

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year
ended June 30, 2016

Houston • Texas



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Prepared by the Office of Finance

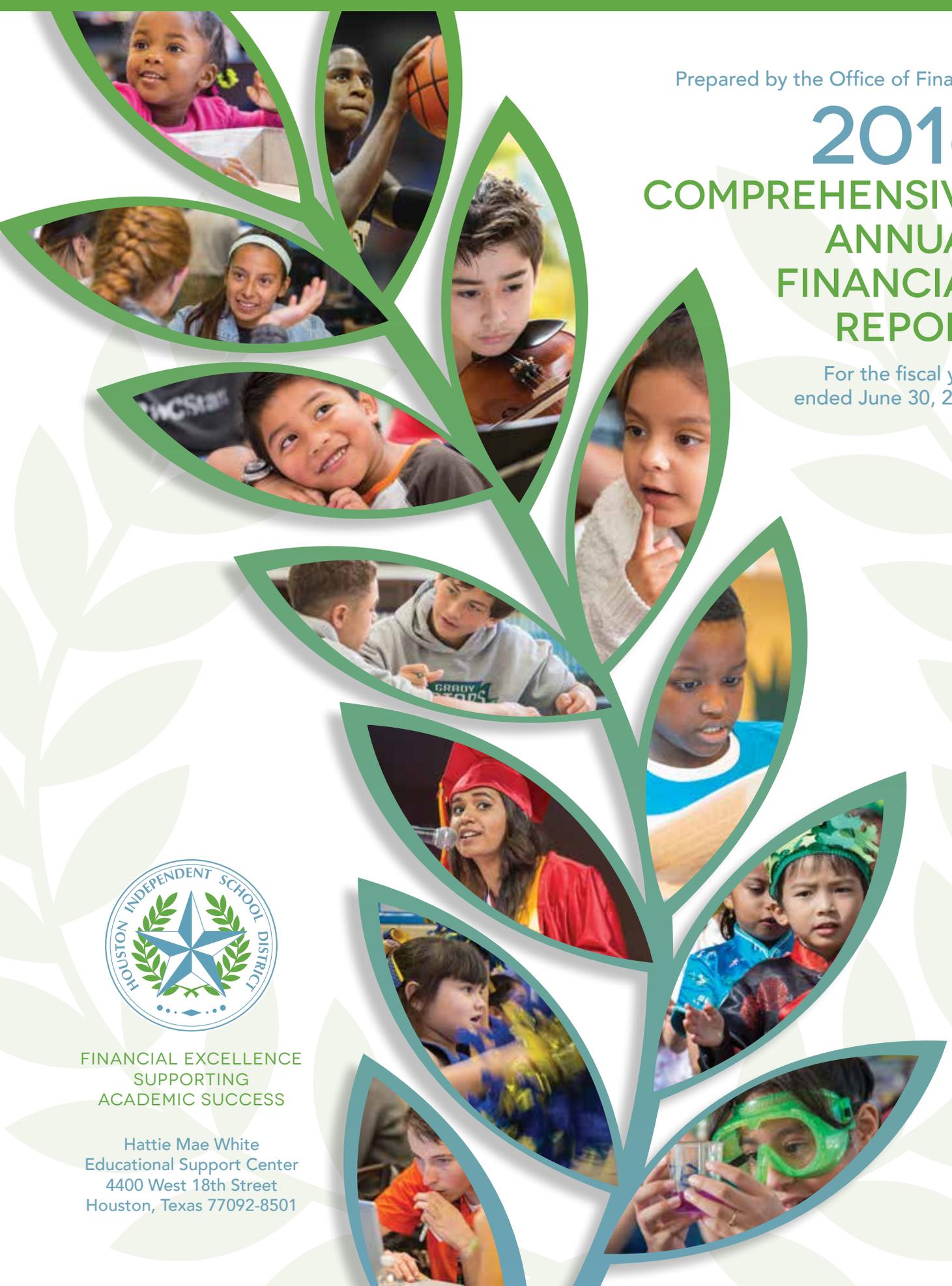
2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year
ended June 30, 2016



FINANCIAL EXCELLENCE
SUPPORTING
ACADEMIC SUCCESS

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, 2016**

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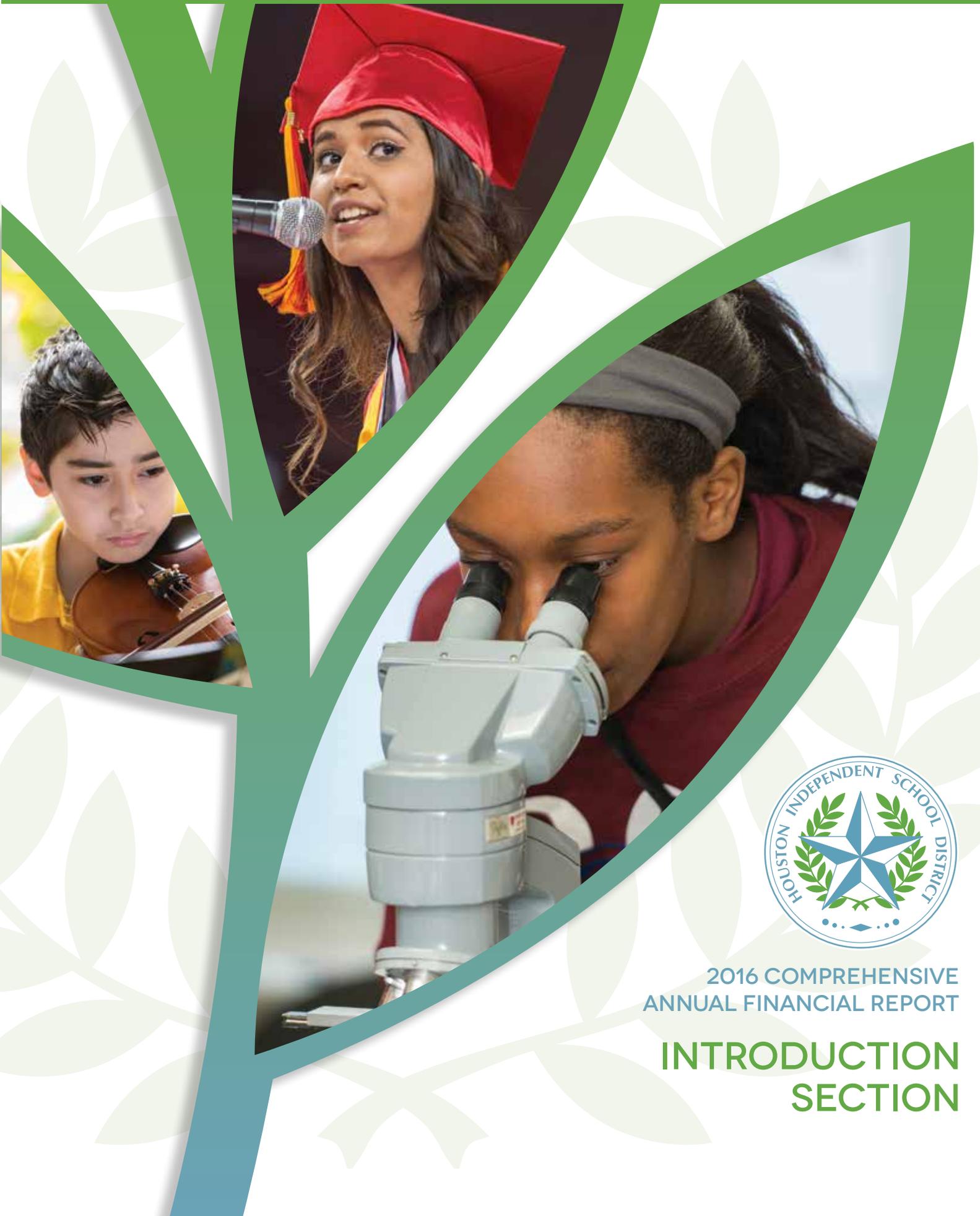
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2016 COMPREHENSIVE
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**INTRODUCTION
SECTION**

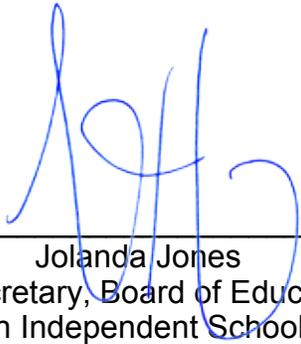
CERTIFICATE OF BOARD

Houston Independent School District

Harris County

101-912-IV

We, the undersigned, certify that the attached auditors' reports of the above-named school district were reviewed and approved for the fiscal year ended June 30, 2016, at a meeting of the Board of Education of such school district on the 10th day of November 2016.



Jolanda Jones
Secretary, Board of Education
Houston Independent School District



Manuel Rodriguez, Jr.
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

Richard A. Carranza
Superintendent of Schools

www.HoustonISD.org
www.twitter.com/HoustonISD

November 10, 2016

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

The Comprehensive Annual Financial Report (CAFR) of the Houston Independent School District (the “District” or “HISD”) for the fiscal year ended June 30, 2016, is hereby submitted. This document is management’s report of financial operations to the Board of Education (the “Board”), taxpayers, grantor agencies, employees, the Texas Education Agency, and other interested parties.

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

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

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

PROFILE OF THE HOUSTON INDEPENDENT SCHOOL DISTRICT

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

HISD, with an enrollment of approximately 215,627 students, is the seventh-largest public-school system in the nation and the largest in Texas. Enrollment is expected to hold steady for the 2016-17 year. The District encompasses 333 square miles within greater Houston. HISD is an ethnically diverse district, as 62 percent of all students are Hispanic, 24 percent are African American, 8 percent are white and 4 percent are Asian. The other 2 percent are of other ethnicities, including American Indian, Alaskan Native, and native Hawaiian. About 100 different languages are spoken by students throughout the District, with 55 dual language schools in 2015-2016 growing to 62 in 2016-2017.

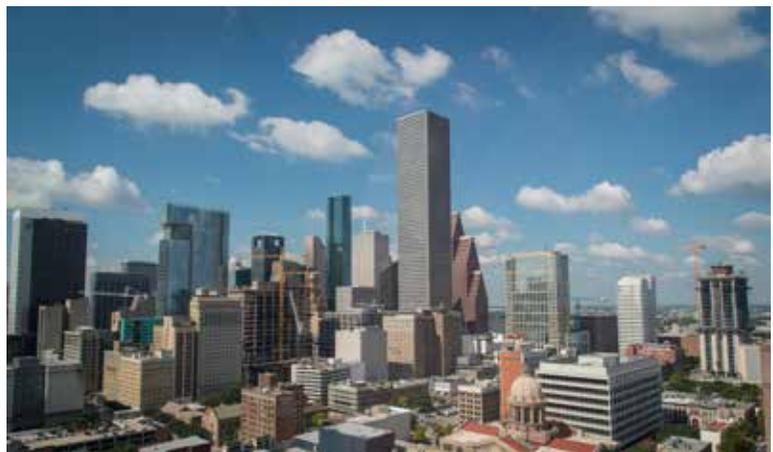


Houston Independent School District provides services through eight early childhood centers (pre-K and some include kindergarten), 159 elementary schools (grades pre-K through 5), 38 middle schools (grades 6-8), 39 high schools (grades 9-12), and 37 combination/alternative sites, for a total of 237 schools. A list of school buildings with year of construction can be found in the Statistical Data Section.

The District offers many education programs in addition to general education, including special education services, gifted and talented programs, career and technical education, dual-language programs, and various magnet programs. HISD also contracted with 14 charter schools that are funded with state tier one funds that flow through the District.

ECONOMIC OUTLOOK

Houston, the “Space City,” is the fourth-largest city in the U.S., with a population of 2.2 million and 5 million in the metropolitan area. Houston is a leader in numerous industries, including manufacturing, healthcare services, engineering, and oil and gas. In addition to great businesses, there are professional sports, first-class museums and theaters, and an excellent restaurant scene. Houston is known for oil, NASA, urban sprawl, and business-friendly policies. In 2016, Houston hosted the NCAA Final Four Basketball Tournament, and the city will host the upcoming NFL’s Super Bowl LI in 2017. Houston was ranked among the top places to visit in 2015 by the Boston Globe and Travel and Leisure magazine.





Employment in the Houston-Sugar Land-Baytown Metropolitan Statistical Area stood at 3,001,900 in June 2016, up 8,400 from one year earlier per the U.S. Bureau of Labor Statistics.

International City

Houston is truly an international city. More than one-fourth of all residents are foreign-born and more than 145 different languages are spoken in Houston. International migration represents approximately one-fourth of the region's total population growth over the past decade. Houston leads the Southwest with 92 foreign governments represented here. The Port of Houston is a 25-mile-long complex of private and public facilities located just a few hours' sailing time from the Gulf of Mexico. Over 200 million tons of cargo travels through the port annually, which is 67% of the U.S. Gulf Coast major imports, ranking the Port of Houston first in U.S. imports.

Transportation

The Houston Airport System ("HAS") is composed of three airports: Bush Intercontinental, Hobby, and Ellington Airport, home to our Spaceport. HAS contributes over \$27.5 billion to the local economy, supporting 230,000 jobs in 2015, and serving over 55 million passengers (a 4 percent increase over the prior year). The Metropolitan Transit Authority of Harris County ("METRO") operates a bus and light-rail system. The June 2016 average ridership was 240,777, an increase of 3% over June 2015.

Education and Health Services

The Texas Medical Center ("TMC") is one of Houston's largest employers, with 106,000 employees. The internationally renowned, 1,345-acre TMC is the world's largest medical center complex, with 54 member institutions, including leading medical, academic, and research institutions. TMC's University of Texas M.D. Anderson Cancer Center continues to be ranked as one of the nation's top two cancer centers in U.S. News and World Report's annual rankings of the best hospitals for cancer care. It's also home to 14 major institutions of higher learning and 100 trade, vocational, and business schools.

Summary

Houston's strategic location and core strengths, including very strong exports and imports, cutting-edge medical advancements, and technology breakthroughs across industries uniquely position the city to play a vital role in meeting national and global market demands. At a time of unprecedented geopolitical demographic shifts affecting markets worldwide, Houston stands as a leader among U.S. cities of the 21st century.

ACCOUNTING AND BUDGETARY CONTROLS

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

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

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

As a recipient of federal, state, and local grants, the District is also responsible for an adequate internal control structure that ensures compliance with applicable laws and regulations related to these grants. All funded grants are subject to testing as part of the District's Single Audit as mandated by the Uniform Guidance. The internal control structure is subject to ongoing reviews by management.

As a part of the District's Single Audit, tests are conducted to determine the adequacy of the internal control structure as related to federal award 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, 2016, reported no instances of material weaknesses in the internal control structure over federal awards.

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 at the function level by organizational unit through the encumbrance of estimated purchase amounts and other expenditures to coincide with 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. The Board of Education approves budgets for the General Fund, Special Revenue Fund, Debt Service Fund, Capital Renovation Fund, and Nutrition Services Fund.





Lamar High School Rendition

CAPITAL PROJECTS

The Capital Renovation Fund was created to account for the District's capital projects and includes the 2012 bond program.

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



Construction is underway at about two dozen campuses, with six schools opening for the start of the 2016-2017 school year. Construction contracts are expected to be executed on all but one of the remaining projects by year's end.

There is more construction underway now than at any other time in the District's history. Once all the projects are complete, HISD will have one of the most modern portfolios of urban high schools in the nation.

The Public Facility Corporation ("PFC") was established to issue bonds to provide for the acquisition of and placement in service of educational facilities in accordance with the Public Facility Corporation Act. In December 2014, the PFC issued bonds to fund ongoing construction of three new schools: North Forest High School, Fonwood Early Childhood Center, and Energy Institute High School.

For the fiscal year ending June 30, 2016, facilities acquisition and construction expenditures for the Capital Renovation Fund and the PFC amounted to \$426,150,732.

YOUNG WOMEN'S COLLEGE PREPARATORY ACADEMY



LONG-TERM FINANCIAL PLANNING

The District is subject to a target revenue formula for school district funding. Under the target revenue methodology, the District's maintenance and operations revenue from property taxes and state aid is capped. As collections from property taxes increase, state aid is reduced by the same amount. In July 2016, HISD received final notice of Chapter 41 recapture status from the Texas Education Agency because the District's wealth per student exceeds an amount set in statute. As a result, the district must remit payments back to the state. Voters will decide in November 2016 how to pay the state. 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

HISD Graduate Profile

With the help of community and business partners, as well as leaders from Houston's largest industries and institutes of higher education, HISD has developed the Global Graduate profile. The profile outlines six characteristics or qualities that all students will develop during their time in elementary, middle, and high school. By the time they graduate, the HISD student will be:

- A Leader – Works collaboratively and leads by example. Embraces new ideas and technologies and motivates others to be open to change.
- A Critical Thinker – Identifies and dissects issues, seeks multiple options, and critically evaluates various solutions. Understands when additional information is needed and effectively uses technology (21st-century literacies) to do research.
- A College-Ready Learner – Proficient in the core disciplines as evidenced by successful performance on state and national assessments. Works hard and persists to achieve academic and career goals.
- Adaptable & Productive – Industrious member of a global society. Demonstrates flexibility and cross-cultural skills when fulfilling personal, professional, and community experiences.
- A Responsible Decision Maker – Sets goals, develops action plans, and works hard. When faced with challenges and obstacles, is able to persist to achieve goals.
- A Skilled Communicator – Reads, writes, speaks, and listens effectively, adapting to diverse audiences and settings.

Dual Language

HISD had 55 dual language schools in 2015-2016 and that number will grow to 62 in 2016-2017, allowing students to spend a portion of their day learning in English and the rest of the day immersing themselves in culture and languages such as Spanish, Mandarin Chinese, and Arabic.

Focus on Literacy

Because being a skilled communicator is a vital tool to compete in a 21st century workplace, HISD emphasizes reading and writing competencies across subjects. The journey from pre-K student to Global Graduate is supported every step of the way.

Technology

High school students in HISD are learning on district-issued laptops they can use at school and at home – developing digital and interpersonal skills for the real world. The district is in the process of launching the HUB, a K-12 online platform that will become the center of collaboration, personalization, curriculum, instruction, and communication for HISD teachers and their students.

College and Career Readiness

HISD is combining core academics with career-based knowledge and skills in collaborative and research-intensive learning environments. Business, medical, and energy leaders across Houston are partnering with HISD to offer students work-based experiences and certifications. Advanced Placement courses are offered at every high school, and more students than ever are passing their AP exams. All HISD students in grades 9-11 have the opportunity to take the PSAT test for free, and since May 2012, every HISD junior has taken the SAT exam during regular class time for free.

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, 2015. This was the 43rd consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a District must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO Certificate of Excellence

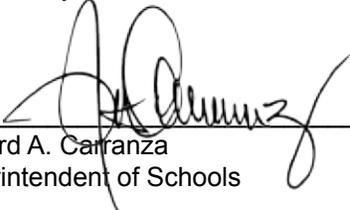
The District received the Association of School Business Officials' ("ASBO") Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2015. The District has received this award for 37 consecutive years. This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO.

Acknowledgments

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

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

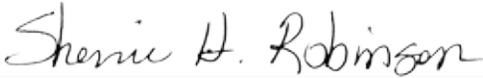
Respectfully submitted,



Richard A. Carranza
Superintendent of Schools



Kenneth Hewitt
Deputy Superintendent and Chief Financial Officer



Sherrie H. Robinson
Controller



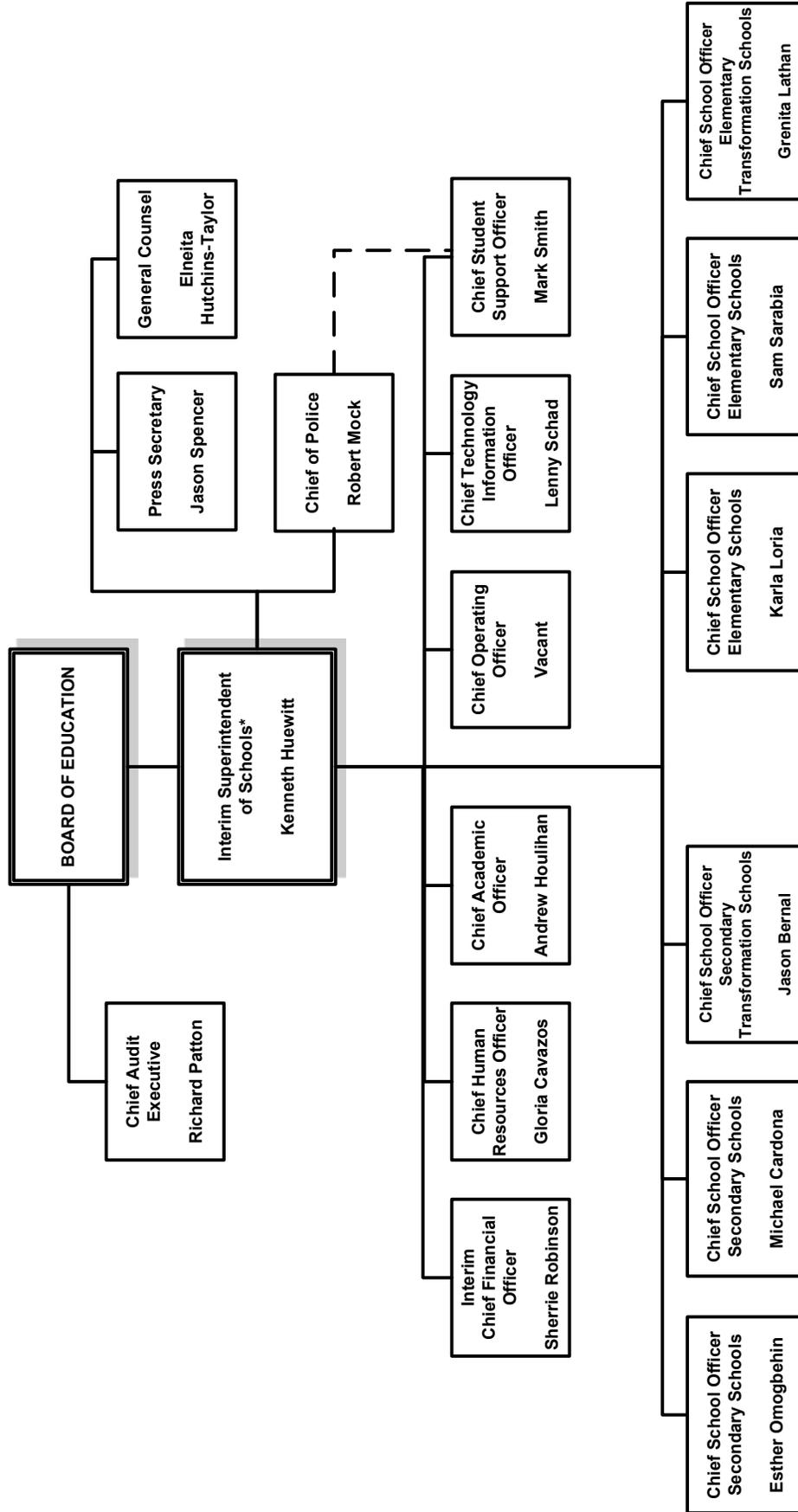
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ORGANIZATIONAL CHART

June 30, 2016



*Richard A. Carranza was named as Superintendent of Schools on August 18, 2016.



2016 HISD BOARD OF EDUCATION



Manuel Rodriguez Jr.
President



Wanda Adams
First Vice-President



Diana Dávila
Second Vice-President



Jolanda Jones
Secretary



Rhonda Skillern-Jones
Assistant Secretary



Anna Eastman
Trustee



Michael L. Lunceford
Trustee



Greg Meyers
Trustee



Harvin C. Moore
Trustee



HOUSTON INDEPENDENT SCHOOL DISTRICT

Appointed Officials as of June 30, 2016

Kenneth Huewitt	Interim Superintendent of Schools*
Sherrie Robinson	Interim Chief Financial Officer
Gloria Cavazos	Chief Human Resources
Mark Smith	Chief Student Support Officer
Andrew Houlihan	Chief Academic Officer
Lenny Schad	Chief Technology Information Officer
Richard Patton	Chief Audit Executive
Vacant	Chief Operating Officer
Elneita Hutchins-Taylor	General Counsel
Karla Loria	Chief School Officer, Elementary School Office 1
Samuel Sarabia	Chief School Officer, Elementary School Office 2
Esther Omogbehin	Chief School Officer, Secondary School Office 1
Michael Cardona	Chief School Officer, Secondary School Office 2
Grenita Lathan	Chief School Officer, Elementary Transformation Schools
Jason Bernal	Chief School Officer, Secondary Transformation Schools

*Richard A. Carranza was named Superintendent of Schools on August 18, 2016



The Certificate of Excellence in Financial Reporting Award
is presented to

Houston Independent School District

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink that reads 'Brenda Burkett'.

Brenda R. Burkett, CPA, CSBA, SFO
President

A handwritten signature in black ink that reads 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Houston Independent School District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

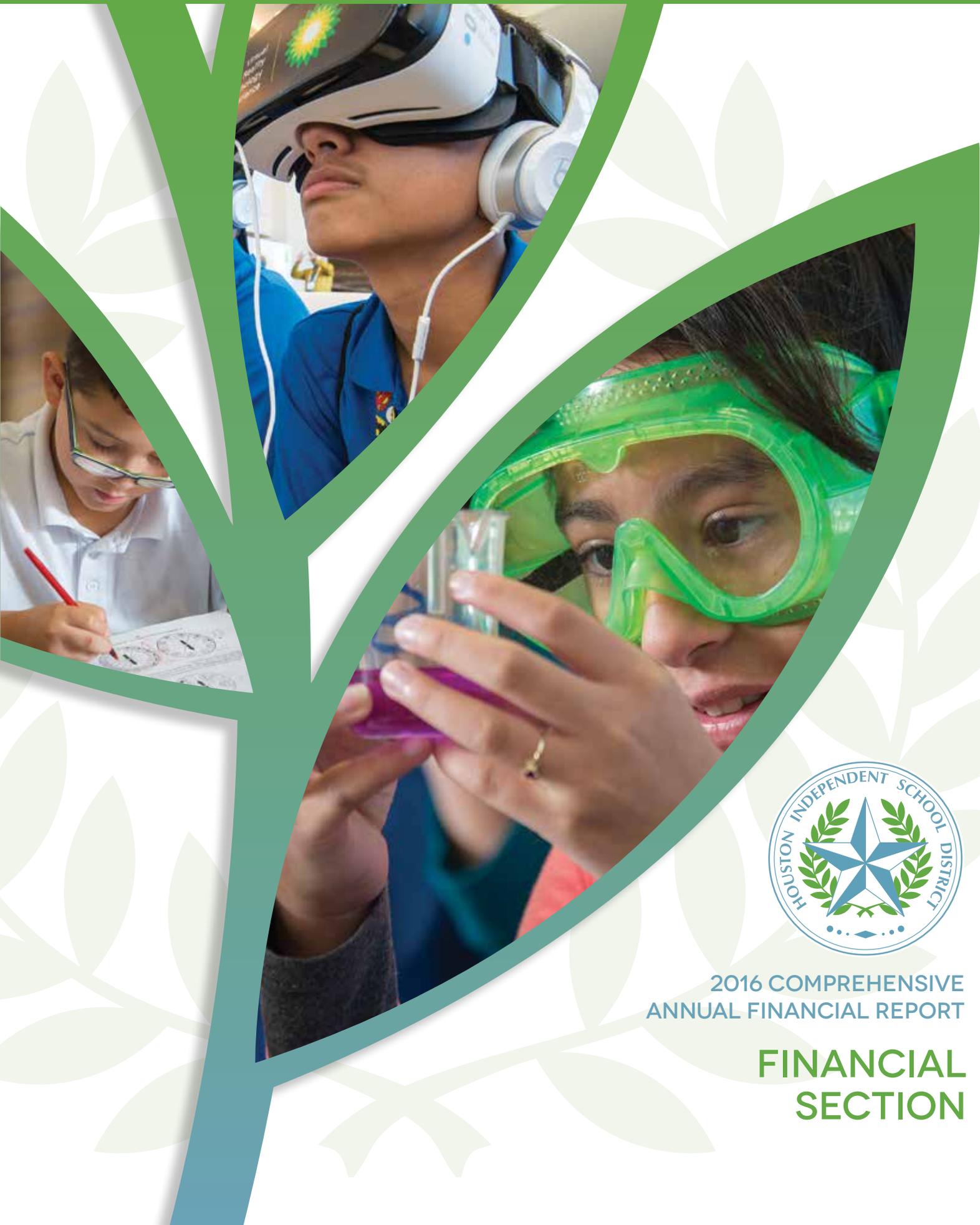
June 30, 2015

Executive Director/CEO



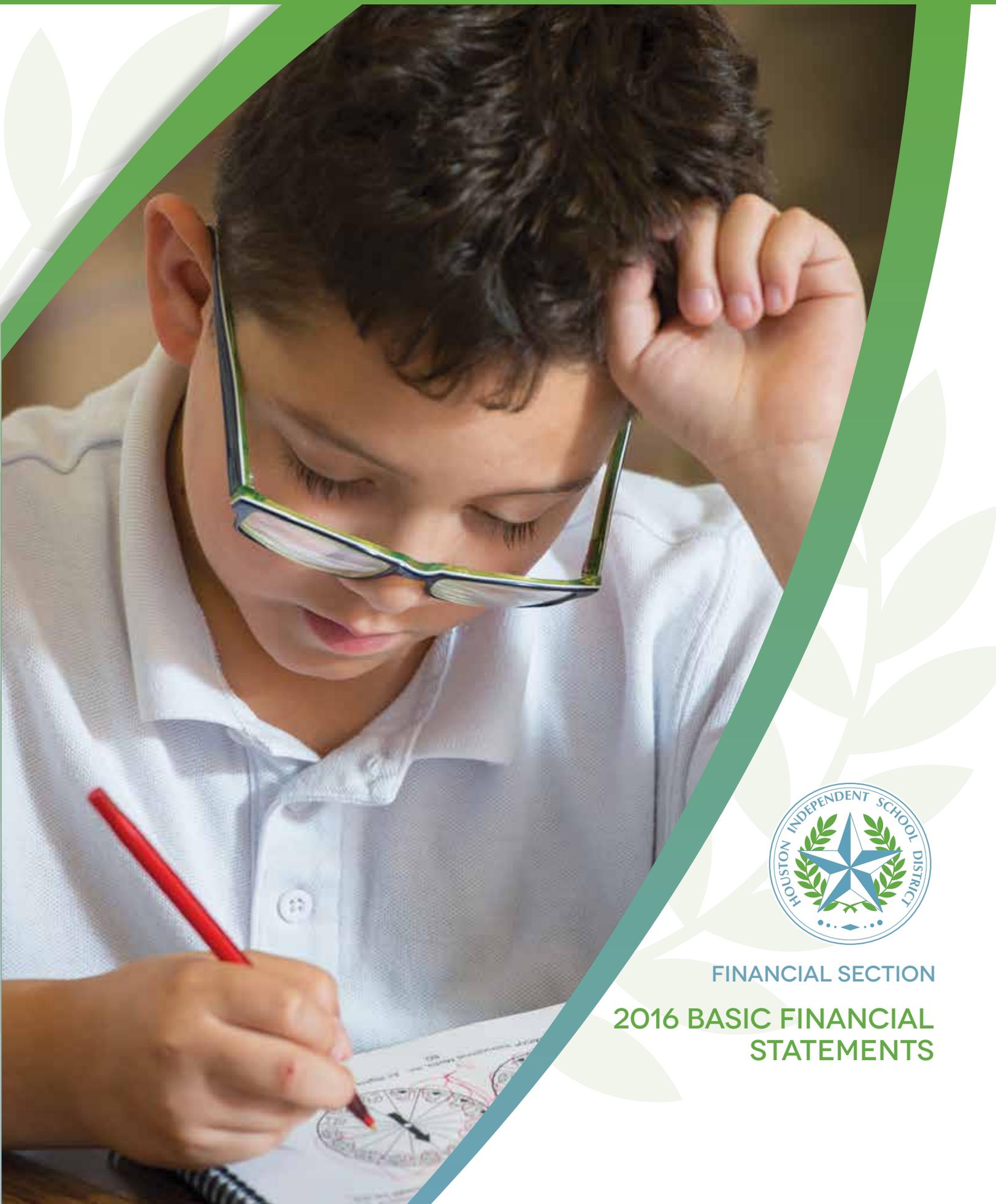
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2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION



FINANCIAL SECTION
2016 BASIC FINANCIAL
STATEMENTS



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Independent Auditor's Report

The Board of Education
Houston Independent School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Houston Independent School District (the "District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2016, the District adopted Governmental Accounting Standards Board (“GASB”) Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, Schedule of Revenues, Expenditures, Changes in Fund Balance – Budget and Actual- General Fund, Special Revenue Fund, Schedule of the District’s Proportionate Share of the Net Pension Liability-Teachers Retirement System, and Schedule of the District’s Contributions – Teachers Retirement System on pages 5–16, 75, 76, 77 and 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Information and Individual and Combining Fund Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Deloitte's Touche LLP

November 10, 2016



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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, 2016. It should be read in conjunction with the transmittal letter at the front of this report and the basic financial statements which follow this section.

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

FINANCIAL HIGHLIGHTS

- On the government-wide financial statement of net position, the assets of the District exceeded the liabilities by \$1.975 billion. Of this amount, \$639 million is unrestricted to meet the ongoing obligations of the District.
- Total net position of the District increased from \$1.889 billion in fiscal year 2015 to \$1.975 billion in fiscal year 2016, an increase of approximately \$86 million.
- Total revenues increased \$78 million from \$2.466 billion in fiscal year 2015 to \$2.544 billion in fiscal year 2016.
- The District's governmental funds financial statements reported a combined ending fund balance in fiscal year 2016 of \$1.918 billion, an increase of \$267 million from fiscal year 2015.
- The debt obligations of the District that receive credit ratings are rated without regard to credit enhancement and received ratings of "Aaa" by Moody's Investor Service Inc. and "AA+" by Standard and Poor's Financial Services LLC. Most general obligation debt receives an enhancement to "AAA" by virtue of a guarantee by the Texas Permanent School Fund Guarantee Program. Lease revenue debt issued by the Houston Independent School District's Public Facility Corporation received ratings of "Aa1" and "AA" by Moody's Investor Service Inc. and Standard and Poor's Financial Services LLC, respectively. Rating information referenced is as of June 30, 2016.

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

The *Statement of Activities* details how the District's net position changed during the most recent fiscal year. All changes in net position 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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

Fund Financial Statements

The District uses fund accounting to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the District's activities are included in governmental funds which focus on (1) how cash and other financial assets 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 nonmajor governmental fund on the same statements.

Proprietary funds are used to account for operations that are financed similar to those found in the private sector. These funds provide both long and short-term financial information. The District maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its nutrition services, business development, and medicaid programs. The Nutrition Services Fund is considered a major proprietary fund. The District uses internal service funds to report activities that provide services for the District's other programs and activities, i.e., health insurance, workers' compensation, print shop, and internal services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities within the government-wide financial statements.

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

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a 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	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	All activities of the District (except fiduciary funds) and the District'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
<i>Required financial statements</i>	<ul style="list-style-type: none"> Statement of Net position Statement of Activities 	<ul style="list-style-type: none"> Balance Sheet Statement of Revenues, Expenditures & Changes in Fund Balances 	<ul style="list-style-type: none"> Statement of Net Position Statement of Revenues, Expenses and Changes in Fund Net Position Statement of cash flows 	<ul style="list-style-type: none"> Statement of Fiduciary Net Position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term.
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	Not applicable to Agency Funds

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District’s financial position. The District’s total net position was approximately \$1.975 billion at June 30, 2016. The District’s governmental activities net position increased by \$96 million. The District’s business-type activities net position decreased by \$10 million.

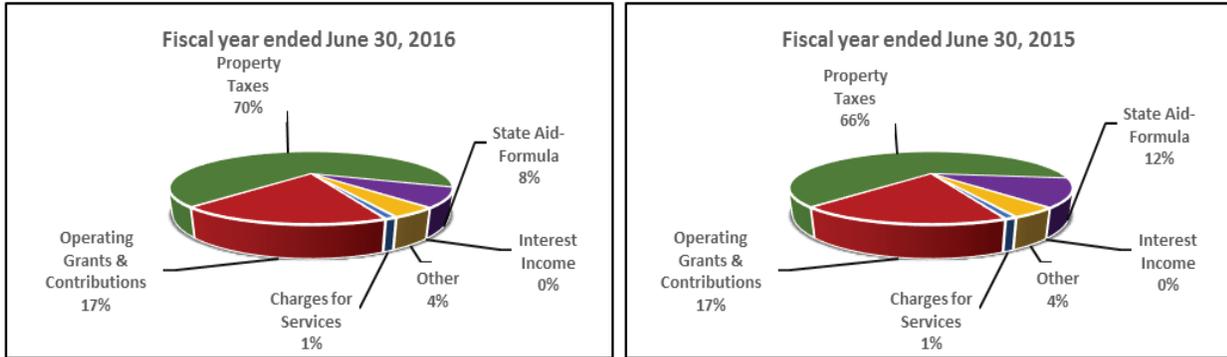
The District’s Condensed Statement of Net Position
(in thousands of dollars)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		Difference
	2016	2015	2016	2015	2016	2015	
Current and other assets	\$ 2,272,499	2,086,606	\$ 58,532	\$ 70,413	\$ 2,331,031	\$ 2,157,019	\$ 174,012
Capital assets	3,486,930	3,284,637	3,543	2,312	3,490,473	3,286,949	203,524
Total assets	5,759,429	5,371,243	62,075	72,725	5,821,504	5,443,968	377,536
Deferred outflows	154,716	69,626	5,993	2,695	160,709	72,321	88,388
Current liabilities	270,534	496,275	1,866	2,717	272,400	498,992	(226,592)
Long term liabilities	3,576,847	3,024,315	15,743	14,969	3,592,590	3,039,284	553,306
Total liabilities	3,847,381	3,520,590	17,609	17,686	3,864,990	3,538,276	326,714
Deferred Inflows	135,017	84,507	6,711	4,493	141,728	89,000	52,728
Net position:							
Net investment in capital assets	1,248,306	1,251,173	3,543	2,312	1,251,849	1,253,485	(1,636)
Restricted	78,989	47,833	5,268	7,004	84,258	54,837	29,421
Unrestricted	604,452	536,766	34,937	43,925	639,388	580,691	58,697
Total net position	\$ 1,931,747	\$ 1,835,772	\$ 43,748	\$ 53,241	\$ 1,975,495	\$ 1,889,013	\$ 86,482

Net 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 \$1.252 billion. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The District’s restricted net position of \$84 million represents resources that are subject to external restrictions on how they may be used. The remaining net position of \$639 million is unrestricted and may be used to meet the District’s ongoing obligations.

Changes in net position. The District’s total revenues were \$2.545 billion. A significant portion, approximately 70 percent, of the District’s revenue is from property taxes. Operating grants and contributions provided 17 percent of revenue while 8 percent comes from state aid formula grants, and only 1 percent relates to charges for services. (See Figure A-2) The total cost of all programs and services was \$2.458 billion.

Figure A-2 District Sources of Revenue



Governmental Activities

The net position of the District’s governmental activities increased by \$96 million due primarily to increases in both maintenance and operations and debt service property tax revenues as a result of increasing property values. Funding for governmental activities is by specific program revenue or through general revenues such as property taxes and investment earnings. The following is a summary of the governmental activities:

- The cost of all *governmental activities* this year was \$2.317 billion.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$287 million.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$2.030 billion of which \$1.773 billion was funded by property taxes and \$219 million was funded by state aid which is not restricted to specific programs.

Business-type Activities

The net position of the District’s business-type activities decreased by \$10 million which is primarily due to a \$7.6 million loss in the Medicaid fund. This loss was generated by a decrease in sales to customers, increase in expenditures related to implementation of new software to capture SHARS data, and transfers to the general fund. Funding for business-type activities is by specific program revenue or through general revenues such as investment earnings and miscellaneous sources. The following is a summary of the business-type activities:

- The cost of all *business-type activities* this year was \$141 million.
- The specific program revenue directly attributable to specific activities was \$159 million.

Changes in Net Position

The total net position of the District increased by \$86 million due to the following activities:

- Property tax revenues increased by \$143 million due to increases in property values.
- Increase in payroll costs, including GASB 68 pension expense, primarily in Instruction and School Leadership.
- Increase in Plant Maintenance due to minor maintenance of District buildings.

The District's Changes in Net Position

(in thousands of dollars)

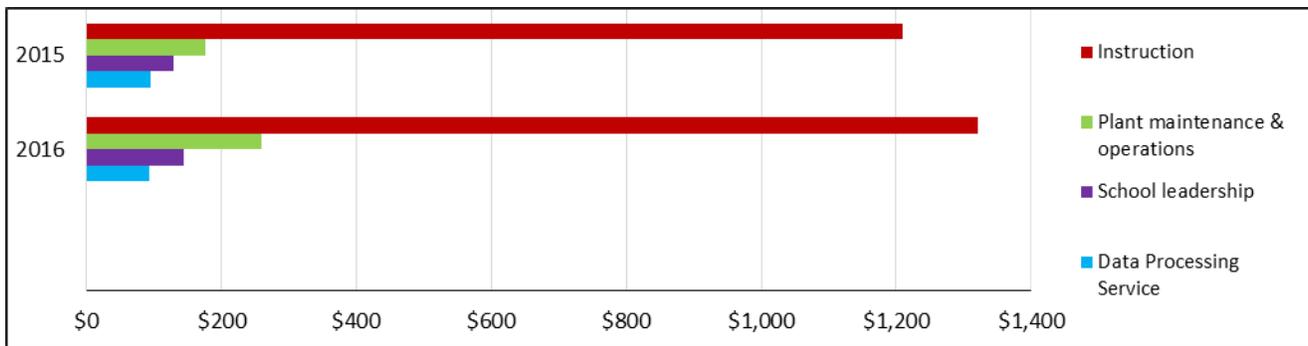
	Governmental Activities		Business-type Activities		Total		Difference
	2016	2015	2016	2015	2016	2015	
Revenues							
Program Revenues							
Charges for services	\$ 2,438	\$ 2,547	\$ 15,300	\$ 17,420	\$ 17,738	\$ 19,967	\$ (2,229)
Operating grants and contributions	284,607	283,689	143,418	144,335	428,025	428,024	1
General Revenues							
Property taxes	1,772,566	1,629,736	-	-	1,772,566	1,629,736	142,830
State aid - not restricted to specific programs	219,042	286,405	-	-	219,042	286,405	(67,363)
Earnings on investments	6,979	3,725	147	57	7,126	3,782	3,344
Other	96,895	97,889	3,209	426	100,104	98,315	1,789
Total revenues	<u>2,382,527</u>	<u>2,303,991</u>	<u>162,074</u>	<u>162,238</u>	<u>2,544,601</u>	<u>2,466,229</u>	<u>78,372</u>
Expenses							
Instruction	1,321,924	1,209,883	-	-	1,321,924	1,209,883	112,041
Instructional resources and media services	6,737	7,703	-	-	6,737	7,703	(966)
Instructional staff development	61,690	60,006	-	-	61,690	60,006	1,684
Curriculum development	9,683	5,718	-	-	9,683	5,718	3,965
Instructional leadership	31,045	28,478	-	-	31,045	28,478	2,567
School leadership	144,729	129,496	-	-	144,729	129,496	15,233
Guidance, counseling, and evaluation services	56,613	46,639	-	-	56,613	46,639	9,974
Social work services	3,667	2,920	-	-	3,667	2,920	747
Health services	21,657	20,326	-	-	21,657	20,326	1,331
Student transportation	60,617	56,263	-	-	60,617	56,263	4,354
Food service	260	735	-	-	260	735	(475)
Co-curricular/extracurricular activities	19,065	17,216	-	-	19,065	17,216	1,849
General administration	36,675	35,367	-	-	36,675	35,367	1,308
Plant maintenance and operations	259,432	175,915	-	-	259,432	175,915	83,517
Security and monitoring services	26,591	22,507	-	-	26,591	22,507	4,084
Data processing services	93,903	95,133	-	-	93,903	95,133	(1,230)
Community services	7,124	6,532	-	-	7,124	6,532	592
Fiscal agent/member districts of shared services	2,261	2,704	-	-	2,261	2,704	(443)
Interest and fiscal charges	87,030	89,351	-	-	87,030	89,351	(2,321)
Juvenile justice alternative education program	792	792	-	-	792	792	0
Tax reinvestment zone payments	52,101	49,360	-	-	52,101	49,360	2,741
Tax appraisal and collection	13,356	12,555	-	-	13,356	12,555	801
Food service	-	-	128,435	122,401	128,435	122,401	6,034
Other	-	-	12,732	9,786	12,732	9,786	2,946
Total expenses	<u>2,316,952</u>	<u>2,075,599</u>	<u>141,167</u>	<u>132,187</u>	<u>2,458,119</u>	<u>2,207,786</u>	<u>250,333</u>
Change in net position before transfers	65,575	228,392	20,907	30,051	86,482	258,443	(171,961)
Transfers	30,400	30,400	(30,400)	(30,400)	-	-	-
Change in net position	95,975	258,792	(9,493)	(349)	86,482	258,443	(171,961)
Beginning net position	<u>1,835,772</u>	<u>1,576,980</u>	<u>53,241</u>	<u>53,590</u>	<u>1,889,013</u>	<u>1,630,570</u>	<u>258,443</u>
Ending net position	<u>\$ 1,931,747</u>	<u>\$ 1,835,772</u>	<u>\$ 43,748</u>	<u>\$ 53,241</u>	<u>\$ 1,975,495</u>	<u>\$ 1,889,013</u>	<u>\$ 86,482</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.

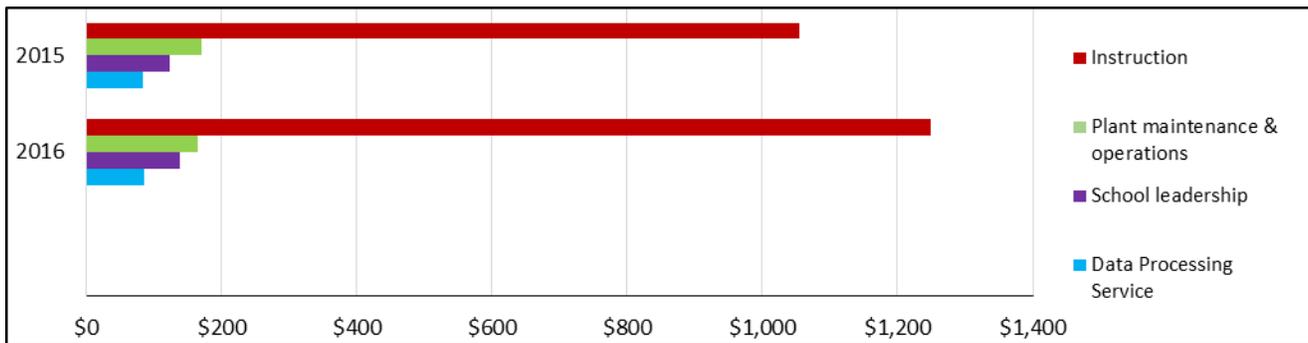
(in millions of dollars)

	<i>Total Cost of Services</i>		<i>Net Cost of Services</i>	
	2016	2015	2016	2015
Instruction	\$ 1,322	\$ 1,210	\$ 1,156	\$ 1,055
Plant maintenance & operations	259	176	256	171
School leadership	145	129	139	123
Data Processing Service	94	95	86	84

Total Cost of Services



Net Cost of Services



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 nonmajor governmental fund (Public Facility Corporation).

Revenues for general governmental functions totaled \$2.334 billion (excluding other sources) for the fiscal year ended June 30, 2016, an increase of 4.4 percent from the prior fiscal year. Property taxes were the largest source of revenue received by the District at 76.1 percent of total revenues. Property taxes are part of the District's target revenue funding system established by the 83rd Texas Legislature. The District earns \$5,569 per weighted average daily attendance ("WADA"). The difference between what the District collects in property taxes and the target revenue per WADA is made up in state funding through Available State Aid for Tax Reduction (ASATR). As property taxes increase, the amount of funding from the State of Texas decreases and vice versa. However, due to the increase in property values the District exceeded the minimum guaranteed revenue and no longer receives ASATR. For the first time in 2015-2016, the District was designated as a wealthy district and was sent \$4.4 million less in state revenue to equalize its wealth which is discussed in more detail later in this document.

Expenditures for general governmental operations totaled \$2.876 billion during fiscal year 2016, a decrease of 7.6 percent from fiscal year 2015. Decreases in expenditures occurred in the functional areas of instructional resources and media services, food services, data processing services, fiscal agent/member districts of shared services arrangements, and debt service fiscal charges.

The District's governmental funds financial statements reported a combined fund balance of \$1.918 billion, an increase of \$267 million. Of this amount, \$386 million is unassigned in the General Fund and is available for spending at the District's discretion. The net increase of the combined fund balances was comprised of fund balance increases in the Capital Renovation Fund of \$200 million, increases in the General Fund of \$92 million, decreases in the non-major Capital Renovation Fund of \$29 million, and a decrease of \$3 million in the Debt Service Fund. Out of the combined fund balances, \$10 million is nonspendable in the General Fund and \$342 million is set aside for other purposes in the General Fund. The remainder of the fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending.

The General Fund is the primary operating fund of the District. The fund balance of the General Fund increased \$92 million during the fiscal year primarily due to increases in property taxes. At the end of the fiscal year, the unassigned fund balance represented 22 percent of the total General Fund expenditures, while total fund balance represented 42 percent of that same amount.

The Special Revenue Fund accounts for all grants received by the District from local, state, and federal sources. The fund balance increased \$7 million primarily due to increases in revenues restricted for E-rate activities and lost textbooks.

The Debt Service Fund has a total fund balance of \$123 million all of which is restricted for the payment of debt service. The net decrease in fund balance during the period in the Debt Service Fund was \$3 million. The decrease resulted primarily from utilizing fund balance as a portion of additional non-required debt service principal payments. The District makes semi-annual debt service payments in December/June, January/July, February/August and March/September of each year. Debt service payments for the period ended June 30, 2016 included all scheduled payments including payments due within 30 days of year end.

The Capital Renovation Fund has a total fund balance of \$958 million of which \$877 million is restricted for rebuild construction programs. The fund balance increased by \$200 million due to the issuance of bonds.

The Capital Renovation Fund – Public Facility Corporation has a total fund balance of \$64 million, all of which is restricted for construction of three projects. The fund balance decreased by \$29 million due to expenditures for the construction projects.

Proprietary Funds The District maintains both enterprise funds and internal service funds. Information is presented separately in the proprietary funds statement of net position and in the proprietary funds statement of revenues, expenses, and changes in net position for the Nutrition Services Fund, which is considered to be a major fund. The net position in the Nutrition Services Fund as of June 30, 2016 was \$9 million. Of this amount, \$3 million represented the investment in capital assets with the remainder restricted for the nutrition service program.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. As a result, actual expenditures were \$255.7 million less than the final appropriated budget which resulted in positive variances. These variances are the result of salaries, benefits, consultants, and contracted services being budgeted at a greater amount than expenditures. Following were the key variances:

Payroll and Benefits

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.

District-Wide

- \$45.0 million in savings from the North Forest incentive funds which is included in the assigned fund balance
- \$17.9 million in savings from the SAP project which will continue into 2016-2017
- \$15.9 million in utility savings
- \$13.0 million in savings for District projects which will continue into 2015-2016
- \$49.0 million savings due to staffing adjustments.

Campuses

- \$13.6 million savings from campus resource allocation funds (regular programs, gifted and talented, bilingual, career and technology, and high school allotment)
- \$11.2 million savings in regular department funds
- \$5.0 million savings in district programs (computer replacement and Power-Up)

The 2014-2015 carryover budget adjusted for the recommended increases and decreases resulted in an overall increase to the 2015-2016 budget of \$122.7 million or 7.05 percent.

Major increases to the General Fund budget include:

- Salary Increases - \$42.3 million
- North Forest Incentive funding - \$33.6 million
- Enrollment Increases to Campus PUA (Per Unit Allocation) - \$16.0 million
- Tax Increment Reinvestment Zone ("TIRZ") - \$8.5 million
- Capital Outlay - \$6.6 million
- Bilingual Stipend Increase - \$5.6 million
- TRS on Behalf - \$4.4M
- Movement of Programs from Title II to General Fund - \$3.9 million
- Capital Replacement Program (5-year cycle) - \$3.8 million
- Apollo Extended Day Intervention - \$1.5 million
- Campus Athletic Increase - \$1.2 million
- Grow Your Own University of Houston Partnership - \$1.0 million

Major decreases to the General Fund carryover budget include:

- Targeted Assistance - \$11.9 million
- One-time funding from prior year - \$6.4 million
- Transfers Out - \$2.9 million
- District-Wide Operating - \$1.3 million

One-time cost items to the General Fund include:

- District Bus and Police Radio Tower and System Replacement - \$8.0 million
- Bus Fleet Replacement - \$3.0 million

The final budgeted amount for revenues was \$1.747 billion. Actual revenues are over the revised budget by \$77.9 million primarily due to an increase in property taxes and increase in state aid as a result of prior years property tax audits.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District had invested \$3.490 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 \$203 million over last year.

District's Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental		Business-Type		Total		Total
	Activities		Activities		Total		Percentage
	2016	2015	2016	2015	2016	2015	Change
Land	\$ 281,712	277,386	\$ -	-	\$ 281,712	277,386	1.56%
Buildings and Improvements	2,424,962	2,358,449	-	-	2,424,962	2,358,449	2.82%
Vehicles	34,726	33,691	1,349	699	36,075	34,390	4.90%
Furniture and Equipment	86,955	86,676	2,194	1,613	89,149	88,289	0.97%
Construction in Progress	658,575	528,435	-	-	658,575	528,435	24.63%
Total	\$ 3,486,930	3,284,637	\$ 3,543	2,312	\$ 3,490,473	3,286,949	6.19%

As of June 30, 2016, the District had fully funded construction commitments of \$434,215,835. More detailed information about the District's capital assets is presented in Note 6 of the "Notes to the Basic Financial Statements."

Long Term Debt

As of June 30, 2016, the District had net bonded debt outstanding of \$3.09 billion. The District debt totals included \$558 million in Variable Rate Bonds outstanding at fiscal year end. The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per student are useful indicators of the District's debt position. This data reflects an increase in the ratio of net bonded debt to assessed value to 2.01 percent, as compared to 1.92 percent last year.

On April 12, 2016 the District issued \$757,195,000 of general obligation debt. This debt issuance was comprised of \$264,315,000 in refunding bonds and \$492,880,000 in new bonded debt. The new par debt along with original issuance premium utilized \$560,000,000 of the remaining unissued debt from the 2012 voter authorization. The District executed an exchange refunding totaling \$19,975,000 on April 19, 2016 and on June 1, 2016 the District issued variable rate refunding bonds with a par value of \$137,295,000 in connection with the remarketing of previously issued variable rate debt.

Outstanding variable rate debt decreased by \$69.4 million compared to prior year ending balances as a result of redemptions through use of available debt service funds. Variable rate debt as a percentage of net bonded debt outstanding as of June 30, 2016 is 18.1 percent.

The District issued refunding bonds in the amount of \$40,360,000 in order to refund previously issued Maintenance Tax Notes.

The District did not issue any contractual obligations during the year ended June 30, 2016. Contractual obligations, with a remaining balance of \$8,310,000, were previously 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.

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 an assigned part of fund balance, if needed, on an annual basis. As of June 30, 2016, no arbitrage rebate liability exists.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

When the 2016-2017 budget was adopted in June 2016, the District projected an increase in general fund local funding from the 2015-2016 original budgeted property tax levy of \$103.7 million, a loss of state funding of \$76.8 million. Other local sources had no change, other state revenues decreased by \$21 million due to a decrease in TRS On-Behalf of payments, and an increase in federal revenue of \$498 thousand.

The 2016-2017 state revenue projections are based on an estimated average daily attendance (ADA) of 193,009.465 or 267,857.490 based on a weighted average daily attendance (WADA).

In May 2015, the 83rd Legislature put \$3.61 billion back into Public Education for the 2015-2016 biennium. Funding of \$1.2 billion is related to the Basic Allotment, \$860 million is related to the Austin Yield, \$1.25 billion is for an increase in the state mandated homestead exemption, \$200 million is for fractional funding, and \$100 million is for the new facilities allotment. In addition to the \$3.61 billion, the state added \$2.5 billion for statewide enrollment growth for a total increase to public education of \$6.11 billion.

The District's General Fund is funded primarily between local property taxes and state revenue. Through the state's funding formula, a school district receives a basic allotment for each student with weights added to that allotment if the student receives additional services such as special education, at-risk (state compensatory education) bilingual, gifted and talented, and career and technology. The District also receives other funds on top of student generated funding, such as the high school allotment, staff allotment, and transportation.

Under the current funding system, the District has a hold harmless level called targeted revenue. With this system, the District is guaranteed a minimum amount of revenue per Weighted Average daily Attendance (WADA), between property taxes and state aid. However, the state's funding formula, Chapter 41 of the Texas Education Code, requires that if a district's wealth per student exceeds an amount set in statute, then the district must make payments back to the state through the Recapture process. Chapter 41 Recapture may be accomplished by several means, but ultimately the district ends of keeping a reduced portion of their local property taxes as wealth per student increases. State Funding and Chapter 41 are discussed in more detail in the Informational Section of this document.

In 2015-2016, for the first time, the District was considered property wealthy (Chapter 41 or "Robin Hood") and was required to equalize its wealth by trading Foundation School Program Funding in the amount of \$4.4 million to equalize its wealth. For 2016-2017, the District will owe the state approximately \$161.8 million by either sending funds to the state or by the state detaching property to another district, thereby reducing the District's wealth. The District is required to hold an election to get approval from the tax payers to send funds back to the state, which is the least financial impactful option to the District and taxpayers. Detachment does not require voter approval, however it would significantly impact both the detached property and the remaining District taxpayers. This election was held on November 8, 2016.

The Legislature put the funds back in through several changes to the funding formula.

1. The basic allotment was increased from \$5,040 to \$5,140 for 2015-2016 and 2016-2017. This base amount generated by every student in HISD.
2. The Equalized Wealth Level was changed from \$504,000 to \$514,000 for 2015-2016 and 2016-2017. This is the level at which a district becomes Chapter 41 ("Robin Hood") and must send a portion of local property taxes to the state.
3. The Tier II (Austin Yield) changed to \$74.28 in 2015-16 and \$77.53 in 2016-17. This funding is generated by \$.04 pennies of the district's tax rate approved in 2006-2007.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at 4400 West 18th Street, Houston, Texas 77092, or call (713) 556-6600.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,056,126	\$ 804,030	\$ 4,860,156
Investments	2,043,470,297	27,939,250	2,071,409,547
Delinquent taxes receivable - net of estimated uncollectible taxes	41,182,390	-	41,182,390
Accounts receivable	171,135,213	25,177,593	196,312,806
Inventories	3,338,782	4,288,324	7,627,106
Other assets	9,316,134	322,948	9,639,082
Land	281,712,465	-	281,712,465
Construction in progress	658,574,575	-	658,574,575
Buildings and improvements	3,724,706,534	-	3,724,706,534
Furniture and equipment	175,789,370	3,635,824	179,425,194
Vehicles	121,174,832	3,329,223	124,504,055
Accumulated depreciation	(1,475,027,773)	(3,421,682)	(1,478,449,455)
Total assets	<u>5,759,428,945</u>	<u>62,075,510</u>	<u>5,821,504,455</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred losses on debt refundings	29,346,538	-	29,346,538
Deferred outflows related to TRS	125,369,549	5,992,739	131,362,288
	<u>154,716,087</u>	<u>5,992,739</u>	<u>160,708,826</u>
LIABILITIES			
Accounts payable	87,266,494	2,104,904	89,371,398
Accrued salaries and related expenses	88,358,532	1,327,168	89,685,700
Other liabilities	47,801,542	-	47,801,542
Internal balances	2,168,271	(2,168,271)	-
Unearned revenues	3,848,128	602,458	4,450,586
Interest payable	41,091,143	-	41,091,143
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	183,007,670	-	183,007,670
Contractual obligations payable	2,685,000	-	2,685,000
Notes payable	5,000,000	-	5,000,000
Lease purchases	13,042,110	-	13,042,110
Accretion payable	6,736,518	-	6,736,518
Compensated absences payable	2,845,743	206,508	3,052,251
Claims payable	17,519,371	-	17,519,371
Portion due or payable after one year:			
Bonds payable	2,954,633,360	-	2,954,633,360
Contractual obligations payable	5,625,000	-	5,625,000
Notes payable	35,360,000	-	35,360,000
Lease purchases	16,374,243	-	16,374,243
Accretion payable	10,053,896	-	10,053,896
Compensated absences payable	34,815,580	356,313	35,171,893
Claims payable	4,605,313	-	4,605,313
Net Pension Liability (District's Share)	284,543,155	15,180,259	299,723,414
Total liabilities	<u>3,847,381,069</u>	<u>17,609,339</u>	<u>3,864,990,408</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred gains on debt refundings	827,344	-	827,344
Deferred inflows related to TRS	134,189,976	6,710,690	140,900,666
	<u>135,017,320</u>	<u>6,710,690</u>	<u>141,728,010</u>
NET POSITION			
Net investment in capital assets	1,248,306,026	3,543,365	1,251,849,391
Restricted for:			
Debt service	78,988,962	-	78,988,962
Nutrition services	-	5,268,295	5,268,295
Unrestricted	604,451,655	34,936,560	639,388,215
Total net position	<u>\$ 1,931,746,643</u>	<u>\$ 43,748,220</u>	<u>\$ 1,975,494,863</u>

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



FINANCIAL EXCELLENCE
SUPPORTING
ACADEMIC SUCCESS

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HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction	\$ 1,321,923,485	\$ 1,615,963	\$ 164,542,229	\$ (1,155,765,293)	\$ -	\$ (1,155,765,293)
Instructional resources and media services	6,736,868	-	836,339	(5,900,529)	-	(5,900,529)
Instructional staff development	61,690,290	-	35,233,771	(26,456,519)	-	(26,456,519)
Curriculum development	9,683,262	-	3,511,449	(6,171,813)	-	(6,171,813)
Instructional leadership	31,044,536	-	9,093,536	(21,951,000)	-	(21,951,000)
School leadership	144,729,360	-	6,206,009	(138,523,351)	-	(138,523,351)
Guidance, counseling, and evaluation services	56,613,106	-	13,419,689	(43,193,417)	-	(43,193,417)
Social work services	3,667,034	-	1,398,581	(2,268,453)	-	(2,268,453)
Health services	21,657,215	-	4,610,370	(17,046,845)	-	(17,046,845)
Student transportation	60,617,212	-	21,742,452	(38,874,760)	-	(38,874,760)
Food service	260,243	-	5,589	(254,654)	-	(254,654)
Co-curricular/extracurricular activities	19,065,366	369,886	2,678,939	(16,016,541)	-	(16,016,541)
General administration	36,675,151	-	2,963,291	(33,721,860)	-	(33,721,860)
Plant maintenance and operations	259,431,697	451,698	2,737,837	(256,242,162)	-	(256,242,162)
Security and monitoring services	26,590,964	-	881,837	(25,709,127)	-	(25,709,127)
Data processing services	93,903,264	-	7,669,670	(86,233,594)	-	(86,233,594)
Community services	7,124,283	-	4,824,675	(2,299,608)	-	(2,299,608)
Fiscal agent/member districts of shared services	2,260,646	-	2,260,646	-	-	-
Juvenile justice alternative education program	792,000	-	-	(792,000)	-	(792,000)
Tax reinvestment zone payments	52,100,723	-	-	(52,100,723)	-	(52,100,723)
Tax appraisal and collection	13,355,890	-	-	(13,355,890)	-	(13,355,890)
Interest and fiscal charges	87,029,681	-	-	(87,029,681)	-	(87,029,681)
Total governmental activities	2,316,952,276	2,437,547	284,606,909	(2,029,907,820)	-	(2,029,907,820)
Business-type activities:						
Nutrition services	128,435,220	7,287,832	116,502,421	-	(4,644,967)	(4,644,967)
Business development	4,576,260	5,047,196	-	-	470,936	470,936
Medicaid	6,992,294	2,366,643	26,915,256	-	22,289,605	22,289,605
Marketplace	1,163,580	598,726	-	-	(564,854)	(564,854)
Total business-type activities	141,167,354	15,300,397	143,417,677	-	17,550,720	17,550,720
Total activities	\$ 2,458,119,630	\$ 17,737,944	\$ 428,024,586	(2,029,907,820)	17,550,720	(2,012,357,100)
General revenues:						
Taxes:						
Maintenance & operations property taxes				1,524,975,899	-	1,524,975,899
Debt service property taxes				247,590,294	-	247,590,294
State aid - not restricted to specific programs				219,041,630	-	219,041,630
Tax increment reinvestment zone				28,256,492	-	28,256,492
Unrestricted investment earnings				6,979,458	146,707	7,126,165
Miscellaneous				17,286,979	619,151	17,906,130
Gain/(Loss) sale of real or personal property				(7,730,853)	-	(7,730,853)
On-behalf State pension contribution-GASB 68				59,082,962	2,590,276	61,673,238
Transfers in (out)				30,400,000	(30,400,000)	-
Total general revenues and transfers				2,125,882,861	(27,043,866)	2,098,838,995
Change in net position				95,975,041	(9,493,146)	86,481,895
Net position—beginning				1,835,771,602	53,241,366	1,889,012,968
Net position—ending				\$ 1,931,746,643	\$ 43,748,220	\$ 1,975,494,863

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	MAJOR				NONMAJOR		Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation Fund - PFC		
ASSETS							
Cash and cash equivalents	\$ 3,346,093	\$ 133,809	\$ 20,912	\$ 14,310	\$ 283,316	\$ 3,798,440	
Investments	728,029,902	20,167,998	124,532,020	1,014,038,732	71,008,921	1,957,777,573	
Delinquent taxes receivable - net of estimated uncollectible taxes	36,502,871	-	4,679,519	-	-	41,182,390	
Accounts receivable	131,251,681	37,302,092	2,392,157	7,921	-	170,953,851	
Due from other funds	-	-	2,853,500	552,640	-	3,406,140	
Inventories	3,338,782	-	-	-	-	3,338,782	
Other assets	8,149,444	196,459	23,696	788,328	34,689	9,192,616	
Total assets	\$ 910,618,773	\$ 57,800,358	\$ 134,501,804	\$ 1,015,401,931	\$ 71,326,926	\$ 2,189,649,792	
LIABILITIES							
Accounts payable	\$ 20,683,350	\$ 4,920,333	\$ 181	\$ 57,301,389	\$ 7,371,653	\$ 90,276,906	
Debt service payable	-	-	8,100,242	-	-	8,100,242	
Accrued salaries and expenditures	82,871,171	4,699,059	-	260,198	-	87,830,428	
Other liabilities	38,040,974	1,660,326	-	-	-	39,701,300	
Due to other funds	869,883	8,026,580	-	-	-	8,896,463	
Unearned revenues	-	3,836,680	-	-	-	3,836,680	
Total liabilities	142,465,378	23,142,978	8,100,423	57,561,587	7,371,653	238,642,019	
DEFERRED INFLOWS OF RESOURCES							
Deferred property taxes	28,458,915	-	3,276,386	-	-	31,735,301	
Deferred revenues	1,448,615	-	-	-	-	1,448,615	
Total deferred inflows of resources	29,907,530	-	3,276,386	-	-	33,183,916	
FUND BALANCES							
Nonspendable	10,166,319	-	-	-	-	10,166,319	
Restricted	-	34,657,380	123,124,995	876,943,939	63,955,273	1,098,681,587	
Committed	91,482,865	-	-	21,000,196	-	112,483,061	
Assigned	250,970,779	-	-	59,896,209	-	310,866,988	
Unassigned	385,625,902	-	-	-	-	385,625,902	
Total fund balances	738,245,865	34,657,380	123,124,995	957,840,344	63,955,273	1,917,823,857	
Total liabilities, deferred inflows of resources, and fund balances	\$ 910,618,773	\$ 57,800,358	\$ 134,501,804	\$ 1,015,401,931	\$ 71,326,926	\$ 2,189,649,792	

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016**

Total Fund Balances— Governmental Funds \$ 1,917,823,857

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds. The cost of the assets is \$4,961,957,776 and the accumulated depreciation is \$1,475,027,773. 3,486,930,003

Property taxes and other receivables are not available soon enough to pay for the current period's expenditures, and therefore, are deferred in the funds. 33,183,916

Various internal service fund noncurrent assets included in the proprietary funds statement of net position. (2,240,491)

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. 63,591,099

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	\$ 2,954,130,138	
Accretion of interest payable	16,790,414	
Contractual obligations payable	5,625,000	
Notes payable	35,360,000	
Compensated absences payable	37,188,655	
Lease purchases payable	29,416,353	
Premium on bonds payable	183,510,892	
Accrued interest payable	40,675,901	
		(3,302,697,353)

Deferred gains and losses on the refunding of bonds are not reported in the funds but are considered deferred inflows and outflows in the statement of net position. 28,519,194

Included in the items related to debt is the recognition of the District's proportionate share of pension liability required by GASB 68:

Net pension liability	\$ (284,543,155)	
Deferred resource inflow related to TRS	(134,189,976)	
Deferred resource outflow related to TRS	125,369,549	
Decrease in Net Position		(293,363,582)

Total Net Position of Governmental Activities \$ 1,931,746,643

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, 2016

	MAJOR				NONMAJOR Capital Renovation Fund - PFC	Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund		
REVENUES						
Property taxes	\$ 1,529,263,319	\$ -	\$ 248,730,091	\$ -	\$ -	\$ 1,777,993,410
Earnings on investments	3,232,594	-	463,186	-	-	6,537,913
Miscellaneous local sources	13,759,647	14,217,474	-	2,644,715	197,418	53,679,466
State sources	272,213,562	35,493,126	7,081,047	25,702,345	-	310,517,735
Federal sources	6,084,052	171,984,510	7,089,869	-	-	185,158,431
Total revenues	1,824,553,174	221,695,110	259,094,193	28,347,060	197,418	2,333,886,955
EXPENDITURES						
Current						
Instruction	1,025,346,290	130,703,421	-	-	-	1,156,049,711
Instructional resources and media services	5,928,415	664,991	-	-	-	6,593,406
Instructional staff development	25,437,079	34,833,070	-	-	-	60,270,149
Curriculum development	6,066,473	3,327,869	-	-	-	9,394,342
Instructional leadership	20,540,184	8,502,060	-	-	-	29,042,244
School leadership	136,139,474	1,956,375	-	-	-	138,095,849
Guidance, counseling and evaluation services	41,209,339	12,621,827	-	-	-	53,831,166
Social work services	2,219,238	1,329,790	-	-	-	3,549,028
Health services	16,707,595	4,071,752	-	-	-	20,779,347
Student transportation	54,671,516	4,238,508	-	-	-	58,910,024
Food services	248,052	5,589	-	-	-	253,641
Co-curricular/extracurricular activities	16,505,861	2,436,826	-	-	-	18,942,687
General administration	33,252,921	1,929,712	-	-	-	35,182,633
Plant maintenance and operations	165,689,639	288,001	-	-	-	165,977,640
Security and monitoring services	25,181,544	150,567	-	-	-	25,332,111
Data processing services	84,612,978	871,216	-	-	-	85,484,194
Community services	2,196,934	4,766,680	-	-	-	6,963,614
Fiscal agent/member districts of shared services arrangements	-	2,260,646	-	-	-	2,260,646
Juvenile justice alternative education program	792,000	-	-	-	-	792,000
Tax reinvestment zone payments	52,100,723	-	-	-	-	52,100,723
Tax appraisal and collection	13,355,890	-	-	-	-	13,355,890
Debt service						
Principal	13,053,280	-	127,224,916	-	-	140,278,176
Interest	893,523	-	156,845,942	-	-	157,739,465
Fiscal charges	-	-	1,959,956	-	-	1,959,956
Payments to escrow agents - current refunding	-	-	203,287,228	-	-	203,287,228
Capital outlay						
Facilities acquisition and construction	2,969,217	170,388	-	396,673,409	29,477,323	429,290,307
Total expenditures	1,745,118,145	215,129,258	489,318,042	396,673,409	29,477,323	2,875,716,177
Excess (deficiency) of revenues over (under) expenditures	79,435,029	6,565,852	(230,223,849)	(388,326,349)	(29,279,905)	(541,829,222)
OTHER FINANCING SOURCES (USES)						
Transfers in	30,400,000	-	23,710,657	15,553,307	-	69,663,964
Transfers out	(26,395,083)	-	-	(12,868,881)	-	(39,263,964)
Issuance of bonds and other debt	-	-	-	492,880,000	-	492,880,000
Issuance of refunding debt	-	-	461,945,000	-	-	461,945,000
Premium on the sale of bonds	-	-	-	69,665,118	-	69,665,118
Premium on the sale of refunding bonds	-	-	55,976,555	-	-	55,976,555
Capital leases	8,640,097	-	-	-	-	8,640,097
Proceeds from sale of capital assets	-	-	-	3,049,975	-	3,049,975
Payments to escrow agents - advance refunding	-	-	(313,982,644)	-	-	(313,982,644)
Total other financing sources (uses)	12,645,014	-	227,649,568	588,279,519	-	808,574,101
Net change in fund balances	92,080,043	6,565,852	(2,574,281)	199,953,170	(29,279,905)	266,744,879
Fund balances--beginning	646,165,822	28,091,528	125,699,276	757,887,174	93,235,178	1,651,078,978
Fund balances--ending	738,245,865	34,657,380	123,124,995	957,840,344	63,955,273	1,917,823,857

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, 2016**

Total Net Change in Fund Balances—Governmental Funds \$ 266,744,879

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

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

Facilities acquisition and construction	429,290,307	
Other Acquisitions and disposals	(93,991,273)	
Depreciation expense	<u>(133,006,387)</u>	202,292,647

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

Bonds payable	(333,110,084)	
Contractual obligations payable	2,685,000	
Notes payable	5,000,000	
Amortization of premium on bonds payable	(89,987,943)	
Lease purchase payable, net	1,592,260	
Accretion payable, net	<u>40,330,696</u>	(373,490,071)

Deferred inflows of gains and losses on debt refundings are amortized over the term of the bonds in the statements but are expensed in the year incurred in governmental funds. 9,939,227

Property taxes and other receivables, that will not be collected until after the District's fiscal year end, are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues, net of allowance for bad debt, and otherdeferred revenues increased by this amount. (5,446,494)

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. 4,378,156

The net effect of various miscellaneous transactions involving capital assets having the effect of decreasing net assets. (287,903)

In the statement of activities, compensated absences (sick pay, state personal leave, vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amounts earned were exceeded by the compensated absences used. (2,981,335)

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. (18,571,036)

GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2015 caused the change in the ending net position to increase in the amount of \$36,667,150 Contributions made before the measurement but during the 2016 FY were also de-expended and recorded as a reduction in the net pension liability for the District. This also caused an increase in the change in net position in the amount of \$5,789,926. The District recorded its' proportionate share of the pension expense during the measurement period as part of the net pension liability. The amount expensed for FY2016 was \$30,726,208 and the amount de-expended for the net deferred resource inflow recognized by TRS in the measurement period was \$5,535,543. This caused a net increase in the change in net position of \$36,261,751. Amortization of the deferred resource outflows and inflows in FY 2016 was \$3,736,987 and \$21,093,045, respectively. The contributions difference for measurement period was 10,154,411. The net of these caused an increase in \$7,201,646. The impact of these adjustments is to increase the change in net position by \$13,396,971.

13,396,971

Change in Net Position of Governmental Activities \$ 95,975,041

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Nutrition Services Fund	Nonmajor Enterprise Funds	Totals	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 111,083	\$ 692,947	\$ 804,030	\$ 257,686
Investments	16,652,493	11,286,757	27,939,250	85,692,724
Receivables	3,516,367	21,661,226	25,177,593	181,362
Due from other funds	301,607	245,499	547,106	4,950,608
Accrued interest	-	-	-	53,206
Inventories	4,259,163	29,161	4,288,324	-
Other assets	322,948	-	322,948	70,312
Total current assets	<u>25,163,661</u>	<u>33,915,590</u>	<u>59,079,251</u>	<u>91,205,898</u>
Noncurrent assets:				
Buildings and improvements	-	-	-	1,844,878
Construction in Progress	-	-	-	301,700
Furniture and equipment	3,305,234	330,590	3,635,824	520,631
Vehicles	3,329,223	-	3,329,223	146,957
Less accumulated depreciation	(3,238,212)	(183,470)	(3,421,682)	(573,675)
Total noncurrent assets	<u>3,396,245</u>	<u>147,120</u>	<u>3,543,365</u>	<u>2,240,491</u>
Total assets	<u>28,559,906</u>	<u>34,062,710</u>	<u>62,622,616</u>	<u>93,446,389</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to TRS	5,992,739	-	5,992,739	-
	<u>5,992,739</u>	<u>-</u>	<u>5,992,739</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,733,543	371,361	2,104,904	5,089,830
Due to other funds	-	7,391	7,391	-
Accrued salaries payable	1,227,487	99,680	1,327,167	528,104
Compensated absences payable	171,145	35,363	206,508	102,471
Claims and judgments payable	-	-	-	17,519,371
Unearned Revenues	602,458	-	602,458	11,448
Total current liabilities	<u>3,734,633</u>	<u>513,795</u>	<u>4,248,428</u>	<u>23,251,224</u>
Noncurrent liabilities:				
Compensated absences payable	262,523	93,790	356,313	370,197
Claims and judgments payable	-	-	-	4,605,313
Net Pension Liability (District's Share)	15,180,259	-	15,180,259	-
Total noncurrent liabilities	<u>15,442,782</u>	<u>93,790</u>	<u>15,536,572</u>	<u>4,975,510</u>
Total liabilities	<u>19,177,415</u>	<u>607,585</u>	<u>19,785,000</u>	<u>28,226,734</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to TRS	6,710,690	-	6,710,690	-
	<u>6,710,690</u>	<u>-</u>	<u>6,710,690</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	3,396,245	147,120	3,543,365	2,240,491
Restricted for:				
Nutrition Service	5,268,295	-	5,268,295	-
Unrestricted	-	33,308,005	33,308,005	62,979,164
Total net position	<u>\$ 8,664,540</u>	<u>\$ 33,455,125</u>	<u>\$ 42,119,665</u>	<u>\$ 65,219,655</u>

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

1,628,555

Net position of business-type activities

\$ 43,748,220

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Nutrition Services Fund	Nonmajor Enterprise Funds	Totals	
OPERATING REVENUES:				
Charges for sales and services:				
Sales to customers	\$ 7,287,832	\$ 598,726	\$ 7,886,558	\$ 24,527,125
Consulting Services	-	7,413,839	7,413,839	-
Charges to employees and other funds	-	-	-	128,606,979
Miscellaneous	105,686	513,465	619,151	1,402,941
Total operating revenues	<u>7,393,518</u>	<u>8,526,030</u>	<u>15,919,548</u>	<u>154,537,045</u>
OPERATING EXPENSES:				
Payroll costs	50,780,078	2,898,873	53,678,951	13,943,489
Purchased and contracted services	10,801,011	8,316,436	19,117,447	9,754,916
Supplies and materials	59,556,498	1,083,277	60,639,775	2,691,768
Other operating expenses	5,091,911	371,157	5,463,068	2,205,238
Claims and judgments	-	-	-	146,181,709
Depreciation	832,077	62,391	894,468	146,148
Total operating expenses	<u>127,061,575</u>	<u>12,732,134</u>	<u>139,793,709</u>	<u>174,923,268</u>
Operating income (loss)	<u>(119,668,057)</u>	<u>(4,206,104)</u>	<u>(123,874,161)</u>	<u>(20,386,223)</u>
NONOPERATING REVENUES (EXPENSES):				
Earnings on investments	40,092	106,615	146,707	441,545
Grants from federal agencies:				
Child nutrition program	103,597,536	-	103,597,536	-
Donated commodities	6,862,230	-	6,862,230	-
Child and Adult Care Program	1,759,279	-	1,759,279	-
Summer food program	3,698,336	-	3,698,336	-
School health services (SHARS)	-	26,915,256	26,915,256	-
State matching and other	3,175,316	-	3,175,316	-
Total nonoperating revenue	<u>119,132,789</u>	<u>27,021,871</u>	<u>146,154,660</u>	<u>441,545</u>
Income (loss) before transfers	(535,268)	22,815,767	22,280,499	(19,944,678)
Transfers In	-	-	-	-
Transfers out	-	(30,400,000)	(30,400,000)	-
Change in net position	(535,268)	(7,584,233)	(8,119,501)	(19,944,678)
Total net position—beginning	9,199,808	41,039,358	-	85,164,333
Total net position—ending	<u>\$ 8,664,540</u>	<u>\$ 33,455,125</u>	-	<u>\$ 65,219,655</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.

(1,373,645)

Change in net position of business-type activities

\$ (9,493,146)

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, 2016

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Nutrition Services Fund	Nonmajor Enterprise Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from user charges	\$ 7,110,107	\$ 11,361,356	\$ 18,471,463	\$ 159,278,135
Receipts from other funds	-	10,728	10,728	-
Other receipts	9,026,155	-	9,026,155	1,467,293
Payments to suppliers	(75,958,275)	(10,009,085)	(85,967,360)	(12,442,648)
Payments to employees	(47,992,425)	(2,881,430)	(50,873,855)	(9,246,416)
Payments to other funds	(1,143,339)	(400,000)	(1,543,339)	-
Claims paid	-	-	-	(153,449,193)
Other payments	-	(99,575)	(99,575)	(682,120)
Net cash used in operating activities	<u>(108,957,777)</u>	<u>(2,018,006)</u>	<u>(110,975,783)</u>	<u>(15,074,949)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Child nutrition program	103,597,536	-	103,597,536	-
State matching and other	585,040	-	585,040	-
Summer food program	3,698,336	-	3,698,336	-
Receipts from SHARS	-	26,915,256	26,915,256	-
Transfers to other funds	-	(30,400,000)	(30,400,000)	-
Net cash provided by (used in) noncapital financing activities	<u>107,880,912</u>	<u>(3,484,744)</u>	<u>104,396,168</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(2,032,888)	(92,757)	(2,125,645)	(436,185)
Net cash used in capital and related financing activities	<u>(2,032,888)</u>	<u>(92,757)</u>	<u>(2,125,645)</u>	<u>(436,185)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(109,840,092)	(33,778,615)	(143,618,707)	(225,384,318)
Proceeds from sales and maturities of investments	112,940,000	39,891,000	152,831,000	240,603,068
Interest and dividends	40,092	106,615	146,707	441,545
Net cash provided by investing activities	<u>3,140,000</u>	<u>6,219,000</u>	<u>9,359,000</u>	<u>15,660,295</u>
Net increase in cash and cash equivalents	30,247	623,493	653,740	149,161
Balances—beginning of the year	<u>80,836</u>	<u>69,454</u>	<u>150,290</u>	<u>108,525</u>
Balances—end of the year	<u>\$ 111,083</u>	<u>\$ 692,947</u>	<u>\$ 804,030</u>	<u>\$ 257,686</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (119,668,057)	\$ (4,206,104)	\$ (123,874,161)	\$ (20,386,223)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation expense	832,077	62,391	894,468	146,148
Donated commodities	6,862,230	-	6,862,230	-
CACFP	1,759,279	-	1,759,279	-
Change in assets and liabilities:				
Receivables	(177,724)	2,616,064	2,438,340	109,049
Inventories and other assets	317,089	27,962	345,051	-
Accounts payables	(825,945)	(29,013)	(854,958)	227,421
Due from other funds	(1,143,339)	-	(1,143,339)	8,238,318
Accrued interest	-	-	-	(1,430,756)
Due to other funds	-	(506,750)	(506,750)	71,710
Accrued salaries payable	699,510	22,062	721,572	183,669
Compensated absences payable	85,208	(4,618)	80,590	31,818
Current portion of claims and judgments	-	-	-	(1,198,254)
Other long term claims and judgments	-	-	-	(1,069,445)
Pension expense	2,002,935	-	2,002,935	-
Deferred outflows related to TRS	(3,298,108)	-	(3,298,108)	-
Deferred inflows related to TRS	2,217,803	-	2,217,803	-
Change in net pension liabilities	1,080,305	-	1,080,305	-
Other	298,960	-	298,960	1,596
Net cash used by operating activities	<u>\$ (108,957,777)</u>	<u>\$ (2,018,006)</u>	<u>\$ (110,975,783)</u>	<u>\$ (15,074,949)</u>

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



FINANCIAL EXCELLENCE
SUPPORTING
ACADEMIC SUCCESS

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**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016**

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 900	\$ 94,221
Investments	6,428,720	14,083,795
Accounts Receivable	-	14,321
	<u>6,429,620</u>	<u>14,192,337</u>
LIABILITIES		
Accounts payable	20,644	411,218
Accrued salaries payable	-	20,118
Due to student/administrative groups	-	13,761,001
	<u>20,644</u>	<u>14,192,337</u>
NET POSITION		
Held in trust for scholarships	<u>6,408,976</u>	
	<u>\$ 6,408,976</u>	

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Private-Purpose Trust Funds</u>
ADDITIONS	
Gifts and contributions	\$ 205,052
Earnings on investments	14,525
Total additions	<u>219,577</u>
DEDUCTIONS	
Scholarships awarded	<u>1,261,053</u>
Total deductions	<u>1,261,053</u>
Change in net position	(1,041,476)
Net position—beginning of the year	<u>7,450,452</u>
Net position—end of the year	<u><u>\$ 6,408,976</u></u>

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



FINANCIAL EXCELLENCE
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***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

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, 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 a part of the District’s operations, and so data from this entity is combined with data of the primary government.

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

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

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities of the government-wide financial statements report information on all of the nonfiduciary activities of the District and its blended component unit. The District eliminates from the Statement of Net Position and the Statement of Activities most interfund receivables, payables and transfers between funds. Interfund services provided and uses are not eliminated in the process of consolidation. Governmental activities,

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Program revenues included in the Statement of Activities reduce the cost of the function to be financed from general revenues. Taxes and other items not properly identified as program revenues are reported instead as general revenues.

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*. Fiduciary fund statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

During the fiscal year 2016, the District adopted GASB Statement 72, *Fair Value Measurement and Application* which clarifies the definition of fair value for reporting purposes, provides additional fair value application guidance by establishing a hierarchy that prioritizes the inputs used to measure fair value, and improves fair value disclosures.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

Funds

The District reports its financial activities through the use of “fund accounting.” The activities of the District are organized on the basis of funds. The operations of each fund are accounted for within a separate set of self-balancing accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to assist management in demonstrating compliance with finance-related legal and contractual provisions. As required by the Texas Education Agency, the following fund types are included in the financial statements:

Governmental Funds

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

- *General Fund* -- The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.
- *Special Revenue Fund* -- The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than private-purpose trust funds or capital projects) such as federal, state or locally financed 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 Nutrition Services Fund is considered a major proprietary fund as defined by GASB Statement No. 34. The Nutrition Services Fund accounts for services provided to District students and includes all federal and state funds for such services.
- *Internal Service Funds* -- The Internal Service Funds are used to account for operations related to the Print Shop, Alternative Certification Program, Athletics, University Interscholastic League (“UIL”), Shared Services, Virtual School, 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

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

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.

Fiduciary Funds

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

- *Private-Purpose Trust Funds* -- Private-purpose trust funds are used to account for resources legally held in trust under which principal and income benefit individuals, private organizations or other governments. The District's private-purpose trust funds represent scholarship funds being held in trust for students.
- *Agency Funds* -- Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds represent school class and club activity funds. The District does not use clearing accounts to distribute financial resources to other funds of the District.

ASSETS, LIABILITIES, AND NET POSITION 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 sufficient to fully collateralize deposit balances as adjusted by the amount of applicable depository insurance pursuant to Texas Government Code Section 2257.022.

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

Investments

Investments are stated at fair value, 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 62.2 percent of outstanding property taxes at June 30, 2016.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

Inventories and Prepaids

Under the moving average method of accounting for inventories, the average cost of each inventory item in stock is recalculated after every inventory purchase. This method tends to yield inventory valuations and cost of goods sold that are in-between those derived under the first in, first out (FIFO) method and the last in, last out (LIFO) method. These materials and supplies are subsequently charged to 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. Inventories and prepaids are offset at year end by non-spendable fund balance in the governmental fund financial statements.

The purchases method of accounting was utilized for a prepaid lease executed as part of a sale and leaseback (operating lease) of a district facility.

Grant Fund Accounting

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

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the accounting system in order to reserve the portion of the applicable appropriation, is employed in the Governmental Fund Types on the governmental fund financial statements. Encumbrances, which have not been liquidated, are reported as restricted, committed, or assigned fund balances.

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.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
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Capital assets are depreciated over the following estimated useful lives:

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

Interfund Transactions

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

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

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

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

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

***HOUSTON INDEPENDENT SCHOOL DISTRICT
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balances are not paid upon termination from the District, except those paid on retirement or death of employees who meet certain eligibility requirements and were hired prior to October 10, 1972.

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

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

The District's compensatory time policy requires that compensatory time be taken by the end of the school year in which it was earned. At June 30, 2016, 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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Deferred gains and losses are classified as deferred inflows or outflows of resources. Deferred gains and losses are amortized over the life of the bonds using the straight-line method. Bond issuance costs are no longer amortized over the term of the bonds but instead are expensed in the period incurred.

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

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 position 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 \$202,292,647 difference are as follows:

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

Facilities acquisition and construction	\$ 429,290,307
Acquisitions	173,791,863
Disposals	(267,783,136)
Depreciation expense	<u>(133,006,387)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> .	<u>\$ 202,292,647</u>

FUND BALANCES AND NET POSITION

Government-wide Financial Statements

Net assets on the Statement of Net Position includes the following:

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

Restricted for capital acquisition program -- the component of net position that reports the difference between assets and liabilities of the capital acquisition program 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 position 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 nutrition service -- the component of net position that reports the difference between assets and liabilities of the Nutrition Services Fund that consists of assets with constraints placed on their use by the Department of Agriculture and the Texas Education Agency.

Unrestricted -- the difference between the assets and liabilities that are not reported in net position 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 position is available.

Governmental Fund Financial Statements

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

Non-spendable Fund Balance

Non-spendable fund balance is that portion of fund balance that is not expendable (such as inventories) or is legally earmarked for a specific use (such as a self-funded reserves program). Non-spendable fund balance reserves may include inventories, prepaid items, deferred expenditures, and long-term receivables.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
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Spendable Fund Balance

Spendable fund balance is composed of restricted, committed, assigned, and unassigned portions. Components of the spendable fund balance include:

Restricted Fund Balance -- the component of the spendable fund balance constrained to a specific purpose by the provider, such as a grantor. Restricted fund balance includes funds for the child nutrition program, technology program, construction programs, and resources from other granting agencies.

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

Assigned Fund Balance -- the component of the spendable fund balance that is spendable or available for appropriation, but has been tentatively earmarked for some specific purpose by the Superintendent or Chief Financial Officer. The assigned amounts can only be removed by the Superintendent or Chief Financial Officer. Assigned fund balance includes funds for encumbrances which are purchase orders, contracts, and other commitments for the expenditure of funds that are carried forward, insurance deductibles, specific program costs, and other legal issues.

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

FUND BALANCES	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation Fund - PFC	Total Governmental Funds
Nonspendable						
Inventories and Prepaids	\$ 10,166,319	\$ -	\$ -	\$ -	\$ -	\$ 10,166,319
Restricted						
Capital Acquisition Program	-	-	-	-	-	-
Special Revenue/Grants	-	34,657,380	-	-	-	34,657,380
Debt Service	-	-	123,124,995	-	-	123,124,995
Bond and TIRZ Capital Projects	-	-	-	876,943,939	-	876,943,939
PFC Capital Projects	-	-	-	-	63,955,273	63,955,273
Committed						
Contingency Operating Reserve	91,482,865	-	-	-	-	91,482,865
Pay-As-You-Go Capital Program	-	-	-	21,000,196	-	21,000,196
Assigned						
Auto/General Liability	4,701,697	-	-	-	-	4,701,697
Incentive Pay Program	12,515,100	-	-	-	-	12,515,100
Insurance Programs	25,631,589	-	-	-	-	25,631,589
SAP Reimplementation Project	17,000,000	-	-	-	-	17,000,000
Encumbrances	79,706,806	-	-	-	-	79,706,806
School Carryforward	19,233,337	-	-	-	-	19,233,337
PFC Debt Service/Capital Projects	92,182,250	-	-	59,896,209	-	152,078,459
Unassigned	385,625,902	-	-	-	-	385,625,902
Total fund balances	\$ 738,245,865	\$ 34,657,380	\$ 123,124,995	\$ 957,840,344	\$ 63,955,273	\$ 1,917,823,857

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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In general, it is HISD policy (CE Local) to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which restricted and unrestricted (i.e. committed, assigned, or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

Stewardship, Compliance, and Accountability

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

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2: HISD PUBLIC FACILITY CORPORATION

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

To accomplish the financings, the Public Facility Corporation and the District have entered into a number of "Leases With An Option to Purchase" pursuant to the terms of which the District will pay to the Public Facility Corporation such lease payments at such times and in such amounts as will be required to pay the principal and premium, if any, and interest on the lease revenue bonds as they become due.

The Public Facility Corporation has utilized this structure to issue Lease Revenue Bonds for building two high schools in 1998, a food warehouse facility in 2006, four elementary schools in 2010 and three instructional facilities in 2015.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

NOTE 3: CASH DEPOSITS AND INVESTMENTS

Statutes of the State of Texas and policies mandated by the District's Board of Education authorize the District to invest in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, corporate bonds, public fund investment pools, mutual funds and money market accounts. All 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 the exception of June 30, 2016. The following disclosure pertains to the date of highest deposit:

- 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 \$46,573,689.
- c. Highest cash and savings deposit combined account balances amounted to \$40,531,544 and occurred on March 15, 2016. The collateral requirement that applied to total deposits that day was \$40,281,544.
- d. Total amount of Federal Deposit Insurance Corporation ("FDIC") coverage at the time of highest combined balance was \$250,000 for all accounts.

Cash, Demand and Time Deposits

As of June 30, 2016, the carrying amount of the District's demand deposits and cash on hand was \$4,671,961. The \$8,873,364 bank balance was not fully covered on June 30, 2016 by federal deposit insurance through the FDIC and collateralization by securities held by the District's depository in joint safekeeping at the Federal Reserve Bank in the District's name. The District was under collateralized by \$2,324,503 on that date. The HISD Public Facility Corporation's \$283,316 was held in a money market account at the Bank of New York Mellon Trust Company, N. A.

The District has purchased nonnegotiable certificates of deposit issued by East West Bank, Independent Bank, and Unity Bank, of \$90,000,000, \$10,000,000, and \$240,000, respectively, as of June 30, 2016, for a total of \$100,240,000, or 4.79 percent of the investment portfolio. The collateral for the East West Bank certificates is comprised of a Federal Home Loan Bank Letter of Credit in the amount of \$92,700,000 issued with the District as beneficiary. The collateral for the Independent Bank certificate of deposit is comprised of a federal Home Loan Bank Letter of Credit in the amount of \$10,000,000 issued with the District as beneficiary. Unity Bank's certificate of deposit 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.

Investments

In accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* ("GASB Statement No. 31"), the District's investment securities have been recorded at fair value based upon quoted market prices as of June 30, 2016, with the increase or decrease in fair value being recorded as a component of earnings on investments. None of the District's investment securities have been reported at amortized cost.

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

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

The Lone Star Government Overnight Fund is a stable value fund rated AAAM by Standard & Poor's rating service and the Corporate Overnight Plus Fund is a stable net asset value fund seeking to maintain a net asset value of \$0.50 and is rated AAAf/S1+ by Standard & Poor's.

The District's investment in LSIP's Government Overnight Fund and the Corporate Overnight Plus Fund, as of June 30, 2016, was \$126,548,555 and \$449,842,999, respectively, for a total of \$576,391,554 representing 27.55 percent of the total portfolio.

TexPool is a public funds investment pool operated by the Texas Treasury Safekeeping Trust Company, an entity of which the Texas Comptroller of Public Accounts is the sole officer, director, and shareholder. Administrative and investment services are provided by Federated Investors, Inc., and the assets are kept in a separate custodial account at the State Street Bank in the name of TexPool. TexPool and TexPool Prime funds are rated as AAAM by Standard & Poor's.

As of June 30, 2016, the District's investment in TexPool and TexPool Prime was \$295,425,259 and \$260,393,747, respectively, with a value of \$555,819,006 representing 26.57 percent of the total portfolio.

TexSTAR was created in April 2003, also under the Interlocal Cooperation Act. It is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management. JPMorgan Investment Management, Inc. provides investment advisory services. The fund is rated AAAM by Standard & Poor's.

As of June 30, 2016, the District's investment in TexSTAR was \$275,048,072, or 13.15 percent of the portfolio. As with all the investment pools, funds are readily available to support daily cash requirements. The balance includes the HISD Public Facility Corporation's \$65,417,029 invested in TexSTAR through its trustee, the Bank of New York Mellon Trust Company, N.A. These funds are restricted for use in the building of specific school projects as defined in bond issuance documents.

The District has invested in U.S. Agency Securities, issued by Federal Farm Credit Bank ("FFCB"), Federal Home Loan Bank ("FHLB"), Federal Home Loan Mortgage Corporation ("FHLMC"), Federal National Mortgage Association ("FNMA"). Investments in these securities total \$481,189,504 and represent 23.00 percent of the value of the total portfolio.

The District has invested in Treasury Bonds and Treasury Notes, issued by the United States government. Investments in these U.S. Treasury securities total \$55,094,490 and represent 2.63 percent of the value of the total portfolio.

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The District has invested in Municipal Bonds, issued by local or state governments. Investments in these Municipal Bonds total \$48,139,436 and represent 2.30 percent of the value of the total portfolio.

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

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

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

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

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

Interest Rate Risk

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

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

At June 30, 2016, the District's exposure to interest rate risk as measured by segmented time distribution by investment type is summarized below:

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	6/30/2016		Investment Maturities in Years	
	Fair Value	Issuer Concentration	Less than 1	1-5
Municipal Bonds	\$ 48,139,436	2.30%	\$ 38,088,602	\$ 10,050,834
U.S. Treasury Bonds/Notes	55,094,490	2.63%	55,094,490	-
FFCB	55,961,464	2.68%	45,961,294	10,000,170
FHLB	254,078,380	12.15%	244,064,640	10,013,740
FHLMC	67,056,492	3.21%	27,047,000	40,009,492
FNMA	104,093,168	4.98%	104,093,168	-
Total US Agency Investments	481,189,504	23.01%	421,166,102	60,023,402
Lone Star Investment Pool	576,391,554	27.55%	576,391,554	-
TexPool	555,819,006	26.57%	555,819,006	-
TexStar	275,048,072	13.15%	275,048,072	-
Total Investment Pools	1,407,258,632	67.27%	1,407,258,632	-
Certificates of Deposit	100,240,000	4.79%	100,240,000	-
Total Investments	\$ 2,091,922,062	100.00%	\$ 2,021,847,826	\$ 70,074,236

As of June 30, 2016, the dollar weighted average maturity of the total portfolio, assuming investments are held to final maturity date and not call dates, was 45 days. The modified duration as of June 30, 2016 was 0.1234 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.

As of June 30, 2016, the District did not have any investments in commercial paper. The District's exposure to credit risk at June 30, 2016 is presented below by investment category as rated by Standard & Poor's along with the District's level of input hierarchy utilized to measure fair values:

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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	6/30/2016 Fair Value	Fair Value Measurement Input Level	Rating
Municipal Bonds	\$ 48,139,436	Level 2	AA-AAA
U.S. Treasury Bonds/Notes	55,094,490	Level 2	AA+
FFCB	55,961,464	Level 2	AA+
FHLB	254,078,380	Level 2	AA+
FHLMC	67,056,492	Level 2	AA+
FNMA	104,093,168	Level 2	AA+
Total U.S. Agency Investments	<u>481,189,504</u>		
Lone Star Investment Pool	576,391,554	N/A	AAAm, AAAf/S1+
TexPool	555,819,006	N/A	AAAm
TexSTAR	275,048,072	N/A	AAAm
Total Investment Pools	<u>1,407,258,632</u>		
Certificates of Deposit	100,240,000	N/A	Not rated
Total Investments	<u>\$ 2,091,922,062</u>		

GASB Statement Number 72 established a hierarchy that prioritizes the inputs used to measure fair value. Certain investment types utilized by the District are not required to be fair valued. These investments included local government investment pools and certificates of deposit owned by the District at June 30, 2016. Debt securities classified as Level 2 have used a number of pricing methodologies including matrix pricing, Bloomberg Valuation and Interactive Data Corporation inputs. The District additionally chooses to utilize the average of three price inputs from separate providers. Since these are not prices quoted for identical securities quoted in active markets they are not classified as Level 1 inputs.

Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA) 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. These instrumentalities frequently do not have individual debt offerings rated therefore the credit rating disclosed is the overall long term rating of the entity.

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The Federal Deposit Insurance Corporation provides deposit insurance limits of \$250,000 for all accounts in total.

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

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

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

As of June 30, 2016 no single investment security (FFCB, FHLB, FHLMC, FNMA, Municipal Bonds or U.S. Treasury) comprised more than 2.87% of the total investment portfolio. Investments with the FHLB constituted a concentration greater than 5.00% of the total portfolio by issuer.

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

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

*The District does not invest its portfolio in any single investment pool. Funds are subdivided between various pools for diversification and security reasons. Investments in any pool will be limited to 25% 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.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

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, 2016, the following was the composition of the District's investment portfolio:

Lone Star Investment Pool	27.55%
TexPool	26.57%
U.S. Agency Securities	23.01%
TexSTAR	13.15%
Municipal Bonds	2.30%
U.S. Treasury Bonds/Notes	2.63%
Certificates of Deposit	4.79%
Total	100.00%

Foreign Currency Risk

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

NOTE 4: PROPERTY TAXES AND STATE AID REVENUE

Property Taxes

The appraisal of property within the District is the responsibility of the Harris County Appraisal District ("Appraisal District"). The District's 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 \$1.6367 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 \$1.19670 per \$100 of assessed valuation. The maintenance and debt service portions of such rate are \$1.0267 and \$0.17, respectively. The 2015 assessed valuation was \$152,860,482,797 which resulted in a gross tax levy of 1,776,902,751 for the current fiscal year. The 2015 net tax levy of 1,776,902,751 reflects an adjustment of \$52,378,646 of frozen homestead exemptions for taxpayers 65 years and older as mandated by state property tax laws.

Property taxes which are measurable (quantifiable) and available (collectible within the current period or soon enough thereafter to finance expenditures of the current period, which the District has estimated to be collected in the two months after the fiscal year end) are recognized as revenue in the year of levy in the governmental fund financial statements. Property taxes, which are measurable but not available, are recorded net of estimated uncollectible amounts, as deferred revenues in the year of the levy in the governmental financial statements. Such deferred revenues are recognized in the fund financial statements as revenue in the fiscal year in which they become available. In the government-wide financial statements, property taxes are recognized as revenues in the year for which the taxes are levied. Uncollectible property taxes in the current period decreased the allowance for uncollectible property taxes in the government-wide and fund financial statements by \$1,452,431.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Delinquent taxes receivable and the related allowance for uncollectible taxes in the governmental fund financial statements as of June 30, 2016 are as follows:

	<u>Delinquent Taxes Receivables, Gross</u>	<u>Allowance for Uncollectible Taxes</u>	<u>Delinquent Taxes Receivable, Net</u>
General Fund	\$ 95,844,802	\$ (59,341,931)	\$ 36,502,871
Debt Service Fund	<u>13,242,796</u>	<u>(8,563,277)</u>	<u>4,679,519</u>
Total	<u>\$ 109,087,598</u>	<u>\$ (67,905,208)</u>	<u>\$ 41,182,390</u>

State Aid Revenue

The Texas Education Agency, through its application of state law, allocates state revenues to school districts by formula allocation. The District receives two allocations—a per capita allocation and a foundation program allocation. The District also recognizes revenues for the state’s share of the contributions to the Teacher Retirement System of Texas (TRS). See Note 11 for additional information on the 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	\$ 35,116,457
Foundation Fund Revenues	193,415,639
Other Foundation	20,000
Other State	37,607,058
TRS On-Behalf	42,570,730
Shared Services Arrangement	<u>1,787,851</u>
Total State Aid	<u>\$ 310,517,735</u>

As of June 30, 2016, the District also received state matching funds of \$585,040 in the Nutrition Service Fund.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5: RECEIVABLES/PAYABLES

Receivables as of June 30, 2016 for the District's individual major funds and nonmajor enterprise funds and internal service funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Renovation Fund</u>	<u>Food Service Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Due from the State of Texas	\$ 129,075,098	\$ 30,029,999	\$ -	\$ -	\$ 3,377,650	\$ -	\$ 162,482,747
Due from the Federal government	151,034	5,148,281	2,387,963	-	-	-	7,687,279
Due from Other Funding Agencies	-	2,123,812	-	-	-	21,661,226	23,785,038
Other	2,025,549	-	4,194	7,921	138,717	181,362	2,357,743
Gross Receivables	131,251,681	37,302,092	2,392,157	7,921	3,516,367	21,842,588	196,312,807
Less Allowance for Uncollectibles	-	-	-	-	-	-	-
Total Net Receivables	\$ <u>131,251,681</u>	\$ <u>37,302,092</u>	\$ <u>2,392,157</u>	\$ <u>7,921</u>	\$ <u>3,516,367</u>	\$ <u>21,842,588</u>	\$ <u>196,312,807</u>

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, 2016, the various components of deferred and unearned revenue reported in the governmental funds expected to be received during the subsequent fiscal year are as follows:

Liabilities

Grant advances (unearned), Special Revenue Fund \$ 3,836,680

Deferred inflows of resources

Deferred property taxes, General Fund 28,458,915

Deferred property taxes, Debt Service Fund 3,276,386

Deferred Revenues, General fund 1,448,615

Total deferred inflows 33,183,916

Total Deferred & Unearned Revenues \$ 37,020,596

Payables as of June 30, 2016 for the District's individual major funds and nonmajor enterprise funds and internal service funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Renovation Fund</u>	<u>Food Service Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Vendors Payable	\$ 20,626,364	\$ 4,920,333	\$ 181	\$ 39,204,658	\$ 1,733,543	\$ 11,185,898	\$ 77,670,977
Retainage Payable	56,985	-	-	18,096,731	-	1,646,945	19,800,661
Total Payables	\$ <u>20,683,350</u>	\$ <u>4,920,333</u>	\$ <u>181</u>	\$ <u>57,301,389</u>	\$ <u>1,733,543</u>	\$ <u>12,832,843</u>	\$ <u>97,471,639</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 6: CAPITAL ASSETS

A summary of capital asset activity during the fiscal year ended June 30, 2016 follows:

<u>Governmental activities:</u>	<u>Balance July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2016</u>
Capital assets not being depreciated:				
Land	\$ 277,385,889	\$ 4,541,347	\$ (214,771)	\$ 281,712,465
Construction in progress	528,435,402	413,321,342	(283,182,169)	658,574,575
Total capital assets not being depreciated	<u>805,821,291</u>	<u>417,862,689</u>	<u>(283,396,940)</u>	<u>940,287,040</u>
Capital assets being depreciated:				
Buildings and improvements	3,569,151,960	156,390,616	(836,042)	3,724,706,534
Furniture and equipment	419,345,603	32,733,521	(276,289,754)	175,789,370
Vehicles	117,323,770	7,367,276	(3,516,214)	121,174,832
Total capital assets being depreciated	<u>4,105,821,333</u>	<u>196,491,413</u>	<u>(280,642,010)</u>	<u>4,021,670,736</u>
Less accumulated depreciation for:				
Buildings and improvements	1,210,702,833	95,699,109	(6,657,346)	1,299,744,596
Furniture and equipment	332,669,967	30,974,719	(274,810,320)	88,834,366
Vehicles	83,632,466	6,332,559	(3,516,214)	86,448,811
Total accumulated depreciation	<u>1,627,005,266</u>	<u>133,006,387</u>	<u>(284,983,880)</u>	<u>1,475,027,773</u>
Governmental activities capital assets, net	<u>\$ 3,284,637,358</u>	<u>\$ 481,347,715</u>	<u>\$ (279,055,070)</u>	<u>\$ 3,486,930,003</u>
 <u>Business-type activities:</u>				
Capital assets being depreciated:				
Furniture and equipment	\$ 10,695,769	\$ 1,296,356	\$ (8,356,301)	\$ 3,635,824
Vehicles	2,522,088	876,504	(69,369)	3,329,223
Total capital assets being depreciated	<u>13,217,857</u>	<u>2,172,860</u>	<u>(8,425,670)</u>	<u>6,965,047</u>
Less accumulated depreciation for:				
Furniture and equipment	9,185,332	612,872	(8,356,301)	1,441,903
Vehicles	1,720,336	281,596	(22,153)	1,979,779
Total accumulated depreciation	<u>10,905,668</u>	<u>894,468</u>	<u>(8,378,454)</u>	<u>3,421,682</u>
Business-type activities capital assets, net	<u>\$ 2,312,189</u>	<u>\$ 1,278,392</u>	<u>\$ (47,216)</u>	<u>\$ 3,543,365</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 \$147,120 net capital assets of the non-major Medicaid Fund.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Instruction	\$ 107,049,393
Instructional resources and media services	50,511
Instructional staff development	581,698
Instructional leadership	1,165,733
School leadership	7,784
Guidance, counseling and evaluation services	4,601
Student transportation	5,038,465
Food service	283
Co-curricular/extracurricular activities	257,250
General administration	121,608
Plant maintenance and operations	1,682,867
Security and monitoring services	258,687
Data processing services	16,776,809
Community services	<u>10,698</u>
 Total depreciation expense, governmental activities	 \$ <u>133,006,387</u>

Business-type activities:

Food service	\$ 832,077
Other nonmajor business-type activities	<u>62,391</u>
 Total depreciation expense, business-type activities	 \$ <u>894,468</u>

Construction Commitments

The District has active construction projects as of June 30, 2016. These projects include new school construction, expansion, and renovation of existing schools, safety and security projects, non-school facilities, and other projects. At June 30, 2016, the District had fully funded commitments for the following categories:

Project	Spent-To-Date	Remaining Commitment
New schools	\$ 260,411,434	\$ 380,167,619
Expanded schools	1,349,940	142,631
Renovated schools	65,473,329	20,328,824
Non-school facilities	30,395,776	10,591,651
Safety & security projects	5,239,660	8,353,349
Early colleges	15,031,947	2,328,011
Other projects	<u>39,890,657</u>	<u>12,303,750</u>
 Total	 \$ <u>417,792,743</u>	 \$ <u>434,215,835</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 7: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances in the fund financial statements as of June 30, 2016 was as follows.

<u>GENERAL FUND</u>	Capital Renovation Fund	\$	(553,307)
	Debt Service Fund		(2,846,130)
	Special Revenue Fund		7,508,266
	Nutrition Services Fund		(312,793)
	Other Enterprise Funds		(233,167)
	Internal Service Funds		<u>(4,432,752)</u>
	DUE TO OTHER FUNDS	\$	<u>(869,883)</u>
<u>SPECIAL REVENUE FUND</u>	General Fund	\$	(7,508,266)
	Nutrition Services Fund		(129)
	Other Enterprise Funds		(7,483)
	Internal Service Funds		<u>(510,702)</u>
	DUE TO OTHER FUNDS	\$	<u>(8,026,580)</u>
<u>DEBT SERVICE FUND</u>	General Fund	\$	2,846,130
	Other Enterprise Funds		7,365
	Internal Service Funds		<u>5</u>
	DUE FROM OTHER FUNDS	\$	<u>2,853,500</u>
<u>CAPITAL RENOVATION FUNDS</u>	General Fund	\$	553,307
	Internal Service Funds		<u>(667)</u>
	DUE FROM OTHER FUNDS	\$	<u>552,640</u>
<u>NUTRITION SERVICES FUND</u>	General Fund	\$	312,793
	Special Revenue Fund		129
	Other Enterprises Funds		(9,233)
	Internal Service Funds		<u>(2,082)</u>
	DUE FROM OTHER FUNDS	\$	<u>301,607</u>
<u>OTHER ENTERPRISE FUNDS</u>	General Fund	\$	233,167
	Debt Service Fund		(7,365)
	Special Revenue Fund		7,483
	Nutrition Services Fund		9,233
	Internal Service Funds		<u>(4,410)</u>
	DUE FROM OTHER FUNDS	\$	<u>238,108</u>
<u>INTERNAL SERVICE FUNDS</u>	General Fund	\$	4,432,752
	Capital Renovation Fund		667
	Debt Service Fund		(5)
	Special Revenue Fund		510,702
	Nutrition Services Fund		2,082
	Other Enterprises Funds		<u>4,410</u>
	DUE FROM OTHER FUNDS	\$	<u>4,950,608</u>

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 Nonmajor Enterprises funds to the General Fund for use of unrestricted revenues.

The following is a summary of the District's transfers for the fiscal year ended June 30, 2016:

\$ 10,841,776	From the General Fund to the Debt Service Fund for interest and principal debt payments
15,553,307	From the General Fund to the Capital Renovation Fund to fund the "Pay as you go" initiative and other board authorized projects
12,868,881	From the Capital Renovation Fund to the Debt Service Fund for TIRZ High School payments
30,400,000	From Nonmajor Enterprise Funds to the General Fund for use of unrestricted revenues
\$ 69,663,964	Total transfers

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

The following is a summary of the District's long-term liabilities for the fiscal year ended June 30, 2016:

	Balance			Amortizable/ Payable	
	July 1, 2015	Increases	Decreases	June 30, 2016	Within One year
Governmental activities:					
Bonds payable	\$ 2,621,020,054	\$ 914,465,000	\$ (581,354,916)	\$ 2,954,130,138	\$ 143,418,482
Contractual obligations	17,315,000	-	(9,005,000)	8,310,000	2,685,000
Notes payable	45,360,000	40,360,000	(45,360,000)	40,360,000	5,000,000
Total debt payable - principal	<u>2,683,695,054</u>	<u>954,825,000</u>	<u>(635,719,916)</u>	<u>3,002,800,138</u>	<u>151,103,482</u>
Premium/discount	93,522,949	125,641,673	(35,653,730)	183,510,892	39,589,188
Accretion on capital appreciation bonds	57,121,110	2,584,388	(42,915,084)	16,790,414	6,736,518
Total amortizations and accretions	<u>150,644,059</u>	<u>128,226,061</u>	<u>(78,568,814)</u>	<u>200,301,306</u>	<u>46,325,706</u>
Total debt payable	<u>2,834,339,113</u>	<u>1,083,051,061</u>	<u>(714,288,730)</u>	<u>3,203,101,444</u>	<u>197,429,188</u>
Capital leases payable	31,008,613	8,640,097	(10,232,357)	29,416,353	13,042,110
Compensated absences payable	34,648,172	5,474,618	(2,461,467)	37,661,323	2,845,743
Claims payable	24,392,382	143,914,011	(146,181,709)	22,124,684	17,519,371
Total other long-term liabilities payable	<u>90,049,167</u>	<u>158,028,726</u>	<u>(158,875,533)</u>	<u>89,202,360</u>	<u>33,407,224</u>
Total governmental activities long-term liabilities	<u>\$ 2,924,388,280</u>	<u>\$ 1,241,079,787</u>	<u>\$ (873,164,263)</u>	<u>\$ 3,292,303,804</u>	<u>\$ 230,836,412</u>
Business-type activities:					
Compensated absences payable	\$ 482,232	\$ 519,747	\$ (439,158)	\$ 562,821	\$ 206,508
Total business-type activities long-term liabilities	<u>\$ 482,232</u>	<u>\$ 519,747</u>	<u>\$ (439,158)</u>	<u>\$ 562,821</u>	<u>\$ 206,508</u>
Deferred outflows of resources:					
Deferred loss on debt refundings	\$ (19,484,432)	\$ (14,252,945)	\$ 4,390,839	\$ (29,346,538)	\$ (2,827,945)
Deferred inflows of resources:					
Deferred gains on debt refundings	\$ 904,465	\$ -	\$ (77,121)	\$ 827,344	\$ 77,121

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, \$472,668 of Internal Service Funds' compensated absences payable and \$22,124,684 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 Nutrition Service Fund and the \$129,153 of compensated absences payable from nonmajor enterprise funds.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Debt Payable-Governmental Activities

At June 30, 2016, the District had outstanding \$3,203,101,444 of general obligation and lease revenue bonds, public property finance contractual obligations, and maintenance tax notes. Of the \$3,203,101,444 debt payable, \$16,790,414 was attributable to the accretion on capital appreciation bonds. These debt obligations, whose original issuance value was \$3,703,461,093, were issued at various dates from May 1, 1998 through June 1, 2016, with interest rates ranging from 1.0 percent to 6.22 percent for the purpose of new construction and maintenance of facilities. All debt obligations fully mature at various dates through February 15, 2041. At June 30, 2016 outstanding bonds from the Series 2000, 2006A, 2006B and 2008 refundings totaling \$365,455,000 are considered defeased and are not included in the District's government-wide financial statements or the fund financial statements.

Of the District's \$3,203,101,444 total debt payable outstanding at June 30, 2016, \$170,235,139 of bonds payable and \$16,790,414 of CAB accretions are attributable to lease revenue bonds issued by the Public Facility Corporation.

The District held a bond election on November 6, 2012 for the purpose of authorizing the issuance of \$1,890,000,000 in bonded debt obligations. The election was passed by the electorate. The District utilized \$340,000,000 of the bond authorization through new debt issuance on February 14, 2013 followed by an issuance of \$349,740,000 on September 10, 2014 which together with a portion of the original issuance premium utilized \$350,000,000 of the bond authorization. On April 12, 2016 the District sold debt utilizing \$560,000,000 of the remaining authorization as part of a combined refunding and new issuance sale in the amount of \$757,195,000. A total of \$640,000,000 of authorized but unissued debt remains as of June 30, 2016.

Maintenance Tax Refunding Bonds, Series 2015 were issued on July 13, 2015 in the amount of \$40,360,000. The current refunding transaction was a private placement sale with par issuance of \$40,360,000. The District contributed \$1,010,050 of available debt service funds. Costs of issuance for the sale were \$97,294.

Proceeds from the sale of the refunding bonds were utilized in order to defease \$40,360,000 in par value of Limited Tax Refunding Bonds, Series 2005. As part of the refunding transaction \$41,369,000 was placed into an irrevocable escrow account. The refunded bonds are considered defeased and no longer included in the debt schedules of the district.

The refunding transaction resulted in aggregate debt service cash flow savings of \$4,732,617 (net annual savings less fund on hand utilized in the transaction) over the life of the refunding bond debt service compared to the refunded bond debt service. The economic gain on the refunding was \$4,575,440 with a net present value savings of 11.34%. The accounting loss on the transaction of (\$1,607,281) will be deferred and amortized over the life of the refunding bonds as a deferred outflow of resources.

Refunded debt: Limited Tax Refunding Bonds, Series 2005

Maturity Dates to be Refunded	Principal Refunded
7/15/2016	\$ 5,000,000
7/15/2017	5,225,000
7/15/2018	10,090,000
7/15/2019	10,045,000
7/15/2020	10,000,000
	<u>\$ 40,360,000</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Limited Tax Schoolhouse and Refunding Bonds, Series 2016A were issued on April 12, 2016 in the amount of \$757,195,000. The new debt issuance utilized \$560,000,000 of the 2012 voter authorization with a par amount of \$492,880,000 and an original issuance premium of \$69,665,118. The sale also included a partial advance refunding of Limited Tax Schoolhouse Bonds, Series 2008 bonds with a par amount of refunding bonds totaling \$264,315,000 and a premium of \$50,964,993. Combined costs of issuance and underwriter's discount for the sale were \$3,830,352.

The refunding resulted in aggregate debt service cash flow savings of \$77,513,524 over the life of the refunding bond debt service compared to the refunded bond debt service. The economic gain on the refunding was \$52,502,998 with a net present value savings of 17.47%. The accounting loss on the transaction of (\$12,528,629) will be deferred and amortized over the life of the refunding bonds.

Refunded debt: Limited Tax Schoolhouse and Refunding Bonds, Series 2008

Maturity Dates to be Refunded	Principal Refunded
2/15/2018	\$ 13,650,000
2/15/2019	14,350,000
2/15/2020	14,950,000
2/15/2021	15,700,000
2/15/2022	16,450,000
2/15/2023	17,300,000
2/15/2024	18,150,000
2/15/2025	19,050,000
2/15/2026	20,000,000
2/15/2027	21,000,000
2/15/2028	22,050,000
2/15/2029	19,530,000
2/15/2030	20,505,000
2/15/2031	21,555,000
2/15/2032	22,610,000
2/15/2033	23,750,000
	<u>\$ 300,600,000</u>

As part of the refunding bond transaction for the Series 2016A issuance, the District placed \$313,982,644 into an irrevocable escrow account which was utilized to purchase a portfolio of U.S. Government Obligations that, together with the interest earned thereon, will provide amounts sufficient to pay when due, the principal of and interest on the bonds which are due in varying amounts through February 15, 2017. The par value of the refunded debt was \$300,600,000. The refunded bonds are considered defeased and no longer included in the debt schedules of the district.

On April 19, 2016, the District issued Limited Tax Refunding Bonds, Series 2016B for a par amount of \$19,975,000. The sale constituted a current exchange refunding with Citibank defeasing the remaining outstanding Limited Tax Schoolhouse Bonds, Series 2008. The Series 2016B bonds were issued with a premium of \$756,653. Costs of issuance totaled \$29,475.

The refunding resulted in aggregate debt service cash flow savings of \$3,361,914 over the life of the refunding bond debt service compared to the refunded bond debt service. The economic gain

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

on the refunding was \$3,661,289 with a net present value savings of 18.31%. The accounting loss on the transaction of (\$117,035) will be deferred and amortized over the life of the refunding bonds.

Refunded debt: Limited Tax Schoolhouse Bonds, Series 2008

Maturity Dates to be Refunded	Principal Refunded
2/15/2029	\$ 3,620,000
2/15/2030	3,795,000
2/15/2031	3,995,000
2/15/2032	4,190,000
2/15/2033	4,400,000
	<u>\$ 20,000,000</u>

As part of the refunding bond transaction for the Series 2016B issuance, the district placed \$20,702,178 into an irrevocable escrow account which was utilized to extinguish the outstanding debt. The exchanged obligations, Limited Tax Refunding Bonds, Series 2016B were then delivered to Citibank. The refunded bonds are considered defeased and no longer included in the debt schedules of the district.

Variable Rate Limited Tax Refunding Bonds, Series 2012 for a par amount of \$38,675,000 were scheduled to be remarketed on June 1, 2016. The bonds were issued on June 1, 2012 with three tranches of initial rate periods expiring on the first day of June in 2013, 2014, and 2015. Subsequent terms were remarketed for three years. Bonds with a maturity date of June 1, 2028 were subject to remarketing. The District utilized available debt service funds to redeem the \$38,675,000 subject to remarketing.

Variable Rate Limited Tax Refunding Bonds, Series 2012

Maturity June 1st	Rate Period Ending June 1st	Principal	Rate	Yield
2028	2016	\$ Redeemed	0.00%	0.00%
2029	2017	40,420,000	0.95%	0.95%
2030	2018	65,065,000	1.70%	1.70%
		<u>\$ 105,485,000</u>		

On June 1, 2016, the District remarketed \$50,050,000 of Variable Rate Limited Tax Refunding Bonds, Series 2013B. The bonds were issued on February 14, 2013 with three tranches of initial rate periods expiring on the first day of June in 2014, 2015, and 2016. Bonds with a maturity date of June 1, 2037, initial yield of 0.74%, and principal amount of \$50,050,000 were subject to remarketing. The term expiration date of the remarketed bonds is June 1, 2019 with a yield of 1.375%. Combined costs of issuance and underwriter's discount for the remarketing were \$151,331.

Variable Rate Limited Tax Schoolhouse Bonds, Series 2013B

Maturity June 1st	Rate Period Ending June 1st	Principal	Rate	Yield
2035	2017	\$ 48,030,000	0.95%	0.95%
2036	2018	49,050,000	1.70%	1.70%
2037	2019	50,050,000	1.38%	1.38%
		<u>\$ 147,130,000</u>		

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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On June 1, 2016, the District currently refunded Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A-1 which were subject to be remarketed on that date and immediately remarketed the bonds in two series; \$37,295,000 Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A-1A and \$100,000,000 Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A-1B. The \$168,040,000 in bonds scheduled to be remarketed was reduced by the District utilizing \$26,825,000 in available debt service funds to redeem bonds and the use of a portion of the issuance premium of \$4,254,909 in order to extinguish an additional \$3,920,000 in bonds.

The \$137,295,000 of bonds were issued with two term periods having coupon interest rates of 2.00% and 3.00%, respectively. The two sub-series were remarketed with terms of one year for the 2014A-1A sub-series and two years for the 2014A-1B sub-series. The final stated maturity of each sub-series remained the same at June 1, 2039. Costs of issuance and underwriter's discount for the remarketing series were \$89,213 and \$245,696, respectively.

Variable Rate Limited Tax Bonds, Series 2014A-1A

Maturity June 1st	Rate Period Ending June 1st	Principal	Rate	Yield
2039	2017	\$ 37,295,000	2.00%	0.85%
		<u>\$ 37,295,000</u>		

Variable Rate Limited Tax Bonds, Series 2014A-1B

Maturity June 1st	Rate Period Ending June 1st	Principal	Rate	Yield
2039	2018	\$ 100,000,000	3.00%	1.06%
		<u>\$ 100,000,000</u>		

All outstanding bonds of the \$168,040,000 Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A-1 were defeased and removed from the Districts' schedule of debt. Due to the nature of the Variable to Variable rate refunding and remarketing there is no applicable present value savings calculation nor was there an actual gain or loss on the transaction.

The maximum rate of sub-series 2014A-1A and 2014A-1B cannot exceed the maximum net effective interest rate permitted under Chapter 1204 Texas Government Code, as amended. Following the new rate periods, the bonds will convert to and bear interest at a term rate to be determined by the remarketing agent. Subsequent to the new rate periods the interest rate modes may be changed to a weekly rate, monthly rate, quarterly rate, semiannual rate, flexible rate or converted to a fixed rate until stated maturity. The Bonds are subject to mandatory tender at the end of the new rate period. In the event of a failed remarketing for either sub-series, a step rate of 7.00% will be invoked until such time as the bonds are successfully remarketed. A failed remarketing will not be considered an event of default.

Contractual Obligations are issued for the purpose of acquiring personal property assets and are authorized pursuant to the laws of the State of Texas, including the Public Property Finance Act, Section 271.001 of the Texas Local Government Code. The District did not issue any contractual obligations in the fiscal year ended June 30, 2016.

Notes issued by the District are maintenance tax notes. The maintenance tax notes were issued to provide funding for improvements to and rehabilitation of school facilities. Maintenance tax notes are authorized under Section 45.108 of the Texas Education Code. The District did not

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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issue any new maintenance tax notes in the fiscal year ended June 30, 2016 but did refund previously issued maintenance tax notes on July 13, 2015, as detailed previously.

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

	<u>Face Value</u>	<u>Premium/ (Discount)</u>	<u>Total</u>	<u>Underwriter's Discount</u>	<u>Issue Cost</u>
Issuance					
Mtn Ref Series 2015	\$ 40,360,000	\$ -	\$ 40,360,000	\$ -	\$ 97,294
Sch Ref Series 2016A	757,195,000	120,630,111	877,825,111	2,694,730	1,135,622
Ref Series 2016B	19,975,000	756,653	20,731,653	-	29,475
Ref/Rem Series 2014A-1	137,295,000	4,254,909	141,549,909	245,696	89,213
Total	<u>\$ 954,825,000</u>	<u>\$ 125,641,673</u>	<u>\$ 1,080,466,673</u>	<u>\$ 2,940,426</u>	<u>\$ 1,351,604</u>
Remarketing					
Rem Series 2013B	\$ 50,050,000	\$ -	\$ 50,050,000	\$ 90,571	\$ 60,760
Total	<u>\$ 50,050,000</u>	<u>\$ -</u>	<u>\$ 50,050,000</u>	<u>\$ 90,571</u>	<u>\$ 60,760</u>

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

The following table displays total principal debt outstanding by issuance as of June 30, 2016. Accreted values as of June 30, 2016 are included for each applicable debt issuance.

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Date of Issue	Description	Purpose
9/21/05	Limited Tax Refunding Bonds, Series 2005B	Refund a portion of the District's outstanding indebtedness
11/21/06	Limited Tax Refunding bonds, Series 2006A	Refund a portion of the District's outstanding indebtedness
3/22/07	Limited Tax Sch Refunding Bonds, Series 2007	Refund a portion of the District's outstanding indebtedness
3/01/08	Limited tax Sch Bonds, Series 2008	Construction, acquisition and equipment of school buildings
11/01/09	Limited Tax Sch Bonds, Series 2009A-1	Construction, acquisition and equipment of school buildings
11/01/09	Limited tax Sch Bonds, Series 2009A-2 (BABS)	Construction, acquisition and equipment of school buildings
11/01/09	Limited Tax Sch Bonds, Taxable Series 2009A-3 (BABS)	Construction, acquisition and equipment of school buildings
5/01/98	Public Facility Corp Lease Revenue Series 1998A	Construction of certain shared educational high school facilities
5/01/98	Public Facility Corp Lease Revenue Series 1998B	Construction of certain shared educational high school facilities
4/01/06	Public Facility Corp Lease Revenue Series 2006	Construction of public school facilities
4/26/10	Public Facility Corp Lease Revenue Series 2010A	Construction of public school facilities
4/26/10	Public Facility Corp Lease Revenue Series 2010B (BABS)	Construction of public school facilities
5/15/12	Variable Rate Limited Tax Refunding Bonds, Series 2012	Refund a portion of the District's outstanding indebtedness
2/14/13	Limited Tax Refunding Bonds, Series 2013C	Refund a portion of the District's outstanding indebtedness
2/14/13	Limited Tax Sch and Refunding Bonds, Series 2013A	Construction of school buildings and refund indebtedness
2/14/13	Variable Rate Limited Tax Sch Bonds, Series 2013B	Construction, acquisition and equipment of school buildings
12/16/14	Limited Tax Refunding Bonds, Series 2014B	Refund a portion of the District's outstanding indebtedness
12/23/14	Public Facility Corp Lease Revenue Series 2014	Construction of public school facilities
6/01/15	Variable Rate Limited Tax Sch Bonds, Series 2014A-2	Refund and remarket a portion of the District's outstanding variable rate debt
4/12/16	Limited Tax Sch and Ref Bonds, Series 2016A	Construction of school buildings and refund indebtedness
4/19/16	Limited Tax Refunding Bonds, Series 2016B	Refund a portion of the District's outstanding indebtedness
6/01/16	Variable Rate Limited Tax Sch Bonds, Series 2014A-1A	Refund and remarket a portion of the District's outstanding variable rate debt
6/01/16	Variable Rate Limited Tax Sch Bonds, Series 2014A-1B	Refund and remarket a portion of the District's outstanding variable rate debt

Bonds Payable

11/01/09	Public Property Finance Contractual Obligations, Series 2009	Acquisition of certain capital items
11/01/11	Public Property Finance Contractual Obligations, Series 2011	Acquisition of certain capital items

Contractual Obligations

7/13/15	Maintenance Notes Refunding, Series 2015	Refund a portion of the District's outstanding indebtedness
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Notes Payable

Total Debt Payable - Principal

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Type	Interest Rates	Original Issue Amount	Final Maturity Date	Debt Principal	CAB Accretion	Total Debt Payable
GO	5.0	\$ 173,140,000	2/15/2024	\$ 167,640,000	\$ -	\$ 167,640,000
GO	5.0	28,100,000	8/15/2017	28,100,000	-	28,100,000
GO	3.85 to 5.0	279,865,000	2/15/2026	258,200,000	-	258,200,000
GO	5.0	389,825,000	2/15/2033	13,000,000	-	13,000,000
GO	4.0 to 5.0	68,920,000	2/15/2018	29,500,000	-	29,500,000
GO	6.07 to 6.17	148,850,000	2/15/2034	148,850,000	-	148,850,000
GO	4.76 to 6.13	183,750,000	2/15/2028	183,750,000	-	183,750,000
LR	4.45 to 5.43	46,246,108	9/15/2021	7,702,323	12,544,734	20,247,057
LR	4.45 to 5.38	47,999,985	9/15/2016	2,632,815	4,245,680	6,878,495
LR	4.25 to 5.50	33,600,000	9/15/2030	25,335,000	-	25,335,000
LR	2.00 to 4.00	16,070,000	9/15/2021	14,485,000	-	14,485,000
LR	5.24 to 6.22	38,430,000	9/15/2029	38,430,000	-	38,430,000
GO	1.50 to 2.50	182,080,000	6/1/2030	105,485,000	-	105,485,000
GO	2.50 to 5.00	92,905,000	2/15/2032	88,330,000	-	88,330,000
GO	2.50 to 5.00	209,640,000	2/15/2038	176,980,000	-	176,980,000
GO	1.00 to 2.00	147,130,000	6/1/2037	147,130,000	-	147,130,000
GO	1.00 to 5.00	365,395,000	2/15/2033	354,425,000	-	354,425,000
LR	4.00 to 5.00	81,650,000	9/15/2020	81,650,000	-	81,650,000
GO	4.0	168,040,000	6/1/2039	168,040,000	-	168,040,000
GO	4.00 to 5.00	757,195,000	2/15/2041	757,195,000	-	757,195,000
GO	3.5	19,975,000	2/15/2033	19,975,000	-	19,975,000
GO	2.00 to 3.00	37,295,000	6/1/2039	37,295,000	-	37,295,000
GO	2.00 to 3.00	100,000,000	6/1/2039	100,000,000	-	100,000,000
		<u>3,616,101,093</u>		<u>2,954,130,138</u>	<u>16,790,414</u>	<u>2,970,920,552</u>
CO	2.00 to 4.00	23,500,000	7/15/2017	2,810,000	-	2,810,000
CO	2.00 to 3.00	23,500,000	7/15/2019	5,500,000	-	5,500,000
		<u>47,000,000</u>		<u>8,310,000</u>	-	<u>8,310,000</u>
NT	1.44	40,360,000	7/15/2020	40,360,000	-	40,360,000
		<u>40,360,000</u>		<u>40,360,000</u>	-	<u>40,360,000</u>
		<u>\$ 3,703,461,093</u>		<u>\$ 3,002,800,138</u>	<u>\$ 16,790,414</u>	<u>\$ 3,019,590,552</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The following table summarizes by type the annual debt service requirements of the outstanding debt issues at June 30, 2016 to maturity. Capital Appreciation Bond accretions are included in bond interest.

	Bond Principal		Bond Interest		Totals
2017	\$	143,418,482	\$	128,860,221	\$ 272,278,703
2018		143,009,392		123,729,320	266,738,712
2019		156,804,517		117,352,071	274,156,588
2020		149,791,218		109,827,828	259,619,046
2021		162,351,456		102,701,137	265,052,593
2022-2026		755,860,073		396,945,326	1,152,805,399
2027-2031		738,955,000		227,380,342	966,335,342
2032-2036		473,045,000		88,447,587	561,492,587
2037-2041		230,895,000		22,848,513	253,743,513
	\$	<u>2,954,130,138</u>	\$	<u>1,318,092,345</u>	\$ <u>4,272,222,483</u>

	Contractual Obligations Principal		Contractual Obligations Interest		Totals
2017	\$	2,685,000	\$	209,025	\$ 2,894,025
2018		2,825,000		126,375	2,951,375
2019		1,400,000		63,000	1,463,000
2020		1,400,000		21,000	1,421,000
	\$	<u>8,310,000</u>	\$	<u>419,400</u>	\$ <u>8,729,400</u>

	Notes Principal		Notes Interest		Totals
2017	\$	5,000,000	\$	545,184	\$ 5,545,184
2018		5,225,000		471,564	5,696,564
2019		10,090,000		361,296	10,451,296
2020		10,045,000		216,324	10,261,324
2021		10,000,000		72,000	10,072,000
	\$	<u>40,360,000</u>	\$	<u>1,666,368</u>	\$ <u>42,026,368</u>

	Total Principal Requirements		Total Interest Requirements		Totals
2017	\$	151,103,482	\$	129,614,430	\$ 280,717,912
2018		151,059,392		124,327,259	275,386,651
2019		168,294,517		117,776,367	286,070,884
2020		161,236,218		110,065,152	271,301,370
2021		172,351,456		102,773,137	275,124,593
2022-2026		755,860,073		396,945,326	1,152,805,399
2027-2031		738,955,000		227,380,342	966,335,342
2032-2036		473,045,000		88,447,587	561,492,587
2037-2041		230,895,000		22,848,513	253,743,513
	\$	<u>3,002,800,138</u>	\$	<u>1,320,178,113</u>	\$ <u>4,322,978,251</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Other long-term debt

Arbitrage -- The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The U.S. Treasury requires payment for each issue every five years. The District had no arbitrage liability for tax-exempt debt subject to the Tax Reform Act issued through June 30, 2016. 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 increase of \$3,013,151 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. The General Fund has typically been used in prior years to liquidate compensated absences.

Capital Leases – Leased Computer Equipment -- In 2002, the District entered into capital leases with Apple Lease Financing and HP Lease Financing. Each lease meets the criteria of a capital lease as defined by generally accepted accounting principles, which define a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital assets acquired by lease have been capitalized in an amount equal to the present value of the future minimum lease payments at the time of acquisition. Principal and interest payments in fiscal year 2015 totaled \$10,789,539 and \$371,886, respectively. Principal and interest payments in fiscal year 2016 totaled \$13,053,260 and \$893,522, respectively. The General Fund has typically been used in prior years to liquidate capital lease liabilities.

The future minimum lease obligations and the net present value of these minimum equipment lease payments as of June 30, 2016 were as follows:

Year Ending June 30	Governmental Activities
2017	\$ 13,946,782
2018	10,875,096
2019	5,421,442
2020	835,560
	31,078,880
Total minimum lease payments (Gross Amt.)	31,078,880
Amount Representing Interest at 5.6517%	(1,662,527)
Present Value of minimum lease payments	\$ 29,416,353

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 9: OPERATING LEASES

The District leases offices facilities and instructional educational facilities under noncancellable operating leases. Total cost for such leases was \$391,597 for the fiscal year ended June 30, 2016. The future minimum lease payments for these leases were as follows:

Year Ending		Amount
<u>June 30</u>		
2017	\$	89,943
2018		53,262
2019		45,232
	\$	<u>188,438</u>

NOTE 10: RISK MANAGEMENT

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

Workers’ Compensation

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

An accrual for incurred but not reported claims in the amount of \$9,528,684 (discounted at .5 percent), of which \$5,027,831 is the current portion, has been recorded in the fund as of June 30, 2016. Claims payable, including an estimate of claims incurred but not reported, was actuarially determined based on the District’s historical claims experience and an estimate of the remaining liability on known claims.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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At June 30, 2016, the fund had net position of \$30,840,331. Changes in claims payable for the fiscal years ended June 30, 2015 and 2016 are as follows:

	<u>2016</u>	<u>2015</u>
Claims payable, beginning of fiscal year	\$ 11,691,382	\$ 13,221,643
Incurred claims and claim adjustment expenses for insured events of the current fiscal year	4,857,843	5,913,997
Increase (decrease) in provision for insured events of prior fiscal year	<u>(2,165,858)</u>	<u>(1,819,397)</u>
Total incurred claims and claim adjustment expenses	<u>2,691,985</u>	<u>4,094,600</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	2,013,422	1,801,571
Claims and claim adjustment expenses attributable to insured events of the prior fiscal year	<u>2,841,261</u>	<u>3,823,290</u>
Total payments	<u>4,854,683</u>	<u>5,624,861</u>
Claims payable, end of fiscal year	<u>\$ 9,528,684</u>	<u>\$ 11,691,382</u>

Health Insurance

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

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

An accrual for incurred but not reported claims in the amount of \$12,596,000, of which \$12,491,540 is the current portion, has been recorded in the fund as of June 30, 2016. 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
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At June 30, 2016, the fund had net position of \$25,311,114. Changes in claims payable for the fiscal years ended June 30, 2015 and 2016 are as follows:

	<u>2016</u>	<u>2015</u>
Claims payable, beginning of fiscal year	\$ 12,701,000	\$ 10,968,000
Incurred claims and claim adjustment expenses for insured events of the current fiscal year	139,753,402	133,386,774
Increase in provision for insured events of prior fiscal year	<u>1,411,651</u>	<u>1,347,341</u>
Total incurred claims and claim adjustment expenses	<u>141,165,053</u>	<u>134,734,115</u>
<u>Payments:</u>		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	139,857,352	131,671,104
Claims and claim adjustment expenses attributable to insured events of the prior fiscal year	<u>1,412,701</u>	<u>1,330,011</u>
Total payments	<u>141,270,053</u>	<u>133,001,115</u>
Claims payable, end of fiscal year	<u>\$ 12,596,000</u>	<u>\$ 12,701,000</u>

Property, Casualty, General and Professional Liability

The District purchases All-Risk Property Insurance with limits of \$250,000,000. The policies include sublimits of \$75,000,000 per occurrence for flood and quake and \$150,000,000 per occurrence for Named Storms. General and Professional Liability risks are insured with limits of \$9,750,000. Within these policy limits, the District's exposure for covered losses is limited to the policy deductibles and self-insured retentions. Automobile liability exposures are self-insured in Texas and insurance coverage is purchased for out of state risks with a \$1,000,000 limit. The District 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 Teacher Retirement System is a defined benefit plan, in which a retired employee receives a specific amount based on salary history and years of service, and in which the employer bears the investment risk. 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 benefit 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, 2016 were \$1,221,845,231 and \$1,286,671,450, 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.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
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Pension Plan Fiduciary Net Position

Detailed information about the Teachers Retirement System’s Fiduciary Net Position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by visiting <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to the TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2015 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position for the year ending August 31, 2015:

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 163,887,375,172
Less: Plan Fiduciary Net Position	(128,538,706,212)
Net Pension Liability	<u>\$ 35,348,668,960</u>
Net Position as % of Total Pension Liability	78.43%

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 but the sum of member’s age and years of credited service total less than 80.

Members are fully vested after five years of creditable service and are entitled to any benefit for which eligibility requirements have been met. For more detail about benefits see the Summary of Benefits section of TRS 2015 Comprehensive Annual Financial Report.

Contributions

Contribution requirements are not actuarially determined, but are legally established each biennium pursuant to the following state funding policy: (1) the state constitution 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 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 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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

exceeds 31 years, or if the amortization period exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

Contribution Rates

	<u>2015</u>	<u>2016</u>
Member	6.7%	7.2%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2016 District Contributions	\$	44,318,451
District's 2016 Member Contributions	\$	87,054,182
District's 2015 NECE On-Behalf Contributions	\$	54,118,137

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source.

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

Actuarial Assumptions

The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Inflation	2.5%
Salary Increases Including Inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2015 are summarized below:

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Hedge Funds (Stable Value)	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	100%		8.7%

* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversions between Arithmetic and Geometric mean returns.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2015 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability:	\$ 469,610,099	\$ 299,723,414	\$ 158,218,364

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

At June 30, 2016, the District reported a net pension liability of \$ 299,723,414 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate share of the collective net pension liability	\$ 299,723,414
State's proportionate share that is associated with the District	645,866,011
Total	<u>\$ 945,589,425</u>

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

The net pension liability was measured as of August 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2014 thru August 31, 2015.

At August 31, 2015 the employer's proportion of the collective net pension liability was 0.008479058 which was a decrease of 0.002302345 from its proportion measured as of August 31, 2014.

Changes since the Prior Actuarial Valuation

The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

Economic Assumptions

1. The inflation assumption was decreased from 3.00% to 2.50%.
2. The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%.
3. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity components of the salary scale.
4. The payroll growth assumption was lowered from 3.50% to 2.50%.

Mortality Assumptions

5. The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
6. The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
7. The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

Other Demographic Assumptions

8. Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore, these 10% are no longer being counted as active members.
9. There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.

10. Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
11. Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
12. For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

Actuarial Methods and Policies

13. The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items such as actuarial gains and losses by source.

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

For the measurement period August 31, 2015, the District recognized pension expense of \$92,025,515 and revenue of \$92,025,515 for support provided by the State in the Government Wide Statement of Activities.

At June 30, 2016, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual Actuarial experience	\$ 3,704,077	\$ 11,518,638
Changes in Actuarial Assumptions	15,568,322	10,692,819
Difference between projected and actual investment earnings	73,815,202	66,015,254
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	52,673,955
Contributions paid to TRS subsequent to the measurement date	38,274,687	-
Total	\$ 131,362,288	\$ 140,900,666

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

Year ended August 31:	Pension Expense Amount
2017	\$ (12,338,740)
2018	(12,338,740)
2019	(12,338,740)
2020	9,666,345
2021	(9,018,412)
2022	(11,444,778)

***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

Health Care Plan Description (TRS-Care)

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing, multiple-employer, defined benefit, other post-employment benefit (OPEB) plan. 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.

Types of Employees Covered

All members of TRS public school retirees with more than 10 years of service and their dependents.

Contributions

Employees of the District were required to pay 7.85 percent of their eligible gross earnings to TRS. Of the 7.85 percent, 0.65 percent was a contribution towards TRS-Care retiree health insurance. Effective September 1, 2003, the Texas legislature enacted legislation related to the funding of TRS-Care. House Bill 3459 of the 78th Legislature increased the 0.25 percent active member contribution to 0.5 percent of salary and added a new contribution from school districts for 0.4 percent of salary of each active employee. Effective September 1, 2005, the 79th Legislature enacted changes to increase the 0.5 percent of salary of each active member contribution to TRS-Care to 0.65 percent of salary and increased the 0.4 percent contributions from school districts to 0.55 percent of salary of each active employee. The State of Texas, active public school employee, and the District contribution rates are as follows:

	Contribution Rates
Member	0.65%
Non-Employer Contributing Entity (State)	1.00%
District	0.55%

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.

Medicare Part D

The Medicare Modernization Act of 2003 (MMA) created an outpatient prescription drug benefit program known as Medicare Part D. The Texas Public School Retired Employee Group Insurance Program (TRS-Care) is offering a Medicare Part D Plan and is participating in the Retiree Drug Subsidy plan for eligible TRS-Care participants. For the years ended August 30, 2016 & August 31, 2015 the subsidy payments received by TRS-Care on behalf of the District were \$4,330,923 and \$4,307,962, respectively. TRS issues a publicly available financial report. That report may be found by visiting the TRS Web site at www.trs.state.tx.us.

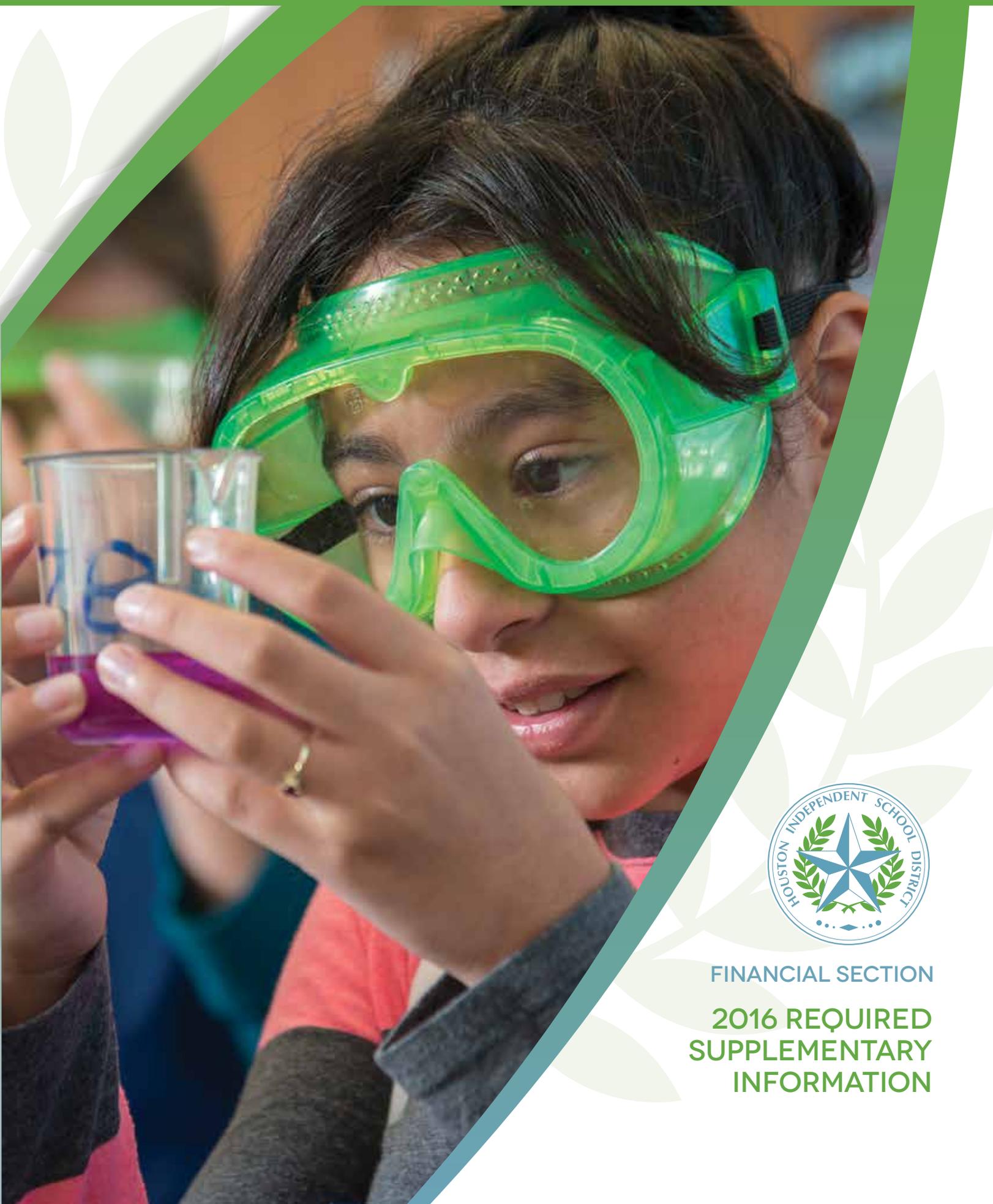
***HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

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.

NOTE 13: SUBSEQUENT EVENT

In July 2016, Houston ISD received final notice of Chapter 41 recapture status for 2016-2017 from the Texas Education Agency. The Board of Education chose to present to voters on the November 8, 2016 ballot the option to purchase attendance credits to equalize the District's wealth. The voters did not approve this option; thus, HISD is subject to the detachment of property resulting in the Texas Education Agency (TEA) detaching an estimated \$17.4 billion in commercial properties from HISD and reassigning to other school districts until the property wealth in the district equals the Equalized Wealth Level (EWL) set in statute. In addition, HISD will lose revenue generated from the debt service component of the District's tax rate beginning in the 2017-2018 fiscal year.



FINANCIAL SECTION
2016 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, 2016
(UNAUDITED)**

	Budgeted Amounts		Final	Actual	Variance with Final Budget Better (Worse)
	Original	Final			
REVENUES					
Property taxes	\$ 1,527,726,668	\$ 1,490,259,260	\$ 1,529,263,319	\$ 39,004,059	
Earnings on investments	1,315,000	2,921,000	3,232,594	311,594	
Miscellaneous local sources	9,703,649	12,310,640	13,759,647	1,449,007	
State sources	259,237,111	234,731,200	272,213,562	37,482,362	
Federal sources	5,752,233	6,470,830	6,084,052	(386,778)	
Total revenues	<u>1,803,734,651</u>	<u>1,746,692,930</u>	<u>1,824,553,174</u>	<u>77,860,244</u>	
EXPENDITURES					
Instruction	1,095,007,777	1,110,476,983	1,025,346,290	85,130,693	
Instructional resources and media services	7,389,276	6,814,497	5,928,415	886,082	
Instructional staff development	25,888,989	31,108,506	25,437,079	5,671,427	
Curriculum development	6,906,536	7,008,413	6,066,473	941,940	
Instructional leadership	26,049,685	21,317,849	20,540,184	777,665	
School leadership	136,259,318	138,146,469	136,139,474	2,006,995	
Guidance, counseling and evaluation services	43,456,347	46,101,435	41,209,339	4,892,096	
Social work services	1,877,855	2,253,953	2,219,238	34,715	
Health services	18,401,702	18,544,767	16,707,595	1,837,172	
Student transportation	56,860,384	67,820,173	54,671,516	13,148,657	
Food services	10,222	261,590	248,052	13,538	
Co-curricular/extracurricular activities	14,296,541	18,428,083	16,505,861	1,922,222	
General administration	37,701,281	40,965,028	33,252,921	7,732,107	
Plant maintenance and operations	191,115,923	203,046,864	165,689,639	37,357,225	
Security and monitoring services	23,294,719	25,181,768	25,181,544	224	
Data processing services	45,365,081	131,882,783	84,612,978	47,269,805	
Community services	2,161,838	2,221,739	2,196,934	24,805	
Juvenile justice alternative education programs	792,000	792,000	792,000	-	
Tax increment reinvestment zone	51,407,228	52,100,723	52,100,723	-	
Contracted instructional services between public schools (Chapter 41 Payment)	197,187	-	-	-	
Tax appraisal and collection	13,549,720	13,840,152	13,355,890	484,262	
Debt service					
Principal	13,545,141	14,543,776	13,946,783	596,993	
Interest and fiscal charges	1,012,879	-	-	-	
Capital outlay					
Facilities acquisition and construction	19,704,554	47,930,875	2,969,217	44,961,658	
Total expenditures	<u>1,832,252,183</u>	<u>2,000,808,426</u>	<u>1,745,118,145</u>	<u>255,690,281</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(28,517,532)</u>	<u>(254,115,496)</u>	<u>79,435,029</u>	<u>333,550,525</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	30,400,000	30,400,000	30,400,000	-	
Transfers out	(31,882,468)	(26,411,776)	(26,395,083)	16,693	
Capital Leases	-	-	8,640,097	8,640,097	
Total other financing uses	<u>(1,482,468)</u>	<u>3,988,224</u>	<u>12,645,014</u>	<u>8,656,790</u>	
Net change in fund balances	(30,000,000)	(250,127,272)	92,080,043	342,207,315	
Fund balances--beginning	<u>646,165,822</u>	<u>646,165,822</u>	<u>646,165,822</u>	<u>-</u>	
Fund balances--ending	<u>\$ 616,165,822</u>	<u>\$ 396,038,550</u>	<u>\$ 738,245,865</u>	<u>\$ 342,207,315</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, 2016
(UNAUDITED)**

	Budgeted Amounts			Actual	Variance with Final Budget Better (Worse)
	Original	Final			
REVENUES					
Local sources	\$ 23,461,850	\$ 20,325,264	\$	14,217,474	\$ (6,107,790)
State sources	17,916,456	48,625,763		35,493,126	(13,132,637)
Federal sources	172,787,224	247,666,733		171,984,510	(75,682,223)
Total revenues	<u>214,165,530</u>	<u>316,617,760</u>		<u>221,695,110</u>	<u>(94,922,650)</u>
EXPENDITURES					
Instruction	95,555,265	177,554,863		130,703,421	46,851,442
Instructional resources and media services	503,396	1,110,705		664,991	445,714
Instructional staff development	52,667,805	73,527,732		34,833,070	38,694,662
Curriculum development	136,370	4,177,593		3,327,869	849,724
Instructional leadership	8,280,923	10,830,116		8,502,060	2,328,056
School leadership	1,153,493	1,959,421		1,956,375	3,046
Guidance, counseling and evaluation services	9,055,773	14,146,025		12,621,827	1,524,198
Social work services	921,725	1,635,501		1,329,790	305,711
Health services	3,192,718	5,254,611		4,071,752	1,182,859
Student transportation	2,414,913	5,962,127		4,238,508	1,723,619
Food services	46,062	9,447		5,589	3,858
Co-curricular/extracurricular activities	2,521,790	3,518,884		2,436,826	1,082,058
General administration	2,518,807	2,571,838		1,929,712	642,126
Plant maintenance and operations	526,014	1,923,560		288,001	1,635,559
Security and monitoring services	200,325	764,120		150,567	613,553
Data processing services	18,294,679	27,087,694		871,216	26,216,478
Community services	4,422,090	7,458,931		4,766,680	2,692,251
Fiscal agent/member districts of shared services arrangements	3,505,334	3,680,191		2,260,646	1,419,545
Debt service					
Principal	7,549,459	173,304		-	173,304
Capital outlay					
Facilities acquisition and construction	698,589	268,416		170,358	98,058
Total expenditures	<u>214,165,530</u>	<u>343,615,079</u>		<u>215,129,258</u>	<u>128,485,821</u>
Excess (deficiency) of revenues over (under) expenditures	-	(26,997,319)		6,565,852	33,563,171
Fund balances--beginning	28,091,528	28,091,528		28,091,528	-
Fund balances--ending	<u>\$ 28,091,528</u>	<u>\$ 1,094,209</u>		<u>\$ 34,657,380</u>	<u>\$ 33,563,171</u>

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.008479058	0.010781403
District's Proportion Share of the Net Pension Liability (Asset)	\$ 299,723,414	\$ 287,986,184
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	645,866,011	510,071,049
 Total	 \$ 945,589,425	 \$ 798,057,233
 District's Covered-Employee Payroll	 1,159,791,606	 1,107,330,812
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered- Employee Payroll	25.84%	26.01%
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 78.43%	 83.25%

HOUSTON INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 TEACHERS RETIREMENT SYSTEM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 44,318,451	\$ 35,477,854
Contribution in Relation to the Contractually Required Contribution	(44,318,451)	(35,477,854)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	1,221,845,231	1,153,641,436
Contributions as a Percentage of Covered-Employee Payroll	3.63%	3.08%

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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 Nutrition Services Fund. For reporting purposes, the Nutrition Services Fund reports actual results as in an enterprise funds. 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.

Note 2: Change of Benefit Terms

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

Note 3: Changes of Assumptions

The following are changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

Economic Assumptions

1. The inflation assumption was decreased from 3.00% to 2.50%.
2. The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%.
3. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity components of the salary scale.

4. The payroll growth assumption was lowered from 3.50% to 2.50%.

Mortality Assumptions

5. The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
6. The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
7. The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

Other Demographic Assumptions

8. Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
9. There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
10. Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
11. Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
12. For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

Actuarial Methods and Policies

13. The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items such as actuarial gains and losses by source.



FINANCIAL SECTION
2016 COMBINING
AND INDIVIDUAL FUND
STATEMENTS AND
SCHEDULES

NON-MAJOR ENTERPRISE FUNDS

The **Business Development Fund** is used to account for the financial operations of the District's Marketing Office. The Marketing Office was organized to help develop and coordinate the District's efforts in marketing for 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 products and services developed through vendor/HISD partnerships including benefits programs and an online driver's education program.

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

The **Marketplace and Catering Fund** is used to account for the financial operations of the restaurant-style cafeteria on the first level of the Hattie Mae White (HMW) Educational Support Center. The District established the Marketplace years ago as a benefit to employees working in the HMW building. The Marketplace currently serves approximately 320 employees on a daily basis and provides catering services to departments within and outside of Hattie Mae White. Recently, a full service catering department was added to this fund in an effort to increase revenue to subsidize the Marketplace as well as to promote HISD catering activities.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2016

	Enterprise Funds			Totals
	Business Development	Medicaid	The Marketplace	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 435,140	\$ 130,125	\$ 127,682	\$ 692,947
Investments	6,900	11,269,264	10,593	11,286,757
Receivables	842,101	20,816,010	3,115	21,661,226
Due from other funds	229,986	-	15,513	245,499
Inventories	-	-	29,161	29,161
Total current assets	<u>1,514,127</u>	<u>32,215,399</u>	<u>186,064</u>	<u>33,915,590</u>
Noncurrent assets:				
Furniture and equipment	-	330,590	-	330,590
Less accumulated depreciation	-	(183,470)	-	(183,470)
Total noncurrent assets	<u>-</u>	<u>147,120</u>	<u>-</u>	<u>147,120</u>
Total assets	<u>1,514,127</u>	<u>32,362,519</u>	<u>186,064</u>	<u>34,062,710</u>
LIABILITIES				
Current liabilities:				
Accounts payable	222,344	73,605	75,412	371,361
Due to other funds	-	7,391	-	7,391
Accrued salaries payable	-	85,367	14,313	99,680
Compensated absences payable	-	30,046	5,317	35,363
Total current liabilities	<u>222,344</u>	<u>196,409</u>	<u>95,042</u>	<u>513,795</u>
Noncurrent liabilities:				
Compensated absences payable	-	89,562	4,228	93,790
Total noncurrent liabilities	<u>-</u>	<u>89,562</u>	<u>4,228</u>	<u>93,790</u>
Total liabilities	<u>222,344</u>	<u>285,971</u>	<u>99,270</u>	<u>607,585</u>
NET POSITION				
Invested in capital assets	-	147,120	-	147,120
Unrestricted	1,291,783	31,929,428	86,794	33,308,005
Total net position	\$ <u>1,291,783</u>	\$ <u>32,076,548</u>	\$ <u>86,794</u>	\$ <u>33,455,125</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Enterprise Funds</u>			<u>Totals</u>
	<u>Business Development</u>	<u>Medicaid</u>	<u>Marketplace</u>	
OPERATING REVENUES:				
Charges for sales and services:				
Sales to customers	\$ -	\$ -	\$ 598,726	\$ 598,726
Consulting services	5,047,196	2,366,643	-	7,413,839
Miscellaneous	-	-	513,465	513,465
Total operating revenues	<u>\$ 5,047,196</u>	<u>\$ 2,366,643</u>	<u>\$ 1,112,191</u>	<u>\$ 8,526,030</u>
OPERATING EXPENSES:				
Payroll costs	-	2,562,468	336,405	2,898,873
Purchased and contracted services	4,576,260	3,740,086	90	8,316,436
Supplies and materials	-	272,403	810,874	1,083,277
Other operating expenses	-	354,946	16,211	371,157
Depreciation	-	62,391	-	62,391
Total operating expenses	<u>4,576,260</u>	<u>6,992,294</u>	<u>1,163,580</u>	<u>12,732,134</u>
Operating income (loss)	<u>470,936</u>	<u>(4,625,651)</u>	<u>(51,389)</u>	<u>(4,206,104)</u>
NONOPERATING REVENUES (EXPENSES)				
Earnings on investments	1,566	104,915	134	106,615
School health services (SHARS)	-	26,915,256	-	26,915,256
Total nonoperating revenue	<u>1,566</u>	<u>27,020,171</u>	<u>134</u>	<u>27,021,871</u>
Income before transfers	472,502	22,394,520	(51,255)	22,815,767
Transfers in	-	-	-	-
Transfers out	<u>(400,000)</u>	<u>(30,000,000)</u>	<u>-</u>	<u>(30,400,000)</u>
Change in net position	72,502	(7,605,480)	(51,255)	(7,584,233)
Total net position—beginning	1,219,281	39,682,028	138,049	41,039,358
Total net position—ending	<u>\$ 1,291,783</u>	<u>\$ 32,076,548</u>	<u>\$ 86,794</u>	<u>\$ 33,455,125</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Enterprise Funds			Totals
	Business Development	Medicaid	Marketplace	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from user charges	\$ 5,546,872	\$ 4,703,032	\$ 1,111,452	\$ 11,361,356
Receipts from other funds	-	-	10,728	10,728
Payments to suppliers	(4,797,107)	(4,435,624)	(776,354)	(10,009,085)
Payments to employees	-	(2,560,377)	(321,053)	(2,881,430)
Payments to other funds	(400,000)	-	-	(400,000)
Other payments	-	(99,575)	-	(99,575)
Net cash provided (used) in operating activities	<u>349,765</u>	<u>(2,392,544)</u>	<u>24,773</u>	<u>(2,018,006)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts from SHARS program	-	26,915,256	-	26,915,256
Operating subsidies and transfers to other funds	(400,000)	(30,000,000)	-	(30,400,000)
Net cash provided (used) in noncapital financing activities	<u>(400,000)</u>	<u>(3,084,744)</u>	<u>-</u>	<u>(3,484,744)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	(92,757)	-	(92,757)
Net cash used in capital and related financing activities	<u>-</u>	<u>(92,757)</u>	<u>-</u>	<u>(92,757)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(5,096,565)	(28,681,916)	(134)	(33,778,615)
Proceeds from sales and maturities of investments	5,576,000	34,225,000	90,000	39,891,000
Interest and dividends	1,566	104,915	134	106,615
Net cash provided (used) in investing activities	<u>481,001</u>	<u>5,647,999</u>	<u>90,000</u>	<u>6,219,000</u>
Net increase in cash and cash equivalents	430,766	77,954	114,773	623,493
Balances—beginning of the year	<u>4,374</u>	<u>52,171</u>	<u>12,909</u>	<u>69,454</u>
Balances—end of the year	<u>\$ 435,140</u>	<u>\$ 130,125</u>	<u>\$ 127,682</u>	<u>\$ 692,947</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 470,936	\$ (4,625,651)	\$ (51,389)	\$ (4,206,104)
Adjustments to reconcile operating income to net cash provided used in operating activities:				
Depreciation expense	-	62,391	-	62,391
Change in assets and liabilities:				
Receivables	499,675	2,336,388	(740)	2,835,323
Due from other funds	(229,987)	-	10,728	(219,259)
Inventories and other assets	-	7,175	20,787	27,962
Accounts payables	9,141	(68,189)	30,035	(29,013)
Due to other funds	(400,000)	(106,750)	-	(506,750)
Compensated absence payable	-	(11,993)	7,375	(4,618)
Accrued salaries payable	-	14,085	7,977	22,062
Net cash provided (used) in operating activities	<u>\$ 349,765</u>	<u>\$ (2,392,544)</u>	<u>\$ 24,773</u>	<u>\$ (2,018,006)</u>

INTERNAL SERVICE FUNDS

The **Print Shop Fund** is used to account for all the printing and distribution activities of the District's two print shop facilities. Schools and departments are charged for the costs of printing and distribution requests. During non-peak times, the Print Shop contracts with other governmental agencies requiring assistance during their peak periods. 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 71.14 percent of the annual cost of the plan with employees paying for the remaining 28.86 percent. These contributions are paid from all governmental and proprietary funds to the Health Insurance Fund from which all claims and administrative expenses are paid.

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

The **Internal Services Fund** is used to account for the fee-for-services offered by the District to serve the specific needs of schools and departments. The Alternative Certification, Athletics, UIL, Virtual School, and Shared Services programs are accounted for within this fund.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2016

	<u>Print Shop</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Internal Services</u>	<u>Totals</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 170,442	\$ 9,703	\$ 8,924	\$ 68,617	\$ 257,686
Investments	395,767	37,532,798	40,671,589	7,092,570	85,692,724
Receivables	181,362	-	-	-	181,362
Due from other funds	210,576	3,833,099	13,428	893,505	4,950,608
Accrued interest	-	42,283	10,923	-	53,206
Other assets	-	-	70,312	-	70,312
Total current assets	<u>958,147</u>	<u>41,417,883</u>	<u>40,775,176</u>	<u>8,054,692</u>	<u>91,205,898</u>
Noncurrent assets:					
Buildings and improvements	555,828	-	-	1,289,050	1,844,878
Construction in progress	-	-	-	301,700	301,700
Furniture and equipment	-	-	5,827	514,804	520,631
Vehicles	97,585	-	-	49,372	146,957
Less accumulated depreciation	(250,438)	-	(4,758)	(318,479)	(573,675)
Total noncurrent assets	<u>402,975</u>	<u>-</u>	<u>1,069</u>	<u>1,836,447</u>	<u>2,240,491</u>
Total assets	<u>1,361,122</u>	<u>41,417,883</u>	<u>40,776,245</u>	<u>9,891,139</u>	<u>93,446,389</u>
LIABILITIES					
Current liabilities:					
Accounts payable	132,602	3,410,305	314,318	1,232,605	5,089,830
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	11,448	11,448
Accrued salaries payable	58,977	54,660	41,627	372,840	528,104
Compensated absences payable	11,172	10,817	14,767	65,715	102,471
Claims and judgments payable	-	12,491,540	5,027,831	-	17,519,371
Total current liabilities	<u>202,751</u>	<u>15,967,322</u>	<u>5,398,543</u>	<u>1,682,608</u>	<u>23,251,224</u>
Noncurrent liabilities:					
Compensated absences payable	80,747	34,987	36,518	217,945	370,197
Claims and judgments payable	-	104,460	4,500,853	-	4,605,313
Total noncurrent liabilities	<u>80,747</u>	<u>139,447</u>	<u>4,537,371</u>	<u>217,945</u>	<u>4,975,510</u>
Total liabilities	<u>283,498</u>	<u>16,106,769</u>	<u>9,935,914</u>	<u>1,900,553</u>	<u>28,226,734</u>
NET POSITION					
Invested in capital assets	402,976	-	1,068	1,836,447	2,240,491
Unrestricted	674,648	25,311,114	30,839,263	6,154,139	62,979,164
Total net position	<u>\$ 1,077,624</u>	<u>\$ 25,311,114</u>	<u>\$ 30,840,331</u>	<u>\$ 7,990,586</u>	<u>\$ 65,219,655</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Print Shop</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Internal Services</u>	<u>Totals</u>
OPERATING REVENUES:					
Charges for sales and services:					
Sales to customers	\$ 4,320,622	\$ -	\$ -	\$ 20,206,503	\$ 24,527,125
Charges to employees and other funds	-	119,186,998	9,419,981	-	128,606,979
Miscellaneous	-	719,689	564,704	118,548	1,402,941
Total operating revenues	<u>4,320,622</u>	<u>119,906,687</u>	<u>9,984,685</u>	<u>20,325,051</u>	<u>154,537,045</u>
OPERATING EXPENSES:					
Payroll costs	1,420,451	1,101,412	1,321,003	10,100,623	13,943,489
Purchased and contracted services	1,027,268	6,470	518,202	8,202,976	9,754,916
Supplies and materials	1,109,264	7,968	8,371	1,566,165	2,691,768
Other operating expenses	4,148	2,876	462,119	1,736,095	2,205,238
Claims and judgments	-	141,327,026	4,854,683	-	146,181,709
Depreciation	14,435	-	1,165	130,548	146,148
Total operating expenses	<u>3,575,566</u>	<u>142,445,752</u>	<u>7,165,543</u>	<u>21,736,407</u>	<u>174,923,268</u>
Operating income (loss)	<u>745,056</u>	<u>(22,539,065)</u>	<u>2,819,142</u>	<u>(1,411,356)</u>	<u>(20,386,223)</u>
NONOPERATING REVENUES:					
Earnings on investments	629	212,976	197,537	30,403	441,545
Total nonoperating revenue	<u>629</u>	<u>212,976</u>	<u>197,537</u>	<u>30,403</u>	<u>441,545</u>
Change in net position before transfer	<u>745,685</u>	<u>(22,326,089)</u>	<u>3,016,679</u>	<u>(1,380,953)</u>	<u>(19,944,678)</u>
Transfers In	-	-	-	-	-
Change in net position	745,685	(22,326,089)	3,016,679	(1,380,953)	(19,944,678)
Total net position—beginning	331,939	47,637,203	27,823,652	9,371,539	85,164,333
Total net position—ending	<u>\$ 1,077,624</u>	<u>\$ 25,311,114</u>	<u>\$ 30,840,331</u>	<u>\$ 7,990,586</u>	<u>\$ 65,219,655</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Print Shop	Health Insurance	Workers' Compensation	Internal Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from user charges	\$ 4,160,322	\$ 126,066,357	\$ 10,006,363	\$ 19,045,093	\$ 159,278,135
Other receipts	-	773,588	582,515	111,190	1,467,293
Payments to suppliers	(2,214,513)	-	(427,987)	(9,800,148)	(12,442,648)
Payments to employees	(1,403,957)	(1,113,028)	3,162,965	(9,892,396)	(9,246,416)
Claims paid	-	(141,432,026)	(12,017,167)	-	(153,449,193)
Other payments	-	-	(2,299)	(679,821)	(682,120)
Net cash provided (used) by operating activities	<u>541,852</u>	<u>(15,705,109)</u>	<u>1,304,390</u>	<u>(1,216,082)</u>	<u>(15,074,949)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	-	-	-	(436,185)	(436,185)
Net cash used by capital and related financing activities	-	-	-	(436,185)	(436,185)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(1,790,629)	(170,475,915)	(30,127,371)	(22,990,403)	(225,384,318)
Proceeds from sales and maturities of investments	1,400,000	185,936,085	28,621,983	24,645,000	240,603,068
Interest and dividends	629	212,976	197,537	30,403	441,545
Net cash provided (used) by investing activities	<u>(390,000)</u>	<u>15,673,146</u>	<u>(1,307,851)</u>	<u>1,685,000</u>	<u>15,660,295</u>
Net increase (decrease) in cash and cash equivalents	<u>151,852</u>	<u>(31,963)</u>	<u>(3,461)</u>	<u>32,733</u>	<u>149,161</u>
Balances—beginning of the year	18,590	41,666	12,385	35,884	108,525
Balances—end of the year	<u>\$ 170,442</u>	<u>\$ 9,703</u>	<u>\$ 8,924</u>	<u>\$ 68,617</u>	<u>\$ 257,686</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	745,056	(22,539,065)	2,819,142	(1,411,356)	(20,386,223)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	14,435	-	1,165	130,548	146,148
Change in assets and liabilities:					
Receivables, net	109,049	-	-	-	109,049
Accounts payable	(75,966)	(755,262)	33,383	1,025,266	227,421
Due from other funds	-	7,651,936	586,382	-	8,238,318
Due to other funds	(269,347)	-	-	(1,161,409)	(1,430,756)
Accrued interest	-	53,899	17,811	-	71,710
Accrued salaries payable	15,396	(10,302)	8,725	169,850	183,669
Compensated absences payable	1,096	(1,314)	(6,341)	38,377	31,818
Current portion of claims and judgments	-	(109,261)	(1,088,993)	-	(1,198,254)
Other long term claims and judgments	-	4,260	(1,073,705)	-	(1,069,445)
Other	2,133	-	6,821	(7,358)	1,596
Net cash provided (used) by operating activities	<u>\$ 541,852</u>	<u>\$ (15,705,109)</u>	<u>\$ 1,304,390</u>	<u>\$ (1,216,082)</u>	<u>\$ (15,074,949)</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, 2016, one hundred-eight seven 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 Treasury 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.

Prior to the 2015-16 school year, elementary schools maintained the accounting records at their respective campuses, and deposited monies and issued disbursements from their own bank accounts. During the 2015-16 school year, all elementary schools activity funds were centralized and their bank accounts were closed.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2016</u>
CENTRALIZED ACTIVITY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 51,271	\$ 8,270,241	\$ (8,227,291)	\$ 94,221
Investments	7,851,645	19,437,150	(13,205,000)	14,083,795
School receivable	-	14,321	-	14,321
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ 7,902,916	\$ 27,721,712	\$ (21,432,291)	\$ 14,192,337
LIABILITIES				
Accounts payable	\$ 432,750	\$ 411,218	\$ (432,750)	\$ 411,218
Accrued salaries payable	42,089	20,118	(42,089)	20,118
Due to student/administrative groups	7,428,077	21,475,241	(15,142,317)	13,761,001
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	\$ 7,902,916	\$ 21,906,577	\$ (15,617,156)	\$ 14,192,337
NONCENTRALIZED ACTIVITY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 5,616,662	\$ 440,604	\$ (6,057,266)	\$ -
Investments	439,451	1,153	(440,604)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ 6,056,113	\$ 441,757	\$ (6,497,870)	\$ -
LIABILITIES				
Accounts payable	\$ 30,164	\$ -	\$ (30,164)	\$ -
Due to student/administrative groups	6,025,949	-	(6,025,949)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	\$ 6,056,113	\$ -	\$ (6,056,113)	\$ -
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 5,667,933	\$ 8,710,845	\$ (14,284,557)	\$ 94,221
Investments	8,291,096	19,438,303	(13,645,604)	14,083,795
School receivable	-	14,321	-	14,321
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ 13,959,029	\$ 28,163,469	\$ (27,930,161)	\$ 14,192,337
LIABILITIES				
Accounts payable	\$ 462,914	\$ 411,218	\$ (462,914)	\$ 411,218
Accrued salaries payable	42,089	20,118	(42,089)	20,118
Due to student/administrative groups	13,454,026	21,475,241	(21,168,266)	13,761,001
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	\$ 13,959,029	\$ 21,906,577	\$ (21,673,269)	\$ 14,192,337



FINANCIAL SECTION

2016 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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Better (Worse)
	Original	Final		
REVENUES				
Local maintenance taxes	\$ 251,909,352	\$ 245,500,803	\$ 248,730,091	\$ 3,229,288
Earnings on investments	200,000	415,000	463,186	48,186
State sources	-	2,939,671	2,811,047	(128,624)
Federal sources	7,065,638	7,065,638	7,089,869	24,231
Total revenues	<u>259,174,990</u>	<u>255,921,112</u>	<u>259,094,193</u>	<u>3,173,081</u>
EXPENDITURES				
Debt service				
Principal	111,184,917	127,224,918	127,224,916	2
Interest	177,096,324	156,845,943	156,845,942	1
Fiscal charges	-	2,089,950	1,959,956	129,994
Payment to escrow agents - current refunding	-	203,287,228	203,287,228	-
Total expenditures	<u>288,281,241</u>	<u>489,448,039</u>	<u>489,318,042</u>	<u>129,997</u>
Deficiency of revenues under expenditures	<u>(29,106,251)</u>	<u>(233,526,927)</u>	<u>(230,223,849)</u>	<u>3,303,078</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	29,181,349	23,710,657	23,710,657	-
Issuance of bonds and other debt	-	461,944,999	461,945,000	1
Premium on the sale of bonds	-	55,976,555	55,976,555	-
Payments to escrow agents	-	(313,982,644)	(313,982,644)	-
Total other financing sources	<u>29,181,349</u>	<u>227,649,567</u>	<u>227,649,568</u>	<u>1</u>
Net change in fund balances	75,098	(5,877,360)	(2,574,281)	3,303,079
Fund balances-beginning	125,699,276	125,699,276	125,699,276	-
Fund balances-ending	<u>\$ 125,774,374</u>	<u>\$ 119,821,916</u>	<u>\$ 123,124,995</u>	<u>\$ 3,303,079</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Better (Worse)
	Original	Final		
REVENUES				
Earnings on investments	\$ 1,423,000	\$ 1,878,000	\$ 2,644,715	\$ 766,715
Miscellaneous local sources	23,000,000	23,189,189	25,702,345	2,513,156
Total revenues	<u>24,423,000</u>	<u>25,067,189</u>	<u>28,347,060</u>	<u>3,279,871</u>
EXPENDITURES				
Capital outlay				
Facilities acquisition and construction	500,000,000	1,354,513,756	396,673,409	957,840,347
Total expenditures	<u>500,000,000</u>	<u>1,354,513,756</u>	<u>396,673,409</u>	<u>957,840,347</u>
Deficiency of revenues under expenditures	<u>(475,577,000)</u>	<u>(1,329,446,567)</u>	<u>(368,326,349)</u>	<u>961,120,218</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,570,000	15,570,000	15,553,307	(16,693)
Transfers out	(12,868,881)	(12,868,881)	(12,868,881)	-
Issuance of bonds and other debt	-	492,880,000	492,880,000	-
Premium on sale of bonds	-	69,665,118	69,665,118	-
Proceeds from sale of capital assets	-	3,049,975	3,049,975	-
Total other financing sources	<u>2,701,119</u>	<u>568,296,212</u>	<u>568,279,519</u>	<u>(16,693)</u>
Net change in fund balances	<u>(472,875,881)</u>	<u>(761,150,355)</u>	<u>199,953,170</u>	<u>961,103,525</u>
Fund balances--beginning	<u>757,887,174</u>	<u>757,887,174</u>	<u>757,887,174</u>	<u>-</u>
Fund balances--ending	<u>\$ 285,011,293</u>	<u>\$ (3,263,181)</u>	<u>\$ 957,840,344</u>	<u>\$ 961,103,525</u>

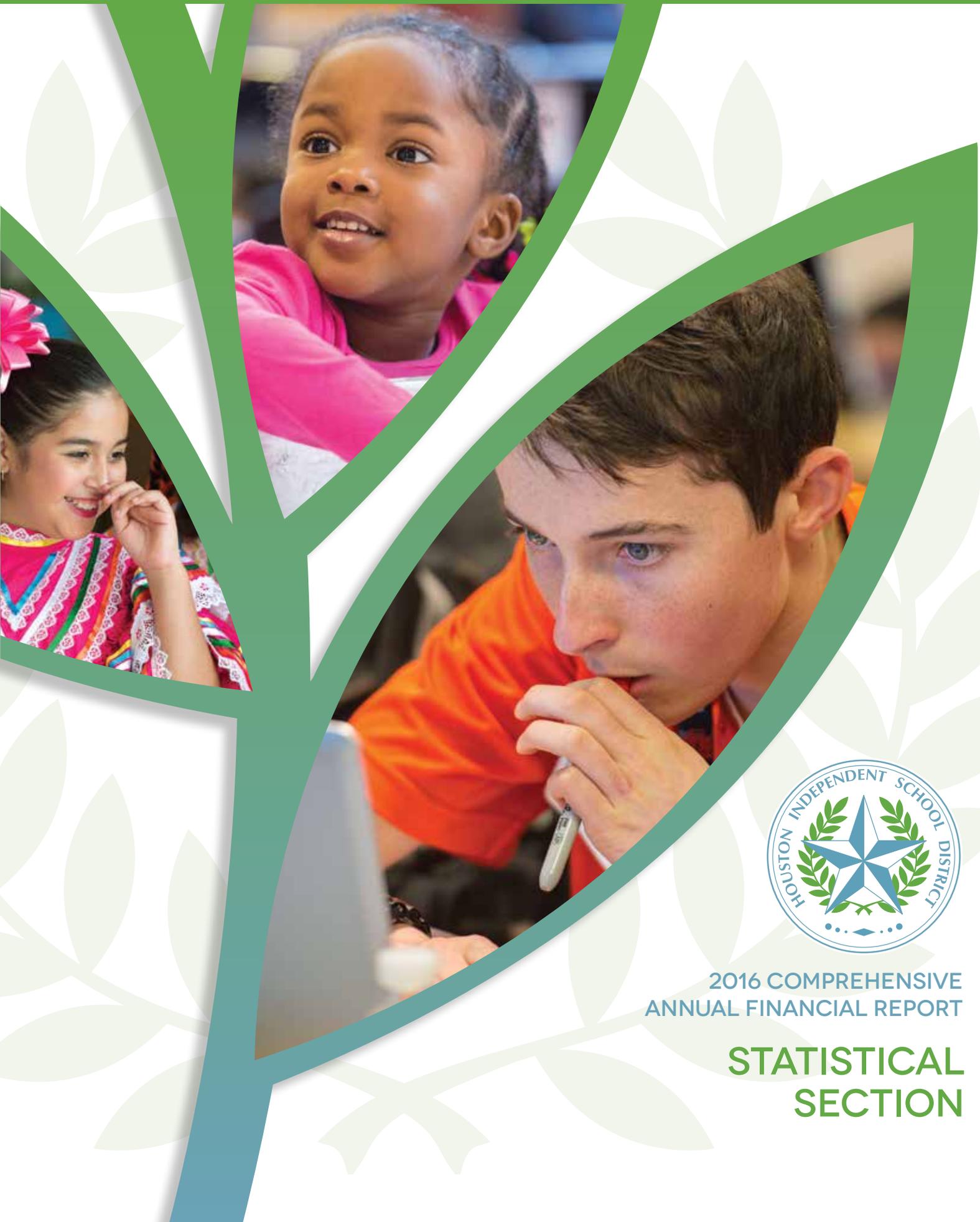
**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL - NUTRITION SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Food sales	\$ 9,335,482	\$ 7,858,189	\$ 7,287,832	\$ (570,357)
Interest income	12,900	31,179	40,092	8,913
Miscellaneous local sources	20,560	32,555	105,686	73,131
State matching funds and others	594,191	594,191	3,175,316	2,581,125
Child nutrition programs/Summer food program	108,026,735	109,700,778	109,055,151	(645,627)
Donated commodities	6,496,386	7,311,777	6,862,230	(449,547)
Total revenues	<u>124,486,254</u>	<u>125,528,669</u>	<u>126,526,307</u>	<u>997,638</u>
EXPENSES				
Current				
Food services	115,112,225	121,810,795	123,957,686	(2,146,891)
General administration	1,531,857	1,258,144	1,213,240	44,904
Plant maintenance and operations	4,047,329	1,904,603	1,890,649	13,954
Total expenses	<u>120,691,411</u>	<u>124,973,542</u>	<u>127,061,575</u>	<u>(2,088,033)</u>
Change in fund net position	<u>3,794,843</u>	<u>555,127</u>	<u>(535,268)</u>	<u>(1,090,395)</u>
Total net position-beginning	<u>9,199,808</u>	<u>9,199,808</u>	<u>9,199,808</u>	<u>-</u>
Total net position-ending	<u>\$ 12,994,651</u>	<u>\$ 9,754,935</u>	<u>\$ 8,664,540</u>	<u>\$ (1,090,395)</u>



FINANCIAL EXCELLENCE
SUPPORTING
ACADEMIC SUCCESS

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2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATISTICAL INFORMATION
(Unaudited)

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

CONTENTS

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

SOURCES

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement No. 72 in fiscal year 2016.



FINANCIAL EXCELLENCE
SUPPORTING
ACADEMIC SUCCESS

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STATISTICAL SECTION
2016 FINANCIAL
TRENDS

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	\$ 1,248,306,026	\$ 1,251,173,392	\$ 1,107,825,229	\$ 1,017,816,914	\$ 849,051,723	\$ 607,088,046	\$ 683,024,510	\$ 606,423,128	\$ 519,175,036	\$ 457,203,250
Restricted	78,988,962	47,832,498	84,103,019	56,598,918	84,478,848	115,045,479	84,381,231	91,063,905	84,771,107	83,229,648
Unrestricted	604,451,655	536,765,712	700,219,163	665,555,330	683,841,354	754,037,910	589,054,667	632,251,253	704,719,212	643,682,650
Total governmental activities	\$ 1,931,746,643	\$ 1,835,771,602	\$ 1,892,147,411	\$ 1,739,971,162	\$ 1,617,371,925	\$ 1,476,171,435	\$ 1,356,460,408	\$ 1,329,738,286	\$ 1,308,665,355	\$ 1,184,115,548
Business-type activities										
Net investment in capital assets	\$ 3,543,365	\$ 2,312,189	\$ 1,423,266	\$ 833,369	\$ 386,947	\$ 306,387	\$ 267,578	\$ 21,289,416	\$ 23,315,673	\$ 18,506,309
Restricted	5,268,295	7,004,373	20,426,635	14,605,458	8,423,522	-	-	-	-	16,171,618
Unrestricted	34,936,560	43,924,804	48,677,085	42,285,257	55,946,769	33,966,335	25,896,844	(6,253,630)	10,069,334	18,070,470
Total business-type activities	\$ 43,748,220	\$ 53,241,366	\$ 70,526,986	\$ 57,724,084	\$ 64,757,238	\$ 34,272,722	\$ 26,164,422	\$ 15,035,786	\$ 33,385,007	\$ 52,748,397
Total										
Net investment in capital assets	\$ 1,251,849,391	\$ 1,253,485,581	\$ 1,109,248,495	\$ 1,018,650,283	\$ 849,438,670	\$ 607,394,433	\$ 683,292,088	\$ 627,712,544	\$ 542,490,709	\$ 475,709,559
Restricted	84,257,257	54,836,871	104,529,654	71,204,376	92,902,370	115,045,479	84,381,231	91,063,905	84,771,107	99,401,266
Unrestricted	639,388,215	580,690,516	748,896,248	707,840,587	739,788,123	788,004,245	614,951,511	625,997,623	714,788,546	661,753,120
Total net position	\$ 1,975,494,863	\$ 1,889,012,968	\$ 1,962,674,397	\$ 1,797,695,246	\$ 1,682,129,163	\$ 1,510,444,157	\$ 1,382,624,830	\$ 1,344,774,072	\$ 1,342,050,362	\$ 1,236,863,945

HISD | 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
Instruction	\$ 1,321,923,485	\$ 1,209,883,205	\$ 1,182,118,522	\$ 1,042,458,041	\$ 1,059,621,975	\$ 1,183,179,760	\$ 1,181,805,764	\$ 1,153,304,979	\$ 1,089,343,618	\$ 1,023,779,666
Instructional resources and media services	67,366,868	7,702,863	9,944,748	10,869,915	9,156,011	16,023,275	17,261,306	21,093,535	14,693,279	14,613,972
Instructional staff development	61,690,290	60,005,763	59,082,951	55,893,549	63,721,103	54,518,931	67,113,124	66,565,702	59,859,578	51,047,354
Curriculum development	9,683,262	5,717,871	6,139,884	5,622,290	4,128,424	4,902,643	4,665,111	3,584,011	4,240,788	3,884,100
Instructional leadership	31,044,536	28,477,630	25,360,441	18,901,250	20,131,917	24,911,226	27,244,755	26,930,049	23,266,595	21,141,738
School leadership	144,729,360	129,495,908	125,993,716	115,221,354	117,065,506	128,978,440	130,773,278	132,667,937	124,181,161	110,863,454
Guidance, counseling, and evaluation services	56,613,106	46,638,994	49,573,307	46,489,885	54,065,013	57,842,064	62,038,198	49,789,308	50,166,310	43,560,525
Social work services	3,667,034	2,920,092	3,201,197	1,708,965	1,815,776	2,198,842	2,269,165	2,285,724	2,173,752	2,249,125
Health services	21,657,215	20,326,190	20,089,065	18,126,396	16,734,818	21,446,184	20,012,485	20,903,330	19,442,983	18,402,273
Student transportation services	60,617,212	56,262,972	54,382,120	49,177,675	47,554,907	51,893,178	49,177,482	49,161,505	47,790,724	41,696,460
Food service	260,243	735,266	739,979	1,852,859	3,188,052	3,008,334	4,048,882	1,462,442	1,462,442	332,218
Co-curricular/extracurricular activities	19,065,366	17,216,086	15,682,667	15,819,706	16,987,312	20,340,457	17,164,043	17,545,394	15,657,329	13,252,675
General administration	36,675,151	35,366,990	36,000,073	32,135,778	31,731,912	34,477,259	34,203,064	31,644,240	37,274,187	33,028,320
Plant maintenance and operations	259,431,697	265,903,264	265,903,264	265,903,264	265,903,264	265,903,264	265,903,264	265,903,264	265,903,264	265,903,264
Security and monitoring services	26,590,964	22,506,620	21,716,890	19,354,386	18,767,276	20,382,003	21,151,657	21,709,881	19,812,880	18,718,866
Data processing services	93,903,264	95,132,817	68,775,556	47,359,605	33,848,438	37,132,523	39,020,554	44,367,319	52,846,792	52,925,158
Community services	7,124,283	6,532,422	4,871,601	4,117,037	4,997,510	5,908,205	4,521,889	5,252,954	5,453,724	5,775,868
Fiscal agent/member districts of shared services	2,260,646	2,704,595	1,956,874	2,405,128	2,405,128	-	-	-	-	-
Interest and fiscal charges	87,029,681	89,351,058	92,548,879	102,759,843	113,712,948	107,186,397	104,870,409	106,192,056	95,791,571	104,069,875
Juvenile justice alternative education program	782,000	792,000	843,660	843,660	884,270	884,270	551,243	667,494	782,071	329,541
Tax reinvestment zone payments	52,100,723	49,360,389	53,641,961	51,016,677	52,834,027	49,634,345	54,620,528	35,104,450	32,754,533	32,221,847
Tax appraisal and collection	13,355,890	12,555,327	10,568,700	9,927,290	9,775,757	9,797,218	9,876,688	9,629,776	-	-
Total governmental activities expenses	<u>2,316,952,276</u>	<u>2,075,599,940</u>	<u>2,036,088,299</u>	<u>1,817,815,360</u>	<u>1,852,368,549</u>	<u>2,007,340,631</u>	<u>2,027,515,247</u>	<u>2,002,063,686</u>	<u>1,861,457,492</u>	<u>1,769,696,590</u>
Business-type activities:										
Nutrition services	128,435,220	122,401,383	115,781,436	106,852,176	105,832,493	115,099,249	107,858,328	109,347,648	109,520,238	98,727,038
Business development	4,576,280	4,490,622	4,576,179	9,404,905	10,136,636	10,845,529	9,397,281	9,894,698	9,759,385	9,655,656
Medicaid	6,982,294	4,287,529	3,977,731	3,028,196	2,130,061	1,637,317	1,652,331	1,430,670	1,262,940	1,163,888
Marketplace	1,163,580	1,007,281	500,486	528,513	599,041	-	-	-	-	-
Total business-type activities expenses	<u>141,167,354</u>	<u>132,186,815</u>	<u>124,835,832</u>	<u>119,813,790</u>	<u>118,698,231</u>	<u>127,582,095</u>	<u>118,907,940</u>	<u>120,373,016</u>	<u>120,542,563</u>	<u>109,546,582</u>
Total expenses	<u>\$ 2,458,119,630</u>	<u>\$ 2,207,786,755</u>	<u>\$ 2,160,924,131</u>	<u>\$ 1,937,629,150</u>	<u>\$ 1,971,066,780</u>	<u>\$ 2,134,922,726</u>	<u>\$ 2,146,423,187</u>	<u>\$ 2,122,436,702</u>	<u>\$ 1,982,000,055</u>	<u>\$ 1,879,243,172</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 1,615,963	\$ 1,406,428	\$ 1,492,445	\$ 924,014	\$ 891,197	\$ 840,370	\$ 924,253	\$ 817,212	\$ 863,005	\$ 560,736
Co-curricular/extracurricular activities	369,886	814,171	1,027,891	991,819	1,003,509	592,192	607,204	611,688	389,723	255,387
Plant maintenance and operations	451,688	326,551	613,334	589,794	620,570	525,656	561,756	455,395	502,987	511,377
Operating grants and contributions	284,606,909	283,688,955	358,082,926	328,935,582	369,299,966	445,161,872	458,717,421	355,444,861	343,082,215	339,591,240
Total governmental activities program revenues	<u>287,044,456</u>	<u>286,236,105</u>	<u>361,216,596</u>	<u>371,815,242</u>	<u>371,815,242</u>	<u>447,120,090</u>	<u>460,810,634</u>	<u>357,330,156</u>	<u>344,837,930</u>	<u>340,918,740</u>
Business-type activities:										
Charges for services:										
Nutrition services	7,287,832	8,374,719	10,245,808	10,301,716	10,347,193	9,645,209	10,632,279	12,814,355	14,512,444	15,334,128
Business development	5,047,199	4,944,367	5,656,010	9,695,176	11,006,871	11,251,482	10,518,232	10,868,704	10,266,253	10,698,365
Medicaid	2,366,643	3,345,480	2,746,689	2,471,830	2,282,917	2,279,083	1,984,651	1,363,900	1,144,819	2,821,622
Marketplace	598,726	755,925	424,008	451,426	100,823	-	-	-	-	-
Operating grants and contributions	143,417,677	144,334,759	138,265,205	128,754,038	162,517,103	141,623,302	115,040,272	89,392,353	86,398,461	80,288,177
Total business-type activities program revenues	<u>156,718,074</u>	<u>161,755,250</u>	<u>157,337,720</u>	<u>151,674,166</u>	<u>186,254,907</u>	<u>165,239,076</u>	<u>138,175,434</u>	<u>114,162,312</u>	<u>112,341,977</u>	<u>109,142,292</u>
Total program revenues	<u>443,762,530</u>	<u>447,991,355</u>	<u>518,554,316</u>	<u>523,489,408</u>	<u>558,070,149</u>	<u>612,359,166</u>	<u>598,986,068</u>	<u>471,492,468</u>	<u>457,179,907</u>	<u>450,061,032</u>
Net (Expense)/Revenue										
Governmental activities	\$ (2,029,907,820)	\$ (1,789,363,835)	\$ (1,674,871,703)	\$ (1,486,374,151)	\$ (1,480,553,307)	\$ (1,560,220,541)	\$ (1,566,704,613)	\$ (1,644,733,530)	\$ (1,516,161,562)	\$ (1,428,777,850)
Business-type activities	17,550,720	29,568,435	32,501,888	31,860,396	67,556,676	37,656,981	19,267,494	(6,210,704)	(8,200,586)	(404,290)
Total net expense	<u>\$(2,012,357,100)</u>	<u>\$(1,759,795,400)</u>	<u>\$(1,642,369,815)</u>	<u>\$(1,454,513,755)</u>	<u>\$(1,412,996,631)</u>	<u>\$(1,522,563,560)</u>	<u>\$(1,547,437,119)</u>	<u>\$(1,650,944,234)</u>	<u>\$(1,524,820,148)</u>	<u>\$(1,429,182,140)</u>

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (Expense)/Revenue										
Governmental activities	\$ (2,029,907,820)	\$ (1,788,912,045)	\$ (1,674,871,703)	\$ (1,486,374,151)	\$ (1,480,553,307)	\$ (1,560,220,541)	\$ (1,566,704,613)	\$ (1,644,733,530)	\$ (1,516,619,562)	\$ (1,428,777,850)
Business-type activities	\$ 17,550,720	\$ 29,116,645	\$ 32,501,888	\$ 31,860,396	\$ 67,556,676	\$ 37,656,981	\$ 19,267,494	\$ (6,210,704)	\$ (8,200,586)	\$ (404,290)
Total net expense	\$ (2,012,357,100)	\$ (1,759,795,400)	\$ (1,642,369,815)	\$ (1,454,513,755)	\$ (1,412,996,631)	\$ (1,522,563,560)	\$ (1,547,437,119)	\$ (1,650,944,234)	\$ (1,524,820,148)	\$ (1,429,182,140)
General Revenues										
Governmental activities:										
Taxes:										
Maintenance & operations property taxes	\$ 1,524,975,899	\$ 1,397,469,254	\$ 1,236,374,779	\$ 1,102,005,554	\$ 992,624,091	\$ 1,027,522,513	\$ 1,065,193,515	\$ 1,058,019,228	\$ 936,378,261	\$ 1,110,688,088
Debt service property taxes	247,590,294	232,266,371	195,804,754	164,908,522	147,135,700	151,859,268	157,268,604	158,048,285	140,629,766	125,130,825
State aid - not restricted to specific programs	219,041,630	286,405,460	323,852,877	249,637,884	361,077,829	393,524,758	317,029,674	365,108,678	435,758,303	286,432,562
Tax increment reinvestment zone	28,256,492	25,200,451	23,850,334	28,760,661	31,010,087	43,023,511	21,653,331	20,562,533	18,954,929	21,379,916
Unrestricted investment earnings	6,979,458	3,724,932	3,979,465	2,755,071	3,760,140	4,255,542	7,127,247	26,927,592	48,972,905	56,967,051
Miscellaneous	17,286,979	19,274,951	18,604,624	20,945,146	47,425,950	29,345,976	16,018,276	23,940,145	13,112,562	19,945,507
Gain/(Loss) on sale of real or personal property	(7,730,853)	53,413,990	-	-	-	-	-	-	-	-
On-behalf Contribution relating to Pension-GAS	59,082,962	-	-	-	-	-	-	-	-	-
Transfers	30,400,000	30,400,000	21,260,550	39,960,550	38,700,000	30,400,000	9,136,088	13,200,000	13,200,000	13,200,000
Total governmental activities	2,125,882,861	2,048,155,409	1,823,727,483	1,608,973,388	1,621,753,797	1,679,931,568	1,593,428,735	1,665,806,461	1,607,006,726	1,632,743,949
Business-type activities:										
Unrestricted investment earnings	146,707	57,514	59,550	87,300	109,681	88,424	56,983	219,246	1,055,550	2,510,034
Miscellaneous	619,151	425,772	1,055,403	979,700	1,518,159	762,895	938,247	842,237	981,646	1,218,975
On-behalf Contribution relating to Pension-GAS	2,590,276	-	-	-	-	-	-	-	-	-
Transfers	(30,400,000)	(30,400,000)	(21,260,550)	(39,960,550)	(38,700,000)	(30,400,000)	(9,136,088)	(13,200,000)	(13,200,000)	(13,200,000)
Total business-type activities	(27,043,866)	(29,916,714)	(20,145,597)	(38,893,550)	(37,072,160)	(29,548,681)	(8,136,868)	(12,138,517)	(11,162,804)	(9,470,991)
Total general revenues	\$ 2,098,838,995	\$ 2,018,238,695	\$ 1,803,581,886	\$ 1,570,079,838	\$ 1,584,681,637	\$ 1,650,382,887	\$ 1,585,287,877	\$ 1,653,667,944	\$ 1,595,843,922	\$ 1,623,272,958
Change in Position										
Governmental activities	\$ 95,975,041	\$ 259,243,364	\$ 148,855,780	\$ 122,599,237	\$ 141,200,490	\$ 119,711,027	\$ 26,722,122	\$ 21,072,931	\$ 90,387,164	\$ 203,966,099
Business-type activities	(9,493,146)	(800,069)	12,356,291	(7,033,154)	30,484,516	8,108,300	11,128,636	(18,349,221)	(19,363,390)	(9,875,281)
Total change in net position	\$ 86,481,895	\$ 258,443,295	\$ 161,212,071	\$ 115,566,083	\$ 171,685,006	\$ 127,819,327	\$ 37,850,758	\$ 2,723,710	\$ 71,023,774	\$ 194,090,818

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund Balances										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,515,835	\$ 45,001,452	\$ 42,513,114	\$ 26,848,233
Unreserved	-	-	-	-	-	-	406,635,723	432,413,584	481,171,886	430,916,041
Nonspendable	10,166,319	11,234,622	10,919,610	10,970,265	11,274,260	8,535,501	-	-	-	-
Restricted	-	5,686,179	10,558,662	23,628,833	25,294,791	23,746,635	-	-	-	-
Committed	91,482,865	89,706,733	83,790,695	81,161,009	78,974,229	100,954,015	-	-	-	-
Assigned	250,970,779	256,992,372	155,446,311	128,138,692	124,225,921	92,059,275	-	-	-	-
Unassigned	385,625,902	282,545,916	279,351,748	276,796,499	312,621,371	257,315,672	-	-	-	-
Total general fund	\$ 738,245,865	\$ 646,165,822	\$ 540,067,026	\$ 520,695,298	\$ 552,390,572	\$ 482,611,098	\$ 452,151,558	\$ 477,415,036	\$ 523,685,000	\$ 457,764,274
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,538,459	\$ 307,660,468	\$ 223,817,813	\$ 242,325,365
Unreserved, reported in:										
Special Revenue Fund	-	-	-	-	-	-	9,237,349	9,342,633	9,451,918	-
Capital Renovations Fund	-	-	-	-	-	-	619,110,517	410,120,800	532,098,368	168,377,147
Public Facility Corporation	-	-	-	-	-	-	54,519,448	1,321,516	3,291,731	8,953,511
Restricted, reported in:										
Special Revenue Fund	34,657,380	28,091,528	27,171,222	25,304,978	25,445,723	9,703,595	-	-	-	-
Debt Service Fund	123,124,995	125,699,276	145,910,262	127,037,935	144,143,368	131,866,758	-	-	-	-
Capital Renovations Fund	876,943,939	648,942,505	445,828,592	573,881,680	376,547,064	553,805,808	-	-	-	-
Public Facility Corporation	63,955,273	93,235,178	6,129,820	6,837,689	6,817,796	17,857,956	-	-	-	-
Committed reported in:										
Capital Renovations Fund	21,000,196	38,462,761	64,916,459	75,469,488	93,542,185	124,962,185	-	-	-	-
Assigned reported in:										
Capital Renovations Fund	59,896,209	70,481,908	38,361,620	45,155,473	57,889,113	54,177,283	-	-	-	-
Total all other governmental funds	\$ 1,179,577,992	\$ 1,004,913,156	\$ 728,317,975	\$ 853,687,243	\$ 704,385,209	\$ 892,373,585	\$ 1,078,405,773	\$ 728,445,417	\$ 768,659,830	\$ 419,656,023

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

For the fiscal year 2010 and prior, the amounts represent Pre-GASB 54

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Local sources:										
Property taxes	\$ 1,777,993,410	\$ 1,620,768,964	\$ 1,439,001,774	\$ 1,267,605,956	\$ 1,199,168,635	\$ 1,188,465,129	\$ 1,223,132,904	\$ 1,210,370,148	\$ 1,091,125,248	\$ 1,245,492,112
Earnings on investments	6,537,913	3,227,580	3,567,672	2,491,504	3,405,057	3,976,620	6,459,794	24,159,405	43,487,742	50,658,097
Miscellaneous local sources	53,679,466	46,389,598	52,031,641	59,749,175	73,964,248	68,656,990	43,483,510	52,811,748	42,747,211	44,189,252
Total local sources	<u>1,838,210,789</u>	<u>1,670,386,142</u>	<u>1,494,601,087</u>	<u>1,329,846,635</u>	<u>1,276,537,940</u>	<u>1,261,098,739</u>	<u>1,273,076,208</u>	<u>1,287,341,301</u>	<u>1,177,360,201</u>	<u>1,340,339,461</u>
State sources:										
Per capita	35,116,457	49,580,221	49,423,912	85,664,101	46,005,198	59,890,994	21,511,001	46,266,828	50,818,130	74,173,561
Foundation school program	193,435,639	247,558,062	285,992,699	175,880,327	327,816,675	369,544,820	318,014,257	353,795,852	446,442,074	246,773,526
On behalf payments	42,570,730	46,763,431	67,095,628	60,285,800	57,774,897	69,305,020	70,403,585	70,039,599	66,124,556	57,370,533
Other state sources	39,394,909	7,355,681	39,304,253	21,289,371	49,854,401	23,520,135	29,475,244	28,708,318	24,064,692	25,265,104
Total state sources	<u>310,517,735</u>	<u>351,257,395</u>	<u>441,816,492</u>	<u>343,119,599</u>	<u>481,451,171</u>	<u>522,260,969</u>	<u>439,404,087</u>	<u>498,810,597</u>	<u>587,449,452</u>	<u>403,582,724</u>
Federal sources	185,158,431	213,682,616	206,949,586	203,715,416	246,425,350	319,183,246	330,383,551	215,127,489	196,167,602	203,612,829
Total revenues	<u>\$ 2,333,886,955</u>	<u>\$ 2,235,326,153</u>	<u>\$ 2,143,367,165</u>	<u>\$ 1,876,681,650</u>	<u>\$ 2,004,414,461</u>	<u>\$ 2,102,542,954</u>	<u>\$ 2,042,863,846</u>	<u>\$ 2,001,279,387</u>	<u>\$ 1,960,977,255</u>	<u>\$ 1,947,535,014</u>

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

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$ 1,156,049,711	\$ 1,104,440,814	\$ 1,088,908,173	\$ 992,163,478	\$ 1,013,494,213	\$ 1,101,162,131	\$ 1,107,406,037	\$ 1,078,428,648	\$ 1,006,125,503	\$ 959,716,749
Instructional resources and media services	6,593,406	7,952,287	10,278,369	11,118,905	11,555,276	16,381,158	17,801,466	23,903,416	14,576,095	14,646,808
Instructional staff development	60,270,149	59,107,913	58,154,670	54,939,279	63,856,333	54,263,939	66,453,339	65,418,777	58,784,175	53,039,238
Curriculum development	9,394,342	5,697,622	6,127,088	5,687,120	4,201,940	4,890,219	4,614,962	5,277,650	4,223,455	3,944,213
Instructional leadership	29,042,244	27,204,848	24,074,779	22,416,685	21,599,188	24,888,930	27,261,578	26,410,595	22,956,610	21,082,513
School leadership	138,095,849	128,611,645	124,755,647	116,733,825	119,183,528	128,698,374	130,265,164	130,502,940	123,562,633	112,313,652
Guidance, counseling, and evaluation services	53,831,166	45,117,000	49,135,835	48,204,442	56,123,250	57,677,493	61,156,891	48,002,187	49,384,323	45,171,367
Social work services	3,549,028	2,899,837	3,193,461	1,735,345	1,846,464	2,192,944	2,264,505	2,230,353	2,164,007	2,274,594
Health services	20,779,347	19,860,156	19,925,875	18,590,270	17,042,335	21,422,280	19,954,632	20,532,155	19,345,991	18,679,880
Student transportation	58,910,024	54,059,722	53,007,805	54,970,802	47,175,230	48,240,258	52,000,103	52,242,760	42,442,213	47,201,457
Food services	253,641	591,158	172,172	583,973	583,260	131,151	10,879,396	1,906,326	212,168	309,294
Co-curricular/extracurricular activities	18,942,687	17,083,246	15,831,469	16,029,157	17,217,488	20,289,786	16,699,117	16,647,786	14,773,408	14,046,806
General administration	35,182,633	35,119,538	36,289,625	32,554,127	32,363,024	33,915,789	33,095,416	29,752,854	35,564,385	31,768,477
Plant maintenance and operations	165,977,640	173,825,216	191,750,049	166,933,319	172,762,187	175,450,003	173,340,380	198,821,677	183,181,687	178,436,705
Security and monitoring services	25,332,111	22,425,128	22,059,980	19,739,550	18,835,057	20,264,492	20,748,092	21,125,694	19,551,020	19,335,915
Data processing services	85,484,194	89,624,688	61,605,594	45,275,495	27,338,836	26,180,383	24,825,952	30,531,146	33,692,358	35,621,196
Community services	6,963,614	6,467,383	4,840,611	4,167,845	5,087,450	5,890,353	4,506,100	5,166,207	5,431,534	5,828,886
Fiscal agent/member districts of shared services arrangements	2,260,646	2,704,595	1,956,874	2,405,128	-	-	-	-	-	-
Juvenile justice alternative education program	792,000	792,000	843,660	843,660	984,270	-	551,243	667,494	762,071	329,541
Tax reinvestment zone payments	52,100,723	49,360,389	53,641,961	51,016,677	52,834,027	49,634,345	54,620,528	35,104,450	32,754,533	32,221,847
Tax appraisal and collection	13,355,890	12,555,327	10,588,700	9,927,290	9,775,757	9,797,218	9,876,688	9,629,776	-	-
Debt service	140,278,176	117,446,886	129,080,391	96,045,369	74,639,997	71,034,340	90,918,150	101,872,999	96,190,448	71,385,689
Principal	157,739,465	132,138,517	153,493,148	160,202,075	142,211,510	141,891,751	114,632,129	113,535,871	98,297,459	99,841,543
Interest	1,959,956	2,728,904	243,134	-	-	-	-	-	-	-
Payments to escrow agent- current refunding	203,287,228	752,140,331	-	-	186,455,000	-	-	-	-	-
Capital outlay	429,290,307	241,104,027	181,127,977	211,984,053	287,682,245	294,750,604	175,974,734	97,697,019	127,692,090	235,137,735
Facilities acquisition and construction										
Total expenditures	\$ 2,875,716,177	\$ 3,111,059,157	\$ 2,301,087,027	\$ 2,144,267,869	\$ 2,384,847,865	\$ 2,309,047,941	\$ 2,219,846,627	\$ 2,115,408,780	\$ 1,991,668,166	\$ 2,002,334,105
Debt service as a percentage of non-capital expenditures	13.21%	11.88%	13.62%	13.71%	11.48%	10.55%	10.14%	10.81%	10.64%	10.00%

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

The debt service ratio is calculated by dividing total debt service (principal and interest) by total noncapital expenditures. Noncapital expenditures are total expenditures less capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditure categories. The calculation for the debt service ratio in the year reported is as follows: (140,278,176 + 157,739,465) / (2,875,716,177 - 417,086,402 - 203,287,228) where 417,086,402 is the portion of capital outlay capitalized in the government-wide statements.

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

Prior to FY2014 Interest and Fiscal charges were reported in aggregate.

**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)**

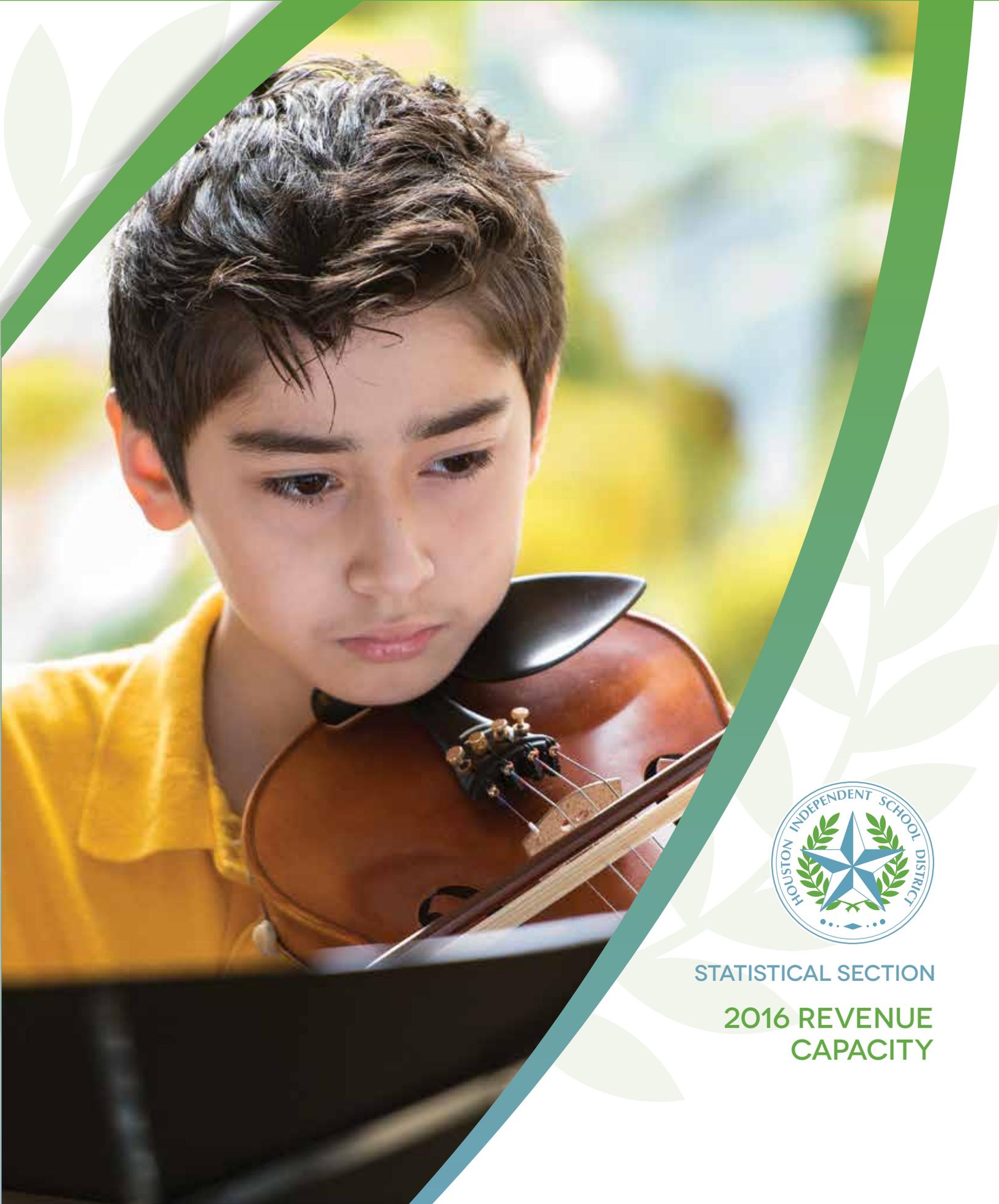
	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Excess of revenues under expenditures	\$ (541,829,222)	\$ (875,733,004)	\$ (157,719,862)	\$ (267,586,219)	\$ (380,433,404)	\$ (206,504,887)	\$ (175,867,683)	\$ (114,129,393)	\$ (30,690,911)	\$ (54,799,091)
Other Financing Sources (Uses)										
Capital leases	8,640,097	19,814,339	15,732,872	66,979	-	55,772	-	62,307	93,514	47,521
Issuance of bonds and other debt	492,880,000	1,132,865,000	-	449,675,000	205,580,000	14,500,000	479,520,000	28,660,000	413,325,000	320,964,999
Issuance of refunding debt	461,945,000	-	-	-	-	-	-	-	-	-
Payments to escrow agents	(313,982,644)	(51,072,776)	-	(158,136,613)	-	-	-	(30,858,706)	-	(329,420,511)
Premium on sale of bonds	69,665,118	65,105,203	-	50,189,281	6,371,654	727,960	7,332,903	17,340,279	12,074,080	23,422,005
Premium on sale of refunding bonds	55,976,555	-	-	-	-	-	-	-	-	-
Discount on sale of bonds	-	-	-	-	-	-	(115,214)	-	-	-
Proceeds from sale of capital assets	3,049,975	61,799,149	1,259,647	3,437,781	11,572,848	4,748,507	4,871,945	91,136	1,204,181	14,086,012
Transfers in	69,663,964	79,648,453	120,753,258	122,337,002	144,071,182	150,794,392	112,085,429	103,858,212	100,241,208	120,880,779
Transfers out	(39,263,984)	(49,732,387)	(99,492,708)	(82,376,451)	(105,371,182)	(119,894,392)	(102,015,404)	(91,408,212)	(88,484,735)	(109,123,706)
Total other financing sources	808,574,101	1,258,426,981	38,253,069	385,192,979	262,224,502	50,932,239	501,679,659	27,645,016	438,453,248	40,867,099
Net change in fund balances	\$ 266,744,879	\$ 382,693,977	\$ (119,466,793)	\$ 117,606,760	\$ (118,208,902)	\$ (155,572,648)	\$ 325,811,976	\$ (86,484,377)	\$ 407,762,337	\$ (13,931,992)

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



FINANCIAL EXCELLENCE
SUPPORTING
ACADEMIC SUCCESS

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STATISTICAL SECTION
2016 REVENUE
CAPACITY

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

Fiscal Year	Real Property	Personal Property	Less Exemptions	Assessed Value	Total Direct Rate	Actual Value
2007	\$ 83,285,173,149	\$ 25,588,015,541	\$ 23,692,707,260	\$ 85,180,481,430	1.475700	\$ 110,419,741,124
2008	93,961,302,124	28,315,796,050	25,702,472,754	96,574,625,420	1.156700	124,486,331,244
2009	105,657,356,884	32,425,515,427	29,974,212,713	108,108,659,598	1.156700	140,724,820,111
2010	106,785,580,557	34,085,106,917	31,806,317,766	109,064,369,708	1.156700	142,508,918,121
2011	103,475,205,925	32,721,545,410	31,757,721,688	104,439,029,647	1.156700	136,968,429,462
2012	104,819,348,791	33,583,123,258	32,507,383,892	105,895,088,157	1.156700	138,915,121,643
2013	109,332,409,911	37,212,465,190	34,976,103,329	111,568,771,772	1.156700	147,084,283,042
2014	121,883,221,417	40,189,161,984	36,959,867,237	125,112,516,134	1.186700	163,016,705,430
2015	137,640,731,747	41,268,373,303	39,328,697,496	139,580,407,554	1.196700	183,562,093,146
2016	153,367,413,252	44,404,146,318	44,911,076,773	152,860,482,797	1.196700	206,223,497,079

SOURCE: Harris County Appraisal District

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

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

Classification of Exemption or Exclusion	2016 Fiscal Year		2015 Fiscal Year		2014 Fiscal Year		2013 Fiscal Year		2012 Fiscal Year	
	Amount	Percent								
Local Option and State-Mandated Homestead Exemption	\$ 18,223,216,591	40.58%	\$ 14,564,042,575	37.03%	\$ 13,441,842,882	36.37%	\$ 12,806,116,133	36.61%	\$ 12,883,366,847	39.63%
Local Option and State-Mandated Homestead Exemption Over 65 years of age or older (up to \$10,000 AV)	894,636,337	1.99%	930,079,467	2.36%	913,697,777	2.47%	856,136,308	2.45%	864,938,181	2.66%
Disabled Veterans, Surviving Spouses and/or Children and Certain Other	272,968,718	0.61%	283,067,126	0.72%	270,328,598	0.73%	246,378,759	0.70%	237,097,058	0.73%
Tax Exempt (i.e., Church)	23,862,120,885	53.13%	21,929,143,755	55.76%	20,610,459,907	55.76%	19,534,688,907	55.85%	17,299,253,783	53.22%
Pollution Control	312,294,880	0.70%	307,945,565	0.78%	311,426,503	0.84%	320,196,159	0.92%	294,242,289	0.91%
Foreign Trade	299,554,557	0.67%	370,778,596	0.94%	422,087,984	1.14%	358,450,852	1.02%	121,857,525	0.37%
Other	1,046,284,805	2.33%	943,640,412	2.40%	990,023,586	2.68%	854,136,211	2.44%	806,628,209	2.48%
Total Exemptions from Assessed Value	\$ 44,911,076,773	100.00%	\$ 39,328,697,496	100.00%	\$ 36,959,867,237	100.00%	\$ 34,976,103,329	100.00%	\$ 32,507,383,892	100.00%
Classification of Exemption or Exclusion	2011 Fiscal Year		2010 Fiscal Year		2009 Fiscal Year		2008 Fiscal Year		2007 Fiscal Year	
	Amount	Percent								
Local Option and State-Mandated Homestead Exemption	\$ 12,894,170,714	40.60%	\$ 12,817,857,122	40.30%	\$ 12,427,615,266	41.46%	\$ 11,637,424,031	45.28%	\$ 10,978,334,985	46.34%
Local Option and State-Mandated Homestead Exemption Over 65 years of age or older (up to \$10,000 AV)	864,784,473	2.72%	859,822,423	2.70%	856,046,142	2.86%	843,213,626	3.28%	834,793,821	3.52%
Disabled Veterans, Surviving Spouses and/or Children and Certain Other	229,161,105	0.72%	217,141,908	0.68%	180,117,801	0.60%	165,456,194	0.64%	157,644,827	0.67%
Tax Exempt (i.e., Church)	16,522,229,073	52.03%	16,528,390,421	51.97%	15,211,360,090	50.75%	11,941,517,771	46.46%	10,533,350,522	44.46%
Pollution Control	256,699,345	0.81%	318,183,561	1.00%	284,915,920	0.95%	299,408,051	1.16%	198,315,349	0.84%
Foreign Trade	282,810,548	0.89%	472,745,651	1.49%	358,754,981	1.20%	317,874,857	1.24%	452,181,324	1.91%
Other	707,866,430	2.23%	592,176,680	1.86%	655,402,513	2.19%	497,576,224	1.94%	538,086,432	2.27%
Total Exemptions from Assessed Value	\$ 31,757,721,688	100.00%	\$ 31,806,317,766	100.00%	\$ 29,974,212,713	100.00%	\$ 25,702,472,754	100.00%	\$ 23,692,707,260	100.00%

SOURCE: Harris County Appraisal District

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

Fiscal Year	District Direct Rates			Overlapping Rates									
	General Fund	Debt Service Fund	Total	Harris County	City of Houston	City of Bellaire	Jacinto City	Missouri City	City of Southside Place	West University Place	City of Community College	Houston Community College	Various Harris County MUD'S
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
2009	1.006700	0.150000	1.156700	0.635820	0.638750	0.377500	0.661470	0.517240	0.347833	0.359000	0.092430	0.143500	- 1.360000
2010	1.006700	0.150000	1.156700	0.636030	0.638750	0.375900	0.721076	0.528400	0.347833	0.358750	0.092220	0.143500	- 1.360000
2011	1.006700	0.150000	1.156700	0.636561	0.638750	0.399900	0.801526	0.528400	0.347833	0.374110	0.092220	0.143500	- 1.360000
2012	1.006700	0.150000	1.156700	0.636561	0.638750	0.399900	0.795926	0.528400	0.347833	0.374110	0.097222	0.143500	- 1.360000
2013	1.006700	0.150000	1.156700	0.636597	0.638750	0.399900	0.766120	0.544800	0.367833	0.374110	0.097173	0.143500	- 1.440000
2014	1.026700	0.160000	1.186700	0.636338	0.638750	0.399900	0.799907	0.573750	0.367833	0.374000	0.097173	0.143450	- 1.470000
2015	1.026700	0.170000	1.196700	0.417310	0.631080	0.393600	0.799907	0.565000	0.337159	0.361790	0.106890	0.143450	- 1.400000
2016	1.026700	0.170000	1.196700	0.419230	0.601120	0.380500	0.783554	0.544680	0.324000	0.331790	0.101942	0.097000	- 1.500000

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)

<u>Taxpayer</u>	<u>Fiscal Year Ending 2016</u>			<u>Fiscal Year Ending 2007</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
Centerpoint Energy Inc	\$ 1,314,175,215	1	0.8597 %	\$ 1,020,250,109	2	1.0564 %
Cousins Greenway and Post Oak Central	1,115,262,076	2	0.7296	-	-	-
Chevron Chemical CO	1,066,720,993	3	0.6978	407,061,688	8	0.4215
Crescent Real Estate Equities	939,426,998	4	0.6146	1,213,068,497	1	1.2561
One, Two, and Three Allen Center	866,158,501	5	0.5666	-	-	-
TPG	679,635,719	6	0.4446	-	-	-
Texas Tower	535,942,066	7	0.3506	-	-	-
HG Galleria I II III LP	508,214,845	8	0.3325	324,487,276	9	0.3360
Busycon Properties Inc	505,450,307	9	0.3307	-	-	-
1000 Louisiana LP	499,000,000	10	0.3264	-	-	-
Anheuser Busch Inc	-	-	-	461,994,178	7	0.4784
Hines Interests LTD Partnership	-	-	-	982,519,591	3	1.0174
Cullen Allen Holding	-	-	-	597,559,584	4	0.6188
SBC	-	-	-	584,084,670	5	0.6048
Valero Energy	-	-	-	309,533,763	10	0.3205
Teachers Insurance	-	-	-	512,401,996	6	0.5306
	<u>\$ 8,029,986,720</u>		<u>5.2531 %</u>	<u>\$ 6,412,961,352</u>		<u>6.6405 %</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
2007	1,217,856,993	1,166,203,551	95.76%	38,895,500	1,205,099,051	98.81%
2008	1,080,025,653	1,037,984,301	96.11%	26,354,265	1,064,338,566	98.28%
2009	1,209,859,983	1,166,266,392	96.40%	22,096,758	1,188,363,150	97.83%
2010	1,220,831,835	1,181,471,318	96.78%	21,540,705	1,203,012,023	98.01%
2011	1,169,639,727	1,137,633,695	97.26%	21,180,166	1,158,813,861	98.30%
2012	1,189,044,360	1,161,106,348	97.65%	16,991,985	1,178,098,333	99.08%
2013	1,257,650,819	1,230,398,073	97.83%	14,920,912	1,245,318,985	99.02%
2014	1,448,983,295	1,420,969,869	98.07%	140,169	1,421,110,038	98.08%
2015	1,626,867,734	1,593,140,114	97.93%	(7,399,308)	1,585,740,806	97.47%
2016	1,776,902,751	1,738,512,893	97.84%	-	1,738,512,893	97.84%

SOURCE: Harris County Tax Assessor

HOUSTON INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (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							
2007 and prior	various	various	various	23,030,583	-	(1,563,691)	(154,651)	(4,839,091)	16,473,150
2008	1.006700	0.150000	96,574,625,420	4,838,523	-	(378,044)	(56,329)	(123,051)	4,281,099
2009	1.006700	0.150000	108,108,659,598	5,541,582	-	(502,113)	(74,816)	(154,196)	4,810,457
2010	1.006700	0.150000	109,064,369,708	5,874,799	-	(624,991)	(93,125)	(178,869)	4,977,814
2011	1.006700	0.150000	104,439,029,647	6,152,405	-	(853,482)	(127,170)	(136,026)	5,035,727
2012	1.006700	0.150000	105,895,088,157	6,823,331	-	(1,185,615)	(176,659)	(63,352)	5,397,705
2013	1.006700	0.150000	111,568,771,772	8,366,685	-	(1,600,629)	(238,496)	(283,872)	6,243,688
2014	1.026700	0.160000	125,112,516,134	11,551,398	-	5,537,422	862,947	(10,640,352)	7,311,415
2015	1.026700	0.170000	139,580,407,554	38,184,793	-	6,348,182	1,051,126	(33,981,611)	11,602,490
2016	1.026700	0.170000	152,860,482,797	-	1,776,902,751	(1,491,544,404)	(246,968,490)	4,564,196	42,954,053
1000 TOTAL				\$ 110,364,099	\$ 1,776,902,751	\$ (1,486,367,365)	\$ (245,975,663)	\$ (45,836,224)	\$ 109,087,598
9000				\$ -	\$ -	\$ (40,339,913)	\$ (3,427,821)	\$ -	\$ (43,767,734)

Notes: The frozen homestead exemption for fiscal year 2016 is \$52,378,646

The June 30, 2016 delinquent taxes receivable balance of \$109,087,598 represents gross taxes receivable and is not reduced by estimated uncollectible taxes of \$67,905,208

The amount of collections in fiscal years 2014 and 2015 reflects refunds resulting from property tax protests.



STATISTICAL SECTION

2016 DEBT
CAPACITY

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 12,458,994,566	\$ 11,376,593,266	\$ 10,197,378,224	\$ 9,093,486,399	\$ 8,631,049,053	\$ 8,512,372,059	\$ 8,889,363,460	\$ 8,811,467,672	\$ 7,871,378,600	\$ 7,308,096,163
Total Net Debt Applicable to Limit	3,075,365,261	2,674,555,713	2,394,535,582	2,476,907,334	2,295,333,491	2,372,615,315	2,465,000,969	2,087,126,981	2,191,952,584	1,871,194,655
Legal Debt Margin	\$ 9,383,629,305	\$ 8,702,037,553	\$ 7,802,842,642	\$ 6,616,579,065	\$ 6,335,715,562	\$ 6,139,756,744	\$ 6,424,362,491	\$ 6,724,340,691	\$ 5,679,426,016	\$ 5,436,901,528
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.68%	23.51%	23.48%	27.24%	26.59%	27.87%	27.73%	23.69%	27.85%	25.60%

Legal Debt Margin Calculation for Fiscal Year 2016:

Assessed Value	\$152,860,482,797
Maximum Tax Rate (1)	\$0.50
Number of Years (2)	40
Maximum Principal	\$ -
Outstanding Principal (3)	\$ 3,075,365,261

Notes:

- (1) Per Section 45.0031 of the Texas Education Code, the District has to have a projected ability to pay the principal and interest on the bonds from a tax at a rate not to exceed \$0.50 per \$100 of valuation.
- (2) Per Section 45.001, the Bonds must mature serially or otherwise not more than 40 years from their date.
- (3) Outstanding principal includes bonded debt, contractual obligations, notes payable, and capital leases, net of reserves for retirement of bonded debt. Net debt applicable to the legal debt margin is equal to net bonded debt.

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

Fiscal Year Ended	Gross Bonded Debt (1)	Less Restricted For Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (2)	Net Bonded Debt Per Student (3)	Ratio of Debt to Personal Income (4)	Net Bonded Debt Per Capita (5)
2007	\$ 1,934,143,734	\$ 62,949,079	\$ 1,871,194,655	2.20	\$ 9,221	3.41	\$ 1,443
2008	2,251,676,435	59,723,851	2,191,952,584	2.27	10,985	3.80	1,684
2009	2,151,759,067	64,632,086	2,087,126,981	1.93	10,461	3.64	1,597
2010	2,520,469,494	55,468,525	2,465,000,969	2.26	12,267	4.23	1,878
2011	2,453,286,391	80,671,076	2,372,615,315	2.27	11,671	4.01	1,800
2012	2,375,354,550	80,021,059	2,295,333,491	2.17	11,386	3.86	1,734
2013	2,588,759,849	114,862,515	2,473,907,334	2.22	12,212	4.15	1,861
2014	2,508,442,969	113,907,387	2,394,535,582	1.91	11,364	3.76	1,688
2015	2,771,510,713	96,955,000	2,674,555,713	1.92	12,427	4.12	1,851
2016	3,154,354,223	78,988,962	3,075,365,261	2.01	14,262	4.62	2,078

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

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

(3) See student information schedule.

(4) See personal income of demographic information schedule.

(5) See population of demographic information.

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

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Outstanding as of</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to the District</u>
Overlapping :				
Bellaire, City of	\$ 77,310,000	06/30/16	100.00%	\$ 77,310,000
Harris County	2,430,303,330	06/30/16	39.10%	950,248,602
Harris County Dept of Ed	7,000,000	06/30/16	39.08%	2,735,600
Harris County Flood Control	83,075,000	06/30/16	40.33%	33,504,148
Harris County ID #1	28,075,000	06/30/16	100.00%	28,075,000
Harris County ID #3	2,350,000	06/30/16	100.00%	2,350,000
Harris County MUD #122	1,435,000	06/30/16	100.00%	1,435,000
Harris County MUD #148	10,645,000	06/30/16	2.66%	283,157
Harris County MUD #355	8,890,000	06/30/16	99.82%	8,873,998
Harris County MUD #382	9,655,000	06/30/16	0.92%	88,826
Harris County MUD #390	24,375,000	06/30/16	100.00%	24,375,000
Harris County MUD #393	10,710,000	06/30/16	99.69%	10,676,799
Harris County MUD #404	5,125,000	06/30/16	100.00%	5,125,000
Harris County MUD #407	4,735,000	06/30/16	100.00%	4,735,000
Harris County MUD #410	13,500,000	06/30/16	18.83%	2,542,050
Harris County MUD #411	5,475,000	06/30/16	100.00%	5,475,000
Harris County MUD #420	5,550,000	06/30/16	100.00%	5,550,000
Harris County MUD #451	3,550,000	06/30/16	100.00%	3,550,000
Harris County MUD #460	4,185,000	06/30/16	85.66%	3,584,871
Harris County WC&ID #89	41,405,000	06/30/16	100.00%	41,405,000
Harris County WC&ID (Fondren Road)	3,370,000	06/30/16	100.00%	3,370,000
Houston, Community College	624,805,000	06/30/16	87.92%	549,328,556
Houston, City of	2,924,340,000	06/30/16	64.87%	1,897,019,358
Jacinto City, City of	2,640,000	06/30/16	50.87%	1,342,968
Lower Kirby Pearland Mgmt District	10,585,000	06/30/16	100.00%	10,585,000
Missouri City, City of	140,440,000	06/30/16	4.21%	5,912,524
Pinve Village PUD	910,000	06/30/16	4.13%	37,583
Port of Houston Authority	674,269,397	06/30/16	40.50%	273,079,106
Southside Place, City of	5,985,000	06/30/16	100.00%	5,985,000
Southwest Harris Co. MUD #1	1,850,000	06/30/16	100.00%	1,850,000
West University Place, City of	52,905,000	06/30/16	100.00%	52,905,000
SUBTOTAL OVERLAPPING DEBT				<u>4,013,338,146</u>
Direct :				
Houston Independent School District				<u>3,232,517,797</u>
TOTAL DIRECT AND OVERLAPPING DEBT				<u>\$ 7,245,855,943</u>

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

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

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

Bonds	\$ 2,783,895,000
Notes	40,360,000
Contractual Obligations	8,310,000
PFC debt	170,235,138
Accretion of PFC CABS	16,790,414
Premium/discount on debt	183,510,892
Capital leases payable	29,416,353
	<u>\$ 3,232,517,797</u>

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

Fiscal Year Ended	General Obligation Bonds	Lease Revenue Bonds	Contractual Obligations	Notes Payable	Capital Leases	Total Primary Government	Ratio of Debt to Assessed Value (1)	Debt Per Student (2)	Percentage of Total Personal Income (3)	Total Debt Per Capita (4)
2007	\$ 1,810,939,857	\$ 123,203,877	\$ 55,519,302	\$ 89,711,953	\$ 103,719	\$ 2,079,478,708	2.44	\$ 10,247	3.78%	\$ 1,604
2008	2,134,890,037	116,786,398	63,523,450	80,253,178	126,044	2,395,579,107	2.48	12,006	4.15%	1,840
2009	2,040,502,487	111,256,580	63,987,119	75,729,125	119,435	2,291,594,746	2.12	11,485	4.00%	1,753
2010	2,361,218,650	159,250,844	77,102,226	70,465,950	32,070	2,668,069,740	2.45	13,278	4.58%	2,033
2011	2,300,865,182	152,421,209	75,390,744	65,072,753	55,772	2,593,805,660	2.48	12,759	4.39%	1,968
2012	2,230,594,347	144,760,203	76,525,910	59,448,724	28,268	2,511,357,452	2.37	12,458	4.23%	1,897
2013	2,452,198,822	136,561,027	53,188,101	54,170,251	66,678	2,696,184,879	2.42	13,309	4.52%	2,029
2014	2,382,594,863	125,848,106	31,378,525	50,811,081	15,766,729	2,606,399,304	2.08	12,369	4.09%	1,837
2015	2,564,919,056	206,591,656	17,468,401	45,360,000	31,008,613	2,865,347,726	2.05	13,313	4.41%	1,983
2016	2,961,137,471	193,216,752	8,387,221	40,360,000	29,416,353	3,232,517,797	2.11	14,991	4.86%	2,184

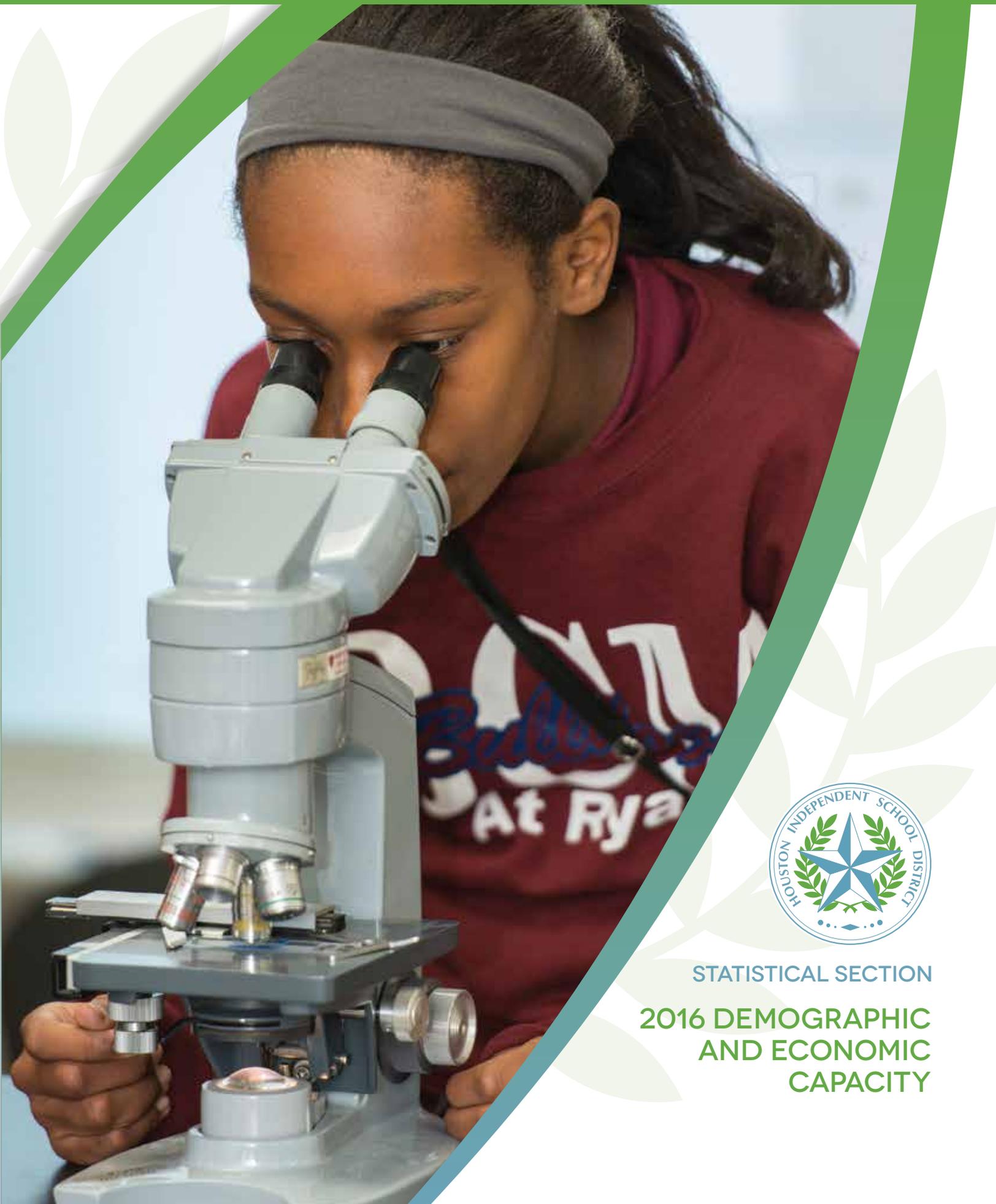
Notes: (1) See assessed value and actual value of taxable property schedule. Ratio is per \$100 of assessed value.

(2) See student information schedule.

(3) See personal income of demographic information schedule.

(4) See population of demographic information schedule.

Increase in capital leases starting in 2014 is due to the District's "Power Up" program which provides a lap top to each high school student for use at school and at home.



STATISTICAL SECTION
2016 DEMOGRAPHIC
AND ECONOMIC
CAPACITY

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
2007	1,296,540	\$ 54,949,285,982	\$ 42,381	181,493	4.30 %	298,599	\$ 37,232,538,665	\$ 124,691
2008	1,301,899	57,725,574,006	44,340	179,329	4.70	302,998	41,506,428,522	136,986
2009	1,307,281	57,320,784,805	43,847	179,830	6.40	307,756	45,467,649,666	147,739
2010	1,312,685	58,300,219,505	44,413	181,125	8.40	309,986	46,752,215,763	150,820
2011	1,318,111	59,126,620,208	44,857	184,022	8.80	311,812	46,554,622,525	149,303
2012	1,323,559	59,388,836,130	44,871	182,376	7.50	313,110	46,864,855,862	149,675
2013	1,329,030	59,652,214,933	44,884	182,589	7.80	313,971	47,432,413,118	151,073
2014	1,418,820	63,714,178,514	44,906	191,150	5.10	315,004	49,776,901,061	158,020
2015	1,445,277	64,928,229,539	44,924	188,957	4.20	332,960	56,700,980,749	170,294
2016	1,480,107	66,512,894,937	44,938	193,965	5.80	335,533	63,143,658,828	188,189

NOTES:

Population estimates have been restated from 2007 through 2013. Previous financial statements have utilized the Houston-Sugarland-Baytown MSA obtained from the US Bureau of Economic Analysis via DATAbook Houston (June 2006) using an estimate average annual increase from 2006 forward.

Population estimates have been revised utilizing population figures for the Houston Independent School District geographic area only as reported by the National Center for Education Statistics for US census years 2000 and 2010. Intervening years are estimated based upon average annual percentage increases.

Per capita income figures for the fiscal years 2007 - 2010 are estimates based on the increase reported by the US Bureau of Economic Analysis via DATAbook Houston.

Per capita income figure for the fiscal year 2011 is an estimate based on the increase reported by Tradingeconomics.com.

Per capital income figure for the fiscal year 2012 is an estimate based on the increase reported by the US Department of Commerce.

Average Daily Attendance obtained from the Academic Excellence Indicator System.

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

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

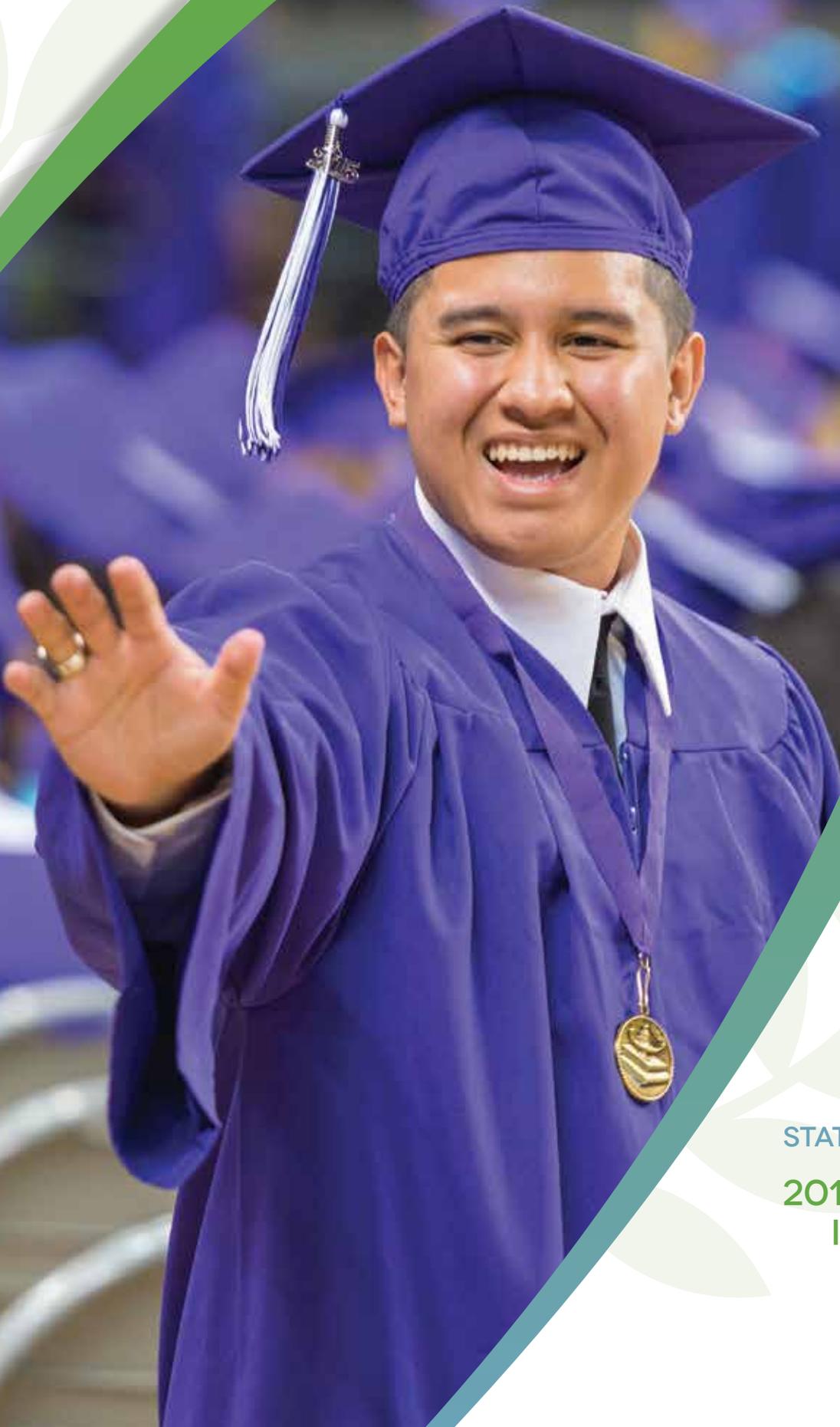
HOUSTON INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 (UNAUDITED)

<u>Employer</u>	<u>Fiscal Year Ending 2016</u>			<u>Fiscal Year Ending 2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Wal-Mart Stores	37,000	1	1.2360 %	28,780	1	1.1365 %
Memorial Hermann Health System	24,108	2	0.8053	18,935	3	0.7477
H-E-B	23,732	3	0.7928	-	-	-
UT MD Anderson Cancer Center	21,086	4	0.7044	16,064	5	0.6344
McDonald's Corp	20,918	5	0.6988	-	-	-
The Methodist Hospital System	20,000	6	0.6681	11,092	9	0.4380
Kroger Co.	16,000	7	0.5345	13,201	7	0.5213
United Airlines	14,941	8	0.4991	-	-	-
Schlumberger	12,069	9	0.4032	-	-	-
Shell Oil Co.	11,507	10	0.3844	11,918	8	0.4706
Exxon Mobil Corp	-	-	-	14,835	6	0.5858
Continental Airlines	-	-	-	18,007	4	0.7111
Administaff	-	-	-	20,816	2	0.8220
UT Medical Branch at Galveston	-	-	-	10,150	10	0.4008
Total	<u>201,361</u>		<u>6.7266 %</u>	<u>163,798</u>		<u>6.4683 %</u>

Sources: Employment numbers were obtained from the Houston Chronicle.

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

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



STATISTICAL SECTION
2016 OPERATING
INFORMATION

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

	Employees as of June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction	13,763	13,502	12,679	12,561	12,627	13,461	15,075	14,965	14,782	15,018
Instructional resources and media services	68	78	87	122	131	174	222	244	197	216
Instructional staff development	390	360	333	324	307	257	224	414	379	297
Curriculum development	65	73	67	65	56	61	55	48	48	49
Instructional leadership	236	238	222	198	197	221	293	285	268	263
School leadership	2,520	2,391	2,276	2,201	2,188	2,291	2,462	2,478	2,512	2,391
Guidance, counseling, and evaluation services	550	472	437	432	442	509	523	526	546	520
Social work services	57	53	41	30	30	31	40	38	39	38
Health services	285	295	281	280	262	279	299	319	314	320
Student transportation services	1,383	1,294	1,307	1,287	1,184	1,252	1,282	1,280	1,195	1,203
Food service	1,861	1,909	1,834	1,828	1,846	1,788	1,775	1,672	1,732	1,747
Co-curricular/extracurricular activities	80	73	73	73	80	81	87	146	140	144
General administration	426	422	422	396	421	406	462	445	428	405
Plant maintenance and operations	1,954	2,031	2,013	2,024	1,986	1,972	2,105	2,124	2,060	2,022
Security and monitoring services	842	826	814	783	749	790	828	828	897	823
Data processing services	328	296	260	244	234	213	222	216	215	199
Community services	134	111	108	68	71	79	79	85	92	96
Facilities acquisition and construction	60	74	73	67	52	53	51	43	40	37
Total	25,001	24,496	23,327	22,984	22,864	23,918	26,084	26,156	25,884	25,788

Source: District records

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

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

Fiscal 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
2007	202,936	12,057.4	16.8	14.7	1,540,473,027	7,591	78.1
2008	199,534	11,970.7	16.7	14.5	1,633,244,460	8,185	79.3
2009	199,524	11,993.8	16.7	14.4	1,735,076,675	8,696	80.5
2010	200,944	12,029.9	16.7	14.5	1,800,176,524	8,959	79.1
2011	203,294	11,818.1	17.3	14.7	1,869,338,031	9,195	78.3
2012	201,594	11,340.5	17.8	15.4	1,655,450,631	8,212	81.2
2013	202,586	11,266.9	18.0	15.5	1,622,981,707	8,011	80.7
2014	210,716	11,739.2	18.0	15.4	1,776,791,156	8,432	81.5
2015	215,225	11,678.5	18.4	15.2	1,794,759,572	8,339	77.6
2016	215,627	12,009.8	18.0	N/A	1,909,369,634	8,855	75.4

Sources: 2007-2012 AEIS (Academic Excellence Indicator System)
 2013-2015 TAPR (Texas Academic Performance Report)
 2016 PEIMS (Public Education Information Management System)

Notes: Operating Expenditures are total governmental expenditures less debt service and capital outlays.
 State Student/Teacher Ratio was not available at time of printing.

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

<u>Fiscal Year</u>	<u>Gifted and Talented Enrollment</u>	<u>Gifted and Talented % of Total Enrollment</u>	<u>State Gifted and Talented %</u>	<u>Special Education Enrollment</u>	<u>Special Education % of Total Enrollment</u>	<u>State Special Education %</u>
2007	24,376	12.0	7.5	20,030	9.9	10.6
2008	23,860	12.0	7.5	17,961	9.0	10.0
2009	24,979	12.5	7.5	16,657	8.3	9.4
2010	27,069	13.5	7.6	16,182	8.1	9.0
2011	29,003	14.2	7.7	16,402	8.6	8.8
2012	30,587	15.2	7.7	15,506	7.7	8.6
2013	31,689	15.6	7.7	15,604	7.7	8.5
2014	32,906	15.6	7.6	15,906	7.5	8.5
2015	33,061	15.4	7.6	15,884	7.4	8.5
2016	32,206	14.9	N/A	15,913	7.4	N/A

Sources: 2007-2012 AEIS (Academic Excellence Indicator System)
 2013-2015 TAPR (Texas Academic Performance Report)
 2016 PEIMS (Public Education Information Management System)

Note: State Gifted and Talented/Special Education percentages for 2016 were not available at time of printing.

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

<u>Fiscal Year</u>	<u>Limited English Proficiency Enrollment</u>	<u>Limited English Proficiency % of Total Enrollment</u>	<u>State Limited English Proficiency %</u>	<u>Economically Disadvantaged Enrollment</u>	<u>Economically Disadvantaged % of Total Enrollment</u>	<u>State Economically Disadvantaged %</u>
2007	55,407	27.4	16.0	158,095	78.1	55.5
2008	59,055	29.7	16.7	157,995	79.5	55.3
2009	61,755	31.0	16.9	161,591	81.0	56.7
2010	62,178	30.9	16.9	160,524	79.9	59.0
2011	62,050	30.4	16.9	164,247	80.4	59.2
2012	60,546	30.0	16.8	162,699	80.7	60.4
2013	60,501	29.9	17.1	161,834	79.9	60.4
2014	62,413	29.6	17.5	169,856	80.6	60.2
2015	64,524	30.1	18.2	162,116	75.6	58.8
2016	65,305	30.3	N/A	164,648	76.4	N/A

Sources: 2007-2012 AEIS (Academic Excellence Indicator System)
 2013-2015 TAPR (Texas Academic Performance Report)
 2016 PEIMS (Public Education Information Management System)

Note: State LEP/Economically Disadvantaged percentages for 2016 were not available at time of printing.

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

Fiscal Year	Beginning Salary			Average Salary		
	HISD	Region	State	HISD	Region	State
2007	39,530	39,454	38,095	48,008	46,675	44,897
2008	42,681	41,296	39,372	50,230	48,053	46,179
2009	44,119	42,418	40,372	51,580	49,186	47,159
2010	45,072	43,350	41,165	52,523	50,129	48,263
2011	44,952	43,029	41,272	52,387	50,616	48,638
2012	44,107	42,716	40,911	51,866	50,383	48,375
2013	45,425	44,365	41,878	51,922	50,968	48,821
2014	46,506	45,902	43,480	52,186	52,222	49,692
2015	48,949	48,275	44,540	53,698	54,157	50,715
2016	50,443	N/A	N/A	53,745	N/A	N/A

Sources: 2007-2012 AEIS (Academic Excellence Indicator System)
 2013-2015 TAPR (Texas Academic Performance Report)
 2016 PEIMS (Public Education Information Management System)

Note: Region and State information for 2016 was not available at time of printing.

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

Fiscal Year	Bachelor's Degree			Master's Degree			Doctorate		
	Minimum	Maximum	Teacher Count	Minimum	Maximum	Teacher Count	Minimum	Maximum	Teacher Count
2007	40,269	61,478	8,482.0	41,277	64,652	3,289.0	42,289	67,829	231.6
2008	42,745	63,222	8,398.6	43,745	66,592	3,278.1	44,745	69,864	230.0
2009	44,027	65,222	8,462.0	45,057	68,590	3,246.2	46,087	71,960	223.6
2010	44,987	66,182	8,454.5	46,017	69,550	3,291.3	47,047	72,920	219.6
2011	44,987	66,182	8,200.4	46,017	69,550	3,331.8	47,047	72,920	224.4
2012	44,987	66,182	7,749.2	46,017	69,550	3,283.2	47,047	72,920	221.4
2013	45,887	67,506	8,288.0	46,937	70,941	3,402.0	47,988	74,378	218.0
2014	46,805	68,856	8,244.0	47,876	72,360	3,314.0	48,948	75,866	201.0
2015	49,100	69,956	8,241.0	49,100	69,956	3,250.0	49,100	69,956	187.0
2016	51,500	71,500	8,612.4	51,500	71,500	3,190.8	51,500	71,500	206.7

Sources: Teacher count information obtained from PEIMS (Public Education Information Management System).
Minimum/maximum salary range obtained from District records.

Note: Bachelor's degree teacher count includes a small number of non-degreeed teachers.

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Elementary										
Alcott (1953)										
Square feet	60,497	60,497	60,497	60,497	60,497	60,497	60,497	60,497	60,497	60,497
Capacity	774	774	774	774	774	632	632	632	632	632
Enrollment	326	322	399	425	491	492	467	488	487	532
Almeda (2011)										
Square feet	86,073	86,073	86,073	86,073	86,073	86,073	46,367	46,367	46,367	46,367
Capacity	752	752	716	716	716	750	663	663	663	663
Enrollment	827	857	795	762	835	812	747	757	717	670
Anderson (1959)										
Square feet	76,110	76,110	76,110	76,110	76,110	76,110	76,110	76,110	76,110	76,110
Capacity	1,039	1,039	1,149	1,149	1,149	959	959	959	959	959
Enrollment	812	672	640	640	680	663	667	695	696	711
Arabic Immersion(Holden 1959)/(2015)										
Square feet	34,570	N/A								
Capacity	358	N/A								
Enrollment	127	N/A								
Ashford (1971)										
Square feet	83,294	83,294	83,294	83,294	83,294	83,294	83,294	83,294	83,294	83,294
Capacity	690	690	690	690	690	621	621	621	621	621
Enrollment	546	539	542	531	508	519	522	443	433	524
Askew (1977)										
Square feet	48,951	67,383	67,383	67,383	67,383	67,383	67,383	67,383	67,383	67,383
Capacity	856	856	856	856	856	900	900	900	900	900
Enrollment	908	968	899	886	818	847	872	884	855	870
Atherton (1927/2013)										
Square feet	85,900	85,900	85,900	N/A	48,562	48,562	48,562	48,562	48,562	48,562
Capacity	669	669	669	N/A	669	411	411	411	411	411
Enrollment	589	568	535	N/A	367	342	357	387	347	378
Barrick (1949)										
Square feet	57,857	57,857	57,857	57,857	57,857	57,857	57,857	57,857	57,857	57,857
Capacity	806	806	982	982	982	704	704	704	704	704
Enrollment	715	695	718	678	694	718	709	681	706	735
Bastian (2005)										
Square feet	105,276	105,276	105,276	105,276	105,276	105,276	105,276	105,276	105,276	105,276
Capacity	962	962	962	962	962	942	942	942	942	942
Enrollment	635	688	701	732	747	797	761	765	709	491

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Bell (1978)										
Square feet	55,279	70,639	70,639	70,639	70,639	70,639	70,639	70,639	70,639	70,639
Capacity	773	773	773	773	773	799	799	799	799	799
Enrollment	763	819	813	779	762	778	801	772	796	733
Bellfort ECC (1960)										
Square feet	43,583	43,583	43,583	43,583	43,583	43,583	43,583	43,583	43,583	43,583
Capacity	376	376	376	376	376	427	427	427	427	427
Enrollment	372	374	362	395	392	355	336	297	287	271
Benavidez (1962)										
Square feet	93,786	93,786	93,786	93,786	93,786	93,786	93,786	93,786	93,786	93,786
Capacity	1,182	1,182	1,182	1,182	1,182	1,204	1,204	1,204	1,204	1,204
Enrollment	1,128	1,072	905	839	878	996	989	954	1,021	1,010
Benbrook (1968)										
Square feet	44,595	44,595	44,595	44,595	44,595	44,595	44,595	44,595	44,595	44,595
Capacity	573	573	606	606	606	576	576	576	576	576
Enrollment	600	613	551	523	524	536	546	507	508	507
Berry (2012)										
Square feet	85,988	85,988	85,988	85,988	85,988	85,988	85,988	85,988	85,988	85,988
Capacity	806	806	716	716	716	614	614	614	614	614
Enrollment	808	809	740	736	708	643	630	630	632	580
Blackshear (1916)										
Square feet	96,976	96,976	96,976	96,976	96,976	96,976	96,976	96,976	96,976	96,976
Capacity	711	711	711	711	711	541	541	541	541	541
Enrollment	519	531	343	378	406	425	427	323	345	387
Bonham (1962)										
Square feet	83,201	83,201	83,201	83,201	83,201	83,201	83,201	83,201	83,201	83,201
Capacity	1,236	1,236	1,358	1,358	1,358	1,495	1,495	1,495	1,495	1,495
Enrollment	1,140	1,091	1,054	952	928	1,054	877	928	971	1,065
Bonner (1948)										
Square feet	102,316	102,316	102,316	102,316	102,316	102,316	102,316	102,316	102,316	102,316
Capacity	982	982	982	982	982	1,214	1,214	1,214	1,214	1,214
Enrollment	1,001	989	986	992	977	997	950	839	854	864
Braeburn (1956)										
Square feet	84,218	84,218	84,218	84,218	84,218	84,218	84,218	84,218	84,218	84,218
Capacity	1,075	1,075	1,075	1,075	1,075	943	943	943	943	943
Enrollment	902	870	934	916	912	950	966	965	931	911

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Briargrove (2008)										
Square feet	103,585	103,585	103,585	103,585	103,585	103,585	103,585	103,585	103,585	N/A
Capacity	788	815	815	815	815	817	817	817	817	N/A
Enrollment	869	838	918	896	885	877	851	837	792	N/A
Briarmeadow (2001)										
Square feet	136,689	136,689	136,689	136,689	130,189	122,759	122,759	122,759	122,759	122,759
Capacity	606	606	606	606	606	546	546	546	546	546
Enrollment	594	595	603	595	590	549	541	543	390	515
Briscoe (1928)										
Square feet	53,829	53,829	53,829	53,829	53,829	53,829	53,829	53,829	53,829	53,829
Capacity	690	690	690	690	690	691	691	691	691	691
Enrollment	385	381	420	433	491	490	528	539	505	525
Brookline (1952)										
Square feet	121,979	121,979	121,979	121,979	121,979	121,979	121,979	121,979	121,979	121,979
Capacity	1,290	1,290	1,290	1,290	1,290	1,168	1,168	1,168	1,168	1,168
Enrollment	962	955	1,002	1,039	996	1,023	1,031	1,019	1,041	988
Browning (1927)										
Square feet	52,570	52,570	52,570	52,570	52,570	52,570	52,570	52,570	52,570	52,570
Capacity	585	585	585	585	585	711	711	711	711	711
Enrollment	559	556	612	634	600	600	577	562	522	531
Bruce (2005)										
Square feet	80,916	80,916	80,916	80,916	80,916	80,916	80,916	80,916	80,916	80,916
Capacity	732	732	732	732	732	671	671	671	671	671
Enrollment	601	627	597	571	593	600	593	587	513	409
Burbank (1927)										
Square feet	81,647	81,647	81,647	81,647	81,647	81,647	81,647	81,647	81,647	81,647
Capacity	985	985	1,087	1,087	1,087	868	868	868	868	868
Enrollment	856	860	920	891	835	829	858	827	829	777
Burnet (1926)										
Square feet	76,801	76,801	76,801	76,801	76,801	76,801	76,801	76,801	76,801	76,801
Capacity	788	836	836	836	836	928	928	928	928	928
Enrollment	501	521	509	524	593	630	621	652	646	659
Burrus (1926)										
Square feet	71,372	71,372	71,372	71,372	71,188	71,188	71,188	71,188	71,188	71,188
Capacity	690	690	690	690	690	517	517	517	517	517
Enrollment	484	506	420	453	514	390	378	360	363	369

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Bush (1992)										
Square feet	87,803	87,803	87,803	87,803	87,803	87,803	87,803	87,803	87,803	87,803
Capacity	878	878	920	920	920	978	978	978	978	978
Enrollment	833	860	771	733	724	698	673	658	627	1,011
Cage (1907) / Chrysalis MS										
Square feet	60,205	60,205	60,205	60,205	60,205	60,205	60,205	60,205	60,205	60,205
Capacity	806	1,128	1,128	1,128	1,328	906	906	906	906	906
Enrollment	575	617	798	808	819	826	847	820	680	706
Carrillo (1993)										
Square feet	80,281	80,281	80,281	80,281	80,281	80,281	80,281	80,281	80,281	80,281
Capacity	857	857	857	857	857	830	830	830	830	830
Enrollment	610	613	608	623	690	670	670	645	707	714
Codwell (1977)										
Square feet	58,946	58,946	58,946	58,946	58,946	58,946	58,946	58,946	58,946	58,946
Capacity	555	555	836	836	836	750	750	750	750	750
Enrollment	451	501	555	570	599	599	608	648	661	670
Concord (1967)										
Square feet	42,230	42,230	42,230	42,230	42,230	42,230	42,230	42,230	42,230	42,230
Capacity	N/A	N/A	N/A	669	200	42	42	42	42	42
Enrollment	N/A	N/A	N/A	367	228	46	66	65	44	41
Condit (1929)										
Square feet	46,502	46,502	46,502	46,502	46,502	46,502	46,502	46,502	46,502	46,502
Capacity	731	731	731	731	731	579	579	579	579	579
Enrollment	667	707	683	652	646	663	649	609	611	585
Cook (2007)										
Square feet	89,049	89,049	89,049	89,049	89,049	89,049	89,049	89,049	89,049	89,049
Capacity	815	815	815	815	815	657	657	657	657	657
Enrollment	712	712	756	693	712	702	718	714	716	677
Coop (2005)										
Square feet	83,409	83,409	83,409	83,409	83,409	83,409	83,409	83,409	83,409	83,409
Capacity	690	690	690	690	690	712	712	712	712	712
Enrollment	759	745	755	745	738	772	745	779	733	723
Cornelius (1960)										
Square feet	76,904	76,904	76,904	76,904	76,904	76,904	76,904	76,904	76,904	76,904
Capacity	1,057	1,057	1,236	1,236	1,236	920	920	920	920	920
Enrollment	942	983	920	913	918	976	961	964	946	927

SCHOOL BUILDING INFORMATION
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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Crespo (1991)										
Square feet	85,508	85,508	85,508	85,508	85,508	85,508	85,508	85,508	85,508	85,508
Capacity	1,170	1,170	1,170	1,170	1,170	900	900	900	900	900
Enrollment	979	946	958	933	930	878	885	868	935	863
Crockett (1980/2011)										
Square feet	63,783	63,783	63,783	63,783	63,783	63,783	39,603	39,603	39,603	39,603
Capacity	573	573	711	711	711	557	325	325	325	325
Enrollment	500	486	474	500	456	402	412	414	426	533
Cunningham (2012)										
Square feet	84,500	84,500	84,500	84,500	84,500	56,747	56,747	56,747	56,747	56,747
Capacity	716	716	716	716	716	719	719	719	719	719
Enrollment	724	755	755	707	696	713	708	673	685	704
Daily (2007)										
Square feet	82,572	82,572	82,572	82,572	82,572	82,572	82,572	82,572	82,572	82,572
Capacity	699	699	711	711	711	697	697	697	697	697
Enrollment	733	700	744	741	737	794	717	652	656	343
Davila (1990)										
Square feet	80,396	80,396	80,396	80,396	80,396	80,396	80,396	80,396	80,396	80,396
Capacity	878	878	878	878	878	837	837	837	837	837
Enrollment	454	460	478	531	540	641	662	695	722	731
DeChaumes (1956)										
Square feet	84,650	84,650	84,500	84,500	84,500	53,559	53,559	53,559	53,559	53,559
Capacity	752	716	716	716	716	676	676	676	676	676
Enrollment	834	826	820	791	739	691	686	662	615	660
DeZavala (1928)										
Square feet	64,141	64,141	64,141	64,141	64,141	64,141	64,141	64,141	64,141	64,141
Capacity	898	898	898	898	898	747	747	747	747	747
Enrollment	564	547	553	588	586	612	640	618	615	624
DeAnda (2011)										
Square feet	85,450	85,450	84,500	84,500	84,500	N/A	N/A	N/A	N/A	N/A
Capacity	734	857	857	857	857	N/A	N/A	N/A	N/A	N/A
Enrollment	719	781	763	691	536	N/A	N/A	N/A	N/A	N/A
Dogan (1949)										
Square feet	87,500	87,500	87,000	43,380	43,380	50,637	50,637	50,637	50,637	50,637
Capacity	732	732	732	732	732	396	396	396	396	396
Enrollment	681	649	617	592	625	321	329	334	330	375

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Durham (1967)										
Square feet	70,003	70,003	70,003	70,003	70,003	70,003	70,003	70,003	70,003	70,003
Capacity	609	609	609	772	772	543	543	543	543	543
Enrollment	591	555	547	517	523	490	450	457	461	480
Durkee (1954)										
Square feet	72,334	72,334	72,334	72,334	72,334	72,334	72,334	72,334	72,334	72,334
Capacity	931	931	1,045	1,045	1,045	764	764	764	764	764
Enrollment	713	714	739	683	679	679	665	648	665	682
Eliot (1926) / EL DAEP										
Square feet	86,834	86,834	86,834	86,834	86,834	86,834	86,834	86,834	86,834	86,834
Capacity	734	734	1,066	1,066	1,066	983	983	983	983	983
Enrollment	627	597	571	571	545	550	577	542	563	569
Elmore (2000)*										
Square feet	124,800	124,800	124,800	N/A						
Capacity	681	788	788	N/A						
Enrollment	671	713	769	N/A						
Elrod (1964)										
Square feet	66,456	66,456	66,456	66,456	66,456	66,456	66,456	66,456	66,456	66,456
Capacity	842	842	1,400	1,400	1,400	731	731	731	731	731
Enrollment	695	697	658	623	589	489	490	474	541	544
Emerson (1963)										
Square feet	65,364	65,364	65,364	65,364	65,364	65,364	65,364	65,364	65,364	65,364
Capacity	860	774	774	774	774	773	773	773	773	773
Enrollment	919	955	917	883	869	874	831	812	804	720
Farias ECC (2005)										
Square feet	39,885	39,885	39,885	39,885	39,885	39,885	39,885	39,885	39,885	39,885
Capacity	418	418	418	418	418	418	418	418	418	418
Enrollment	368	368	418	421	418	420	418	418	418	377
Field (1928)										
Square feet	54,809	54,809	54,809	54,809	54,809	54,809	54,809	54,809	54,809	54,809
Capacity	732	732	732	732	732	483	483	483	483	483
Enrollment	516	476	455	463	472	488	451	367	378	384
Foerster (1969)										
Square feet	67,013	67,013	67,013	67,013	67,013	67,013	67,013	67,013	67,013	67,013
Capacity	898	898	898	898	898	824	824	824	824	824
Enrollment	669	758	672	717	705	641	643	685	713	695

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Fondren (1960)										
Square feet	40,001	40,001	40,001	40,001	40,001	40,001	40,001	40,001	40,001	40,001
Capacity	647	647	647	647	647	579	579	579	579	579
Enrollment	420	423	464	433	430	408	425	408	430	410
Fonwood ECC (1964)*										
Square feet	75,900	75,900	75,900	N/A						
Capacity	609	609	609	N/A						
Enrollment	465	419	494	N/A						
Foster (1949)										
Square feet	79,998	79,998	79,998	79,998	79,998	79,998	79,998	79,998	79,998	79,998
Capacity	753	753	753	753	753	692	692	692	692	692
Enrollment	432	435	438	426	454	525	520	492	504	548
Franklin (1948)										
Square feet	64,274	64,274	64,274	64,274	64,274	64,274	64,274	64,274	64,274	64,274
Capacity	770	982	982	982	982	864	864	864	864	864
Enrollment	440	445	479	530	502	562	577	591	607	618
Frost (2012)										
Square feet	89,277	89,277	89,277	89,277	89,277	59,465	59,465	59,465	59,465	59,465
Capacity	716	716	716	716	716	566	566	566	566	566
Enrollment	623	647	597	576	580	443	467	552	527	544
Gallegos (1992)										
Square feet	73,925	73,925	73,925	73,925	73,925	73,925	73,925	73,925	73,925	73,925
Capacity	836	836	836	836	836	697	697	697	697	697
Enrollment	481	502	529	524	524	542	542	589	571	603
Garcia (1992)										
Square feet	111,056	111,056	111,056	111,056	111,056	111,056	111,056	111,056	111,056	111,056
Capacity	836	836	836	836	836	816	816	816	816	816
Enrollment	745	747	744	771	789	805	801	789	773	780
Garden Oaks Montessori (1949)										
Square feet	41,306	41,306	41,306	41,306	41,306	41,306	41,306	41,306	41,306	41,306
Capacity	645	645	645	645	584	586	586	586	586	586
Enrollment	768	693	670	637	635	601	563	498	479	550
Garden Villas (1931)										
Square feet	93,762	93,762	93,762	93,762	93,762	93,762	93,762	93,762	93,762	93,762
Capacity	899	899	899	899	899	879	879	879	879	879
Enrollment	892	847	825	866	925	938	974	991	980	1,013

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Golfcrest (1949)										
Square feet	71,475	71,475	71,475	71,475	71,475	71,475	71,475	71,475	71,475	71,475
Capacity	877	877	877	877	877	769	769	769	769	769
Enrollment	787	766	790	763	786	762	735	715	695	750
Gregg (2012)										
Square feet	84,704	84,704	84,704	84,704	84,704	47,713	47,713	47,713	47,713	47,713
Capacity	716	716	716	716	716	704	704	704	704	704
Enrollment	606	575	531	542	562	553	543	568	606	650
Gregory-Lincoln (2007)										
Square feet	158,561	158,561	158,561	158,561	158,561	158,561	158,561	158,561	158,561	158,561
Capacity	938	938	938	938	938	896	896	896	896	896
Enrollment	732	646	660	638	599	704	689	570	516	546
Engrized for STEM/Grimes (1959)										
Square feet	42,432	42,432	42,432	42,432	42,432	42,432	42,432	42,432	42,432	42,432
Capacity	200	200	800	N/A	N/A	398	398	398	398	398
Enrollment	188	26	412	N/A	N/A	380	351	371	369	360
Grissom (1966)										
Square feet	68,683	68,683	68,683	68,683	68,683	68,683	68,683	68,683	68,683	68,683
Capacity	877	877	877	877	877	871	871	871	871	871
Enrollment	563	586	569	629	787	791	806	812	787	748
Gross, (2001)										
Square feet	73,277	73,277	73,277	73,277	73,277	73,277	73,277	73,277	73,277	73,277
Capacity	806	806	565	565	565	802	802	802	802	802
Enrollment	644	737	673	663	681	813	789	822	828	801
Halpin ECC (1929)										
Square feet	41,873	41,873	41,873	41,873	41,873	41,873	41,873	41,873	41,873	41,873
Capacity	731	731	731	731	731	482	482	482	482	482
Enrollment	457	476	482	491	440	461	486	493	487	415
Harris J.R. (1949)										
Square feet	66,082	66,082	66,082	66,082	66,082	66,082	66,082	66,082	66,082	66,082
Capacity	815	815	815	815	815	892	892	892	892	892
Enrollment	541	625	637	697	692	684	688	692	703	831
Harris R.P. (1958)										
Square feet	61,425	61,425	61,425	61,425	61,425	61,425	61,425	61,425	61,425	61,425
Capacity	918	918	918	918	918	718	718	718	718	718
Enrollment	624	634	624	642	615	624	643	588	563	588

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Hartsfield (1954)										
Square feet	42,767	42,767	42,767	42,767	42,767	42,767	42,767	42,767	42,767	42,767
Capacity	543	543	543	543	543	411	411	411	411	411
Enrollment	317	362	374	403	435	414	413	355	357	358
Harvard (1930)										
Square feet	56,930	56,930	56,930	56,930	56,930	56,930	56,930	56,930	56,930	56,930
Capacity	690	690	690	690	690	606	606	606	606	606
Enrollment	704	708	716	700	710	689	663	627	615	591
Helms (1919)										
Square feet	44,444	44,444	44,444	44,444	44,444	44,444	44,444	44,444	44,444	44,444
Capacity	543	543	543	543	543	558	558	558	558	558
Enrollment	493	500	530	532	540	533	540	547	556	535
Henderson J.P. (1929)										
Square feet	57,524	57,524	57,524	57,524	57,524	57,524	57,524	57,524	57,524	57,524
Capacity	878	878	878	878	878	794	794	794	794	794
Enrollment	789	784	795	789	816	773	785	749	745	762
Henderson N.Q. (1956)										
Square feet	46,894	46,894	46,846	46,846	46,846	46,846	46,846	46,846	46,846	46,846
Capacity	710	710	710	710	710	503	503	503	503	503
Enrollment	304	323	370	376	394	349	355	323	351	406
Herod (2012)										
Square feet	86,000	86,000	86,000	86,000	86,000	86,230	86,230	86,230	86,230	86,230
Capacity	716	716	716	716	716	871	871	871	871	871
Enrollment	766	784	828	770	778	746	729	708	696	697
Herrera (1993)										
Square feet	115,302	115,302	115,302	115,302	115,302	115,302	115,302	115,302	115,302	115,302
Capacity	920	920	920	920	920	901	901	901	901	901
Enrollment	874	891	901	906	919	959	951	952	967	941
Highland Heights (2007)										
Square feet	85,405	85,405	85,405	85,405	85,405	85,405	85,405	85,405	85,405	85,405
Capacity	681	681	815	815	815	725	725	725	725	725
Enrollment	586	553	617	628	635	643	655	321	316	333
Hilliard (2000)*										
Square feet	45,500	45,500	45,500	N/A						
Capacity	878	878	878	N/A						
Enrollment	647	712	861	N/A						

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Hines-Caldwell (2005)										
Square feet	85,829	85,829	85,829	85,829	85,829	85,829	85,829	85,829	85,829	85,829
Capacity	711	711	711	711	711	752	752	752	752	752
Enrollment	764	810	788	756	798	791	766	731	889	898
Hobby (1965)										
Square feet	66,680	66,680	66,680	66,680	66,680	66,680	66,680	66,680	66,680	66,680
Capacity	1,065	1,065	1,065	1,065	1,065	920	920	920	920	920
Enrollment	865	835	767	830	829	851	817	801	706	711
Horn (2012)										
Square feet	84,500	84,500	84,500	84,500	84,500	43,504	43,504	43,504	43,504	43,504
Capacity	716	716	716	716	716	502	502	502	502	502
Enrollment	849	875	829	765	701	610	577	554	530	536
Isaacs (1962)										
Square feet	43,883	43,883	43,883	43,883	43,883	43,883	43,883	43,883	43,883	43,883
Capacity	751	751	751	751	751	599	599	599	599	599
Enrollment	381	390	379	410	459	482	468	484	459	561
Janowski (1955)										
Square feet	77,958	77,958	77,958	77,958	77,958	77,958	77,958	77,958	77,958	77,958
Capacity	770	770	815	815	815	1,097	1,097	1,097	1,097	1,097
Enrollment	623	625	644	653	686	657	658	597	602	594
Jefferson (1950)										
Square feet	58,657	58,657	58,657	58,657	58,657	58,657	58,657	58,657	58,657	58,657
Capacity	877	877	877	877	877	694	694	694	694	694
Enrollment	451	465	485	482	509	527	532	535	575	603
Kandy Stripe / Fairchild (1960)										
Square feet	51,571	51,571	51,571	51,571	51,571	51,571	51,571	51,571	51,571	51,571
Capacity	480	480	480	480	480	536	536	536	536	536
Enrollment	281	297	356	398	427	435	430	N/A	N/A	299
Kashmere Gardens (1949)										
Square feet	49,213	49,213	49,213	49,213	49,213	49,213	49,213	49,213	49,213	49,213
Capacity	710	710	710	710	710	579	579	579	579	579
Enrollment	452	439	430	410	408	416	421	460	413	482
Kelso (1951)										
Square feet	46,826	46,826	46,826	46,826	46,826	46,826	46,826	46,826	46,826	46,826
Capacity	689	689	689	689	689	648	648	648	648	648
Enrollment	430	449	445	448	454	515	514	521	528	560

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Kennedy (1964/2012)										
Square feet	86,041	86,041	86,041	86,041	86,041	42,648	42,648	42,648	42,648	42,648
Capacity	732	732	732	732	732	531	531	531	531	531
Enrollment	741	794	784	761	737	743	736	516	521	534
Ketelsen (2002)										
Square feet	84,503	84,503	84,503	84,503	84,503	84,503	84,503	84,503	84,503	84,503
Capacity	732	732	732	732	732	632	632	632	632	632
Enrollment	620	623	655	650	647	718	693	683	677	679
King, M.L. ECC (2004)										
Square feet	38,707	38,707	38,707	38,707	38,707	38,707	38,707	38,707	38,707	38,707
Capacity	418	418	418	418	418	418	418	418	418	418
Enrollment	413	411	411	405	413	417	417	413	404	380
Kolter (1960)										
Square feet	49,345	49,345	49,345	49,345	49,345	49,345	49,345	49,345	49,345	49,345
Capacity	668	668	668	668	668	548	548	548	548	548
Enrollment	661	659	614	617	580	594	580	572	541	531
Lantrip (2005)										
Square feet	99,529	99,529	99,529	99,529	99,529	99,529	99,529	99,529	99,529	99,529
Capacity	920	920	920	920	920	1,110	1,110	1,110	1,110	1,110
Enrollment	759	756	765	715	706	717	696	700	716	701
Laurenzo ECC (2004)										
Square feet	38,399	38,399	38,399	38,399	38,399	38,399	38,399	38,399	38,399	38,399
Capacity	376	376	376	376	376	346	346	346	346	346
Enrollment	321	324	334	329	310	311	299	298	299	270
Law (1966)										
Square feet	53,310	53,310	53,310	53,310	53,310	53,310	53,310	53,310	53,310	53,310
Capacity	731	731	731	731	731	650	650	650	650	650
Enrollment	771	776	754	710	741	737	719	653	575	516
Lewis (2012)										
Square feet	105,595	105,595	98,444	98,444	98,444	63,548	63,548	63,548	63,548	63,548
Capacity	904	904	904	904	904	878	878	878	878	878
Enrollment	890	906	961	963	905	878	830	834	752	780
Lockhart (1950/2012)										
Square feet	86,960	86,960	86,960	86,960	86,960	74,507	74,507	74,507	74,507	74,507
Capacity	716	716	913	913	913	558	558	558	558	558
Enrollment	722	747	697	685	675	708	711	533	475	480

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Longfellow (2007)										
Square feet	99,790	99,790	99,790	99,790	99,790	99,790	99,790	99,790	99,790	99,790
Capacity	774	774	774	774	774	1,172	1,172	1,172	1,172	1,172
Enrollment	746	726	764	743	732	732	713	706	702	635
Looscan (1936)										
Square feet	45,343	45,343	45,343	45,343	45,343	45,343	45,343	45,343	45,343	45,343
Capacity	606	606	606	606	606	516	516	516	516	516
Enrollment	472	473	482	498	510	481	491	490	491	479
Love (1926)										
Square feet	56,312	56,312	56,312	56,312	56,312	56,312	56,312	56,312	56,312	56,312
Capacity	543	543	543	543	543	513	513	513	513	513
Enrollment	447	433	492	503	493	426	419	405	412	468
Lovett (2012)										
Square feet	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000
Capacity	716	716	716	716	716	648	648	648	648	648
Enrollment	683	705	723	706	675	681	674	653	661	659
Lyons (1993)										
Square feet	82,716	82,716	82,716	82,716	82,716	82,716	82,716	82,716	82,716	82,716
Capacity	878	878	878	878	878	901	901	901	901	901
Enrollment	1,008	1,022	1,013	995	943	925	905	899	900	882
MacGregor (1966)										
Square feet	45,795	45,795	45,795	45,795	45,795	45,795	45,795	45,795	45,795	45,795
Capacity	699	699	699	710	710	397	397	397	397	397
Enrollment	541	510	505	514	511	483	489	444	420	381
Mading (1959/2006)										
Square feet	94,478	94,478	94,478	94,478	94,478	94,478	94,478	94,478	94,478	94,478
Capacity	690	690	690	690	690	616	616	616	616	616
Enrollment	597	616	591	590	612	545	582	577	559	598
Mandarin (2012/1955)/ Gordon										
Square feet	37,425	37,425	37,425	37,425	37,425	37,425	37,425	37,425	37,425	37,425
Capacity	543	543	543	543	543	432	432	432	432	432
Enrollment	473	389	333	251	399	355	405	379	364	408
Marshall, T. (2000)*										
Square feet	46,400	46,400	46,400	N/A						
Capacity	878	878	878	N/A						
Enrollment	1,020	1,021	802	N/A						

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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Martinez C. (1994)										
Square feet	77,883	77,883	77,883	77,883	77,883	77,883	77,883	77,883	77,883	77,883
Capacity	795	795	795	795	795	697	697	697	697	697
Enrollment	532	587	572	577	601	614	588	591	612	652
Martinez R. (1991)										
Square feet	75,674	75,674	75,674	75,674	75,674	75,674	75,674	75,674	75,674	75,674
Capacity	732	732	732	732	732	684	684	684	684	684
Enrollment	546	546	526	571	578	612	658	652	607	630
McGowen / Houston Gardens (1998)										
Square feet	67,708	67,708	67,708	67,708	67,708	67,708	67,708	67,708	67,708	67,708
Capacity	459	459	459	459	459	488	488	488	488	488
Enrollment	432	433	437	432	439	362	358	350	359	392
McNamara (1958)										
Square feet	54,973	54,973	54,973	54,973	54,973	54,973	54,973	54,973	54,973	54,973
Capacity	814	814	814	814	814	948	948	948	948	948
Enrollment	891	903	826	788	816	763	687	695	721	767
Memorial (1926)										
Square feet	51,276	51,276	51,276	51,276	51,276	51,276	51,276	51,276	51,276	51,276
Capacity	543	543	543	543	543	462	462	462	462	462
Enrollment	493	410	390	390	405	338	336	343	354	376
Milne (1960)										
Square feet	91,611	91,611	91,611	91,611	91,611	91,611	91,611	91,611	91,611	91,611
Capacity	857	857	857	857	857	834	834	834	834	834
Enrollment	676	698	747	703	667	568	654	601	629	708
Mistral ECC (2005)										
Square feet	38,899	38,899	38,899	38,899	38,899	38,899	38,899	38,899	38,899	38,899
Capacity	418	418	418	418	418	418	418	418	418	418
Enrollment	347	312	368	366	394	411	412	395	395	394
Mitchell (1968)										
Square feet	62,617	62,617	62,617	62,617	61,686	61,686	61,686	61,686	61,686	61,686
Capacity	591	591	1,484	1,484	1,484	982	982	982	982	982
Enrollment	549	597	518	486	513	1,011	1,052	1,070	1,075	1,136
Montgomery (1960)										
Square feet	63,393	63,393	63,393	63,393	63,393	63,393	63,393	63,393	63,393	63,393
Capacity	961	961	961	961	961	743	743	743	743	743
Enrollment	687	740	632	678	785	738	759	737	726	732

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	Fiscal Year									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Moreno (2005)										
Square feet	82,810	82,810	82,810	82,810	82,810	82,810	82,810	82,810	82,810	82,810
Capacity	753	753	753	753	753	712	712	712	712	712
Enrollment	811	812	807	814	788	777	757	756	743	745
Neff ES (1964) / Neff ELC										
Square feet	86,000	86,000	86,000	86,000	66,007	66,007	66,007	66,007	66,007	66,007
Capacity	1,359	609	1,984	1,984	1,234	1,255	1,255	1,255	1,255	1,255
Enrollment	1,492	687	1,347	1,245	1,090	1,035	1,017	996	1,072	1,102
Northline (1963)										
Square feet	60,102	60,102	60,102	60,102	60,102	60,102	60,102	60,102	60,102	60,102
Capacity	949	949	1,128	1,128	1,128	869	869	869	869	869
Enrollment	634	639	615	652	686	694	666	641	682	702
Oak Forest (2004)										
Square feet	84,120	84,120	84,120	84,120	84,120	84,120	84,120	84,120	84,120	84,120
Capacity	795	795	795	795	795	754	754	754	754	754
Enrollment	819	809	815	782	761	760	774	757	734	769
Oates (1929)										
Square feet	60,417	60,417	60,417	60,417	60,417	60,417	60,417	60,417	60,417	60,417
Capacity	732	732	732	732	732	662	662	662	662	662
Enrollment	368	366	397	391	446	440	444	442	441	432
Osborne (1960)										
Square feet	55,514	55,514	55,514	55,514	54,648	54,648	54,648	54,648	54,648	54,648
Capacity	573	573	626	626	626	559	559	559	559	559
Enrollment	395	397	410	400	430	464	457	450	437	426
Paige / Bowie (1950)										
Square feet	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000
Capacity	543	543	543	543	543	503	503	503	503	503
Enrollment	492	457	356	376	392	349	344	375	338	362
Park Place (2005)										
Square feet	109,866	109,866	109,866	109,866	109,866	109,866	109,866	109,866	109,866	109,866
Capacity	1,003	1,003	836	836	836	1,059	1,059	1,059	1,059	1,059
Enrollment	985	1,002	1,034	1,063	1,028	1,041	1,064	1,092	1,028	994
Parker (1959)										
Square feet	72,167	72,167	72,167	72,167	72,167	72,167	72,167	72,167	72,167	72,167
Capacity	857	857	857	857	857	871	871	871	871	871
Enrollment	833	839	824	844	846	844	817	826	785	779

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Patterson (2012)										
Square feet	98,444	98,444	98,444	98,444	98,444	62,986	62,986	62,986	62,986	62,986
Capacity	931	931	931	931	931	961	961	961	961	961
Enrollment	968	951	969	965	950	824	809	850	842	801
Peck (2012)										
Square feet	89,365	89,365	89,365	89,365	89,365	34,277	34,277	34,277	34,277	34,277
Capacity	711	711	711	711	711	418	418	418	418	418
Enrollment	573	589	563	506	497	506	549	338	320	390
Petersen (1966)										
Square feet	52,335	52,335	52,335	52,335	52,335	52,335	52,335	52,335	52,335	52,335
Capacity	877	877	877	877	877	753	753	753	753	753
Enrollment	504	627	641	587	630	672	683	681	641	758
Pilgrim (2007)										
Square feet	110,392	110,392	110,392	110,392	110,392	110,392	110,392	110,392	110,392	110,392
Capacity	997	997	997	997	997	1,136	1,136	1,136	1,136	1,136
Enrollment	1,145	1,155	1,109	1,136	1,100	1,071	1,016	932	836	730
Piney Point (2011)										
Square feet	114,185	114,185	114,185	114,185	114,185	114,185	72,864	72,864	72,864	72,864
Capacity	1,003	1,000	1,000	1,000	1,000	1,000	817	817	817	817
Enrollment	1,173	1,212	1,203	1,141	1,119	1,004	974	929	932	892
Pleasantville (1955)										
Square feet	59,032	59,032	59,032	59,032	59,032	59,032	59,032	59,032	59,032	59,032
Capacity	753	753	753	753	753	551	551	551	551	551
Enrollment	319	331	317	340	365	356	375	357	404	466
Poe (1928)										
Square feet	70,067	70,067	70,067	70,067	70,067	70,067	70,067	70,067	70,067	70,067
Capacity	815	815	815	815	815	743	743	743	743	743
Enrollment	791	794	771	762	748	730	730	706	697	724
Port Houston (1960)										
Square feet	36,309	36,309	36,309	36,309	36,309	36,309	36,309	36,309	36,309	36,309
Capacity	502	502	502	502	502	363	363	363	363	363
Enrollment	322	794	343	339	342	352	342	333	326	317
Pugh (1952)										
Square feet	40,053	40,053	40,053	40,053	40,053	40,053	40,053	40,053	40,053	40,053
Capacity	627	627	627	627	627	606	606	606	606	606
Enrollment	431	436	434	443	501	522	564	517	477	537

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	Fiscal Year									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Reagan, B. (2012)										
Square feet	143,000	143,000	143,000	143,000	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	900	900	900	900	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	1,046	1,044	1,194	938	N/A	N/A	N/A	N/A	N/A	N/A
Red (1957)										
Square feet	58,830	58,830	58,830	58,830	58,830	58,830	58,830	58,830	58,830	58,830
Capacity	732	732	732	732	732	667	667	667	667	667
Enrollment	699	663	645	597	588	601	567	539	524	479
Reynolds (1959)										
Square feet	83,711	83,711	83,711	83,711	83,711	83,711	83,711	83,711	83,711	83,711
Capacity	795	795	795	795	795	642	642	642	642	642
Enrollment	516	543	468	519	556	551	513	471	462	434
Rice, The School (1994)										
Square feet	202,704	202,704	202,704	202,704	202,704	202,704	202,704	202,704	202,704	202,704
Capacity	1,056	1,056	1,056	1,056	1,056	1,101	1,101	1,101	1,101	1,101
Enrollment	1,139	1,138	1,151	1,157	1,228	1,145	1,140	1,135	1,145	1,121
River Oaks (1928)										
Square feet	60,632	60,632	60,632	60,632	60,632	60,632	60,632	60,632	60,632	60,632
Capacity	648	648	648	648	648	627	627	627	627	627
Enrollment	677	681	704	714	717	680	664	674	650	661
Roberts (1936)										
Square feet	62,685	62,685	62,685	62,685	62,685	62,685	62,685	62,685	62,685	62,685
Capacity	773	773	773	773	773	606	606	606	606	606
Enrollment	781	804	756	740	755	746	683	698	669	641
Robinson (2002)										
Square feet	84,928	84,928	84,928	84,928	84,928	84,928	84,928	84,928	84,928	84,928
Capacity	753	753	753	753	753	796	796	796	796	796
Enrollment	699	708	737	684	712	726	747	743	755	757
Rodriguez (2002)										
Square feet	111,716	111,716	111,716	111,716	111,716	111,716	111,716	111,716	111,716	111,716
Capacity	962	962	962	962	962	942	942	942	942	942
Enrollment	1,032	1,067	1,023	944	935	931	964	938	937	943
Rogers, T.H. (1962)										
Square feet	187,570	187,570	187,570	187,570	187,570	187,570	187,570	187,570	187,570	187,570
Capacity	1,310	1,368	1,368	1,368	1,368	1,227	1,227	1,227	1,227	1,227
Enrollment	935	789	794	815	820	846	857	825	810	764

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Roosevelt (2012)										
Square feet	84,500	84,500	84,500	84,500	84,500	49,583	49,583	49,583	49,583	49,583
Capacity	732	732	732	732	732	593	593	593	593	593
Enrollment	735	721	710	709	669	612	634	593	560	532
Ross (1948)										
Square feet	51,820	51,820	51,820	51,820	51,820	51,820	51,820	51,820	51,820	51,820
Capacity	627	627	627	627	627	474	474	474	474	474
Enrollment	387	447	423	432	457	462	471	441	421	389
Rucker (1953)										
Square feet	70,722	70,722	70,722	70,722	70,722	70,722	70,722	70,722	70,722	70,722
Capacity	961	961	961	961	961	956	956	956	956	956
Enrollment	595	609	611	614	662	677	681	684	722	737
Rusk (1960)										
Square feet	39,671	39,671	39,671	39,671	39,671	39,671	39,671	39,671	39,671	39,671
Capacity	699	699	502	502	502	405	405	405	405	405
Enrollment	537	576	534	535	558	534	501	434	351	323
Saint George Place (2007)										
Square feet	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000
Capacity	732	732	732	732	732	961	961	961	961	961
Enrollment	788	795	753	764	723	699	614	598	508	952
Sanchez (1952)										
Square feet	69,397	69,397	69,397	69,397	69,397	69,397	69,397	69,397	69,397	69,397
Capacity	716	899	899	899	899	704	704	704	704	704
Enrollment	598	606	623	592	562	596	609	634	635	625
Scarborough (1959)										
Square feet	64,412	64,412	64,412	64,412	64,412	64,412	64,412	64,412	64,412	64,412
Capacity	824	824	898	898	898	788	788	788	788	788
Enrollment	744	773	761	737	741	780	757	769	789	783
Scroggins (1966)										
Square feet	53,126	53,126	53,126	53,126	53,126	53,126	53,126	53,126	53,126	53,126
Capacity	663	663	459	459	459	641	641	641	641	641
Enrollment	614	621	631	597	576	606	588	590	599	578
Seguin (2002)										
Square feet	85,427	85,427	85,427	85,427	85,427	85,427	85,427	85,427	85,427	85,427
Capacity	732	732	732	732	732	670	670	670	670	670
Enrollment	652	689	667	613	621	643	638	625	631	648

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	Fiscal Year									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Shadowbriar (1992)										
Square feet	74,382	74,382	74,382	74,382	74,382	74,382	74,382	74,382	74,382	74,382
Capacity	732	732	732	732	732	524	524	524	524	524
Enrollment	494	393	392	365	398	434	449	437	401	518
Shadydale (2000)*										
Square feet	102,400	102,400	102,400	N/A						
Capacity	842	1,003	1,003	N/A						
Enrollment	897	897	806	N/A						
Sheam (1954)										
Square feet	43,132	43,132	43,132	43,132	43,132	43,132	43,132	43,132	43,132	43,132
Capacity	584	584	584	584	584	543	543	543	543	543
Enrollment	650	610	564	551	518	502	485	467	466	449
Sherman (1964)										
Square feet	87,020	87,020	87,020	55,289	55,289	55,289	55,289	55,289	55,289	55,289
Capacity	836	836	836	836	836	747	747	747	747	747
Enrollment	661	664	570	555	587	369	495	486	542	507
Sinclair (1959)										
Square feet	54,308	54,308	54,308	54,308	54,308	54,308	54,308	54,308	54,308	54,308
Capacity	716	716	835	835	835	774	774	774	774	774
Enrollment	539	525	536	513	546	532	510	476	461	527
Smith, K. (1954)										
Square feet	56,294	56,294	56,294	56,294	56,294	56,294	56,294	56,294	56,294	56,294
Capacity	860	860	1,218	1,218	1,218	1,345	1,345	1,345	1,345	1,345
Enrollment	937	890	760	748	742	793	861	858	1,001	834
Southmayd (1936)										
Square feet	67,258	67,258	67,258	67,258	67,258	67,258	67,258	67,258	67,258	67,258
Capacity	773	773	773	773	773	701	701	701	701	701
Enrollment	727	711	698	739	764	728	700	649	661	636
Stevens (1952)										
Square feet	68,822	68,822	68,822	68,822	68,822	68,822	68,822	68,822	68,822	68,822
Capacity	824	815	815	815	815	682	682	682	682	682
Enrollment	731	776	655	627	656	646	642	693	656	648
Sutton (1958)										
Square feet	88,701	88,701	88,701	88,701	88,701	88,701	88,701	88,701	88,701	88,701
Capacity	1,233	1,233	1,233	1,233	1,233	1,370	1,370	1,370	1,370	1,370
Enrollment	1,097	1,148	1,060	1,029	1,047	1,126	1,133	1,053	1,049	1,007

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Thompson (2006)										
Square feet	96,252	96,252	96,252	96,252	96,252	96,252	96,252	96,252	96,252	96,252
Capacity	816	816	816	816	816	1,047	1,047	1,047	1,047	1,047
Enrollment	467	552	561	619	620	659	618	640	624	615
Tijerina (1979)										
Square feet	35,771	35,771	35,771	35,771	35,771	35,771	35,771	35,771	35,771	35,771
Capacity	857	857	857	857	857	858	858	858	858	858
Enrollment	426	458	491	502	620	624	613	647	664	712
Tinsley (2001)										
Square feet	90,415	90,415	90,415	90,415	90,415	90,415	90,415	90,415	90,415	90,415
Capacity	815	815	815	815	815	757	757	757	757	757
Enrollment	792	780	812	700	705	739	761	741	675	691
Travis (2007)										
Square feet	86,530	86,530	86,530	86,530	86,530	86,530	86,530	86,530	86,530	86,530
Capacity	734	734	734	669	669	674	674	674	674	674
Enrollment	698	723	755	733	729	734	724	726	690	654
Twain (2007)										
Square feet	83,634	83,634	83,634	83,634	83,634	83,634	83,634	83,634	83,634	83,634
Capacity	815	815	815	815	815	781	781	781	781	781
Enrollment	905	953	924	873	810	787	793	775	743	778
Valley West (1994)										
Square feet	84,763	84,763	84,763	84,763	84,763	84,763	46,763	46,763	46,763	46,763
Capacity	1,023	1,023	1,023	1,023	1,023	726	676	676	676	676
Enrollment	878	845	830	748	705	623	604	580	601	598
Wainwright (1962)										
Square feet	56,531	56,531	56,531	56,531	56,531	56,531	56,531	56,531	56,531	56,531
Capacity	824	824	824	824	824	699	699	699	699	699
Enrollment	608	722	751	835	760	794	760	701	689	649
Walnut Bend (2005)										
Square feet	114,707	114,707	114,707	114,707	114,707	114,707	114,707	114,707	114,707	114,707
Capacity	753	753	753	753	753	1,590	1,590	1,590	1,590	1,590
Enrollment	762	743	750	678	647	694	625	608	674	342
Wesley (1949)										
Square feet	73,580	73,580	73,580	73,580	73,580	73,580	73,580	73,580	73,580	73,580
Capacity	681	681	1,045	1,045	1,045	639	639	639	639	639
Enrollment	412	418	438	448	436	464	480	458	443	549

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	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
West University (1928)										
Square feet	99,423	99,423	99,423	99,423	99,423	99,423	99,423	99,423	99,423	99,423
Capacity	1,108	1,108	1,108	1,108	1,108	1,067	1,067	1,067	1,067	1,067
Enrollment	1,259	1,300	1,245	1,210	1,202	1,197	1,068	1,071	1,002	1,015
Wharton (1959) / Dual Language										
Square feet	32,310	32,310	32,310	32,310	32,310	32,310	32,310	32,310	32,310	32,310
Capacity	469	469	469	469	469	397	397	397	397	397
Enrollment	490	486	474	436	439	425	428	396	376	376
Whidby (1959)										
Square feet	46,870	46,870	46,870	46,870	46,870	49,942	49,942	49,942	49,942	49,942
Capacity	609	609	710	710	710	572	572	572	572	572
Enrollment	631	577	536	483	518	482	614	577	580	566
White (1966)										
Square feet	65,599	65,599	65,599	65,599	65,599	65,599	65,599	65,599	65,599	65,599
Capacity	806	806	522	522	522	920	920	920	920	920
Enrollment	855	871	851	824	811	813	795	746	726	761
Whittier (1959)										
Square feet	46,154	46,154	46,154	46,154	46,154	46,154	46,154	46,154	46,154	46,154
Capacity	606	606	606	606	606	659	659	659	659	659
Enrollment	592	589	582	578	526	530	537	547	517	514
Wilson (1924) / Montessori										
Square feet	41,579	41,579	41,579	41,579	41,579	41,579	41,579	41,579	41,579	41,579
Capacity	539	539	539	508	508	471	471	471	471	471
Enrollment	547	520	501	502	500	489	459	447	417	430
Windsor Village (1960)										
Square feet	59,414	59,414	59,414	59,414	59,414	59,414	59,414	59,414	59,414	59,414
Capacity	913	913	967	967	967	892	892	892	892	892
Enrollment	782	781	748	745	755	750	790	800	770	767
Woodson (1966) / Middle										
Square feet	164,732	164,732	164,732	164,732	164,732	164,732	164,732	164,732	164,732	164,732
Capacity	1,310	1,310	1,870	1,870	1,870	2,258	2,258	2,258	2,258	2,258
Enrollment	757	904	891	798	772	686	792	847	996	1,231
Young, Ethel Mosley (1960)										
Square feet	45,447	45,447	45,447	45,447	45,447	45,447	45,447	45,447	45,447	45,447
Capacity	501	501	501	501	501	390	390	390	390	390
Enrollment	366	414	388	414	456	421	431	460	407	311

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Middle										
Attucks (1953)										
Square feet	176,123	176,123	173,819	173,819	173,819	173,819	173,819	173,819	173,819	173,819
Capacity	1,144	1,144	1,144	1,144	1,144	898	898	898	898	898
Enrollment	482	483	459	445	446	506	581	650	735	865
Black (1957)										
Square feet	166,511	166,511	165,662	165,662	165,662	165,662	165,662	165,662	165,662	165,662
Capacity	1,238	1,238	1,238	1,238	1,238	935	935	935	935	935
Enrollment	966	932	840	714	536	490	547	559	577	682
Burbank (1950)										
Square feet	196,811	196,811	162,511	162,511	162,511	162,511	162,511	162,511	162,511	162,511
Capacity	1,988	1,988	1,988	1,988	1,988	1,406	1,406	1,406	1,406	1,406
Enrollment	1,440	1,424	1,422	1,418	1,417	1,261	1,214	1,170	1,198	1,240
Clifton (1979)										
Square feet	156,742	156,742	156,742	156,742	156,742	156,742	156,742	156,742	156,742	156,742
Capacity	1,163	1,163	1,163	1,163	1,163	992	992	992	992	992
Enrollment	837	919	919	987	1,009	1,001	1,044	1,075	1,070	1,119
Cullen (1955)										
Square feet	158,851	158,851	158,581	158,581	158,581	158,581	158,581	158,581	158,581	158,581
Capacity	1,106	1,106	1,106	1,106	1,106	898	898	898	898	898
Enrollment	576	623	656	494	510	580	639	692	656	758
Deady (1929)										
Square feet	183,653	183,653	183,653	183,653	183,653	183,653	183,653	183,653	183,653	183,653
Capacity	1,388	1,388	1,388	1,388	1,388	1,267	1,267	1,267	1,267	1,267
Enrollment	702	775	861	898	880	872	975	1,015	1,018	1,160
Dowling (1968)										
Square feet	207,029	207,029	199,121	199,121	199,121	199,121	199,121	199,121	199,121	199,121
Capacity	1,800	1,800	1,800	1,800	1,800	1,824	1,824	1,824	1,824	1,824
Enrollment	1,115	1,208	1,129	1,188	1,335	1,301	1,432	1,534	1,661	1,845
Edison (1925)										
Square feet	143,758	143,758	143,758	143,758	143,758	143,758	143,758	143,758	143,758	143,758
Capacity	1,144	1,144	1,144	1,144	1,144	1,042	1,042	1,042	1,042	1,042
Enrollment	721	750	744	720	706	791	843	910	930	986
Fleming (1968)										
Square feet	179,515	179,515	179,515	179,515	179,515	179,515	179,515	179,515	179,515	179,515
Capacity	1,031	1,031	1,031	1,031	1,031	785	785	785	785	785
Enrollment	497	525	492	539	644	528	528	544	532	534

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	Fiscal Year									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Fondren (1966)										
Square feet	161,421	161,421	158,349	158,349	158,349	158,349	158,349	158,349	158,349	158,349
Capacity	1,369	1,369	1,369	1,369	1,369	1,136	1,136	1,136	1,136	1,136
Enrollment	938	870	780	750	679	723	880	737	749	833
Fonville (1951)										
Square feet	162,228	162,228	162,228	162,228	162,228	162,228	162,228	162,228	162,228	162,228
Capacity	1,444	1,444	1,444	1,444	1,444	1,085	1,085	1,085	1,085	1,085
Enrollment	934	1047	1,111	1,088	1,045	1,080	1,081	1,119	1,124	1,177
Forest Brook (1972)*										
Square feet	226,770	226,770	226,770	N/A						
Capacity	1,256	1,256	1,256	N/A						
Enrollment	911	937	990	N/A						
Grady (1949)										
Square feet	94,746	94,746	94,746	94,746	94,746	64,902	64,902	64,902	64,902	64,902
Capacity	713	713	488	488	488	690	690	690	690	690
Enrollment	632	604	558	527	518	482	471	463	485	544
Hamilton (1919)										
Square feet	140,674	140,674	137,710	137,710	137,710	137,710	137,710	137,710	137,710	137,710
Capacity	1,125	1,125	1,125	1,125	1,125	1,020	1,020	1,020	1,020	1,020
Enrollment	1,267	1,223	1,253	1,269	1,307	1,390	1,378	1,346	1,324	1,287
Hartman (2005)										
Square feet	222,606	222,606	222,606	222,606	222,606	222,606	222,606	222,606	222,606	222,606
Capacity	1,444	1,444	1,444	1,444	1,444	1,349	1,349	1,349	1,349	1,349
Enrollment	1,356	1,424	1,421	1,448	1,436	1,527	1,597	1,632	1,587	1,527
Henry (1965)										
Square feet	182,031	182,031	181,623	181,623	181,623	181,623	181,623	181,623	181,623	181,623
Capacity	1,200	1,200	1,200	1,200	1,200	1,179	1,179	1,179	1,179	1,179
Enrollment	876	896	939	975	983	1,004	1,026	1,065	1,075	1,098
HS Ahead / Hohl (1920)										
Square feet	54,936	54,936	54,888	54,888	54,888	54,888	54,888	54,888	54,888	54,888
Capacity	617	617	617	617	617	599	599	599	599	599
Enrollment	269	208	297	301	368	386	219	483	489	510
Hogg (1926)										
Square feet	177,148	177,148	177,148	176,380	176,380	176,380	176,380	176,380	176,380	176,380
Capacity	1,069	1,069	1,069	1,069	1,069	926	926	926	926	926
Enrollment	698	735	722	733	668	732	816	813	840	849

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Holland (1980)										
Square feet	135,130	135,130	135,130	131,290	131,290	131,290	131,290	131,290	131,290	131,290
Capacity	994	994	994	994	994	875	875	875	875	875
Enrollment	693	719	675	698	696	749	771	797	808	809
Jackson (1925)										
Square feet	211,186	211,186	211,186	211,186	211,186	211,186	211,186	211,186	211,186	211,186
Capacity	1,632	1,632	1,632	1,632	1,632	1,235	1,235	1,235	1,235	1,235
Enrollment	821	901	931	1,015	985	912	893	957	995	1,068
Johnston (1959)										
Square feet	189,637	189,637	174,981	174,981	174,981	174,981	174,981	174,981	174,981	174,981
Capacity	2,063	2,063	2,063	2,063	2,063	1,294	1,294	1,294	1,294	1,294
Enrollment	1,722	1,744	1,676	1,619	1,501	1,486	1,426	1,357	1,362	1,351
Key (1957)										
Square feet	185,923	185,923	185,923	185,923	185,923	185,923	185,923	185,923	185,923	185,923
Capacity	1,294	1,294	1,294	1,294	1,294	1,033	1,033	1,033	1,033	1,033
Enrollment	691	705	654	483	518	485	543	585	602	722
Lanier (1926)										
Square feet	159,574	159,574	159,574	159,574	159,574	159,574	159,574	159,574	159,574	159,574
Capacity	1,276	1,276	1,276	1,276	1,276	1,155	1,155	1,155	1,155	1,155
Enrollment	1,375	1,348	1,396	1,391	1,341	1,347	1,336	1,319	1,297	1,328
Marshall, J. (1981)										
Square feet	212,645	212,645	212,645	212,645	212,645	212,645	212,645	212,645	212,645	212,645
Capacity	1,331	1,331	1,538	1,538	1,538	1,153	1,153	1,153	1,153	1,153
Enrollment	888	889	960	952	950	1,013	964	941	908	1,027
McReynolds (1956)										
Square feet	133,056	133,056	130,392	130,392	130,392	130,392	130,392	130,392	130,392	130,392
Capacity	1,163	1,163	1,163	1,163	1,163	863	863	863	863	863
Enrollment	598	602	637	651	712	646	602	580	626	611
Ortiz (2002)										
Square feet	178,481	178,481	178,481	178,481	178,481	178,481	178,481	178,481	178,481	178,481
Capacity	1,313	1,313	1,313	1,313	1,313	1,126	1,126	1,126	1,126	1,126
Enrollment	993	1,028	1,010	1,014	1,035	1,032	979	998	1,046	1,078
Pershing (2007)										
Square feet	226,410	226,410	240,234	240,234	240,234	240,234	240,234	240,234	240,234	240,234
Capacity	1,631	1,631	1,631	1,631	1,631	1,478	1,478	1,478	1,478	1,478
Enrollment	1,592	1,594	1,653	1,751	1,748	1,816	1,748	1,795	1,747	1,732

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	Fiscal Year									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Pin Oak (2002)										
Square feet	233,081	233,081	233,081	233,081	233,081	233,081	233,081	233,081	233,081	233,081
Capacity	1,200	1,200	1,200	1,200	1,200	1,077	1,077	1,077	1,077	1,077
Enrollment	1,210	1,208	1,205	1,195	1,157	1,161	1,153	1,140	1,138	1,160
Revere (1980)										
Square feet	194,079	194,079	194,031	194,031	194,031	194,031	194,031	194,031	194,031	194,031
Capacity	1,294	1,294	1,294	1,294	1,294	1,295	1,295	1,295	1,295	1,295
Enrollment	1,250	1,264	1,221	1,108	940	883	873	834	1,015	1,115
Baylor College of Medicine / Ryan (1925)										
Square feet	133,488	133,488	113,447	113,447	113,447	113,447	113,447	113,447	113,447	113,447
Capacity	941	941	956	956	956	899	899	899	899	899
Enrollment	789	471	236	272	305	329	364	389	498	633
Stevenson (1994)										
Square feet	173,685	173,685	173,685	173,685	173,685	173,685	173,685	173,685	173,685	173,685
Capacity	1,388	1,388	1,388	1,388	1,388	1,156	1,156	1,156	1,156	1,156
Enrollment	1,333	1,319	1,386	1,420	1,374	1,396	1,386	1,329	1,232	1,215
Sugar Grove Academy (2009)										
Square feet	88,108	88,108	88,108	88,108	88,108	88,108	88,108	88,108	88,108	88,108
Capacity	902	902	902	902	902	796	796	796	796	796
Enrollment	842	839	739	717	920	429	443	213	420	444
Thomas (1968)										
Square feet	151,508	151,508	151,508	151,508	151,508	174,596	174,596	174,596	174,596	174,596
Capacity	956	956	1,294	1,294	1,294	869	869	869	869	869
Enrollment	459	504	492	531	531	545	570	651	621	730
Welch (1979)										
Square feet	156,530	156,530	156,530	156,530	156,530	156,530	156,530	156,530	156,530	156,530
Capacity	1,726	1,726	1,726	1,726	1,726	1,331	1,331	1,331	1,331	1,331
Enrollment	859	884	919	926	995	1,099	1,159	1,176	1,286	1,369
West Briar (2002)										
Square feet	170,614	170,614	169,062	169,062	169,062	169,062	169,062	169,062	169,062	169,062
Capacity	1,181	1,181	1,181	1,181	1,181	1,106	1,106	1,106	1,106	1,106
Enrollment	993	1,022	1,158	1,257	1,359	1,347	1,310	1,316	1,383	1,306
Williams (1962)										
Square feet	163,107	163,107	163,107	163,107	163,107	163,107	163,107	163,107	163,107	163,107
Capacity	975	975	975	975	975	1,299	1,299	1,299	1,299	1,299
Enrollment	511	529	490	468	443	441	438	449	457	527

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	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
High										
Austin (1953)	314,157	314,157	314,157	314,157	314,157	314,157	314,157	314,157	314,157	314,157
Square feet	1,900	1,900	1,900	2,156	2,156	2,079	2,079	2,079	2,079	2,079
Capacity	1,899	1,719	1,696	1,830	1,859	1,864	1,944	1,936	1,927	1,865
Enrollment										
Bellaire (1955)	474,451	474,451	474,451	474,451	418,451	362,451	362,451	362,451	362,451	362,451
Square feet	2,906	2,906	2,906	2,906	2,906	2,801	2,801	2,801	2,801	2,801
Capacity	3,615	3,550	3,604	3,520	3,476	3,466	3,377	3,447	3,361	3,392
Enrollment										
Carnegie Vanguard (2002)	99,208	99,208	99,000	99,000	42,504	42,504	42,504	42,504	42,504	42,504
Square feet	600	600	600	600	656	525	525	525	525	525
Capacity	623	598	608	590	523	458	426	399	371	349
Enrollment										
Chavez (2000)	519,307	519,307	519,307	519,307	519,307	519,307	519,307	519,307	519,307	519,307
Square feet	2,213	2,213	2,213	2,213	2,213	2,082	2,082	2,082	2,082	2,082
Capacity	3,142	3,103	2,988	2,831	2,856	2,757	2,770	2,612	2,375	2,480
Enrollment										
Davis (1925)	267,110	267,110	264,038	264,038	264,038	264,038	264,038	264,038	264,038	264,038
Square feet	1,613	1,613	1,613	1,613	1,613	1,558	1,558	1,558	1,558	1,558
Capacity	1,693	1,650	1,652	1,613	1,603	1,674	1,655	1,677	1,630	1,577
Enrollment										
DeBaKey (1980)	161,426	161,426	161,426	161,426	161,426	161,426	161,426	161,426	161,426	161,426
Square feet	825	825	825	825	825	851	851	851	851	851
Capacity	842	832	823	864	871	865	887	797	740	728
Enrollment										
Eastwood Academy (1985)	40,391	40,391	28,823	28,823	28,823	28,823	28,823	28,823	28,823	28,823
Square feet	525	525	525	525	525	293	293	293	293	293
Capacity	419	415	415	407	407	359	320	292	255	244
Enrollment										
Energy Institute/(formerly Dodson (1921))	82,976	82,976	82,976	82,976	82,976	82,976	82,976	82,976	82,976	82,976
Square feet	1,033	0	941	941	941	748	748	748	748	748
Capacity	546	336	644	487	506	563	437	422	443	503
Enrollment										
Furr (1961) / Reach**	170,589	170,589	168,285	168,285	168,285	168,285	168,285	168,285	168,285	168,285
Square feet	1,407	1,407	1,407	1,407	1,407	1,384	1,384	1,384	1,384	1,384
Capacity	1,022	964	1,274	1,194	1,160	1,167	1,278	1,224	893	940
Enrollment										

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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
HS Performing Visual Arts (1980)										
Square feet	104,124	104,124	104,092	104,092	104,092	104,092	104,092	104,092	104,092	104,092
Capacity	751	751	751	751	751	863	863	863	863	863
Enrollment	724	707	699	690	687	655	638	651	647	664
HS Law Enforcement (1925)										
Square feet	102,862	102,862	102,694	102,694	102,694	102,694	102,694	102,694	102,694	102,694
Capacity	900	900	900	900	900	926	926	926	926	926
Enrollment	413	434	504	548	547	570	562	606	641	674
Houston Academy International / Jones, J.W. (1966)										
Square feet	53,761	53,761	52,255	52,255	52,255	52,255	52,255	52,255	52,255	52,255
Capacity	665	665	665	665	665	423	423	423	423	423
Enrollment	425	430	432	426	414	385	323	298	297	321
Houston, Sam MST (1955)										
Square feet	355,049	355,049	355,049	355,049	325,181	325,181	325,181	325,181	325,181	325,181
Capacity	3,412	3,412	3,412	3,412	3,412	3,047	3,047	3,047	3,047	3,047
Enrollment	2,689	2,346	2,614	2,533	2,653	2,613	2,599	2,384	2,507	2,540
Jones Futures Academy (1958)										
Square feet	212,457	212,457	198,401	198,401	198,401	198,401	198,401	198,401	198,401	198,401
Capacity	1,425	1,425	1,425	1,425	1,425	1,278	1,278	1,278	1,278	1,278
Enrollment	274	175	512	594	653	663	788	829	846	902
Jordan, Barbara (1979)										
Square feet	287,903	287,903	287,615	287,615	287,615	287,615	287,615	287,615	287,615	287,615
Capacity	1,988	1,988	1,988	1,988	1,988	1,661	1,661	1,661	1,661	1,661
Enrollment	551	779	883	952	925	1,109	1,155	1,160	1,158	1,227
Kashmere (1968)										
Square feet	204,032	204,032	202,496	202,496	202,496	202,496	202,496	202,496	202,496	202,496
Capacity	1,238	1,238	1,238	1,238	1,238	1,088	1,088	1,088	1,088	1,088
Enrollment	561	502	501	497	535	600	593	589	531	583
Lamar (1937)										
Square feet	279,700	279,700	279,700	279,700	279,700	279,700	279,700	279,700	279,700	279,700
Capacity	3,306	3,306	3,306	3,306	2,194	2,229	2,229	2,229	2,229	2,229
Enrollment	3,347	3,236	3,225	3,270	3,371	3,268	3,003	3,013	3,289	3,324
Lee (1962)										
Square feet	332,694	332,694	332,694	332,694	332,694	332,694	332,694	332,694	332,694	332,694
Capacity	2,981	2,981	2,981	2,981	2,981	2,523	2,523	2,523	2,523	2,523
Enrollment	1,598	1,464	1,362	1,418	1,609	1,691	1,891	1,928	1,924	2,000
Madison (1965)										
Square feet	259,405	259,405	225,541	225,541	225,541	225,541	225,541	225,541	225,541	225,541
Capacity	2,044	2,044	2,044	2,044	2,044	1,875	1,875	1,875	1,875	1,875
Enrollment	1,828	1,723	2,005	2,033	2,027	2,213	2,289	2,373	2,349	2,492

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Milby (1925)										
Square feet	389,342	389,342	389,342	389,342	389,342	389,342	389,342	389,342	389,342	389,342
Capacity	3,075	3,075	3,075	3,075	3,075	2,868	2,868	2,868	2,868	2,868
Enrollment	1,470	1,570	2,092	2,032	2,009	2,190	2,187	2,246	2,189	2,156
North Forest (1953)*										
Square feet	307,050	307,050	307,050	N/A						
Capacity	1,725	1,725	1,725	N/A						
Enrollment	1,011	954	1,044	N/A						
Reagan, J.H. (1926)										
Square feet	360,372	360,372	360,372	360,372	360,372	360,372	360,372	360,372	360,372	360,372
Capacity	1,781	1,781	1,781	1,781	1,781	2,306	2,306	2,306	2,306	2,306
Enrollment	2,334	2,192	2,190	2,135	2,047	2,001	1,861	1,756	1,582	1,715
Scarborough (1968)										
Square feet	183,119	183,119	183,119	183,119	182,593	182,593	182,593	182,593	182,593	182,593
Capacity	1,482	1,482	1,482	1,482	1,482	1,032	1,032	1,032	1,032	1,032
Enrollment	773	673	670	1,065	1,028	753	828	736	788	869
Sharpstown HS (1971) / Advanced Virtual Academy**										
Square feet	201,355	201,355	195,195	195,195	195,195	195,195	195,195	195,195	195,195	195,195
Capacity	2,062	2,062	2,062	2,062	2,062	1,781	1,781	1,781	1,781	1,781
Enrollment	1,535	1,439	1,683	1,335	1,276	1,280	1,254	1,455	1,528	1,685
South Early College**										
Square feet	168,247	168,247	168,247	168,247	168,247	168,247	168,247	168,247	168,247	168,247
Capacity	1,350	1,350	1,350	1,350	1,350	1,406	1,406	1,406	1,406	1,406
Enrollment	1,049	1,010	1,068	1,008	973	973	1,000	927	1,074	1,125
Sterling (1965)										
Square feet	219,683	219,683	219,667	219,667	219,667	219,667	219,667	219,667	219,667	219,667
Capacity	1,537	1,537	1,537	1,537	1,537	1,397	1,397	1,397	1,397	1,397
Enrollment	1,129	973	830	938	939	1,090	1,086	1,081	1,141	1,118
Waltrip (1960)										
Square feet	264,979	264,979	264,659	264,659	264,659	264,659	264,659	264,659	264,659	264,659
Capacity	1,932	1,932	1,932	1,932	1,932	1,805	1,805	1,805	1,805	1,805
Enrollment	1,760	1,612	1,631	1,668	1,701	1,762	1,777	1,808	1,777	1,769
Washington (1959)										
Square feet	248,775	248,775	244,527	244,527	244,527	244,527	244,527	244,527	244,527	244,527
Capacity	1,931	1,931	1,931	1,931	1,931	1,652	1,652	1,652	1,652	1,652
Enrollment	734	653	773	831	823	907	960	903	966	1,075
Westbury (1961)										
Square feet	324,292	324,292	324,292	324,292	324,292	324,292	324,292	324,292	324,292	324,292
Capacity	2,644	2,644	2,644	2,644	2,644	2,263	2,263	2,263	2,263	2,263
Enrollment	2,108	2,026	2,083	2,101	2,219	2,160	2,116	2,010	1,955	2,099

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

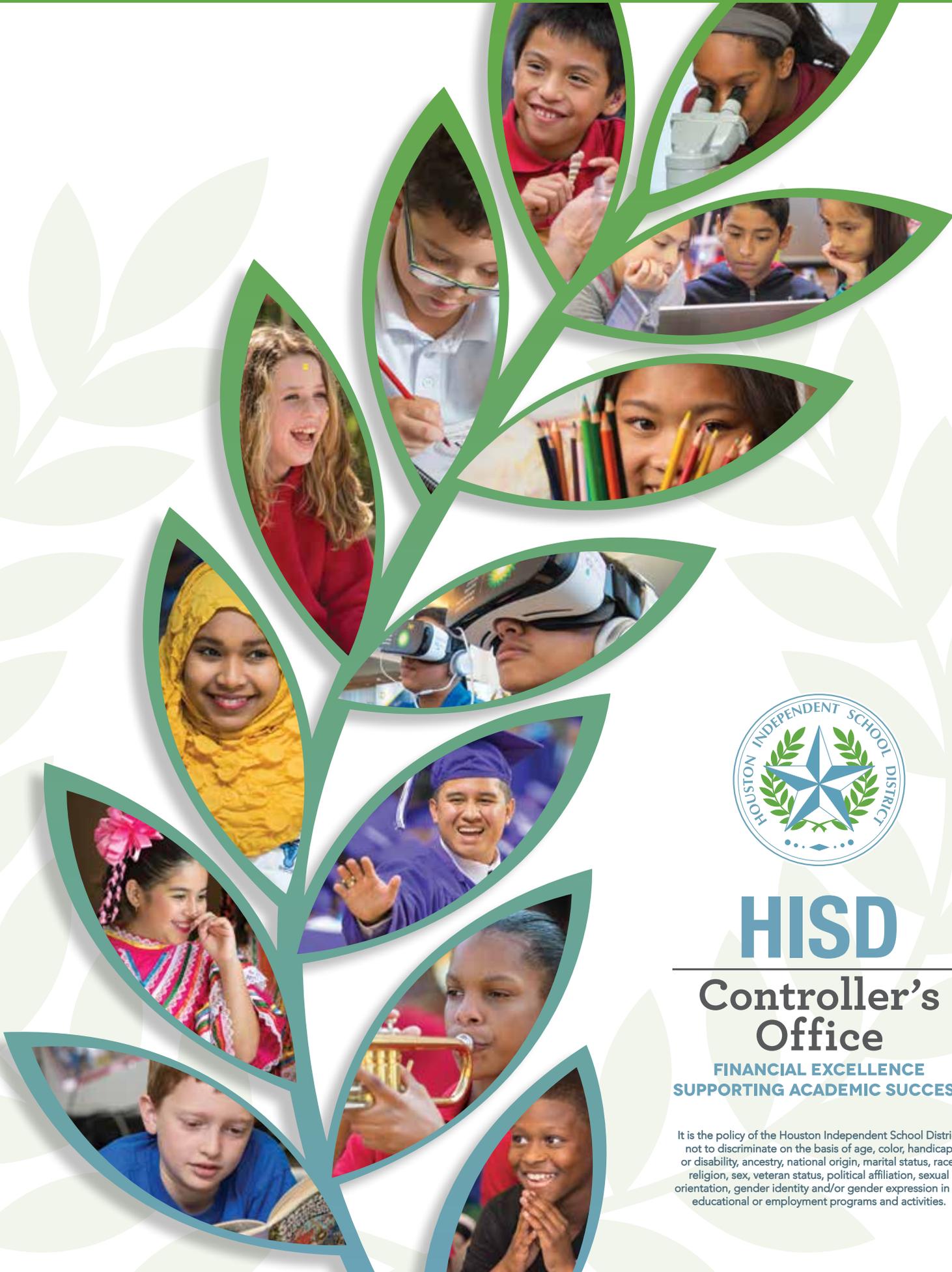
	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Westside (2000)										
Square feet	448,776	448,776	448,776	448,776	448,776	448,776	448,776	448,776	448,776	448,776
Capacity	2,381	2,381	2,381	2,381	2,381	2,171	2,171	2,171	2,171	2,171
Enrollment	2,948	2,728	2,755	2,736	2,996	3,143	2,960	2,950	2,943	2,830
Wheatley (1950)										
Square feet	268,485	268,485	268,485	268,485	268,485	268,485	268,485	268,485	268,485	268,485
Capacity	1,144	1,144	1,144	1,144	1,144	976	976	976	976	976
Enrollment	773	715	860	902	1,007	1,080	1,086	1,166	1,248	1,168
Worthing (1962)										
Square feet	220,983	220,983	220,983	220,983	220,983	220,983	220,983	220,983	220,983	220,983
Capacity	1,707	1,707	1,707	1,707	1,707	1,470	1,470	1,470	1,470	1,470
Enrollment	669	631	641	728	812	935	1,023	1,024	1,023	1,030
Yates (1958)										
Square feet	289,881	289,881	289,881	289,881	289,881	289,881	289,881	289,881	289,881	289,881
Capacity	2,644	2,644	2,644	2,644	2,644	2,120	2,120	2,120	2,120	2,120
Enrollment	950	935	935	972	966	1,329	1,320	1,337	1,333	1,339
MS/HS Combination										
Harper School / Kay-On-Going (1951)										
Square feet	53,605	53,605	42,826	42,826	42,826	42,826	42,826	42,826	42,826	42,826
Capacity	75	75	75	75	75	150	150	150	150	150
Enrollment	56	70	45	64	71	N/A	N/A	N/A	N/A	N/A
Long Academy (1957)										
Square feet	178,671	178,671	177,135	177,135	177,135	177,135	177,135	177,135	177,135	177,135
Capacity	1,200	1,200	1,463	1,463	1,463	1,577	1,577	1,577	1,577	1,577
Enrollment	1,070	1,021	1,133	1,028	946	934	1,004	1,154	1,163	1,327
Las Americas (Sq. ft. Housed at Long Academy)										
Square feet	178,671	178,671	N/A							
Capacity	413	413	N/A							
Enrollment	112	305	N/A							
Sharpstown International School / MS (1969)										
Square feet	168,247	168,247	168,247	168,247	168,247	168,247	168,247	168,247	168,247	168,247
Capacity	1,350	1,350	1,350	1,350	1,350	1,406	1,406	1,406	1,406	1,406
Enrollment	1,049	1,010	1,068	1,008	973	973	1,000	927	1,074	1,125
Young Men's College Preparatory (Mickey Leland College Prep) (1917)										
Square feet	66,092	66,092	134,926	134,926	134,926	134,926	134,926	134,926	134,926	134,926
Capacity	999	999	999	999	999	850	850	850	850	850
Enrollment	422	435	384	258	148	406	442	496	417	617

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Young Women's College Prep (1925)										
Square feet	168,125	168,125	112,742	112,742	112,742	112,742	112,742	112,742	112,742	112,742
Capacity	1,257	1,257	1,257	1,257	1,257	926	926	926	926	926
Enrollment	629	497	497	354	211	581	755	691	522	687
Charter										
Community Services / Chatham (1964)**										
Square feet	47,379	47,379	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	83	93	114	N/A	N/A	2	11	N/A	N/A	N/A

* Building was acquired when HISD annexed North Forest ISD on July 1, 2013.

**Sq ft may vary for combined location



HISD

Controller's Office

**FINANCIAL EXCELLENCE
SUPPORTING ACADEMIC SUCCESS**

It is the policy of the Houston Independent School District not to discriminate on the basis of age, color, handicap or disability, ancestry, national origin, marital status, race, religion, sex, veteran status, political affiliation, sexual orientation, gender identity and/or gender expression in its educational or employment programs and activities.