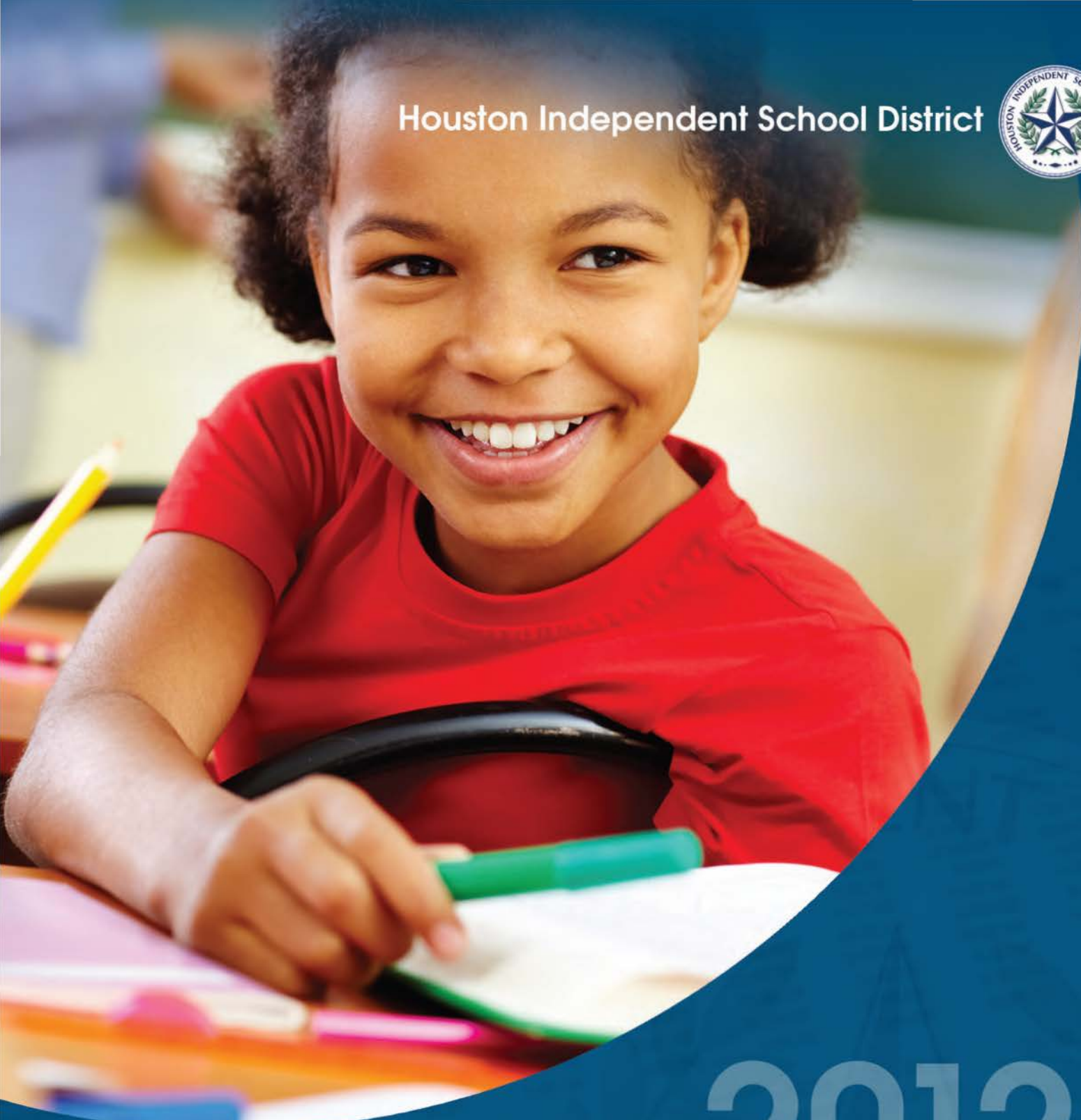


Houston Independent School District



2012

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2012

Houston, Texas

Houston Independent School District



Prepared by the
Office of Finance

2012

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2012

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, 2012

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Houston Independent School District



Introduction Section



2012

Introduction Section

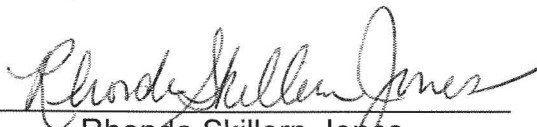
CERTIFICATE OF BOARD

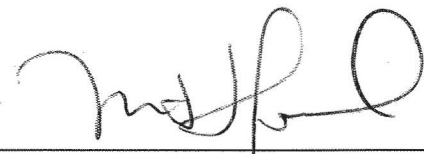
Houston Independent School District

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, 2012, at a meeting of the Board of Education of such school district on the 8th day of November 2012.


Rhonda Skillern-Jones
Secretary, Board of Education
Houston Independent School District


Michael L. Lunceford
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

TERRY B. GRIER, Ed.D.
Superintendent of Schools

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

November 8, 2012

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

The Comprehensive Annual Financial Report of the Houston Independent School District (the "District" or "HISD") for the fiscal year ended June 30, 2012, is submitted herein. The Comprehensive Annual Financial Report is management's report of financial operations to the Board of Education (the "Board"), taxpayers, grantor agencies, employees, the Texas Education Agency, and other interested parties. The government-wide financial statements in this report provide an overview of the District's governmental and business-type activities, as well as its nonfiduciary blended component units. The detailed fund financial statements describe specific activities of each fund group used in accounting for the District's financial transactions. This report was prepared by the District's Office of Finance in accordance with generally accepted accounting principles and reporting standards as promulgated by the Governmental Accounting Standards Board ("GASB").

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

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

DISTRICT PROFILE

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

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

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

In accordance with GASB Statement No. 14, a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the District are financially accountable, or for which the relationship to the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District's blended component unit, although a legally separate entity, is in substance part of the District's operations; and data from this entity is combined with data of the primary government.

The criteria used to determine whether an organization is a component unit of the District include financial accountability of the District for the component unit, appointment of a voting majority, ability to impose the District's will on the component unit, and whether there is a financial benefit or burden to the District.

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

Organizational Philosophy

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

Purpose

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

Strategic Intent

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

Core Values

- **Safety Above All Else**
Safety takes precedence over all else. A safe environment must be provided for every student and employee.
- **Student Learning Is the Main Thing**
All decisions and actions, at any level, focus on and support "the main thing": effective student learning.

- **Focus on Results and Excellence**
Each employee focuses on results and excellence in individual and organizational efforts.
- **Parents Are Partners**
Parents are valued partners in the educational process, serving as the child's teacher in the home. All school and district activities will give proper consideration to the involvement of parents.
- **Common Decency**
All members of the organization, both students and employees, deserve and must receive respectful and courteous treatment.
- **Human Capital**
Through recruitment, retention, dismissal and professional-development programs, the district will work to make sure students are served by the top talent available, from teachers to superintendents.

ECONOMIC CONDITION AND OUTLOOK



Houston is known for many things; Oil, NASA, the urban sprawl and business-friendly policies. And now according to Forbes July 2012 issue, the Bayou City is *the Most Coolest City in America* and ranks No. 2 on the list of best big cities with jobs, as the city hummed through the recession and enjoyed 2.6% job growth; whereby nearly 50,000 Americans flocked to the city in response. Economists anticipated by late 2012, the local economy would have regained many of the jobs that were shed during the recession and according to the publication by the Greater Houston Partnership, *The Economy at a Glance Houston (The Glance)* the prophetic maxim for Houston was correct. *The Glance* declares while the U.S. economy struggles to rev up the post-recession recovery, the Houston area has taken off. It has regained all the jobs it lost during the downturn and is creating more by percentage, than any other big metro area. The recovery is credited to high oil prices and the Port of Houston, which is raising the region's status as a mega transportation hub.

Houstonians are 'incredibly optimistic' about its economy. The 10-county Houston-Sugar Land-Baytown Metropolitan Statistical Area added 83,700 net new jobs, a 3.2 percent annual increase, in the 12 months ending July 2012, according to data released by the Texas Workforce Commission. The private sector added 91,800, a 4.1 percent increase, during the same time frame. Houston continues to drive the state's economy, with 23.7 percent of the state's population, accounting for 36.9 percent of the state's total job growth and 35.3 percent of the state's private sector job growth over those 12 months. While this job growth is robust in comparison with where the city has been, it is still more impressive when placed in a national perspective. The 10-county Houston region with 2.0 percent of the nation's population accounted for 4.6 percent of the nation's net job growth and 4.7 percent of the nation's private sector job growth over the same time period.

Houston is no longer a one-industry city. Though energy is the dominant force in the area and oil-directed drilling is now at a recent high, international trade, transportation, education and health care play critical roles in the area's economy.

International trade:

As one of the world's busiest ports, the Port of Houston is a large and vibrant component of the regional economy. A 2012 study by Martin Associates says ship channel-related businesses contribute 1,026,820 jobs throughout Texas, up from more than 785,000 jobs cited in a 2007 study. This activity helped generate more than \$178.5 billion in statewide economic impact, up from nearly \$118 billion. Additionally, more than \$4.5 billion in state and local tax revenues are generated by business activities related to the port, up from \$3.7 billion.

Trade Flows contributing more than \$140.8 billion in foreign trade passed through the Houston-Galveston Customs District in the first six months of 2012, an 8.6 percent increase from \$129.7 billion handled during the same period in 2011. Exports totaled \$62.3 billion through June 2012, an 8.7 percent increase and imports totaled \$78.5 billion, and 8.5 percent increase.

Transportation:

The Houston Airport System (HAS) is comprised of three airports, Bush Intercontinental Airport, Hobby Airport and Ellington Airport. HAS handled 29.74 million passengers through the first seven months of 2012, a 1.6 percent increase over the same period in 2011. Domestic travel through Hobby Airport and international travel through Bush Intercontinental Airport are driving passenger growth.

Houston's strategic location and core strengths – including an expanding energy sector, strong export, imports, trade activity, 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.

Education and Health Services:



The University of Texas M.D. Anderson Cancer Center ranked #1 in U.S. News & World Reports' "America's Best Hospitals" for cancer care.

According, to the Texas Workforce Commission, Houston's education and health services sector added the largest number of jobs between June 2011 and June 2012, up 20,600, with more than two-thirds of the increase occurring in ambulatory health care services. The 6.5 % rate of growth in this industry was nearly three times the nationwide average of 2.0%.

The Texas Medical Center (TMC) represents one of Houston's major economic drivers and core industries, with an estimated regional annual economic impact of \$14 billion. The TMC is also one of Houston's largest employers with 92,500 employees.

The internationally-renowned, 1,300-acre TMC is the world's largest medical center complex with 52 member institutions, including leading medical, academic and research institutions. Member institutions include 13 hospitals and two specialized patient facilities, 19 renowned academic and research institutions, and 15 support services organizations. TMC Patient Care Institution - The University of Texas M.D. Anderson Cancer Center is ranked #1 in U.S. News and World Reports' "America's Best Hospitals" for cancer care.

Accounting Systems and Budgetary Control

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

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

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

As a recipient of federal, state, and local grants, the District is also responsible for an adequate internal control structure that ensures compliance with applicable laws and regulations related to these grants. All funded grants are subject to testing as part of the District's Single Audit as mandated by the Office of Management and Budget ("OMB") Circular A-133. The internal control structure is subject to periodic reviews by management.

As a part of the District's Single Audit, tests are conducted to determine the adequacy of the internal control structure as related to federal award programs as well as compliance with applicable laws and regulations. The major results of the District's Single Audit for the fiscal year ended June 30, 2012, 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 prior to the execution of contracts, approval of personnel transactions, or release of purchase orders to vendors. Those obligations which would result in an overrun of appropriated funds are not released until additional appropriations are made available.

Capital Projects Funding



The Capital Renovation Fund was created to account for the District's capital projects programs, including Rebuild 2002, Rebuild HISD, and the current 2007 Facilities Capital Program. Funding for the current \$1.045 billion program is provided from the \$805 million bond referendum approved in November 2007, \$145 million from the Pay-As-You-Go Program, and \$95 million from sales of capital assets and project reserves. The Public Facility Corporation ("PFC") was established to issue bonds to provide for the acquisition of and placement in service of two shared educational facilities in accordance with the Public Facility Corporation Act. In May 2010, the PFC issued bonds to fund construction of four new schools in the 2007 Facilities Capital Program. For the fiscal year ended June 30, 2012, facilities acquisition and construction expenditures for the Capital Renovation Fund and the PFC amounted to \$285,977,387. The primary capital funding was provided through bond issues.

The new Kennedy Elementary (pictured) opened its doors in 2012. Kennedy Elementary is one of the four schools built with funds from the \$805 million generated by the 2007 bond program.

Long-term Financial Planning

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

Major Initiatives

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

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

Effective Teacher in Every Classroom

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

Effective Principal in Every School

To ensure principals are empowered, instructional leaders with clear expectations, the District will focus key strategies to 1) design and implement a rigorous, fair principal appraisal system; 2) create clear standards and recommended practices to guide decision making; 3) institute stronger principal-recruiting practices; 4) implement a more robust instructional leadership development program; and 5) develop standards and support for safe, secure, and healthy school environments.

Rigorous Instructional Standards and Supports

While the District maintains our decentralized model and continues to be a district of choice, HISD will establish a common rigorous instructional foundation across all schools, with established, specific approaches for addressing underperformance so that every student has the supports required to achieve and meet the requirements for college and career success.

Data-Driven Accountability

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

Culture of Trust Through Action

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

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

Independent Audit

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

AWARDS AND ACKNOWLEDGMENTS

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

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This was the 38th 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, 2011. The District has received this award for more than 24 consecutive years. This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO.

Acknowledgments

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

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

Respectfully submitted,



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



Melinda Garrett
Chief Financial Officer

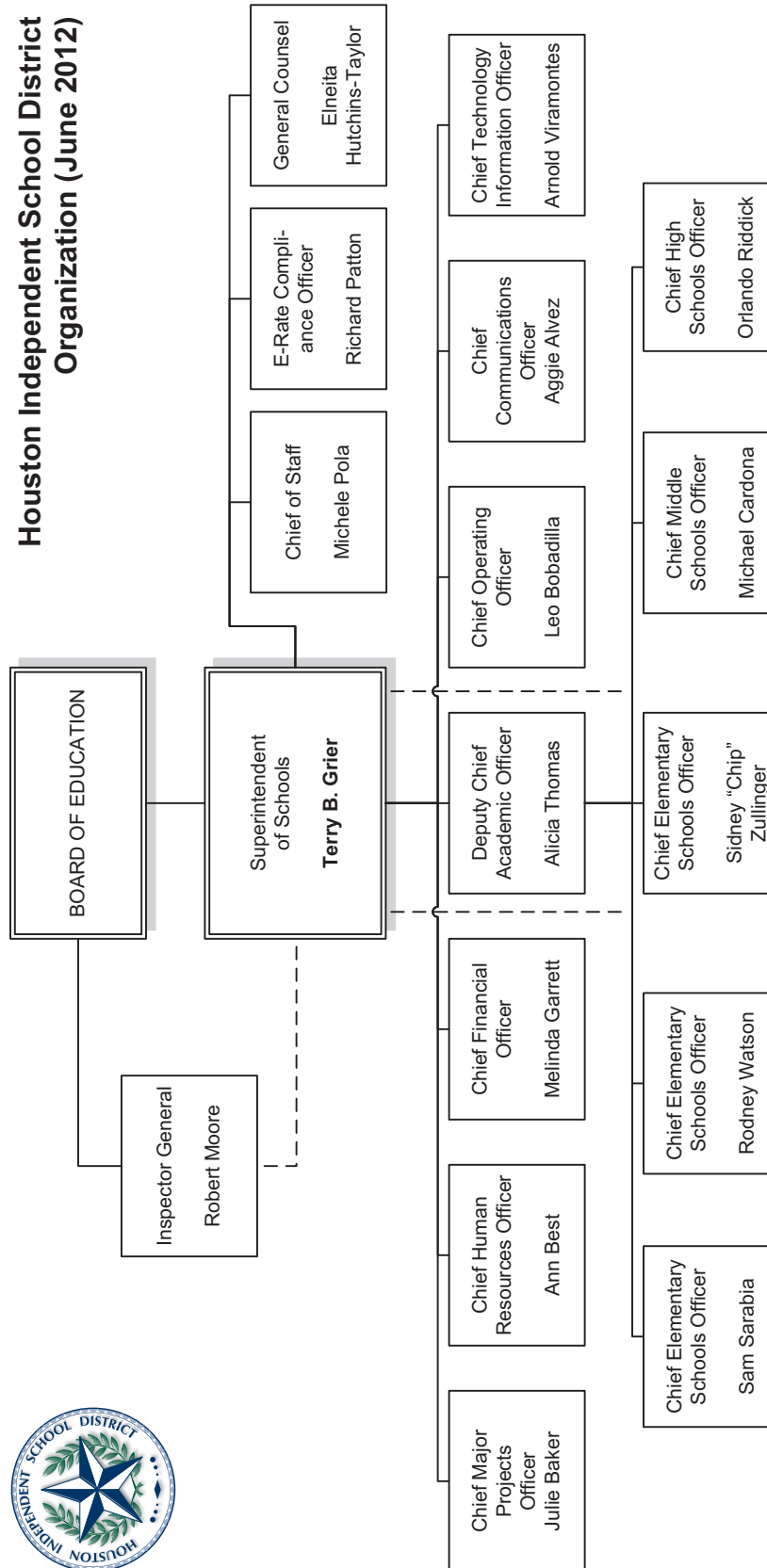


Kenneth Huewitt
Controller

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Houston Independent School District Organization (June 2012)





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

ELECTED AND APPOINTED OFFICIALS

BOARD OF EDUCATION

Michael L. Lunceford, PRESIDENT

Anna Eastman, FIRST VICE PRESIDENT

Juliet K. Stipeche, SECOND VICE PRESIDENT

Rhonda Skillern-Jones, SECRETARY

Greg Meyers ASSISTANT SECRETARY

Paula M. Harris

Lawrence Marshall

Harvin C. Moore

Manuel Rodriguez, Jr.

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

Melinda Garrett
CHIEF FINANCIAL OFFICER

Kenneth Huewitt
CONTROLLER

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

HOUSTON INDEPENDENT SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2011

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

Bruce W. Wren

President

John D. Wren

Executive Director

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, 2011

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



Linda C. Davidson

President

Jeffrey R. Enser

Executive Director

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Houston Independent School District



Financial Section

2012

Financial Section



HISD

2012 Basic Financial Statements

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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Houston Independent School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Houston Independent School District (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.


We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2012, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund, and Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund on pages 5-15 and 63-65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual fund statement and schedules and other supplementary information listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and 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 combining and individual fund statement and schedules and other supplementary information listed in the table of contents are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

 Deloitte & Touche LLP

November 8, 2012

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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, 2012. It should be read in conjunction with the transmittal letter at the front of this report and the basic financial statements which follow this section.

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

FINANCIAL HIGHLIGHTS

On the government-wide financial statements, the assets of the District exceeded liabilities by \$1.682 billion. Of this amount, \$739.8 million is unrestricted. Total net assets of the District increased from \$1.510 billion in fiscal year 2011 to \$1.682 billion in fiscal year 2012, an increase of approximately \$171.7 million. Total revenues decreased \$120 million from \$2.263 billion in fiscal year 2011 to \$2.143 billion in fiscal year 2012.

The District's governmental funds financial statements reported a combined ending fund balance in fiscal year 2012 of \$1.257 billion. Of this amount, \$11.3 million is nonspendable in the General Fund, \$229 million is set aside for other purposes in the General Fund, and \$312.6 million is unassigned in the General Fund and is available for spending at the District's discretion. The combined ending fund balance of the District's governmental funds decreased \$118.2 million from \$1.375 billion in fiscal year 2011. This is due primarily to increased expenditures in the debt service payment to escrow agents and increased expenditures in capital projects.

The District prepared a budget for the 2011-2012 fiscal year that had \$45.3 million in increases and \$141.4 million in decreases for a net decrease to appropriations of \$96.1 million. The primary increases included \$11.2 million in increased revenues from student enrollment, \$9 million for bus purchases, \$7.2 million for Health Insurance, \$3.8 million for unemployment insurance, \$2.5 million from participation in the Tax Increment Reinvestment Zones (TIRZ), \$1.8 million for Texas Connections Academy, \$1.7 million for a new literacy initiative, \$1.7 million for legal fees, and \$1.3 million for Project Grad. Some of the major decreases included \$58.4 million to campus per unit allocation due to state funding cuts, \$18 million in the reduction of Special Education Maintenance of Effort, \$17.9 million in central office services, \$7.7 million in Special Education vacancies no longer needed, \$6.9 million in unique per unit allocation and small school subsidy redesign, \$6.5 million in district-wide stipends, \$4.6 million in ASPIRE, \$3 million in TRS on behalf of payments to the Teacher Retirement System (TRS), \$2.9 million to TRS for above state minimum, \$2.9 million in reduction to benefits due to staff reductions, \$2 million reduction in gasoline for buses, and \$2 million in overtime in the Facility Services departments.

During the course of 2011-2012 other amendments were made to the District's operating budget such as the carryovers from 2010-2011 which included: capital outlay funding of \$21.2 million, encumbrances of \$20.9 million, an increase in school funding of \$18.5 million, a prior year TIRZ payment of \$9.7 million, unspent school funds of \$9 million, and a transfer to the Capital Renovation fund of \$7 million for board member projects. All increases or decreases to the District's budget are presented to the Board of Education for consideration and approval throughout the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The government-wide financial statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The *statement of activities* details how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

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

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

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	All activities of the District (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	◆ Statement of net assets	◆ Balance sheet	◆ Statement of net assets	◆ Statement of fiduciary net assets
	◆ Statement of activities	◆ Statement of revenues, expenditures & changes in fund balances	◆ Statement of revenues, expenses and changes in fund net assets ◆ Statement of cash flows	◆ Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The District's total net assets were approximately \$1.682 billion at June 30, 2012. The District's governmental activities net assets increased by \$141.2 million. The District's business-type activities net assets increased by \$31million.

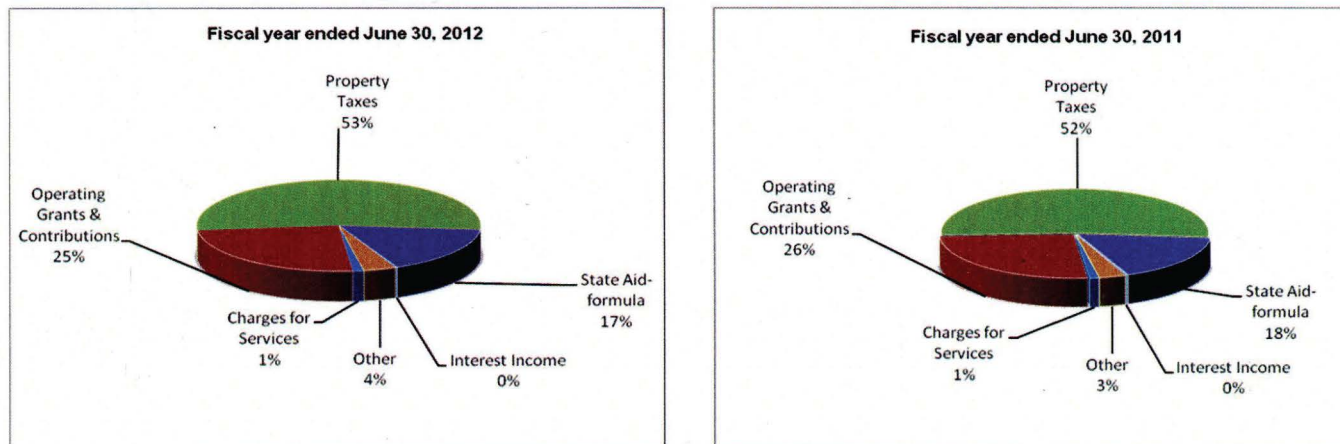
The District's Condensed Statement of Net Assets
(in thousands of dollars)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		
	2012	2011	2012	2011	2012	2011	Difference
Current and other assets	\$ 1,752,482	\$ 1,854,249	\$ 65,503	\$ 37,800	\$ 1,817,985	\$ 1,892,049	\$ (74,064)
Capital assets	2,806,110	2,590,434	387	307	2,806,497	2,590,741	215,756
Total assets	<u>4,558,592</u>	<u>4,444,683</u>	<u>65,890</u>	<u>38,107</u>	<u>4,624,482</u>	<u>4,482,790</u>	<u>141,692</u>
Current liabilities	514,752	460,440	868	3,570	515,620	464,010	51,610
Long term liabilities	2,426,468	2,508,072	265	264	2,426,733	2,508,336	(81,603)
Total liabilities	<u>2,941,220</u>	<u>2,968,512</u>	<u>1,133</u>	<u>3,834</u>	<u>2,942,353</u>	<u>2,972,346</u>	<u>(29,993)</u>
Net assets:							
Invested in capital assets,							
net of related debt	849,052	607,088	387	307	849,439	607,395	242,044
Restricted	84,479	115,045	8,423	-	92,902	115,045	(22,143)
Unrestricted	683,841	754,038	55,947	33,966	739,788	788,004	(48,216)
Total net assets	<u>\$ 1,617,372</u>	<u>\$ 1,476,171</u>	<u>\$ 64,757</u>	<u>\$ 34,273</u>	<u>\$ 1,682,129</u>	<u>\$ 1,510,444</u>	<u>\$ 171,685</u>

Investment in capital assets (e.g. land, buildings, furniture, and equipment) less any related debt used to acquire those assets that is still outstanding is \$849.4 million. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net assets of \$92.9 million represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$739.8 million may be used to meet the District's ongoing obligations.

Changes in net assets. The District's total revenues were \$2.143 billion. A significant portion, approximately 53 percent, of the District's revenue comes from property taxes. Operating grants & contributions provided revenue of 25 percent, 17 percent comes from state aid - formula grants, while only 1 percent relates to charges for services. (See Figure A-2) The total cost of all programs and services was \$1.971 billion.

Figure A-2 District Sources of Revenue



Governmental Activities

The net assets of the District's governmental activities increased by \$141.2 million due to increases in property taxes, miscellaneous sources, and reduction in total expenses. The total cost of all governmental activities for the fiscal year ended June 30, 2012 was \$1.852 billion. Funding for these governmental activities is by specific program revenue or through general revenues such as property taxes and investment earnings. The following is a summary of the governmental activities:

- The cost of all *governmental activities* this year was \$1.852 billion.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$371.8 million.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$1.481 billion of which \$1.140 billion was funded by property taxes and \$361.1 million was funded by state aid - not restricted to specific programs.

Business-type Activities

The net assets of the District's business-type activities increased by \$31 million due to an increase in medicaid program revenues offset by a decrease in food service expenses. Funding for these 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 \$118.7 million.
- The majority of the *business-type activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$186.3 million.

Changes in Net Assets

The total net assets of the District increased by \$171.7 million due to the following activities:

- Operating grants and contributions decreased by \$54.9 million mainly due to the expiration of the American Recovery Reinvestment Act (ARRA) grants in June 2011.
- Property tax revenues decreased \$39.6 million primarily due to an increase in the allowance for delinquent taxes.
- State aid not restricted to federal programs decreased by \$32.4 million due to state funding reductions.
- Miscellaneous sources increased \$18.8 million due to E-Rate revenues and a one-time adjustment for lost textbooks.
- Instruction expenses decreased \$123.6 million due to significant state funding cuts.
- School leadership expenses decreased \$11.9 million due to significant state funding cuts.
- Instructional resources and media services expenses decreased \$6.9 million due to significant state funding cuts.
- Instructional leadership expenses decreased \$4.8 million due to significant state funding cuts.
- Food Service expenses decreased \$9.3 million due to a re-calibration of the menus, attrition, and operational efficiencies.

The District's Changes in Net Assets

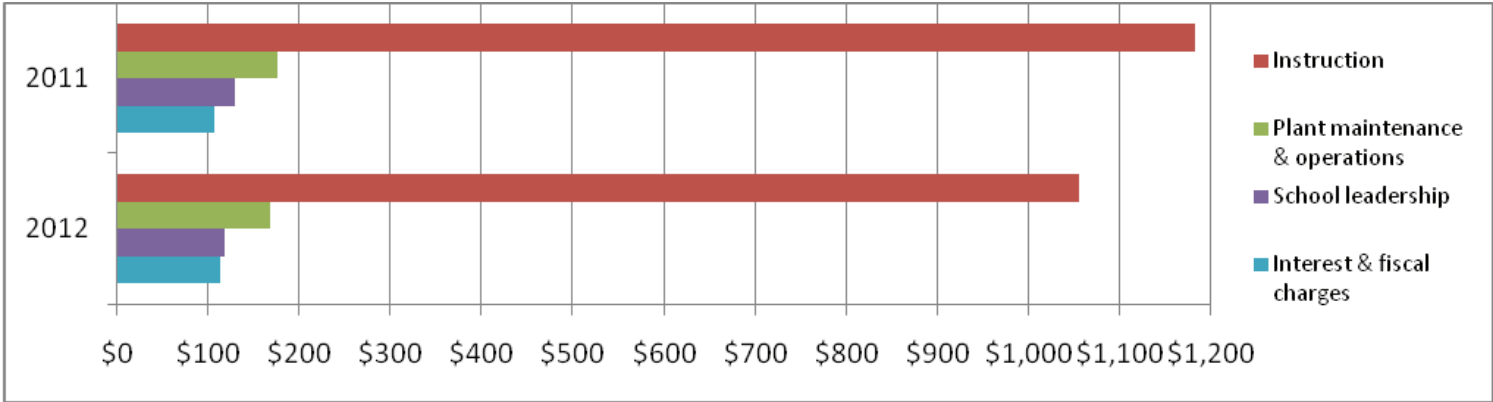
(in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		
Revenues	2012	2011	2012	2011	2012	2011	Difference
Program Revenues							
Charges for services	\$ 2,515	\$ 1,958	\$ 23,738	\$ 23,616	\$ 26,253	\$ 25,574	\$ 679
Operating grants and contributions	369,300	445,162	162,517	141,624	531,817	586,786	(54,969)
General Revenues							
Property taxes	1,139,760	1,179,382	-	-	1,139,760	1,179,382	(39,622)
State aid - not restricted to specific programs	361,078	393,525	-	-	361,078	393,525	(32,447)
Earnings on investments	3,780	4,256	110	88	3,890	4,344	(454)
Other	78,436	72,369	1,518	763	79,954	73,132	6,822
Total revenues	1,954,869	2,096,652	187,883	166,091	2,142,752	2,262,743	(119,991)
Expenses							
Instruction	1,059,622	1,183,180	-	-	1,059,622	1,183,180	(123,558)
Instructional resources and media services	9,156	16,023	-	-	9,156	16,023	(6,867)
Instructional staff development	63,721	54,519	-	-	63,721	54,519	9,202
Curriculum development	4,128	4,903	-	-	4,128	4,903	(775)
Instructional leadership	20,132	24,911	-	-	20,132	24,911	(4,779)
School leadership	117,065	128,978	-	-	117,065	128,978	(11,913)
Guidance, counseling, and evaluation services	54,065	57,842	-	-	54,065	57,842	(3,777)
Social work services	1,816	2,199	-	-	1,816	2,199	(383)
Health services	16,735	21,446	-	-	16,735	21,446	(4,711)
Student transportation	47,555	51,894	-	-	47,555	51,894	(4,339)
Food service	3,188	3,008	-	-	3,188	3,008	180
Co-curricular/extracurricular activities	16,987	20,341	-	-	16,987	20,341	(3,354)
General administration	31,732	34,477	-	-	31,732	34,477	(2,745)
Plant maintenance and operations	171,546	173,579	-	-	171,546	173,579	(2,033)
Security and monitoring services	18,767	20,382	-	-	18,767	20,382	(1,615)
Data processing services	33,848	37,133	-	-	33,848	37,133	(3,285)
Community services	4,998	5,908	-	-	4,998	5,908	(910)
Interest and fiscal charges	113,713	107,186	-	-	113,713	107,186	6,527
Juvenile justice alternative education program	984	-	-	-	984	-	984
Tax reinvestment zone payments	52,834	49,635	-	-	52,834	49,635	3,199
Tax appraisal and collection	9,776	9,797	-	-	9,776	9,797	(21)
Food service	-	-	105,833	115,099	105,833	115,099	(9,266)
Other	-	-	12,866	12,483	12,866	12,483	383
Total expenses	1,852,368	2,007,341	118,699	127,582	1,971,067	2,134,923	(163,856)
Change in net assets before transfers	102,501	89,311	69,184	38,509	171,685	127,820	43,865
Transfers	38,700	30,400	(38,700)	(30,400)	-	-	-
Change in net assets	141,201	119,711	30,484	8,109	171,685	127,820	43,865
Beginning net assets	1,476,171	1,356,460	34,273	26,164	1,510,444	1,382,624	127,820
Ending net assets	\$ 1,617,372	\$ 1,476,171	\$ 64,757	\$ 34,273	\$ 1,682,129	\$ 1,510,444	\$ 171,685

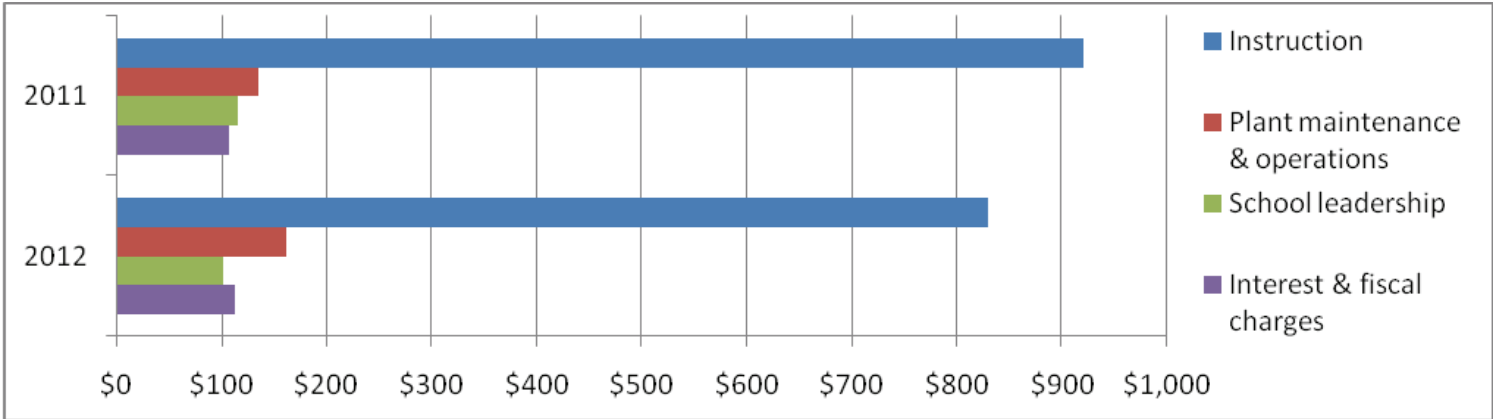
The following table presents the cost of the District’s largest governmental functions as well as their related *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars, state revenues, and other miscellaneous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

	<i>Total Cost of Services</i>		<i>Net Cost of Services</i>	
	2012	2011	2012	2011
Instruction	\$ 1,059.6	\$ 1,183.2	\$ 834.3	\$ 920.2
Plant maintenance & operations	\$ 172.0	\$ 173.6	\$ 165.2	\$ 135.8
School leadership	\$ 117.1	\$ 129.0	\$ 101.4	\$ 115.6
Interest & fiscal charges	\$ 113.7	\$ 107.2	\$ 113.7	\$ 107.2

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 other nonmajor governmental fund (Public Facility Corporation).

Revenues for general governmental functions totaled \$2.004 billion (excluding other sources) for the fiscal year ended June 30, 2012, a decrease of 4.7 percent from the prior fiscal year. Property taxes were the largest source of revenue received by the District at 60 percent of total revenues. Property taxes are part of the District's target revenue funding system established by House Bill 1 of the 79th Texas Legislature. The District earns \$5,423 per weighted average daily attendance ("WADA"). The difference between what the District collects in property taxes and the target revenue per WADA is made up through state funding. As property taxes increase, the amount of funding from the State of Texas decreases and vice versa.

Expenditures for general governmental operations totaled \$2.385 billion during fiscal year 2012, an increase of 3.29 percent from fiscal year 2011. Increases in expenditures occurred in the functional areas of instructional staff development, food services, data processing, juvenile justice alternative education program, tax reinvestment zone payments, principal, interest and fiscal charges, and payment to escrow agents for current refunding.

The governmental funds reported a combined fund balance of \$1.257 billion, a decrease of \$118.2 million. The net decrease of the combined fund balances was comprised of fund balance increases in the Debt Service Fund of \$12.3 million, the General Fund \$69.8 million, the Special Revenue Fund \$15.7 million, and decreases in the Capital Renovation Fund \$205 million, and the nonmajor governmental fund \$11 million. Out of the combined fund balances, \$312.6 million constitutes unassigned fund balance. The remainder of the fund balance is non-spendable, 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 \$69.8 million during the fiscal year primarily due to an increase in property tax revenues, miscellaneous local sources, state revenue sources and an increase in other financing sources. At the end of the fiscal year, the unassigned fund balance represented 22.30 percent of the total General Fund expenditures, while total fund balance represented 39.41 percent of that same amount.

The Special Revenue Fund accounts for all grants received by the District from local, state, and federal sources. The ending fund balance of \$25.4 million consists of \$20.5 million which is restricted for E-rate activities and a one-time transfer in from the General Fund for lost textbooks.

The Debt Service Fund has a total fund balance of \$144.1 million all of which is restricted for the payment of debt service. The net increase in fund balance during the period in the Debt Service Fund was \$12.3 million. The District makes semi-annual debt service payments in December/June, January/July, February/August, and March/September of each year. Debt service payments for the period ended June 30, 2012 included all scheduled payments including payments due within 30 days of year end.

The Capital Renovation Fund has a total fund balance of \$528 million for which \$377 million is restricted for rebuild construction programs. The fund balance decreased by \$205 million as a result of the District's Facilities Capital Program addressing the building of new schools to relieve overcrowding and the expansion/renovations of existing schools and facilities.

The Capital Renovation Fund – Public Facility Corporation has a total fund balance of \$6.8 million, all of which is restricted for construction of four schools in the Rebuild 2007 Bond Program. The fund balance decreased by \$11 million as a result of the ongoing construction of those schools.

Proprietary Funds The District maintains both enterprise funds and internal service funds. Information is presented separately in the proprietary fund statement of net assets and in the proprietary fund statement of revenues, expenses, and changes in fund net assets for the Food Service Fund, which is considered to be a major fund. Net assets in the Food Service Fund as of June 30, 2012 were \$8.7 million. Of this amount,

\$237 thousand represented the investment in capital assets and \$8.4 million was restricted. For the fiscal year, net assets increased by \$4.8 million.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. As a result, actual expenditures were \$158.6 million less than the appropriated budgeted amounts 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:

- \$37.8 million resulted from staffing adjustments (all areas)
- \$23.7 million resulted from capital outlay (will be carried over into FY13 budget)
- \$21.5 million resulted from instructional non-staffing funds
- \$5.3 million resulted from plant maintenance and operations
- \$2.2 million resulted from student transportation
- \$1.5 million resulted from school administration
- \$1.5 million resulted from general administration
- \$1.4 million resulted from instructional administration
- \$1.4 million resulted from counseling and guidance
- \$1.2 million resulted from co-curricular activities

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

The final budgeted amount for revenues was \$1.5 billion. Actual revenues are over the revised budget by \$1.3 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District had invested \$2.806 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 \$215.8 million over last year.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2012	2011	2012	2011	2012	2011	2012-2011
Land	\$ 214,417	\$ 213,553	\$ -	\$ -	\$ 214,417	\$ 213,553	.41%
Buildings and Improvements	2,156,980	1,729,887	-	-	2,156,980	1,729,877	24.69%
Vehicles	32,441	35,238	-	-	32,441	35,238	-7.94%
Furniture and equipment	45,234	47,832	387	306	45,621	48,138	-5.43%
Construction in progress	357,038	563,935	-	-	357,038	563,935	-36.69%
Total	\$ 2,806,110	\$ 2,590,435	\$ 387	\$ 306	\$ 2,806,497	\$ 2,590,741	8.33%

During 2012, the District opened the following schools: Allen ES, Belfort Academy, Cunningham ES, DeAnda ES, Lewis ES, Peck ES, Roosevelt ES, Valley West ES, Young Women's College Preparatory, and Young Men's College Preparatory. As of June 30, 2012, the District had fully funded construction commitments of \$187,973,428. 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, 2012, the District had total bonded debt outstanding of \$2.345 billion. The District debt totals included \$182.1 million in Variable Rate Bonds outstanding at fiscal year end. The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per student are useful indicators of the District's debt position. This data reflects a decrease in the ratio of net bonded debt to assessed value to 2.17 percent, as compared to 2.27 percent last year.

The District reduced total variable rate debt by \$4,375,000 through a refunding of Variable Rate Bonds Series 2004 on May 15, 2012. Variable rate debt as a percentage of total bonded debt outstanding as of June 30, 2012 is 7.8 percent.

In November 2011, the District issued \$23,500,000 in Contractual Obligations, Series 2011 with a premium of \$1,123,064. Contractual obligations, with a remaining balance of \$74,975,000, were 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, 2012 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

The 2012-2013 state revenue projections are based on an estimated average daily attendance (ADA) of 182,244 students or 252,021 based on a weighted average daily attendance.

The Texas Legislature implemented a significant funding decrease to school districts in the State of Texas beginning with the 2011-2012 fiscal year. For fiscal year 2012-2013, the District faced an additional \$55.1 million deficit of which \$47.1 million was a result of additional state funding cuts in the second year of the State of Texas biennium. The District adopted a budget that uses one-time funds for approximately \$8.9 million in fund balance, \$18.4 million from funding freed up by receipt of the EduJobs grant, and a \$17 million reduction in the transfer out to debt service to help balance the budget.

For 2012-2013, taxable property value was projected to decline by approximately \$73.8 million (7.5%) from the 2011-2012 original budget. However, under the hold-harmless provision the increase in local property value will be offset by state aid, therefore, there is no impact on the District's revenue because of an increase in property value. The District is still subject to less Target Revenue due to the funding cuts; however shifts in property taxes will have an equal offset to state revenue.

The 2006-2007 Adopted Budget included a \$15 million annual transfer out to the Pay-As-You-Go capital program. The 2011-12 fiscal year was the last year of this transfer and will not continue in the 2012-2013 fiscal year.

The 2012-2013 General Fund operating budget had a net increase of \$4.3 million. Budget adjustments include the following major items:

Budget adjustments with offsetting revenue of \$15.6 million:

- \$9 million decrease in capital outlay
- \$7.4 million decrease in TRS on behalf of payments
- \$.7 million increase in Tax Increment Reinvestment Zones (TIRZ)

Other budget increases in the amount of \$55.5 million:

- \$20 million in salary increases for all staff
- \$18.4 million in per unit allocation to campuses
- \$5.9 million in electricity
- \$3.3 million property insurance

- \$3.1 million in worker's compensation
- \$2.2 million in other increase for items such as legal fees, Stanford increases, GT testing materials, and school offices reconfiguration
- \$1.4 million in mandatory increases relating to contractual obligations
- \$1.2 million in programs moved from Title I due to funding cuts

Also included in the operating budget were decreases in the amount of \$35.5 million:

- \$9.1 million in transfers out for contractual obligations (capital outlay)
- \$5.9 million in health & life insurance
- \$5.5 million in special population declines (bilingual, GT, special education, career and technology)
- \$5 million in ASPIRE
- \$4.2 million in general department reductions
- \$2.8 million in other decreases such as stipends, district-wide operating costs, appraisal district fees, medicare, and audit fees
- \$1.6 million in unique per unit allocation (PUA) funding
- \$1.1 million in unemployment insurance

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,160,584	\$ 186,709	\$ 4,347,293
Investments	1,557,447,130	30,390,449	1,587,837,579
Delinquent taxes receivable - net of estimated uncollectible taxes	36,934,560	-	36,934,560
Accounts receivable	131,388,317	28,512,587	159,900,904
Inventories	3,062,548	6,049,005	9,111,553
Other assets	19,489,026	364,550	19,853,576
Land	214,416,697	-	214,416,697
Construction in progress	357,037,862	-	357,037,862
Buildings and improvements	3,135,430,424	-	3,135,430,424
Furniture and equipment	327,083,133	9,388,345	336,471,478
Vehicles	106,825,013	1,737,728	108,562,741
Accumulated depreciation	(1,334,682,772)	(10,739,126)	(1,345,421,898)
Total assets	<u>4,558,592,522</u>	<u>65,890,247</u>	<u>4,624,482,769</u>
LIABILITIES			
Accounts payable	95,269,553	2,855,293	98,124,846
Accrued salaries and related expenses	88,678,108	446,772	89,124,880
Other liabilities	120,917,076	-	120,917,076
Internal balances	2,913,877	(2,913,877)	-
Unearned revenues	12,927,885	303,566	13,231,451
Interest payable	57,985,324	-	57,985,324
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	64,225,153	-	64,225,153
Contractual obligations payable	22,620,000	-	22,620,000
Notes payable	5,055,000	-	5,055,000
Lease purchases	28,268	-	28,268
Accretion payable	26,734,259	-	26,734,259
Compensated absences payable	3,218,185	176,481	3,394,666
Claims payable	14,179,518	-	14,179,518
Portion due or payable after one year:			
Bonds payable	2,179,198,708	-	2,179,198,708
Contractual obligations payable	52,355,000	-	52,355,000
Notes payable	55,485,000	-	55,485,000
Accretion payable	105,656,064	-	105,656,064
Compensated absences payable	24,062,365	264,774	24,327,139
Claims payable	9,711,254	-	9,711,254
Total liabilities	<u>2,941,220,597</u>	<u>1,133,009</u>	<u>2,942,353,606</u>
NET ASSETS			
Invested in capital assets, net of related debt	849,051,723	386,947	849,438,670
Restricted for:			
Capital acquisition program	25,527,512	-	25,527,512
Debt service	58,951,336	-	58,951,336
Food Service	-	8,423,522	8,423,522
Unrestricted	683,841,354	55,946,769	739,788,123
Total net assets	<u>\$ 1,617,371,925</u>	<u>\$ 64,757,238</u>	<u>\$ 1,682,129,163</u>

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

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**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction	\$ 1,059,621,975	\$ 891,197	\$ 224,458,095	\$ (834,272,683)		\$ (834,272,683)
Instructional resources and media services	9,156,011	-	1,264,579	(7,891,432)		(7,891,432)
Instructional staff development	63,721,103	-	45,916,989	(17,804,114)		(17,804,114)
Curriculum development	4,128,424	-	26,089	(4,102,335)		(4,102,335)
Instructional leadership	20,131,917	-	8,396,239	(11,735,678)		(11,735,678)
School leadership	117,065,506	-	15,683,612	(101,381,894)		(101,381,894)
Guidance, counseling, and evaluation services	54,065,013	-	23,413,669	(30,651,344)		(30,651,344)
Social work services	1,815,776	-	1,216,710	(599,066)		(599,066)
Health services	16,734,818	-	2,475,576	(14,259,242)		(14,259,242)
Student transportation	47,554,907	-	20,320,224	(27,234,683)		(27,234,683)
Food service	3,188,052	-	18,386	(3,169,666)		(3,169,666)
Co-curricular/extracurricular activities	16,987,312	1,003,509	3,525,822	(12,457,981)		(12,457,981)
General administration	31,731,912	-	8,050,777	(23,681,135)		(23,681,135)
Plant maintenance and operations	171,545,597	620,570	5,682,283	(165,242,744)		(165,242,744)
Security and monitoring services	18,767,276	-	1,191,951	(17,575,325)		(17,575,325)
Data processing services	33,848,438	-	4,541,349	(29,307,089)		(29,307,089)
Community services	4,997,510	-	3,117,616	(1,879,894)		(1,879,894)
Interest and fiscal charges	113,712,948	-	-	(113,712,948)		(113,712,948)
Juvenile justice alternative education program	984,270	-	-	(984,270)		(984,270)
Tax reinvestment zone payments	52,834,027	-	-	(52,834,027)		(52,834,027)
Tax appraisal and collection	9,775,757	-	-	(9,775,757)		(9,775,757)
Total governmental activities	<u>1,852,368,549</u>	<u>2,515,276</u>	<u>369,299,966</u>	<u>(1,480,553,307)</u>		<u>(1,480,553,307)</u>
Business-type activities:						
Food service	105,832,493	10,347,193	100,676,486	-	5,191,186	5,191,186
Business development	10,136,636	11,006,871	-	-	870,235	870,235
Medicaid	2,130,061	2,282,917	61,840,617	-	61,993,473	61,993,473
Marketplace	599,041	100,823	-	-	(498,218)	(498,218)
Total business-type activities	<u>118,698,231</u>	<u>23,737,804</u>	<u>162,517,103</u>	<u>-</u>	<u>67,556,676</u>	<u>67,556,676</u>
Total activities	<u>\$ 1,971,066,780</u>	<u>\$ 26,253,080</u>	<u>\$ 531,817,069</u>	<u>(1,480,553,307)</u>	<u>67,556,676</u>	<u>(1,412,996,631)</u>
General revenues:						
Taxes:						
Maintenance & operations property taxes				992,624,091	-	992,624,091
Debt service property taxes				147,135,700	-	147,135,700
State aid - not restricted to specific programs				361,077,829	-	361,077,829
Tax increment reinvestment zone				31,010,087	-	31,010,087
Unrestricted investment earnings				3,780,140	109,681	3,889,821
Miscellaneous				47,425,950	1,518,159	48,944,109
Transfers				38,700,000	(38,700,000)	-
Total general revenues and transfers				<u>1,621,753,797</u>	<u>(37,072,160)</u>	<u>1,584,681,637</u>
Change in net assets				141,200,490	30,484,516	171,685,006
Net assets—beginning				1,476,171,435	34,272,722	1,510,444,157
Net assets—ending				<u>\$ 1,617,371,925</u>	<u>\$ 64,757,238</u>	<u>\$ 1,682,129,163</u>

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012**

	MAJOR				NONMAJOR	
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation Fund - PFC	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 464,116	\$ 2,310,032	\$ 10,397	\$ 44,801	\$ 1,208,532	\$ 4,037,878
Investments	667,313,967	28,970,231	170,901,691	577,531,122	6,861,092	1,451,578,103
Delinquent taxes receivable - net of estimated uncollectible taxes	34,351,167	-	2,583,393	-	-	36,934,560
Accounts receivable	95,918,807	32,422,406	2,562,192	-	-	130,903,405
Due from other funds	-	-	464,875	989,552	-	1,454,427
Inventories	3,062,548	-	-	-	-	3,062,548
Other assets	8,259,288	116,020	26,833	107,808	64,400	8,574,349
Total assets	<u>\$ 809,369,893</u>	<u>\$ 63,818,689</u>	<u>\$ 176,549,381</u>	<u>\$ 578,673,283</u>	<u>\$ 8,134,024</u>	<u>\$ 1,636,545,270</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 28,462,464	\$ 10,908,949	\$ -	\$ 50,581,179	\$ 1,316,268	\$ 91,268,860
Debt service payable	-	-	30,467,651	-	-	30,467,651
Accrued salaries and expenditures	82,779,687	5,546,270	-	113,742	-	88,439,699
Other liabilities	115,927,286	4,989,790	-	-	-	120,917,076
Due to other funds	2,855,974	4,000,073	-	-	-	6,856,047
Deferred revenues	26,953,910	12,927,884	1,938,362	-	-	41,820,156
Total liabilities	<u>256,979,321</u>	<u>38,372,966</u>	<u>32,406,013</u>	<u>50,694,921</u>	<u>1,316,268</u>	<u>379,769,489</u>
Fund balances:						
Nonspendable	11,274,260	-	-	-	-	11,274,260
Restricted	25,294,791	25,445,723	144,143,368	376,547,064	6,817,756	578,248,702
Committed	78,974,229	-	-	93,542,185	-	172,516,414
Assigned	124,225,921	-	-	57,889,113	-	182,115,034
Unassigned	312,621,371	-	-	-	-	312,621,371
Total fund balances	<u>552,390,572</u>	<u>25,445,723</u>	<u>144,143,368</u>	<u>527,978,362</u>	<u>6,817,756</u>	<u>1,256,775,781</u>
Total liabilities and fund balances	<u>\$ 809,369,893</u>	<u>\$ 63,818,689</u>	<u>\$ 176,549,381</u>	<u>\$ 578,673,283</u>	<u>\$ 8,134,024</u>	<u>\$ 1,636,545,270</u>

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

Total Fund Balances— Governmental Funds \$ 1,256,775,781

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds. The cost of the assets is \$4,140,793,129 and the accumulated depreciation is \$1,334,682,772.	2,806,110,357
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.	28,892,271
Various internal service fund noncurrent assets included in the proprietary funds statement of net assets.	(1,227,640)
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.	81,755,500
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	\$ 2,209,900,010
Accretion of interest payable	132,390,323
Contractual obligations payable	52,355,000
Notes payable	55,485,000
Compensated absences payable	26,872,122
Lease purchases payable	28,268
Premium on bonds payable	38,052,425
Deferred loss on refunding of bonds	(4,528,574)
Issue costs	(10,812,903)
Accrued interest payable	55,192,673
	(2,554,934,344)

Total Net Assets of Governmental Activities \$ 1,617,371,925

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, 2012

	MAJOR				NONMAJOR	
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Renovation Fund	Capital Renovation Fund - PFC	Total Governmental Funds
REVENUES						
Property taxes	\$ 1,044,127,686	\$ -	\$ 155,040,949	\$ -	\$ -	\$ 1,199,168,635
Earnings on investments	1,445,075	-	241,363	1,657,745	60,874	3,405,057
Miscellaneous local sources	19,225,868	24,287,570	-	30,450,810	-	73,964,248
State sources	431,238,072	50,213,099	-	-	-	481,451,171
Federal sources	5,700,141	230,549,183	10,176,026	-	-	246,425,350
Total revenues	<u>1,501,736,842</u>	<u>305,049,852</u>	<u>165,458,338</u>	<u>32,108,555</u>	<u>60,874</u>	<u>2,004,414,461</u>
EXPENDITURES						
Current						
Instruction	829,076,484	184,417,729	-	-	-	1,013,494,213
Instructional resources and media services	11,070,865	484,411	-	-	-	11,555,276
Instructional staff development	18,431,308	45,425,025	-	-	-	63,856,333
Curriculum development	4,175,851	26,089	-	-	-	4,201,940
Instructional leadership	14,067,402	7,531,786	-	-	-	21,599,188
School leadership	110,115,488	9,068,040	-	-	-	119,183,528
Guidance, counseling and evaluation services	34,238,875	21,884,375	-	-	-	56,123,250
Social work services	717,002	1,129,462	-	-	-	1,846,464
Health services	15,708,067	1,334,268	-	-	-	17,042,335
Student transportation	42,867,338	4,307,892	-	-	-	47,175,230
Food services	581,427	1,833	-	-	-	583,260
Co-curricular/extracurricular activities	13,900,181	3,317,307	-	-	-	17,217,488
General administration	26,854,596	5,508,428	-	-	-	32,363,024
Plant maintenance and operations	170,741,024	2,021,163	-	-	-	172,762,187
Security and monitoring services	18,603,259	231,798	-	-	-	18,835,057
Data processing services	24,487,550	2,851,286	-	-	-	27,338,836
Community services	2,084,277	3,003,173	-	-	-	5,087,450
Juvenile justice alternative education program	984,270	-	-	-	-	984,270
Tax reinvestment zone payments	52,834,027	-	-	-	-	52,834,027
Tax appraisal and collection	9,775,757	-	-	-	-	9,775,757
Debt service						
Principal	27,504	-	74,612,493	-	-	74,639,997
Interest and fiscal charges	395,729	-	141,815,781	-	-	142,211,510
Payment to escrow agents - current refunding	-	-	186,455,000	-	-	186,455,000
Capital outlay						
Facilities acquisition and construction	64,513	1,640,345	-	274,876,313	11,101,074	287,682,245
Total expenditures	<u>1,401,802,794</u>	<u>294,184,410</u>	<u>402,883,274</u>	<u>274,876,313</u>	<u>11,101,074</u>	<u>2,384,847,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>99,934,048</u>	<u>10,865,442</u>	<u>(237,424,936)</u>	<u>(242,767,758)</u>	<u>(11,040,200)</u>	<u>(380,433,404)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	38,700,000	4,876,686	62,372,956	38,121,540	-	144,071,182
Transfers out	(93,477,638)	-	-	(11,893,544)	-	(105,371,182)
Issuance of bonds and other debt	23,500,000	-	182,080,000	-	-	205,580,000
Premium on the sale of bonds	1,123,064	-	5,248,590	-	-	6,371,654
Proceeds from sale of capital assets	-	-	-	11,572,848	-	11,572,848
Total other financing sources (uses)	<u>(30,154,574)</u>	<u>4,876,686</u>	<u>249,701,546</u>	<u>37,800,844</u>	<u>-</u>	<u>262,224,502</u>
Net change in fund balances	69,779,474	15,742,128	12,276,610	(204,966,914)	(11,040,200)	(118,208,902)
Fund balances--beginning	<u>482,611,098</u>	<u>9,703,595</u>	<u>131,866,758</u>	<u>732,945,276</u>	<u>17,857,956</u>	<u>1,374,984,683</u>
Fund balances--ending	<u>\$ 552,390,572</u>	<u>\$ 25,445,723</u>	<u>\$ 144,143,368</u>	<u>\$ 527,978,362</u>	<u>\$ 6,817,756</u>	<u>\$ 1,256,775,781</u>

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Total Net Change in Fund Balances—Governmental Funds **\$ (118,208,902)**

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

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

Capital outlays	309,831,631	
Depreciation expense	<u>(94,156,019)</u>	
		215,675,612

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

Contractual obligations payable	(23,500,000)	
Bonds payable	51,312,493	
Contractual obligations payable	22,620,000	
Notes payable	5,055,000	
Premium on bonds payable	(6,371,654)	
Amortization of premium on bonds payable	9,943,621	
Amortization of deferred loss on refunding of bonds	(521,106)	
Issuance costs	1,015,890	
Amortization of issuance costs	(986,114)	
Lease purchase payable, net	27,504	
Arbitrage expenditure, net	250,069	
Accretion payable, net	<u>23,577,350</u>	82,423,053

Property taxes and other receivables, that will not be collected until after the District's fiscal year end, are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues, net of allowance for bad debt, and other deferred revenues increased by this amount this year. (59,408,844)

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. (4,781,148)

The net effect of various miscellaneous transactions involving capital assets having the effect of decreasing net assets. (394,467)

In the statement of activities, compensated absences (sick pay, state personal leave, vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the amounts earned exceeded the compensated absences used. 1,295,930

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. 24,599,256

Change in Net Assets of Governmental Activities **\$ 141,200,490**

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2012**

	<u>Business-type Activities-Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Food Service Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 48,304	\$ 138,405	\$ 186,709	\$ 122,706
Investments	1,964,581	28,425,868	30,390,449	105,869,027
Receivables	2,577,790	25,934,797	28,512,587	484,912
Due from other funds	-	13,909	13,909	6,641,134
Accrued interest	-	-	-	43,107
Inventories	6,041,179	7,826	6,049,005	-
Other assets	359,650	4,900	364,550	58,667
Total current assets	<u>10,991,504</u>	<u>54,525,705</u>	<u>65,517,209</u>	<u>113,219,553</u>
Noncurrent assets:				
Buildings and improvements	-	-	-	558,545
Construction in progress	-	-	-	521,941
Furniture and equipment	9,130,482	257,863	9,388,345	1,130,023
Vehicles	1,737,728	-	1,737,728	113,784
Less accumulated depreciation	<u>(10,631,166)</u>	<u>(107,960)</u>	<u>(10,739,126)</u>	<u>(1,096,653)</u>
Total noncurrent assets	<u>237,044</u>	<u>149,903</u>	<u>386,947</u>	<u>1,227,640</u>
Total assets	<u>11,228,548</u>	<u>54,675,608</u>	<u>65,904,156</u>	<u>114,447,193</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,039,424	1,815,869	2,855,293	4,000,693
Due to other funds	474,793	61,745	536,538	716,885
Deferred revenue	303,566	-	303,566	-
Accrued salaries payable	397,536	49,236	446,772	238,409
Compensated absences payable	136,108	40,373	176,481	93,504
Claims and judgments payable	-	-	-	14,179,518
Total current liabilities	<u>2,351,427</u>	<u>1,967,223</u>	<u>4,318,650</u>	<u>19,229,009</u>
Noncurrent liabilities:				
Compensated absences payable	216,555	48,219	264,774	314,924
Claims and judgments payable	-	-	-	9,711,254
Total noncurrent liabilities	<u>216,555</u>	<u>48,219</u>	<u>264,774</u>	<u>10,026,178</u>
Total liabilities	<u>2,567,982</u>	<u>2,015,442</u>	<u>4,583,424</u>	<u>29,255,187</u>
NET ASSETS				
Invested in capital assets	237,044	149,903	386,947	1,227,640
Restricted	8,423,522	-	8,423,522	-
Unrestricted	-	52,510,263	52,510,263	83,964,366
Total net assets	<u>\$ 8,660,566</u>	<u>\$ 52,660,166</u>	<u>\$ 61,320,732</u>	<u>\$ 85,192,006</u>

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

3,436,506

Net assets of business-type activities

\$ 64,757,238

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Food Service Fund	Nonmajor Enterprise Funds	Totals	
OPERATING REVENUES:				
Charges for sales and services:				
Sales to customers	\$ 10,347,193	\$ 100,823	\$ 10,448,016	\$ 18,559,996
Consulting services	-	13,289,788	13,289,788	-
Charges to employees and other funds	-	-	-	125,184,516
Miscellaneous	1,122,208	395,951	1,518,159	1,245,183
Total operating revenues	<u>11,469,401</u>	<u>13,786,562</u>	<u>25,255,963</u>	<u>144,989,695</u>
OPERATING EXPENSES:				
Payroll costs	40,934,204	1,937,181	42,871,385	12,346,214
Purchased and contracted services	11,182,217	10,271,377	21,453,594	5,225,695
Supplies and materials	54,079,681	407,576	54,487,257	2,346,384
Other operating expenses	749,320	241,733	991,053	1,480,559
Claims and judgments	-	-	-	98,026,343
Depreciation	94,100	7,871	101,971	133,300
Total operating expenses	<u>107,039,522</u>	<u>12,865,738</u>	<u>119,905,260</u>	<u>119,558,495</u>
Operating income (loss)	<u>(95,570,121)</u>	<u>920,824</u>	<u>(94,649,297)</u>	<u>25,431,200</u>
NONOPERATING REVENUES (EXPENSES):				
Earnings on investments	2,064	107,617	109,681	375,085
Grants from federal agencies:				
Child nutrition program	92,583,980	-	92,583,980	-
Donated commodities	5,495,082	-	5,495,082	-
Summer food program	1,975,461	-	1,975,461	-
School health services (SHARS)	-	61,840,617	61,840,617	-
State matching and other	621,963	-	621,963	-
Total nonoperating revenue	<u>100,678,550</u>	<u>61,948,234</u>	<u>162,626,784</u>	<u>375,085</u>
Income (loss) before transfers	5,108,429	62,869,058	67,977,487	25,806,285
Transfers in	-	274,994	274,994	-
Transfers out	<u>(274,994)</u>	<u>(38,700,000)</u>	<u>(38,974,994)</u>	<u>-</u>
Change in net assets	4,833,435	24,444,052	29,277,487	25,806,285
Total net assets—beginning	3,827,131	28,216,114		59,385,721
Total net assets—ending	<u>\$ 8,660,566</u>	<u>\$ 52,660,166</u>		<u>\$ 85,192,006</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.

1,207,029

Change in net assets of business-type activities

\$ 30,484,516

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, 2012**

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Food Service Fund	Nonmajor Enterprise Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from user charges	\$ 9,406,223	\$ 15,011,283	\$ 24,417,506	\$ 143,021,148
Other receipts	670,749	-	670,749	1,241,569
Payments to suppliers	(62,302,247)	(10,789,720)	(73,091,967)	(9,051,817)
Payments to employees	(41,018,766)	(1,906,099)	(42,924,865)	(12,417,271)
Claims paid	-	-	-	(104,946,177)
Other payments	-	(4,900)	(4,900)	(8,985)
Net cash provided (used) by operating activities	<u>(93,244,041)</u>	<u>2,310,564</u>	<u>(90,933,477)</u>	<u>17,838,467</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Child nutrition program	92,583,980	-	92,583,980	-
State matching and other	621,963	-	621,963	-
Summer food program	1,975,461	-	1,975,461	-
Receipts from SHARS	-	37,631,441	37,631,441	-
Transfers from other funds	-	8,299	8,299	2,369,744
Transfers to other funds	(8,299)	(38,700,000)	(38,708,299)	(2,369,744)
Net cash provided by noncapital financing activities	<u>95,173,105</u>	<u>(1,060,260)</u>	<u>94,112,845</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(46,010)	(136,521)	(182,531)	(527,768)
Net cash used by capital and related financing activities	<u>(46,010)</u>	<u>(136,521)</u>	<u>(182,531)</u>	<u>(527,768)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(70,132,034)	(49,973,583)	(120,105,617)	(305,602,307)
Proceeds from sales and maturities of investments	68,176,970	48,856,296	117,033,266	287,636,411
Interest and dividends	2,064	107,616	109,680	375,085
Net cash used by investing activities	<u>(1,953,000)</u>	<u>(1,009,671)</u>	<u>(2,962,671)</u>	<u>(17,590,811)</u>
Net increase (decrease) in cash and cash equivalents	(69,946)	104,112	34,166	(280,112)
Balances—beginning of the year	118,250	34,292	152,542	402,818
Balances—end of the year	<u>\$ 48,304</u>	<u>\$ 138,404</u>	<u>\$ 186,708</u>	<u>\$ 122,706</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (95,570,121)	\$ 920,823	\$ (94,649,298)	\$ 25,431,200
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	94,100	7,871	101,971	133,300
Donated commodities	5,495,082	-	5,495,082	-
Change in assets and liabilities:				
Receivables	(1,293,723)	1,224,721	(69,002)	(26,455)
Inventory	(234,749)	958	(233,791)	-
Accounts payables	(634,275)	125,471	(508,804)	176,610
Due from other funds	-	10,261	10,261	2,131,577
Accrued interest	-	-	-	(1,720)
Due to other funds	(295,042)	-	(295,042)	(2,945,412)
Accrued salaries payable	(75,437)	(2,036)	(77,473)	(37,924)
Compensated absences payable	(9,125)	22,495	13,370	(31,413)
Current portion of claims and judgments	-	-	-	(9,239,707)
Other long term claims and judgments	-	-	-	2,319,873
Other	(720,751)	-	(720,751)	(70,962)
Net cash provided (used) by operating activities	<u>\$ (93,244,041)</u>	<u>\$ 2,310,564</u>	<u>\$ (90,933,477)</u>	<u>\$ 17,838,967</u>

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

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**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012**

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 200	\$ 5,134,749
Investments	<u>10,043,566</u>	<u>6,639,538</u>
Total assets	<u>10,043,766</u>	<u>\$ 11,774,287</u>
LIABILITIES		
Accounts payable	-	390,604
Accrued salaries payable	-	57,073
Due to student/administrative groups	<u>-</u>	<u>11,326,610</u>
Total liabilities	<u>-</u>	<u>\$ 11,774,287</u>
NET ASSETS		
Held in trust for scholarships	<u>10,043,766</u>	
Total net assets	<u>\$ 10,043,766</u>	

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Private-Purpose Trust Funds
ADDITIONS	
Gifts and contributions	\$ 64,537
Earnings on investments	<u>10,449</u>
Total additions	<u>74,986</u>
DEDUCTIONS	
Scholarships awarded	<u>684,559</u>
Total deductions	<u>684,559</u>
Change in net assets	(609,573)
Net assets—beginning of the year	<u>10,653,339</u>
Net assets—end of the year	<u>\$ 10,043,766</u>

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

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

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, ("GASB Statement No. 14"), a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the District are financially accountable, or for which the relationship to the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. Discretely presented component units, on the other hand, are reported in a separate column in the basic financial statements to emphasize they are legally separate from the School District. The District's blended component unit, although a legally separate entity, is in substance 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, appointment of a voting majority, fiscal dependency, ability to impose its will on the component unit, and whether there is a financial benefit or burden to the District.

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

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities of the government-wide financial statements report information on all of the nonfiduciary activities of the District and its blended component unit. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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*.

During the fiscal year 2011, the District adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Implementation of this standard affected the presentation of fund balances on the governmental funds balance sheets.

Funds

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

Governmental Funds

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

- *General Fund* -- The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

- *Special Revenue Fund* -- The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than private-purpose trust funds or capital projects) such as federal, state or locally financed programs where unused balances are returned to the grantor at the close of specified project periods. Funds are legally restricted to expenditures for specified purposes.
- *Debt Service Fund* -- The Debt Service Fund is used to account for the accumulation of resources for, and the retirement of, general long-term debt and related costs.
- *Capital Renovation Fund* -- The Capital Renovation Fund is used to account for financial resources to be used for the acquisition, renovation or construction of major capital facilities other than those financed by proprietary funds.

Proprietary Funds

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

- *Enterprise Funds* -- The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private enterprise where the District's intent is to provide services financed primarily through user charges. The Food Service Fund is considered a major proprietary fund as defined by GASB Statement No. 34. The Food Service Fund accounts for 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, and risk financing activities of the District.

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

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

Fiduciary Funds

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

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Cash Equivalents

The District's *Cash Management and Investment Policy* requires all deposits to be fully collateralized with depository insurance; obligations of the United States of America or its agencies and instrumentalities (excluding those mortgage backed securities prohibited by the Public Funds Investment Act); public funds investment pools; or in any other manner and amount provided by law for deposits of the District. At all times, such securities are to have a fair value 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 69.59 percent of outstanding property taxes at June 30, 2012.

Inventories

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

Grant Fund Accounting

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

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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.

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.

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

- 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 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, 2012, the District had no material liability for compensatory time.

Long-term Liabilities

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

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.” The details of this \$215,675,612 difference are as follows:

Facilities acquisition and construction	\$ 287,682,245
Other acquisitions and disposals	22,149,386
Depreciation expense	<u>(94,156,019)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> .	<u>\$ 215,675,612</u>

FUND BALANCES AND NET ASSETS

Government-wide Financial Statements

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

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

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

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

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

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

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

***HOUSTON INDEPENDENT SCHOOL DISTRICT
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Governmental Fund Financial Statements

In the fund financial statements, governmental funds report fund balances as either a 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 the self-funded reserves program). Non-spendable fund balance reserves may include inventories, prepaid items, deferred expenditures, and long-term receivables.

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 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, judgments, and campus activity funds.

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 designee. The assigned amounts can only be removed by the Superintendent or designee. Assigned fund balance includes funds for insurance deductibles, program start-up 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.

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

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 Food Service 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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
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date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2: HISD PUBLIC FACILITY CORPORATION

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

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

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

NOTE 3: CASH DEPOSITS AND INVESTMENTS

Statutes of the State of Texas and policies mandated by the District's Board of Education authorize the District to invest in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, public fund investment pools, mutual funds and money market accounts. All cash balances and investments are held separately in each of its funds.

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

- a. Name of depository bank: JP Morgan Chase Bank
- b. Amount of bond or security pledged as of the date of the highest combined balance on deposit was \$5,528,531.
- c. Highest cash, savings and time deposits combined account balances amounted to \$59,011,052 and occurred on January 11, 2012. The total deposits that date included \$58,477,323 in noninterest-bearing transaction accounts fully insured by the Federal Deposit Insurance Corporation. Collateral required for interest bearing accounts on the date of highest deposit totaled \$312,102.
- d. Total amount of Federal Deposit Insurance Corporation ("FDIC") coverage at the time of highest combined balance was \$250,000 for interest bearing accounts and was unlimited for non-interest bearing accounts.

Cash Deposits

As of June 30, 2012, the carrying amount of the District's demand and time deposits and cash on hand was \$8,303,147. The \$18,416,306 bank balance was covered by federal deposit insurance through the FDIC or was collateralized by securities held by the District's depository in joint safekeeping at the Federal Reserve Bank in the District's name. The HISD Public Facility Corporation's \$403,200 was held in a money market account at the

HOUSTON INDEPENDENT SCHOOL DISTRICT
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Bank of New York Trust Company, N. A. The balance of HISD Public Facility Corporation's \$775,896 was invested in Morgan Stanley Government Portfolio through its trustee, the Bank of New York Trust Company, N.A.

Investments

In accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* ("GASB Statement No. 31"), the District's investments have been recorded at fair value based upon quoted market prices as of June 30, 2012, with the increase or decrease in fair value being recorded as a component of earnings on investments. None of the District's investments have been reported at amortized cost.

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

LSIP is a public funds investment pool created pursuant to the Interlocal Cooperation Act of the State of Texas, Article 4413(32c), Vernon's Texas Civil Statutes, as amended, and is designed to provide participating local governments with investment vehicles for (1) local funds that are not required to be spent immediately and are available for investment in securities with maturities and returns generally greater than those for money market instruments and (2) local funds which provide daily liquidity. The objective of the LSIP is to provide participating local governments with the highest possible rate of return for such funds, while maintaining safety of principal and providing participants with access to funds no less frequently than once per month. To achieve its objective, the LSIP invests primarily in obligations issued or secured by the U.S. Government and its agencies and instrumentalities and in commercial paper. Investment advisory services are provided by American Beacon Advisors and BNY Mellon Cash Management Strategies. The custodial account is managed by The Bank of New York Mellon while 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 variable net asset value fund rated AAAs/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, 2012, was \$147,013,900 and \$382,622,327, respectively, for a total of \$529,636,227, representing 33.01 percent of the total portfolio.

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

As of June 30, 2012, the District's investment in TexPool and TexPool Prime was \$381,663,348 and \$142,327,015, respectively, with a value of \$523,990,363, representing 32.66 percent of the total portfolio. All income from investments associated with each fund has been recognized and recorded as income in each of the District's funds.

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

As of June 30, 2012, the District's investment in TexSTAR was \$159,596,263, or 9.95 percent of the portfolio. As with all the investment pools, funds are readily available to support daily cash requirements, while maintaining yields slightly higher than standard bank deposit accounts. The balance includes the HISD Public Facility

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Corporation's \$1,601,197 invested in TexSTAR through its trustee, the Bank of New York Mellon Trust Company, N.A. These funds are restricted for use in the building of four elementary school projects.

The District has invested in negotiable certificates of deposit issued by Metro Bank and Unity Bank, \$500,000 and \$240,000, respectively, as of June 30, 2012, for a total of \$740,000, or 0.05 percent of the portfolio. The collateral for the Metro Bank certificate is held at the Federal Home Loan Bank of Dallas in the District's name. Unity Bank's certificate is covered in full by Federal Deposit Insurance Corporation ("FDIC"); therefore, it requires no additional collateral under the Public Funds Investment Act Section 2257.022.

The District has invested in U.S. Agency Discount Notes ("DN") and Coupon Notes, issued by Federal National Mortgage Association ("FNMA"), Federal Farm Credit Bank ("FFCB"), Federal Home Loan Mortgage Corporation ("FHLMC"), and Federal Home Loan Bank ("FHLB"). Investments in these securities total \$390,557,830 and represent 24.33 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) match the maturity of investment instruments to the daily cash flow requirements;
- (4) attain a market average rate of return consistent with (1) and (2) above;
- (5) diversify investments as to maturity, instrument, and financial institution, where permitted, under the laws of the State of Texas;
- (6) actively pursue portfolio management techniques; and
- (7) avoid investments for speculation.

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

Interest Rate Risk

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

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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, 2012, the District's exposure to interest rate risk as measured by segmented time distribution by investment type is summarized below:

	6/30/2012 Fair Value	Issuer Concentration	Investment Maturities in Years	
			Less than 1	1-5
FFCB	\$ 96,269,985	5.99%	\$ 19,992,200	\$ 76,277,785
FHLB	294,287,845	18.34%	115,056,800	179,231,045
Total US Agency Investments	390,557,830		135,049,000	255,508,830
Lone Star Investment Pool	529,636,227	33.01%	529,636,227	-
TexPool	523,990,363	32.66%	523,990,363	-
TexStar	159,596,263	9.95%	159,596,263	-
Total Investment Pools	1,213,222,853		1,213,222,853	-
Certificates of Deposit	740,000	0.05%	740,000	-
Total Investments	\$ 1,604,520,683	100.00%	\$ 1,349,011,853	\$ 255,508,830

As of June 30, 2012, the dollar weighted average maturity of the total portfolio was 128 days. The modified duration as of June 30, 2012 was 0.3518 years.

Credit Risk

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

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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As of June 30, 2012, the District did not have any investments in commercial paper. The District's exposure to credit risk at June 30, 2012 is presented below by investment category as rated by Standard & Poor's:

	6/30/2012 Fair Value	Rating
FFCB	\$ 96,269,985	AA+/A-1+
FHLB	294,287,845	AA+/A-1+
Total US Agency Investments	<u>390,557,830</u>	
Lone Star Investment Pool	529,636,227	AAAm, AAAf/S1+
TexPool	523,990,363	AAAm
TexSTAR	159,596,263	AAAm
Total Investment Pools	<u>1,213,222,853</u>	
Certificates of Deposit	<u>740,000</u>	Not rated
Total Investments	<u>\$ 1,604,520,683</u>	

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

Custodial Credit Risk - Funds on deposit with the depository bank are collateralized by pledged approved securities as specified by Section 45.208, Subchapter G, of Texas Education Code and/or a surety bond as in Section 45.208, Subchapter G, of the Texas Education Code to adequately protect the funds of the District. Further, the District will require pledged securities at least equal to that set forth in Texas Government Code Chapter 2257.022, Subchapter B, Depository: Security For Deposit of Public Funds (currently 110 percent of the amount of the deposit 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.

The Federal Deposit Insurance Corporation adopted an interim rule providing a six month extension until December 31, 2010, of the Transaction Account Guarantee (TAG) Program for insured depository institution participating in the TAG program. JPMorgan Chase was not a participating institution. Insurance for interest and non-interest bearing accounts was \$250,000 until December 31, 2010. On December 31, 2010, the Dodd-Frank Deposit Insurance Provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act became effective. Under the provision non-interest bearing transaction accounts are fully insured with no cap limitations. Interest bearing accounts are subject to a \$250,000 insurance cap. The provision will expire on December 31, 2012.

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.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
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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.

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

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

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

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

- a. obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- b. obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- c. collateralized mortgage obligations that have a stated final maturity date of greater than 10 years;
- d. collateralized mortgage obligations whose interest rate is determined by an index that adjusts opposite to the changes in a market index; and
- e. banker's acceptances.

The District neither enters into reverse repurchase agreements nor trades in options or future contracts. Additionally, the District does not participate in any Securities Lending Program.

As of June 30, 2012, the following was the composition of the District's investment portfolio:

Lone Star Investment Pool	33.01%
TexPool	32.66%
U.S. Agency Securities	24.33%
TexSTAR	9.95%
Certificates of Deposit	0.05%
Total	100.00%

**HOUSTON INDEPENDENT SCHOOL DISTRICT
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Foreign Currency Risk

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

NOTE 4: PROPERTY TAXES AND STATE AID REVENUE

Property Taxes

The appraisal of property within the District is the responsibility of the Harris County Appraisal District ("Appraisal District"). The District's property taxes are levied annually in October on the basis of the Appraisal District's assessed values of property as of January 1 of that calendar year and are due by January 31 of the next calendar year. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on property after January 31 of the subsequent calendar year. Delinquent taxes receivable on the government-wide statement of net assets and the governmental fund balance sheet is net of estimated uncollectible taxes.

The District is permitted to levy taxes up to \$1.70 per \$100 of assessed valuation for general governmental services and for the payment of principal and interest on general obligation long-term debt. For the current fiscal year, the Board of Education set a tax rate of \$1.1567 per \$100 of assessed valuation. The maintenance and debt service portions of such rate are \$1.0067 and \$0.15, respectively. The 2011 assessed valuation was \$105,895,088,157 which resulted in a gross tax levy of \$1,224,888,485 for the current fiscal year. The 2011 net tax levy of \$1,189,044,360 reflects an adjustment of \$35,844,125 of frozen homestead exemptions for taxpayers 65 years and older as mandated by state property tax laws.

Property taxes which are measurable (quantifiable) and available (collectible within the current period or soon enough thereafter to finance expenditures of the current period, which the District has estimated to be collected in the two months after the fiscal year end) are recognized as revenue in the year of levy in the governmental fund financial statements. Property taxes, which are measurable but not available, are recorded net of estimated uncollectible amounts, as deferred revenues in the year of the levy in the governmental financial statements. Such deferred revenues are recognized in the fund financial statements as revenue in the fiscal year in which they become available. In the government-wide financial statements, property taxes are recognized as revenues in the year for which the taxes are levied. Uncollectible property taxes in the current period increased the allowance for uncollectible property taxes in the government-wide and fund financial statements by \$51,540,664. The increase was due to a change in methodology for calculating the allowance.

Delinquent taxes receivable and the related allowance for uncollectible taxes in the governmental fund financial statements as of June 30, 2012 are as follows:

	<u>Delinquent Taxes Receivables, Gross</u>		<u>Allowance for Uncollectible Taxes</u>		<u>Delinquent Taxes Receivable, Net</u>
General Fund	\$ 108,400,864	\$	74,049,697	\$	34,351,167
Debt Service Fund	<u>13,062,993</u>		<u>10,479,600</u>		<u>2,583,393</u>
Total	<u>\$ 121,463,857</u>	\$	<u>84,529,297</u>	\$	<u>36,934,560</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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	\$ 46,005,198
Foundation Fund Revenues	327,114,365
Other Foundation	702,310
Other State	48,622,720
TRS on Behalf	57,774,897
Shared Services Arrangement	<u>1,231,681</u>
Total State Aid	<u>\$ 481,451,171</u>

As of June 30, 2012, the District also received state matching funds of \$621,963 in the Food Service Fund.

NOTE 5: RECEIVABLES/PAYABLES

Receivables as of June 30, 2012 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>Food Service Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Due from the State of Texas	\$ 92,829,228	\$ 26,886,003	\$ 2,562,192	\$ 1,875,949	\$ -	\$ 124,153,372
Due from the Federal government	367,223	2,872,953	-	-	-	3,240,176
Due from Other Funding Agencies	-	1,650,300	-	-	25,934,797	27,585,097
Other	<u>2,722,356</u>	<u>1,013,150</u>	<u>-</u>	<u>701,841</u>	<u>484,912</u>	<u>4,922,259</u>
Gross Receivables	95,918,807	32,422,406	2,562,192	2,577,790	26,419,709	159,900,904
Less Allowance for Uncollectibles	-	-	-	-	-	-
Total Net Receivables	<u>\$ 95,918,807</u>	<u>\$ 32,422,406</u>	<u>\$ 2,562,192</u>	<u>\$ 2,577,790</u>	<u>\$ 26,419,709</u>	<u>\$ 159,900,904</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
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Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2012, the various components of deferred and unearned revenue reported in the governmental funds are as follows:

Deferred property taxes, General Fund	\$ 25,549,585
Deferred property taxes, Debt Service Fund	1,938,362
Deferred restitution, General Fund	1,404,325
Grant advances (unearned), Special Revenue Fund	<u>12,927,884</u>
Total Deferred & Unearned Revenues	<u>\$ 41,820,156</u>

Payables as of June 30, 2012 for the District's individual major funds and nonmajor enterprise funds and internal service funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Renovation Fund</u>	<u>Food Service Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Vendors Payable	\$ 28,425,326	\$ 10,870,884	\$ 33,865,890	\$ 1,038,863	\$ 5,816,562	\$ 80,017,525
Retainage Payable	36,860	38,065	16,715,289	-	1,316,268	18,106,482
Other	<u>278</u>	<u>-</u>	<u>-</u>	<u>561</u>	<u>-</u>	<u>839</u>
Total Payables	<u>\$ 28,462,464</u>	<u>\$ 10,908,949</u>	<u>\$ 50,581,179</u>	<u>\$ 1,039,424</u>	<u>\$ 7,132,830</u>	<u>\$ 98,124,846</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
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NOTE 6: CAPITAL ASSETS

A summary of capital asset activity during the fiscal year ended June 30, 2012 follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2012</u>
Capital assets not being depreciated:				
Land	\$ 213,552,975	\$ 1,156,710	\$ (292,988)	\$ 214,416,697
Construction in progress	563,935,267	283,656,244	(490,553,649)	357,037,862
Total capital assets not being depreciated	<u>777,488,242</u>	<u>284,812,954</u>	<u>(490,846,637)</u>	<u>571,454,559</u>
Capital assets being depreciated:				
Buildings and improvements	2,647,867,171	497,480,065	(9,916,812)	3,135,430,424
Furniture and equipment	310,321,676	16,944,037	(182,580)	327,083,133
Vehicles	103,196,273	4,160,625	(531,885)	106,825,013
Total capital assets being depreciated	<u>3,061,385,120</u>	<u>518,584,727</u>	<u>(10,631,277)</u>	<u>3,569,338,570</u>
Less accumulated depreciation for:				
Buildings and improvements	917,990,558	67,679,881	(7,220,460)	978,449,979
Furniture and equipment	262,490,116	19,526,638	(168,220)	281,848,534
Vehicles	67,957,943	6,949,500	(523,184)	74,384,259
Total accumulated depreciation	<u>1,248,438,617</u>	<u>94,156,019</u>	<u>(7,911,864)</u>	<u>1,334,682,772</u>
Governmental activities capital assets, net	<u>\$ 2,590,434,745</u>	<u>\$ 709,241,662</u>	<u>\$ (493,566,050)</u>	<u>\$ 2,806,110,357</u>
<u>Business-type activities:</u>				
Capital assets being depreciated:				
Furniture and equipment	\$ 9,205,814	\$ 182,531	\$ -	\$ 9,388,345
Vehicles	1,797,712	-	(59,984)	1,737,728
Total capital assets being depreciated	<u>11,003,526</u>	<u>182,531</u>	<u>(59,984)</u>	<u>11,126,073</u>
Less accumulated depreciation for:				
Furniture and equipment	8,899,428	101,970	-	9,001,398
Vehicles	1,797,711	-	(59,983)	1,737,728
Total accumulated depreciation	<u>10,697,139</u>	<u>101,970</u>	<u>(59,983)</u>	<u>10,739,126</u>
Business-type activities capital assets, net	<u>\$ 306,387</u>	<u>\$ 80,561</u>	<u>\$ (1)</u>	<u>\$ 386,947</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 \$149,903 net capital assets of the nonmajor Medicaid Fund.

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

Governmental activities:

Instruction	\$ 75,878,422
Instructional resources and media services	83,865
Curriculum development	353,623
Instructional leadership	150,520
School leadership	31,720
Guidance, counseling and evaluation services	12,451
Student transportation	5,092,689
Food service	2,604,792
Co-curricular/extracurricular activities	69,074
General administration	159,555
Plant maintenance and operations	1,606,106
Security and monitoring services	273,596
Data processing services	<u>7,839,606</u>
Total depreciation expense, governmental activities	<u>\$ 94,156,019</u>

Business-type activities:

Food service	\$ 94,099
Other nonmajor business-type activities	<u>7,871</u>
Total depreciation expense, business-type activities	<u>\$ 101,970</u>

Construction Commitments

The District has active construction projects as of June 30, 2012. 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, 2012, the District had fully funded commitments for the following categories:

<u>Project</u>	<u>Spent-To-Date</u>	<u>Remaining Commitment</u>
New schools	\$ 387,967,291	\$ 42,949,930
Expanded schools	45,433,371	2,134,858
Renovated schools	300,074,594	110,756,411
Non-school facilities	2,011,565	271,630
Safety and security projects	44,073,926	4,458,757
Science lab upgrades	8,953,198	-
Early colleges	3,280,922	9,471
Other projects	<u>159,031,301</u>	<u>27,392,371</u>
Total	<u>\$ 950,826,168</u>	<u>\$ 187,973,428</u>

HOUSTON INDEPENDENT SCHOOL DISTRICT
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NOTE 7: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances in the fund financial statements as of June 30, 2012 was as follows.

<u>GENERAL FUND</u>	Capital Renovation Fund	\$ (980,283)
	Debt Service Fund	(464,875)
	Special Revenue Fund	3,929,436
	Food Service Fund	480,574
	Other Enterprise Funds	68,236
	Internal Service Funds	(5,889,062)
	DUE TO OTHER FUNDS	\$ (2,855,974)
<u>SPECIAL REVENUE FUND</u>	General Fund	(3,929,436)
	Capital Renovation Fund	(6,843)
	Food Service Fund	(6,459)
	Other Enterprise Funds	(19,299)
	Internal Service Funds	(38,036)
	DUE TO OTHER FUNDS	\$ (4,000,073)
<u>DEBT SERVICE FUND</u>	General Fund	464,875
	Capital Renovation Fund	(2,487)
	Other Enterprises Funds	1,445
	Internal Service Funds	1,042
	DUE FROM OTHER FUNDS	\$ 464,875
<u>CAPITAL RENOVATION FUND</u>	General Fund	980,283
	Debt Service Fund	2,487
	Special Revenue Fund	6,843
	Internal Service Funds	(61)
	DUE FROM OTHER FUNDS	\$ 989,552
<u>FOOD SERVICE FUND</u>	General Fund	(480,574)
	Special Revenue Fund	6,459
	Other Enterprises Funds	(439)
	Internal Service Funds	(239)
	DUE TO OTHER FUNDS	\$ (474,793)
<u>OTHER ENTERPRISE FUNDS</u>	General Fund	(68,236)
	Debt Service Fund	(1,445)
	Special Revenue Fund	19,299
	Food Service Fund	439
	Internal Service Funds	\$ 2,107
	DUE TO OTHER FUNDS	(47,836)
<u>INTERNAL SERVICE FUNDS</u>	General Fund	\$ 5,889,062
	Capital Renovation Fund	61
	Debt Service Fund	(1,042)
	Special Revenue Fund	38,036
	Food Service Fund	239
	Other Enterprises Funds	(2,107)
	DUE FROM OTHER FUNDS	\$ 5,924,249

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

The following is a summary of the District's transfers for the fiscal year ended June 30, 2012:

\$ 50,479,412	From the General Fund to the Debt Service Fund for interest and principal debt payments
4,876,686	From the General Fund to the Special Revenue Fund for funding of lost textbooks
38,121,540	From the General Fund to the Capital Renovation Fund to fund the "Pay as you go" initiative and other board authorized projects
11,893,544	From the Capital Renovation Fund to the Debt Service Fund for Public Facility Corporation lease payments
38,700,000	From Nonmajor Enterprise Funds to the General Fund for use of unrestricted revenues
3,172,859	From the Internal Service Fund – Health Insurance to the Internal Service Fund – Worker's Compensation Fund to utilize unrestricted revenues in one fund from another
274,994	From the Food Service Fund to a Nonmajor Enterprise Fund in order to create a Nonmajor Enterprise Fund previously contained within the Food Service Fund
\$147,519,035	

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.

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NOTE 8: LONG-TERM LIABILITIES

The following is a summary of the District's long-term liabilities for the fiscal year ended June 30, 2012:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012	Within One year
Governmental activities:					
Bonds payable	\$ 2,261,212,503	\$ 182,080,000	\$ 233,392,493	\$ 2,209,900,010	\$ 53,286,800
Contractual obligations	74,110,000	23,500,000	22,635,000	74,975,000	22,620,000
Notes payable	65,885,000	-	5,345,000	60,540,000	5,055,000
Total debt payable - principal	<u>2,401,207,503</u>	<u>205,580,000</u>	<u>261,372,493</u>	<u>2,345,415,010</u>	<u>80,961,800</u>
Premium/discount	41,624,392	6,371,654	9,943,621	38,052,425	11,458,222
Deferred loss on refunding of bonds	(5,049,680)	-	(521,106)	(4,528,574)	(519,869)
Accretion on capital appreciation bonds	155,967,673	10,695,157	34,272,507	132,390,323	26,734,259
Total amortizations and accretions	<u>192,542,385</u>	<u>17,066,811</u>	<u>43,695,022</u>	<u>165,914,174</u>	<u>37,672,612</u>
Total debt payable	<u>2,593,749,888</u>	<u>222,646,811</u>	<u>305,067,515</u>	<u>2,511,329,184</u>	<u>118,634,412</u>
Arbitrage payable	250,069	-	250,069	-	-
Capital leases payable	55,772	-	27,504	28,268	28,268
Compensated absences payable	28,629,590	2,667,636	4,016,676	27,280,550	3,218,185
Claims payable	30,810,606	91,106,509	98,026,343	23,890,772	14,179,518
Total other long-term liabilities payable	<u>59,746,037</u>	<u>93,774,145</u>	<u>102,320,592</u>	<u>51,199,590</u>	<u>17,425,971</u>
Total governmental activities long-term liabilities	<u>\$ 2,653,495,925</u>	<u>\$ 316,420,956</u>	<u>\$ 407,388,107</u>	<u>\$ 2,562,528,774</u>	<u>\$ 136,060,383</u>
Business-type activities:					
Compensated absences payable	\$ 444,312	\$ 333,363	\$ 336,420	\$ 441,255	\$ 176,481
Total business-type activities long-term liabilities	<u>\$ 444,312</u>	<u>\$ 333,363</u>	<u>\$ 336,420</u>	<u>\$ 441,255</u>	<u>\$ 176,481</u>

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$408,428 of Internal Service Funds' compensated absences payable and \$23,890,772 of claims payable is included in the above governmental activities amounts. For the governmental activities, claims and judgments, and compensated absences are generally liquidated by the General Fund. The above business-type activities include the Food Service Fund and the \$88,592 of compensated absences payable from nonmajor enterprise funds.

Debt Payable-Governmental Activities

At June 30, 2012, the District had outstanding \$2,511,329,184 of general obligation and lease revenue bonds, public property finance contractual obligations, and delinquent maintenance tax notes. Of the \$2,511,329,184 debt payable, \$132,390,323 was attributable to the accretion on capital appreciation bonds. These debt obligations, whose original issuance value was \$2,674,074,708, were issued at various dates from October 15, 1992 through May 15, 2012, with interest rates ranging from 2.0 percent to 7.0 percent for the purpose of new construction and maintenance of facilities. All debt obligations fully mature at various dates through February 15, 2034.

Of the District's \$2,511,329,184 total debt payable outstanding at June 30, 2012, \$112,931,432 of bonds payable and \$31,567,995 of CAB accretions are attributable to lease revenue bonds issued by the Public Facility Corporation.

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The Variable Rate Bonds, Series 2004, with interest at the initial offering rate of 1.62 percent for the Initial Rate Period, which is defined as beginning on the date of initial delivery of bonds and ending on June 9, 2005, were issued on May 25, 2004. Following the initial rate period, the Variable Rate Bonds, Series 2004 were remarketed annually for one year rate re-set periods of 2.77, 3.63, 3.75, and 1.85 percent respectively. On June 15, 2009, the Bonds were converted to a weekly term rate period with an initial weekly rate of 0.25 percent. On July 1, 2011 the term rate for the Bonds was reset for a 270 day period through March 26, 2012 at a rate of .57 percent. On March 27, 2012 the bonds were converted to a weekly mode with an initial weekly rate of 0.38 percent. Variable Rate Bonds bear interest in a flexible rate or variable rate effective for periods selected and approved by the District.

On May 15, 2012 the District currently refunded Variable Rate Bonds, Series 2004. All outstanding bonds in the amount of \$186,455,000 were defeased and removed from the Districts' schedule of debt. Proceeds from the sale of Variable Rate Limited Tax Refunding Bonds, Series 2012 received on May 31, 2012 were deposited into an escrow fund until the redemption date of the Series 2004 bonds on June 1, 2012.

The Series 2012 refunding bonds were issued with a par value of \$182,080,000. The bonds were issued with an original issuance premium of \$5,248,590. Proceeds less the issuance costs of \$424,103 and underwriter's discount of \$449,487 provided the source of funds to complete the refunding.

The Variable Rate Bonds, Series 2012 were issued as term bonds with initial rate periods expiring on the first day of June in 2013, 2014 and 2015. Following the initial rate period the bonds will convert to and bear interest at a term rate to be determined by the remarketing agent. Subsequent to the initial rate period the interest rate mode may be changed to a weekly rate, monthly rate, quarterly rate, semiannual rate, flexible rate or converted to a fixed rate until stated maturity. Mandatory redemptions equal to the mandatory redemption schedule of the refunded bonds have been established.

Variable Rate Limited Tax Refunding Bonds, Series 2012

Maturity June 1st	Initial Rate Period Ending June 1st	Principal	Initial Rate	Initial Yield
2028	2013	\$ 54,945,000	1.50%	0.45%
2029	2014	\$ 62,070,000	2.00%	0.70%
2030	2015	\$ 65,065,000	2.50%	0.90%
		<u>\$ 182,080,000</u>		

The economic gain or loss calculation along with the associated cash flows on the variable rate refunded and variable rate refunding debt is subject to interest rate assumptions. The interest rate assumption utilized to calculate net present value savings assumed a rate of 4.50% after the initial rate period of the refunding debt and 4.50% for the refunded debt. The assumptions utilized resulted in a cash flow savings of \$16,269,315. The present valued economic gain of the transaction was \$12,902,459. The maximum rate of the bonds cannot exceed the maximum net effective interest rate permitted under Chapter 1204 Texas Government Code as amended. There was no actual gain or loss on the transaction to be amortized.

In the event of a failed remarketing a step rate of 6.50% 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 issued \$23,500,000 in Contractual Obligation Series 2011 in

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November, 2011. The District received \$1,123,064 in premiums and paid \$42,300 and \$100,000 in underwriter's discount and issuance costs respectively.

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

	<u>Face Value</u>	<u>Premium/ (Discount)</u>	<u>Total</u>	<u>Underwriter's Discount</u>	<u>Issue Cost</u>
CAP Series 2011	\$ 23,500,000	\$ 1,123,064	\$ 24,623,064	\$ 42,300	\$ 100,000
VAR Series 2012	\$ 182,080,000	\$ 5,248,590	\$ 187,328,590	\$ 449,487	\$ 424,103
Total	<u>\$ 205,580,000</u>	<u>\$ 6,371,654</u>	<u>\$ 211,951,654</u>	<u>\$ 491,787</u>	<u>\$ 524,103</u>

Premiums on each bond or note issue is amortized individually over the life of the said bond or note and the amortization payable has been added to this note. Additionally, underwriter's discount and issuance costs related to the transactions of \$491,787 and \$524,103, respectively, have been added to Other Assets on the Statement of Net Assets and will be amortized over the life of the bonds.

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

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The following table displays total principal debt outstanding by issuance as of June 30, 2012. Accreted values as of June 30, 2012 are included for each applicable debt issuance.

Date of Issue	Description	Interest Rates	Original Issue Amount	Final Maturity Date	Debt Principal	CAB Accretion	Total Debt Payable
10-15-92	Refunding Series 1992	3.5 to 6.35%	\$ 71,905,037	8/15/2014	\$ 27,550,000	\$ 36,659,251	\$ 64,209,251
01-01-97	Refunding Series 1997	5.2 to 5.375	31,435,000	8/15/2017	1,765,000	10,288,157	12,053,157
07-22-99	Series 1999C (QZAB)	1.54	8,000,000	8/1/2012	4,000,000	-	4,000,000
08-01-05	Series 2003	4.0 to 5.0	262,535,000	2/15/2033	196,885,000	-	196,885,000
02-10-05	Series 2005	3.25 to 6.0	193,300,000	2/15/2032	134,395,000	-	134,395,000
02-10-05	Refunding Series 2005A	4.25 to 4.46	198,078,577	2/15/2020	198,078,578	51,119,178	249,197,756
09/21/05	Refunding Series 2005B	5.0	173,140,000	2/15/2024	167,640,000	-	167,640,000
12/08/05	Series 2005A	4.0 to 5.0	104,700,000	2/15/2032	96,020,000	-	96,020,000
11/21/06	Refunding Series 2006A	5.0	28,100,000	8/15/2017	28,100,000	-	28,100,000
03/22/07	Refunding Series 2007	3.85 to 5.0	279,865,000	2/15/2026	279,285,000	2,755,742	282,040,742
03/01/08	Series 2008	5.0	389,825,000	2/15/2033	379,650,000	-	379,650,000
11/01/09	Series 2009A-1	4.0 to 5.0	68,920,000	2/15/2018	68,920,000	-	68,920,000
11/01/09	Series 2009A-2 (BABS)	6.07 to 6.17	148,850,000	2/15/2034	148,850,000	-	148,850,000
11/01/09	Series 2009A-3 (BABS)	4.76 to 6.13	183,750,000	2/15/2028	183,750,000	-	183,750,000
05/01/98	Lease Revenue Series 1998A (PFC)	4.45 to 5.43	46,246,108	9/15/2022	14,540,545	16,043,876	30,584,421
05/01/98	Lease Revenue Series 1998B (PFC)	4.45 to 5.38	47,999,985	9/15/2022	14,270,887	15,524,119	29,795,006
04/01/06	Lease Revenue Series 2006 (PFC Food)	4.25 to 5.50	33,600,000	9/15/2030	29,620,000	-	29,620,000
04/26/10	Lease Revenue Series 2010A (PFC E)	2.0 to 4.0	16,070,000	9/15/2021	16,070,000	-	16,070,000
04/26/10	Lease Revenue Series 2010B (PFC E BABS)	5.24 to 6.22	38,430,000	9/15/2029	38,430,000	-	38,430,000
05/15/12	Variable Rate Refunding Series 2012	Variable	182,080,000	6/1/2030	182,080,000	-	182,080,000
Bonds Payable					<u>2,209,900,010</u>	<u>132,390,323</u>	<u>2,342,290,333</u>
12/08/05	Contractual Obligations Series 2005	3.25 to 3.75	21,000,000	7/15/2013	6,000,000	-	6,000,000
11/01/06	Contractual Obligations Series 2006	3.625 to 3.75	13,000,000	7/15/2012	2,800,000	-	2,800,000
11/01/07	Contractual Obligations Series 2007	3.50 to 4.00	23,500,000	7/15/2015	5,480,000	-	5,480,000
10/01/08	Contractual Obligations Series 2008	3.00 to 4.00	14,500,000	7/15/2012	5,030,000	-	5,030,000
11/01/09	Contractual Obligations Series 2009	2.00 to 4.00	23,500,000	7/15/2017	17,665,000	-	17,665,000
10/01/10	Contractual Obligations Series 2010	2.00 to 3.00	14,500,000	7/15/2014	14,500,000	-	14,500,000
11/01/11	Contractual Obligations Series 2011	2.00 to 3.00	23,500,000	7/15/2019	23,500,000	-	23,500,000
Contractual Obligations					<u>74,975,000</u>	<u>-</u>	<u>74,975,000</u>
05/15/05	Maintenance Notes Refunding Series 2005	3.9 to 5.45	61,245,000	7/15/2020	60,540,000	-	60,540,000
Notes Payable					<u>60,540,000</u>	<u>-</u>	<u>60,540,000</u>
Total Debt Payable - Principal					<u>\$ 2,345,415,010</u>	<u>\$ 132,390,323</u>	<u>\$ 2,477,805,333</u>

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The following table summarizes by type the annual debt service requirements of the outstanding debt issues at June 30, 2012 to maturity. Capital Appreciation Bond accretions are included in bond interest.

		<u>Bond Principal</u>		<u>Bond Interest</u>		<u>Totals</u>
2013	\$	53,286,800	\$	129,591,973	\$	182,878,773
2014		55,050,415		141,010,771		196,061,186
2015		72,592,740		126,389,771		198,982,511
2016		56,624,916		138,351,383		194,976,299
2017		96,258,482		99,908,442		196,166,924
2018-2022		551,831,657		408,157,110		959,988,767
2023-2027		649,415,000		253,639,651		903,054,651
2028-2032		566,905,000		108,726,217		675,631,217
2033-2034		107,935,000		7,590,490		115,525,490
	\$	<u>2,209,900,010</u>	\$	<u>1,413,365,808</u>	\$	<u>3,623,265,818</u>

		<u>Contractual Obligations Principal</u>		<u>Contractual Obligations Interest</u>		<u>Totals</u>
2013	\$	22,620,000	\$	2,041,926	\$	24,661,926
2014		21,335,000		1,202,488		22,537,488
2015		13,705,000		703,375		14,408,375
2016		9,005,000		388,312		9,393,312
2017		2,685,000		209,025		2,894,025
2018-2020		5,625,000		210,375		5,835,375
	\$	<u>74,975,000</u>	\$	<u>4,755,501</u>	\$	<u>79,730,501</u>

		<u>Notes Principal</u>		<u>Notes Interest</u>		<u>Totals</u>
2013	\$	5,055,000	\$	2,900,625	\$	7,955,625
2014		5,125,000		2,646,125		7,771,125
2015		5,000,000		2,393,000		7,393,000
2016		5,000,000		2,143,000		7,143,000
2017		5,000,000		1,893,000		6,893,000
2018-2021		35,360,000		3,893,000		39,253,000
	\$	<u>60,540,000</u>	\$	<u>15,868,750</u>	\$	<u>76,408,750</u>

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	<u>Total Principal Requirements</u>	<u>Total Interest Requirements</u>	<u>Totals</u>
2013	\$ 80,961,800	\$ 134,534,524	\$ 215,496,324
2014	81,510,415	144,859,384	226,369,799
2015	91,297,740	129,486,146	220,783,886
2016	70,629,916	140,882,695	211,512,611
2017	103,943,482	102,010,467	205,953,949
2018-2022	592,816,657	412,260,485	1,005,077,142
2023-2027	649,415,000	253,639,651	903,054,651
2026-2032	566,905,000	108,726,217	675,631,217
2033-2034	107,935,000	7,590,490	115,525,490
	\$ <u>2,345,415,010</u>	\$ <u>1,433,990,059</u>	\$ <u>3,779,405,069</u>

Other long-term debt

Arbitrage -- The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The U.S. Treasury requires payment for each issue every five years. The District had no arbitrage liability for tax-exempt debt subject to the Tax Reform Act issued through June 30, 2012. The estimated liability is updated annually for any tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. Liabilities resulting from issuances in the General Fund are typically liquidated in the General Fund. Liabilities resulting from issuances in the Capital Renovation Fund are liquidated in the Capital Renovation Fund if unspent proceeds are remaining.

Compensated Absences -- On retirement or death of certain employees who meet eligibility requirements, the District pays any accumulated sick leave as an employer contribution to a 403(b) plan in the employee's name to such employees or the estates of the employees. Individuals employed after October 9, 1972 are not eligible to receive the lump-sum cash payments. Additionally, certain employees are entitled to receive accrued vacation pay in a lump-sum cash payment upon termination of employment with the District. The net decrease of \$1,349,040. over the prior fiscal year represents the recorded liability for employees vesting in the accumulated sick leave program adjusted by the amounts paid employees retiring from the District.

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

Capital assets acquired by lease have been capitalized in an amount equal to the present value of the future minimum lease payments at the time of acquisition. Principal and interest payments in fiscal year 2011 totaled \$32,070 and \$1,950, respectively. Principal and interest payments in fiscal year 2012 totaled \$27,504 and \$2,498, respectively. The General Fund has typically been used in prior years to liquidate capital lease liabilities.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

The future minimum lease obligations and the net present value of these minimum equipment lease payments as of June 30, 2012 were as follows:

Year Ending <u>June 30</u> 2013	Governmental <u>Activities</u>
	\$ 30,002
Total minimum lease payments	30,002
Amount Representing Interest at 5.77%	(1,734)
Present Value of minimum lease payments	\$ 28,268

NOTE 9: OPERATING LEASES

The District leases office facilities and instructional educational facilities under noncancellable operating leases. Total cost for such leases was \$711,186 for the fiscal year ended June 30, 2012. The future minimum lease payments for these leases are as follows:

Year Ending <u>June 30</u>	Amount
2013	\$ 328,809
2014	273,240
2015	273,240
2016	132,329
	\$ 1,007,618

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 \$15,571,772 (discounted at 3 percent), of which \$6,179,568 is the current portion, has been recorded in the fund as of June 30, 2012. Claims payable, including an estimate of claims incurred but not reported, was actuarially determined based on the District's historical claims experience and an estimate of the remaining liability on known claims.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

At June 30, 2012, the fund had net assets of \$20,225,436. Changes in claims payable for the fiscal years ended June 30, 2011 and 2012 are as follows:

	<u>2012</u>	<u>2011</u>
Claims payable, beginning of fiscal year	\$ 16,105,921	\$ 16,205,162
Incurred claims and claim adjustment expenses for insured events of the current fiscal year	5,858,358	8,132,660
Increase (decrease) in provision for insured events of prior fiscal year	<u>2,631,564</u>	<u>4,428,045</u>
Total incurred claims and claim adjustment expenses	<u>8,489,922</u>	<u>12,560,705</u>
<u>Payments:</u>		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	3,071,549	4,584,235
Claims and claim adjustment expenses attributable to insured events of the prior fiscal year	<u>5,952,522</u>	<u>8,075,711</u>
Total payments	<u>9,024,071</u>	<u>12,659,946</u>
Claims payable, end of fiscal year	<u>\$ 15,571,772</u>	<u>\$ 16,105,921</u>

Health Insurance

Effective January 1, 2002, the District established a self-insurance program for health insurance. Contributions are paid from all governmental and proprietary funds to the Health Insurance Internal Service Fund from which all claims and administrative expenses are paid. Claims administration and consultant services are provided by a third party administrator. The District maintains 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 \$8,319,000, of which \$7,999,950 is the current portion, has been recorded in the fund as of June 30, 2012. Claims payable, including an estimate of claims incurred but not reported, was actuarially determined based on an estimate of the remaining liability on known claims.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

At June 30, 2012, the fund had net assets of \$58,805,347. Changes in claims payable for the fiscal years ended June 30, 2011 and 2012 are as follows:

	<u>2012</u>	<u>2011</u>
Claims payable, beginning of fiscal year	\$ 14,704,685	\$ 21,536,000
Incurred claims and claim adjustment expenses for insured events of the current fiscal year	78,485,758	104,162,739
Increase in provision for insured events of prior fiscal year	<u>4,130,829</u>	<u>5,482,249</u>
Total incurred claims and claim adjustment expenses	<u>82,616,587</u>	<u>109,644,988</u>
<u>Payments:</u>		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	84,552,158	110,652,488
Claims and claim adjustment expenses attributable to insured events of the prior fiscal year	<u>4,450,114</u>	<u>5,823,815</u>
Total payments	<u>89,002,272</u>	<u>116,476,303</u>
Claims payable, end of fiscal year	<u>\$ 8,319,000</u>	<u>\$ 14,704,685</u>

Property, Casualty, General and Professional Liability

The District purchases All-Risk Property Insurance with limits of \$150,000,000. National Flood Insurance Program policies are purchased for those facilities in the 100-year flood plain. 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 services, 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, 2012 were \$1,053,023,493 and \$1,109,288,214, respectively. For members of the retirement system entitled to the State's statutory minimum salary for school personnel, the District pays the State's contribution on the part of the member's salary that exceeds the statutory minimum.

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Types of Employees Covered

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

Benefit Provisions and Service Requirements

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

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

Reduced -- Age 55 with at least 5 years of credited service, or any age below 50 with 30 or more years of credited service.

Members are fully vested after five years of creditable service and are entitled to any benefit for which eligibility requirements have been met.

Funding Policy

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 of the member's annual compensation rate and not more than 10 percent of the aggregate annual compensation of all members of the system during the fiscal year, (2) a state statute prohibits benefit improvements if, as a result of the particular actions, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or if the amortization period exceeds 31 years, the period would be increased by such action.

State law provided for a state contribution rate decrease from 6.644 percent to 6.0 percent effective September 1, 2011. The member contribution rate of 6.4 percent remains constant for fiscal year 2012. The State of Texas contributes 6.0 percent of all employees' eligible gross earnings, except for those District employees subject to the statutory minimum rules and those employees being paid from and participating in federally funded programs for the fiscal year 2012. The statutory minimum requirements are based on the State of Texas minimum teacher schedule and then adjusted based on local tax rates. For employees paid by federal programs, the federal programs are required to contribute the state's portion.

The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2011, 2010, and 2009. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2011, 2010, and 2009, the total contributions paid to the pension plan were \$4,576,381,036, \$4,498,851,499, and \$4,276,812,394, respectively; the active member contributions were \$2,243,954,725, \$2,205,017,425, and \$2,107,057,870, respectively; contributions from the state of Texas were \$1,595,771,774, \$1,574,782,741 and \$1,481,843,941, respectively; and contributions from reporting employers were \$411,889,817, \$412,268,503, and \$412,728,096, respectively. The District's contributions for the years ended

HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

August 31, 2011, August 31, 2010, were \$2,379,969 and \$2,694,583, respectively, and the estimated contribution for the year ending August 31, 2012 is \$2,106,479.

Contributions Required and Made

Employees of the District were required to pay 6.65 percent of their eligible gross earnings to TRS. Of the 6.65 percent, 0.25 percent was a contribution towards TRS-Care retiree health insurance. Effective September 1, 2003, the Texas legislature enacted legislation related to the funding of TRS-Care. House Bill 3459 of the 78th Legislature increased the 0.25 percent active member contribution to 0.5 percent of salary and added a new contribution from school districts for 0.4 percent of salary of each active employee. Effective September 1, 2005, the 79th Legislature enacted changes to increase the 0.5 percent of salary of each active member contribution to TRS-Care to 0.65 percent of salary and increased the 0.4 percent contributions from school districts to 0.55 percent of salary of each active employee. The State of Texas contributes 6.0 percent for all District employees except for employees' salaries paid from federal or local grants since their contributions are paid by the District from funds received from grantor agencies. Both of those rates are set by state statutes. The statutory minimum requirements are based on the State of Texas teacher schedule adjusted by local tax rates. For members funded by federal programs, the federal programs are required to contribute 7 percent. Effective September 1, 2011, the Texas legislature enacted legislation to decrease the state contribution rate from 6.664% to 6.00% and to decrease the contribution rate for federal funded programs from 7.664 to 7.00%. Contributions made by the State, the District, and its employees; and the District's covered payroll for fiscal years ended June 30, 2010, June 30, 2011, and June 30, 2012 are equal to required contributions and were made as follows:

	Contributions Made on Behalf of the District	Required Contributions to TRS	Member's Contributions to TRS	Covered Payroll	State Contribution Rate	Member's Contribution Rate
2010	\$69,699,549	\$17,056,850	\$76,070,831	\$1,188,606,743	6.644%	6.40%
2011	\$68,611,970	\$17,058,027	\$74,421,447	\$1,162,835,115	6.644%	6.40%
2012	\$57,197,148	\$12,317,122	\$67,393,504	\$1,053,023,493	6.000%	6.40%

	Contribution Made on Behalf of the District	Required Contributions to TRS-Care	Member's Contributions to TRS-Care	Covered Payroll	State Contribution Rate	Member's Contribution Rate
2010	\$704,036	\$6,594,628	\$7,725,944	\$1,188,606,743	1.00%	0.65%
2011	\$693,050	\$5,944,211	\$7,558,428	\$1,162,835,115	1.00%	0.65%
2012	\$577,749	\$5,792,194	\$6,844,653	\$1,053,023,493	1.00%	0.65%

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

On-Behalf Payments

The amounts recognized from state revenues and expenditures for on-behalf payments relating to fringe benefits for the year ending August 31, 2012 was as follows:

	<u>Amount</u>
Contributions to pension plan	\$ 57,774,897
Insurance contributions (TRS Care)	6,844,653
Estimated contributions (Medicare Part D)	2,106,479
	<u>\$ 66,726,029</u>

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

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

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.



HISD

2012 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, 2012
(UNAUDITED)**

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 1,002,863,347	\$ 1,040,145,669	\$ 1,044,127,686	\$ 3,982,017
Earnings on investments	1,700,000	1,249,000	1,445,075	196,075
Miscellaneous local sources	9,887,000	19,038,001	19,225,868	187,867
State sources	478,249,121	434,216,296	431,238,072	(2,978,224)
Federal sources	5,523,000	5,832,252	5,700,141	(132,111)
Total revenues	<u>1,498,222,468</u>	<u>1,500,481,218</u>	<u>1,501,736,842</u>	<u>1,255,624</u>
EXPENDITURES				
Current				
Instruction	893,871,306	884,425,332	829,076,484	(55,348,848)
Instructional resources and media services	11,914,298	12,564,003	11,070,865	(1,493,138)
Instructional staff development	10,304,415	21,952,591	18,431,308	(3,521,283)
Curriculum development	4,950,561	5,647,117	4,175,851	(1,471,266)
Instructional leadership	22,090,470	17,985,163	14,067,402	(3,917,761)
School leadership	119,340,976	116,001,755	110,115,488	(5,886,267)
Guidance, counseling and evaluation services	31,752,396	36,884,577	34,238,875	(2,645,702)
Social work services	878,101	853,870	717,002	(136,868)
Health services	17,506,507	16,894,268	15,708,067	(1,186,201)
Student transportation	52,822,525	57,123,053	42,867,338	(14,255,715)
Food services	213,773	590,120	581,427	(8,693)
Co-curricular/extracurricular activities	13,580,995	17,185,146	13,900,181	(3,284,965)
General administration	37,918,962	33,288,746	26,854,596	(6,434,150)
Plant maintenance and operations	173,003,108	183,984,642	170,741,024	(13,243,618)
Security and monitoring services	18,926,196	20,031,427	18,603,259	(1,428,168)
Data processing services	30,493,871	58,857,423	24,487,550	(34,369,873)
Community services	1,968,254	2,198,447	2,084,277	(114,170)
Juvenile justice alternative education programs	990,080	990,080	984,270	(5,810)
Tax increment reinvestment zone	43,355,397	62,493,137	52,834,027	(9,659,110)
Tax appraisal and collection	9,722,313	9,775,951	9,775,757	(194)
Debt service				
Principal	41,234	41,234	27,504	(13,730)
Interest and fiscal charges	1,592	398,754	395,729	(3,025)
Capital outlay				
Facilities acquisition and construction	-	209,311	64,513	(144,798)
Total expenditures	<u>1,495,647,330</u>	<u>1,560,376,147</u>	<u>1,401,802,794</u>	<u>(158,573,353)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,575,138</u>	<u>(59,894,929)</u>	<u>99,934,048</u>	<u>159,828,977</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	30,400,000	38,700,000	38,700,000	-
Transfers out	(79,498,043)	(93,506,098)	(93,477,638)	28,460
Issuance of bonds and other debt	23,500,000	23,500,000	23,500,000	-
Premium on the sale of bonds	-	1,123,064	1,123,064	-
Total other financing uses	<u>(25,598,043)</u>	<u>(30,183,034)</u>	<u>(30,154,574)</u>	<u>28,460</u>
Net change in fund balances	(23,022,905)	(90,077,963)	69,779,474	159,857,437
Fund balances--beginning	<u>482,611,098</u>	<u>482,611,098</u>	<u>482,611,098</u>	<u>-</u>
Fund balances--ending	<u>\$ 459,588,193</u>	<u>\$ 392,533,135</u>	<u>\$ 552,390,572</u>	<u>\$ 159,857,437</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, 2012
(UNAUDITED)

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Local sources	\$ 5,970,000	\$ 41,257,710	\$ 24,287,570	\$ (16,970,140)
State sources	18,632,919	66,303,583	50,213,099	(16,090,484)
Federal sources	253,963,889	329,618,171	230,549,183	(99,068,988)
Total revenues	<u>278,566,808</u>	<u>437,179,464</u>	<u>305,049,852</u>	<u>(132,129,612)</u>
EXPENDITURES				
Current				
Instruction	142,414,533	216,312,219	184,417,729	(31,894,490)
Instructional resources and media services	546,926	750,455	484,411	(266,044)
Instructional staff development	70,614,549	127,572,018	45,425,025	(82,146,993)
Curriculum development	201,926	103,918	26,089	(77,829)
Instructional leadership	4,750,858	9,128,423	7,531,786	(1,596,637)
School leadership	3,652,525	10,221,825	9,068,040	(1,153,785)
Guidance, counseling and evaluation services	14,419,657	25,100,507	21,884,375	(3,216,132)
Social work services	690,834	1,283,419	1,129,462	(153,957)
Health services	1,918,873	1,958,449	1,334,268	(624,181)
Student transportation	4,470,250	4,820,882	4,307,892	(512,990)
Food services	6,724	11,460	1,833	(9,627)
Co-curricular/extracurricular activities	1,973,026	3,865,947	3,317,307	(548,640)
General administration	4,550,412	7,405,471	5,508,428	(1,897,043)
Plant maintenance and operations	18,060,052	2,409,298	2,021,163	(388,135)
Security and monitoring services	171,102	252,225	231,798	(20,427)
Data processing services	6,714,842	23,867,204	2,851,286	(21,015,918)
Community services	3,224,584	3,989,254	3,003,173	(986,081)
Capital outlay				
Facilities acquisition and construction	185,135	3,003,176	1,640,345	(1,362,831)
Total expenditures	<u>278,566,808</u>	<u>442,056,150</u>	<u>294,184,410</u>	<u>(147,871,740)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(4,876,686)	10,865,442	15,742,128
OTHER FINANCING SOURCES (USES)				
Transfers in	-	4,876,686	4,876,686	-
Fund balances-beginning	9,703,595	9,703,595	9,703,595	-
Fund balances-ending	<u>\$ 9,703,595</u>	<u>\$ 9,703,595</u>	<u>\$ 25,445,723</u>	<u>\$ 15,742,128</u>

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Note 1: Stewardship, Compliance, and Accountability

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

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

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A photograph of a young girl with brown hair in pigtails, wearing a blue knitted sweater, raising her right hand. She is smiling and looking towards the right. The background is blurred, showing other children and a classroom setting. The photo is partially covered by a green circular graphic element.

HISD

**2012 Combining and Individual
Fund Statements and Schedules**

NONMAJOR ENTERPRISE FUNDS

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

The **Medicaid Fund** is used to account for the financial operation of special reimbursement programs offered by the District. For several years, the District has participated in a Medicaid reimbursement program, which is a federal program to provide partial reimbursement for health care services provided to eligible children. The District currently provides Medicaid advisory services to over 300 schools in 40 Texas school districts.

The **Marketplace Fund** is used to account for the financial operation of the restaurant-style cafeteria on the first level of 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 300 employees on a daily basis as well as provides catering services to departments within and outside of HMW.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2012**

	Enterprise Funds			
	Business Development	Medicaid	Marketplace	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 5,164	\$ 126,202	\$ 7,039	\$ 138,405
Investments	2,936,873	25,307,470	181,525	28,425,868
Receivables	1,015,251	24,919,546	-	25,934,797
Due from other funds	-	-	13,909	13,909
Inventories	-	-	7,826	7,826
Misc assets	-	4,900	-	4,900
Total current assets	<u>3,957,288</u>	<u>50,358,118</u>	<u>210,299</u>	<u>54,525,705</u>
Noncurrent assets:				
Furniture and equipment	-	257,863	-	257,863
Less accumulated depreciation	-	(107,960)	-	(107,960)
Total noncurrent assets	<u>-</u>	<u>149,903</u>	<u>-</u>	<u>149,903</u>
Total assets	<u>3,957,288</u>	<u>50,508,021</u>	<u>210,299</u>	<u>54,675,608</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,670,309	121,618	23,942	1,815,869
Due to other funds	7	61,738	-	61,745
Accrued salaries payable	-	40,920	8,316	49,236
Compensated absences payable	-	39,333	1,040	40,373
Total current liabilities	<u>1,670,316</u>	<u>263,609</u>	<u>33,298</u>	<u>1,967,223</u>
Noncurrent liabilities:				
Compensated absences payable	-	44,516	3,703	48,219
Total noncurrent liabilities	<u>-</u>	<u>44,516</u>	<u>3,703</u>	<u>48,219</u>
Total liabilities	<u>1,670,316</u>	<u>308,125</u>	<u>37,001</u>	<u>2,015,442</u>
NET ASSETS				
Invested in capital assets	-	149,903	-	149,903
Unrestricted	2,286,972	50,049,993	173,298	52,510,263
Total net assets	<u>\$ 2,286,972</u>	<u>\$ 50,199,896</u>	<u>\$ 173,298</u>	<u>\$ 52,660,166</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Enterprise Funds			
	Business Development	Medicaid	Marketplace	Totals
OPERATING REVENUES:				
Charges for sales and services:				
Sales to customers	-	-	100,823	100,823
Consulting services	11,006,871	2,282,917	-	13,289,788
Miscellaneous	-	-	395,951	395,951
Total operating revenues	<u>\$ 11,006,871</u>	<u>\$ 2,282,917</u>	<u>\$ 496,774</u>	<u>\$ 13,786,562</u>
OPERATING EXPENSES:				
Payroll costs	(3,008)	1,687,739	252,450	1,937,181
Purchased and contracted services	10,083,397	187,980	-	10,271,377
Supplies and materials	2,394	67,407	337,775	407,576
Other operating expenses	53,853	179,064	8,816	241,733
Depreciation	-	7,871	-	7,871
Total operating expenses	<u>10,136,636</u>	<u>2,130,061</u>	<u>599,041</u>	<u>12,865,738</u>
Operating income (loss)	<u>870,235</u>	<u>152,856</u>	<u>(102,267)</u>	<u>920,824</u>
NONOPERATING REVENUES (EXPENSES)				
Earnings on investments	5,982	101,064	571	107,617
School health services (SHARS)	-	61,840,617	-	61,840,617
Total nonoperating revenue	<u>5,982</u>	<u>61,941,681</u>	<u>571</u>	<u>61,948,234</u>
Income before transfers	876,217	62,094,537	(101,696)	62,869,058
Transfers in	-	-	274,994	274,994
Transfers out	<u>(400,000)</u>	<u>(38,300,000)</u>	<u>-</u>	<u>(38,700,000)</u>
Change in net assets	476,217	23,794,537	173,298	24,444,052
Total net assets—beginning	1,810,755	26,405,359	-	28,216,114
Total net assets—ending	<u>\$ 2,286,972</u>	<u>\$ 50,199,896</u>	<u>\$ 173,298</u>	<u>\$ 52,660,166</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Enterprise Funds			
	Business Development	Medicaid	Marketplace	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 11,983,578	\$ 2,543,389	\$ 484,316	\$ 15,011,283
Payments to suppliers	(10,074,128)	(371,877)	(343,715)	(10,789,720)
Payments to employees	(20,215)	(1,632,022)	(246,266)	(1,898,503)
Payments to other funds	-	-	(7,596)	(7,596)
Other payments	-	(4,900)	-	(4,900)
Net cash provided (used) by operating activities	<u>1,889,235</u>	<u>534,590</u>	<u>(113,261)</u>	<u>2,310,564</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts from SHARS program	-	37,631,441	-	37,631,441
Transfers from other funds	-	-	8,299	8,299
Operating subsidies and transfers to other funds	(400,000)	(38,300,000)	-	(38,700,000)
Net cash provided (used) by noncapital financing activities	<u>(400,000)</u>	<u>(668,559)</u>	<u>8,299</u>	<u>(1,060,260)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	(136,521)	-	(136,521)
Net cash used by capital and related financing activities	<u>-</u>	<u>(136,521)</u>	<u>-</u>	<u>(136,521)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(11,424,652)	(38,548,360)	(571)	(49,973,583)
Proceeds from sales and maturities of investments	9,930,000	38,814,296	112,000	48,856,296
Interest and dividends	5,981	101,064	571	107,616
Net cash provided (used) by investing activities	<u>(1,488,671)</u>	<u>367,000</u>	<u>112,000</u>	<u>(1,009,671)</u>
Net increase in cash and cash equivalents	564	96,510	7,038	104,112
Balances—beginning of the year	<u>4,600</u>	<u>29,692</u>	<u>-</u>	<u>34,292</u>
Balances—end of the year	<u>\$ 5,164</u>	<u>\$ 126,202</u>	<u>\$ 7,038</u>	<u>\$ 138,404</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income and (loss)	\$ 870,235	\$ 152,855	\$ (102,267)	\$ 920,823
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	-	7,871	-	7,871
Change in assets and liabilities:				
Receivables	976,707	260,472	(12,458)	1,224,721
Inventories and other assets		(4,900)	5,858	958
Accounts payables	65,516	62,575	(2,620)	125,471
Due to other funds	(3,265)	21,122	(7,596)	10,261
Compensated absence payable	-	23,327	(832)	22,495
Accrued salaries payable	(19,958)	11,268	6,654	(2,036)
Net cash provided (used) by operating activities	<u>\$ 1,889,235</u>	<u>\$ 534,590</u>	<u>\$ (113,261)</u>	<u>\$ 2,310,564</u>

INTERNAL SERVICE FUNDS

The **Print Shop Fund** is used to account for all the printing and distribution activities of the District's two print shop facilities. Schools and departments are charged for the costs of printing and distribution requests. During non-peak times, the Print Shop takes in work from other governmental agencies requiring assistance during their peak periods. The District also has reciprocal agreements with other governmental agencies in the event a backlog of jobs is experienced by District users.

The **Health Insurance Fund** is used to account for the health insurance plan administered by the District. The plan is a self-insured plan requiring the District and its employees to contribute the cost. The District contributes approximately 66.64 percent of the annual cost of the plan with employees paying for the remaining 33.36 percent. These contributions are paid from all governmental and proprietary funds to the Health Insurance Fund from which all claims and administrative expenses are paid.

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

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2012**

	<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	\$ 34,952	\$ 1,157	\$ 64,135	\$ 22,462	\$ 122,706
Investments	5,118	66,048,517	33,245,759	6,569,633	105,869,027
Receivables	484,472	-	-	440	484,912
Due from other funds	-	3,731,735	2,909,399	-	6,641,134
Accrued interest	-	31,848	11,259	-	43,107
Other assets	-	-	58,667	-	58,667
Total current assets	<u>524,542</u>	<u>69,813,257</u>	<u>36,289,219</u>	<u>6,592,535</u>	<u>113,219,553</u>
Noncurrent assets:					
Buildings and improvements	558,545	-	-	-	558,545
Construction In Progress	-	-	-	521,941	521,941
Furniture and equipment	830,424	-	113,496	186,103	1,130,023
Vehicles	97,585	-	-	16,199	113,784
Less accumulated depreciation	(817,961)	-	(107,767)	(170,925)	(1,096,653)
Total noncurrent assets	<u>668,593</u>	<u>-</u>	<u>5,729</u>	<u>553,318</u>	<u>1,227,640</u>
Total assets	<u>1,193,135</u>	<u>69,813,257</u>	<u>36,294,948</u>	<u>7,145,853</u>	<u>114,447,193</u>
LIABILITIES					
Current liabilities:					
Accounts payable	369,094	2,630,830	398,750	602,019	4,000,693
Due to other funds	514,641	-	-	202,244	716,885
Accrued salaries payable	41,397	17,048	29,283	150,681	238,409
Compensated absences payable	20,029	8,621	14,033	50,821	93,504
Claims and judgments payable	-	7,999,950	6,179,568	-	14,179,518
Total current liabilities	<u>945,161</u>	<u>10,656,449</u>	<u>6,621,634</u>	<u>1,005,765</u>	<u>19,229,009</u>
Noncurrent liabilities:					
Compensated absences payable	63,483	32,411	55,674	163,356	314,924
Claims and judgments payable	-	319,050	9,392,204	-	9,711,254
Total noncurrent liabilities	<u>63,483</u>	<u>351,461</u>	<u>9,447,878</u>	<u>163,356</u>	<u>10,026,178</u>
Total liabilities	<u>1,008,644</u>	<u>11,007,910</u>	<u>16,069,512</u>	<u>1,169,121</u>	<u>29,255,187</u>
NET ASSETS					
Invested in capital assets	668,593	-	5,729	553,318	1,227,640
Unrestricted	(484,102)	58,805,347	20,219,707	5,423,414	83,964,366
Total net assets	<u>\$ 184,491</u>	<u>\$ 58,805,347</u>	<u>\$ 20,225,436</u>	<u>\$ 5,976,732</u>	<u>\$ 85,192,006</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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	\$ 4,840,122	\$ -	\$ -	\$ 13,719,874	\$ 18,559,996
Charges to employees and other funds	-	114,822,665	10,361,851	-	125,184,516
Miscellaneous	-	763,122	448,962	33,099	1,245,183
Total operating revenues	<u>4,840,122</u>	<u>115,585,787</u>	<u>10,810,813</u>	<u>13,752,973</u>	<u>144,989,695</u>
OPERATING EXPENSES:					
Payroll costs	1,607,689	699,614	1,286,004	8,752,907	12,346,214
Purchased and contracted services	1,620,861	18,167	2,648,605	938,062	5,225,695
Supplies and materials	1,545,563	5,163	23,551	772,107	2,346,384
Other operating expenses	3,876	10,492	309,667	1,156,524	1,480,559
Claims and judgments	-	89,002,272	9,024,071	-	98,026,343
Depreciation	90,404	-	97	42,799	133,300
Total operating expenses	<u>4,868,393</u>	<u>89,735,708</u>	<u>13,291,995</u>	<u>11,662,399</u>	<u>119,558,495</u>
Operating income (loss)	<u>(28,271)</u>	<u>25,850,079</u>	<u>(2,481,182)</u>	<u>2,090,574</u>	<u>25,431,200</u>
NONOPERATING REVENUES:					
Earnings on investments	5	254,198	111,438	9,444	375,085
Total nonoperating revenue	<u>5</u>	<u>254,198</u>	<u>111,438</u>	<u>9,444</u>	<u>375,085</u>
Income (loss) before transfers	(28,266)	26,104,277	(2,369,744)	2,100,018	25,806,285
Transfers in	-	-	2,369,744	-	2,369,744
Transfers out	-	(2,369,744)	-	-	(2,369,744)
Change in net assets	(28,266)	23,734,533	-	2,100,018	25,806,285
Total net assets—beginning	212,757	35,070,814	20,225,436	3,876,714	59,385,721
Total net assets—ending	<u>\$ 184,491</u>	<u>\$ 58,805,347</u>	<u>\$ 20,225,436</u>	<u>\$ 5,976,732</u>	<u>\$ 85,192,006</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Print Shop	Health Insurance	Workers' Compensation	Internal Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from user charges	\$ 4,377,710	\$ 117,071,669	\$ 7,887,416	\$ 13,684,353	\$ 143,021,148
Other receipts	-	763,122	445,348	33,099	1,241,569
Payments to suppliers	(3,072,924)	-	(3,065,138)	(2,913,755)	(9,051,817)
Payments to employees	(1,621,555)	(700,324)	(1,309,421)	(8,785,971)	(12,417,271)
Claims paid	-	(95,387,957)	(9,558,220)	-	(104,946,177)
Other payments	(305)	(8,680)	-	-	(8,985)
Net cash provided (used) by operating activities	(317,074)	21,737,830	(5,600,015)	2,017,726	17,838,467
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating subsidies and transfers from other funds	-	-	2,369,744	-	2,369,744
Operating subsidies and transfers to other funds	-	(2,369,744)	-	-	(2,369,744)
Net cash provided (used) by noncapital financing activities	-	(2,369,744)	2,369,744	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	-	-	(5,827)	(521,941)	(527,768)
Net cash used by capital and related financing activities	-	-	(5,827)	(521,941)	(527,768)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(5)	(223,891,372)	(70,811,204)	(10,899,726)	(305,602,307)
Proceeds from sales and maturities of investments	-	204,263,269	73,997,860	9,375,282	287,636,411
Interest and dividends	5	254,198	111,438	9,444	375,085
Net cash provided (used) by investing activities	-	(19,373,905)	3,298,094	(1,515,000)	(17,590,811)
Net increase (decrease) in cash and cash equivalents	(317,074)	(5,819)	61,996	(19,215)	(280,112)
Balances—beginning of the year	352,026	6,976	2,139	41,677	402,818
Balances—end of the year	\$ 34,952	\$ 1,157	\$ 64,135	\$ 22,462	\$ 122,706
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(28,271)	25,850,079	(2,481,182)	2,090,574	25,431,200
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	90,404	-	97	42,799	133,300
Change in assets and liabilities:					
Receivables, net	(55,432)	-	-	28,977	(26,455)
Accounts payable	97,072	151,248	(24,648)	(47,062)	176,610
Due from other funds	-	2,131,577	-	-	2,131,577
Due to other funds	(406,981)	-	(2,474,433)	(64,498)	(2,945,912)
Accrued interest	-	-	(1,720)	-	(1,720)
Accrued salaries payable	(3,708)	(846)	(21,697)	(11,673)	(37,924)
Compensated absences payable	(10,158)	137	-	(21,391)	(31,412)
Current portion of claims and judgments	-	(6,183,785)	(3,055,922)	-	(9,239,707)
Other long term claims and judgments	-	(201,900)	2,521,773	-	2,319,873
Other	-	(8,680)	(62,283)	-	(70,963)
Net cash provided (used) by operating activities	\$ (317,074)	\$ 21,737,830	\$ (5,600,015)	\$ 2,017,726	\$ 17,838,467

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, 2012, eighty-five schools are in the program. The program also includes accounting for activity funds of various administrative departments or groups. Centralized accounting includes deposits to a central depository, funds invested by the Accounting Department for best utilization of cash balances, check writing, ledger maintenance and reporting provided through the district's accounting system. Schools in the district are required to maintain uniform accounting records. The Activity Fund Section of the Office of the Inspector General reviews the activity funds of these schools during the fiscal year.

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

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2012**

	Agency Funds		
	Centralized	Non Centralized	Total
ASSETS			
Cash and cash equivalents	\$ 119,806	\$ 5,014,943	\$ 5,134,749
Investments	<u>6,200,732</u>	<u>438,806</u>	<u>6,639,538</u>
Total assets	<u>\$ 6,320,538</u>	<u>\$ 5,453,749</u>	<u>\$ 11,774,287</u>
LIABILITIES			
Accounts payable	\$ 353,582	\$ 37,022	\$ 390,604
Accrued salaries payable	57,073	-	57,073
Due to student/administrative groups	<u>5,909,883</u>	<u>5,416,727</u>	<u>11,326,610</u>
Total liabilities	<u>\$ 6,320,538</u>	<u>\$ 5,453,749</u>	<u>\$ 11,774,287</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Balance July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2012</u>
CENTRALIZED ACTIVITY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 78,917	\$ 16,152,635	\$ 16,111,746	\$ 119,806
Investments	<u>6,350,851</u>	<u>6,619,094</u>	<u>6,769,213</u>	<u>6,200,732</u>
Total assets	<u>\$ 6,429,768</u>	<u>\$ 22,771,729</u>	<u>\$ 22,880,959</u>	<u>\$ 6,320,538</u>
LIABILITIES				
Accounts payable	\$ 235,427	\$ 353,582	\$ 235,427	\$ 353,582
Accrued salaries payable	63,922	57,073	63,922	57,073
Due to student/administrative groups	<u>6,130,419</u>	<u>9,383,422</u>	<u>9,603,958</u>	<u>5,909,883</u>
Total liabilities	<u>\$ 6,429,768</u>	<u>\$ 9,794,077</u>	<u>\$ 9,903,307</u>	<u>\$ 6,320,538</u>
NONCENTRALIZED ACTIVITY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 4,398,426	\$ 10,212,679	\$ 9,596,162	\$ 5,014,943
Investments	<u>463,312</u>	<u>542</u>	<u>25,048</u>	<u>438,806</u>
Total assets	<u>\$ 4,861,738</u>	<u>\$ 10,213,221</u>	<u>\$ 9,621,210</u>	<u>\$ 5,453,749</u>
LIABILITIES				
Accounts payable	\$ 53,005	\$ 37,022	\$ 53,005	\$ 37,022
Due to student/administrative groups	<u>4,808,733</u>	<u>10,187,631</u>	<u>9,579,637</u>	<u>5,416,727</u>
Total liabilities	<u>\$ 4,861,738</u>	<u>\$ 10,224,653</u>	<u>\$ 9,632,642</u>	<u>\$ 5,453,749</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 4,477,343	\$ 26,365,314	\$ 25,707,908	\$ 5,134,749
Investments	<u>6,814,163</u>	<u>6,619,636</u>	<u>6,794,261</u>	<u>6,639,538</u>
Total assets	<u>\$ 11,291,506</u>	<u>\$ 32,984,950</u>	<u>\$ 32,502,169</u>	<u>\$ 11,774,287</u>
LIABILITIES				
Accounts payable	\$ 288,432	\$ 390,604	\$ 288,432	\$ 390,604
Accrued salaries payable	63,922	57,073	63,922	57,073
Due to student/administrative groups	<u>10,939,152</u>	<u>19,571,053</u>	<u>19,183,595</u>	<u>11,326,610</u>
Total liabilities	<u>\$ 11,291,506</u>	<u>\$ 20,018,730</u>	<u>\$ 19,535,949</u>	<u>\$ 11,774,287</u>

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2012 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, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Local maintenance taxes	\$ 147,960,278	\$ 154,215,406	\$ 155,040,949	\$ 825,543
Earnings on investments	300,000	236,000	241,363	5,363
Federal sources	7,613,834	7,613,834	10,176,026	2,562,192
Total revenues	<u>155,874,112</u>	<u>162,065,240</u>	<u>165,458,338</u>	<u>3,393,098</u>
EXPENDITURES				
Debt service				
Principal	74,612,494	74,612,494	74,612,493	(1)
Interest and fiscal charges	142,433,594	141,990,538	141,815,781	(174,757)
Payment to escrow agents - current refunding	-	186,455,000	186,455,000	-
Total expenditures	<u>217,046,088</u>	<u>403,058,032</u>	<u>402,883,274</u>	<u>(174,758)</u>
Deficiency of revenues under expenditures	<u>(61,171,976)</u>	<u>(240,992,792)</u>	<u>(237,424,936)</u>	<u>3,567,856</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	60,891,587	62,372,956	62,372,956	-
Issuance of bonds and other debt	-	182,080,000	182,080,000	-
Premium on the sale of bonds	-	5,248,590	5,248,590	-
Total other financing sources	<u>60,891,587</u>	<u>249,701,546</u>	<u>249,701,546</u>	<u>-</u>
Net change in fund balances	<u>(280,389)</u>	<u>8,708,754</u>	<u>12,276,610</u>	<u>3,567,856</u>
Fund balances-beginning	<u>131,866,758</u>	<u>131,866,758</u>	<u>131,866,758</u>	<u>-</u>
Fund balances-ending	<u>\$ 131,586,369</u>	<u>\$ 140,575,512</u>	<u>\$ 144,143,368</u>	<u>\$ 3,567,856</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, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Earnings on investments	\$ 2,100,000	\$ 1,530,000	\$ 1,657,745	\$ 127,745
Miscellaneous local sources	17,692,737	30,118,123	30,450,810	332,687
Total revenues	<u>19,792,737</u>	<u>31,648,123</u>	<u>32,108,555</u>	<u>460,432</u>
EXPENDITURES				
Capital outlay				
Facilities acquisition and construction	250,000,000	814,748,222	274,876,313	(539,871,909)
Total expenditures	<u>250,000,000</u>	<u>814,748,222</u>	<u>274,876,313</u>	<u>(539,871,909)</u>
Deficiency of revenues under expenditures	<u>(230,207,263)</u>	<u>(783,100,099)</u>	<u>(242,767,758)</u>	<u>540,332,341</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	30,500,000	38,150,000	38,121,540	(28,460)
Transfers out	(11,893,544)	(11,893,544)	(11,893,544)	-
Proceeds from sale of capital assets	-	11,572,848	11,572,848	-
Total other financing sources	<u>18,606,456</u>	<u>37,829,304</u>	<u>37,800,844</u>	<u>(28,460)</u>
Net change in fund balances	<u>(211,600,807)</u>	<u>(745,270,795)</u>	<u>(204,966,914)</u>	<u>540,303,881</u>
Fund balances--beginning	<u>732,945,276</u>	<u>732,945,276</u>	<u>732,945,276</u>	<u>-</u>
Fund balances--ending	<u>\$ 521,344,469</u>	<u>\$ (12,325,519)</u>	<u>\$ 527,978,362</u>	<u>\$ 540,303,881</u>

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Food sales	\$ 9,090,571	\$ 10,106,758	\$ 10,347,193	\$ 240,435
Interest income	800	1,986	2,064	78
Miscellaneous local sources	264,868	384,336	1,122,208	737,872
State matching funds	594,191	621,963	621,963	-
Child nutrition programs/Summer food program	101,843,297	94,721,810	94,559,441	(162,369)
Donated commodities	5,533,066	5,495,082	5,495,082	-
Total revenues	<u>117,326,793</u>	<u>111,331,935</u>	<u>112,147,951</u>	<u>816,016</u>
EXPENSES				
Current				
Food services	109,067,542	102,479,644	101,199,001	1,280,643
General administration	869,113	953,656	939,771	13,885
Plant maintenance and operations	5,941,018	4,509,047	4,900,750	(391,703)
Total expenses	<u>115,877,673</u>	<u>107,942,347</u>	<u>107,039,522</u>	<u>902,825</u>
Transfers out	-	-	(274,994)	(274,994)
Change in fund net assets	<u>1,449,120</u>	<u>3,389,588</u>	<u>4,833,435</u>	<u>1,443,847</u>
Total net assets-beginning	<u>6,324,881</u>	<u>6,474,121</u>	<u>3,827,131</u>	<u>(2,646,990)</u>
Total net assets-ending	<u>\$ 7,774,001</u>	<u>\$ 9,863,709</u>	<u>\$ 8,660,566</u>	<u>\$ (1,203,143)</u>

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Houston Independent School District



2012

Statistical Section

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. 54 in 2011 and governmental schedules include the new fund balance classifications.

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HISD

2012 Financial
Trends

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

Fiscal Year

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 849,051,723	\$ 607,088,046	\$ 683,024,510	\$ 606,423,128	\$ 519,175,036	\$ 457,203,250	\$ 374,202,924	\$ 350,980,270	\$ 336,444,250	\$ 364,547,643
Restricted	84,478,848	115,045,479	84,381,231	91,063,905	84,771,107	83,229,648	119,616,366	68,919,202	63,538,087	66,259,622
Unrestricted	683,841,354	754,037,910	589,054,667	632,251,253	704,719,212	643,682,650	486,330,160	370,591,748	312,889,416	273,186,920
Total governmental activities	<u>\$ 1,617,371,925</u>	<u>\$ 1,476,171,435</u>	<u>\$ 1,356,460,408</u>	<u>\$ 1,329,738,286</u>	<u>\$ 1,308,665,355</u>	<u>\$ 1,184,115,548</u>	<u>\$ 980,149,450</u>	<u>\$ 790,491,220</u>	<u>\$ 712,871,753</u>	<u>\$ 703,994,185</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 386,947	\$ 306,387	\$ 267,578	\$ 21,289,416	\$ 23,315,673	\$ 18,506,309	\$ 6,821,047	\$ 2,072,307	\$ 1,754,080	\$ 1,282,361
Restricted	8,423,522	-	-	-	-	16,171,618	35,179,989	45,795,138	46,072,980	37,085,672
Unrestricted	55,946,769	33,966,335	25,896,844	(6,253,630)	10,069,334	18,070,470	20,622,642	7,591,901	7,064,529	1,805,534
Total business-type activities	<u>\$ 64,757,238</u>	<u>\$ 34,272,722</u>	<u>\$ 26,164,422</u>	<u>\$ 15,035,786</u>	<u>\$ 33,385,007</u>	<u>\$ 52,748,397</u>	<u>\$ 62,623,678</u>	<u>\$ 55,459,346</u>	<u>\$ 54,891,589</u>	<u>\$ 40,173,567</u>
Total										
Invested in capital assets, net of related debt	\$ 849,438,670	\$ 607,394,433	\$ 683,292,088	\$ 627,712,544	\$ 542,490,709	\$ 475,709,559	\$ 381,023,971	\$ 353,052,577	\$ 338,198,330	\$ 365,830,004
Restricted	92,902,370	115,045,479	84,381,231	91,063,905	84,771,107	99,401,266	154,796,355	114,714,340	109,611,067	103,345,294
Unrestricted	739,788,123	788,004,245	614,951,511	625,997,623	714,788,546	661,753,120	506,952,802	378,183,649	319,953,945	274,992,454
Total net assets	<u>\$ 1,682,129,163</u>	<u>\$ 1,510,444,157</u>	<u>\$ 1,382,624,830</u>	<u>\$ 1,344,774,072</u>	<u>\$ 1,342,050,362</u>	<u>\$ 1,236,863,945</u>	<u>\$ 1,042,773,128</u>	<u>\$ 845,950,566</u>	<u>\$ 767,763,342</u>	<u>\$ 744,167,752</u>

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities:										
Instruction	\$ 1,059,621,975	\$ 1,183,179,760	\$ 1,181,805,764	\$ 1,153,304,979	\$ 1,069,343,618	\$ 1,023,779,666	\$ 947,935,194	\$ 933,918,916	\$ 930,845,794	\$ 914,481,999
Instructional resources and media services	9,156,011	16,023,275	17,261,306	21,093,535	14,693,279	14,613,972	14,736,164	15,801,797	18,750,969	17,716,445
Instructional staff development	63,721,103	54,518,931	67,113,124	66,556,702	59,859,578	51,047,354	55,255,485	63,482,263	62,502,617	73,517,087
Curriculum development	4,128,424	4,902,643	4,665,111	5,354,011	4,240,788	3,884,100	3,083,294	-	-	-
Instructional leadership	20,131,917	24,911,226	27,244,755	26,930,049	23,266,595	21,141,738	22,293,466	20,418,266	18,966,837	20,815,612
School leadership	117,065,506	128,978,440	130,773,278	132,667,937	124,181,161	110,863,454	106,405,451	105,468,250	105,683,747	103,621,499
Guidance, counseling, and evaluation services	54,065,013	57,842,064	62,038,198	49,789,308	50,166,310	43,580,525	40,525,569	32,396,704	34,996,379	42,073,627
Social work services	1,815,776	2,198,842	2,269,165	2,285,724	2,173,752	2,249,125	2,138,796	1,939,208	2,016,097	3,091,918
Health services	16,734,818	21,446,184	20,012,485	20,803,330	19,442,983	18,402,273	17,203,501	17,005,205	17,082,166	17,569,548
Student transportation services	47,554,907	51,893,718	49,177,482	49,161,505	47,790,724	41,696,460	43,702,468	40,416,249	43,522,146	48,408,754
Food service	3,188,052	3,008,334	4,048,882	2,804,934	1,462,442	332,218	941,755	1,778,372	975,323	1,937,675
Co-curricular/extracurricular activities	16,987,312	20,340,457	17,164,043	17,545,394	15,657,329	13,256,875	12,066,951	10,918,951	10,962,143	10,073,569
General administration	31,731,912	34,477,259	34,203,064	31,644,240	37,274,187	33,028,320	32,952,292	29,644,063	34,798,874	39,258,814
Plant maintenance and operations	171,545,597	173,578,807	175,125,622	199,198,108	184,483,175	177,779,835	170,512,035	143,380,615	139,279,051	139,444,950
Security and monitoring services	18,767,276	20,382,003	21,151,657	21,709,881	19,812,880	18,718,386	17,216,209	15,267,598	15,382,155	15,746,984
Data processing services	33,848,438	37,132,523	39,020,554	44,367,319	52,846,792	52,925,158	42,660,593	37,344,751	33,269,748	27,022,858
Community services	4,997,510	5,908,205	4,521,889	5,252,954	5,453,724	5,775,868	6,491,457	7,038,225	29,467,645	24,814,605
Interest and fiscal charges	113,712,948	107,186,397	104,870,409	106,192,056	95,791,571	104,069,875	84,212,243	96,987,675	77,167,895	93,432,099
Juvenile justice alternative education program	984,270	-	551,243	667,494	762,071	329,541	1,759,380	898,122	1,530,366	1,222,126
Facilities acquisition and construction	-	-	-	-	-	-	-	-	9,778,522	54,889,358
Tax reinvestment zone payments	52,834,027	49,634,345	54,620,528	35,104,450	32,754,533	32,221,847	30,446,611	29,213,095	-	-
Tax appraisal and collection	9,775,757	9,797,218	9,876,688	9,629,776	-	-	-	-	-	-
Total governmental activities expenses	<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>	<u>1,652,538,914</u>	<u>1,603,298,325</u>	<u>1,586,978,474</u>	<u>1,649,139,527</u>
Business-type activities:										
Food service	105,832,493	115,099,249	107,858,328	109,347,648	109,520,238	98,727,038	93,755,731	87,901,512	85,377,243	77,752,666
Business development	10,136,636	10,845,529	9,397,281	9,594,698	9,759,385	9,655,656	9,975,550	11,504,388	10,862,742	8,845,388
Medicaid	2,130,061	1,637,317	1,652,331	1,430,670	1,262,940	1,163,888	2,189,490	1,590,650	2,578,117	1,318,608
Marketplace	599,041	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<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>	<u>105,920,771</u>	<u>100,996,550</u>	<u>98,818,102</u>	<u>87,916,662</u>
Total expenses	<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>	<u>\$ 1,758,459,685</u>	<u>\$ 1,704,294,875</u>	<u>\$ 1,685,796,576</u>	<u>\$ 1,737,056,189</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 891,197	\$ 840,370	\$ 924,253	\$ 817,212	\$ 863,005	\$ 560,736	\$ 601,248	\$ 212,937	\$ 345,807	\$ 702,620
Food service	-	-	-	-	-	-	-	-	-	240,694
Co-curricular/extracurricular activities	1,003,509	592,192	607,204	611,688	389,723	255,387	799,492	507,209	528,963	967,260
Plant maintenance and operations	620,570	525,656	561,756	456,395	502,987	511,377	431,318	384,540	496,196	359,981
Operating grants and contributions	369,299,966	445,161,872	458,717,421	355,444,861	343,082,215	339,591,240	358,241,315	307,780,176	302,207,002	312,508,020
Total governmental entities program revenues	<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>	<u>360,073,373</u>	<u>308,884,862</u>	<u>303,577,968</u>	<u>314,778,575</u>
Business-type activities:										
Charges for services:										
Food service	10,347,193	9,645,209	10,632,279	12,814,355	14,512,444	15,334,128	15,272,481	14,285,756	15,208,335	15,691,341
Business development	11,006,871	11,251,482	10,518,232	10,588,704	10,286,253	10,698,365	10,812,621	11,923,323	12,521,850	9,369,647
Medicaid	2,282,917	2,719,083	1,984,651	1,366,900	1,144,819	2,821,622	1,013,606	505,588	972,670	1,005,931
Marketplace	100,823	-	-	-	-	-	-	-	-	-
Operating grants and contributions	162,517,103	141,623,302	115,040,272	89,392,353	86,398,461	80,288,177	88,567,119	77,965,153	84,601,698	78,622,610
Total business-type activities program revenues	<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>	<u>115,665,827</u>	<u>104,679,820</u>	<u>113,304,553</u>	<u>104,689,529</u>
Total program revenues	<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>	<u>\$ 475,739,200</u>	<u>\$ 413,564,682</u>	<u>\$ 416,882,521</u>	<u>\$ 419,468,104</u>
Net (Expense)/Revenue										
Governmental activities	\$ (1,480,553,307)	\$ (1,560,220,541)	\$ (1,566,704,613)	\$ (1,644,733,530)	\$ (1,516,619,562)	\$ (1,428,777,850)	\$ (1,292,465,541)	\$ (1,294,413,463)	\$ (1,283,400,506)	\$ (1,334,360,952)
Business-type activities	67,556,676	37,656,981	19,267,494	(6,210,704)	(8,200,586)	(404,290)	9,745,056	3,683,270	14,486,451	16,772,867
Total net expense	<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>	<u>\$ (1,282,720,485)</u>	<u>\$ (1,290,730,193)</u>	<u>\$ (1,268,914,055)</u>	<u>\$ (1,317,588,085)</u>

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net (Expense)/Revenue										
Governmental activities	\$ (1,480,553,307)	\$ (1,560,220,541)	\$ (1,566,704,613)	\$ (1,644,733,530)	\$ (1,516,619,562)	\$ (1,428,777,850)	\$ (1,292,465,541)	\$ (1,294,413,463)	\$ (1,283,400,506)	\$ (1,334,360,952)
Business-type activities	67,556,676	37,656,981	19,267,494	(6,210,704)	(8,200,586)	(404,290)	9,745,056	3,683,270	14,486,451	16,772,867
Total net expense	\$ (1,412,996,631)	\$ (1,522,563,560)	\$ (1,547,437,119)	\$ (1,650,944,234)	\$ (1,524,820,148)	\$ (1,429,182,140)	\$ (1,282,720,485)	\$ (1,290,730,193)	\$ (1,268,914,055)	\$ (1,317,588,085)
General Revenues										
Governmental activities:										
Taxes:										
Maintenance & operations property taxes	\$ 992,624,091	\$ 1,027,522,513	\$ 1,065,193,515	\$ 1,058,019,228	\$ 936,378,261	\$ 1,110,688,088	\$ 1,104,517,658	\$ 1,035,597,439	\$ 999,621,411	\$ 967,995,582
Debt service property taxes	147,135,700	151,859,268	157,268,604	158,048,285	140,629,766	125,130,825	128,983,844	106,730,488	90,096,030	86,722,125
State aid - not restricted to specific programs	361,077,829	393,524,758	317,029,674	365,108,678	435,758,303	286,432,562	144,072,792	159,812,201	167,739,282	212,887,113
Tax increment reinvestment zone	31,010,087	43,023,511	21,653,331	20,562,533	18,954,929	21,379,916	16,602,724	17,457,486	14,789,089	-
Payment in lieu of taxes (PILOT)	-	-	-	-	-	-	-	-	-	14,747,423
Unrestricted investment earnings	3,780,140	4,255,542	7,127,247	26,927,592	48,972,905	56,967,051	38,502,067	27,140,246	5,150,398	10,621,967
Miscellaneous	47,425,950	29,345,976	16,018,276	23,940,145	13,112,562	18,945,507	44,544,686	20,348,053	14,381,864	18,673,706
Transfers	38,700,000	30,400,000	9,136,088	13,200,000	13,200,000	13,200,000	4,900,000	4,947,017	500,000	4,100,000
Total governmental activities	1,621,753,797	1,679,931,568	1,593,426,735	1,665,806,461	1,607,006,726	1,632,743,949	1,482,123,771	1,372,032,930	1,292,278,074	1,315,747,916
Business-type activities:										
Unrestricted investment earnings	109,681	88,424	58,983	219,246	1,055,550	2,510,034	1,679,910	1,132,786	282,105	484,172
Miscellaneous	1,518,159	762,895	938,247	842,237	981,646	1,218,975	639,366	698,718	449,466	315,497
Transfers	(38,700,000)	(30,400,000)	(9,136,088)	(13,200,000)	(13,200,000)	(13,200,000)	(4,900,000)	(4,947,017)	(500,000)	(4,100,000)
Total business-type activities	(37,072,160)	(29,548,681)	(8,138,858)	(12,138,517)	(11,162,804)	(9,470,991)	(2,580,724)	(3,115,513)	231,571	(3,300,331)
Total general revenues	\$ 1,584,681,637	\$ 1,650,382,887	\$ 1,585,287,877	\$ 1,653,667,944	\$ 1,595,843,922	\$ 1,623,272,958	\$ 1,479,543,047	\$ 1,368,917,417	\$ 1,292,509,645	\$ 1,312,447,585
Change in Net Assets										
Governmental activities	\$ 141,200,490	\$ 119,711,027	\$ 26,722,122	\$ 21,072,931	\$ 90,387,164	\$ 203,966,099	\$ 189,658,230	\$ 77,619,467	\$ 8,877,568	\$ (18,613,036)
Business-type activities	30,484,516	8,108,300	11,128,636	(18,349,221)	(19,363,390)	(9,875,281)	7,164,332	567,757	14,718,022	13,472,536
Total change in net assets	\$ 171,685,006	\$ 127,819,327	\$ 37,850,758	\$ 2,723,710	\$ 71,023,774	\$ 194,090,818	\$ 196,822,562	\$ 78,187,224	\$ 23,595,590	\$ (5,140,500)

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

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund Balances										
Reserved	\$ -	\$ -	\$ 45,515,835	\$ 45,001,452	\$ 42,513,114	\$ 26,848,233	\$ 54,911,199	\$ 19,893,679	\$ 20,390,258	\$ 26,178,804
Unreserved	-	-	406,635,723	432,413,584	481,171,886	430,916,041	297,640,942	236,997,970	186,911,060	188,918,051
Nonspendable	11,274,260	8,535,501	-	-	-	-	-	-	-	-
Restricted	25,294,791	23,746,635	-	-	-	-	-	-	-	-
Committed	78,974,229	100,954,015	-	-	-	-	-	-	-	-
Assigned	124,225,921	92,059,275	-	-	-	-	-	-	-	-
Unassigned	312,621,371	257,315,672	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 552,390,572</u>	<u>\$ 482,611,098</u>	<u>\$ 452,151,558</u>	<u>\$ 477,415,036</u>	<u>\$ 523,685,000</u>	<u>\$ 457,764,274</u>	<u>\$ 352,552,141</u>	<u>\$ 256,891,649</u>	<u>\$ 207,301,318</u>	<u>\$ 215,096,855</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ 395,538,459	\$ 307,660,468	\$ 223,817,813	\$ 242,325,365	\$ 88,502,799	\$ 79,551,972	\$ 70,992,715	\$ 73,225,482
Unreserved, reported in:										
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	421,316,266	519,607,891	533,347,344	334,069,935
Public Facility Corporation	-	-	54,519,448	1,321,516	3,291,731	8,953,511	28,981,083	26,090	25,735	25,900
Restricted, reported in:										
Special Revenue Fund	25,445,723	9,703,595	-	-	-	-	-	-	-	-
Debt Service Fund	144,143,368	131,866,758	-	-	-	-	-	-	-	-
Capital Renovations Fund	376,547,064	553,805,808	-	-	-	-	-	-	-	-
Public Facility Corporation	6,817,756	17,857,956	-	-	-	-	-	-	-	-
Committed reported in:										
Capital Renovations Fund	93,542,185	124,962,185	-	-	-	-	-	-	-	-
Assigned reported in:										
Capital Renovations Fund	57,889,113	54,177,283	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 704,385,209</u>	<u>\$ 892,373,585</u>	<u>\$ 1,078,405,773</u>	<u>\$ 728,445,417</u>	<u>\$ 768,659,830</u>	<u>\$ 419,656,023</u>	<u>\$ 538,800,148</u>	<u>\$ 599,185,953</u>	<u>\$ 604,365,794</u>	<u>\$ 407,321,317</u>

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

For the fiscal 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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Local sources:										
Property taxes	\$ 1,199,168,635	\$ 1,188,465,129	\$ 1,223,132,904	\$ 1,210,370,148	\$ 1,091,125,248	\$ 1,245,492,112	\$ 1,226,814,245	\$ 1,145,279,404	\$ 1,084,428,925	\$ 1,045,883,756
Earnings on investments	3,405,057	3,976,620	6,459,794	24,159,405	43,487,742	50,658,097	34,976,787	25,065,026	4,590,871	9,827,553
Miscellaneous local sources	73,964,248	68,656,990	43,483,510	52,811,748	42,747,211	44,189,252	50,131,080	39,701,826	64,820,496	65,406,784
Total local sources	<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>	<u>1,311,922,112</u>	<u>1,210,046,256</u>	<u>1,153,840,292</u>	<u>1,121,118,093</u>
State sources:										
Per capita	46,005,198	59,890,994	21,511,001	46,266,828	50,818,130	74,173,561	59,912,227	75,338,375	64,291,710	70,840,398
Foundation school program	327,816,675	369,544,820	318,014,257	353,795,852	446,442,074	246,773,526	108,423,690	109,263,401	127,309,758	169,341,688
On behalf payments	57,774,897	69,305,020	70,403,585	70,039,599	66,124,556	57,370,533	53,119,273	52,474,105	54,069,407	55,098,490
Other state sources	49,854,401	23,520,135	29,475,244	28,708,318	24,064,692	25,265,104	28,980,856	22,520,377	23,186,757	61,555,493
Total state sources	<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>	<u>250,436,046</u>	<u>259,596,258</u>	<u>268,857,632</u>	<u>356,836,069</u>
Federal sources	246,425,350	319,183,246	330,383,551	215,127,489	196,167,602	203,612,829	229,693,231	177,873,361	165,637,062	135,869,750
Total revenues	<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>	<u>\$ 1,792,051,389</u>	<u>\$ 1,647,515,875</u>	<u>\$ 1,588,334,986</u>	<u>\$ 1,613,823,912</u>

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

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	\$ 1,013,494,213	\$ 1,101,162,131	\$ 1,107,406,037	\$ 1,078,428,648	\$ 1,006,125,503	\$ 959,716,749	\$ 907,371,062	\$ 893,562,004	\$ 896,329,665	\$ 893,898,796
Instructional resources and media services	11,555,276	16,381,158	17,801,466	23,903,416	14,576,095	14,646,808	14,559,019	15,547,917	18,730,730	20,494,797
Instructional staff development	63,856,333	54,263,839	66,453,364	65,418,777	58,784,175	53,039,238	55,949,048	63,504,891	63,029,532	76,188,974
Curriculum development	4,201,940	4,890,219	4,614,962	5,277,650	4,223,455	3,944,213	2,882,377	-	-	-
Instructional leadership	21,599,188	24,888,930	27,261,578	26,410,595	22,956,610	21,082,513	22,306,923	20,512,882	19,275,199	21,746,049
School leadership	119,183,528	128,698,374	130,265,164	130,502,940	123,562,633	112,313,652	107,458,174	105,971,373	106,576,188	105,510,779
Guidance, counseling, and evaluation services	56,123,250	57,677,493	61,156,891	48,002,187	49,384,323	45,171,367	40,846,596	32,572,182	35,627,384	42,725,877
Social work services	1,846,464	2,192,944	2,264,505	2,230,353	2,164,007	2,274,594	2,158,785	1,950,809	2,036,549	3,141,373
Health services	17,042,335	21,422,280	19,954,632	20,532,155	19,345,991	18,679,880	17,414,666	17,110,545	17,307,813	17,867,998
Student transportation	47,175,230	48,240,258	52,000,103	52,242,760	42,442,213	47,201,457	40,041,071	36,659,121	47,348,059	57,078,975
Food services	583,260	131,151	10,879,396	1,906,326	212,168	309,294	917,782	1,755,110	951,539	1,916,183
Co-curricular/extracurricular activities	17,217,488	20,289,786	16,699,117	16,647,786	14,773,408	14,046,806	12,642,612	11,077,343	11,404,264	10,354,586
General administration	32,363,024	33,915,789	33,095,416	29,752,854	35,564,385	31,768,477	34,895,412	29,421,216	35,094,266	38,978,500
Plant maintenance and operations	172,762,187	175,450,003	173,340,380	198,821,677	183,181,687	178,436,705	169,987,554	141,673,653	138,584,290	140,088,041
Security and monitoring services	18,835,057	20,264,492	20,748,092	21,125,694	19,551,020	19,335,915	17,390,324	15,244,512	15,495,847	16,430,370
Data processing services	27,338,836	26,180,383	24,825,952	30,531,146	33,692,358	35,621,196	32,536,397	27,066,680	51,875,733	46,335,585
Community services	5,087,450	5,890,353	4,506,100	5,166,207	5,431,534	5,828,886	6,569,262	7,055,659	29,520,127	24,950,870
Juvenile justice alternative education program	984,270	-	551,243	667,494	762,071	329,541	1,759,380	898,122	1,530,366	1,222,126
Tax reinvestment zone payments	52,834,027	49,634,345	54,620,528	35,104,450	32,754,533	32,221,847	30,446,611	29,213,095	-	-
Tax appraisal and collection	9,775,757	9,797,218	9,876,688	9,629,776	-	-	-	-	-	-
Debt service										
Principal	74,639,997	71,034,340	90,918,150	101,872,999	96,190,448	71,385,689	53,862,694	50,195,486	56,081,833	50,827,141
Interest	142,211,510	141,891,751	114,632,129	113,535,871	98,297,459	99,841,543	91,404,009	78,838,653	60,384,681	60,199,144
Payments to escrow agent- current refunding	186,455,000	-	-	-	-	-	-	-	-	-
Capital outlay										
Facilities acquisition and construction	287,682,245	294,750,604	175,974,734	97,697,019	127,692,090	235,137,735	306,600,491	248,408,891	111,471,496	150,702,316
Intergovernmental charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 2,384,847,865	\$ 2,309,047,841	\$ 2,219,846,627	\$ 2,115,408,780	\$ 1,991,668,166	\$ 2,002,334,105	\$ 1,970,000,249	\$ 1,828,240,144	\$ 1,718,655,561	\$ 1,780,658,480
Debt service as a percentage of non-capital expenditures	11.48%	10.55%	10.14%	10.81%	10.64%	10.00%	8.96%	8.34%	7.55%	7.13%

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

During fiscal year 2011-2012 a current refunding in the amount of \$186,455,000 was completed. The payment to the escrow agent is not included in the debt service (principal and interest) total utilized for the debt service expenditure percentage. The \$186,455,000 refunding amount has also been deducted from non-capital expenditures in order to insure comparability with prior years.

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

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

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Excess of revenues under expenditures	\$ (380,433,404)	\$ (206,504,887)	\$ (175,867,683)	\$ (114,129,393)	\$ (30,690,911)	\$ (54,799,091)	\$ (177,948,861)	\$ (180,724,269)	\$ (130,320,575)	\$ (166,834,568)
Other Financing Sources (Uses)										
Capital leases	-	55,772	-	62,307	93,514	47,521	97,233	145,344	45,844	369,161
Issuance of bonds and other debt	205,580,000	14,500,000	479,520,000	28,660,000	413,325,000	320,964,999	594,975,000	528,662,757	320,598,660	306,320,674
Payments to escrow agents	-	-	-	(30,958,706)	-	(329,420,511)	(457,745,910)	(306,205,779)	-	(83,195,000)
Premium on sale of bonds	6,371,654	727,960	7,332,903	17,340,279	12,074,080	23,422,005	28,065,527	-	-	-
Discount on sale of bonds	-	-	(115,214)	-	-	-	-	-	-	-
Proceeds from sale of capital assets	11,572,848	4,748,507	4,871,945	91,136	1,204,181	14,096,012	44,715,874	-	-	-
Transfers in	144,071,182	150,794,392	112,085,429	103,858,212	100,241,208	120,880,779	61,323,872	43,065,372	30,632,531	33,365,899
Transfers out	(105,371,182)	(119,894,392)	(102,015,404)	(91,408,212)	(88,484,735)	(109,123,706)	(58,208,048)	(40,532,935)	(31,707,520)	(29,265,899)
Total other financing sources	262,224,502	50,932,239	501,679,659	27,645,016	438,453,248	40,867,099	213,223,548	225,134,759	319,569,515	227,594,835
Net change in fund balances	\$ (118,208,902)	\$ (155,572,648)	\$ 325,811,976	\$ (86,484,377)	\$ 407,762,337	\$ (13,931,992)	\$ 35,274,687	\$ 44,410,490	\$ 189,248,940	\$ 60,760,267

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

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2013-2014
GENERAL AND SPECIAL REVENUE FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

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

Account Number	Account Name	School Board	Tax Collection	Supt's Office	Indirect Cost	Direct Cost	Miscellaneous	Total
611X-6146	Payroll Costs	\$ 243,297	\$ -	\$ 525,284	\$ 30,877,226	\$ 1,729,075	\$ -	\$ 33,374,882
6149	Fringe Benefits (Unused Leave Only for Separating Employees in Function 41 and Related 53)				385,809			385,809
6149	Fringe Benefits (Unused Leave Only for Separating Employees in all Functions except Function 41 and Related 53)				6,076,737			6,076,737
6211	Legal Services	-	-	4,921,491		-		4,921,491
6212	Audit Services				492,500			492,500
6213	Tax Appraisal & Collection (Appraisal district costs only from function 99)		9,775,757					9,775,757
6214	Lobbying				118,800			118,800
621X	Other Professional Services	-	-	-	51,767	-	-	51,767
6220	Tuition & Transfer Payments							-
6230	Education Service Centers	-	-	-	33,000	-	-	33,000
6240	Contracted Maintenance & Repair					3,542,875		3,542,875
6250	Utilities					-		-
6260	Rentals	-	-	-	107,629	12,185	-	119,814
6290	Miscellaneous Contract	39,718	-	2,133	9,378,476	89,739	-	9,510,066
6320	Textbooks and Reading	20	-	148	45,991	424	-	46,583
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	5,267	-	2,082	332,041	70,012	52,274	461,676
6410	Travel, Subsistence, Stipends	30,777	-	-	344,637	249,082	-	624,496
6420	Insurance & Bonding Costs	-	-	-	79,972	-	-	79,972
6430	Election Costs	177,930						177,930
6490	Miscellaneous Operating	77,902	-	2,554	321,091	10,139	-	411,686
6500	Debt Service							-
6600	Capital Outlay						3,005,659	3,005,659

6000	TOTAL	\$ 574,911	\$ 9,775,757	\$ 5,453,692	\$ 48,645,676	\$ 5,703,531	\$ 3,057,933	\$ 73,211,500
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Total expenditures/expenses for General and Special Revenue Funds (plus Food Service Enterprise Fund if present) \$ 1,785,042,336

Less: Deductions of Unallowable Costs
FISCAL YEAR

Total Capital Outlay (6600)	\$ 36,974,047
Total Debt & Lease (6500)	\$ 423,233
Plant Maintenance (Function 51, 6100-6400)	\$ 171,461,463
Food	\$ 39,608,451
Stipends (6413)	\$ -
Column 4 (above) - Total Indirect Cost	\$ 48,645,676
Subtotal:	\$ 297,112,870

Net Allowed Direct Cost \$ 1,487,929,466

CUMULATIVE

Total Cost of Buildings before Depreciation	\$ 3,122,123,258
Historical Cost of Buildings over 50 years old	\$ 1,574,551,452
Amount of Federal Money in Building Cost (Net of Above)	\$ 1,943,287
Total Cost of Furniture & Equipment before Depreciation	\$ 327,083,133
Historical Cost of Furniture & Equipment over 16 years old	\$ 18,129,860
Amount of Federal Money in Furniture & Equipment (Net of Above)	\$ 1,484,514

Note A - \$24,056,212 in Function 53 expenditures are included in this report on administrative costs.
\$9,775,757 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.



HISD

2012 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
2003	\$ 64,030,944,440	\$ 14,397,788,600	\$ 10,152,577,550	\$ 68,276,155,490	\$ 1.580000	\$ N/A
2004	68,113,266,230	13,864,428,060	10,952,000,430	71,025,693,860	1.580000	N/A
2005	70,978,259,360	13,971,914,230	11,681,949,360	73,268,224,230	1.599000	N/A
2006	75,597,802,444	24,343,574,718	22,311,689,107	77,629,688,055	1.620000	101,680,400,781
2007	83,285,173,149	25,588,015,541	23,692,707,260	85,180,481,430	1.475700	110,419,741,124
2008	93,961,302,124	28,315,796,050	25,702,472,754	96,574,625,420	1.156700	124,486,331,244
2009	105,657,356,884	32,425,515,427	29,974,212,713	108,108,659,598	1.156700	140,724,820,111
2010	106,785,580,557	34,085,106,917	31,806,317,766	109,064,369,708	1.156700	142,508,918,121
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

SOURCE: Harris County Appraisal District

NOTE: The real property numbers were derived by using the tax roll for the necessary year and adding the totals for all items designated as "real" in the category description. Personal property represents items not identified as "real" in the category description. Actual value is the market value as reported by HCAD. HCAD did not provide market value figures prior to fiscal year 2006.

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

Fiscal Year	District Direct Rates			Overlapping Rates								Various Harris County MUD'S	
	General Fund	Debt Service Fund	Total	Harris County	City of Houston	City of Bellaire	Jacinto City	Missouri City	City of Southside Place	City of West University Place	Houston Community College		
2003	\$ 1.450000	\$ 0.130000	\$ 1.580000	\$ 0.646270	\$ 0.655000	\$ 0.490000	\$ 0.899000	\$ 0.491460	\$ 0.215000	\$ 0.430000	\$ 0.081330	\$ 0.144000	- 1.500000
2004	1.450000	0.130000	1.580000	0.646270	0.655000	0.480000	0.819000	0.510000	0.215000	0.447000	0.081000	0.144000	- 1.500000
2005	1.450000	0.149000	1.599000	0.646270	0.650000	0.480000	0.807000	0.501650	0.215000	0.440000	0.095770	0.144000	- 1.500000
2006	1.450000	0.170000	1.620000	0.646270	0.647500	0.470000	0.831570	0.498000	0.230000	0.430000	0.095770	0.143500	- 1.460000
2007	1.325700	0.150000	1.475700	0.646270	0.645000	0.440000	0.708800	0.494500	0.230000	0.402000	0.095180	0.143500	- 1.430000
2008	1.006700	0.150000	1.156700	0.635833	0.643750	0.400000	0.671745	0.499260	0.251360	0.366000	0.092433	0.143500	- 1.380000
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

SOURCE: Harris County Appraisal District and Missouri City.

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

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

Taxpayer	Fiscal Year Ending 2012				Fiscal Year Ending 2003			
	Assessed	Rank	Percentage of Total Assessed		Assessed	Rank	Percentage of Total Assessed	
	<u>Value</u>		<u>Value</u>		<u>Value</u>		<u>Value</u>	
Centerpoint Energy Inc.	\$ 994,160,247	1	0.9388 %		\$ 814,270,830	1	1.2319 %	
Hines Interests Ltd Partnership	967,625,584	2	0.9138		758,565,680	2	1.1476	
Crescent Real Estate	624,333,974	3	0.5896		471,496,610	5	0.7133	
Chevron Chemical CO	607,186,954	4	0.5734		-		-	
Anheuser Busch Inc.	366,424,086	5	0.3460		485,107,080	4	0.7339	
Southwestern Bell Telephone Co.	329,456,620	6	0.3111		578,867,530	3	0.8757	
HG Galleria I II III LP	319,442,735	7	0.3017		227,449,310	10	0.3441	
Exxon Corp.	300,170,660	8	0.2835		269,218,590	9	0.4073	
Continental Airlines Inc.	251,726,205	9	0.2377		326,389,070	7	0.4938	
Metropolitan Life	247,958,868	10	0.2342		-		-	
Trizechahn Allen Center L.P.	-		-		334,426,680	6	0.5059	
Pacifico Antonio & Trustee	-		-		301,983,230	8	0.4569	
Total	<u>\$ 5,008,485,933</u>		<u>4.7298 %</u>		<u>\$ 4,567,774,610</u>		<u>6.9104 %</u>	

SOURCE:

Harris County Appraisal District.

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 1,044,932,755	\$ 997,991,282	95.51%	\$ 34,654,812	\$ 1,032,646,094	98.82%
2004	1,084,552,525	1,036,585,717	95.58%	34,808,848	1,071,394,565	98.79%
2005	1,130,129,601	1,083,971,673	95.92%	32,950,584	1,116,922,257	98.83%
2006	1,212,486,814	1,153,120,067	95.10%	49,213,658	1,202,333,725	99.16%
2007	1,217,856,993	1,166,203,551	95.76%	37,181,699	1,203,385,250	98.81%
2008	1,080,025,653	1,037,984,301	96.11%	23,437,233	1,061,421,534	98.28%
2009	1,209,859,983	1,166,266,392	96.40%	17,291,778	1,183,558,170	97.83%
2010	1,220,831,835	1,181,471,318	96.78%	15,040,335	1,196,511,653	98.01%
2011	1,169,639,727	1,137,633,695	97.26%	12,158,609	1,149,792,304	98.30%
2012	1,189,044,360	1,161,106,348	97.65%	-	1,161,106,348	97.65%

SOURCE: Harris County Tax Assessor

**HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(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							
2003 and prior	\$ Various	\$ Various	\$ Various	\$ 26,116,922	\$ -	\$ (957,516)	\$ (94,699)	\$ (7,302,643)	\$ 17,762,064
2004	1.450000	0.130000	71,025,693,860	7,620,610	-	(207,865)	(18,636)	(200,357)	7,193,752
2005	1.450000	0.149000	73,268,224,230	8,695,151	-	(318,240)	(32,702)	(241,514)	8,102,695
2006	1.450000	0.170000	77,629,688,055	8,904,672	-	(466,688)	(54,715)	(380,157)	8,003,112
2007	1.325700	0.150000	85,180,481,430	8,957,941	-	(963,038)	(108,966)	(33,326)	7,852,611
2008	1.006700	0.150000	96,574,625,420	8,337,246	-	(1,286,022)	(191,620)	86,189	6,945,793
2009	1.006700	0.150000	108,108,659,598	11,458,286	-	(1,532,749)	(228,382)	(1,050,159)	8,646,996
2010	1.006700	0.150000	109,064,369,708	16,166,442	-	(2,244,209)	(334,391)	(3,061,278)	10,526,564
2011	1.006700	0.150000	104,439,029,647	40,481,851	-	(10,581,890)	(1,576,719)	(14,872,920)	13,450,322
2012	1.006700	0.150000	105,895,088,157	-	1,189,044,360	(1,010,534,936)	(150,571,412)	5,041,936	32,979,948
1000	TOTAL			\$ 136,739,121	\$ 1,189,044,360	\$ (1,029,093,153)	\$ (153,212,242)	\$ (22,014,229)	\$ 121,463,857
9000	Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code			\$ -	\$ -	\$ (40,154,694)	\$ (3,455,051)	\$ -	\$ (43,609,745)

Notes: In 2003 and subsequent years, the adjustment of frozen homestead exemptions for taxpayers 65 years and older was made directly to the levy figure rather than included with the adjustment column. The frozen homestead exemption for fiscal year 2012 is \$35,844,125.

The June 30, 2012 delinquent taxes receivable balance of \$121,463,857 represents gross taxes receivable and is not reduced by estimated uncollectible taxes of \$84,529,297.

Year-end receivable figure includes \$4,941,983 deposits in transit.

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2012 Debt Capacity

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt Limit	\$ 8,631,049,053	\$ 8,512,372,059	\$ 8,889,363,460	\$ 8,811,467,672	\$ 7,871,378,600	\$ 7,308,096,183	\$ 6,660,272,605	\$ 6,286,078,933	\$ 6,093,680,071	\$ 5,857,782,240
Total Net Debt Applicable to Limit	2,295,333,491	2,372,615,315	2,465,000,969	2,087,126,981	2,191,952,584	1,871,194,655	1,975,707,600	1,866,832,565	1,603,201,860	1,329,937,318
Legal Debt Margin	<u>\$ 6,335,715,562</u>	<u>\$ 6,139,756,744</u>	<u>\$ 6,424,362,491</u>	<u>\$ 6,724,340,691</u>	<u>\$ 5,679,426,016</u>	<u>\$ 5,436,901,528</u>	<u>\$ 4,684,565,005</u>	<u>\$ 4,419,246,368</u>	<u>\$ 4,490,478,211</u>	<u>\$ 4,527,844,922</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.59%	27.87%	27.73%	23.69%	27.85%	25.60%	29.66%	29.70%	26.31%	22.70%

Legal Debt Margin Calculation for Fiscal Year 2012:

Assessed Value	\$105,895,088,157
Maximum Tax Rate (1)	\$0.50
Number of Years (2)	40
Maximum Principal	\$ -
Outstanding Principal (3)	\$ 2,295,333,491

Notes:

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

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

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

(4) Prior year debt has been restated to be net of accreted values, unamortized premiums/discounts, and unamortized deferred gains or losses on refundings.

**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 (2)	Less Restricted For Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (3)	Net Bonded Debt Per Student (4)	Ratio of Debt to Personal Income (5)	Net Bonded Debt Per Capita (6)
2003	\$ 1,389,141,293	\$ 59,203,975	\$ 1,329,937,318	1.95	\$ 6,280	0.73	\$ 257
2004	1,666,131,005	62,929,145	1,603,201,860	2.26	7,592	0.83	304
2005	1,916,508,643	49,676,078	1,866,832,565	2.55	8,956	0.91	347
2006	2,029,108,977	53,401,377	1,975,707,600	2.55	9,414	0.90	359
2007	1,934,143,734	62,949,079	1,871,194,655	2.20	9,221	0.78	331
2008	2,251,676,435	59,723,851	2,191,952,584	2.27	10,985	0.85	378
2009	2,151,759,067	64,632,086	2,087,126,981	1.93	10,461	0.80	351
2010	2,520,469,494	55,468,525	2,465,000,969	2.26	12,267	0.91	404
2011	2,453,286,391	80,671,076	2,372,615,315	2.27	11,671	0.84	379
2012	2,375,354,550	80,021,059	2,295,333,491	2.17	11,386	0.80	366

Notes: (1) All prior years have been restated to be net of accreted values, unamortized premiums/discounts, and unamortized deferred gains or losses on refundings. Debt service fund balances have been restated for the portion applicable to principal payments only.

(2) Includes general obligation bonds and 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.

(3) See assessed value and actual value of taxable property schedule.

(4) See student information schedule.

(5) See personal income of demographic information schedule.

(6) See population of demographic information schedule.

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

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Outstanding as of</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to the District</u>
<u>Overlapping :</u>				
Bellaire, City of	\$ 67,750,000	06/30/12	100.00%	\$ 67,750,000
Harris County	2,452,281,628	06/30/12	38.36%	940,695,233
Harris County Dept of Ed	7,795,000	06/30/12	38.36%	2,990,162
Harris County Flood Control	100,020,000	06/30/12	38.36%	38,367,672
Harris County ID #1	10,835,000	06/30/12	100.00%	10,835,000
Harris County MUD #122	2,545,000	06/30/12	100.00%	2,545,000
Harris County MUD #355	11,795,000	06/30/12	100.00%	11,795,000
Harris County MUD #390	18,025,000	06/30/12	100.00%	18,025,000
Harris County MUD #393	8,840,000	06/30/12	90.01%	7,956,884
Harris County MUD #407	5,735,000	06/30/12	100.00%	5,735,000
Harris County MUD #410	7,245,000	06/30/12	27.76%	2,011,212
Harris County MUD #411	4,360,000	06/30/12	100.00%	4,360,000
Harris County MUD #420	4,065,000	06/30/12	100.00%	4,065,000
Harris County MUD #460	2,250,000	06/30/12	100.00%	2,250,000
Harris County WC&ID #89	39,785,000	06/30/12	100.00%	39,785,000
Harris County WC&ID (Fondren Road)	2,790,000	06/30/12	100.00%	2,790,000
Houston, Community College	285,310,000	06/30/12	84.21%	240,259,551
Houston, City of	3,207,460,000	06/30/12	64.87%	2,080,679,302
Jacinto City, City of	5,230,000	06/30/12	35.71%	1,867,633
Missouri City, City of	158,840,000	06/30/12	4.60%	7,306,640
Port of Houston Authority	745,874,397	06/30/12	38.36%	286,117,419
Southside Place, City of	7,385,000	06/30/12	100.00%	7,385,000
Southwest Harris Co. MUD #1	2,300,000	06/30/12	100.00%	2,300,000
West University Place, City of	73,800,000	06/30/12	100.00%	73,800,000
SUBTOTAL OVERLAPPING DEBT				<u><u>3,861,671,707</u></u>
<u>Direct :</u>				
Houston Independent School District				<u><u>2,431,336,393</u></u>
TOTAL DIRECT AND OVERLAPPING DEBT				<u><u>\$ 6,293,008,100</u></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	\$ 2,096,968,578
Notes	60,540,000
Contractual Obligations	74,975,000
PFC debt	112,931,432
Accretion of HISD CABS	100,822,328
Accretion of PFC CABS	31,567,995
Premium/discount on debt	38,052,425
Deferred loss on refundings	(4,528,574)
Capital leases payable	28,268
Debt Service balance	(80,021,059)
	<u><u>\$ 2,431,336,393</u></u>

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

<u>Fiscal Year Ended</u>	<u>General Obligation Bonds</u>	<u>Lease Revenue Bonds</u>	<u>Contractual Obligations</u>	<u>Notes Payable</u>	<u>Capital Leases</u>	<u>Less Restricted For Debt Service (2)</u>	<u>Total Primary Government</u>	<u>Ratio of Debt to Assessed Value (3)</u>	<u>Debt Per Student (4)</u>	<u>Percentage of Personal Income (5)</u>	<u>Debt Per Capita (6)</u>
2003	\$ 1,284,327,622	\$ 104,813,671	\$ 65,195,000	\$ 112,875,000	\$ 370,153	\$ 59,203,975	\$ 1,508,377,471	2.21	\$ 7,123	0.83%	\$ 291
2004	1,566,411,442	99,719,563	66,580,000	108,500,000	223,423	62,929,145	1,778,505,283	2.50	8,423	0.92%	337
2005	1,819,671,115	96,837,528	63,163,619	46,657,136	174,135	49,676,078	1,976,827,455	2.70	9,483	0.96%	367
2006	1,901,666,475	127,442,502	64,258,384	36,911,256	174,955	53,401,377	2,077,052,195	2.68	9,896	0.94%	378
2007	1,810,939,857	123,203,877	55,519,302	89,711,953	103,719	62,949,079	2,016,529,629	2.37	9,937	0.84%	357
2008	2,134,890,037	116,786,398	63,523,450	80,253,178	126,044	59,723,851	2,335,855,256	2.42	11,707	0.91%	403
2009	2,040,502,487	111,256,580	63,987,119	75,729,125	119,435	64,632,086	2,226,962,660	2.06	11,161	0.85%	374
2010	2,361,218,650	159,250,844	77,102,226	70,465,950	32,070	55,468,525	2,612,601,215	2.40	13,002	0.96%	428
2011	2,300,865,182	152,421,209	75,390,744	65,072,753	55,772	80,671,076	2,513,134,584	2.41	12,362	0.89%	401
2012	2,230,594,347	144,760,203	76,525,910	59,448,724	28,268	80,021,059	2,431,336,393	2.30	12,061	0.84%	379

Notes: (1) Debt for all prior years has been restated to be net of accreted values, unamortized premiums/discounts, and unamortized deferred gains or losses on refundings.

(2) The portion of Debt Service fund balance attributable to principal payments only has been added to the outstanding debt calculation.

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

(4) See student information schedule

(5) See personal income of demographic information schedule

(6) See population of demographic information schedule



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**2012 Demographic and
Economic Information**

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

Calendar Year	Population	Personal Income	Per Capita Income	Average Daily Attendance	Unemployment Rate	Residential Units	Total Assessed Value of Residential Units	Average Assessed Value of Residential Units
2003	5,174,800	\$ 181,061,077,200	\$ 34,989	192,490	6.80 %	286,275	\$ 26,546,678,810	\$ 92,731
2004	5,277,500	192,781,797,500	36,529	191,701	6.20	287,367	29,279,927,760	101,890
2005	5,380,661	205,591,473,290	38,209	188,998	5.60	289,623	31,617,771,873	109,169
2006	5,498,497	219,968,341,103	40,005	192,231	5.00	292,644	34,076,047,005	116,442
2007	5,648,606	239,396,301,338	42,381	181,493	4.30	298,599	37,232,538,665	124,691
2008	5,797,165	257,043,414,055	44,340	179,329	4.70	302,998	41,506,428,522	136,986
2009	5,947,891	260,799,178,195	43,847	179,830	6.40	307,756	45,467,649,666	147,739
2010	6,102,536	271,031,738,271	44,413	181,125	8.40	309,986	46,752,215,763	150,820
2011	6,267,915	281,160,465,362	44,857	184,022	8.80	311,812	46,554,622,525	149,303
2012	6,415,838	287,882,191,100	44,871	182,376	7.50	313,110	46,864,855,862	149,675

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

Per capita income figures (for the fiscal year 2004 and prior) were for the Houston-Sugarland-Baytown MSA and were obtained from the US Bureau of Economic Analysis via DATAbook Houston (June 2006)
Per capita income figures for the fiscal years 2005 - 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 2012</u>			<u>Fiscal Year Ending 2003</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>
Memorial Hermann Healthcare	20,000	1	0.7446 %	15,864	6	0.7010 %
UT MD Anderson Cancer Center	18,670	2	0.6951	12,306	9	0.5438
H-E-B	17,627	3	0.6563	-	-	-
United Airlines	16,665	4	0.6204	-	-	-
McDonald's Corp.	14,880	5	0.5540	12,638	7	0.5585
Kroger Co.	14,828	6	0.5520	15,969	5	0.7057
Exxon Mobil Corp.	14,400	7	0.5361	17,069	4	0.7543
Methodist Hospital System	14,300	8	0.5324	-	-	-
Schlumberger	10,817	9	0.4027	-	-	-
UT Medical Branch - Galveston	10,714	10	0.3989	10,994	10	0.4858
Wal-Mart Stores	-	-	-	21,610	1	0.9550
Continental Airlines	-	-	-	19,732	2	0.8720
Administaff	-	-	-	18,244	3	0.8062
Halliburton	-	-	-	12,557	8	0.5549
Total	<u>152,901</u>		<u>5.6925 %</u>	<u>156,983</u>		<u>6.9372 %</u>

Notes: Employment numbers were obtained from the Houston Chronicle

Percentage of total employment was calculated using total non-agricultural employment for the Houston-Sugarland-Baytown MSA and was obtained directly from the U.S. Bureau of Economic Statistics and via DATAbook Houston (February 2011).

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



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2012 Operating
Information

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

	Employees as of June 30									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Instruction	12,627	13,461	15,075	14,965	14,782	15,018	14,927	14,510	14,639	14,944
Instructional resources and media services	131	174	222	244	197	216	233	250	259	276
Instructional staff development	307	257	224	414	379	297	278	370	480	534
Curriculum development	56	61	55	48	48	49	34	-	-	-
Instructional leadership	197	221	293	285	268	263	267	279	256	266
School leadership	2,188	2,291	2,462	2,478	2,512	2,391	2,366	2,338	2,332	2,222
Guidance, counseling, and evaluation services	442	509	523	526	546	520	520	549	512	546
Social work services	30	31	40	38	39	38	45	44	47	52
Health services	262	279	299	319	314	320	326	322	336	334
Student transportation services	1,184	1,252	1,282	1,280	1,195	1,203	1,194	1,216	1,174	1,361
Food service	1,846	1,788	1,775	1,672	1,732	1,747	1,599	1,584	1,532	1,513
Co-curricular/extracurricular activities	80	81	87	146	140	144	139	160	163	192
General administration	421	406	462	445	428	405	385	388	402	439
Plant maintenance and operations	1,986	1,972	2,105	2,124	2,060	2,022	1,926	2,003	2,105	2,158
Security and monitoring services	749	790	828	828	897	823	835	796	750	725
Data processing services	234	213	222	216	215	199	193	169	184	187
Community services	71	79	79	85	92	96	121	142	147	141
Facilities acquisition and construction	52	53	51	43	40	37	133	135	132	142
Total	22,863	23,918	26,084	26,156	25,884	25,788	25,521	25,255	25,450	26,032

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

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

Calendar Year	Enrollment	Teacher Count	Student / Teacher Ratio	State Student / Teacher Ratio	Operating Expenditures	Cost Per Pupil	Percentage of Students Eligible for Free or Reduced-Price Meals
2003	211,762	12,385.7	17.1	14.7	\$ 1,445,409,982	\$ 6,826	80.3
2004	211,157	12,276.8	17.2	14.9	1,426,901,137	6,758	81.7
2005	208,454	12,008.9	17.4	14.9	1,417,685,634	6,801	82.8
2006	209,879	12,081.6	17.4	14.9	1,475,607,698	7,031	81.8
2007	202,936	12,057.4	16.8	14.7	1,540,473,027	7,591	78.1
2008	199,534	11,970.7	16.7	14.5	1,633,244,460	8,185	79.3
2009	199,524	11,993.8	16.6	14.4	1,735,076,675	8,696	80.5
2010	200,944	12,029.9	16.7	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	N/A	1,655,450,631	8,212	81.2

NOTES: PEIMS - Fall Collection, Resubmission

Information obtained from AEIS (Academic Excellence Indicator System)

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

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

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

<u>Calendar 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>
2003	19,181	9.1 %	7.8 %	20,696	9.8 %	11.6 %
2004	20,713	9.8	7.8	21,128	10.0	11.6
2005	21,716	10.4	7.7	21,112	10.1	11.6
2006	23,440	11.2	7.6	20,223	9.6	11.1
2007	24,376	12.0	7.5	20,030	9.9	10.6
2008	23,860	12.0	7.5	17,961	9.0	10.0
2009	24,979	12.5	7.5	16,657	8.3	9.4
2010	27,069	13.5	7.6	16,182	8.1	9.0
2011	29,003	14.2	7.7	16,402	8.6	8.8
2012	30,591	15.1	N/A	15,900	7.8	N/A

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

State Gifted and Talented/Special Education percentages for 2012 have not been prepared by the Texas Education Agency.

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

Calendar Year	Limited English Proficiency Enrollment	Limited English Proficiency % of Total Enrollment	State Limited English Proficiency %	Economically Disadvantaged Enrollment	Economically Disadvantaged % of Total Enrollment	State Economically Disadvantaged %
2003	60,465	28.6 %	14.9 %	170,073	80.3 %	51.9 %
2004	61,142	29.0	15.3	172,464	81.7	52.8
2005	59,481	28.5	15.6	172,675	82.8	54.6
2006	58,713	28.0	15.8	171,693	81.8	55.6
2007	55,407	27.4	16.0	158,095	78.1	55.5
2008	59,055	29.7	16.7	157,995	79.5	55.3
2009	61,755	31.0	16.9	161,591	81.0	56.7
2010	62,178	30.9	16.9	160,524	79.9	59.0
2011	62,050	30.4	16.9	164,247	80.4	59.2
2012	60,639	29.9	N/A	163,199	80.4	N/A

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

State LEP/Economically Disadvantaged percentages for 2012 have not been prepared by the Texas Education Agency.

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

Calendar Year	Beginning Salary			Average Salary		
	HISD	Region	State	HISD	Region	State
2003	\$ 34,068	\$ 33,398	\$ 31,876	\$ 43,027	\$ 41,964	\$ 39,974
2004	34,054	34,588	32,744	43,778	42,531	40,478
2005	34,909	35,733	33,775	44,235	43,107	41,011
2006	36,114	36,154	34,055	44,950	43,852	41,744
2007	39,530	39,454	38,095	48,008	46,675	44,897
2008	42,681	41,296	39,372	50,230	48,053	46,179
2009	44,119	42,418	40,372	51,580	49,186	47,159
2010	45,072	43,350	41,165	52,523	50,129	48,263
2011	44,952	43,029	41,272	52,387	50,616	48,638
2012	41,441	N/A	N/A	49,943	N/A	N/A

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

Regional and State information for fiscal year 2012 was not available at time of printing

2012 Salaries are from PEIMS (Public Education Information Management System)

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

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

NOTES: Teacher's Count information obtained from AEIS (Academic Excellence Indicator System)
Teacher's Salary information obtained from HISD Compensation Manual 2011-2012

Minimum/maximum salary range obtained from District records.

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

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

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Elementary										
Alcott (1953)										
Square feet	60,497	60,497	60,497	60,497	60,497	60,497	65,336	65,336	65,336	65,336
Capacity	774	632	632	632	632	632	774	774	774	774
Enrollment	491	492	467	488	487	532	592	605	589	608
Almeda (2011)										
Square feet	86,073	86,073	46,367	46,367	46,367	46,367	42,823	42,823	42,823	42,823
Capacity	716	750	663	663	663	663	549	549	549	549
Enrollment	835	812	747	757	717	670	598	668	644	679
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	1,149	959	959	959	959	959	959	959	959	959
Enrollment	680	663	667	695	696	711	801	829	884	926
Armandina Farias (2005)										
Square feet	39,885	39,885	39,885	39,885	39,885	39,885	40,000	N/A	N/A	N/A
Capacity	418	418	418	418	418	418	350	N/A	N/A	N/A
Enrollment	418	420	418	418	418	377	371	N/A	N/A	N/A
Ashford (1971)										
Square feet	83,294	83,294	83,294	83,294	83,294	83,294	78,766	78,766	78,766	78,766
Capacity	690	621	621	621	621	621	756	756	756	756
Enrollment	508	519	522	443	433	524	559	525	538	542
Askew (1977)										
Square feet	67,383	67,383	67,383	67,383	67,383	67,383	70,791	70,791	70,791	70,791
Capacity	856	900	900	900	900	900	833	833	833	833
Enrollment	818	847	872	884	855	870	914	865	856	875
Atherton (1927)										
Square feet	48,562	48,562	48,562	48,562	48,562	48,562	48,131	48,131	48,131	48,131
Capacity	669	411	411	411	411	411	468	468	468	468
Enrollment	367	342	357	387	347	378	373	413	407	468
Barrick (1949)										
Square feet	57,857	57,857	57,857	57,857	57,857	57,857	54,431	54,431	54,431	54,431
Capacity	982	704	704	704	704	704	679	679	679	679
Enrollment	694	718	709	681	706	735	729	927	908	934
Bastian (2005)										
Square feet	105,276	105,276	105,276	105,276	105,276	105,276	108,000	108,000	108,000	108,000
Capacity	962	942	942	942	942	942	824	824	824	824
Enrollment	747	797	761	765	709	491	543	571	591	602
Bell (1978)										
Square feet	70,639	70,639	70,639	70,639	70,639	70,639	71,041	71,041	71,041	71,041
Capacity	773	799	799	799	799	799	850	850	850	850
Enrollment	762	778	801	772	796	733	736	770	778	857

Continued

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

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Bellfort (1960)										
Square feet	43,583	43,583	43,583	43,583	43,583	43,583	44,383	44,383	44,383	44,383
Capacity	376	427	427	427	427	427	342	342	342	342
Enrollment	392	355	336	297	287	271	297	306	324	289
Benavidez (1962)										
Square feet	93,786	93,786	93,786	93,786	93,786	93,786	91,419	91,419	91,419	91,419
Capacity	1,182	1,204	1,204	1,204	1,204	1,204	1,033	1,033	1,033	1,033
Enrollment	878	996	989	954	1,021	1,010	982	993	1,006	1,016
Benbrook (1968)										
Square feet	44,595	44,595	44,595	44,595	44,595	44,595	43,730	43,730	43,730	43,730
Capacity	606	576	576	576	576	576	479	479	479	479
Enrollment	524	536	546	507	508	507	577	520	521	541
Berry (2012)										
Square feet	85,988	51,732	51,732	51,732	51,732	51,732	54,529	54,529	54,529	54,529
Capacity	716	614	614	614	614	614	747	747	747	747
Enrollment	708	643	630	630	632	580	571	545	587	597
Blackshear (1916)										
Square feet	96,976	96,976	96,976	96,976	96,976	96,976	71,987	71,987	71,987	71,987
Capacity	711	541	541	541	541	541	660	660	660	660
Enrollment	406	425	427	323	345	387	388	436	451	464
Bonham (1962)										
Square feet	83,201	83,201	83,201	83,201	83,201	83,201	70,240	70,240	70,240	70,240
Capacity	1,358	1,495	1,495	1,495	1,495	1,495	1,089	1,089	1,089	1,089
Enrollment	928	1,054	877	928	971	1,065	1,149	1,138	1,122	1,170
Bonner (1948)										
Square feet	102,316	102,316	102,316	102,316	102,316	102,316	61,813	61,813	61,813	61,813
Capacity	982	1,214	1,214	1,214	1,214	1,214	862	862	862	862
Enrollment	977	997	950	839	854	864	877	835	897	856
Braeburn (1956)										
Square feet	84,218	84,218	84,218	84,218	84,218	84,218	85,945	85,945	85,945	85,945
Capacity	1,075	943	943	943	943	943	1,096	1,096	1,096	1,096
Enrollment	912	950	966	965	931	911	923	983	972	976
Briargrove (2008)										
Square feet	103,585	103,585	103,585	103,585	103,585	N/A	N/A	N/A	N/A	N/A
Capacity	815	817	817	817	817	N/A	N/A	N/A	N/A	N/A
Enrollment	885	877	851	837	792	N/A	N/A	N/A	N/A	N/A
Briarmeadow (2001)										
Square feet	130,189	122,759	122,759	122,759	122,759	122,759	83,000	83,000	83,000	83,000
Capacity	606	546	546	546	546	546	432	432	432	432
Enrollment	590	549	541	543	390	515	400	450	414	346

Continued

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

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Briscoe (1928)										
Square feet	53,829	53,829	53,829	53,829	53,829	53,829	55,453	55,453	55,453	55,453
Capacity	690	691	691	691	691	691	612	612	612	612
Enrollment	491	490	528	539	505	525	513	537	543	588
Brookline (1952)										
Square feet	121,979	121,979	121,979	121,979	121,979	121,979	89,349	89,349	89,349	89,349
Capacity	1,290	1,168	1,168	1,168	1,168	1,168	1,150	1,150	1,150	1,150
Enrollment	996	1,023	1,031	1,019	1,041	988	980	1,013	1,076	1,080
Browning (1927)										
Square feet	52,570	52,570	52,570	52,570	52,570	52,570	46,161	46,161	46,161	46,161
Capacity	585	711	711	711	711	711	549	549	549	549
Enrollment	600	600	577	562	522	531	509	545	566	592
Bruce (2005)										
Square feet	80,916	80,916	80,916	80,916	80,916	80,916	56,757	56,757	56,757	56,757
Capacity	732	671	671	671	671	671	504	504	504	504
Enrollment	593	600	593	587	513	409	380	425	411	433
Burbank (1927)										
Square feet	81,647	81,647	81,647	81,647	81,647	81,647	86,032	86,032	86,032	86,032
Capacity	1,087	868	868	868	868	868	893	893	893	893
Enrollment	835	829	858	827	829	777	792	836	839	808
Burnet (1926)										
Square feet	76,801	76,801	76,801	76,801	76,801	76,801	81,266	81,266	81,266	81,266
Capacity	836	928	928	928	928	928	846	846	846	846
Enrollment	593	630	621	652	646	659	713	685	761	803
Burrus (1926)										
Square feet	71,188	71,188	71,188	71,188	71,188	71,188	76,679	76,679	76,679	76,679
Capacity	690	517	517	517	517	517	540	540	540	540
Enrollment	514	390	378	360	363	369	373	422	425	422
Bush (1992)										
Square feet	87,803	87,803	87,803	87,803	87,803	87,803	79,320	79,320	79,320	79,320
Capacity	920	978	978	978	978	978	800	800	800	800
Enrollment	724	698	673	658	627	1,011	1,053	1,039	965	935
Cage (1907)\Chrysalis										
Square feet	60,205	60,205	60,205	60,205	60,205	60,205	61,934	61,934	61,934	61,934
Capacity	1,328	906	906	906	906	906	706	706	706	706
Enrollment	621	826	847	820	680	706	726	737	745	791
Carrillo (1993)										
Square feet	80,281	80,281	80,281	80,281	80,281	80,281	76,474	76,474	76,474	76,474
Capacity	857	830	830	830	830	830	717	717	717	717
Enrollment	690	670	670	645	707	714	725	749	788	824

Continued

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

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Chatham\N.Alternative (1964)										
Square feet	42,379	42,379	42,379	42,379	42,379	42,379	42,379	42,379	42,379	42,379
Capacity	N/A	429	429	429	429	429	429	429	429	429
Enrollment	N/A	2	11	N/A	N/A	N/A	198	210	220	216
Codwell (1977)										
Square feet	58,946	58,946	58,946	58,946	58,946	58,946	59,572	59,572	59,572	59,572
Capacity	836	750	750	750	750	750	535	535	535	535
Enrollment	599	599	608	648	661	670	702	675	691	680
Concord (1967)\Inspired										
Square feet	42,230	42,230	42,230	42,230	42,230	42,230	54,692	54,692	54,692	54,692
Capacity	200	42	42	42	42	42	358	358	358	358
Enrollment	228	46	66	65	44	41	191	208	210	245
Condit (1929)										
Square feet	46,502	46,502	46,502	46,502	46,502	46,502	41,011	41,011	41,011	41,011
Capacity	731	579	579	579	579	579	498	498	498	498
Enrollment	646	663	649	609	611	585	615	612	616	640
Cook (2007)										
Square feet	89,049	89,049	89,049	89,049	89,049	89,049	N/A	N/A	N/A	N/A
Capacity	815	657	657	657	657	657	N/A	N/A	N/A	N/A
Enrollment	712	702	718	714	716	677	N/A	N/A	N/A	N/A
Coop (2005)										
Square feet	83,409	83,409	83,409	83,409	83,409	83,409	58,139	58,139	58,139	58,139
Capacity	690	712	712	712	712	712	781	781	781	781
Enrollment	738	772	745	779	733	723	738	698	738	783
Cornelius (1960)										
Square feet	76,904	76,904	76,904	76,904	76,904	76,904	65,926	65,926	65,926	65,926
Capacity	1,236	920	920	920	920	920	890	890	890	890
Enrollment	918	976	961	964	946	927	858	878	829	893
Crawford (1917)										
Square feet	57,180	57,180	57,180	57,180	57,180	57,180	59,948	59,948	59,948	59,948
Capacity	N/A	429	429	429	429	429	468	468	468	468
Enrollment	N/A	243	261	273	285	299	353	360	271	294
Crespo (1991)										
Square feet	85,508	85,508	85,508	85,508	85,508	85,508	77,109	77,109	77,109	77,109
Capacity	1,170	900	900	900	900	900	766	766	766	766
Enrollment	930	878	885	868	935	863	890	872	867	882
Crockett (1980/2011)										
Square feet	63,783	63,783	39,603	39,603	39,603	39,603	37,678	37,678	37,678	37,678
Capacity	711	557	325	325	325	325	322	322	322	322
Enrollment	456	402	412	414	426	533	540	388	388	350

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

	<u>Fiscal Year</u>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cunningham (2012)										
Square feet	84,500	56,747	56,747	56,747	56,747	56,747	71,346	71,346	71,346	71,346
Capacity	716	719	719	719	719	719	963	963	963	963
Enrollment	696	713	708	673	685	704	694	690	767	812
Daily (2007)										
Square feet	82,572	82,572	82,572	82,572	82,572	82,572	N/A	N/A	N/A	N/A
Capacity	711	697	697	697	697	697	N/A	N/A	N/A	N/A
Enrollment	737	794	717	652	656	343	N/A	N/A	N/A	N/A
Davila (1990)										
Square feet	80,396	80,396	80,396	80,396	80,396	80,396	78,546	78,546	78,546	78,546
Capacity	878	837	837	837	837	837	720	720	720	720
Enrollment	540	641	662	695	722	731	836	885	928	834
DeAnda ES (2012)										
Square feet	84,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	857	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	536	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DeChaumes (2012)										
Square feet	84,500	53,559	53,559	53,559	53,559	53,559	48,014	48,014	48,014	48,014
Capacity	716	676	676	676	676	676	585	585	585	585
Enrollment	739	691	686	662	615	660	670	622	621	595
De Zavala (1928)										
Square feet	64,141	64,141	64,141	64,141	64,141	64,141	67,437	67,437	67,437	67,437
Capacity	898	747	747	747	747	747	682	682	682	682
Enrollment	586	612	640	618	615	624	681	678	739	748
Dodson (1921)										
Square feet	82,976	82,976	82,976	82,976	82,976	82,976	82,951	82,951	82,951	82,951
Capacity	941	748	748	748	748	748	810	810	810	810
Enrollment	506	563	437	422	443	503	512	431	463	518
Dogan (1949)\at Scott address										
Square feet	43,380	50,637	50,637	50,637	50,637	50,637	54,519	54,519	54,519	54,519
Capacity	732	396	396	396	396	396	450	450	450	450
Enrollment	625	321	329	334	330	375	358	364	379	409
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	772	543	543	543	543	543	395	395	395	395
Enrollment	523	490	450	457	461	480	499	480	458	462
Durkee (1954)										
Square feet	72,334	72,334	72,334	72,334	72,334	72,334	62,206	62,206	62,206	62,206
Capacity	1,045	764	764	764	764	764	894	894	894	894
Enrollment	679	679	665	648	665	682	695	1,057	1,039	1,045

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	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Eleanor Tinsley (2001)										
Square feet	90,415	90,415	90,415	90,415	90,415	90,415	90,000	90,000	90,000	90,000
Capacity	815	757	757	757	757	757	815	815	815	815
Enrollment	705	739	761	741	675	691	742	715	751	807
Eliot (1926)										
Square feet	86,834	86,834	86,834	86,834	86,834	86,834	86,830	86,830	86,830	86,830
Capacity	1,066	983	983	983	983	983	894	894	894	894
Enrollment	545	550	577	542	563	569	634	682	692	692
Elrod (1964)										
Square feet	66,456	66,456	66,456	66,456	66,456	66,456	74,096	74,096	74,096	74,096
Capacity	1,400	731	731	731	731	731	925	925	925	925
Enrollment	589	489	490	474	541	544	564	578	620	647
Emerson (1963)										
Square feet	65,364	65,364	65,364	65,364	65,364	65,364	60,451	60,451	60,451	60,451
Capacity	774	773	773	773	773	773	762	762	762	762
Enrollment	869	874	831	812	804	720	790	775	797	822
Fairchild (1960)\Kandy Stripe										
Square feet	51,571	51,571	51,571	51,571	51,571	51,571	45,427	45,427	45,427	45,427
Capacity	480	536	536	536	536	536	536	536	536	536
Enrollment	427	435	430	N/A	N/A	299	338	398	401	420
Field (1928)										
Square feet	54,809	54,809	54,809	54,809	54,809	54,809	55,224	55,224	55,224	55,224
Capacity	732	483	483	483	483	483	627	627	627	627
Enrollment	472	488	451	367	378	384	388	438	492	529
Foerster (1969)										
Square feet	67,013	67,013	67,013	67,013	67,013	67,013	66,918	66,918	66,918	66,918
Capacity	898	824	824	824	824	824	817	817	817	817
Enrollment	705	641	643	685	713	695	784	568	664	778
Fondren (1960)										
Square feet	40,001	40,001	40,001	40,001	40,001	40,001	38,404	38,404	38,404	38,404
Capacity	647	579	579	579	579	579	594	594	594	594
Enrollment	430	408	425	408	430	410	444	431	430	456
Foster (1949/2007)										
Square feet	79,998	79,998	79,998	79,998	79,998	79,998	61,658	61,658	61,658	61,658
Capacity	753	692	692	692	692	692	663	663	663	663
Enrollment	454	525	520	492	504	548	457	487	597	663
Franklin (1948)										
Square feet	64,274	64,274	64,274	64,274	64,274	64,274	74,640	74,640	74,640	74,640
Capacity	982	864	864	864	864	864	764	764	764	764
Enrollment	502	562	577	591	607	618	691	642	683	700

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	<i>Fiscal Year</i>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Frost (2012)										
Square feet	89,277	59,465	59,465	59,465	59,465	59,465	60,320	60,320	60,320	60,320
Capacity	716	566	566	566	566	566	530	530	530	530
Enrollment	580	443	467	552	527	544	619	674	719	729
Gabriela Mistral (2005)										
Square feet	38,899	38,899	38,899	38,899	38,899	38,899	40,000	40,000	N/A	N/A
Capacity	418	418	418	418	418	418	350	350	N/A	N/A
Enrollment	394	411	412	395	395	394	366	N/A	N/A	N/A
Gallegos (1992)										
Square feet	73,925	73,925	73,925	73,925	73,925	73,925	73,176	73,176	73,176	73,176
Capacity	836	697	697	697	697	697	647	647	647	647
Enrollment	524	542	542	589	571	603	599	647	730	786
Garcia (1992)										
Square feet	111,056	111,056	111,056	111,056	111,056	111,056	75,293	75,293	75,293	75,293
Capacity	836	816	816	816	816	816	754	754	754	754
Enrollment	789	805	801	789	773	780	799	791	791	793
Garden Oaks (1949)										
Square feet	41,306	41,306	41,306	41,306	41,306	41,306	54,617	54,617	54,617	54,617
Capacity	584	586	586	586	586	586	533	533	533	533
Enrollment	635	601	563	498	479	550	542	550	585	619
Garden Villas (1931)										
Square feet	93,762	93,762	93,762	93,762	93,762	93,762	83,332	83,332	83,332	83,332
Capacity	899	879	879	879	879	879	636	636	636	636
Enrollment	925	938	974	991	980	1,013	976	972	943	930
Golfcrest (1949)										
Square feet	71,475	71,475	71,475	71,475	71,475	71,475	73,322	73,322	73,322	73,322
Capacity	877	769	769	769	769	769	872	872	872	872
Enrollment	786	762	735	715	695	750	749	758	773	812
Gordon (1955)										
Square feet	37,425	37,425	37,425	37,425	37,425	37,425	40,226	40,226	40,226	40,226
Capacity	543	432	432	432	432	432	441	441	441	441
Enrollment	399	355	405	379	364	408	453	457	470	470
Gregg (2012)										
Square feet	84,704	47,713	47,713	47,713	47,713	47,713	42,512	42,512	42,512	42,512
Capacity	716	704	704	704	704	704	495	495	495	495
Enrollment	562	553	543	568	606	650	636	594	603	574
Grimes (1959)										
Square feet	42,432	42,432	42,432	42,432	42,432	42,432	43,702	43,702	43,702	43,702
Capacity	N/A	398	398	398	398	398	485	485	485	485
Enrollment	N/A	380	351	371	369	360	385	364	380	435

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	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Grissom (1966)										
Square feet	68,683	68,683	68,683	68,683	68,683	68,683	69,170	69,170	69,170	69,170
Capacity	877	871	871	871	871	871	848	848	848	848
Enrollment	787	791	806	812	787	748	763	684	740	841
Halpin Early Childhood (1929)										
Square feet	41,873	41,873	41,873	41,873	41,873	41,873	37,792	37,792	37,792	37,792
Capacity	731	482	482	482	482	482	378	378	378	378
Enrollment	440	461	486	493	487	415	413	424	383	381
Harris J.R. (1949)										
Square feet	66,082	66,082	66,082	66,082	66,082	66,082	62,257	62,257	62,257	62,257
Capacity	815	892	892	892	892	892	970	970	970	970
Enrollment	692	684	688	692	703	831	831	844	861	792
Harris R.P. (1958)										
Square feet	61,425	61,425	61,425	61,425	61,425	61,425	66,453	66,453	66,453	66,453
Capacity	918	718	718	718	718	718	866	866	866	866
Enrollment	615	624	643	588	563	588	605	618	626	698
Hartsfield (1954)										
Square feet	42,767	42,767	42,767	42,767	42,767	42,767	48,277	48,277	48,277	48,277
Capacity	543	411	411	411	411	411	414	414	414	414
Enrollment	435	414	413	355	357	358	357	316	346	398
Harvard (1930)										
Square feet	56,930	56,930	56,930	56,930	56,930	56,930	58,558	58,558	58,558	58,558
Capacity	690	606	606	606	606	606	558	558	558	558
Enrollment	710	689	663	627	615	591	627	622	623	648
Helms (1919)										
Square feet	44,444	44,444	44,444	44,444	44,444	44,444	39,352	39,352	39,352	39,352
Capacity	543	558	558	558	558	558	336	336	336	336
Enrollment	540	533	540	547	556	535	489	497	480	451
Henderson J.P. (1929)										
Square feet	57,524	57,524	57,524	57,524	57,524	57,524	57,205	57,205	57,205	57,205
Capacity	878	794	794	794	794	794	861	861	861	861
Enrollment	816	773	785	749	745	762	740	757	714	728
Henderson N.Q. (1956)										
Square feet	46,846	46,846	46,846	46,846	46,846	46,846	45,445	45,445	45,445	45,445
Capacity	710	503	503	503	503	503	445	445	445	445
Enrollment	394	349	355	323	351	406	432	459	470	510
Herod (2012)										
Square feet	86,000	58,230	58,230	58,230	58,230	58,230	63,146	63,146	63,146	63,146
Capacity	1,295	871	871	871	871	871	763	763	763	763
Enrollment	778	746	729	708	696	697	720	714	743	736

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	<i>Fiscal Year</i>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Herrera (1993)										
Square feet	115,302	115,302	115,302	115,302	115,302	115,302	76,822	76,822	76,822	76,822
Capacity	920	901	901	901	901	901	680	680	680	680
Enrollment	919	959	951	952	967	941	905	915	871	886
Highland Heights (2007)										
Square feet	85,405	85,405	85,405	85,405	85,405	85,405	N/A	N/A	N/A	N/A
Capacity	815	725	725	725	725	725	N/A	N/A	N/A	N/A
Enrollment	635	643	655	321	316	333	N/A	N/A	N/A	N/A
Hobby (1965)										
Square feet	66,680	66,680	66,680	66,680	66,680	66,680	68,072	68,072	68,072	68,072
Capacity	1,065	920	920	920	920	920	853	853	853	853
Enrollment	829	851	817	801	706	711	686	666	761	802
Hohl/Ahead ((1920)										
Square feet	54,888	54,888	54,888	54,888	54,888	54,888	44,523	44,523	44,523	44,523
Capacity	617	599	599	599	599	599	623	623	623	623
Enrollment	368	386	N/A	483	489	510	531	490	534	565
Horn (2012)										
Square feet	84,500	43,504	43,504	43,504	43,504	43,504	51,715	51,715	51,715	51,715
Capacity	1,212	502	502	502	502	502	535	535	535	535
Enrollment	701	610	577	554	530	536	584	568	553	492
Houston Gardens (1998)										
Square feet	67,708	67,708	67,708	67,708	67,708	67,708	42,375	42,375	42,375	42,375
Capacity	459	488	488	488	488	488	449	449	449	449
Enrollment	439	362	358	350	359	392	460	430	440	452
Isaacs (1962)										
Square feet	43,883	43,883	43,883	43,883	43,883	43,883	42,587	42,587	42,587	42,587
Capacity	751	599	599	599	599	599	538	538	538	538
Enrollment	459	482	468	484	459	561	386	391	403	412
J. Hines-Caldwell (2005)										
Square feet	85,829	85,829	85,829	85,829	85,829	85,829	87,000	87,000	N/A	N/A
Capacity	711	752	752	752	752	752	750	750	N/A	N/A
Enrollment	798	791	766	731	889	898	771	N/A	N/A	N/A
J.L. Ketelsen (2002)										
Square feet	84,503	84,503	84,503	84,503	84,503	84,503	87,387	87,387	87,387	87,387
Capacity	732	632	632	632	632	632	648	648	648	648
Enrollment	647	718	693	683	677	679	675	634	646	643
J.M. Gross (2001)										
Square feet	73,277	73,277	73,277	73,277	73,277	73,277	69,752	69,752	69,752	69,752
Capacity	565	802	802	802	802	802	749	749	749	749
Enrollment	681	813	789	822	828	801	838	746	732	553

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	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Janowski (1955)										
Square feet	77,958	77,958	77,958	77,958	77,958	77,958	54,524	54,524	54,524	54,524
Capacity	815	1,097	1,097	1,097	1,097	1,097	761	761	761	761
Enrollment	686	657	658	597	602	594	643	693	770	751
Jefferson (1950)										
Square feet	58,657	58,657	58,657	58,657	58,657	58,657	53,168	53,168	53,168	53,168
Capacity	877	694	694	694	694	694	722	722	722	722
Enrollment	509	527	532	535	575	603	635	580	681	714
Joe E. Moreno (2005)										
Square feet	82,810	82,810	82,810	82,810	82,810	82,810	86,000	86,000	N/A	N/A
Capacity	753	712	712	712	712	712	750	750	N/A	N/A
Enrollment	788	777	757	756	743	745	707	N/A	N/A	N/A
Jones J.W. (1966)\International Studies										
Square feet	52,255	52,255	52,255	52,255	52,255	52,255	52,571	52,571	52,571	52,571
Capacity	665	423	423	423	423	423	485	485	485	485
Enrollment	414	385	323	298	297	321	349	381	415	440
Juan N. Seguin (2002)										
Square feet	85,427	85,427	85,427	85,427	85,427	85,427	87,195	87,195	87,195	87,195
Capacity	732	670	670	670	670	670	750	750	750	750
Enrollment	621	643	638	625	631	648	706	761	741	671
Judson Robinson Jr. (2002)										
Square feet	84,928	84,928	84,928	84,928	84,928	84,928	85,000	85,000	85,000	85,000
Capacity	753	796	796	796	796	796	750	750	750	750
Enrollment	712	726	747	743	755	757	720	654	663	687
Kashmere Gardens (1949)										
Square feet	49,213	49,213	49,213	49,213	49,213	49,213	46,451	46,451	46,451	46,451
Capacity	710	579	579	579	579	579	570	570	570	570
Enrollment	408	416	421	460	413	482	451	449	449	561
Kelso										
Square feet	46,826	46,826	46,826	46,826	46,826	46,826	58,688	58,688	58,688	58,688
Capacity	689	648	648	648	648	648	641	641	641	641
Enrollment	454	515	514	521	528	560	569	597	626	653
Kennedy (2012)										
Square feet	86,041	42,648	42,648	42,648	42,648	42,648	52,853	52,853	52,853	52,853
Capacity	732	531	531	531	531	531	519	519	519	519
Enrollment	737	743	736	516	521	534	537	566	586	574
Kolter (1960)										
Square feet	49,345	49,345	49,345	49,345	49,345	49,345	44,475	44,475	44,475	44,475
Capacity	668	548	548	548	548	548	500	500	500	500
Enrollment	580	594	580	572	541	531	541	548	528	520

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	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Lantrip (2005)										
Square feet	99,529	99,529	99,529	99,529	99,529	99,529	62,062	62,062	62,062	62,062
Capacity	920	1,110	1,110	1,110	1,110	1,110	838	838	838	838
Enrollment	706	717	696	700	716	701	751	784	796	806
Laurenzo, Ninfa (2004)										
Square feet	38,399	38,399	38,399	38,399	38,399	38,399	86,000	86,000	86,000	N/A
Capacity	376	346	346	346	346	346	350	350	350	N/A
Enrollment	310	311	299	298	299	270	268	200	N/A	N/A
Law (1966)										
Square feet	53,310	53,310	53,310	53,310	53,310	53,310	74,192	74,192	74,192	74,192
Capacity	731	650	650	650	650	650	501	501	501	501
Enrollment	741	737	719	653	575	516	475	505	499	484
Lewis (2012)										
Square feet	98,444	63,548	63,548	63,548	63,548	63,548	63,262	63,262	63,262	63,262
Capacity	904	878	878	878	878	878	905	905	905	905
Enrollment	905	878	830	834	752	780	828	802	811	881
Lockhart (1950)										
Square feet	74,507	74,507	74,507	74,507	74,507	74,507	77,221	77,221	77,221	77,221
Capacity	913	558	558	558	558	558	521	521	521	521
Enrollment	675	708	711	533	475	480	478	451	460	467
Longfellow (2007)										
Square feet	99,790	99,790	99,790	99,790	99,790	99,790	52,181	52,181	52,181	52,181
Capacity	774	1,172	1,172	1,172	1,172	1,172	672	672	672	672
Enrollment	732	732	713	706	702	635	640	645	630	678
Looscan (1936)										
Square feet	45,343	45,343	45,343	45,343	45,343	45,343	48,201	48,201	48,201	48,201
Capacity	606	516	516	516	516	516	709	709	709	709
Enrollment	510	481	491	490	491	479	515	340	352	361
Love (1926)										
Square feet	56,312	56,312	56,312	56,312	56,312	56,312	47,765	47,765	47,765	47,765
Capacity	543	513	513	513	513	513	509	509	509	509
Enrollment	493	426	419	405	412	468	460	510	341	348
Lovett (2012)										
Square feet	86,000	52,746	52,746	52,746	52,746	52,746	50,447	50,447	50,447	50,447
Capacity	1,212	648	648	648	648	648	656	656	656	656
Enrollment	675	681	674	653	661	659	674	654	638	647
Lyons (1993)										
Square feet	82,716	82,716	82,716	82,716	82,716	82,716	75,085	75,085	75,085	75,085
Capacity	878	901	901	901	901	901	626	626	626	626
Enrollment	943	925	905	899	900	882	N/A	N/A	N/A	N/A

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	<u>Fiscal Year</u>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
MacArthur (1969)										
Square feet	61,141	61,141	61,141	61,141	61,141	61,141	63,734	63,734	63,734	63,734
Capacity	N/A	451	451	451	451	451	396	396	396	396
Enrollment	N/A	N/A	N/A	334	355	403	391	400	393	408
MacGregor (1966)										
Square feet	45,795	45,795	45,795	45,795	45,795	45,795	59,696	59,696	59,696	59,696
Capacity	710	397	397	397	397	397	448	448	448	448
Enrollment	511	483	489	444	420	381	387	399	426	407
Mading (1959/2006)										
Square feet	94,478	94,478	94,478	94,478	94,478	94,478	85,100	85,100	85,100	85,100
Capacity	690	616	616	616	616	616	278	278	278	278
Enrollment	612	545	582	577	559	598	464	515	594	648
Martin Luther King (2004)										
Square feet	38,707	38,707	38,707	38,707	38,707	38,707	40,000	40,000	N/A	N/A
Capacity	418	418	418	418	418	418	350	350	N/A	N/A
Enrollment	413	417	417	413	404	380	376	359	N/A	N/A
Martinez C. (1994)										
Square feet	77,883	77,883	77,883	77,883	77,883	77,883	76,481	76,481	76,481	76,481
Capacity	795	697	697	697	697	697	792	792	792	792
Enrollment	601	614	588	591	612	652	637	589	580	605
Martinez R. (1991)										
Square feet	75,674	75,674	75,674	75,674	75,674	75,674	76,502	76,502	76,502	76,502
Capacity	732	684	684	684	684	684	828	828	828	828
Enrollment	578	612	658	652	607	630	648	678	676	672
McDade (1962) this school was closed.										
Square feet	66,202	66,202	66,202	66,202	66,202	66,202	69,688	69,688	69,688	69,688
Capacity	N/A	712	712	712	712	712	756	756	756	756
Enrollment	N/A	272	317	341	359	389	413	469	476	508
McNamara (1958)										
Square feet	54,973	54,973	54,973	54,973	54,973	54,973	53,358	53,358	53,358	53,358
Capacity	814	948	948	948	948	948	709	709	709	709
Enrollment	816	763	687	695	721	767	797	742	804	856
Memorial (1926)										
Square feet	51,276	51,276	51,276	51,276	51,276	51,276	51,288	51,288	51,288	51,288
Capacity	543	462	462	462	462	462	414	414	414	414
Enrollment	405	338	336	343	354	376	399	442	264	285
Milne (1960)										
Square feet	91,611	91,611	91,611	91,611	91,611	91,611	95,339	95,339	95,339	95,339
Capacity	857	834	834	834	834	834	774	774	774	774
Enrollment	667	568	654	601	629	708	757	771	811	869

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Mitchell (1968)										
Square feet	616,868	61,686	61,686	61,686	61,686	61,686	50,523	50,523	50,523	50,523
Capacity	1,484	982	982	982	982	982	653	653	653	653
Enrollment	513	1,011	1,052	1,070	1,075	1,136	1,071	989	953	955
Montgomery (1960)										
Square feet	63,393	63,393	63,393	63,393	63,393	63,393	65,226	65,226	65,226	65,226
Capacity	961	743	743	743	743	743	709	709	709	709
Enrollment	785	738	759	737	726	732	745	804	827	753
Neff (1964)										
Square feet	66,007	66,007	66,007	66,007	66,007	66,007	73,211	73,211	73,211	73,211
Capacity	1,234	1,255	1,255	1,255	1,255	1,255	653	653	653	653
Enrollment	1,090	1,035	1,017	996	1,072	1,102	1,085	1,087	973	972
Northline (1963)										
Square feet	60,102	60,102	60,102	60,102	60,102	60,102	62,830	62,830	62,830	62,830
Capacity	1,128	869	869	869	869	869	632	632	632	632
Enrollment	686	694	666	641	682	702	752	901	902	939
Oak Forest (2004)										
Square feet	84,120	84,120	84,120	84,120	84,120	84,120	90,000	90,000	90,000	90,000
Capacity	795	754	754	754	754	754	600	600	600	600
Enrollment	761	760	774	757	734	769	798	736	711	723
Oates (1929)										
Square feet	60,417	60,417	60,417	60,417	60,417	60,417	63,347	63,347	63,347	63,347
Capacity	732	662	662	662	662	662	735	735	735	735
Enrollment	446	440	444	442	441	432	417	428	435	445
Osborne (1960)										
Square feet	54,648	54,648	54,648	54,648	54,648	54,648	50,342	50,342	50,342	50,342
Capacity	626	559	559	559	559	559	500	500	500	500
Enrollment	430	464	457	450	437	426	390	438	466	519
Paige (2005)										
Square feet	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	64,856	64,856
Capacity	543	503	503	503	503	503	501	501	501	501
Enrollment	392	349	344	375	338	362	365	361	398	453
Park Place (2005)										
Square feet	109,866	109,866	109,866	109,866	109,866	109,866	86,000	86,000	40,108	40,108
Capacity	836	1,059	1,059	1,059	1,059	1,059	908	908	435	435
Enrollment	1,028	1,041	1,064	1,092	1,028	994	1,000	1,079	1,061	944
Parker; (1959)										
Square feet	72,167	72,167	72,167	72,167	72,167	72,167	70,258	70,258	70,258	70,258
Capacity	857	871	871	871	871	871	823	823	823	823
Enrollment	846	844	817	826	785	779	807	775	793	794

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Patterson (2012)										
Square feet	98,444	62,986	62,986	62,986	62,986	62,986	59,284	59,284	59,284	59,284
Capacity	931	961	961	961	961	961	828	828	828	828
Enrollment	950	824	809	850	842	801	820	832	852	829
Peck (2012)										
Square feet	89,365	34,277	34,277	34,277	34,277	34,277	38,155	38,155	38,155	38,155
Capacity	711	418	418	418	418	418	387	387	387	387
Enrollment	497	506	549	338	320	390	341	321	311	323
Petersen (1966)										
Square feet	52,335	52,335	52,335	52,335	52,335	52,335	74,380	74,380	74,380	74,380
Capacity	877	753	753	753	753	753	653	653	653	653
Enrollment	630	672	683	681	641	758	761	708	698	650
Pilgrim (2007)										
Square feet	110,392	110,392	110,392	110,392	110,392	110,392	50,270	50,270	50,270	50,270
Capacity	997	1,136	1,136	1,136	1,136	1,136	635	635	635	635
Enrollment	1,100	1,071	1,016	932	836	730	753	742	763	781
Piney Point (2011)										
Square feet	114,185	114,185	72,864	72,864	72,864	72,864	71,167	71,167	71,167	71,167
Capacity	1,000	1,000	817	817	817	817	897	897	897	897
Enrollment	1,119	1,004	974	929	932	892	996	987	989	973
Pleasantville (1955)										
Square feet	59,032	59,032	59,032	59,032	59,032	59,032	59,768	59,768	59,768	59,768
Capacity	753	551	551	551	551	551	504	504	504	504
Enrollment	365	356	375	357	404	466	460	335	390	423
Poe (1928)										
Square feet	70,067	70,067	70,067	70,067	70,067	70,067	62,966	62,966	62,966	62,966
Capacity	815	743	743	743	743	743	788	788	788	788
Enrollment	748	730	730	706	697	724	723	712	730	698
Port Houston (1960)										
Square feet	36,309	36,309	36,309	36,309	36,309	36,309	39,412	39,412	39,412	39,412
Capacity	502	363	363	363	363	363	500	500	500	500
Enrollment	342	352	342	333	326	317	324	328	334	355
Pugh (1952)										
Square feet	40,053	40,053	40,053	40,053	40,053	40,053	44,100	44,100	44,100	44,100
Capacity	627	606	606	606	606	606	410	410	410	410
Enrollment	501	522	564	517	477	537	539	493	408	417
Red (1957)										
Square feet	58,830	58,830	58,830	58,830	58,830	58,830	62,895	62,895	62,895	62,895
Capacity	732	667	667	667	667	667	604	604	604	604
Enrollment	588	601	567	539	524	479	416	521	539	570

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Reynolds (1959/2007)										
Square feet	83,711	83,711	83,711	83,711	83,711	83,711	58,524	58,524	58,524	58,524
Capacity	795	642	642	642	642	642	700	700	700	700
Enrollment	556	551	513	471	462	434	349	346	378	399
Rhoads (1957)										
Square feet	43,882	43,882	43,882	43,882	43,882	43,882	42,874	42,874	42,874	42,874
Capacity	N/A	397	397	397	397	397	520	520	520	520
Enrollment	N/A	329	312	308	316	331	335	318	365	402
River Oaks (1928)										
Square feet	60,632	60,632	60,632	60,632	60,632	60,632	47,108	47,108	47,108	47,108
Capacity	648	627	627	627	627	627	550	550	550	550
Enrollment	717	680	664	674	650	661	632	621	614	602
Roberts (1936)										
Square feet	62,685	62,685	62,685	62,685	62,685	62,685	60,683	60,683	60,683	60,683
Capacity	773	606	606	606	606	606	464	464	464	464
Enrollment	755	746	683	698	669	641	674	614	616	609
Rodriguez, Sylvan Jr. (2002)										
Square feet	111,716	111,716	111,716	111,716	111,716	111,716	109,882	109,882	109,882	109,882
Capacity	962	942	942	942	942	942	1,000	1,000	1,000	1,000
Enrollment	935	931	964	938	937	943	1,004	998	1,001	976
Roosevelt (2012)										
Square feet	84,500	49,583	49,583	49,583	49,583	49,583	48,626	48,626	48,626	48,626
Capacity	732	593	593	593	593	593	582	582	582	582
Enrollment	669	612	634	593	560	532	540	516	509	523
Ross (1948)										
Square feet	51,820	51,820	51,820	51,820	51,820	51,820	59,270	59,270	59,270	59,270
Capacity	627	474	474	474	474	474	535	535	535	535
Enrollment	457	462	471	441	421	389	394	363	405	443
Rucker (1953)										
Square feet	70,722	70,722	70,722	70,722	70,722	70,722	86,000	86,000	86,000	86,000
Capacity	961	956	956	956	956	956	620	620	620	620
Enrollment	662	677	681	684	722	737	749	714	724	714
Rusk (1960)										
Square feet	39,671	39,671	39,671	39,671	39,671	39,671	40,157	40,157	40,157	40,157
Capacity	502	405	405	405	405	405	572	572	572	572
Enrollment	558	534	501	434	351	323	285	343	357	375
Sanchez (1952)										
Square feet	69,397	69,397	69,397	69,397	69,397	69,397	84,246	84,246	84,246	84,246
Capacity	899	704	704	704	704	704	444	444	444	444
Enrollment	562	596	609	634	635	625	644	505	549	581

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Sanderson (1950)										
Square feet	56,255	56,255	56,255	56,255	56,255	56,255	56,255	56,255	56,255	56,255
Capacity	N/A	666	666	666	666	666	666	666	666	666
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	251	297	365	355
Scarborough (1959)										
Square feet	64,412	64,412	64,412	64,412	64,412	64,412	59,366	59,366	59,366	59,366
Capacity	898	788	788	788	788	788	727	727	727	727
Enrollment	741	780	757	769	789	783	800	804	816	795
Scott (1959)\see Dogan										
Square feet	N/A	43,380	43,380	43,380	43,380	43,380	42,867	42,867	42,867	42,867
Capacity	N/A	418	418	418	418	418	449	449	449	449
Enrollment	N/A	344	350	332	362	395	405	422	426	427
Scroggins (1966)										
Square feet	53,126	53,126	53,126	53,126	53,126	53,126	51,066	51,066	51,066	51,066
Capacity	459	641	641	641	641	641	741	741	741	741
Enrollment	576	606	588	590	599	578	587	640	652	647
Shearn (1954)										
Square feet	43,132	43,132	43,132	43,132	43,132	43,132	39,729	39,729	39,729	39,729
Capacity	584	543	543	543	543	543	486	486	486	486
Enrollment	518	502	485	467	466	449	462	389	381	441
Sherman (1964)										
Square feet	55,289	55,289	55,289	55,289	55,289	55,289	59,788	59,788	59,788	59,788
Capacity	836	747	747	747	747	747	716	716	716	716
Enrollment	587	369	495	486	542	507	584	595	517	627
Sinclair (1959)										
Square feet	54,308	54,308	54,308	54,308	54,308	54,308	48,362	48,362	48,362	48,362
Capacity	835	774	774	774	774	774	564	564	564	564
Enrollment	546	532	510	476	461	527	607	619	480	509
Smith, K. (1954)										
Square feet	56,294	56,294	56,294	56,294	56,294	56,294	63,754	63,754	63,754	63,754
Capacity	1,218	1,345	1,345	1,345	1,345	1,345	884	884	884	884
Enrollment	742	793	861	858	1,001	834	933	851	835	787
Southmayd (1936)										
Square feet	67,258	67,258	67,258	67,258	67,258	67,258	65,908	65,908	65,908	65,908
Capacity	773	701	701	701	701	701	937	937	937	937
Enrollment	764	728	700	649	661	636	689	706	698	727
St. George Place (2007)										
Square feet	86,000	86,000	86,000	86,000	86,000	86,000	N/A	N/A	N/A	N/A
Capacity	732	961	961	961	961	961	N/A	N/A	N/A	N/A
Enrollment	723	699	614	598	508	952	N/A	N/A	N/A	N/A

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Stevens (1952)										
Square feet	68,822	68,822	68,822	68,822	68,822	68,822	62,694	62,694	62,694	62,694
Capacity	815	682	682	682	682	682	727	727	727	727
Enrollment	656	646	642	693	656	648	665	700	700	675
Stevenson (1926)										
Square feet	43,259	43,259	43,259	43,259	43,259	43,259	42,529	42,529	42,529	42,529
Capacity	N/A	411	411	411	411	411	443	443	443	443
Enrollment	N/A	358	360	359	348	422	427	439	428	421
Sugar Grove (2009)										
Square feet	88,108	88,108	88,108	88,108	88,108	88,108	54,463	54,463	54,463	54,463
Capacity	902	796	796	796	796	796	378	378	378	378
Enrollment	920	429	443	213	420	444	508	505	539	492
Sutton (958)										
Square feet	88,701	88,701	88,701	88,701	88,701	88,701	91,002	91,002	91,002	91,002
Capacity	1,233	1,370	1,370	1,370	1,370	1,370	902	902	902	902
Enrollment	1,047	1,126	1,133	1,053	1,049	1,007	1,028	1,043	1,078	1,091
Thompson (2006)										
Square feet	96,252	96,252	96,252	96,252	96,252	96,252	58,860	58,860	58,860	58,860
Capacity	816	1,047	1,047	1,047	1,047	1,047	568	568	568	568
Enrollment	620	659	618	640	624	615	700	668	636	692
Tijerina (1979)										
Square feet	35,771	35,771	35,771	35,771	35,771	35,771	61,360	61,360	61,360	61,360
Capacity	857	858	858	858	858	858	783	783	783	783
Enrollment	620	624	613	647	664	712	716	788	794	858
Travis (2007)										
Square feet	86,530	86,530	86,530	86,530	86,530	86,530	43,135	43,135	43,135	43,135
Capacity	669	674	674	674	674	674	557	557	557	557
Enrollment	729	734	724	726	690	654	610	633	635	631
Turner (1951)										
Square feet	70,968	70,968	70,968	70,968	70,968	70,968	74,845	74,845	74,845	74,845
Capacity	N/A	381	381	381	381	381	683	683	683	683
Enrollment	N/A	N/A	N/A	258	259	330	327	357	388	427
Twain (2007)										
Square feet	83,634	83,634	83,634	83,634	83,634	83,634	86,000	49,429	49,429	49,429
Capacity	815	781	781	781	781	781	750	505	505	505
Enrollment	810	787	793	775	743	778	736	686	682	653
Valley West (1994/2011)										
Square feet	84,763	84,763	46,763	46,763	46,763	46,763	32,165	32,165	32,165	32,165
Capacity	1,023	726	676	676	676	676	698	698	698	698
Enrollment	705	623	604	580	601	598	619	579	538	397

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Wainwright (1962)										
Square feet	56,531	56,531	56,531	56,531	56,531	56,531	53,040	53,040	53,040	53,040
Capacity	824	699	699	699	699	699	599	599	599	599
Enrollment	760	794	760	701	689	649	652	678	639	651
Walnut Bend (2005)										
Square feet	114,707	114,707	114,707	114,707	114,707	114,707	37,204	37,204	37,204	37,204
Capacity	753	1,590	1,590	1,590	1,590	1,590	788	788	788	788
Enrollment	647	694	625	608	674	342	796	697	733	794
Wesley (1949)										
Square feet	73,580	73,580	73,580	73,580	73,580	73,580	79,720	79,720	79,720	79,720
Capacity	1,045	639	639	639	639	639	1,031	1,031	1,031	1,031
Enrollment	436	464	480	458	443	549	688	760	817	773
West University (1928/2007)										
Square feet	99,423	99,423	99,423	99,423	99,423	99,423	87,337	87,337	87,337	87,337
Capacity	1,108	1,067	1,067	1,067	1,067	1,067	1,006	1,006	1,006	1,006
Enrollment	1,202	1,197	1,068	1,071	1,002	1,015	981	972	951	949
Wharton (1959)\Dual Language										
Square feet	32,310	32,310	32,310	32,310	32,310	32,310	32,986	32,986	32,986	32,986
Capacity	469	397	397	397	397	397	442	442	442	442
Enrollment	439	425	428	396	376	376	372	370	360	380
Whidby (1959)										
Square feet	46,870	49,942	49,942	49,942	49,942	49,942	49,519	49,519	49,519	49,519
Capacity	710	572	572	572	572	572	607	607	607	607
Enrollment	518	482	614	577	580	566	605	562	623	616
White (1966)										
Square feet	65,599	65,599	65,599	65,599	65,599	65,599	62,835	62,835	62,835	62,835
Capacity	522	920	920	920	920	920	742	742	742	742
Enrollment	811	813	795	746	726	761	808	790	809	803
Whittier (1959)										
Square feet	46,154	46,154	46,154	46,154	46,154	46,154	45,590	45,590	45,590	45,590
Capacity	606	659	659	659	659	659	514	514	514	514
Enrollment	526	530	537	547	517	514	513	528	523	527
Wilson\Montessori (1924)										
Square feet	41,579	41,579	41,579	41,579	41,579	41,579	44,481	44,481	44,481	44,481
Capacity	508	471	471	471	471	471	499	499	499	499
Enrollment	500	489	459	447	417	430	413	408	413	427
Windsor Village (1960)										
Square feet	59,414	59,414	59,414	59,414	59,414	59,414	57,048	57,048	57,048	57,048
Capacity	967	892	892	892	892	892	762	762	762	762
Enrollment	755	750	790	800	770	767	742	947	917	917

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	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Woodson, Carter G. (1966)										
Square feet	143,251	143,251	143,251	143,251	143,251	143,251	143,251	143,251	143,251	143,251
Capacity	1,870	749	749	749	749	749	749	749	749	749
Enrollment	772	193	211	214	203	207	262	969	1,032	1,098
Young, Ethel Mosley (1960)										
Square feet	45,447	45,447	45,447	45,447	45,447	45,447	47,248	47,248	47,248	47,248
Capacity	501	390	390	390	390	390	424	424	424	424
Enrollment	456	421	431	460	407	311	308	312	347	391
Middle										
Attucks (1953)										
Square feet	173,819	173,819	173,819	173,819	173,819	173,819	182,375	182,375	182,375	182,375
Capacity	1,144	898	898	898	898	898	857	857	857	857
Enrollment	446	506	581	650	735	865	879	885	873	949
Black (1957)										
Square feet	165,662	165,662	165,662	165,662	165,662	165,662	166,511	166,511	166,511	166,511
Capacity	1,238	935	935	935	935	935	1,000	1,000	1,000	1,000
Enrollment	536	490	547	559	577	682	708	714	734	853
Burbank (1950)										
Square feet	162,511	162,511	162,511	162,511	162,511	162,511	175,200	175,200	175,200	175,200
Capacity	1,988	1,406	1,406	1,406	1,406	1,406	1,547	1,547	1,547	1,547
Enrollment	1,417	1,261	1,214	1,170	1,198	1,240	1,302	1,317	1,381	1,321
Clifton (1979)										
Square feet	156,742	156,742	156,742	156,742	156,742	156,742	141,046	141,046	141,046	141,046
Capacity	1,163	992	992	992	992	992	996	996	996	996
Enrollment	1,009	1,001	1,044	1,075	1,070	1,119	1,169	1,132	1,109	1,142
Cullen (1955)										
Square feet	158,581	158,581	158,581	158,581	158,581	158,581	158,838	158,838	158,838	158,838
Capacity	1,106	898	898	898	898	898	740	740	740	740
Enrollment	510	580	639	692	656	758	745	745	687	679
Deady (1929)										
Square feet	183,653	183,653	183,653	183,653	183,653	183,653	185,684	185,684	185,684	185,684
Capacity	1,388	1,267	1,267	1,267	1,267	1,267	1,200	1,200	1,200	1,200
Enrollment	880	872	975	1,015	1,018	1,160	1,159	1,184	1,128	1,064
Dowling (1968)										
Square feet	199,121	199,121	199,121	199,121	199,121	199,121	180,257	180,257	180,257	180,257
Capacity	1,800	1,824	1,824	1,824	1,824	1,824	1,187	1,187	1,187	1,187
Enrollment	1,335	1,301	1,432	1,534	1,661	1,845	1,911	1,745	1,589	1,498

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	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Edison (1925)										
Square feet	143,758	143,758	143,758	143,758	143,758	143,758	146,844	146,844	146,844	146,844
Capacity	1,144	1,042	1,042	1,042	1,042	1,042	880	880	880	880
Enrollment	706	791	843	910	930	986	945	1,009	1,016	1,022
Fleming (1968)										
Square feet	179,515	179,515	179,515	179,515	179,515	179,515	161,888	161,888	161,888	161,888
Capacity	1,031	785	785	785	785	785	580	580	580	580
Enrollment	644	528	528	544	532	534	587	583	638	615
Fondren (1966)										
Square feet	158,349	158,349	158,349	158,349	158,349	158,349	172,923	172,923	172,923	172,923
Capacity	1,369	1,136	1,136	1,136	1,136	1,136	1,187	1,187	1,187	1,187
Enrollment	679	723	880	737	749	833	982	868	941	1,023
Fonville (1951)										
Square feet	162,228	162,228	162,228	162,228	162,228	162,228	149,355	149,355	149,355	149,355
Capacity	1,444	1,085	1,085	1,085	1,085	1,085	896	896	896	896
Enrollment	1,045	1,080	1,081	1,119	1,124	1,177	1,158	1,201	1,237	1,204
Grady (1949)										
Square feet	94,746	64,902	64,902	64,902	64,902	64,902	56,680	56,680	56,680	56,680
Capacity	488	690	690	690	690	690	620	620	620	620
Enrollment	518	482	471	463	485	544	583	565	585	603
Gregory-Lincoln (2007)										
Square feet	158,561	158,561	158,561	158,561	158,561	158,561	165,312	165,312	165,312	165,312
Capacity	938	896	896	896	896	896	1,137	1,137	1,137	1,137
Enrollment	599	704	689	570	516	546	367	N/A	N/A	N/A
Hamilton (1919)										
Square feet	137,710	137,710	137,710	137,710	137,710	137,710	136,066	136,066	136,066	136,066
Capacity	1,125	1,020	1,020	1,020	1,020	1,020	957	957	957	957
Enrollment	1,307	1,390	1,378	1,346	1,324	1,287	1,288	1,221	1,243	1,211
Harper Alternative (1926)\Administrative										
Square feet	49,301	49,301	49,301	49,301	49,301	49,301	49,301	49,301	49,301	49,301
Capacity	N/A	482	482	482	482	482	482	482	482	482
Enrollment	N/A	75	78	73	78	61	69	78	81	80
Hartman (2005)										
Square feet	222,606	222,606	222,606	222,606	222,606	222,606	214,755	214,755	214,755	214,755
Capacity	1,444	1,349	1,349	1,349	1,349	1,349	1,078	1,078	1,078	1,078
Enrollment	1,436	1,527	1,597	1,632	1,587	1,527	1,518	1,491	1,495	1,485
Henry (1965)										
Square feet	181,623	181,623	181,623	181,623	181,623	181,623	187,784	187,784	187,784	187,784
Capacity	1,200	1,179	1,179	1,179	1,179	1,179	780	780	780	780
Enrollment	983	1,004	1,026	1,065	1,075	1,098	1,147	1,138	1,196	1,151

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	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Hogg (1926)										
Square feet	176,380	176,380	176,380	176,380	176,380	176,380	134,163	134,163	134,163	134,163
Capacity	1,069	926	926	926	926	926	978	978	978	978
Enrollment	668	732	816	813	840	849	919	944	919	888
Holland (1980)										
Square feet	131,290	131,290	131,290	131,290	131,290	131,290	131,289	131,289	131,289	131,289
Capacity	994	875	875	875	875	875	799	799	799	799
Enrollment	696	749	771	797	808	809	836	835	848	871
Jackson (1925)										
Square feet	211,186	211,186	211,186	211,186	211,186	211,186	194,544	194,544	194,544	194,544
Capacity	1,632	1,235	1,235	1,235	1,235	1,235	1,079	1,079	1,079	1,079
Enrollment	985	912	893	957	995	1,068	1,150	1,238	1,236	1,181
Johnston (1959)										
Square feet	174,981	174,981	174,981	174,981	174,981	174,981	177,767	177,767	177,767	177,767
Capacity	2,063	1,294	1,294	1,294	1,294	1,294	1,171	1,171	1,171	1,171
Enrollment	1,501	1,486	1,426	1,357	1,362	1,351	1,407	1,358	1,318	1,289
Key (1957)										
Square feet	185,923	185,923	185,923	185,923	185,923	185,923	184,337	184,337	184,337	184,337
Capacity	1,294	1,033	1,033	1,033	1,033	1,033	779	779	779	779
Enrollment	518	485	543	585	602	722	818	895	869	878
Lanier (1926)										
Square feet	159,574	159,574	159,574	159,574	159,574	159,574	153,525	153,525	153,525	153,525
Capacity	1,276	1,155	1,155	1,155	1,155	1,155	1,117	1,117	1,117	1,117
Enrollment	1,341	1,347	1,336	1,319	1,297	1,328	1,300	1,316	1,362	1,413
Long (1957)										
Square feet	177,135	177,135	177,135	177,135	177,135	177,135	174,414	174,414	174,414	174,414
Capacity	1,463	1,577	1,577	1,577	1,577	1,577	1,482	1,482	1,482	1,482
Enrollment	946	934	1,004	1,154	1,163	1,327	1,440	1,536	1,539	1,497
Marshall (1981)										
Square feet	212,645	212,645	212,645	212,645	212,645	212,645	192,596	192,596	192,596	192,596
Capacity	1,538	1,153	1,153	1,153	1,153	1,153	1,080	1,080	1,080	1,080
Enrollment	950	1,013	964	941	908	1,027	1,102	1,158	1,140	1,120
McReynolds (1956)										
Square feet	130,392	130,392	130,392	130,392	130,392	130,392	125,719	125,719	125,719	125,719
Capacity	1,163	863	863	863	863	863	793	793	793	793
Enrollment	712	646	602	580	626	611	687	751	733	743
Ortiz (2002)										
Square feet	178,481	178,481	178,481	178,481	178,481	178,481	175,000	175,000	175,000	175,000
Capacity	1,313	1,126	1,126	1,126	1,126	1,126	1,200	1,200	1,200	1,200
Enrollment	1,035	1,032	979	998	1,046	1,078	1,064	1,028	971	900

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	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Pershing (2007)										
Square feet	240,234	240,234	240,234	240,234	240,234	240,234	208,512	208,512	208,512	208,512
Capacity	1,631	1,478	1,478	1,478	1,478	1,478	1,430	1,430	1,430	1,430
Enrollment	1,748	1,816	1,748	1,795	1,747	1,732	1,749	1,701	1,690	1,627
Pin Oak (2002)										
Square feet	233,081	233,081	233,081	233,081	233,081	233,081	174,500	174,500	174,500	174,500
Capacity	1,200	1,077	1,077	1,077	1,077	1,077	1,200	1,200	1,200	1,200
Enrollment	1,157	1,161	1,153	1,140	1,138	1,160	1,194	1,200	1,075	922
Revere (1980)										
Square feet	194,031	194,031	194,031	194,031	194,031	194,031	190,536	190,536	190,536	190,536
Capacity	1,294	1,295	1,295	1,295	1,295	1,295	953	953	953	953
Enrollment	940	883	873	834	1,015	1,115	1,360	1,209	1,265	1,251
Rice (1994)										
Square feet	202,704	202,704	202,704	202,704	202,704	202,704	175,550	175,550	175,550	175,550
Capacity	1,056	1,101	1,101	1,101	1,101	1,101	931	931	931	931
Enrollment	1,228	1,145	1,140	1,135	1,145	1,121	456	N/A	N/A	N/A
Rogers, T.H. (1962)										
Square feet	187,570	187,570	187,570	187,570	187,570	187,570	183,418	183,418	183,418	183,418
Capacity	1,368	1,227	1,227	1,227	1,227	1,227	1,025	1,025	1,025	1,025
Enrollment	820	846	857	825	810	764	458	N/A	N/A	N/A
Ryan (1925)										
Square feet	113,447	113,447	113,447	113,447	113,447	113,447	116,780	116,780	116,780	116,780
Capacity	956	899	899	899	899	899	778	778	778	778
Enrollment	305	329	364	389	498	633	581	556	708	778
Shadowbriar (1992)										
Square feet	74,382	74,382	74,382	74,382	74,382	74,382	75,057	75,057	75,057	75,057
Capacity	732	524	524	524	524	524	522	522	522	522
Enrollment	398	434	449	437	401	518	N/A	583	614	648
Sharpstown (1969)										
Square feet	168,247	168,247	168,247	168,247	168,247	168,247	180,977	180,977	180,977	180,977
Capacity	1,350	1,406	1,406	1,406	1,406	1,406	1,253	1,253	1,253	1,253
Enrollment	973	973	1,000	927	1,074	1,125	1,211	1,264	1,394	1,454
Smith, E.O. (1913)\Young Men's College Preparatory										
Square feet	134,926	134,926	134,926	134,926	134,926	134,926	145,022	145,022	145,022	145,022
Capacity	999	850	850	850	850	850	616	616	616	616
Enrollment	148	406	442	496	417	617	N/A	565	517	549
Stevenson (1994)										
Square feet	173,685	173,685	173,685	173,685	173,685	173,685	172,318	172,318	172,318	172,318
Capacity	1,388	1,156	1,156	1,156	1,156	1,156	1,172	1,172	1,172	1,172
Enrollment	1,374	1,396	1,386	1,329	1,232	1,215	1,213	1,191	1,174	1,150

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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Thomas (1968)										
Square feet	151,508	174,596	174,596	174,596	174,596	174,596	175,385	175,385	175,385	175,385
Capacity	1,294	869	869	869	869	869	840	840	840	840
Enrollment	531	545	570	651	621	730	829	864	822	779
Welch (1979)										
Square feet	156,530	156,530	156,530	156,530	156,530	156,530	160,681	160,681	160,681	160,681
Capacity	1,726	1,331	1,331	1,331	1,331	1,331	1,240	1,240	1,240	1,240
Enrollment	995	1,099	1,159	1,176	1,286	1,369	1,338	1,316	1,326	1,374
West Briar (2002)										
Square feet	169,062	169,062	169,062	169,062	169,062	169,062	175,000	175,000	175,000	175,000
Capacity	1,181	1,106	1,106	1,106	1,106	1,106	1,499	1,499	1,499	1,499
Enrollment	1,359	1,347	1,310	1,316	1,383	1,306	1,369	1,379	1,382	1,179
Williams (1962)										
Square feet	163,107	163,107	163,107	163,107	163,107	163,107	136,192	136,192	136,192	136,192
Capacity	975	1,299	1,299	1,299	1,299	1,299	700	700	700	700
Enrollment	443	441	438	449	457	527	626	634	620	654
Woodson (1966)										
Square feet	165,100	165,100	165,100	165,100	165,100	165,100	143,251	143,251	143,251	143,251
Capacity	N/A	1,509	1,509	1,509	1,509	1,509	749	749	749	749
Enrollment	N/A	493	581	633	793	1,024	769	N/A	N/A	N/A
High										
Austin (1953)										
Square feet	314,157	314,157	314,157	314,157	314,157	314,157	302,429	302,429	302,429	302,429
Capacity	2,156	2,079	2,079	2,079	2,079	2,079	1,781	1,781	1,781	1,781
Enrollment	1,859	1,864	1,944	1,936	1,927	1,865	1,825	1,833	2,025	2,060
Barabara Jordan (1979)										
Square feet	287,615	287,615	287,615	287,615	287,615	287,615	248,092	248,092	248,092	248,092
Capacity	1,988	1,661	1,661	1,661	1,661	1,661	943	943	943	943
Enrollment	925	1,109	1,155	1,160	1,158	1,227	1,175	1,261	1,253	1,211
Bellaire (1955)										
Square feet	418,451	362,451	362,451	362,451	362,451	362,451	379,308	379,308	379,308	379,308
Capacity	2,906	2,801	2,801	2,801	2,801	2,801	2,433	2,433	2,433	2,433
Enrollment	3,476	3,466	3,377	3,447	3,361	3,392	3,456	3,387	3,298	3,237
Carnegie Vanguard (2003)										
Square feet	42,504	42,504	42,504	42,504	42,504	42,504	42,504	42,504	42,504	42,504
Capacity	656	525	525	525	525	525	525	525	525	525
Enrollment	523	458	426	399	371	349	310	254	238	173

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Carter CC (1929)\DeVry										
Square feet	69,319	69,319	69,319	69,319	69,319	69,319	68,954	68,954	68,954	68,954
Capacity	525	461	461	461	461	461	352	352	352	352
Enrollment	54	31	75	107	109	158	75	96	92	103
Chavez (2000)										
Square feet	519,307	519,307	519,307	519,307	519,307	519,307	450,000	450,000	450,000	450,000
Capacity	2,213	2,082	2,082	2,082	2,082	2,082	2,600	2,600	2,600	2,600
Enrollment	2,856	2,757	2,770	2,612	2,375	2,480	2,361	2,297	2,295	2,194
Contemporary LC (1925)\Young Women's College Preparatory										
Square feet	112,742	112,742	112,742	112,742	112,742	112,742	113,709	113,709	113,709	113,709
Capacity	1,257	926	926	926	926	926	635	635	635	635
Enrollment	211	581	755	691	522	687	504	691	676	712
Davis (1925)										
Square feet	264,038	264,038	264,038	264,038	264,038	264,038	199,909	199,909	199,909	199,909
Capacity	1,613	1,558	1,558	1,558	1,558	1,558	988	988	988	988
Enrollment	1,603	1,674	1,655	1,677	1,630	1,577	1,580	1,624	1,706	1,689
Debakey (1980)										
Square feet	161,426	161,426	161,426	161,426	161,426	161,426	114,118	114,118	114,118	114,118
Capacity	825	851	851	851	851	851	704	704	704	704
Enrollment	871	865	887	797	740	728	710	706	713	690
Eastwood Academy (1985)										
Square feet	28,823	28,823	28,823	28,823	28,823	28,823	23,500	23,500	23,500	23,500
Capacity	525	293	293	293	293	293	264	264	264	264
Enrollment	407	359	320	292	255	244	257	252	223	225
Furr\Reach (1961)										
Square feet	168,285	168,285	168,285	168,285	168,285	168,285	169,159	169,159	169,159	169,159
Capacity	1,407	1,384	1,384	1,384	1,384	1,384	1,239	1,239	1,239	1,239
Enrollment	1,160	1,167	1,278	1,224	893	940	1,025	1,079	1,144	1,152
HS Law Enforcement (1925)										
Square feet	102,694	102,694	102,694	102,694	102,694	102,694	98,329	98,329	98,329	98,329
Capacity	900	926	926	926	926	926	659	659	659	659
Enrollment	547	570	562	606	641	674	710	685	725	779
HSPVA (1980)										
Square feet	104,092	104,092	104,092	104,092	104,092	104,092	116,657	116,657	116,657	116,657
Capacity	751	863	863	863	863	863	460	460	460	460
Enrollment	687	655	638	651	647	664	678	671	652	663
Jones (1958)										
Square feet	198,401	198,401	198,401	198,401	198,401	198,401	202,088	202,088	202,088	202,088
Capacity	1,425	1,278	1,278	1,278	1,278	1,278	540	540	540	540
Enrollment	653	663	788	829	846	902	1,011	1,077	1,109	1,168

Continued

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Kashmere (1968)										
Square feet	202,496	202,496	202,496	202,496	202,496	202,496	179,458	179,458	179,458	179,458
Capacity	1,238	1,088	1,088	1,088	1,088	1,088	1,008	1,008	1,008	1,008
Enrollment	535	600	593	589	531	583	1,013	1,021	941	931
Kay-On-Going (1951)\Harper School										
Square feet	42,826	42,826	42,826	42,826	42,826	42,826	42,826	42,826	42,826	42,826
Capacity	75	150	150	150	150	150	150	150	150	150
Enrollment	71	N/A	N/A	N/A	N/A	N/A	106	164	158	165
Lamar (1937)										
Square feet	279,700	279,700	279,700	279,700	279,700	279,700	285,765	285,765	285,765	285,765
Capacity	2,194	2,229	2,229	2,229	2,229	2,229	1,738	1,738	1,738	1,738
Enrollment	3,371	3,268	3,003	3,013	3,289	3,324	3,539	3,429	3,292	3,227
Lee (1962)										
Square feet	332,694	332,694	332,694	332,694	332,694	332,694	332,484	332,484	332,484	332,484
Capacity	2,981	2,523	2,523	2,523	2,523	2,523	1,818	1,818	1,818	1,818
Enrollment	1,609	1,691	1,891	1,928	1,924	2,000	2,179	2,086	2,163	2,138
Madison (1965)										
Square feet	225,541	225,541	225,541	225,541	225,541	225,541	220,241	220,241	220,241	220,241
Capacity	2,044	1,875	1,875	1,875	1,875	1,875	1,529	1,529	1,529	1,529
Enrollment	2,027	2,213	2,289	2,373	2,349	2,492	2,403	2,161	2,102	2,186
Milby (1925)										
Square feet	389,342	389,342	389,342	389,342	389,342	389,342	387,603	387,603	387,603	387,603
Capacity	3,075	2,868	2,868	2,868	2,868	2,868	2,352	2,352	2,352	2,352
Enrollment	2,009	2,190	2,187	2,246	2,189	2,156	2,242	2,197	2,130	2,175
Reagan (1926/2007)										
Square feet	360,372	360,372	360,372	360,372	360,372	360,372	231,857	231,857	231,857	231,857
Capacity	1,781	2,306	2,306	2,306	2,306	2,306	1,477	1,477	1,477	1,477
Enrollment	2,047	2,001	1,861	1,756	1,582	1,715	1,720	1,720	1,683	1,687
Sam Houston\Ninth Grade (1955)										
Square feet	325,181	325,181	325,181	325,181	325,181	325,181	317,681	317,681	317,681	317,681
Capacity	3,412	3,047	3,047	3,047	3,047	3,047	2,442	2,442	2,442	2,442
Enrollment	2,653	2,613	2,599	2,384	2,507	2,540	2,678	2,788	2,897	2,709
Scarborough\Advance Virtual (1968)										
Square feet	182,593	182,593	182,593	182,593	182,593	182,593	108,720	108,720	108,720	108,720
Capacity	1,482	1,032	1,032	1,032	1,032	1,032	984	984	984	984
Enrollment	1,028	753	828	736	788	869	948	888	822	866
Sharpstown (1971)										
Square feet	195,195	195,195	195,195	195,195	195,195	195,195	239,747	239,747	239,747	239,747
Capacity	2,062	1,781	1,781	1,781	1,781	1,781	1,716	1,716	1,716	1,716
Enrollment	1,276	1,280	1,254	1,455	1,528	1,685	1,834	1,702	1,734	1,721

Continued

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Sterling (1965)										
Square feet	219,667	219,667	219,667	219,667	219,667	219,667	220,407	220,407	220,407	220,407
Capacity	1,537	1,397	1,397	1,397	1,397	1,397	1,247	1,247	1,247	1,247
Enrollment	939	1,090	1,086	1,081	1,141	1,118	1,114	1,137	1,176	1,212
Waltrip (1960)										
Square feet	264,659	264,659	264,659	264,659	264,659	264,659	282,264	282,264	282,264	282,264
Capacity	1,932	1,805	1,805	1,805	1,805	1,805	1,643	1,643	1,643	1,643
Enrollment	1,701	1,762	1,777	1,808	1,777	1,769	1,849	1,819	1,790	1,789
Washington (1959)										
Square feet	244,527	244,527	244,527	244,527	244,527	244,527	243,826	243,826	243,826	243,826
Capacity	1,931	1,652	1,652	1,652	1,652	1,652	1,362	1,362	1,362	1,362
Enrollment	823	907	960	903	966	1,075	1,155	1,182	1,260	1,245
Westbury (1961)										
Square feet	324,292	324,292	324,292	324,292	324,292	324,292	319,658	319,658	319,658	319,658
Capacity	2,644	2,263	2,263	2,263	2,263	2,263	1,438	1,438	1,438	1,438
Enrollment	2,219	2,160	2,116	2,010	1,955	2,099	2,445	2,184	1,881	1,800
Westside (2000)										
Square feet	448,776	448,776	448,776	448,776	448,776	448,776	450,500	450,500	450,500	450,500
Capacity	2,381	2,171	2,171	2,171	2,171	2,171	3,000	3,000	3,000	3,000
Enrollment	2,996	3,143	2,960	2,950	2,943	2,830	3,047	2,828	2,840	2,653
Wheatley (1950/2007)										
Square feet	268,485	268,485	268,485	268,485	268,485	268,485	193,415	193,415	193,415	193,415
Capacity	1,144	976	976	976	976	976	1,036	1,036	1,036	1,036
Enrollment	1,007	1,080	1,086	1,166	1,248	1,168	902	836	794	770
Worthing (1962)										
Square feet	220,983	220,983	220,983	220,983	220,983	220,983	188,807	188,807	188,807	188,807
Capacity	1,707	1,470	1,470	1,470	1,470	1,470	1,288	1,288	1,288	1,288
Enrollment	812	935	1,023	1,024	1,023	1,030	1,088	1,201	1,250	1,325
Yates (1958)										
Square feet	289,881	289,881	289,881	289,881	289,881	289,881	291,221	291,221	291,221	291,221
Capacity	2,644	2,120	2,120	2,120	2,120	2,120	1,361	1,361	1,361	1,361
Enrollment	966	1,329	1,320	1,337	1,333	1,339	1,359	1,302	1,379	1,426

NOTE: Information obtained from District records

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