payroll costs	1,633,747	531,111	1,169,710	16,474,631	19,809,199
Purchased and contracted services	2,243,747	30,297	1,178,504	3,693,680	7,146,228
Supplies and materials	953,366	10,395	32,361	2,245,087	3,241,209
Other operating expenses	17,301	23,247	322,493	1,354,920	1,717,961
Claims and judgments	-	110,631,865	8,113,973	-	118,745,838
Depreciation	72,618	-	-	24,529	97,147
Total operating expenses	<u>4,920,779</u>	<u>111,226,915</u>	<u>10,817,041</u>	<u>23,792,847</u>	<u>150,757,582</u>
Operating loss	<u>(110,449)</u>	<u>(2,906,682)</u>	<u>(3,689,156)</u>	<u>(1,910,876)</u>	<u>(8,617,163)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Earnings on investments	869	2,886,486	2,276,580	321,228	5,485,163
Total nonoperating revenue	<u>869</u>	<u>2,886,486</u>	<u>2,276,580</u>	<u>321,228</u>	<u>5,485,163</u>
Loss before transfers	<u>(109,580)</u>	<u>(20,196)</u>	<u>(1,412,576)</u>	<u>(1,589,648)</u>	<u>(3,132,000)</u>
Transfers In	<u>362,130</u>	<u>-</u>	<u>-</u>	<u>1,081,397</u>	<u>1,443,527</u>
Change in net assets	252,550	(20,196)	(1,412,576)	(508,251)	(1,688,473)
Total net assets—beginning	(374,918)	49,462,867	33,682,678	3,828,682	86,599,309
Total net assets—ending	<u>\$ (122,368)</u>	<u>\$ 49,442,671</u>	<u>\$ 32,270,102</u>	<u>\$ 3,320,431</u>	<u>\$ 84,910,836</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Print Shop	Health Insurance	Workers' Compensation	Internal Services	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 4,728,613	\$ 107,491,526	\$ 6,707,272	\$ 21,861,450	\$ 140,788,861
Receipts from other funds	-	-	73,112	-	73,112
Other receipts	4,120	857,582	110,105	18,044	989,851
Payments to suppliers	(3,190,018)	-	(215,040)	(6,989,877)	(10,394,935)
Payments to employees	(1,588,005)	(505,507)	(1,136,003)	(16,137,647)	(19,367,162)
Payments to other funds	(278,554)	(2,045,906)	-	(259,361)	(2,583,821)
Claims paid	-	(108,961,865)	(11,767,954)	-	(120,729,819)
Net cash used by operating activities	<u>(323,844)</u>	<u>(3,164,170)</u>	<u>(6,228,508)</u>	<u>(1,507,391)</u>	<u>(11,223,913)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating subsidies and transfers from other funds	362,130	-	-	1,081,397	1,443,527
Net cash provided by noncapital financing activities	<u>362,130</u>	<u>-</u>	<u>-</u>	<u>1,081,397</u>	<u>1,443,527</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	(7,995)	-	-	(85,561)	(93,556)
Net cash used by capital and related financing activities	<u>(7,995)</u>	<u>-</u>	<u>-</u>	<u>(85,561)</u>	<u>(93,556)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(448,999)	(253,095,688)	(156,550,610)	(13,262,625)	(423,357,922)
Sales and maturities of investments	438,000	253,368,264	160,535,106	13,514,000	427,855,370
Interest and dividends	869	2,886,486	2,276,580	321,228	5,485,163
Net cash provided (used) by investing activities	<u>(10,130)</u>	<u>3,159,062</u>	<u>6,261,076</u>	<u>572,603</u>	<u>9,982,611</u>
Net increase (decrease) in cash and cash equivalents	<u>20,161</u>	<u>(5,108)</u>	<u>32,568</u>	<u>61,048</u>	<u>108,669</u>
Balances—beginning of the year	42,234	6,068	4,144	34,367	86,813
Balances—end of the year	<u>\$ 62,395</u>	<u>\$ 960</u>	<u>\$ 36,712</u>	<u>\$ 95,415</u>	<u>\$ 195,482</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating loss	(110,449)	(2,906,682)	(3,689,156)	(1,910,876)	(8,617,163)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	72,618	-	-	24,529	97,147
Change in assets and liabilities:					
Receivables, net	(77,597)	5,227	-	(2,477)	(74,847)
Accounts payable	24,397	702,305	167,933	303,810	1,198,445
Receipts from other funds	-	-	73,112	-	73,112
Payments to other funds	(278,554)	(2,045,905)	-	(259,361)	(2,583,820)
Accrued Interest	-	(614,718)	(310,508)	-	(925,226)
Accrued salaries payable	41,288	18,793	25,355	279,987	365,423
Compensated absences payable	4,453	6,810	8,352	56,997	76,612
Current portion of claims and judgments	-	1,605,650	(1,140,394)	-	465,256
Other long term claims and judgments	-	64,350	(1,363,202)	-	(1,298,852)
Net cash used by operating activities	<u>\$ (323,844)</u>	<u>\$ (3,164,170)</u>	<u>\$ (6,228,508)</u>	<u>\$ (1,507,391)</u>	<u>\$ (11,223,913)</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, 2008, seventy-six 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, 2008**

	<b>Agency Funds</b>		
	<b>Centralized</b>	<b>Non Centralized</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 274,056	\$ 4,544,000	\$ 4,818,056
Investments	<u>7,836,791</u>	<u>372,897</u>	<u>8,209,688</u>
Total assets	<u>\$ 8,110,847</u>	<u>\$ 4,916,897</u>	<u>\$ 13,027,744</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,143,015	\$ 10,200	\$ 1,153,215
Accrued salaries payable	27,761	-	27,761
Due to student/school/administrative groups	<u>6,940,071</u>	<u>4,906,697</u>	<u>11,846,768</u>
Total liabilities	<u>\$ 8,110,847</u>	<u>\$ 4,916,897</u>	<u>\$ 13,027,744</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Balance July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2008</u>
<b>CENTRALIZED ACTIVITY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 222,529	\$ 15,016,607	\$ 14,965,080	\$ 274,056
Investments	6,476,505	3,891,175	2,530,889	7,836,791
Accounts receivable	<u>2,506</u>	<u>-</u>	<u>2,506</u>	<u>-</u>
Total assets	<u>\$ 6,701,540</u>	<u>\$ 18,907,782</u>	<u>\$ 17,498,475</u>	<u>\$ 8,110,847</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 307,160	\$ 1,143,015	\$ 307,160	\$ 1,143,015
Accrued salaries payable	357	27,761	357	27,761
Due to student/administrative groups	<u>6,394,023</u>	<u>12,485,718</u>	<u>11,939,670</u>	<u>6,940,071</u>
Total liabilities	<u>\$ 6,701,540</u>	<u>\$ 13,656,494</u>	<u>\$ 12,247,187</u>	<u>\$ 8,110,847</u>
<b>NONCENTRALIZED ACTIVITY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,148,687	\$ 8,351,197	\$ 7,955,884	\$ 4,544,000
Investments	<u>333,832</u>	<u>59,564</u>	<u>20,499</u>	<u>372,897</u>
Total assets	<u>\$ 4,482,519</u>	<u>\$ 8,410,761</u>	<u>\$ 7,976,383</u>	<u>\$ 4,916,897</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 23,200	\$ 10,200	\$ 23,200	\$ 10,200
Due to student/administrative groups	<u>4,459,319</u>	<u>8,330,698</u>	<u>7,883,320</u>	<u>4,906,697</u>
Total liabilities	<u>\$ 4,482,519</u>	<u>\$ 8,340,898</u>	<u>\$ 7,906,520</u>	<u>\$ 4,916,897</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,371,216	\$ 23,367,804	\$ 22,920,964	\$ 4,818,056
Investments	6,810,337	3,950,739	2,551,388	8,209,688
Accounts receivable	<u>2,506</u>	<u>-</u>	<u>2,506</u>	<u>-</u>
Total assets	<u>\$ 11,184,059</u>	<u>\$ 27,318,543</u>	<u>\$ 25,474,858</u>	<u>\$ 13,027,744</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 330,360	\$ 1,153,215	\$ 330,360	\$ 1,153,215
Accrued salaries payable	357	27,761	357	27,761
Due to student/administrative groups	<u>10,853,342</u>	<u>20,816,416</u>	<u>19,822,990</u>	<u>11,846,768</u>
Total liabilities	<u>\$ 11,184,059</u>	<u>\$ 21,997,392</u>	<u>\$ 20,153,707</u>	<u>\$ 13,027,744</u>

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2008

Houston  
Independent  
School  
District



# OTHER SUPPLEMENTARY INFORMATION



**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, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local maintenance taxes	\$ 137,483,084	\$ 139,343,057	\$ 140,954,828	\$ 1,611,771
Earnings on investments	2,490,000	3,190,000	3,304,546	114,546
Total revenues	<u>139,973,084</u>	<u>142,533,057</u>	<u>144,259,375</u>	<u>1,726,318</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	93,119,258	96,119,259	96,119,258	1
Interest and fiscal charges	101,653,381	100,653,380	98,289,522	2,363,858
Total expenditures	<u>194,772,639</u>	<u>196,772,639</u>	<u>194,408,780</u>	<u>2,363,859</u>
<b>Deficiency of revenues under expenditures</b>	<u>(54,799,555)</u>	<u>(54,239,582)</u>	<u>(50,149,405)</u>	<u>4,090,177</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	54,798,869	54,737,528	54,737,528	-
Total other financing sources	<u>54,798,869</u>	<u>54,737,528</u>	<u>54,737,528</u>	<u>-</u>
<b>Net change in fund balances</b>	(686)	497,946	4,588,123	4,090,177
<b>Fund balances-beginning</b>	<u>99,635,998</u>	<u>99,635,998</u>	<u>99,635,998</u>	<u>-</u>
<b>Fund balances-ending</b>	<u>\$ 99,635,312</u>	<u>\$ 100,133,944</u>	<u>\$ 104,224,121</u>	<u>\$ 4,090,177</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, 2008**

	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Earnings on investments	\$ 11,500,000	\$ 14,325,978	\$ 15,834,699	\$ 1,508,721
Miscellaneous local sources	15,634,438	15,495,502	18,614,573	3,119,071
Total revenues	<u>27,134,438</u>	<u>29,821,480</u>	<u>34,449,272</u>	<u>4,627,792</u>
<b>EXPENDITURES</b>				
Capital outlay				
Facilities acquisition and construction	303,074,102	772,133,667	120,441,602	651,692,065
Total expenditures	<u>303,074,102</u>	<u>772,133,667</u>	<u>120,441,602</u>	<u>651,692,065</u>
<b>Deficiency of revenues under expenditures</b>	<u>(275,939,664)</u>	<u>(742,312,187)</u>	<u>(85,992,330)</u>	<u>656,319,857</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	31,636,743	31,657,698	32,303,680	645,982
Transfers out	(8,690,000)	(8,690,000)	(8,690,000)	-
Issuance of bonds and other debt	-	389,825,000	389,825,000	-
Premium on the sale of bonds	-	11,975,015	11,975,015	-
Proceeds from sale of capital assets	-	1,154,181	1,204,181	50,000
Total other financing sources	<u>22,946,743</u>	<u>425,921,894</u>	<u>426,617,876</u>	<u>695,982</u>
<b>Net change in fund balances</b>	<u>(252,992,921)</u>	<u>(316,390,293)</u>	<u>340,625,546</u>	<u>657,015,839</u>
<b>Fund balances--beginning</b>	<u>311,066,514</u>	<u>311,066,514</u>	<u>311,066,514</u>	<u>-</u>
<b>Fund balances--ending</b>	<u>\$ 58,073,593</u>	<u>\$ (5,323,779)</u>	<u>\$ 651,692,060</u>	<u>\$ 657,015,839</u>

**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, 2008**

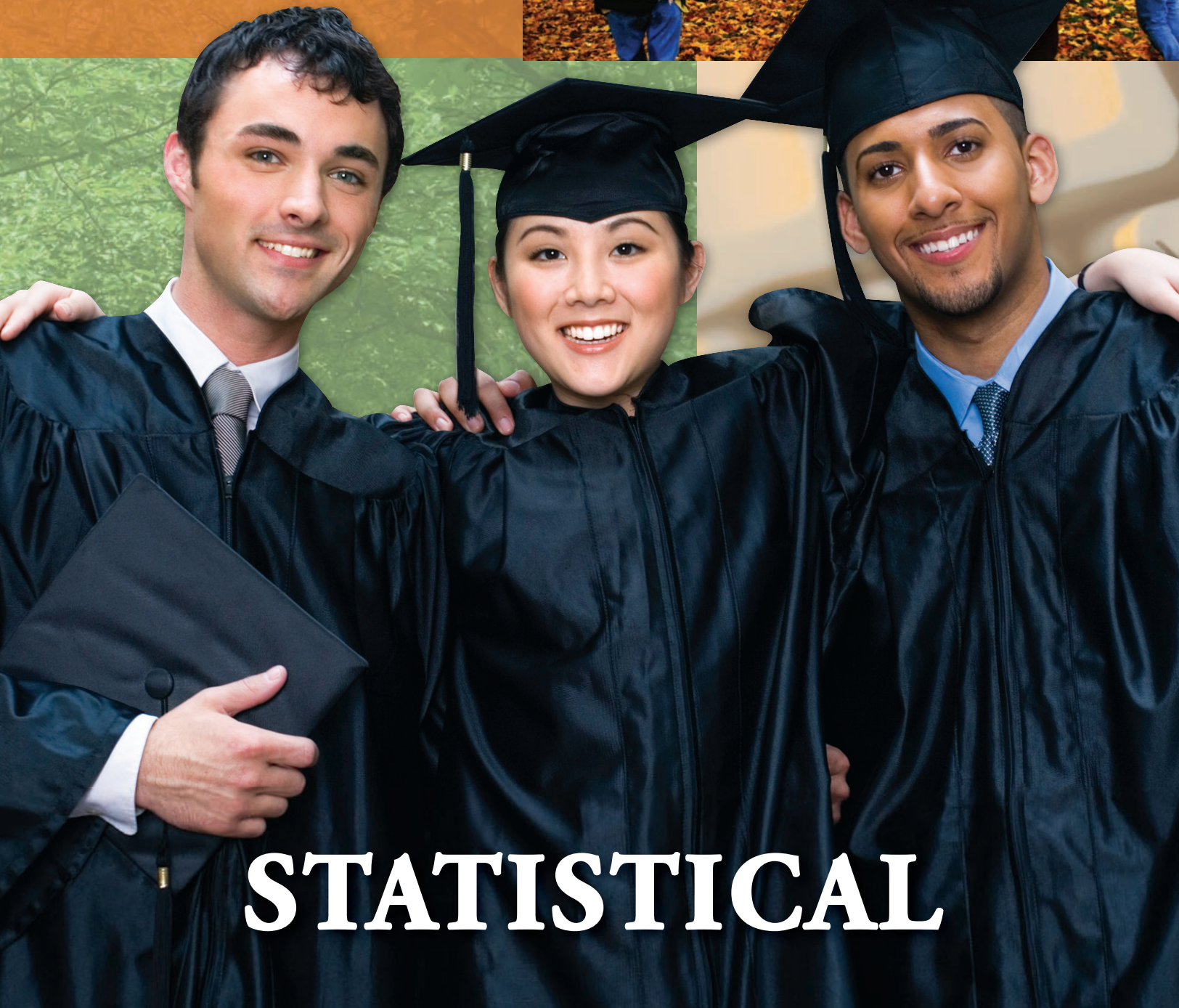
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Food sales	\$ 16,866,413	\$ 16,866,413	\$ 14,512,444	\$ (2,353,969)
Interest income	350,000	350,000	334,691	(15,309)
Miscellaneous local sources	768,338	768,337	981,646	213,309
State matching funds	663,587	663,587	625,151	(38,436)
Child nutrition programs/summer food program	68,716,559	69,762,055	71,202,407	1,440,352
Donated commodities	4,555,907	4,555,907	4,447,518	(108,389)
Total revenues	91,920,804	92,966,299	92,103,857	(862,442)
<b>EXPENSES</b>				
Current				
Food services	101,689,853	107,149,301	102,660,274	4,489,027
General administration	983,900	703,720	621,691	82,029
Plant maintenance and operations	5,076,501	6,282,686	5,902,240	380,446
Data processing services	-	17,320	-	17,320
Facilities acquisition and construction	240,000	-	-	-
Total expenses	107,990,254	114,153,027	109,184,205	4,968,822
<b>Change in fund net assets</b>	(16,069,450)	(21,186,728)	(17,080,348)	4,106,380
<b>Total net assets-beginning</b>	34,759,344	34,759,344	34,759,344	-
<b>Total net assets-ending</b>	\$ 18,689,894	\$ 13,572,616	\$ 17,678,996	\$ 4,106,380

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2008

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STATISTICAL

Statistical Section



2008

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# FINANCIAL TRENDS



# **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.



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

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	\$ 519,175,036	\$ 457,203,250	\$ 374,202,924	\$ 350,980,270	\$ 336,444,250	\$ 364,547,643	\$ 106,527,419
Restricted	84,771,107	83,229,648	119,616,366	68,919,202	63,538,087	66,259,622	337,454,539
Unrestricted	704,719,212	643,682,650	486,330,160	370,591,748	312,889,416	273,186,920	278,625,263
Total governmental activities	\$ 1,308,665,355	\$ 1,184,115,548	\$ 980,149,450	\$ 790,491,220	\$ 712,871,753	\$ 703,994,185	\$ 722,607,221
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	\$ 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	10,069,334	18,070,470	20,622,642	7,591,901	7,064,529	1,805,534	1,751,624
Total business-type activities	\$ 33,385,007	\$ 52,748,397	\$ 62,623,678	\$ 55,459,346	\$ 54,891,589	\$ 40,173,567	\$ 26,701,031
<b>Total</b>							
Invested in capital assets, net of related debt	\$ 542,490,709	\$ 475,709,559	\$ 381,023,971	\$ 353,052,577	\$ 338,198,330	\$ 365,830,004	\$ 107,884,013
Restricted	84,771,107	99,401,266	154,796,355	114,714,340	109,611,067	103,345,294	361,047,352
Unrestricted	714,788,546	661,753,120	506,952,802	378,183,649	319,953,945	274,992,454	280,376,887
Total net assets	\$ 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 SEVEN FISCAL YEARS**  
*(accrual basis of accounting)*  
**(UNAUDITED)**

	2008	2007	2006	2005	2004	2003	2002
<b>Expenses</b>							
Governmental activities:							
Instruction	\$ 1,069,343,618	\$ 1,023,779,666	\$ 947,935,194	\$ 933,918,916	\$ 930,845,794	\$ 914,481,999	\$ 771,827,152
Instructional resources and media services	14,693,279	14,613,972	14,736,164	15,801,797	18,750,969	17,716,445	16,268,799
Instructional staff development	59,859,578	51,047,354	55,255,485	63,482,263	62,502,617	73,517,087	56,271,350
Curriculum development	4,240,788	3,884,100	3,083,294	-	-	-	-
Instructional leadership	23,266,595	21,141,738	22,293,466	20,418,266	18,966,837	20,815,612	17,132,765
School leadership	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	50,166,310	43,580,525	40,525,569	32,396,704	34,996,379	42,073,627	42,993,487
Social work services	2,173,752	2,249,125	2,138,796	1,939,208	2,016,097	3,091,918	3,308,199
Health services	19,442,983	18,402,273	17,203,501	17,005,205	17,082,166	17,569,548	15,731,433
Student transportation services	47,790,724	41,696,460	43,702,468	40,416,249	43,522,146	48,408,754	45,065,380
Food service	1,462,442	332,218	941,755	1,778,372	975,323	1,937,675	692,390
Co-curricular/extracurricular activities	15,657,329	13,256,875	12,066,951	10,918,951	10,962,143	10,073,569	9,857,659
General administration	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	184,483,175	177,779,835	170,512,035	143,380,615	139,279,051	139,444,950	126,200,268
Security and monitoring services	19,812,880	18,718,386	17,216,209	15,267,598	15,382,155	15,746,984	13,669,644
Data processing services	52,846,792	52,925,158	42,660,593	37,344,751	33,269,748	27,022,858	23,856,962
Community services	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	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	898,122	1,530,366	1,222,126	1,001,000	1,001,000
Facilities acquisition and construction	-	-	-	-	9,778,522	54,889,358	40,388,478
Payments to fiscal agent/member districts	-	-	-	-	-	-	539,634
Tax reinvestment zone payments	-	-	-	-	-	-	-
Total governmental activities expenses	32,754,533	32,221,847	30,446,611	29,213,095	1,586,978,474	1,649,139,527	1,389,826,709
	<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>1,389,826,709</u>
Business-type activities:							
Food service	109,520,238	98,727,038	93,755,731	87,901,512	85,377,243	77,752,666	70,191,111
Business development	9,759,385	9,655,656	9,975,550	11,504,388	10,862,742	8,845,386	4,893,228
Medicaid	1,262,940	1,163,888	2,189,490	1,590,650	2,576,117	1,318,608	1,121,713
Total business-type activities expenses	120,542,563	109,546,582	105,920,771	100,996,550	98,818,102	87,916,662	76,206,052
Total expenses	<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>
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:	\$ 863,005	\$ 560,736	\$ 601,248	\$ 212,937	\$ 345,807	\$ 702,620	\$ 606,342
Instruction	-	-	-	-	-	240,694	195,677
Food service	389,723	255,387	799,492	507,209	528,963	967,260	1,187,225
Co-curricular/extracurricular activities	502,987	511,377	431,318	384,540	486,196	359,981	271,626
Plant maintenance and operations	343,082,215	339,591,240	358,241,315	307,780,176	302,207,002	312,508,020	212,929,091
Operating grants and contributions	344,837,930	340,918,740	360,073,373	308,884,862	303,577,968	314,778,575	215,189,961
Total governmental entities program revenues							
Business-type activities:							
Charges for services:							
Food service	14,512,444	15,334,128	15,272,481	14,285,756	15,208,335	15,691,341	14,946,863
Business development	10,286,253	10,698,365	10,812,621	11,923,323	12,521,850	9,369,647	5,172,821
Medicaid	1,144,819	2,821,622	1,013,606	505,588	972,670	1,005,931	930,137
Operating grants and contributions	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	112,341,977	109,142,292	115,655,827	104,679,820	113,304,553	104,689,529	89,555,898
Total program revenues	<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>
<b>Net (Expense)/Revenue</b>							
Governmental activities	\$ (1,516,619,562)	\$ (1,428,777,850)	\$ (1,292,465,541)	\$ (1,294,413,463)	\$ (1,283,400,506)	\$ (1,334,360,952)	\$ (1,174,636,748)
Business-type activities	(8,200,586)	(404,290)	9,745,056	3,683,270	14,486,451	16,772,867	13,349,846
Business-type activities	<u>(1,524,820,148)</u>	<u>(1,428,720,485)</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>
Total net expense							

**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 SEVEN FISCAL YEARS**  
*(accrual basis of accounting)*  
**(UNAUDITED)**

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Net (Expense)/Revenue</b>							
Governmental activities	\$ (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	(8,200,586)	(404,290)	9,745,056	3,683,270	14,486,451	16,772,867	13,349,846
Total net expense	<u>\$ (1,524,820,148)</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>
<b>General Revenues</b>							
Governmental activities:							
Taxes:							
Maintenance & operations property taxes	\$ 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	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	462,758,750	286,432,562	144,072,792	159,812,201	167,739,282	212,887,113	211,844,026
Tax increment reinvestment zone	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	48,972,905	56,967,051	38,502,067	27,140,246	5,150,398	10,621,967	19,619,556
Miscellaneous	13,112,562	18,945,507	44,544,686	20,348,053	14,381,864	18,673,706	16,211,835
Transfers	13,200,000	13,200,000	4,900,000	4,947,017	500,000	4,100,000	4,759,500
Total governmental activities	<u>1,634,007,173</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	1,055,550	2,510,084	1,679,910	1,132,786	282,105	484,172	385,400
Miscellaneous	981,646	1,218,975	639,366	698,718	449,466	315,497	405,366
Transfers	(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>(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>\$ 1,622,844,369</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>
<b>Change in Net Assets</b>							
Governmental activities	\$ 117,387,611	\$ 203,966,099	\$ 189,658,230	\$ 76,619,467	\$ 8,877,568	\$ (18,613,036)	\$ 100,981,405
Business-type activities	(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>\$ 98,024,221</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)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund										
Reserved	\$ 42,513,114	\$ 26,848,233	\$ 54,911,199	\$ 19,893,679	\$ 20,390,258	\$ 26,178,804	\$ 42,405,158	\$ 30,662,699	\$ 25,168,025	\$ 36,325,335
Unreserved	481,171,886	430,916,041	297,640,942	236,997,970	186,911,060	188,918,051	173,092,044	141,893,828	132,517,223	128,279,405
Total general fund	<u>\$ 523,685,000</u>	<u>\$ 457,764,274</u>	<u>\$ 352,552,141</u>	<u>\$ 256,891,649</u>	<u>\$ 207,301,318</u>	<u>\$ 215,096,855</u>	<u>\$ 215,497,202</u>	<u>\$ 172,356,527</u>	<u>\$ 157,685,248</u>	<u>\$ 164,604,740</u>
All Other Governmental Funds										
Reserved	\$ 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	23,913,709	20,885,476
Capital Renovation Fund	532,098,368	168,377,147	421,316,266	519,607,891	533,347,344	334,069,935	271,943,731	514,681,310	665,922,962	707,413,368
Public Facility Corporation	3,291,731	8,953,511	28,981,083	26,090	25,735	25,900	89,873	662,071	1,083,552	34,577,093
Asbestos Abatement Fund	-	-	-	-	-	-	-	-	507,591	5,242,852
Special Revenue Fund	9,451,918	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 768,659,830</u>	<u>\$ 419,656,023</u>	<u>\$ 538,800,148</u>	<u>\$ 599,185,953</u>	<u>\$ 604,365,794</u>	<u>\$ 407,321,317</u>	<u>\$ 346,160,703</u>	<u>\$ 541,161,912</u>	<u>\$ 691,427,814</u>	<u>\$ 768,118,789</u>

**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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Local sources:</b>										
Property taxes	\$ 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	\$ 762,887,916	\$ 702,581,213
Earnings on investments	43,487,742	50,658,097	34,976,787	25,065,026	4,590,871	9,827,553	19,058,440	72,953,440	67,741,472	31,088,905
Miscellaneous local sources	42,747,211	44,189,252	50,131,080	39,701,826	64,820,498	65,406,784	40,087,931	35,431,452	25,917,871	26,978,612
Total local sources	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	856,547,259	760,658,730
<b>State sources:</b>										
Per capita	50,818,130	74,173,561	59,912,227	75,338,375	64,291,710	70,840,398	41,795,706	50,409,475	60,300,822	53,660,074
Foundation school program	446,442,074	246,773,526	108,423,690	109,263,401	127,309,758	169,341,688	198,296,751	254,154,114	299,745,046	255,392,089
On behalf payments	66,124,556	57,370,533	53,119,273	52,474,105	54,069,407	55,098,490	49,531,667	53,193,106	50,751,932	44,362,252
Other state sources	24,064,692	25,265,104	28,980,856	22,520,377	23,186,757	61,555,493	18,780,071	26,156,140	21,840,868	15,385,278
Total state sources	587,449,452	403,582,724	250,436,046	259,596,258	268,857,632	356,836,069	308,404,195	383,912,835	432,638,668	368,799,693
Federal sources	196,167,602	203,612,829	229,693,231	177,873,361	165,637,062	135,869,750	109,330,721	116,212,355	103,470,707	80,395,765
Total revenues	\$ 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	\$ 1,392,656,634	\$ 1,209,854,188

**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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Instruction	\$ 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	\$ 755,307,255	\$ 678,302,234
Instructional resources and media services	14,576,095	14,648,808	14,559,019	15,547,917	18,730,730	20,494,797	19,926,324	20,693,516	18,442,453	17,084,319
Instructional staff development	58,784,175	53,039,238	55,949,048	63,504,891	63,029,532	76,188,974	57,270,243	65,076,237	48,901,142	34,551,014
Curriculum development	4,223,455	3,944,213	2,882,377	-	-	-	-	-	-	-
Instructional leadership	22,956,610	21,082,513	22,306,923	20,512,882	19,275,199	21,746,049	17,261,624	18,632,661	16,002,785	13,913,679
School leadership	123,562,633	112,313,652	107,458,174	105,971,373	106,576,188	105,510,779	88,484,056	90,943,878	91,116,541	76,349,599
Guidance, counseling, and evaluation services	49,384,323	45,171,367	40,846,596	32,572,182	35,627,384	42,725,877	43,613,205	43,074,023	43,347,664	38,896,999
Social work services	2,164,007	2,274,594	2,158,785	1,950,809	2,036,549	3,141,373	3,351,210	4,204,588	4,197,455	3,873,595
Health services	19,345,991	18,679,880	17,414,666	17,110,545	17,307,813	17,867,998	16,412,179	16,561,921	15,995,736	13,848,708
Student transportation	42,442,213	47,201,457	40,041,071	36,659,121	47,348,059	57,078,975	42,817,272	41,580,344	53,848,072	38,012,184
Food services	212,168	309,294	917,782	1,755,110	951,539	1,916,183	630,768	487,881	499,598	433,928
Co-curricular/extracurricular activities	14,773,408	14,046,806	12,642,612	11,077,343	11,404,264	10,354,586	10,040,983	10,182,522	8,493,841	8,153,472
General administration	36,564,385	31,768,477	34,895,412	29,421,216	33,094,266	38,978,500	34,818,335	41,962,627	44,582,483	41,276,296
Plant maintenance and operations	183,181,687	178,436,705	169,987,554	141,673,653	138,584,290	140,088,041	128,120,020	151,407,437	133,146,282	130,878,956
Security and monitoring services	19,551,020	19,335,915	17,390,324	15,244,512	15,495,847	16,430,370	13,909,591	14,852,448	13,704,912	10,965,263
Data processing services	33,692,358	35,621,196	32,536,397	27,066,680	51,875,733	46,335,585	22,013,916	24,249,071	24,045,307	18,039,107
Community services	5,431,534	5,828,886	6,569,262	7,055,659	29,520,127	24,950,870	18,512,263	11,585,764	5,316,006	5,981,325
Juvenile justice alternative education program	762,071	329,541	1,759,380	898,122	1,530,366	1,222,126	1,001,000	895,475	894,476	996,722
Tax reinvestment zone payments	32,754,533	32,221,847	30,446,611	29,213,095	-	-	-	-	-	-
Debt service										
Principal	96,190,448	71,385,689	53,862,694	50,195,486	56,081,833	50,827,141	29,727,811	43,931,475	36,343,411	24,424,257
Interest	98,297,459	99,841,543	91,404,009	78,838,653	60,384,681	60,199,144	30,107,716	47,366,336	47,869,632	31,844,070
Capital outlay										
Facilities acquisition and construction	127,692,090	235,137,735	306,600,491	248,408,891	111,471,496	150,702,316	253,115,980	309,867,343	143,319,412	87,702,408
Intergovernmental charges	-	-	-	-	-	-	539,634	900,893	1,404,125	269,965
Total expenditures	\$ 1,991,668,166	\$ 2,002,334,105	\$ 1,970,000,250	\$ 1,828,240,144	\$ 1,718,655,561	\$ 1,780,658,480	\$ 1,617,416,437	\$ 1,773,789,932	\$ 1,506,778,588	\$ 1,275,798,100

Debt service as a percentage of non-capital expenditures 10.64% 10.00% 8.96% 8.34% 7.55% 7.13% 4.48% 6.38% 6.20% 4.61%

**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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Excess of revenues under expenditures	\$ (30,660,911)	\$ (54,799,091)	\$ (177,948,861)	\$ (180,724,269)	\$ (130,320,575)	\$ (166,834,568)	\$ (156,672,687)	\$ (290,866,156)	\$ (114,121,954)	\$ (65,943,912)
Other Financing Sources (Uses)										
Capital leases	93,514	47,521	97,233	145,344	45,844	369,161	52,653	238,523	759,702	269,492
Issuance of bonds and other debt	413,325,000	320,964,999	594,975,000	528,662,757	320,598,660	306,320,674	-	148,883,010	22,401,785	762,469,029
Payments to escrow agents	-	(329,420,511)	(457,745,910)	(306,205,779)	-	(83,195,000)	-	-	-	(45,415,919)
Premium on sale of bonds	12,074,080	23,422,005	28,065,527	-	-	-	-	-	-	-
Proceeds from sale of capital assets	1,204,181	14,096,012	44,715,874	-	-	-	-	-	-	-
Transfers in	100,241,208	120,880,779	61,323,872	43,065,372	30,632,531	33,365,899	30,736,875	21,476,514	11,154,984	15,522,333
Transfers out	(88,484,735)	(109,123,706)	(58,208,048)	(40,532,935)	(31,707,520)	(29,265,999)	(25,977,375)	(15,326,514)	(3,804,984)	(7,222,333)
Total other financing sources (uses)	438,453,248	40,867,099	213,223,548	225,134,759	319,569,515	227,594,835	4,812,153	155,271,533	30,511,487	725,622,602
Net change in fund balances	\$ 407,762,337	\$ (13,931,992)	\$ 35,274,687	\$ 44,410,490	\$ 189,248,940	\$ 60,760,267	\$ (151,960,534)	\$ (135,594,623)	\$ (83,610,467)	\$ 659,679,690

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, 2008  
(UNAUDITED)**

<u>Explanation</u>	<u>Amount</u>
1 Total General Fund Balance 6/30/08 (Exhibit C-1 object 3000 for the General Fund Only)	<u>\$ 523,685,000</u>
2 Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	<u>\$ 42,513,114</u>
3 Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	<u>\$ 257,013,824</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 <b>one</b> month's average cash disbursements during the regular school session (8/27/08-5/29/09)	<u>\$ 118,439,446</u>
6 Estimate of delayed payments from state sources (58XX) including August payment delays	<u>\$ 102,546,069</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>\$ -</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 Optimum Fund Balance and Cash Flow (2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	<u>\$ 520,512,453</u>
Excess/(Deficit) Undesignated Unreserved General Fund Fund Balance (1 -10)	<u><u>\$ 3,172,547</u></u>

GENERAL AND SPECIAL REVENUE FUNDS  
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2009-2010  
GENERAL AND SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2008  
(UNAUDITED)

**FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION**

Account Number	Account Name	School Board	Tax Collection	Supt's Office	Indirect Cost	Direct Cost	Miscellaneous	Total
611X-6146	Payroll Costs	\$ 233,232	\$ -	\$ 481,458	\$ 28,673,385	\$ 1,013,168	\$ -	\$ 30,401,243
6149	Fringe Benefits(Unused Leave for Separating Employees in Function 41 and Related 53)				283,861			283,861
6149	Fringe Benefits(Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)				2,483,747			2,483,747
6211	Legal Services	2,988,693	-	-		-		2,988,693
6212	Audit Services				244,920			244,920
6213	Tax Appraisal & Collection		8,807,795					8,807,795
621X	Other Professional Services	-	-	-	386,731	57,000	-	443,731
6220	Tuition & Transfer Payments						-	-
6230	Education Service Centers	-	-	-	189,000	-	-	189,000
6240	Contracted Maint. & Repair					3,282,408		3,282,408
6250	Utilities					-		-
6260	Rentals	-	-	-	39,179	-	-	39,179
6290	Miscellaneous Contract	19,306	-	4,979	4,365,216	15,190	-	4,404,691
6320	Textbooks and Reading Materials	295	-	387	55,929	-		56,611
6330	Testing Materials	-	-	-	-	-		-
63XX	Other Supplies Materials	7,591	-	865	484,581	45,798	63,706	602,541
6410	Travel, Subsistence, Stipends	27,412	-	-	461,932	4,070	-	493,414
6420	Insurance & Bonding Costs	-	-	-	382,227	-		382,227
6430	Election Costs	461,000						461,000
6490	Miscellaneous Operating Costs	77,607	-	2,346	462,848	2,635		545,436
6500	Debt Service						-	-
6600	Capital Outlay						946,637	946,637
6000	TOTAL	\$ 3,815,136	\$ 8,807,795	\$ 490,035	\$ 38,513,556	\$ 4,420,269	\$ 1,010,343	\$ 57,057,134

Total Expenditures/expenses for General and Special Revenue Funds (plus Food Service Enterprise Fund if present) \$ 1,737,527,398

Less: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	\$ 37,461,044
Total Debt & Lease (6500)	\$ 79,127
Plant Maintenance (Function 51, 6100-6400)	\$ 186,214,381
Food	\$ 38,107,517
Stipends (6413)	\$ -
Column 4 (above) - Total Indirect Cost	\$ 38,513,556
Subtotal:	\$ 300,375,625

Net Allowed Direct Cost \$ 1,437,151,773

CUMULATIVE

Total Cost of Buildings before Depreciation	\$ 2,508,307,573
Historical Cost of Buildings over 50 years old	\$ 977,428,535
Amount of Federal Money in Building Cost (Net of Above)	\$ 1,269,571
Total Cost of Furniture & Equipment before Depreciation	\$ 253,697,956
Historical Cost of Furniture & Equipment over 16 years old	\$ 14,518,743
Amount of Federal Money in Furniture & Equipment (Net of Above)	\$ 1,268,311

Note A - \$18,387,310 in Function 53 expenditures are included in this report on administrative costs.

2008

Houston  
Independent  
School  
District



# REVENUE CAPACITY



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

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Less Exemptions</b>	<b>Assessed Value</b>	<b>Total Direct Rate</b>	<b>Actual Value</b>
<b>1999</b>	\$ 43,883,508,770	\$ 12,423,489,712	\$ 7,363,097,210	\$ 48,943,901,272	\$ 1.459000	N/A
<b>2000</b>	48,655,127,530	12,697,183,060	7,846,187,950	53,506,122,640	1.459000	N/A
<b>2001</b>	54,386,279,890	13,320,339,080	8,488,532,840	59,218,086,130	1.519000	N/A
<b>2002</b>	60,455,130,600	14,079,428,610	9,363,630,710	65,170,928,500	1.580000	N/A
<b>2003</b>	64,030,944,440	14,397,788,600	10,152,577,550	68,276,155,490	1.580000	N/A
<b>2004</b>	68,113,266,230	13,864,428,060	10,952,000,430	71,025,693,860	1.580000	N/A
<b>2005</b>	70,978,259,360	13,971,914,230	11,681,949,360	73,268,224,230	1.599000	N/A
<b>2006</b>	75,597,802,444	24,343,574,718	22,311,689,107	77,629,688,055	1.620000	101,680,400,781
<b>2007</b>	83,285,173,149	25,588,015,541	23,692,707,260	85,180,481,430	1.475700	110,419,741,124
<b>2008</b>	93,961,302,124	28,315,796,050	25,702,472,754	96,574,625,420	1.156700	124,486,331,244

**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	City of Southside West		City of University Place		Houston Community College	Various Harris County MUD'S	
										Place	Place	Place	Place			
1999	\$ 1.342275	\$ 0.116725	\$ 1.459000	\$ 0.648020	\$ 0.665000	\$ 0.510000	\$ 1.000000	\$ 0.567900	\$ 0.230000	\$ 0.420000	\$ 0.066150	\$ 0.144000	- 1.500000			
2000	1.332275	0.126725	1.459000	0.648020	0.655000	0.490000	0.960000	0.550330	0.230000	0.410000	0.070000	0.144000	- 1.500000			
2001	1.403000	0.116000	1.519000	0.648020	0.655000	0.490000	0.966000	0.520030	0.221000	0.420000	0.082000	0.144000	- 1.500000			
2002	1.450000	0.130000	1.580000	0.646270	0.655000	0.490000	0.841000	0.503250	0.215000	0.420000	0.081330	0.144000	- 1.500000			
2003	1.450000	0.130000	1.580000	0.646270	0.655000	0.490000	0.899000	0.491460	0.215000	0.430000	0.081330	0.144000	- 1.500000			
2004	1.450000	0.130000	1.580000	0.646270	0.655000	0.480000	0.819000	0.510000	0.215000	0.447000	0.081000	0.144000	- 1.500000			
2005	1.450000	0.149000	1.599000	0.646270	0.650000	0.480000	0.807000	0.501650	0.215000	0.440000	0.095770	0.144000	- 1.500000			
2006	1.450000	0.170000	1.620000	0.646270	0.647500	0.470000	0.831570	0.498000	0.230000	0.430000	0.095770	0.143500	- 1.460000			
2007	1.325700	0.150000	1.475700	0.646270	0.645000	0.440000	0.708800	0.494500	0.230000	0.402000	0.095180	0.143500	- 1.430000			
2008	1.006700	0.150000	1.156700	0.635833	0.643750	0.400000	0.671745	0.499260	0.251360	0.366000	0.092433	0.143500	- 1.380000			

**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 2008			Fiscal Year Ending 1999		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Crescent Real Estate	\$ 1,213,068,497	1	1.2561 %	\$ 698,391,970	2	1.4300 %
Centerpoint Energy Inc.	1,020,250,109	2	1.0564	-	-	-
Hines Interests Ltd Partnership	982,519,591	3	1.0174	-	-	-
Cullen Allen Holding	597,559,584	4	0.6188	-	-	-
Southwestern Bell Telephone Co.	584,084,670	5	0.6048	843,709,910	1	1.7200
Teachers Insurance	512,401,996	6	0.5306	-	-	-
Anheuser-Busch Inc.	461,994,178	7	0.4784	338,393,680	4	0.6900
Chevron Texaco Inc.	407,061,688	8	0.4215	-	-	-
HG Galleria I II III LP	324,487,276	9	0.3360	-	-	-
Valero Energy	309,533,763	10	0.3205	-	-	-
Exxon Mobil Corp.	-	-	-	250,201,350	6	0.5100
Trizechahn Allen Center L.P.	-	-	-	323,784,160	5	0.6600
Continental Airlines Inc.	-	-	-	249,089,860	7	0.5100
Houston Lighting & Power Co.	-	-	-	597,600,850	3	1.2200
Gerald Hines Int. 013*1	-	-	-	172,453,000	10	0.3500
Lehndorff Four Oaks PL JV	-	-	-	185,658,850	8	0.3800
Metropolitan Life	-	-	-	185,033,500	9	0.3800
Total	\$ <u>6,412,961,352</u>		<u>6.6405</u> %	\$ <u>3,844,317,130</u>		<u>7.8500</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
1999	\$ 696,565,636	\$ 674,075,604	96.77%	\$ 14,889,608	\$ 688,965,212	98.91%
2000	762,607,571	737,985,362	96.77%	17,106,522	755,091,884	99.01%
2001	876,124,197	843,876,422	96.32%	20,744,402	864,620,824	98.69%
2002	999,199,832	951,716,758	95.25%	34,009,585	985,726,343	98.65%
2003	1,044,932,755	997,991,282	95.51%	33,315,935	1,031,307,217	98.70%
2004	1,084,552,525	1,036,585,717	95.58%	32,856,036	1,069,441,753	98.61%
2005	1,130,129,601	1,083,971,673	95.92%	29,772,846	1,113,744,519	98.55%
2006	1,212,486,814	1,153,120,067	95.10%	42,751,405	1,195,871,472	98.63%
2007	1,217,856,993	1,166,203,551	95.76%	27,131,290	1,193,334,841	97.99%
2008	1,080,025,653	1,037,984,301	96.11%	-	1,037,984,301	96.11%

**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, 2008  
(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							
1999 and prior	\$	Various	\$	28,756,029	\$	(1,995,723)	\$	(7,159,819)	\$ 19,426,946
2000	1.332275	0.126725	53,506,122,640	5,674,602	-	(303,540)	(28,872)	(173,700)	5,168,490
2001	1.403000	0.116000	59,218,086,130	7,462,486	-	(448,270)	(37,063)	(296,446)	6,680,707
2002	1.450000	0.130000	65,170,928,500	9,460,992	-	(692,403)	(62,078)	(445,319)	8,261,192
2003	1.450000	0.130000	68,276,155,490	10,354,339	-	(1,056,186)	(94,692)	(131,523)	9,071,938
2004	1.450000	0.130000	71,025,693,860	11,700,726	-	(1,395,958)	(125,155)	(230,619)	9,948,994
2005	1.450000	0.149000	73,268,224,230	15,194,832	-	(2,365,519)	(243,078)	(354,142)	12,232,093
2006	1.450000	0.170000	77,629,688,055	22,144,626	-	(5,582,152)	(654,459)	(716,542)	15,191,473
2007	1.325700	0.150000	85,180,481,430	56,521,743	-	(24,373,485)	(2,757,805)	(9,647,002)	19,743,451
2008	1.006700	0.150000	96,574,625,420	-	1,080,025,653	(903,379,265)	(134,605,036)	3,172,973	45,214,325
TOTAL			\$	167,270,375	\$	941,592,501	\$	15,982,139	\$ 150,939,609
Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code			\$	-	\$	(30,067,264)	\$	-	\$ (32,754,533)

**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 2008 is \$37,053,039.

The June 30, 2008 delinquent taxes receivable balance of \$150,939,609 represents gross taxes receivable and is not reduced by estimated uncollectible taxes of \$43,984,970.

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)**

	2008	2007	2006	2005	2004	2003	2002	2001
Debt Limit	\$ 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	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>\$ 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	24.13%	21.86%	25.89%	26.02%	23.34%	19.65%	17.49%	20.20%

**Legal Debt Margin Calculation for Fiscal Year 2008:**

Assessed Value	\$96,574,625,420
Maximum Tax Rate (1)	\$0.50
Number of Years (2)	40
Maximum Principal	\$ 7,871,378,600
Outstanding Principal (3)	\$ 2,042,744,006

**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, and notes payable 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)**

<b>Fiscal Year Ended</b>	<b>Gross Bonded Debt (1)</b>	<b>Less Reserve For Retirement of Bonded Debt</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value (2)</b>	<b>Net Bonded Debt Per Student (3)</b>
1999	\$ 1,090,522,540	\$ 20,885,476	\$ 1,069,637,064	2.19	\$ 5,089
2000	1,077,973,320	23,913,709	1,054,059,611	1.97	5,026
2001	1,051,928,808	25,818,531	1,026,110,277	1.73	4,922
2002	1,051,928,808	74,127,099	977,801,709	1.50	4,641
2003	1,224,018,979	73,225,482	1,150,793,497	1.69	5,434
2004	1,493,475,003	70,992,715	1,422,482,288	2.00	6,737
2005	1,714,880,965	79,551,972	1,635,328,993	2.23	7,845
2006	1,812,816,644	88,502,799	1,724,313,845	2.22	8,216
2007	1,697,322,423	99,635,998	1,597,686,425	1.88	7,873
2008	2,003,213,127	104,224,121	1,898,989,006	1.97	9,517

**Notes:** (1) Includes general obligation bonds

(2) See assessed value and actual value of taxable property schedule

(3) See student 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>Out- standing as of</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to the District</u>
<b>Overlapping :</b>				
Bellaire, City of	\$ 58,695,000	06/30/08	100.00%	\$ 58,695,000
Ft. Bend WC&ID #2	57,690,000	06/30/08	0.01%	5,769
Harris County	2,105,213,643	06/30/08	37.80%	795,770,757
Harris County Dept of Ed	-	06/30/08	37.80%	-
Harris County Flood Control	111,929,698	06/30/08	37.80%	42,309,426
Harris County ID #1	13,240,000	06/30/08	100.00%	13,240,000
Harris County MUD #122	2,805,000	06/30/08	100.00%	2,805,000
Harris County MUD #355	14,150,000	06/30/08	100.00%	14,150,000
Harris County MUD #390	14,420,000	06/30/08	100.00%	14,420,000
Harris County MUD #393	6,250,000	06/30/08	100.00%	6,250,000
Harris County MUD #411	4,690,000	06/30/08	100.00%	4,690,000
Harris County MUD #420	2,970,000	06/30/08	100.00%	2,970,000
Harris County Toll Road	-	06/30/08	37.80%	-
Harris County WC&ID #89	21,170,000	06/30/08	100.00%	21,170,000
Harris County WC&ID (Fondren Road)	3,785,000	06/30/08	100.00%	3,785,000
Houston, Community College	199,185,000	06/30/08	100.00%	199,185,000
Houston, City of	2,184,426,125	06/30/08	64.87%	1,417,037,227
Jacinto City, City of	6,605,000	06/30/08	35.71%	2,358,646
Missouri City, City of	53,125,000	06/30/08	99.90%	53,071,875
Port of Houston Authority	578,595,000	06/30/08	37.80%	218,708,910
Southside Place, City of	8,345,000	06/30/08	100.00%	8,345,000
Southwest Harris Co. MUD #1	2,825,000	06/30/08	100.00%	2,825,000
West University Place, City of	61,360,000	06/30/08	100.00%	61,360,000
<b>SUBTOTAL OVERLAPPING DEBT</b>				<u>2,943,152,610</u>
<b>Direct :</b>				
Houston Independent School District				<u>2,189,897,355</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>				<u>\$ 5,133,049,965</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	\$ 1,920,598,412
Notes	80,350,000
Contractual Obligations	15,550,000
PFC debt	82,614,715
Accretion of HISD CABS	161,266,142
Accretion of PFC CABS	33,742,207
Debt Service Fund Balance	(104,224,121)
	<u>\$ 2,189,897,355</u>

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

<b>Fiscal Year Ended</b>	<b>General Obligation Bonds</b>	<b>Contractual Obligations</b>	<b>Notes Payable</b>	<b>Total Primary Government</b>	<b>Ratio of Debt to Assessed Value (1)</b>	<b>Debt Per Student (2)</b>
1999	\$ 1,090,522,540	\$ 55,625,000	\$ 8,000,000	\$ 1,154,147,540	2.36	\$ 5,491
2000	1,077,973,320	56,925,000	5,400,000	1,140,298,320	2.13	5,437
2001	1,051,928,808	73,345,000	111,200,000	1,236,473,808	2.09	5,931
2002	1,051,928,808	73,345,000	111,200,000	1,236,473,808	1.90	5,869
2003	1,224,018,979	65,195,000	112,875,000	1,402,088,979	2.05	6,621
2004	1,493,475,003	66,580,000	108,500,000	1,668,555,003	2.35	7,902
2005	1,714,880,965	62,880,000	46,060,000	1,823,820,965	2.49	8,749
2006	1,812,816,644	64,065,000	36,460,000	1,913,341,644	2.46	9,116
2007	1,697,322,423	55,455,000	89,320,000	1,842,097,423	2.16	9,077
2008	2,003,213,127	63,405,000	80,350,000	2,146,968,127	2.22	10,760

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

(2) See student 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.



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# 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
1999	4,743,900	\$ 146,477,400,300	\$ 30,877	190,388	4.80 %	277,297	\$ 16,124,657,450	\$ 58,149
2000	4,841,100	163,227,368,700	33,717	190,164	4.40	279,062	17,954,697,190	64,339
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	5.50	289,623	31,617,771,873	109,169
2006	5,498,497	219,968,341,103	40,005	192,231	5.30	292,644	34,076,047,005	116,442
2007	5,648,606	239,396,301,338	42,381	184,428	4.10	298,599	37,232,538,665	124,691
2008	5,797,165	257,043,414,055	44,340	180,773	4.70	302,998	41,506,428,522	136,986

**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)**

<b>Employer</b>	<b>Fiscal Year Ending 2008</b>			<b>Fiscal Year Ending 1999</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Wal-Mart Stores	29,400	1	1.1279 %	13,900	6	0.6343 %
Administaff	22,475	2	0.8622	15,065	3	0.6875
Memorial Herman Healthcare	19,986	3	0.7667	12,732	9	0.5810
Continental Airlines	18,467	4	0.7085	17,391	1	0.7936
UT MD Anderson Cancer Center	17,116	5	0.6566	-	-	-
Exxon Mobil Corp.	15,340	6	0.5885	13,000	7	0.5932
Kroger Co.	14,549	7	0.5582	14,533	5	0.6632
Shell Oil Co.	12,507	8	0.4798	-	-	-
Methodist Hospital System	11,320	9	0.4343	-	-	-
H-E-B	10,538	10	0.4043	-	-	-
UT Medical Branch - Galveston	-	-	-	14,812	4	0.6759
Halliburton	-	-	-	16,662	2	0.7603
Compaq Computer Corp.	-	-	-	13,000	8	0.5932
McDonald's Corp.	-	-	-	11,000	10	0.5020
Total	<u>171,698</u>		<u>6.5870 %</u>	<u>142,095</u>		<u>6.4842 %</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 (July 2008).

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

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# OPERATING INFORMATION



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

	Employees as of June 30									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	
Instruction	14,782	15,018	14,927	14,510	14,639	14,944	15,165	15,069	15,250	
Instructional resources and media services	197	216	233	250	259	276	295	317	310	
Instructional staff development	379	297	278	370	480	534	536	490	460	
Curriculum development	48	49	34	-	-	-	-	-	-	
Instructional leadership	268	263	267	279	256	266	293	258	237	
School leadership	2,512	2,391	2,366	2,338	2,332	2,222	2,076	1,928	1,798	
Guidance, counseling, and evaluation services	546	520	520	549	512	546	637	646	643	
Social work services	39	38	45	44	47	52	73	72	84	
Health services	314	320	326	322	336	334	352	344	341	
Student transportation services	1,195	1,203	1,194	1,216	1,174	1,361	1,430	1,420	1,530	
Food service	1,732	1,747	1,599	1,584	1,532	1,513	1,494	1,497	1,829	
Co-curricular/extracurricular activities	140	144	139	160	163	192	190	177	182	
General administration	428	405	385	388	402	439	486	479	447	
Plant maintenance and operations	2,060	2,022	1,926	2,003	2,105	2,158	2,331	2,361	2,361	
Security and monitoring services	897	823	835	796	750	725	717	673	648	
Data processing services	215	199	193	169	184	187	227	223	213	
Community services	92	96	121	142	147	141	133	181	215	
Facilities acquisition and construction	40	37	133	135	132	142	138	138	143	
Total	25,884	25,788	25,521	25,255	25,450	26,032	26,573	26,273	26,691	

**NOTE:** In fiscal year 2000, the district moved to PeopleSoft for payroll functions. Prior to that, a legacy system was used. Information is no longer available from the legacy system. Ultimately, this schedule will report ten years of data.

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
1999	210,179	11,681.7	18.0	15.2	\$ 1,165,164,586	\$ 5,544	71.3 %
2000	209,716	11,637.9	18.0	14.9	1,273,029,873	6,070	75.4
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	N/A	1,633,244,460	8,185	79.3

**NOTES:** 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)**

<b>Calendar Year</b>	<b>Gifted and Talented Enrollment</b>	<b>Gifted and Talented % of Total Enrollment</b>	<b>State Gifted and Talented %</b>	<b>Special Education Enrollment</b>	<b>Special Education % of Total Enrollment</b>	<b>State Special Education %</b>
<b>1999</b>	19,219	9.1 %	8.4 %	22,028	10.5 %	12.1 %
<b>2000</b>	20,387	9.7	8.4	21,714	10.4	12.1
<b>2001</b>	21,231	10.2	8.4	20,647	9.9	11.9
<b>2002</b>	19,661	9.3	8.2	20,706	9.8	11.7
<b>2003</b>	19,181	9.1	7.8	20,696	9.8	11.6
<b>2004</b>	20,713	9.8	7.8	21,128	10.0	11.6
<b>2005</b>	21,716	10.4	7.7	21,112	10.1	11.6
<b>2006</b>	23,440	11.2	7.6	20,223	9.6	11.1
<b>2007</b>	24,376	12.0	7.5	20,030	9.9	10.6
<b>2008</b>	23,865	12.0	N/A	18,232	9.1	N/A

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

N/A - State Gifted and Talented/Special Education percentages for 2008 were not available at time of printing

**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 %	
1999	52,729	25.1	%	13.5	%	149,811		71.3	%	48.5	%
2000	55,472	26.5		13.9		158,052		75.4		49.0	
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	59,168	29.7		N/A		158,307		79.3		N/A	

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

N/A - State LEP/Economically Disadvantaged percentages for 2008 were not available at time of printing

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

<b>Calendar Year</b>	<b>Beginning Salary</b>			<b>Average Salary</b>		
	<b>HISD</b>	<b>Region</b>	<b>State</b>	<b>HISD</b>	<b>Region</b>	<b>State</b>
<b>1999</b>	\$ 26,147	\$ 25,846	\$ 25,586	\$ 36,703	\$ 35,598	\$ 34,336
<b>2000</b>	27,661	28,945	28,588	39,847	39,143	37,567
<b>2001</b>	32,097	31,320	29,824	41,518	40,266	38,361
<b>2002</b>	32,131	32,226	30,940	42,057	41,149	39,232
<b>2003</b>	34,068	33,398	31,876	43,027	41,964	39,974
<b>2004</b>	34,054	34,588	32,744	43,778	42,531	40,478
<b>2005</b>	34,909	35,733	33,775	44,235	43,107	41,011
<b>2006</b>	36,114	36,154	34,055	44,950	43,852	41,744
<b>2007</b>	39,530	39,454	38,095	48,008	46,675	44,897
<b>2008</b>	42,665	N/A	N/A	50,228	N/A	N/A

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

Regional and State information for fiscal year 2007 was not available at time of printing

2008 Salaries are from PEIMS (unaudited)



**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
1999	\$ 32,003	\$ 48,892	8,068.3	\$ 33,141	\$ 51,525	3,454.7	\$ 34,278	\$ 54,159	158.7
2000	33,750	50,846	8,026.7	34,750	53,586	3,443.5	35,750	56,325	167.7
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

**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)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
<b>Elementary</b>										
Alcott (1953)										
Square feet	60,497	60,497	65,336	65,336	65,336	65,336	65,336	65,336	65,336	65,336
Capacity	632	632	774	774	774	774	774	774	774	774
Enrollment	487	532	592	605	589	608	587	564	626	693
Allen (1956)										
Square feet	41,062	41,062	41,121	41,121	41,121	41,121	41,121	41,121	41,121	41,121
Capacity	405	405	429	429	429	429	429	429	429	429
Enrollment	335	373	359	340	353	394	411	389	437	449
Almeda (1914)										
Square feet	46,367	46,367	42,823	42,823	42,823	42,823	42,823	42,823	42,823	42,823
Capacity	663	663	549	549	549	549	549	549	549	549
Enrollment	717	670	598	668	644	679	686	658	593	520
Anderson (1959)										
Square feet	76,110	76,110	76,110	76,110	76,110	76,110	76,110	98,815	98,815	98,815
Capacity	959	959	959	959	959	959	959	1,245	1,245	1,245
Enrollment	696	711	801	829	884	926	986	1,467	1,528	1,462
Armandina Farias (2005)										
Square feet	39,885	39,885	40,000	-	-	-	-	-	-	-
Capacity	418	418	350	-	-	-	-	-	-	-
Enrollment	418	377	371	-	-	-	-	-	-	-
Ashford (1971)										
Square feet	83,294	83,294	78,766	78,766	78,766	78,766	78,766	70,258	70,258	70,258
Capacity	621	621	756	756	756	756	756	756	756	756
Enrollment	433	524	559	525	538	542	750	655	655	657
Askew (1977)										
Square feet	67,383	67,383	70,791	70,791	70,791	70,791	70,791	70,791	70,791	70,791
Capacity	900	900	833	833	833	833	833	833	833	833
Enrollment	855	870	914	865	856	875	902	847	793	765
Atherton (1927)										
Square feet	48,562	48,562	48,131	48,131	48,131	48,131	48,131	48,131	48,131	48,131
Capacity	411	411	468	468	468	468	468	468	468	468
Enrollment	347	378	373	413	407	468	494	473	486	513
Barrick (1949)										
Square feet	57,857	57,857	54,431	54,431	54,431	54,431	54,431	54,431	54,431	54,431
Capacity	704	704	679	679	679	679	679	679	679	679
Enrollment	706	735	729	927	908	934	903	897	876	813

Continued

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

	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Bastian (1950)										
Square feet	105,276	105,276	108,000	108,000	108,000	108,000	108,000	47,383	47,383	47,383
Capacity	942	942	824	824	824	824	824	824	824	824
Enrollment	709	491	543	571	591	602	556	568	564	573
Bell (1978)										
Square feet	70,639	70,639	71,041	71,041	71,041	71,041	71,041	71,041	71,041	71,041
Capacity	799	799	850	850	850	850	850	850	850	850
Enrollment	796	733	736	770	778	857	902	1,004	1,013	969
Bellfort (1960)										
Square feet	43,583	43,583	44,383	44,383	44,383	44,383	44,383	44,383	44,383	44,383
Capacity	427	427	342	342	342	342	342	342	342	342
Enrollment	287	271	297	306	324	289	314	298	261	193
Benavidez (1962)										
Square feet	93,786	93,786	91,419	91,419	91,419	91,419	91,419	91,419	91,419	91,419
Capacity	1,204	1,204	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033
Enrollment	1,021	1,010	982	993	1,006	1,016	964	1,408	1,408	1,349
Benbrook (1968)										
Square feet	44,595	44,595	43,730	43,730	43,730	43,730	43,730	43,730	43,730	43,730
Capacity	576	576	479	479	479	479	479	479	479	479
Enrollment	508	507	577	520	521	541	548	548	546	539
Berry (1950)										
Square feet	51,732	51,732	54,529	54,529	54,529	54,529	54,529	54,529	54,529	54,529
Capacity	614	614	747	747	747	747	747	747	747	747
Enrollment	632	580	571	545	587	597	602	624	621	593
Blackshear (1916)										
Square feet	96,976	96,976	71,987	71,987	71,987	71,987	71,987	71,987	71,987	71,987
Capacity	541	541	660	660	660	660	660	660	660	660
Enrollment	345	387	388	436	451	464	578	558	586	609
Bonham (1962)										
Square feet	83,201	83,201	70,240	70,240	70,240	70,240	70,240	70,240	70,240	70,240
Capacity	1,495	1,495	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089
Enrollment	971	1,065	1,149	1,138	1,122	1,170	1,239	1,216	1,174	1,205
Bonner (1948)										
Square feet	102,316	102,316	61,813	61,813	61,813	61,813	61,813	48,757	48,757	48,757
Capacity	1,214	1,214	862	862	862	862	862	862	862	862
Enrollment	854	864	877	835	897	856	877	864	830	959
Braeburn (1956)										
Square feet	84,218	84,218	85,945	85,945	85,945	85,945	85,945	85,945	85,945	85,945
Capacity	943	943	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096
Enrollment	931	911	923	983	972	976	1,062	1,132	1,110	1,237

Continued

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Briargrove (2008)										
Square feet	103,585	-	-	-	-	-	-	-	-	-
Capacity	817	-	-	-	-	-	-	-	-	-
Enrollment	792	-	-	-	-	-	-	-	-	-
Briarmeadow (2001)										
Square feet	122,759	122,759	83,000	83,000	83,000	83,000	83,000	83,000	-	-
Capacity	546	546	432	432	432	432	432	432	-	-
Enrollment	390	515	400	450	414	346	318	214	-	-
Briscoe (1928)										
Square feet	53,829	53,829	55,453	55,453	55,453	55,453	55,453	55,453	55,453	55,453
Capacity	691	691	612	612	612	612	612	612	612	612
Enrollment	505	525	513	537	543	588	586	545	563	578
Brookline (1952)										
Square feet	121,979	121,979	89,349	89,349	89,349	89,349	89,349	89,349	89,349	89,349
Capacity	1,168	1,168	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Enrollment	1,041	988	980	1,013	1,076	1,080	1,388	1,367	1,411	1,427
Browning (1927)										
Square feet	52,570	52,570	46,161	46,161	46,161	46,161	46,161	46,161	46,161	46,161
Capacity	711	711	549	549	549	549	549	549	549	549
Enrollment	522	531	509	545	566	592	593	610	634	674
Bruce (1959)										
Square feet	80,916	80,916	56,757	56,757	56,757	56,757	56,757	56,757	56,757	56,757
Capacity	671	671	504	504	504	504	504	504	504	504
Enrollment	513	409	380	425	411	433	456	475	468	454
Burbank (1927)										
Square feet	81,647	81,647	86,032	86,032	86,032	86,032	86,032	86,032	86,032	86,032
Capacity	868	868	893	893	893	893	893	893	893	893
Enrollment	829	777	792	836	839	808	869	933	970	907
Burnet (1926)										
Square feet	76,801	76,801	81,266	81,266	81,266	81,266	81,266	81,266	81,266	81,266
Capacity	928	928	846	846	846	846	846	846	846	846
Enrollment	646	659	713	685	761	803	810	817	833	873
Burrus (1926)										
Square feet	71,188	71,188	76,679	76,679	76,679	76,679	76,679	76,679	76,679	76,679
Capacity	517	517	540	540	540	540	540	540	540	540
Enrollment	363	369	373	422	425	422	408	393	449	456
Bush (1992)										
Square feet	87,803	87,803	79,320	79,320	79,320	79,320	79,320	79,320	79,320	79,320
Capacity	978	978	800	800	800	800	800	800	800	800
Enrollment	627	1,011	1,053	1,039	965	935	1,104	1,096	969	895

Continued

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

	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Cage (1907)										
Square feet	60,205	60,205	61,934	61,934	61,934	61,934	61,934	61,934	61,934	61,934
Capacity	906	906	706	706	706	706	706	706	706	706
Enrollment	680	706	726	737	745	791	797	778	764	791
Carillo (1993)										
Square feet	80,281	80,281	76,474	76,474	76,474	76,474	76,474	76,474	76,474	76,474
Capacity	830	830	717	717	717	717	717	717	717	717
Enrollment	707	714	725	749	788	824	861	845	814	820
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	198	210	220	216	205	219	274	306
Codwell (1977)										
Square feet	58,946	58,946	59,572	59,572	59,572	59,572	59,572	59,572	59,572	59,572
Capacity	750	750	535	535	535	535	535	535	535	535
Enrollment	661	670	702	675	691	680	692	669	617	671
Concord (1967)										
Square feet	42,230	42,230	54,692	54,692	54,692	54,692	54,692	54,692	54,692	54,692
Capacity	42	42	358	358	358	358	358	358	358	358
Enrollment	44	41	191	208	210	245	212	273	280	293
Condit (1929)										
Square feet	46,502	46,502	41,011	41,011	41,011	41,011	41,011	41,011	41,011	41,011
Capacity	579	579	498	498	498	498	498	498	498	498
Enrollment	611	585	615	612	616	640	645	658	645	655
Coop (1950)										
Square feet	83,409	83,409	58,139	58,139	58,139	58,139	58,139	58,139	58,139	58,139
Capacity	712	712	781	781	781	781	781	781	781	781
Enrollment	733	723	738	698	738	783	773	759	752	742
Cook (2007)										
Square feet	89,049	89,049	-	-	-	-	-	-	-	-
Capacity	657	657	-	-	-	-	-	-	-	-
Enrollment	716	677	-	-	-	-	-	-	-	-
Cornelius (1960)										
Square feet	76,904	76,904	65,926	65,926	65,926	65,926	65,926	65,926	65,926	65,926
Capacity	920	920	890	890	890	890	890	890	890	890
Enrollment	946	927	858	878	829	893	1,057	1,053	1,034	1,093
Crawford (1917)										
Square feet	57,180	57,180	59,948	59,948	59,948	59,948	59,948	59,948	59,948	59,948
Capacity	429	429	468	468	468	468	468	468	468	468
Enrollment	285	299	353	360	271	294	244	224	260	327

Continued

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

	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Crespo (1991)										
Square feet	85,508	85,508	77,109	77,109	77,109	77,109	77,109	77,109	77,109	77,109
Capacity	900	900	766	766	766	766	766	766	766	766
Enrollment	935	863	890	872	867	882	931	871	871	897
Crockett (1980)										
Square feet	40,749	40,749	37,678	37,678	37,678	37,678	37,678	37,678	37,678	37,678
Capacity	325	325	322	322	322	322	322	322	322	322
Enrollment	426	533	540	388	388	350	354	380	383	353
Cunningham (1953)										
Square feet	56,747	56,747	71,346	71,346	71,346	71,346	71,346	71,346	71,346	71,346
Capacity	719	719	963	963	963	963	963	963	963	963
Enrollment	685	704	694	690	767	812	618	900	905	877
Daily (2007)										
Square feet	82,572	82,572	-	-	-	-	-	-	-	-
Capacity	697	697	-	-	-	-	-	-	-	-
Enrollment	656	343	-	-	-	-	-	-	-	-
Davila (1990)										
Square feet	80,396	80,396	78,546	78,546	78,546	78,546	78,546	78,546	78,546	78,546
Capacity	837	837	720	720	720	720	720	720	720	720
Enrollment	722	731	836	885	928	834	803	781	804	815
De Chaumes (1956)										
Square feet	53,559	53,559	48,014	48,014	48,014	48,014	48,014	48,014	48,014	48,014
Capacity	676	676	585	585	585	585	585	585	585	585
Enrollment	615	660	670	622	621	595	606	592	592	566
De Zavala (1928)										
Square feet	64,141	64,141	67,437	67,437	67,437	67,437	67,437	67,437	67,437	67,437
Capacity	747	747	682	682	682	682	682	682	682	682
Enrollment	615	624	681	678	739	748	717	659	727	752
Dodson (1921)										
Square feet	82,976	82,976	82,951	82,951	82,951	82,951	82,951	82,951	82,951	82,951
Capacity	748	748	810	810	810	810	810	810	810	810
Enrollment	443	503	512	431	463	518	576	678	704	732
Dogan (1949)										
Square feet	50,637	50,637	54,519	54,519	54,519	54,519	54,519	54,519	54,519	54,519
Capacity	396	396	450	450	450	450	450	450	450	450
Enrollment	330	375	358	364	379	409	412	437	422	400
Durham (1967)										
Square feet	47,857	47,857	70,003	70,003	70,003	70,003	70,003	70,003	70,003	70,003
Capacity	543	543	395	395	395	395	395	395	395	395
Enrollment	461	480	499	480	458	462	447	410	438	445

Continued



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

	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Durkee (1954)										
Square feet	72,334	72,334	62,206	62,206	62,206	62,206	62,206	62,206	62,206	62,206
Capacity	764	764	894	894	894	894	894	894	894	894
Enrollment	665	682	695	1,057	1,039	1,045	1,067	984	925	938
Easter (1959)										
Square feet	40,456	40,456	40,456	40,456	40,456	40,456	40,456	40,456	40,456	40,456
Capacity	429	429	429	429	429	429	429	429	429	429
Enrollment	N/A	N/A	199	205	208	204	241	259	277	354
Eleanor Tinsely (2001)										
Square feet	90,415	90,415	90,000	90,000	90,000	90,000	90,000	90,000	-	-
Capacity	757	757	815	815	815	815	815	815	-	-
Enrollment	675	691	742	715	751	807	831	-	-	-
Eliot (1926)										
Square feet	86,834	86,834	86,830	86,830	86,830	86,830	86,830	86,830	86,830	86,830
Capacity	983	983	894	894	894	894	894	894	894	894
Enrollment	563	569	634	682	692	692	745	769	807	788
Elrod (1964)										
Square feet	66,456	66,456	74,096	74,096	74,096	74,096	74,096	74,096	74,096	74,096
Capacity	731	731	925	925	925	925	925	925	925	925
Enrollment	541	544	564	578	620	647	728	910	947	943
Emerson (1963)										
Square feet	65,364	65,364	60,451	60,451	60,451	60,451	60,451	60,451	60,451	60,451
Capacity	773	773	762	762	762	762	762	762	762	762
Enrollment	804	720	790	775	797	822	777	815	819	788
Fairchild (1960)										
Square feet	51,571	51,571	45,427	45,427	45,427	45,427	45,427	45,427	45,427	45,427
Capacity	536	536	536	536	536	536	536	536	536	536
Enrollment	299	299	338	398	401	420	447	488	473	474
Field (1928)										
Square feet	54,809	54,809	55,224	55,224	55,224	55,224	55,224	55,224	55,224	55,224
Capacity	483	483	627	627	627	627	627	627	627	627
Enrollment	378	384	388	438	492	529	548	578	567	586
Foerster (1969)										
Square feet	67,013	67,013	66,918	66,918	66,918	66,918	66,918	66,918	66,918	66,918
Capacity	824	824	817	817	817	817	817	817	817	817
Enrollment	713	695	784	568	664	778	923	1,064	1,013	1,017
Fondren (1960)										
Square feet	40,001	40,001	38,404	38,404	38,404	38,404	38,404	38,404	38,404	38,404
Capacity	579	579	594	594	594	594	594	594	594	594
Enrollment	430	410	444	431	430	456	478	510	479	440

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	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Foster (1949/2007)										
Square feet	79,998	79,998	61,658	61,658	61,658	61,658	61,658	61,658	61,658	61,658
Capacity	692	692	663	663	663	663	663	663	663	663
Enrollment	504	548	457	487	597	663	664	701	702	694
Franklin (1948)										
Square feet	64,274	64,274	74,640	74,640	74,640	74,640	74,640	74,640	74,640	74,640
Capacity	864	864	764	764	764	764	764	764	764	764
Enrollment	607	618	691	642	683	700	748	846	843	910
Frost (1963)										
Square feet	59,465	59,465	60,320	60,320	60,320	60,320	60,320	60,320	60,320	60,320
Capacity	566	566	530	530	530	530	530	530	530	530
Enrollment	527	544	619	674	719	729	705	723	714	719
Gabriela Mistral (2005)										
Square feet	38,899	38,899	40,000	40,000	-	-	-	-	-	-
Capacity	418	418	350	350	-	-	-	-	-	-
Enrollment	395	394	366	-	-	-	-	-	-	-
Gallegos (1992)										
Square feet	73,925	73,925	73,176	73,176	73,176	73,176	73,176	73,176	73,176	73,176
Capacity	697	697	647	647	647	647	647	647	647	647
Enrollment	571	603	599	647	730	786	793	779	773	781
Garcia (1992)										
Square feet	111,056	111,056	75,293	75,293	75,293	75,293	75,293	75,293	75,293	75,293
Capacity	816	816	754	754	754	754	754	754	754	754
Enrollment	773	780	799	791	791	793	813	828	804	792
Garden Oaks (1949)										
Square feet	41,306	41,306	54,617	54,617	54,617	54,617	54,617	54,617	54,617	54,617
Capacity	586	586	533	533	533	533	533	533	533	533
Enrollment	479	550	542	550	585	619	622	614	640	602
Garden Villas (1931)										
Square feet	93,762	93,762	83,332	83,332	83,332	83,332	83,332	83,332	83,332	83,332
Capacity	879	879	636	636	636	636	636	636	636	636
Enrollment	980	1,013	976	972	943	930	925	927	918	897
Golfcrest (1949)										
Square feet	71,475	71,475	73,322	73,322	73,322	73,322	73,322	73,322	73,322	73,322
Capacity	769	769	872	872	872	872	872	872	872	872
Enrollment	695	750	749	758	773	812	925	917	941	927
Gordon (1955)										
Square feet	37,425	37,425	40,226	40,226	40,226	40,226	40,226	40,226	40,226	40,226
Capacity	432	432	441	441	441	441	441	441	441	441
Enrollment	364	408	453	457	470	470	465	537	510	509

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	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Gregg (1954)										
Square feet	47,713	47,713	42,512	42,512	42,512	42,512	42,512	42,512	42,512	42,512
Capacity	704	704	495	495	495	495	495	495	495	495
Enrollment	606	650	636	594	603	574	733	628	727	729
Grimes (1959)										
Square feet	42,432	42,432	43,702	43,702	43,702	43,702	43,702	43,702	43,702	43,702
Capacity	398	398	485	485	485	485	485	485	485	485
Enrollment	369	360	385	364	380	435	444	433	453	464
Grisson (1966)										
Square feet	68,683	68,683	69,170	69,170	69,170	69,170	69,170	69,170	69,170	69,170
Capacity	871	871	848	848	848	848	848	848	848	848
Enrollment	787	748	763	684	740	841	795	837	853	897
Halpin Early Childhood (1929)										
Square feet	41,873	41,873	37,792	37,792	37,792	37,792	37,792	37,792	37,792	37,792
Capacity	482	482	378	378	378	378	378	378	378	378
Enrollment	487	415	413	424	383	381	366	455	460	447
Harris J.R. (1949)										
Square feet	66,082	66,082	62,257	62,257	62,257	62,257	62,257	62,257	62,257	62,257
Capacity	892	892	970	970	970	970	970	970	970	970
Enrollment	703	831	831	844	861	792	808	725	800	815
Harris R.P. (1958)										
Square feet	61,425	61,425	66,453	66,453	66,453	66,453	66,453	66,453	66,453	66,453
Capacity	718	718	866	866	866	866	866	866	866	866
Enrollment	563	588	605	618	626	698	1,051	1,051	1,113	1,057
Hartsfield (1954)										
Square feet	42,767	42,767	48,277	48,277	48,277	48,277	48,277	48,277	48,277	48,277
Capacity	411	411	414	414	414	414	414	414	414	414
Enrollment	357	358	357	316	346	398	427	444	457	448
Harvard (1930)										
Square feet	56,930	56,930	58,558	58,558	58,558	58,558	58,558	58,558	58,558	58,558
Capacity	606	606	558	558	558	558	558	558	558	558
Enrollment	615	591	627	622	623	648	643	607	556	601
Helms (1919)										
Square feet	44,444	44,444	39,352	39,352	39,352	39,352	39,352	39,352	39,352	39,352
Capacity	558	558	336	336	336	336	336	336	336	336
Enrollment	556	535	489	497	480	451	437	420	419	357
Henderson J.P. (1929)										
Square feet	57,524	57,524	57,205	57,205	57,205	57,205	57,205	57,205	57,205	57,205
Capacity	794	794	861	861	861	861	861	861	861	861
Enrollment	745	762	740	757	714	728	749	766	750	759

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Henderson N.Q. (1956)										
Square feet	46,846	46,846	45,445	45,445	45,445	45,445	45,445	45,445	45,445	45,445
Capacity	503	503	445	445	445	445	445	445	445	445
Enrollment	351	406	432	459	470	510	508	476	479	483
Herod (1965)										
Square feet	58,230	58,230	63,146	63,146	63,146	63,146	63,146	63,146	63,146	63,146
Capacity	871	871	763	763	763	763	763	763	763	763
Enrollment	696	697	720	714	743	736	764	789	789	806
Herrera (1993)										
Square feet	115,302	115,302	76,822	76,822	76,822	76,822	76,822	76,822	76,822	76,822
Capacity	901	901	680	680	680	680	680	680	680	680
Enrollment	967	941	905	915	871	886	861	886	862	855
Highland Heights (2007)										
Square feet	85,405	85,405	-	-	-	-	-	-	-	-
Capacity	725	725	-	-	-	-	-	-	-	-
Enrollment	316	333	-	-	-	-	-	-	-	-
Hobby (1965)										
Square feet	66,680	66,680	68,072	68,072	68,072	68,072	68,072	68,072	68,072	68,072
Capacity	920	920	853	853	853	853	853	853	853	853
Enrollment	706	711	686	666	761	802	839	915	958	1,039
Hohl ((1920)										
Square feet	54,888	54,888	44,523	44,523	44,523	44,523	44,523	44,523	44,523	44,523
Capacity	599	599	623	623	623	623	623	623	623	623
Enrollment	489	510	531	490	534	565	610	572	611	626
Horn (1945)										
Square feet	43,504	43,504	51,715	51,715	51,715	51,715	51,715	51,715	51,715	51,715
Capacity	502	502	535	535	535	535	535	535	535	535
Enrollment	530	536	584	568	553	492	526	522	520	538
Houston Gardens (1998)										
Square feet	67,708	67,708	42,375	42,375	42,375	42,375	42,375	42,375	42,375	42,375
Capacity	488	488	449	449	449	449	449	449	449	449
Enrollment	359	392	460	430	440	452	421	428	376	277
Isaacs (1962)										
Square feet	43,883	43,883	42,587	42,587	42,587	42,587	42,587	42,587	42,587	42,587
Capacity	599	599	538	538	538	538	538	538	538	538
Enrollment	459	561	386	391	403	412	425	425	446	457
J. Hines-Caldwell (2005)										
Square feet	85,829	85,829	87,000	87,000	-	-	-	-	-	-
Capacity	752	752	750	750	-	-	-	-	-	-
Enrollment	889	898	771	-	-	-	-	-	-	-

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J.L. Ketelsen (2002)										
Square feet	84,503	84,503	87,387	87,387	87,387	87,387	87,387	-	-	-
Capacity	632	632	648	648	648	648	648	-	-	-
Enrollment	677	679	675	634	646	643	-	-	-	-
J.M. Gross (2001)										
Square feet	73,277	73,277	69,752	69,752	69,752	69,752	69,752	69,752	-	-
Capacity	802	802	749	749	749	749	749	749	-	-
Enrollment	828	801	838	746	732	553	404	-	-	-
Janowski (1955)										
Square feet	77,958	77,958	54,524	54,524	54,524	54,524	54,524	54,524	54,524	54,524
Capacity	1,097	1,097	761	761	761	761	761	761	761	761
Enrollment	602	594	643	693	770	751	708	803	821	858
Jefferson (1950)										
Square feet	58,657	58,657	53,168	53,168	53,168	53,168	53,168	53,168	53,168	53,168
Capacity	694	694	722	722	722	722	722	722	722	722
Enrollment	575	603	635	580	681	714	711	723	755	749
Joe E. Moreno (2005)										
Square feet	82,810	82,810	86,000	86,000	-	-	-	-	-	-
Capacity	712	712	750	750	-	-	-	-	-	-
Enrollment	743	745	707	-	-	-	-	-	-	-
Jones J.W. (1966)										
Square feet	52,255	52,255	52,571	52,571	52,571	52,571	52,571	52,571	52,571	52,571
Capacity	423	423	485	485	485	485	485	485	485	485
Enrollment	297	321	349	381	415	440	450	480	499	522
Juan N. Seguin (2002)										
Square feet	85,427	85,427	87,195	87,195	87,195	87,195	87,195	-	-	-
Capacity	670	670	750	750	750	750	750	-	-	-
Enrollment	631	648	706	761	741	671	-	-	-	-
Judson Robinson Jr. (2002)										
Square feet	84,928	84,928	85,000	85,000	85,000	85,000	85,000	-	-	-
Capacity	796	796	750	750	750	750	750	-	-	-
Enrollment	755	757	720	654	663	687	-	-	-	-
Kashmere Gardens (1949)										
Square feet	49,213	49,213	46,451	46,451	46,451	46,451	46,451	46,451	46,451	46,451
Capacity	579	579	570	570	570	570	570	570	570	570
Enrollment	413	482	451	449	449	561	529	527	594	594
Kelso										
Square feet	46,826	46,826	58,688	58,688	58,688	58,688	58,688	58,688	58,688	58,688
Capacity	648	648	641	641	641	641	641	641	641	641
Enrollment	528	560	569	597	626	653	662	764	720	713

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Kennedy (1964)										
Square feet	42,648	42,648	52,853	52,853	52,853	52,853	52,853	52,853	52,853	52,853
Capacity	531	531	519	519	519	519	519	519	519	519
Enrollment	521	534	537	566	586	574	587	565	597	571
Kolter (1960)										
Square feet	49,345	49,345	44,475	44,475	44,475	44,475	44,475	44,475	44,475	44,475
Capacity	548	548	500	500	500	500	500	500	500	500
Enrollment	541	531	541	548	528	520	548	533	532	537
Lantrip (1915)										
Square feet	99,529	99,529	62,062	62,062	62,062	62,062	62,062	62,062	62,062	62,062
Capacity	1,110	1,110	838	838	838	838	838	838	838	838
Enrollment	716	701	751	784	796	806	858	873	896	895
Laurenzo, Ninfa Rod (2004)										
Square feet	38,399	38,399	86,000	86,000	86,000	-	-	-	-	-
Capacity	346	346	350	350	350	-	-	-	-	-
Enrollment	299	270	268	200	-	-	-	-	-	-
Law (1966)										
Square feet	53,310	53,310	74,192	74,192	74,192	74,192	74,192	74,192	74,192	74,192
Capacity	650	650	501	501	501	501	501	501	501	501
Enrollment	575	516	475	505	499	484	543	552	549	544
Lewis (1958)										
Square feet	63,548	63,548	63,262	63,262	63,262	63,262	63,262	63,262	63,262	63,262
Capacity	878	878	905	905	905	905	905	905	905	905
Enrollment	752	780	828	802	811	881	899	941	881	811
Lockhart (1950)										
Square feet	74,507	74,507	77,221	77,221	77,221	77,221	77,221	77,221	77,221	77,221
Capacity	558	558	521	521	521	521	521	521	521	521
Enrollment	475	480	478	451	460	467	463	467	520	542
Longfellow (1955)										
Square feet	99,790	99,790	52,181	52,181	52,181	52,181	52,181	52,181	52,181	52,181
Capacity	1,172	1,172	672	672	672	672	672	672	672	672
Enrollment	702	635	640	645	630	678	696	699	677	662
Looscan (1936)										
Square feet	45,343	45,343	48,201	48,201	48,201	48,201	48,201	48,201	48,201	48,201
Capacity	516	516	709	709	709	709	709	709	709	709
Enrollment	491	479	515	340	352	361	397	391	383	438
Love (1926)										
Square feet	56,312	56,312	47,765	47,765	47,765	47,765	47,765	47,765	47,765	47,765
Capacity	513	513	509	509	509	509	509	509	509	509
Enrollment	412	468	460	510	341	348	352	372	380	380

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Lovett (1958)										
Square feet	52,746	52,746	50,447	50,447	50,447	50,447	50,447	50,447	50,447	50,447
Capacity	648	648	656	656	656	656	656	656	656	656
Enrollment	661	659	674	654	638	647	685	688	653	659
Lyons (1993)										
Square feet	82,716	82,716	75,085	75,085	75,085	75,085	75,085	75,085	75,085	75,085
Capacity	901	901	626	626	626	626	626	626	626	626
Enrollment	900	882								
MacArthur (1969)										
Square feet	61,141	61,141	63,734	63,734	63,734	63,734	63,734	63,734	63,734	63,734
Capacity	451	451	396	396	396	396	396	396	396	396
Enrollment	355	403	391	400	393	408	426	438	446	449
Macgregor (1966)										
Square feet	45,795	45,795	59,696	59,696	59,696	59,696	59,696	59,696	59,696	59,696
Capacity	397	397	448	448	448	448	448	448	448	448
Enrollment	420	381	387	399	426	407	415	414	412	408
Mading (1959/2006)										
Square feet	94,478	94,478	85,100	85,100	85,100	85,100	85,100	85,100	85,100	85,100
Capacity	616	616	278	278	278	278	278	278	278	278
Enrollment	559	598	464	515	594	648	647	667	651	712
Martin Luther King (2004)										
Square feet	38,707	38,707	40,000	40,000	-	-	-	-	-	-
Capacity	418	418	350	350	-	-	-	-	-	-
Enrollment	404	380	376	359	-	-	-	-	-	-
Martinez C. (1994)										
Square feet	77,883	77,883	76,481	76,481	76,481	76,481	76,481	76,481	76,481	76,481
Capacity	697	697	792	792	792	792	792	792	792	792
Enrollment	612	652	637	589	580	605	692	663	684	671
Martinez R. (1991)										
Square feet	75,674	75,674	76,502	76,502	76,502	76,502	76,502	76,502	76,502	76,502
Capacity	684	684	828	828	828	828	828	828	828	828
Enrollment	607	630	648	678	676	672	721	712	733	747
McDade (1962)										
Square feet	66,202	66,202	69,688	69,688	69,688	69,688	69,688	69,688	69,688	69,688
Capacity	712	712	756	756	756	756	756	756	756	756
Enrollment	359	389	413	469	476	508	557	595	664	672
McNamara (1958)										
Square feet	54,973	54,973	53,358	53,358	53,358	53,358	53,358	53,358	53,358	53,358
Capacity	948	948	709	709	709	709	709	709	709	709
Enrollment	721	767	797	742	804	856	865	840	821	856

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	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Memorial (1926)										
Square feet	51,276	51,276	51,288	51,288	51,288	51,288	51,288	51,288	51,288	51,288
Capacity	462	462	414	414	414	414	414	414	414	414
Enrollment	354	376	399	442	264	285	309	312	305	332
Milne (1960)										
Square feet	91,611	91,611	95,339	95,339	95,339	95,339	95,339	95,339	95,339	95,339
Capacity	834	834	774	774	774	774	774	774	774	774
Enrollment	629	708	757	771	811	869	951	974	980	991
Mitchell (1968)										
Square feet	61,686	61,686	50,523	50,523	50,523	50,523	50,523	50,523	50,523	50,523
Capacity	982	982	653	653	653	653	653	653	653	653
Enrollment	1,075	1,136	1,071	989	953	955	837	90	744	735
Montgomery (1960)										
Square feet	63,393	63,393	65,226	65,226	65,226	65,226	65,226	65,226	65,226	65,226
Capacity	743	743	709	709	709	709	709	709	709	709
Enrollment	726	732	745	804	827	753	818	839	835	862
Neff (1964)										
Square feet	66,007	66,007	73,211	73,211	73,211	73,211	73,211	73,211	73,211	73,211
Capacity	1,255	1,255	653	653	653	653	653	653	653	653
Enrollment	1,072	1,102	1,085	1,087	973	972	954	939	854	868
Northline (1963)										
Square feet	60,102	60,102	62,830	62,830	62,830	62,830	62,830	62,830	62,830	62,830
Capacity	869	869	632	632	632	632	632	632	632	632
Enrollment	682	702	752	901	902	939	916	882	922	888
Oak Forest (1949)										
Square feet	84,120	84,120	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Capacity	754	754	600	600	600	600	600	600	600	600
Enrollment	734	769	798	736	711	723	724	726	678	701
Oates (1929)										
Square feet	60,417	60,417	63,347	63,347	63,347	63,347	63,347	63,347	63,347	63,347
Capacity	662	662	735	735	735	735	735	735	735	735
Enrollment	441	432	417	428	435	445	596	670	776	759
Osborne (1960)										
Square feet	54,648	54,648	50,342	50,342	50,342	50,342	50,342	50,342	50,342	50,342
Capacity	559	559	500	500	500	500	500	500	500	500
Enrollment	437	426	390	438	466	519	501	473	543	544
Paige (1950)										
Square feet	69,316	69,316	64,856	64,856	64,856	64,856	64,856	59,864	59,864	59,864
Capacity	503	503	501	501	501	501	501	501	501	501
Enrollment	338	362	365	361	398	453	468	408	389	406

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Park Place (1915)										
Square feet	109,866	109,866	86,000	86,000	40,108	40,108	40,108	40,108	40,108	40,108
Capacity	1,059	1,059	908	908	435	435	435	435	435	435
Enrollment	1,028	994	1,000	1,079	1,061	944	717	722	723	766
Parker; (1959)										
Square feet	72,167	72,167	70,258	70,258	70,258	70,258	70,258	70,258	70,258	70,258
Capacity	871	871	823	823	823	823	823	823	823	823
Enrollment	785	779	807	775	793	794	773	816	799	792
Patterson (1958)										
Square feet	62,986	62,986	59,284	59,284	59,284	59,284	59,284	59,284	59,284	59,284
Capacity	961	961	828	828	828	828	828	828	828	828
Enrollment	842	801	820	832	852	829	847	869	834	815
Peck (1951)										
Square feet	34,277	34,277	38,155	38,155	38,155	38,155	38,155	38,155	38,155	38,155
Capacity	418	418	387	387	387	387	387	387	387	387
Enrollment	320	390	341	321	311	323	351	328	309	324
Petersen (1966)										
Square feet	52,335	52,335	74,380	74,380	74,380	74,380	74,380	74,380	74,380	74,380
Capacity	753	753	653	653	653	653	653	653	653	653
Enrollment	641	758	761	708	698	650	624	6,002	584	603
Pilgrim (1958/2007)										
Square feet	110,392	110,392	50,270	50,270	50,270	50,270	50,270	50,270	50,270	50,270
Capacity	1,136	1,136	635	635	635	635	635	635	635	635
Enrollment	836	730	753	742	763	781	802	765	764	753
Piney Point (1962)										
Square feet	72,864	72,864	71,167	71,167	71,167	71,167	71,167	71,167	71,167	71,167
Capacity	817	817	897	897	897	897	897	897	897	897
Enrollment	932	892	996	987	989	973	990	942	914	887
Pleasantville (1955)										
Square feet	59,032	59,032	59,768	59,768	59,768	59,768	59,768	59,768	59,768	59,768
Capacity	551	551	504	504	504	504	504	504	504	504
Enrollment	404	466	460	335	390	423	474	501	490	526
Poe (1928)										
Square feet	70,067	70,067	62,966	62,966	62,966	62,966	62,966	62,966	62,966	62,966
Capacity	743	743	788	788	788	788	788	788	788	788
Enrollment	697	724	723	712	730	698	701	683	679	670
Port Houston (1960)										
Square feet	36,309	36,309	39,412	39,412	39,412	39,412	39,412	39,412	39,412	39,412
Capacity	363	363	500	500	500	500	500	500	500	500
Enrollment	326	317	324	328	334	355	368	353	329	287

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Pugh (1952)										
Square feet	40,053	40,053	44,100	44,100	44,100	44,100	44,100	44,100	44,100	44,100
Capacity	606	606	410	410	410	410	410	410	410	410
Enrollment	477	537	539	493	408	417	411	374	396	380
Red (1957)										
Square feet	58,830	58,830	62,895	62,895	62,895	62,895	62,895	62,895	62,895	62,895
Capacity	667	667	604	604	604	604	604	604	604	604
Enrollment	524	479	416	521	539	570	588	590	607	643
Reynolds (1959/2007)										
Square feet	83,711	83,711	58,524	58,524	58,524	58,524	58,524	58,524	58,524	58,524
Capacity	642	642	700	700	700	700	700	700	700	700
Enrollment	462	434	349	346	378	399	434	459	479	501
Rhodes (1957)										
Square feet	43,882	43,882	42,874	42,874	42,874	42,874	42,874	42,874	42,874	42,874
Capacity	397	397	520	520	520	520	520	520	520	520
Enrollment	316	331	335	318	365	402	439	522	547	551
River Oaks (1928)										
Square feet	60,632	60,632	47,108	47,108	47,108	47,108	47,108	47,108	47,108	47,108
Capacity	627	627	550	550	550	550	550	550	550	550
Enrollment	650	661	632	621	614	602	609	611	611	584
Roberts (1936)										
Square feet	62,685	62,685	60,683	60,683	60,683	60,683	60,683	60,683	60,683	60,683
Capacity	606	606	464	464	464	464	464	464	464	464
Enrollment	669	641	674	614	616	609	632	625	615	593
Sylan R. Rodriguez, Jr. (2002)										
Square feet	111,716	111,716	109,882	109,882	109,882	109,882	109,882	-	-	-
Capacity	942	942	1,000	1,000	1,000	1,000	1,000	-	-	-
Enrollment	937	943	1,004	998	1,001	976	913	-	-	-
Roosevelt (1929)										
Square feet	49,583	49,583	48,626	48,626	48,626	48,626	48,626	48,626	48,626	48,626
Capacity	593	593	582	582	582	582	582	582	582	582
Enrollment	560	532	540	516	509	523	534	575	549	523
Ross (1948)										
Square feet	51,820	51,820	59,270	59,270	59,270	59,270	59,270	59,270	59,270	59,270
Capacity	474	474	535	535	535	535	535	535	535	535
Enrollment	421	389	394	363	405	443	453	488	526	579
Rucker (1953)										
Square feet	70,722	70,722	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000
Capacity	956	956	620	620	620	620	620	620	620	620
Enrollment	722	737	749	714	724	714	704	658	767	669

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Rusk (1960)										
Square feet	39,671	39,671	40,157	40,157	40,157	40,157	40,157	40,157	40,157	40,157
Capacity	405	405	572	572	572	572	572	572	572	572
Enrollment	351	323	285	343	357	375	360	341	424	411
St. George Place (2007)										
Square feet	10,116	10,116	-	-	-	-	-	-	-	-
Capacity	961	961	-	-	-	-	-	-	-	-
Enrollment	508	952	-	-	-	-	-	-	-	-
Sanchez (1952)										
Square feet	69,397	69,397	84,246	84,246	84,246	84,246	84,246	84,246	84,246	84,246
Capacity	704	704	444	444	444	444	444	444	444	444
Enrollment	635	625	644	505	549	581	898	872	924	989
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	251	297	365	355	370	373	356	367
Scarborough (1959)										
Square feet	64,412	64,412	59,366	59,366	59,366	59,366	59,366	59,366	59,366	59,366
Capacity	788	788	727	727	727	727	727	727	727	727
Enrollment	789	783	800	804	816	795	831	802	820	788
Scott (1959)										
Square feet	43,380	43,380	42,867	42,867	42,867	42,867	42,867	42,867	42,867	42,867
Capacity	418	418	449	449	449	449	449	449	449	449
Enrollment	362	395	405	422	426	427	413	451	429	443
Scroggins (1966)										
Square feet	53,126	53,126	51,066	51,066	51,066	51,066	51,066	51,066	51,066	51,066
Capacity	641	641	741	741	741	741	741	741	741	741
Enrollment	599	578	587	640	652	647	627	575	597	613
Shearn (1954)										
Square feet	43,132	43,132	39,729	39,729	39,729	39,729	39,729	39,729	39,729	39,729
Capacity	543	543	486	486	486	486	486	486	486	486
Enrollment	466	449	462	389	381	441	485	479	496	459
Sherman (1964)										
Square feet	55,289	55,289	59,788	59,788	59,788	59,788	59,788	59,788	59,788	59,788
Capacity	747	747	716	716	716	716	716	716	716	716
Enrollment	542	507	584	595	517	627	617	644	719	698
Sinclair (1959)										
Square feet	54,308	54,308	48,362	48,362	48,362	48,362	48,362	48,362	48,362	48,362
Capacity	774	774	564	564	564	564	564	564	564	564
Enrollment	461	527	607	619	480	509	472	478	478	495

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	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Smith (1954)										
Square feet	56,294	56,294	63,754	63,754	63,754	63,754	63,754	63,754	63,754	63,754
Capacity	1,345	1,345	884	884	884	884	884	884	884	884
Enrollment	1,001	834	933	851	835	787	810	828	877	890
Southmayd (1936)										
Square feet	67,258	67,258	65,908	65,908	65,908	65,908	65,908	65,908	65,908	65,908
Capacity	701	701	937	937	937	937	937	937	937	937
Enrollment	661	636	689	706	698	727	757	747	801	743
Stevens (1952)										
Square feet	68,822	68,822	62,694	62,694	62,694	62,694	62,694	62,694	62,694	62,694
Capacity	682	682	727	727	727	727	727	727	727	727
Enrollment	656	648	665	700	700	675	677	737	765	800
Stevenson (1926)										
Square feet	43,259	43,259	42,529	42,529	42,529	42,529	42,529	42,529	42,529	42,529
Capacity	411	411	443	443	443	443	443	443	443	443
Enrollment	348	422	427	439	428	421	426	398	395	393
Sugar Grove (1959)										
Square feet	88,108	88,108	54,463	54,463	54,463	54,463	54,463	54,463	54,463	54,463
Capacity	796	796	378	378	378	378	378	378	378	378
Enrollment	420	444	508	505	539	492	417	501	501	511
Sutton (958)										
Square feet	88,701	88,701	91,002	91,002	91,002	91,002	91,002	91,002	91,002	91,002
Capacity	1,370	1,370	902	902	902	902	902	902	902	902
Enrollment	1,049	1,007	1,028	1,043	1,078	1,091	1,379	1,341	1,351	1,317
Thompson (1949)										
Square feet	96,252	96,252	58,860	58,860	58,860	58,860	58,860	58,860	58,860	58,860
Capacity	1,047	1,047	568	568	568	568	568	568	568	568
Enrollment	624	615	700	668	636	692	736	732	714	750
Tijerina (1979)										
Square feet	35,771	35,771	61,360	61,360	61,360	61,360	61,360	61,360	61,360	61,360
Capacity	858	858	783	783	783	783	783	783	783	783
Enrollment	664	712	716	788	794	858	840	824	861	817
Travis (1926/2007)										
Square feet	86,530	86,530	43,135	43,135	43,135	43,135	43,135	43,135	43,135	43,135
Capacity	674	674	557	557	557	557	557	557	557	557
Enrollment	690	654	610	633	635	631	624	615	652	630
Turner (1951)										
Square feet	70,968	70,968	74,845	74,845	74,845	74,845	74,845	74,845	74,845	74,845
Capacity	381	381	683	683	683	683	683	683	683	683
Enrollment	259	330	327	357	388	427	550	629	635	653

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Twain (1950/2007)										
Square feet	83,634	83,634	86,000	49,429	49,429	49,429	49,429	49,429	49,429	49,429
Capacity	781	781	750	505	505	505	505	505	505	505
Enrollment	743	778	736	686	682	653	679	632	604	595
Valley West (1994)										
Square feet	46,763	46,763	32,165	32,165	32,165	32,165	32,165	32,165	32,165	32,165
Capacity	676	676	698	698	698	698	698	698	698	698
Enrollment	601	598	619	579	538	397	342	328	286	229
Wainwright (1962)										
Square feet	56,531	56,531	53,040	53,040	53,040	53,040	53,040	53,040	53,040	53,040
Capacity	699	699	599	599	599	599	599	599	599	599
Enrollment	689	649	652	678	639	651	647	675	679	669
Walnut Bend (1964)										
Square feet	114,707	114,707	37,204	37,204	37,204	37,204	37,204	37,204	37,204	37,204
Capacity	1,590	1,590	788	788	788	788	788	788	788	788
Enrollment	674	342	796	697	733	794	806	763	748	703
Wesley (1949)										
Square feet	73,580	73,580	79,720	79,720	79,720	79,720	79,720	79,720	79,720	79,720
Capacity	639	639	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031
Enrollment	443	549	688	760	817	773	800	860	837	912
West University (1928/2007)										
Square feet	99,423	99,423	87,337	87,337	87,337	87,337	87,337	87,337	87,337	87,337
Capacity	1,067	1,067	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006
Enrollment	1,002	1,015	981	972	951	949	915	947	940	914
Wharton (1959)										
Square feet	32,310	32,310	32,986	32,986	32,986	32,986	32,986	32,986	32,986	32,986
Capacity	397	397	442	442	442	442	442	442	442	442
Enrollment	376	376	372	370	360	380	347	338	330	329
Whidby (1959)										
Square feet	49,942	49,942	49,519	49,519	49,519	49,519	49,519	49,519	49,519	49,519
Capacity	572	572	607	607	607	607	607	607	607	607
Enrollment	580	566	605	562	623	616	645	650	639	638
White (1966)										
Square feet	65,599	65,599	62,835	62,835	62,835	62,835	62,835	62,835	62,835	62,835
Capacity	920	920	742	742	742	742	742	742	742	742
Enrollment	726	761	808	790	809	803	827	835	854	824
Whittier (1959)										
Square feet	46,154	46,154	45,590	45,590	45,590	45,590	45,590	45,590	45,590	45,590
Capacity	659	659	514	514	514	514	514	514	514	514
Enrollment	517	514	513	528	523	527	574	572	620	590

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Wilson (1924)										
Square feet	41,579	41,579	44,481	44,481	44,481	44,481	44,481	44,481	44,481	44,481
Capacity	471	471	499	499	499	499	499	499	499	499
Enrollment	417	430	413	408	413	427	413	405	432	460
Windsor Village (1960)										
Square feet	59,414	59,414	57,048	57,048	57,048	57,048	57,048	57,048	57,048	57,048
Capacity	892	892	762	762	762	762	762	762	762	762
Enrollment	770	767	742	947	917	917	810	783	774	752
Carter G. Woodson (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	203	207	262	969	1,032	1,098	357	394	420	431
Young, Ethel Mosel (1960)										
Square feet	45,447	45,447	47,248	47,248	47,248	47,248	47,248	47,248	47,248	47,248
Capacity	390	390	424	424	424	424	424	424	424	424
Enrollment	407	311	308	312	347	391	394	423	515	579
<b>Middle</b>										
Attucks (1953)										
Square feet	173,819	173,819	182,375	182,375	182,375	182,375	182,375	182,375	182,375	182,375
Capacity	898	898	857	857	857	857	857	857	857	857
Enrollment	735	865	879	885	873	949	926	936	954	988
Black (1957)										
Square feet	165,662	165,662	166,511	166,511	166,511	166,511	166,511	166,511	166,511	166,511
Capacity	935	935	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	577	682	708	714	734	853	908	951	1,007	984
Burbank (1950)										
Square feet	162,511	162,511	175,200	175,200	175,200	175,200	175,200	175,200	175,200	175,200
Capacity	1,406	1,406	1,547	1,547	1,547	1,547	1,547	1,547	1,547	1,547
Enrollment	1,198	1,240	1,302	1,317	1,381	1,321	1,262	1,272	1,312	1,306
Clifton (1979)										
Square feet	156,742	156,742	141,046	141,046	141,046	141,046	141,046	141,046	141,046	141,046
Capacity	992	992	996	996	996	996	996	996	996	996
Enrollment	1,070	1,119	1,169	1,132	1,109	1,142	1,159	1,125	1,095	1,082
Cullen (1955)										
Square feet	158,581	158,581	158,838	158,838	158,838	158,838	158,838	158,838	158,838	158,838
Capacity	898	898	740	740	740	740	740	740	740	740
Enrollment	656	758	745	745	687	679	692	749	794	877

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

	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Deady (1929)										
Square feet	183,653	183,653	185,684	185,684	185,684	185,684	185,684	185,684	185,684	185,684
Capacity	1,267	1,267	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,018	1,160	1,159	1,184	1,128	1,064	1,162	1,173	1,191	1,293
Dowling (1968)										
Square feet	199,121	199,121	180,257	180,257	180,257	180,257	180,257	180,257	180,257	180,257
Capacity	1,824	1,824	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187
Enrollment	1,661	1,845	1,911	1,745	1,589	1,498	1,408	1,507	1,436	1,376
Edison (1925)										
Square feet	143,758	143,758	146,844	146,844	146,844	146,844	146,844	146,844	146,844	146,844
Capacity	1,042	1,042	880	880	880	880	880	880	880	880
Enrollment	930	986	945	1,009	1,016	1,022	1,047	1,062	1,031	1,031
Fleming (1968)										
Square feet	179,515	179,515	161,888	161,888	161,888	161,888	161,888	161,888	161,888	161,888
Capacity	785	785	580	580	580	580	580	580	580	580
Enrollment	532	534	587	583	638	615	670	679	652	682
Fondren (1966)										
Square feet	158,349	158,349	172,923	172,923	172,923	172,923	172,923	172,923	172,923	172,923
Capacity	1,136	1,136	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187
Enrollment	749	833	982	868	941	1,023	1,129	1,100	1,286	1,411
Fonville (1951)										
Square feet	162,228	162,228	149,355	149,355	149,355	149,355	149,355	149,355	149,355	149,355
Capacity	1,085	1,085	896	896	896	896	896	896	896	896
Enrollment	1,124	1,177	1,158	1,201	1,237	1,204	1,072	1,052	1,104	1,010
Grady (1949)										
Square feet	64,902	64,902	56,680	56,680	56,680	56,680	56,680	56,680	56,680	56,680
Capacity	690	690	620	620	620	620	620	620	620	620
Enrollment	485	544	583	565	585	603	596	547	587	589
Gregory-Lincoln (1966)										
Square feet	134,194	134,194	165,312	165,312	165,312	165,312	165,312	165,312	165,312	165,312
Capacity	896	896	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137
Enrollment	516	546	367	N/A	N/A	N/A	N/A	573	556	611
Hamilton (1919)										
Square feet	137,710	137,710	136,066	136,066	136,066	136,066	136,066	136,066	136,066	136,066
Capacity	1,020	1,020	957	957	957	957	957	957	957	957
Enrollment	1,324	1,287	1,288	1,221	1,243	1,211	1,160	1,087	1,059	1,093
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	61	69	78	81	80	63	68	75	85

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**HOUSTON INDEPENDENT SCHOOL DISTRICT  
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(UNAUDITED)**

	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Hartman (1954)										
Square feet	222,606	222,606	214,755	214,755	214,755	214,755	214,755	169,703	169,703	169,703
Capacity	1,349	1,349	1,078	1,078	1,078	1,078	1,078	N/A	N/A	N/A
Enrollment	1,587	1,527	1,518	1,491	1,495	1,485	1,478	1,438	1,413	1,372
Henry (1965)										
Square feet	181,623	181,623	187,784	187,784	187,784	187,784	187,784	187,784	187,784	187,784
Capacity	1,179	1,179	780	780	780	780	780	780	780	780
Enrollment	1,075	1,098	1,147	1,138	1,196	1,151	1,140	1,106	1,074	1,017
Hogg (1926)										
Square feet	176,380	176,380	134,163	134,163	134,163	134,163	134,163	134,163	134,163	134,163
Capacity	926	926	978	978	978	978	978	978	978	978
Enrollment	840	849	919	944	919	888	846	1,000	1,034	1,132
Holland (1980)										
Square feet	131,290	131,290	131,289	131,289	131,289	131,289	131,289	131,289	131,289	131,289
Capacity	875	875	799	799	799	799	799	799	799	799
Enrollment	808	809	836	835	848	871	778	848	881	883
Jackson (1925)										
Square feet	211,186	211,186	194,544	194,544	194,544	194,544	194,544	194,544	194,544	194,544
Capacity	1,235	1,235	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079
Enrollment	995	1,068	1,150	1,238	1,236	1,181	1,200	1,208	1,142	1,205
Johnston (1959)										
Square feet	174,981	174,981	177,767	177,767	177,767	177,767	177,767	177,767	177,767	177,767
Capacity	1,294	1,294	1,171	1,171	1,171	1,171	1,171	1,171	1,171	1,171
Enrollment	1,362	1,351	1,407	1,358	1,318	1,289	1,394	1,460	1,439	1,444
Key (1957)										
Square feet	185,923	185,923	184,337	184,337	184,337	184,337	184,337	184,337	184,337	184,337
Capacity	1,033	1,033	779	779	779	779	779	779	779	779
Enrollment	602	722	818	895	869	878	915	1,017	1,038	1,027
Lanier (1926)										
Square feet	159,574	159,574	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525
Capacity	1,155	1,155	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117
Enrollment	1,297	1,328	1,300	1,316	1,362	1,413	1,422	1,456	1,478	1,510
Long (1957)										
Square feet	177,135	177,135	174,414	174,414	174,414	174,414	174,414	174,414	174,414	174,414
Capacity	1,577	1,577	1,482	1,482	1,482	1,482	1,482	1,482	1,482	1,482
Enrollment	1,163	1,327	1,440	1,536	1,539	1,497	1,609	1,639	1,669	1,611
Marshall (1981)										
Square feet	212,645	212,645	192,596	192,596	192,596	192,596	192,596	192,596	192,596	192,596
Capacity	1,153	1,153	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080
Enrollment	908	1,027	1,102	1,158	1,140	1,120	1,109	1,122	1,118	1,085

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	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
McReynolds (1956)										
Square feet	130,392	130,392	125,719	125,719	125,719	125,719	125,719	125,719	125,719	125,719
Capacity	863	863	793	793	793	793	793	793	793	793
Enrollment	626	611	687	751	733	743	714	736	713	708
Ortiz (2002)										
Square feet	178,481	178,481	175,000	175,000	175,000	175,000	175,000	-	-	-
Capacity	1,126	1,126	1,200	1,200	1,200	1,200	1,200	-	-	-
Enrollment	1,046	1,078	1,064	1,028	971	900	-	-	-	-
Pershing (1948/2007)										
Square feet	240,234	240,234	208,512	208,512	208,512	208,512	208,512	208,512	208,512	208,512
Capacity	1,478	1,478	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430
Enrollment	1,747	1,732	1,749	1,701	1,690	1,627	1,889	1,809	1,713	1,668
Pin Oak (2002)										
Square feet	233,081	233,081	174,500	174,500	174,500	174,500	174,500	-	-	-
Capacity	1,077	1,077	1,200	1,200	1,200	1,200	1,200	-	-	-
Enrollment	1,138	1,160	1,194	1,200	1,075	922	-	-	-	-
Revere (1980)										
Square feet	194,031	194,031	190,536	190,536	190,536	190,536	190,536	190,536	190,536	190,536
Capacity	1,295	1,295	953	953	953	953	953	953	953	953
Enrollment	1,015	1,115	1,360	1,209	1,265	1,251	1,425	1,322	1,219	1,211
Rice (1994)										
Square feet	202,704	202,704	175,550	175,550	175,550	175,550	175,550	175,550	175,550	175,550
Capacity	1,101	1,101	931	931	931	931	931	931	931	931
Enrollment	1,145	1,121	456	N/A	N/A	N/A	N/A	440	541	550
Rogers T.H. (1962)										
Square feet	187,570	187,570	183,418	183,418	183,418	183,418	183,418	183,418	183,418	183,418
Capacity	1,227	1,227	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025
Enrollment	810	764	458	N/A	N/A	N/A	N/A	423	407	404
Ryan (1925)										
Square feet	113,447	113,447	116,780	116,780	116,780	116,780	116,780	116,780	116,780	116,780
Capacity	899	899	778	778	778	778	778	778	778	778
Enrollment	498	633	581	556	708	778	830	879	903	932
Shadowbriar (1992)										
Square feet	74,382	74,382	75,057	75,057	75,057	75,057	75,057	75,057	75,057	75,057
Capacity	524	524	522	522	522	522	522	522	522	522
Enrollment	401	518	N/A	583	614	648	845	790	N/A	N/A
Sharpstown (1969)										
Square feet	168,247	168,247	180,977	180,977	180,977	180,977	180,977	180,977	180,977	180,977
Capacity	1,406	1,406	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253
Enrollment	1,074	1,125	1,211	1,264	1,394	1,454	1,619	1,503	1,436	1,300

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	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Smith (1913)										
Square feet	134,926	134,926	145,022	145,022	145,022	145,022	145,022	145,022	145,022	145,022
Capacity	850	850	616	616	616	616	616	616	616	616
Enrollment	417	617	N/A	565	517	549	561	622	N/A	N/A
Stevenson (1994)										
Square feet	173,685	173,685	172,318	172,318	172,318	172,318	172,318	172,318	172,318	172,318
Capacity	1,156	1,156	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172
Enrollment	1,232	1,215	1,213	1,191	1,174	1,150	1,760	1,717	1,748	1,636
Thomas (1968)										
Square feet	174,596	174,596	175,385	175,385	175,385	175,385	175,385	175,385	175,385	175,385
Capacity	869	869	840	840	840	840	840	840	840	840
Enrollment	621	730	829	864	822	779	803	886	926	857
Welch (1979)										
Square feet	156,530	156,530	160,681	160,681	160,681	160,681	160,681	160,681	160,681	160,681
Capacity	1,331	1,331	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
Enrollment	1,286	1,369	1,338	1,316	1,326	1,374	1,388	1,431	1,543	1,510
West Briar (2002)										
Square feet	169,062	169,062	175,000	175,000	175,000	175,000	175,000	-	-	-
Capacity	1,106	1,106	1,499	1,499	1,499	1,499	1,499	-	-	-
Enrollment	1,383	1,306	1,369	1,379	1,382	1,179	-	-	-	-
Williams (1962)										
Square feet	163,107	163,107	136,192	136,192	136,192	136,192	136,192	136,192	136,192	136,192
Capacity	1,299	1,299	700	700	700	700	700	700	700	700
Enrollment	457	527	626	634	620	654	640	745	765	784
Woodson (1966)										
Square feet	165,100	165,100	143,251	143,251	143,251	143,251	143,251	143,251	143,251	143,251
Capacity	1,509	1,509	749	749	749	749	749	749	749	749
Enrollment	793	1,024	769	N/A	N/A	N/A	755	711	718	678
<b>High</b>										
Austin (1953)										
Square feet	314,157	314,157	302,429	302,429	302,429	302,429	302,429	302,429	302,429	302,429
Capacity	2,079	2,079	1,781	1,781	1,781	1,781	1,781	1,781	1,781	1,781
Enrollment	1,927	1,865	1,825	1,833	2,025	2,060	2,083	2,215	2,395	2,419
Barabara Jordan (1979)										
Square feet	287,615	287,615	248,092	248,092	248,092	248,092	248,092	248,092	248,092	248,092
Capacity	1,661	1,661	943	943	943	943	943	943	943	943
Enrollment	1,158	1,227	1,175	1,261	1,253	1,211	1,248	1,193	1,240	1,218

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	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Bellaire (1955)										
Square feet	362,451	362,451	379,308	379,308	379,308	379,308	379,308	379,308	379,308	379,308
Capacity	2,801	2,801	2,433	2,433	2,433	2,433	2,433	2,433	2,433	2,433
Enrollment	3,361	3,392	3,456	3,387	3,298	3,237	3,236	3,222	3,118	3,033
Carnegie Vanguard (2003)										
Square feet	42,504	42,504	42,504	42,504	42,504	42,504	-	-	-	-
Capacity	525	525	525	525	525	525	-	-	-	-
Enrollment	371	349	310	254	238	173	-	-	-	-
Carter Career Center (1929)										
Square feet	69,319	69,319	68,954	68,954	68,954	68,954	68,954	68,954	68,954	68,954
Capacity	461	461	352	352	352	352	352	352	352	352
Enrollment	109	158	75	96	92	103	85	118	121	133
Chavez (2000)										
Square feet	519,307	519,307	450,000	450,000	450,000	450,000	450,000	450,000	450,000	-
Capacity	2,082	2,082	2,600	2,600	2,600	2,600	2,600	2,600	2,600	-
Enrollment	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	113,709	113,709	113,709	113,709	113,709	113,709	113,709	113,709
Capacity	926	926	635	635	635	635	635	635	635	635
Enrollment	522	687	504	691	676	712	693	533	513	392
Davis (1925)										
Square feet	264,038	264,038	199,909	199,909	199,909	199,909	199,909	199,909	199,909	199,909
Capacity	1,558	1,558	988	988	988	988	988	988	988	988
Enrollment	1,630	1,577	1,580	1,624	1,706	1,689	1,706	1,724	1,685	1,721
Debakey (1980)										
Square feet	161,426	161,426	114,118	114,118	114,118	114,118	114,118	114,118	114,118	114,118
Capacity	851	851	704	704	704	704	704	704	704	704
Enrollment	740	728	710	706	713	690	642	701	711	705
Eastwood Academy (1985)										
Square feet	28,823	28,823	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500
Capacity	293	293	264	264	264	264	264	264	264	264
Enrollment	255	244	257	252	223	225	210	205	196	180
Furr (1961)										
Square feet	168,285	168,285	169,159	169,159	169,159	169,159	169,159	169,159	169,159	169,159
Capacity	1,384	1,384	1,239	1,239	1,239	1,239	1,239	1,239	1,239	1,239
Enrollment	893	940	1,025	1,079	1,144	1,152	1,202	1,220	1,387	1,395
HSPVA (1980)										
Square feet	104,092	104,092	116,657	116,657	116,657	116,657	116,657	116,657	116,657	116,657
Capacity	863	863	460	460	460	460	460	460	460	460
Enrollment	647	664	678	671	652	663	661	656	674	671

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	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Law Enforcement ('1925)										
Square feet	102,694	102,694	98,329	98,329	98,329	98,329	98,329	98,329	98,329	98,329
Capacity	926	926	659	659	659	659	659	659	659	659
Enrollment	641	674	710	685	725	779	801	825	903	901
Jones (1958)										
Square feet	198,401	198,401	202,088	202,088	202,088	202,088	202,088	202,088	202,088	202,088
Capacity	1,278	1,278	540	540	540	540	540	540	540	540
Enrollment	846	902	1,011	1,077	1,109	1,168	1,342	1,277	1,292	1,277
Kashmere (1968)										
Square feet	202,496	202,496	179,458	179,458	179,458	179,458	179,458	179,458	179,458	179,458
Capacity	1,088	1,088	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008
Enrollment	531	583	1,013	1,021	941	931	855	739	769	852
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	106	164	158	165	138	138	163	153
Lamar (1937)										
Square feet	279,700	279,700	285,765	285,765	285,765	285,765	285,765	285,765	285,765	285,765
Capacity	2,229	2,229	1,738	1,738	1,738	1,738	1,738	1,738	1,738	1,738
Enrollment	3,289	3,324	3,539	3,429	3,292	3,227	3,356	3,222	3,037	2,844
Lee (1962)										
Square feet	332,694	332,694	332,484	332,484	332,484	332,484	332,484	332,484	332,484	332,484
Capacity	2,523	2,523	1,818	1,818	1,818	1,818	1,818	1,818	1,818	1,818
Enrollment	1,924	2,000	2,179	2,086	2,163	2,138	2,151	2,201	3,104	2,911
Madison (1965)										
Square feet	225,541	225,541	220,241	220,241	220,241	220,241	220,241	220,241	220,241	220,241
Capacity	1,875	1,875	1,529	1,529	1,529	1,529	1,529	1,529	1,529	1,529
Enrollment	2,349	2,492	2,403	2,161	2,102	2,186	2,090	2,169	2,073	1,945
Milby (1925)										
Square feet	389,342	389,342	387,603	387,603	387,603	387,603	387,603	387,603	387,603	387,603
Capacity	2,868	2,868	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352
Enrollment	2,189	2,156	2,242	2,197	2,130	2,175	2,305	2,583	3,311	3,352
Reagan (1926/2007)										
Square feet	360,372	360,372	231,857	231,857	231,857	231,857	231,857	231,857	231,857	231,857
Capacity	2,306	2,306	1,477	1,477	1,477	1,477	1,477	1,477	1,477	1,477
Enrollment	1,582	1,715	1,720	1,720	1,683	1,687	1,710	1,844	1,945	2,016
Sam Houston (1955)										
Square feet	325,181	325,181	317,681	317,681	317,681	317,681	317,681	317,681	317,681	317,681
Capacity	3,047	3,047	2,442	2,442	2,442	2,442	2,442	2,442	2,442	2,442
Enrollment	2,507	2,540	2,678	2,788	2,897	2,709	2,715	2,809	2,796	2,955

Continued

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

	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Scarborough (1968)										
Square feet	182,593	182,593	108,720	108,720	108,720	108,720	108,720	108,720	108,720	108,720
Capacity	1,032	1,032	984	984	984	984	984	984	984	984
Enrollment	788	869	948	888	822	866	933	966	979	1,014
Sharpstown (1971)										
Square feet	195,195	195,195	239,747	239,747	239,747	239,747	239,747	239,747	239,747	239,747
Capacity	1,781	1,781	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716
Enrollment	1,528	1,685	1,834	1,702	1,734	1,721	1,705	1,817	1,823	1,770
Sterling (1965)										
Square feet	219,667	219,667	220,407	220,407	220,407	220,407	220,407	220,407	220,407	220,407
Capacity	1,397	1,397	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247
Enrollment	1,141	1,118	1,114	1,137	1,176	1,212	1,172	1,274	1,367	1,438
Waltrip (1960)										
Square feet	264,659	264,659	282,264	282,264	282,264	282,264	282,264	282,264	282,264	282,264
Capacity	1,805	1,805	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643
Enrollment	1,777	1,769	1,849	1,819	1,790	1,789	1,740	1,646	1,554	1,492
Washington (1959)										
Square feet	244,527	244,527	243,826	243,826	243,826	243,826	243,826	243,826	243,826	243,826
Capacity	1,652	1,652	1,362	1,362	1,362	1,362	1,362	1,362	1,362	1,362
Enrollment	966	1,075	1,155	1,182	1,260	1,245	1,213	1,329	1,392	1,455
West Side (2000)										
Square feet	448,776	448,776	450,500	450,500	450,500	450,500	450,500	450,500	450,500	-
Capacity	2,171	2,171	3,000	3,000	3,000	3,000	3,000	3,000	3,000	-
Enrollment	2,943	2,830	3,047	2,828	2,840	2,653	2,308	1,772	-	-
Westbury (1961)										
Square feet	324,292	324,292	319,658	319,658	319,658	319,658	319,658	319,658	319,658	319,658
Capacity	2,263	2,263	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438
Enrollment	1,955	2,099	2,445	2,184	1,881	1,800	1,779	1,969	2,007	2,209
Wheatley (1950/2007)										
Square feet	268,485	268,485	193,415	193,415	193,415	193,415	193,415	193,415	193,415	193,415
Capacity	976	976	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036
Enrollment	1,248	1,168	902	836	794	770	731	871	883	913
Worthing (1962)										
Square feet	220,983	220,983	188,807	188,807	188,807	188,807	188,807	188,807	188,807	188,807
Capacity	1,470	1,470	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288
Enrollment	1,023	1,030	1,088	1,201	1,250	1,325	1,512	1,692	1,724	1,729
Yates (1958)										
Square feet	289,881	289,881	291,221	291,221	291,221	291,221	291,221	291,221	291,221	291,221
Capacity	2,120	2,120	1,361	1,361	1,361	1,361	1,361	1,361	1,361	1,361
Enrollment	1,333	1,339	1,359	1,302	1,379	1,426	1,401	1,502	1,613	1,765

**NOTE:** Information obtained from District records

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