

Financial Section

Culturally Aware Effective Communicator Efficient
Efficient Technology-User Responsible Citizen Proficient Problem-Solver
Culturally Aware Efficient Technology-User
Independent Thinker Effective Communicator Culturally Aware
Proficient Problem-Solver Responsible Citizen



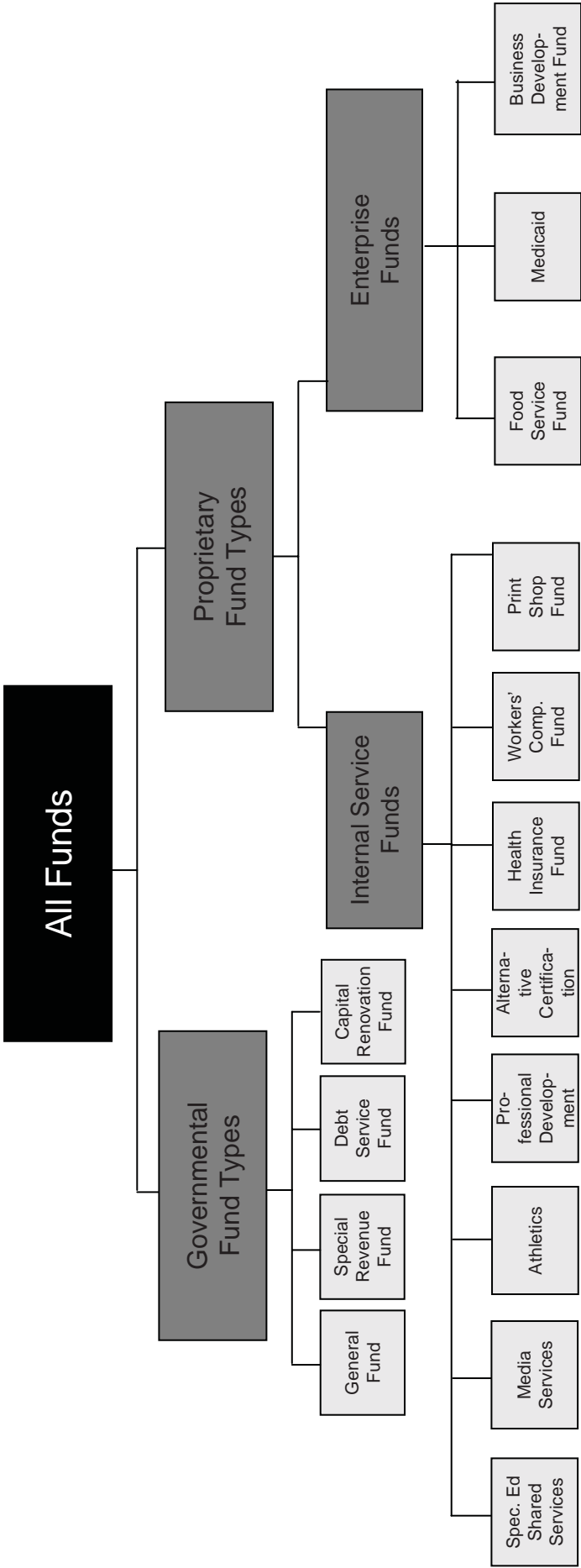
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Houston Independent School District

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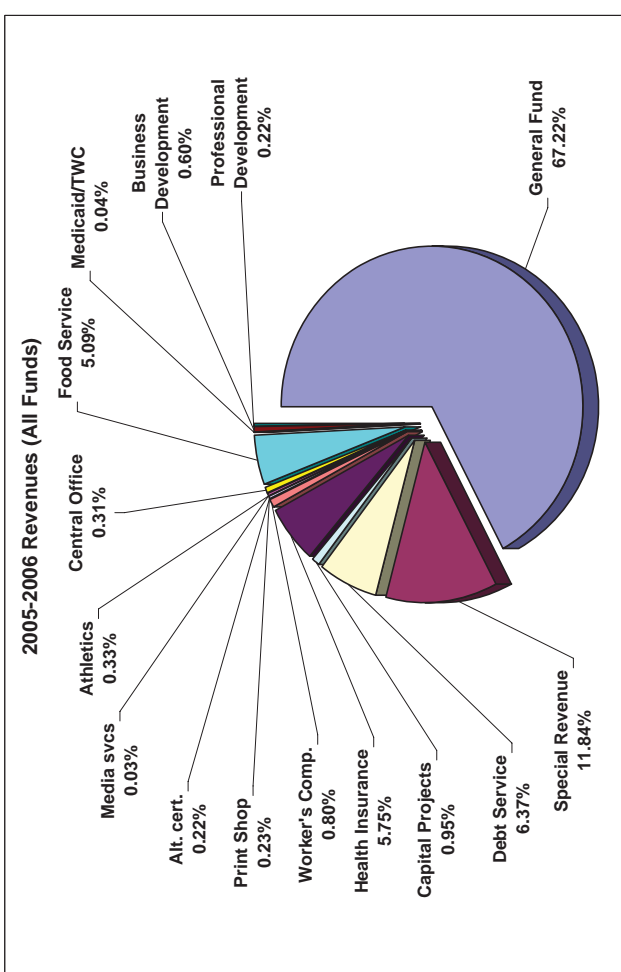
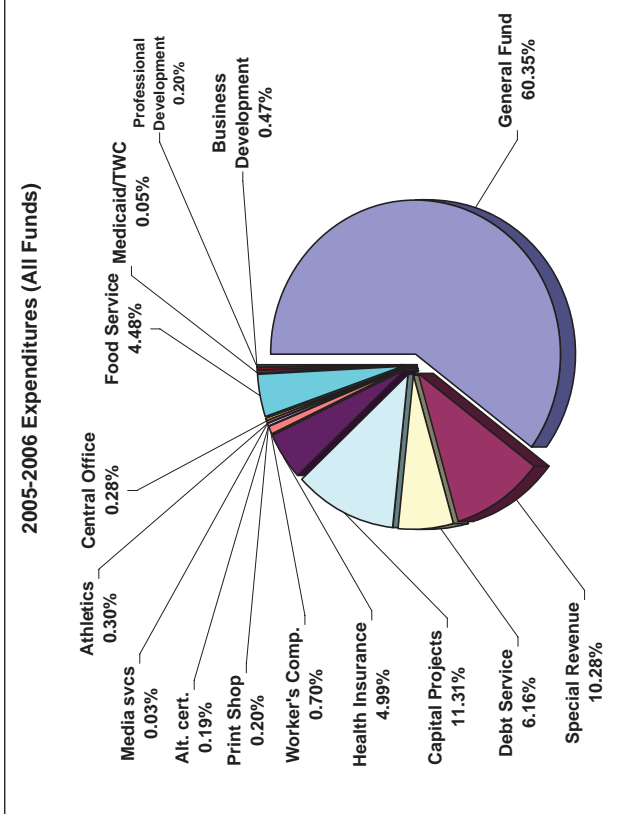


All Funds Structure Diagram / Summary
Houston Independent School District



HOUSTON INDEPENDENT SCHOOL DISTRICT
 GOVERNMENTAL AND PROPRIETARY FUNDS SELECTED ITEMS SUMMARY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Total All Funds | Governmental Type Funds | | | | | Internal Service Funds | | | | | Enterprise Funds | | | |
|--|-----------------|-------------------------|----------------------|-------------------|-------------------------|-----------------------|------------------------|-----------------|-------------------------------|-------------------------|-------------------|------------------|----------------------|-------------------|---------------|
| | | General Fund | Special Revenue Fund | Debt Service Fund | Capital Renovation Fund | Health Insurance Fund | Worker's Comp. Fund | Print Shop Fund | Professional Development Fund | Alt. Certification Fund | Media Center Fund | Athletics Fund | Central Offices Fund | Food Service Fund | Medicaid Fund |
| Total revenue | 1,917,862,868 | 1,289,240,957 | 227,120,753 | 122,123,095 | 18,222,012 | 110,361,616 | 15,392,186 | 4,378,800 | 4,154,774 | 564,106 | 6,320,788 | 5,885,954 | 97,575,314 | 817,578 | 11,548,550 |
| Total expenditures | 2,209,671,365 | 1,333,646,289 | 227,120,753 | 136,142,434 | 250,000,000 | 110,361,616 | 15,392,186 | 4,379,300 | 4,304,824 | 603,491 | 6,580,875 | 6,269,049 | 98,937,910 | 1,203,657 | 10,355,302 |
| Excess (def.) revenues over (under) expenditures | (291,808,497) | (44,405,332) | - | (14,019,339) | (231,777,988) | - | - | (500) | (150,050) | (39,385) | (260,087) | (383,095) | (1,362,596) | (386,079) | 1,193,248 |
| Total other financing sources (uses) | 125,692,907 | 2,502,689 | - | 21,867,400 | 99,780,000 | 150,000 | 500,000 | 500 | 174,050 | 42,885 | 310,087 | 383,095 | - | 902,907 | (1,150,000) |
| Fund balances, beginning | 919,292,962 | 225,320,000 | - | 75,736,418 | 524,771,306 | 14,907,701 | 21,952,738 | 9,901 | 814,986 | 185,731 | 1,443,643 | - | 47,899,688 | 4,724,760 | 1,245,470 |
| Fund balances, ending | 753,177,207 | 183,417,357 | - | 83,584,479 | 392,773,153 | 15,057,701 | 22,452,738 | 9,901 | 838,986 | 189,231 | 1,493,643 | - | 46,537,092 | 5,241,588 | 1,288,718 |





Governmental Fund Types

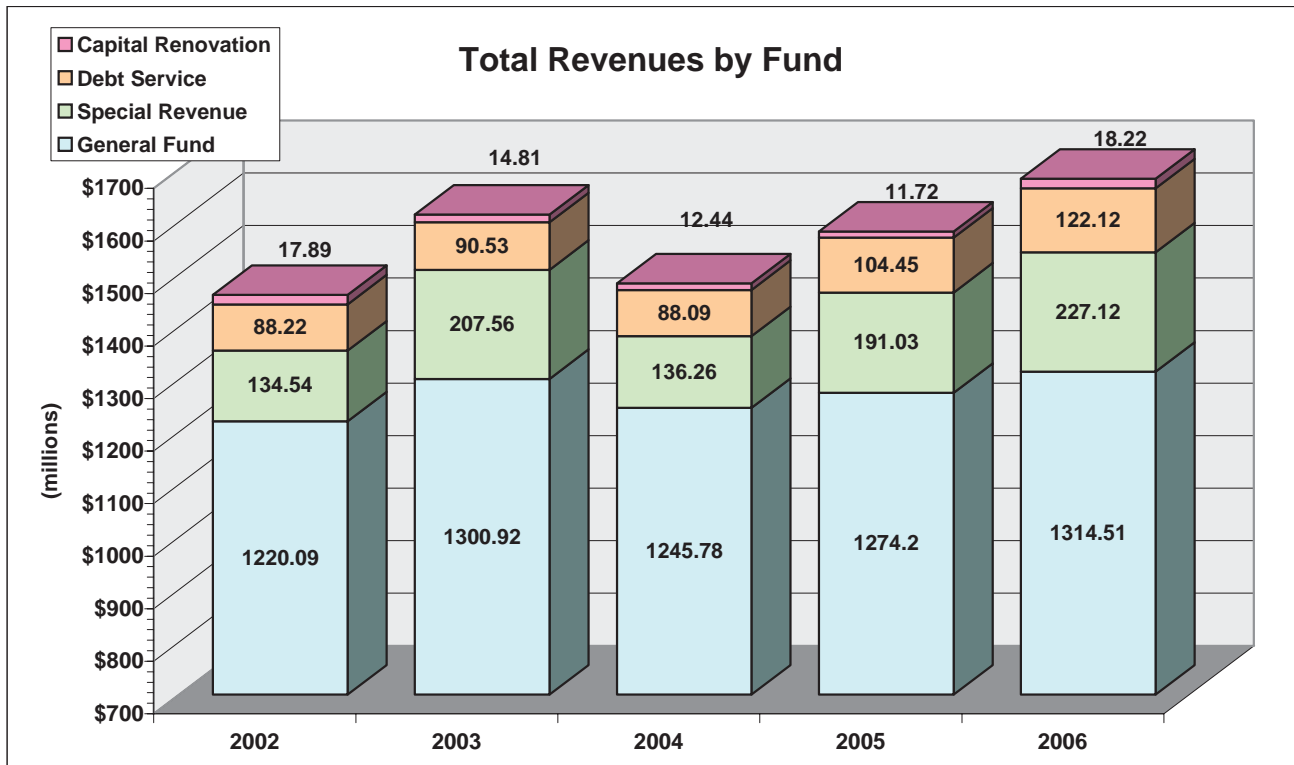
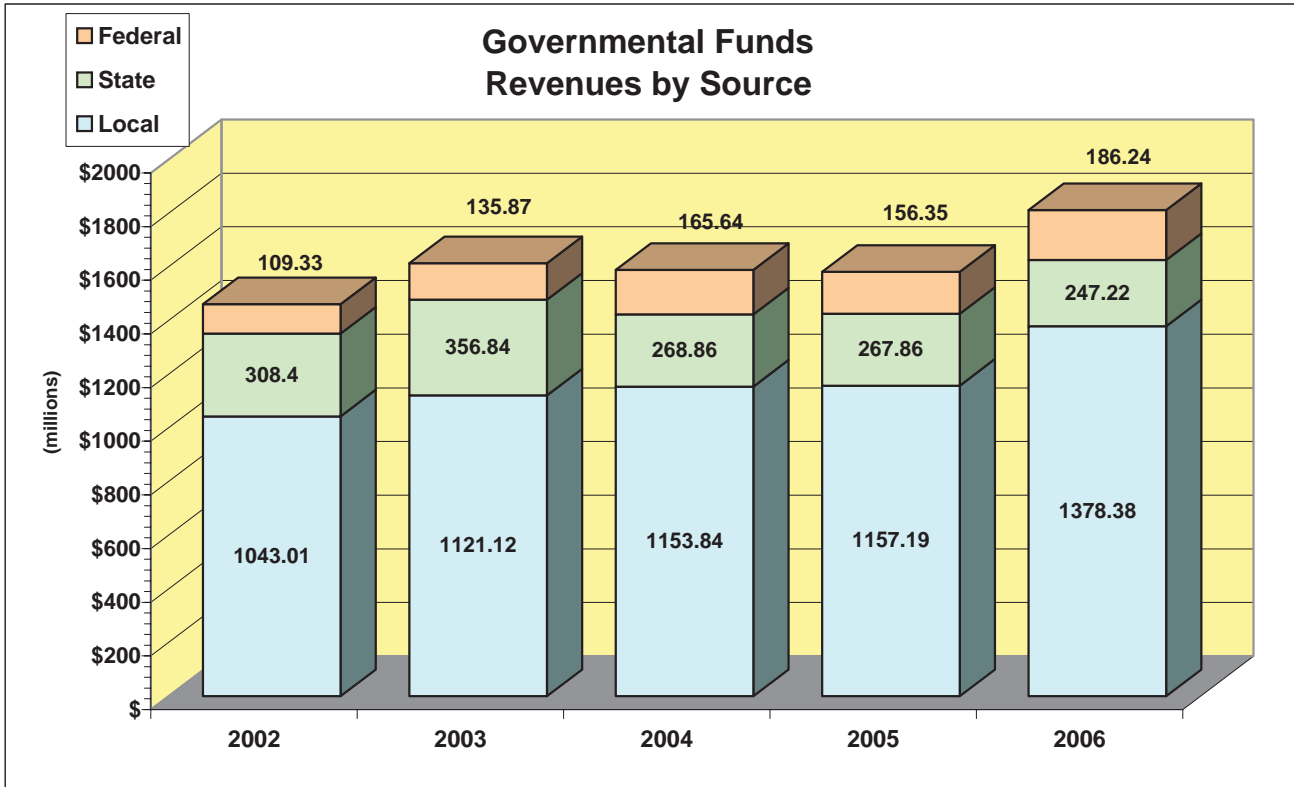
Houston Independent School District

Governmental Fund Types 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 measurement focus is based upon determination of changes in financial position rather than upon net income determination. The following are the district's major governmental funds:

- **General Fund** – The *General Fund* is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.
- **Special Revenue Fund** – The *Special Revenue Fund* is used to account for the proceeds of specific revenue sources (other than private-purpose trust funds or capital projects) such as federal, state or locally financed programs where unused balances are returned to the grant or 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.

HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|----------------------|----------------------|----------------------|------------------------|----------------------|
| Revenues: | | | | | |
| Property taxes | 983,862,463 | 1,045,883,756 | 1,084,428,925 | 1,116,753,675 | 1,173,648,893 |
| Earnings on investments | 19,037,266 | 9,819,554 | 4,590,871 | 7,669,741 | 14,800,000 |
| Miscellaneous local sources | 40,087,931 | 65,406,784 | 64,820,329 | 26,332,447 | 34,794,248 |
| State sources | 308,404,195 | 356,836,069 | 268,857,632 | 252,192,216 | 247,221,923 |
| Federal sources | 109,330,721 | 135,869,750 | 165,637,062 | 156,354,694 | 186,241,753 |
| Total revenues | 1,460,722,576 | 1,613,815,913 | 1,589,334,819 | 1,559,302,773 | 1,656,706,817 |
| Expenditures: | | | | | |
| Current | | | | | |
| Instruction | 785,742,307 | 893,898,796 | 896,329,665 | 872,253,046 | 954,018,539 |
| Instructional resources and media services | 19,926,324 | 20,494,797 | 18,730,730 | 15,993,050 | 17,287,831 |
| Instructional staff development* | 57,270,243 | 76,188,974 | 63,029,532 | 65,639,745 | 70,484,176 |
| Curriculum development* | - | - | - | - | 4,027,502 |
| Instructional leadership | 17,261,624 | 21,746,049 | 19,275,199 | 20,849,297 | 20,726,706 |
| School leadership | 88,484,056 | 105,510,779 | 106,576,188 | 104,141,013 | 107,124,337 |
| Guidance, counseling, and evaluation services | 43,613,205 | 42,725,877 | 35,627,384 | 31,828,698 | 40,358,690 |
| Social work services | 3,351,210 | 3,141,373 | 2,036,549 | 1,773,240 | 2,077,889 |
| Health services | 16,412,179 | 17,867,998 | 17,307,813 | 16,303,224 | 17,782,940 |
| Student transportation | 42,817,272 | 57,078,975 | 47,348,059 | 40,598,440 | 39,582,058 |
| Food services | 630,768 | 1,916,183 | 951,539 | 243,297 | 175,151 |
| Co-Curricular/extracurricular activities | 10,040,983 | 10,354,586 | 11,404,264 | 10,355,908 | 10,510,690 |
| General administration | 34,818,335 | 38,978,500 | 35,094,266 | 31,825,219 | 36,718,658 |
| Plant maintenance and operations | 128,120,020 | 140,088,041 | 138,584,290 | 131,938,299 | 151,971,862 |
| Security and monitoring services | 13,909,591 | 16,430,370 | 15,495,847 | 16,137,306 | 15,535,403 |
| Data processing services | 22,013,916 | 46,335,585 | 51,875,733 | 25,351,883 | 33,489,141 |
| Community services | 18,512,263 | 24,950,870 | 29,520,127 | 6,850,209 | 7,034,446 |
| Juvenile justice alternative education programs | 1,001,000 | 1,222,126 | 1,530,366 | 1,121,269 | 2,990,050 |
| Payments to Tax Increment Zones (TIRZ) | - | - | - | 29,840,000 | 30,538,000 |
| Debt service | | | | | |
| Principal | 29,727,811 | 50,827,141 | 56,081,833 | 50,301,021 | 44,868,299 |
| Interest and fiscal charges | 30,107,716 | 60,199,144 | 60,384,681 | 78,494,321 | 91,387,351 |
| Capital Outlay | | | | | |
| Facilities acquisition and construction | 252,522,608 | 150,630,344 | 111,471,164 | 210,181,013 | 250,219,957 |
| Payments to fiscal agent/member districts of shared services | 539,634 | - | - | - | - |
| Total expenditures | 1,616,823,065 | 1,780,586,508 | 1,718,655,229 | 1,762,019,498 | 1,948,909,476 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (156,100,489) | (166,770,595) | (130,320,410) | (202,716,725) | (292,202,659) |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 30,736,875 | 33,365,899 | 30,632,531 | 40,215,375 | 34,837,400 |
| Transfers out | (25,977,375) | (29,265,899) | (31,707,520) | (37,816,361) | (30,987,311) |
| Capital leases | 52,653 | 369,161 | 45,844 | 300,000 | 300,000 |
| Proceeds from sale of contractual obligations | - | 306,320,674 | 320,598,660 | 214,178,158 | 120,000,000 |
| Payments to escrow agents | - | (83,195,000) | - | - | - |
| Total other financing sources (uses) | 4,812,153 | 227,594,835 | 319,569,515 | 216,877,172 | 124,150,089 |
| Net change in fund balance | (151,288,336) | 60,824,240 | 189,249,105 | 14,160,447 | (168,052,570) |
| Fund balance, beginning | 712,856,368 | 561,568,032 | 622,392,272 | 811,641,377 | 825,801,824 |
| Fund balance, ending | 561,568,032 | 622,392,272 | 811,641,377 | 825,801,824 | 657,749,254 |





General Fund

Houston Independent School District

The **General Fund** is the District's principal fund, accounting for the majority of current operating expenditures. Recorded in the General Fund are transactions encompassing the approved current operating budget, related revenues, expenditures, assets, liabilities, and fund balance. Financial transactions of the District are recorded in detail in the general ledger by objects and functions within projects and programs. This fund has often been described as an operating or current fund and includes revenues from an ad valorem local maintenance tax, state funding, and other sources such as tuition, fees, and investment earnings.

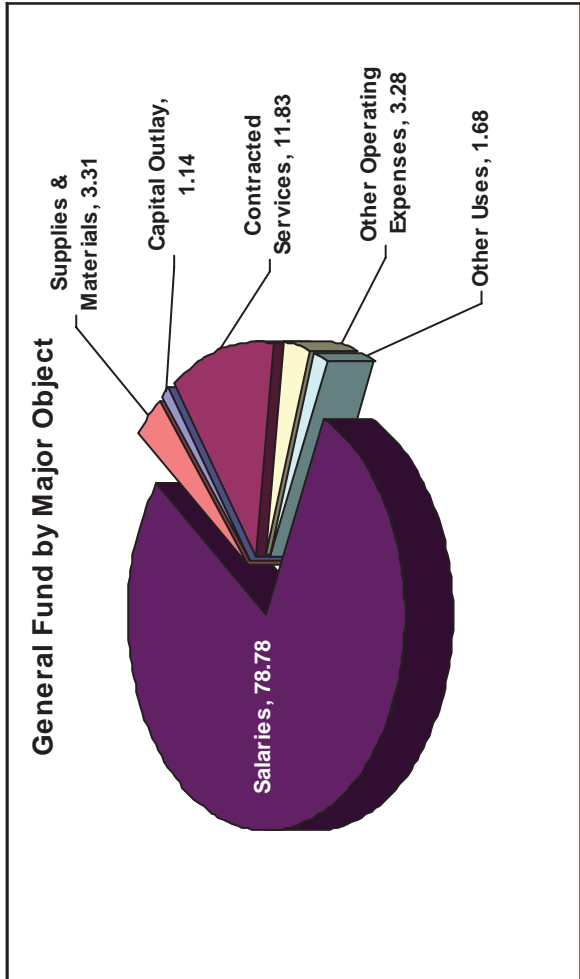
HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|----------------------|----------------------|----------------------|------------------------|----------------------|
| Revenues: | | | | | |
| Property taxes | 902,970,498 | 959,892,632 | 994,705,346 | 1,013,408,555 | 1,053,325,798 |
| Earnings on investments | 8,274,282 | 5,087,403 | 2,919,354 | 4,369,741 | 6,000,000 |
| Miscellaneous local sources | 23,381,058 | 44,201,422 | 36,676,384 | 10,767,259 | 11,651,000 |
| State sources | 280,622,536 | 286,916,213 | 237,457,643 | 218,955,753 | 213,385,059 |
| Federal sources | 4,839,467 | 4,818,956 | 5,293,368 | 4,879,100 | 4,879,100 |
| Total revenues | 1,220,087,841 | 1,300,916,626 | 1,277,052,095 | 1,252,380,408 | 1,289,240,957 |
| Expenditures: | | | | | |
| Current | | | | | |
| Instruction | 696,317,020 | 753,488,606 | 764,078,074 | 750,751,307 | 819,763,189 |
| Instructional resources and media services | 19,630,494 | 19,226,149 | 18,280,235 | 15,763,793 | 16,849,406 |
| Instructional staff development* | 29,797,972 | 39,745,044 | 21,436,801 | 18,527,363 | 10,290,663 |
| Curriculum development* | - | - | - | - | 4,027,502 |
| Instructional leadership | 14,141,573 | 17,485,880 | 15,289,648 | 16,604,591 | 15,995,568 |
| School leadership | 87,421,904 | 101,157,345 | 103,780,213 | 102,425,800 | 105,050,637 |
| Guidance, counseling, and evaluation services | 38,646,982 | 36,989,240 | 30,384,995 | 27,423,982 | 36,054,241 |
| Social work services | 2,472,115 | 2,191,988 | 1,424,215 | 1,091,155 | 1,439,269 |
| Health services | 15,728,997 | 17,108,805 | 16,632,215 | 15,849,977 | 17,072,234 |
| Student transportation | 42,092,774 | 55,339,022 | 43,484,044 | 38,330,228 | 38,536,562 |
| Food services | 627,343 | 549,701 | 237,524 | 242,158 | 90,559 |
| Co-Curricular/extracurricular activities | 9,989,413 | 10,117,701 | 11,223,601 | 10,196,423 | 10,431,529 |
| General administration | 34,519,651 | 37,984,983 | 33,186,471 | 29,902,742 | 33,993,495 |
| Plant maintenance and operations | 126,734,257 | 136,664,392 | 135,809,762 | 131,029,492 | 150,965,093 |
| Security and monitoring services | 13,668,208 | 15,581,334 | 14,690,628 | 15,633,949 | 14,668,424 |
| Data processing services | 21,394,873 | 46,028,727 | 51,237,669 | 24,968,055 | 24,433,557 |
| Community services | 15,942,545 | 21,137,613 | 25,257,538 | 3,009,224 | 2,456,311 |
| Juvenile justice alternative education programs | 1,001,000 | 1,222,126 | 1,530,366 | 1,121,269 | 2,990,050 |
| Payments to Tax Increment Zones (TIRZ) | - | - | - | 29,840,000 | 30,538,000 |
| Debt service | | | | | |
| Principal | 578,409 | 377,900 | 342,034 | 345,812 | - |
| Interest and fiscal charges | 21,568 | 498,532 | 340,948 | 32,335 | - |
| Capital outlay | | | | | |
| Facilities acquisition and construction | 694,846 | 768,504 | 776,541 | 1,493,868 | - |
| Total expenditures | 1,171,421,944 | 1,313,663,592 | 1,289,423,522 | 1,234,583,523 | 1,335,646,289 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 48,665,897 | (12,746,966) | (12,371,427) | 17,796,885 | (46,405,332) |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 11,599,500 | 14,731,617 | 7,675,000 | 11,330,000 | 12,970,000 |
| Transfers out | (17,177,375) | (17,146,625) | (23,743,614) | (23,786,361) | (22,767,311) |
| Capital leases | 52,653 | 369,161 | 45,844 | 300,000 | 300,000 |
| Proceeds from sale of contractual obligations | - | 14,392,466 | 20,598,660 | 12,378,158 | 12,000,000 |
| Total other financing sources (uses) | (5,525,222) | 12,346,619 | 4,575,890 | 221,797 | 2,502,689 |
| Net change in fund balance | 43,140,675 | (400,347) | (7,795,537) | 18,018,682 | (43,902,643) |
| Fund balance, beginning | 172,356,527 | 215,497,202 | 215,096,855 | 207,301,318 | 225,320,000 |
| Fund balance, ending | 215,497,202 | 215,096,855 | 207,301,318 | 225,320,000 | 181,417,357 |

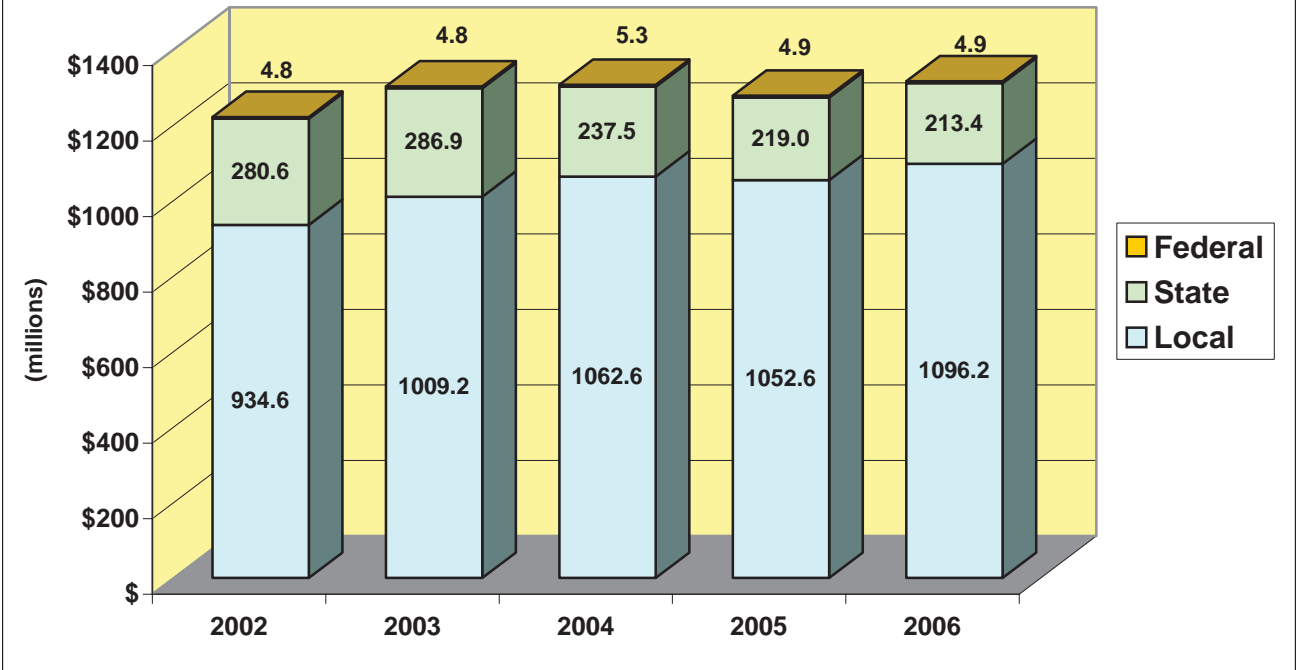
* Instructional staff development and curriculum development are separated for HISD reporting, but will be combined for reporting in PEIMS.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 EXPENDITURES BY FUNCTION AND MAJOR OBJECT - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

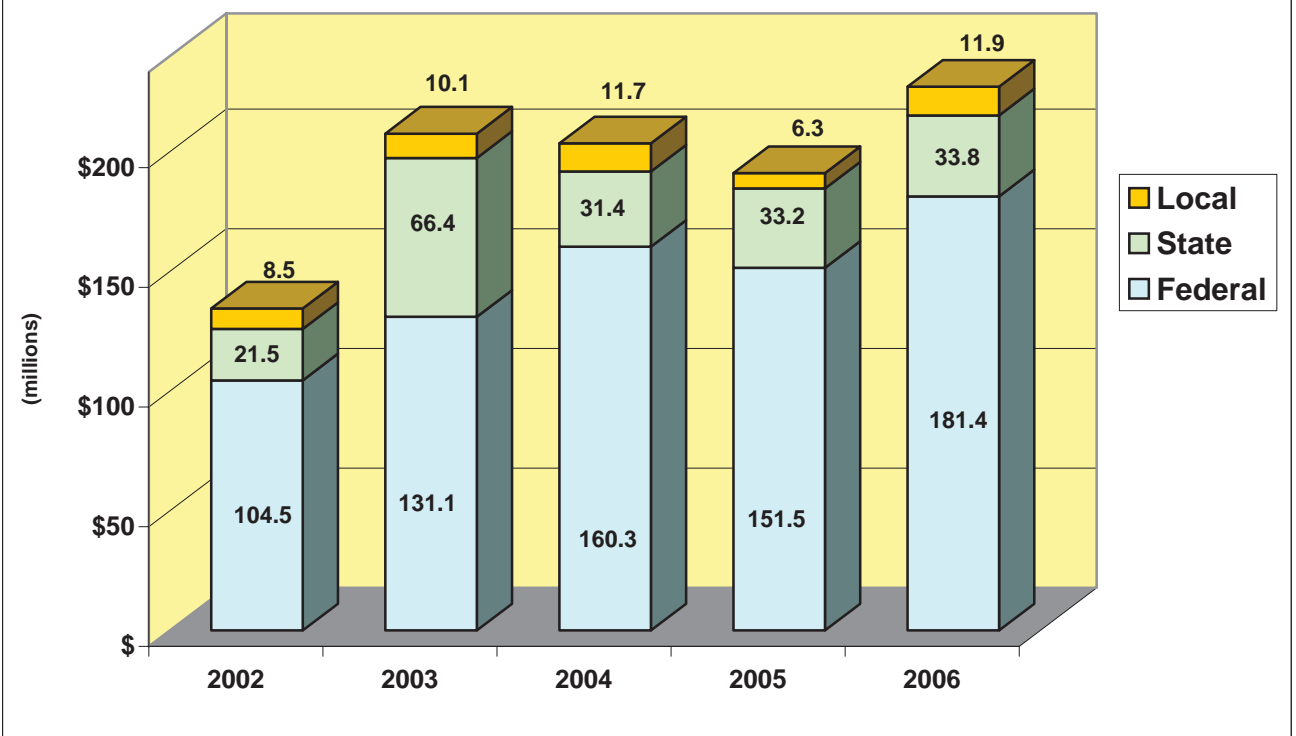
| Function | Function Name | Salaries 6100 | Contracted Services 6200 | Supplies and Materials 6300 | Other Operating Expenses 6400 | Debt Service 6500 | Capital Outlay 6600 | Other Uses 6900 | Function Totals |
|----------------------------|---|----------------------|--------------------------------|-----------------------------------|--|-------------------------|---------------------------|--------------------|----------------------|
| 11 | Instruction | 750,216,165 | 42,525,030 | 20,315,512 | 3,378,436 | - | 3,328,046 | - | 819,763,189 |
| 12 | Instructional resources and media services | 13,389,810 | 186,290 | 355,571 | 65,134 | - | 2,852,601 | - | 16,849,406 |
| 13 | Instructional staff development | 6,347,614 | 2,742,368 | 501,745 | 687,253 | - | 11,683 | - | 10,290,663 |
| 14 | Curriculum development | 2,841,811 | 424,332 | 721,539 | 39,820 | - | - | - | 4,027,502 |
| 21 | Instructional leadership | 12,143,589 | 724,488 | 2,796,628 | 130,863 | - | 200,000 | - | 15,995,568 |
| 23 | School leadership | 102,066,965 | 795,554 | 991,824 | 670,978 | - | 525,316 | - | 105,050,637 |
| 31 | Guidance, counseling, and evaluation services | 26,406,085 | 7,717,824 | 1,649,015 | 231,317 | - | 50,000 | - | 36,054,241 |
| 32 | Social work services | 1,227,444 | 109,500 | 38,919 | 63,406 | - | - | - | 1,439,269 |
| 33 | Health services | 16,443,739 | 198,988 | 303,809 | 73,698 | - | 52,000 | - | 17,072,234 |
| 34 | Student transportation | 30,985,073 | 1,593,600 | 4,563,400 | 1,294,489 | - | 100,000 | - | 38,536,562 |
| 35 | Food services | 14,408 | - | 525 | 900 | - | 74,726 | - | 90,559 |
| 36 | Co-Curricular/extracurricular activities | 3,465,233 | 6,455,313 | 142,378 | 313,155 | - | 55,450 | - | 10,431,529 |
| 41 | General administration | 18,339,540 | 12,738,249 | 789,966 | 1,775,740 | - | 350,000 | - | 33,993,495 |
| 51 | Plant maintenance and operations | 59,481,006 | 74,603,477 | 10,933,969 | 4,552,708 | - | 1,393,933 | - | 150,965,093 |
| 52 | Security and monitoring services | 13,481,504 | 330,802 | 324,540 | 119,728 | - | 411,850 | - | 14,668,424 |
| 53 | Data processing services | 11,417,217 | 6,342,609 | 424,275 | 209,156 | - | 6,040,300 | - | 24,433,557 |
| 61 | Community services | 1,838,283 | 155,823 | 84,928 | 377,277 | - | - | - | 2,456,311 |
| 71 | Debt services | - | - | - | - | - | - | - | - |
| 81 | Capital outlay | - | - | - | - | - | - | - | - |
| 95 | Juvenile justice alternative education programs | - | 2,990,050 | - | - | - | - | - | 2,990,050 |
| 96 | Other financing sources (uses) | - | - | - | - | - | - | 22,767,311 | 22,767,311 |
| 97 | Tax Incremental Relief Zone (TIRZ) payments | - | - | - | 30,538,000 | - | - | - | 30,538,000 |
| Major Object Totals | | 1,070,105,486 | 160,634,297 | 44,938,543 | 44,522,058 | - | 15,445,905 | 22,767,311 | 1,358,413,600 |



General Fund Revenues by Source

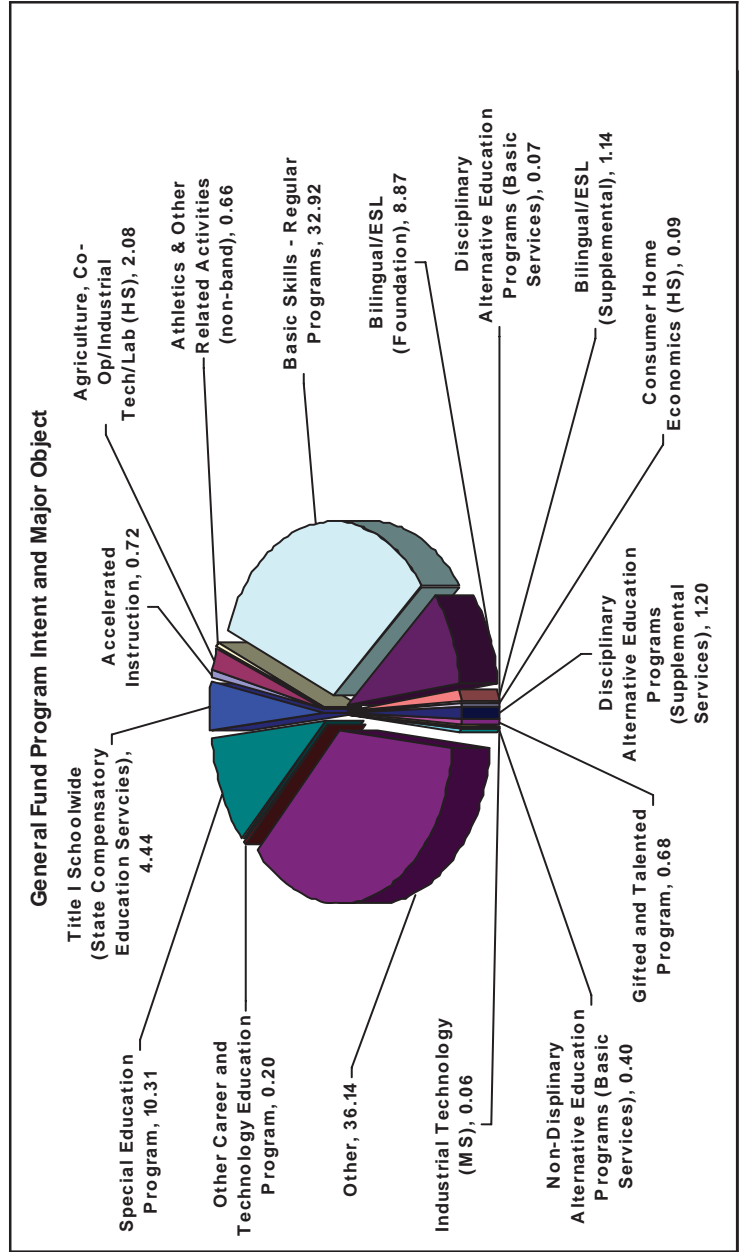


Special Revenue Funding by Source



HOUSTON INDEPENDENT SCHOOL DISTRICT
 EXPENDITURES BY PROGRAM INTENT AND MAJOR OBJECT - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| Program Intent Code | Program Intent Code Description | Salaries 6100 | Contracted Services 6200 | Supplies and Materials 6300 | Other Operating Expenses 6400 | Debt Service 6500 | Capital Outlay 6600 | Other Uses 6900 | Program Intent Totals |
|---------------------|---|----------------------|--------------------------|-----------------------------|-------------------------------|-------------------|---------------------|-------------------|-----------------------|
| 10 | Basic Skills-Regular Programs | 419,067,703 | 12,609,313 | 11,011,512 | 2,547,198 | - | 1,911,418 | - | 447,147,144 |
| 24 | Accelerated Instruction | 4,637,478 | 4,767,261 | 315,591 | 17,029 | - | 108,755 | - | 9,846,114 |
| 26 | Non-Disciplinary Alternative Education Programs (Basic Services) | 4,876,044 | 59,667 | 289,064 | 67,690 | - | 190,700 | - | 5,483,165 |
| 28 | Disciplinary Alternative Education Programs (Basic Services) | 119,062 | 768,266 | 12,273 | - | - | 63,099 | - | 962,700 |
| 29 | Disciplinary Alternative Education Programs (Supplemental Services) | 718,070 | 15,564,196 | 32,965 | - | - | 15,000 | - | 16,330,231 |
| 30 | Title I Schoolwide (State Compensatory Education) | 45,756,322 | 11,229,857 | 2,556,022 | 225,411 | - | 525,318 | - | 60,292,930 |
| 31 | Bilingual/ESL (Foundation) | 120,348,481 | 1,460 | 164,300 | - | - | - | - | 120,514,241 |
| 32 | Bilingual/ESL (Supplemental) | 11,851,848 | 478,473 | 2,797,025 | 315,391 | - | 75,687 | - | 15,518,424 |
| 50 | Gifted and Talented Program | 7,614,094 | 148,044 | 1,115,342 | 318,534 | - | 28,760 | - | 9,224,774 |
| 70 | Other Career and Technology Education Program | 2,720,964 | 15,500 | 37,330 | 3,000 | - | - | - | 2,776,794 |
| 73 | Industrial Technology (MS) | 852,961 | - | - | - | - | - | - | 852,961 |
| 74 | Agriculture, Co-Op/Industrial Tech/Lab (HS) | 25,597,049 | 196,749 | 1,837,754 | 154,385 | - | 509,007 | - | 28,294,944 |
| 75 | Consumer Home Economics (HS) | 1,248,561 | - | 850 | - | - | - | - | 1,249,411 |
| 80 | Special Education Program | 131,399,697 | 7,136,762 | 911,430 | 370,546 | - | 170,186 | - | 139,988,621 |
| 81 | Special Ed. Program-Extended Year Program | 2,596,797 | 6,076,536 | 93,827 | 247,811 | - | - | - | 9,014,971 |
| 91 | Athletics and Other Related Activities (non-band) | 290,700,355 | 101,582,213 | 23,763,258 | 40,255,063 | - | 11,847,975 | - | 490,916,175 |
| 99 | Other | - | - | - | - | - | - | 22,767,311 | - |
| | Major Object Totals | 1,070,105,486 | 160,634,297 | 44,938,543 | 44,522,058 | - | 15,445,905 | 22,767,311 | 1,358,413,600 |





Special Revenue Fund

Houston Independent School District

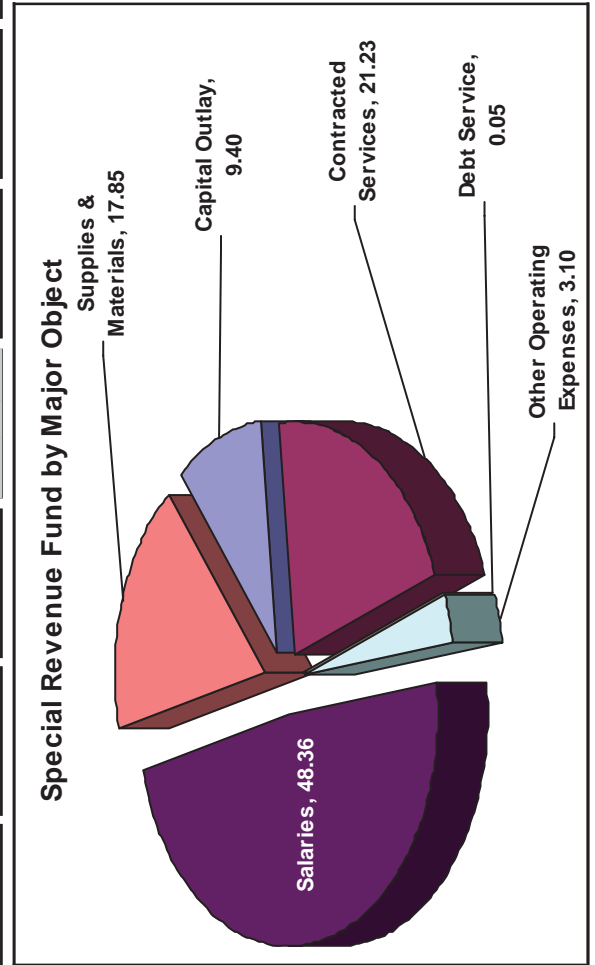
The **Special Revenue Fund** accounts for all designated-purpose monies received in the form of federal, state or local grants. These grants, referred to as projects, are awarded to the Houston Independent School District for the purpose of accomplishing specified educational tasks; therefore, revenues and expenditures are recorded by project or similar groups of projects related by funding to accomplish the purpose of accounting for each grant.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Revenues: | | | | | |
| Local sources | 8,542,381 | 10,145,289 | 11,700,924 | 6,343,176 | 11,921,236 |
| State sources | 21,510,581 | 66,368,669 | 31,399,989 | 33,212,881 | 33,836,864 |
| Federal sources | 104,491,254 | 131,050,794 | 160,343,694 | 151,475,594 | 181,362,653 |
| Total revenues | 134,544,216 | 207,564,752 | 203,444,607 | 191,031,651 | 227,120,753 |
| Expenditures: | | | | | |
| Current | | | | | |
| Instruction | 89,425,287 | 140,410,190 | 132,251,591 | 121,501,739 | 134,255,350 |
| Instructional resources and media services | 295,830 | 1,268,648 | 450,495 | 229,257 | 438,425 |
| Curriculum development and instructional staff development | 27,472,271 | 36,443,930 | 41,592,731 | 47,112,382 | 60,193,513 |
| Instructional leadership | 3,120,051 | 4,260,169 | 3,985,551 | 4,244,706 | 4,731,138 |
| School leadership | 1,062,152 | 4,353,434 | 2,795,975 | 1,715,213 | 2,073,700 |
| Guidance, counseling, and evaluation services | 4,966,223 | 5,736,637 | 5,242,389 | 4,404,716 | 4,304,449 |
| Social work services | 879,095 | 949,385 | 612,334 | 682,085 | 638,420 |
| Health services | 683,182 | 759,193 | 675,598 | 453,247 | 710,706 |
| Student transportation | 724,498 | 1,739,953 | 3,864,015 | 2,268,212 | 1,045,496 |
| Food services | 3,425 | 1,366,482 | 714,015 | 1,139 | 84,592 |
| Co-Curricular/extracurricular activities | 51,570 | 236,885 | 180,663 | 159,485 | 79,161 |
| General administration | 298,684 | 993,517 | 1,907,795 | 1,922,477 | 2,725,163 |
| Plant maintenance and operations | 1,385,763 | 3,423,649 | 2,774,528 | 908,807 | 1,006,769 |
| Security and monitoring services | 241,383 | 849,036 | 805,219 | 503,357 | 866,979 |
| Data processing services | 619,043 | 306,858 | 638,064 | 383,828 | 9,055,584 |
| Community services | 2,569,718 | 3,813,257 | 4,262,589 | 3,840,985 | 4,578,135 |
| Juvenile justice alternative education programs | - | - | - | - | - |
| Debt service | | | | | |
| Principal | 174,402 | 76,824 | 134,341 | 96,255 | 102,018 |
| Interest and fiscal charges | 15,436 | 7,199 | 11,915 | 10,566 | 11,198 |
| Capital outlay | | | | | |
| Facilities acquisition and construction | 16,569 | 569,506 | 544,799 | 593,195 | 219,957 |
| Intergovernmental Charges | | | | | |
| Payments to fiscal agent/member districts of shared services | 539,634 | - | - | - | - |
| Total expenditures | 134,544,216 | 207,564,752 | 203,444,607 | 191,031,651 | 227,120,753 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | - |
| Fund balance, beginning | - | - | - | - | - |
| Fund balance, ending | - | - | - | - | - |

HOUSTON INDEPENDENT SCHOOL DISTRICT
 EXPENDITURES BY FUNCTION AND MAJOR OBJECT - SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| Function | Function Name | Salaries 6100 | Contracted Services 6200 | Supplies Materials 6300 | Other Operating Expenses 6400 | Debt Service 6500 | Capital Outlay 6600 | Other Uses 6900 | Function Totals |
|----------------------------|---|--------------------|--------------------------------|-------------------------------|--|-------------------------|---------------------------|--------------------|--------------------|
| 11 | Instruction | 71,584,119 | 22,589,098 | 29,791,294 | 741,806 | - | 9,549,033 | - | 134,255,350 |
| 12 | Instructional resources and media services | 197,761 | 7,927 | 32,967 | - | - | 199,770 | - | 438,425 |
| 13 | Instructional staff development | 23,160,704 | 19,663,886 | 8,282,087 | 5,063,795 | - | 4,023,041 | - | 60,193,513 |
| 14 | Curriculum development | - | - | - | - | - | - | - | - |
| 21 | Instructional leadership | 3,614,915 | 543,492 | 218,654 | 256,544 | - | 97,533 | - | 4,731,138 |
| 23 | School leadership | 1,899,747 | 59,184 | 87,247 | 18,437 | - | 9,085 | - | 2,073,700 |
| 31 | Guidance, counseling, and evaluation services | 2,926,868 | 893,831 | 227,607 | 122,077 | - | 134,066 | - | 4,304,449 |
| 32 | Social work services | 561,554 | 60,824 | 5,422 | 10,620 | - | - | - | 638,420 |
| 33 | Health services | 634,910 | 41,676 | 26,407 | 5,521 | - | 2,192 | - | 710,706 |
| 34 | Student transportation | 341,302 | 120,551 | 98,632 | 387,482 | - | 97,529 | - | 1,045,496 |
| 35 | Food services | 32,989 | - | 51,603 | - | - | - | - | 84,592 |
| 36 | Co-Curricular/extracurricular activities | 4,459 | 10,356 | 25,884 | 23,297 | - | 15,165 | - | 79,161 |
| 41 | General administration | 1,715,646 | 720,925 | 25,344 | 257,403 | - | 5,845 | - | 2,725,163 |
| 51 | Plant maintenance and operations | 687,306 | 100,298 | 203,855 | - | - | 15,310 | - | 1,006,769 |
| 52 | Security and monitoring services | 691,343 | 1,748 | 81,542 | 25,814 | - | 66,532 | - | 866,979 |
| 53 | Data processing services | 31,165 | 2,191,202 | - | - | - | 6,833,217 | - | 9,055,584 |
| 61 | Community services | 1,760,024 | 1,217,723 | 1,392,286 | 124,891 | - | 83,211 | - | 4,578,135 |
| 71 | Debt services | - | - | - | - | 113,216 | - | - | 113,216 |
| 81 | Capital outlay | - | - | - | - | - | 219,957 | - | 219,957 |
| 95 | Juvenile justice alternative education programs | - | - | - | - | - | - | - | - |
| 96 | Other financing sources (uses) | - | - | - | - | - | - | - | - |
| 97 | Tax Incremental Relief Zone (TIRZ) payments | - | - | - | - | - | - | - | - |
| Major Object Totals | | 109,844,812 | 48,222,721 | 40,550,831 | 7,037,687 | 113,216 | 21,351,486 | 0 | 227,120,753 |



HOUSTON INDEPENDENT SCHOOL DISTRICT

Combined Statement of Expenditures by Grant - Special Revenue Fund

For Fiscal Year 2005-2006 with Comparative Data for Prior Year

| | 2004-2005 Budget | 2005-2006 Budget | 2004-2005 % Change |
|---|---------------------|---------------------|-----------------------|
| Expenditures by Grant | | | |
| Title I (ESEA) | 64,344,613 | 84,639,201 | 32% |
| State Technology Funding | 3,331,254 | 7,571,425 | 127% |
| Federal Special Education Programs | 33,547,973 | 32,661,795 | -3% |
| Retention Reduction Program/OEY | 1,989,531 | 1,726,080 | -13% |
| State Special Education Programs | 1,941,371 | 2,199,855 | 13% |
| Vocational Programs | 2,715,908 | 2,938,525 | 8% |
| Title VII - Bilingual | - | - | 0% |
| Business/Foundation Support Programs | 9,428,428 | 10,964,766 | 16% |
| Eisenhower Math/Science | 1,763,062 | 238,646 | -86% |
| Safe and Drug Free Schools | 3,020,106 | 1,662,078 | -45% |
| Title VI - (ESEA) | - | - | 0% |
| Project STAR | - | - | 0% |
| Emergency Immigration Education Assistance | - | 1,156,993 | 100% |
| Pregnancy, Education, and Parenting Program | 672,366 | 377,452 | -44% |
| Miscellaneous Federal Programs | 15,569,623 | 14,944,135 | -4% |
| Miscellaneous State Programs | 17,180,776 | 18,295,994 | 6% |
| Opportunities for Parenting Teens | - | - | 0% |
| Title I - Migrant | 409,250 | 689,437 | 68% |
| Campus Deregulation and Restructuring | 458,734 | 1,061,990 | 132% |
| Comprehensive Health | 426,303 | - | -100% |
| Educational Services for Homeless Children | 158,153 | 208,567 | 32% |
| Even Start | 999,958 | 2,135,292 | 114% |
| Texas Successful Schools Award | 50,435 | 60,660 | 20% |
| Mentor Schools | - | - | 0% |
| Goals 2000 | 2,222 | - | -100% |
| Annenberg Challenge | 1,969,244 | 2,120,320 | 8% |
| Class-size Reduction | - | - | 0% |
| HU-LINC-National Science Foundation | 4,000,106 | 2,890,792 | -28% |
| Pre K & Kindergarten | 4,635,534 | 7,528,625 | 62% |
| Title V - (ESEA) | 922,216 | 707,216 | -23% |
| Title III | 2,720,894 | 5,947,236 | 119% |
| Title II Part A | 7,446,403 | 14,840,466 | 0% |
| Title II Part D | 2,601,523 | 1,509,089 | 0% |
| APS Target | 450,000 | - | -100% |
| TRS Supplemental Compensation | 8,275,665 | 8,044,118 | -3% |
| Total Expenditures | 191,031,651 | 227,120,753 | 19% |



Debt Service Fund

Houston Independent School District

The **Debt Service Fund** includes all accounts necessary to record transactions reflecting revenues collected from taxes and investment earnings and expenditures made for the payment of interest and principal on long-term, general debt obligations.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|---|---------------------|---------------------|---------------------|------------------------|---------------------|
| Revenues: | | | | | |
| Local maintenance taxes | 80,891,965 | 85,991,124 | 89,723,579 | 103,345,120 | 120,323,095 |
| Miscellaneous Local Sources | - | - | 91,910 | - | - |
| Earnings on investments | 1,053,862 | 987,620 | 631,489 | 800,000 | 1,800,000 |
| State sources | 6,271,078 | 3,551,187 | - | 23,582 | - |
| Total revenues | 88,216,905 | 90,529,931 | 90,446,978 | 104,168,702 | 122,123,095 |
| Expenditures: | | | | | |
| Debt service | | | | | |
| Principal | 28,975,000 | 50,372,417 | 55,605,458 | 49,858,954 | 44,766,281 |
| Interest and fiscal charges | 30,070,712 | 59,693,413 | 60,031,818 | 78,451,420 | 91,376,153 |
| Total expenditures | 59,045,712 | 110,065,830 | 115,637,276 | 128,310,374 | 136,142,434 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 29,171,193 | (19,535,899) | (25,190,298) | (24,141,672) | (14,019,339) |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 19,137,375 | 18,634,282 | 22,957,531 | 28,885,375 | 21,867,400 |
| Proceeds from sale of contractual obligations | - | 83,195,000 | - | - | - |
| Payments to escrow agents | - | (83,195,000) | - | - | - |
| Total other financing sources (uses) | 19,137,375 | 18,634,282 | 22,957,531 | 28,885,375 | 21,867,400 |
| Net change in fund balance | 48,308,568 | (901,617) | (2,232,767) | 4,743,703 | 7,848,061 |
| Fund balance, beginning | 25,818,531 | 74,127,099 | 73,225,482 | 70,992,715 | 75,736,418 |
| Fund balance, ending | 74,127,099 | 73,225,482 | 70,992,715 | 75,736,418 | 83,584,479 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
 EXPENSES BY FUNCTION AND MAJOR OBJECT - DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| Function | Function Name | Salaries 6100 | Contracted Services 6200 | Supplies and Materials 6300 | Other Operating Expenses 6400 | Debt Service 6500 | Capital Outlay 6600 | Other Uses 6900 | Function Totals |
|----------|---|------------------|--------------------------------|-----------------------------------|--|-------------------------|---------------------------|--------------------|-----------------|
| 11 | Instruction | - | - | - | - | - | - | - | - |
| 12 | Instructional resources and media services | - | - | - | - | - | - | - | - |
| 13 | Instructional staff development | - | - | - | - | - | - | - | - |
| 14 | Curriculum development | - | - | - | - | - | - | - | - |
| 21 | Instructional leadership | - | - | - | - | - | - | - | - |
| 23 | School leadership | - | - | - | - | - | - | - | - |
| 31 | Guidance, counseling, and evaluation services | - | - | - | - | - | - | - | - |
| 32 | Social work services | - | - | - | - | - | - | - | - |
| 33 | Health services | - | - | - | - | - | - | - | - |
| 34 | Student transportation | - | - | - | - | - | - | - | - |
| 35 | Food services | - | - | - | - | - | - | - | - |
| 36 | Co-Curricular/extracurricular activities | - | - | - | - | - | - | - | - |
| 41 | General administration | - | - | - | - | - | - | - | - |
| 51 | Plant maintenance and operations | - | - | - | - | - | - | - | - |
| 52 | Security and monitoring services | - | - | - | - | - | - | - | - |
| 53 | Data processing services | - | - | - | - | - | - | - | - |
| 61 | Community services | - | - | - | - | - | - | - | - |
| 71 | Debt services | - | - | - | - | 136,142,434 | - | - | 136,142,434 |
| 81 | Capital outlay | - | - | - | - | - | - | - | - |
| 95 | Juvenile justice alternative education programs | - | - | - | - | - | - | - | - |
| 96 | Other financing sources (uses) | - | - | - | - | - | - | - | - |
| 97 | Tax Incremental Relief Zone (TIRZ) payments | - | - | - | - | - | - | - | - |
| | Major Object Totals | 0 | 0 | 0 | 0 | 136,142,434 | 0 | 0 | 136,142,434 |



Debt Service Administration

Houston Independent School District

As of June 30, 2004, the District had total bonded debt of \$1.493 billion. The District sold \$300 million in Variable Rate Bonds during the fiscal year ending June 30, 2004. The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the District's debt position. The ratio reflects a minor increase in net bonded debt per capita and a ratio of net bonded debt to assessed value of 2.49 percent, as compared to 2.19 percent last year.

The District has \$225.5 million of unissued authorized bonds. The "AAA" long-term rating on the District's bonds reflects the Texas Permanent Fund guarantee. The latest review by the rating agencies was made in May, 2004, when Moody's Investors Service, Inc., assigned an underlying rating of Aa3 and Standard and Poor's Corporation assigned an underlying rating of AA+ to the District's debt obligations. The ratings did not change from the previous year.

In 1986, the District received an 18-year, non interest-bearing loan from the Environmental Protection Agency (EPA) to be used specifically for the removal of asbestos. The District has been active in the removal of asbestos from its various facilities. The outstanding balance as of June 30, 2004, is \$141,911. Interest earnings on proceeds from debt issued since May 15, 1989, are subject to arbitrage regulations contained in fund balance, if needed, on an annual basis. As of June 30, 2004, arbitrage rebate in the amount of \$14,949 has been included as part of the unreserved fund balance on the Governmental Funds Balance Sheet.

Contractual obligations, with a remaining balance of \$66,580,000, are issued for the purpose of acquiring personal property assets and are authorized pursuant to the laws of the State of Texas, including the Public Property Finance Act, Section 271.001 of the Texas Local Government Code. The outstanding \$108,500,000 notes issued by the District include both maintenance tax notes and asbestos abatement notes. The maintenance tax notes were issued to provide funding for improvements to and rehabilitation of school facilities and the asbestos abatement notes were issued to pay costs for the District's environmental cleanup and asbestos removal programs.

The following page shows the Valuation, Exemptions, and Tax-Supported Debt.

VALUATION, EXEMPTIONS, AND TAX-SUPPORTED DEBT

| | |
|--|-------------------------------------|
| 2002 Assessed Valuation (100% of estimated market valuation) | \$68,276,155,490 ⁽¹⁾ |
| 2003 Assessed Valuation (100% of estimated market valuation) | \$71,025,693,860 ⁽¹⁾ |
| 2004 Assessed Valuation (100% of estimated market valuation) | \$72,601,212,280 ^{(1) (2)} |
| | |
| Total Ad Valorem Tax Debt at May 1, 2005 | \$1,721,200,817 ⁽³⁾ |
| Plus: HISD Public Facilities Corporation Debt | \$66,697,109 |
| Plus: Accreted Value of Capital Appreciation Bonds | \$172,656,002 ⁽⁴⁾ |
| Plus the Bonds | \$61,245,000 |
| Less: The Refunded Notes | (\$61,240,000) |
| Less Debt Service Fund (cash and investment as of June 30, 2004) | (\$99,148,813) ⁽⁴⁾ |
| Net Debt Outstanding | \$1,861,410,115 |
| | |
| Ratio of Net Debt to 2003 Assessed Valuation | 2.62% |
| Ratio of Net Debt to 2004 Assessed Valuation | 2.56% |
| | |
| 2004 District Tax Rate (per \$100 A.V.) | |
| Local Maintenance | \$1.450000 |
| Debt Service | \$0.149000 |
| Total | \$1.599000 |
| | |
| Tax Rate Limitation (per \$100 A.V.) | \$1.700000 |
| | |
| Average percentage of current tax collections for Tax Years 2000-2003 | 96.49% |
| | |
| Average Percentage of total (current and delinquent) tax collections for Tax Years 2000-2003 | 99.48% |
| | |
| Student Peak Enrollment | 206,685 ⁽⁵⁾ |
| District Population Estimate | 1,860,999 ⁽⁵⁾ |

(1) Net of exemptions. Source: Harris County Appraisal District

(2) As of Harris County Appraisal District Report November 13, 2004, Supp. #3, Corr. #6

(3) Comprised of \$1,387,384,625 in Bonds, \$24,936,192 in original issue premium on capital appreciation bonds and \$170,180,000 in Contractual Obligations, Asbestos Notes and Maintenance Tax Notes. Refunded Notes excluded

(4) Source: The District. As of June 30, 2004.

(5) Source: The District's Fiscal 2004 Comprehensive Annual Financial Report.



Capital Renovation Fund

Houston Independent School District

The **Capital Renovation Fund** is being used to account for all capital program projects on an individual project basis. The primary source of funding is the bond funding from the November, 2002, \$808.6 million bond issue.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - CAPITAL RENOVATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|---|---------------------|---------------------|---------------------|------------------------|---------------------|
| Revenues: | | | | | |
| Earnings on investments | 9,709,122 | 3,744,531 | 1,040,028 | 2,500,000 | 7,000,000 |
| Miscellaneous local sources | 8,164,492 | 11,060,073 | 16,351,111 | 9,222,012 | 11,222,012 |
| Total revenues | 17,873,614 | 14,804,604 | 17,391,139 | 11,722,012 | 18,222,012 |
| Expenditures: | | | | | |
| Capital Outlay | | | | | |
| Facilities acquisition and construction | 251,811,193 | 149,292,334 | 110,149,824 | 208,093,950 | 250,000,000 |
| Total expenditures | 251,811,193 | 149,292,334 | 110,149,824 | 208,093,950 | 250,000,000 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (233,937,579) | (134,487,730) | (92,758,685) | (196,371,938) | (231,777,988) |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | (8,800,000) | (12,119,274) | (7,963,906) | (14,030,000) | (8,220,000) |
| Sale of bonds and notes | - | 208,733,208 | 300,000,000 | 201,800,000 | 108,000,000 |
| Total other financing sources (uses) | (8,800,000) | 196,613,934 | 292,036,094 | 187,770,000 | 99,780,000 |
| Net change in fund balance | (242,737,579) | 62,126,204 | 199,277,409 | (8,601,938) | (131,997,988) |
| Fund balance, beginning | 514,681,310 | 271,943,731 | 334,069,935 | 533,347,344 | 524,745,406 |
| Fund balance, ending | 271,943,731 | 334,069,935 | 533,347,344 | 524,745,406 | 392,747,418 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
EXPENSES BY FUNCTION AND MAJOR OBJECT - CAPITAL RENOVATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| Function | Function Name | Salaries 6100 | Contracted Services 6200 | Supplies and Materials 6300 | Other Operating Expenses 6400 | Debt Service 6500 | Capital Outlay 6600 | Other Uses 6900 | Function Totals |
|----------|---|------------------|--------------------------------|-----------------------------------|--|-------------------------|---------------------------|--------------------|--------------------|
| 11 | Instruction | - | - | - | - | - | - | - | - |
| 12 | Instructional resources and media services | - | - | - | - | - | - | - | - |
| 13 | Instructional staff development | - | - | - | - | - | - | - | - |
| 14 | Curriculum development | - | - | - | - | - | - | - | - |
| 21 | Instructional leadership | - | - | - | - | - | - | - | - |
| 23 | School leadership | - | - | - | - | - | - | - | - |
| 31 | Guidance, counseling, and evaluation services | - | - | - | - | - | - | - | - |
| 32 | Social work services | - | - | - | - | - | - | - | - |
| 33 | Health services | - | - | - | - | - | - | - | - |
| 34 | Student transportation | - | - | - | - | - | - | - | - |
| 35 | Food services | - | - | - | - | - | - | - | - |
| 36 | Co-Curricular/extracurricular activities | - | - | - | - | - | - | - | - |
| 41 | General administration | - | - | - | - | - | - | - | - |
| 51 | Plant maintenance and operations | - | - | - | - | - | - | - | - |
| 52 | Security and monitoring services | - | - | - | - | - | - | - | - |
| 53 | Data processing services | - | - | - | - | - | - | - | - |
| 61 | Community services | - | - | - | - | - | - | - | - |
| 71 | Debt services | - | - | - | - | - | - | - | - |
| 81 | Capital outlay | 6,674,429 | 788,900 | 116,100 | 188,100 | - | 234,012,471 | - | 241,780,000 |
| 95 | Juvenile justice alternative education programs | - | - | - | - | - | - | - | - |
| 96 | Other financing sources (uses) | - | - | - | - | - | - | 8,220,000 | 8,220,000 |
| 97 | Tax Increment Relier Zone (TIRZ) payments | - | - | - | - | - | - | - | - |
| | Major Object Totals | 6,674,429 | 788,900 | 116,100 | 188,100 | 0 | 234,012,471 | 8,220,000 | 250,000,000 |



Facilities Bond Program

Houston Independent School District

The Houston Independent School District (HISD) has built a nationwide reputation for progress and innovation in public education, and the successes of the district's current Facilities Bond Program have indeed contributed to HISD's prestige.

Schools that are clean, safe, modern and inviting allow teachers to concentrate on teaching while providing students with optimal learning environments, as evidenced by improvements in student academic performance as a result of HISD's Facilities Bond Program.

HISD undertook a systematic, objective approach to rebuild and repair school buildings, a process that began with a comprehensive facilities assessment commissioned by the district. This assessment evaluated the conditions and educational suitability of all of the district's facilities, providing HISD with the information needed to develop a request for a bond referendum.

The goal of the referendum was to create safe, high-quality facilities and dramatically improved learning environments for Houston students by rebuilding, expanding, upgrading and renovating schools that no longer meet contemporary standards for learning. In addition, the bond referendum aimed to benefit Houston's communities by funding new and upgraded schools that would promote safer, more stable neighborhoods and improved property values.

The original plan called for an ambitious three-phase Facilities-to-Standard program to address improvements to HISD schools and support facilities. The program phases would be funded by three individual bond referendums.

The first bond program, Rebuild 2002, was approved with overwhelming voter support in 1998. Rebuild 2002 was a \$678-million bond referendum that successfully built 10 new relief schools, renovated 69 schools and renovated 22 support facilities that were identified as being in the worst condition. The program focused primarily on the district's most urgent concerns — fire and life safety, structural integrity and overcrowding.

Rebuild 2002 was completed on time and under budget, enabling HISD to build one additional elementary school and renovate nine schools beyond the original project scope.

In November of 2002, after witnessing the accomplishments of the first bond program, Houston voters approved a second, \$808.6-million bond program, Rebuild HISD. This program, currently in progress, is renovating, expanding and rebuilding more than 60 aging schools through 2007.

Additionally, Rebuild HISD is funding the district's first series of pre-kindergarten centers, which will educate an estimated 5,000 preschoolers and alleviate the numbers of at-risk children turned away from filled elementary pre-kindergarten programs. To date, these early-childhood education centers have been a great success story for Rebuild HISD. The district's decision to build its first early-childhood education centers corresponds with new findings reaffirming the important role of pre-kindergarten education in academic achievement later in life.

Rebuild HISD continues to be a major public investment in Houston's schools and communities, providing children throughout the city with access to safe, top-quality schools.

Currently, Rebuild HISD is working to achieve the following objectives:

- Renovate 25 aging schools

- Construct 5 new schools to relieve overcrowding
- Rebuild 24 schools; the existing schools will be demolished and replaced with new school buildings and equipment
- Renovate and expand 7 schools to accommodate population growth
- Provide heating and air conditioning for all middle- and high-school gymnasiums
- Build 4 new early-childhood education centers
- Upgrade 125 school playgrounds to improve student safety

**Houston Independent School District
Rebuild HISD Program
Application of Funds
As of April 2005**

| Description of Services | Total Approved Bond Allocation | 2003-04 Expenditures | 2004-05 Expenditures | 2005-06 Estimated Expenditures | 2006-07 Estimated Expenditures | 2007-08 Estimated Expenditures |
|----------------------------------|-----------------------------------|-------------------------|-------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Relief Schools-DMJM | | | | | | |
| Sanderson/Chatman/Easter E.S. | 16,000,000 | 410,923 | 695,499 | 7,446,789 | 5,585,092 | 1,861,697 |
| Durkee/Northline E.S. | 14,000,000 | 461,422 | 3,777,728 | 4,880,425 | 3,660,319 | 1,220,106 |
| Total DMJM | 30,000,000 | 872,345 | 4,473,227 | 12,327,214 | 9,245,410 | 3,081,803 |
| Relief Schools-HEERY | | | | | | |
| Bonham/Neff/White/Sharpstown K-8 | 16,000,000 | 0 | 0 | 8,000,000 | 6,000,000 | 2,000,000 |
| Corinthian Point E.S. | 14,000,000 | 504,493 | 5,130,620 | 4,182,443 | 3,136,832 | 1,045,611 |
| Westside E.S. | 14,000,000 | 412,341 | 3,186,507 | 5,200,576 | 3,900,432 | 1,300,144 |
| Total HEERY | 44,000,000 | 916,834 | 8,317,128 | 17,383,019 | 13,037,264 | 4,345,755 |
| TOTAL RELIEF SCHOOLS | 74,000,000 | 1,789,179 | 12,790,354 | 29,710,233 | 22,282,675 | 7,427,558 |
| Renovations-DMJM | | | | | | |
| Hartman M.S. (1) | 0 | 133,630 | 548 | 0 | 0 | 0 |
| Williams Charter | 11,000,000 | 22,050 | 91,027 | 5,443,462 | 4,082,596 | 1,360,865 |
| Eliot E.S. | 11,300,000 | 333,635 | 388,149 | 5,289,108 | 3,966,831 | 1,322,277 |
| Lantrip E.S. (1) | 0 | 32,627 | 0 | -16,313 | 0 | 0 |
| Wesley E.S. | 3,400,000 | 57,054 | 213,801 | 1,564,573 | 1,173,429 | 391,143 |
| Scroggins E.S. | 5,000,000 | 219,636 | 1,727,666 | 1,526,349 | 1,144,762 | 381,587 |
| Total DMJM | 30,700,000 | 798,632 | 2,421,190 | 13,807,178 | 10,367,619 | 3,455,873 |
| Renovations-GILBANE | | | | | | |
| Debakey H.S.H.P. | 10,800,000 | 82,087 | 275,769 | 5,221,072 | 3,915,804 | 1,305,268 |
| Pershing M.S. (1) | 0 | 40,799 | 0 | 0 | 0 | 0 |
| Total GILBANE | 10,800,000 | 122,885 | 275,769 | 5,221,072 | 3,915,804 | 1,305,268 |
| Renovations-TEAM ADVANCE | | | | | | |
| Blackshear E.S. | 8,800,000 | 243,795 | 1,066,412 | 3,744,896 | 2,808,672 | 936,224 |
| Briscoe E.S. | 7,000,000 | 147,897 | 914,020 | 2,969,042 | 2,226,781 | 742,260 |
| Brookline E.S. | 8,800,000 | 99,660 | 429,605 | 4,135,367 | 3,101,525 | 1,033,842 |
| Cornelius E.S. | 7,700,000 | 216,037 | 2,060,049 | 2,711,957 | 2,033,968 | 677,989 |
| Hartsfield E.S. | 7,600,000 | 173,510 | 959,879 | 3,233,306 | 2,424,979 | 808,326 |
| Thompson E.S. (1) | 0 | 49,112 | 3,455 | 0 | 0 | 0 |
| Young E.S. | 7,800,000 | 175,403 | 1,894,214 | 2,865,192 | 2,148,894 | 716,298 |
| Total TEAM ADVANCE | 47,700,000 | 1,105,413 | 7,327,633 | 19,659,760 | 14,744,820 | 4,914,940 |
| Renovations-HEERY | | | | | | |
| Kay On-Going H.S. | 2,900,000 | 69,258 | 266,908 | 1,281,917 | 961,438 | 320,479 |
| Bonham E.S. | 6,200,000 | 130,922 | 317,161 | 2,875,958 | 2,156,969 | 718,990 |
| Braeburn E.S. | 5,000,000 | 114,311 | 413,267 | 2,236,211 | 1,677,158 | 559,053 |
| Eight Ave E.S. | 4,400,000 | 0 | 0 | 0 | 0 | 0 |
| Bell E.S. | 5,600,000 | 152,003 | 579,887 | 2,434,055 | 1,825,541 | 608,514 |
| Fondren E.S. | 3,300,000 | 108,593 | 171,224 | 1,510,092 | 1,132,569 | 377,523 |
| Garden Oaks E.S. | 3,100,000 | 81,536 | 264,296 | 1,377,084 | 1,032,813 | 344,271 |
| Hohl E.S. | 3,500,000 | 38,205 | 284,548 | 1,588,624 | 1,191,468 | 397,156 |
| Looscan E.S. | 4,800,000 | 116,596 | 150,290 | 2,266,557 | 1,699,917 | 566,639 |
| Neff E.S. | 7,800,000 | 148,298 | 409,540 | 3,621,081 | 2,715,811 | 905,270 |
| Red E.S. | 8,500,000 | 245,073 | 294,016 | 3,980,456 | 2,985,342 | 995,114 |
| Roberts E.S. | 2,900,000 | 67,625 | 156,335 | 1,338,020 | 1,003,515 | 334,505 |
| Sinclair E.S. | 6,200,000 | 134,397 | 277,203 | 2,894,200 | 2,170,650 | 723,550 |
| Smith E.S. | 3,900,000 | 26,285 | 53,303 | 1,910,206 | 1,432,655 | 477,552 |
| Stevens E.S. | 4,300,000 | 73,185 | 350,841 | 1,937,987 | 1,453,490 | 484,497 |
| Wilson E.S. | 4,600,000 | 96,636 | 128,608 | 2,187,378 | 1,640,534 | 546,845 |
| Total HEERY | 77,000,000 | 1,602,924 | 4,117,426 | 33,439,825 | 25,079,869 | 8,359,956 |
| TOTAL RENOVATION SCHOOLS | 166,200,000 | 3,629,854 | 14,142,018 | 72,127,836 | 54,108,112 | 18,036,037 |

**Houston Independent School District
Rebuild HISD Program
Application of Funds
As of April 2005**

| Description of Services | Total Approved Bond Allocation | 2003-04 Expenditures | 2004-05 Expenditures | 2005-06 Estimated Expenditures | 2006-07 Estimated Expenditures | 2007-08 Estimated Expenditures |
|---|-----------------------------------|-------------------------|-------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Replacement Schools-DMJM | | | | | | |
| Hartman M.S. (1) | 23,200,000 | 324,661 | 1,030,899 | 10,922,220 | 8,191,665 | 2,730,555 |
| Bowie E.S. | 14,000,000 | 349,111 | 16,832 | 6,817,029 | 5,112,771 | 1,704,257 |
| Bruce E.S. | 14,000,000 | 148,566 | 1,847,781 | 6,001,826 | 4,501,370 | 1,500,457 |
| Coop E.S. (1) | 10,300,000 | 86,190 | 423,764 | 4,895,023 | 3,671,267 | 1,223,756 |
| Highland Heights E.S. | 14,000,000 | 318,728 | 1,591,977 | 6,044,648 | 4,533,486 | 1,511,162 |
| Lantrip E.S. (1) | 6,400,000 | 171,295 | 321,719 | 2,953,493 | 2,215,120 | 738,373 |
| Total DMJM | 81,900,000 | 1,398,552 | 5,232,971 | 37,634,239 | 28,225,679 | 9,408,560 |
| Replacement Schools-GILBANE | | | | | | |
| Reagan H.S. | 40,000,000 | 1,511,200 | 6,532,336 | 15,978,232 | 11,983,674 | 3,994,558 |
| Wheatley H.S. | 35,000,000 | 123,785 | 9,074,885 | 12,900,665 | 9,675,499 | 3,225,166 |
| H.S.P.V.A. | 15,000,000 | 428,985 | 13,708 | 7,278,653 | 5,458,990 | 1,819,663 |
| Pershing M.S.(1) | 16,800,000 | 25,418 | 997,305 | 7,888,638 | 5,916,479 | 1,972,160 |
| Travis E.S. | 14,000,000 | 2,901,804 | 569,420 | 5,264,388 | 3,948,291 | 1,316,097 |
| Twain E.S. | 14,000,000 | 911,449 | 5,611,600 | 3,738,476 | 2,803,857 | 934,619 |
| Gregory-Lincoln | 16,000,000 | 100,898 | 134,708 | 7,882,197 | 5,911,648 | 1,970,549 |
| Total GILBANE | 150,800,000 | 6,003,539 | 22,933,962 | 60,931,250 | 45,698,437 | 15,232,812 |
| Replacement Schools-TEAM ADVANCE | | | | | | |
| Bastian E.S. | 14,000,000 | 18,910 | 1,218,965 | 6,381,062 | 4,785,797 | 1,595,266 |
| Foster E.S. | 14,000,000 | 267,339 | 1,779,675 | 5,976,493 | 4,482,369 | 1,494,123 |
| Mading E.S. | 14,000,000 | 333,106 | 2,573,845 | 5,546,525 | 4,159,893 | 1,386,631 |
| Reynolds E.S. | 14,000,000 | 188,756 | 2,118,819 | 5,846,213 | 4,384,660 | 1,461,553 |
| Thompson E.S. (1) | 5,600,000 | 0 | 246,576 | 2,676,712 | 2,007,534 | 669,178 |
| Total TEAM ADVANCE | 61,600,000 | 808,111 | 7,937,880 | 26,427,004 | 19,820,253 | 6,606,751 |
| Replacement Schools-HEERY | | | | | | |
| Briargrove E.S. | 16,000,000 | 260,837 | 206,921 | 7,766,121 | 5,824,591 | 1,941,530 |
| Longfellow E.S. (1) | 9,300,000 | 0 | 186,738 | 4,556,631 | 3,417,473 | 1,139,158 |
| Pilgrim E.S. | 14,000,000 | 386,103 | 39,708 | 6,787,095 | 5,090,321 | 1,696,774 |
| Walnut Bend E.S. (1) | 10,500,000 | 0 | 304,756 | 5,097,622 | 3,823,216 | 1,274,405 |
| Total HEERY | 49,800,000 | 646,940 | 738,122 | 24,207,469 | 18,155,602 | 6,051,867 |
| TOTAL REPLACEMENT SCHOOLS | 344,100,000 | 8,857,141 | 36,842,935 | 149,199,962 | 111,899,971 | 37,299,990 |
| Expanded Schools-DMJM | | | | | | |
| Bonner E.S. | 9,100,000 | 78,830 | 1,058,256 | 3,981,457 | 2,986,093 | 995,364 |
| Coop E.S. (1) | 0 | 47,428 | 0 | 0 | 0 | 0 |
| Janowski E.S. | 7,500,000 | 173,003 | 456,848 | 3,435,074 | 2,576,306 | 858,769 |
| Rucker E.S. | 8,400,000 | 292,814 | 1,083,063 | 3,512,062 | 2,634,046 | 878,015 |
| Tijernia E.S. | 7,300,000 | 160,237 | 428,126 | 3,355,818 | 2,516,864 | 838,955 |
| Total DMJM | 32,300,000 | 752,313 | 3,026,294 | 14,284,411 | 10,713,308 | 3,571,103 |
| Expanded Schools-HEERY | | | | | | |
| Emerson E.S. | 10,200,000 | 92,793 | 375,743 | 4,865,732 | 3,649,299 | 1,216,433 |
| Longfellow E.S. (1) | 0 | 50,628 | 0 | 0 | 0 | 0 |
| River Oaks E.S. | 8,200,000 | 161,019 | 159,768 | 3,939,607 | 2,954,705 | 984,902 |
| Walnut Bend E.S.(1) | 0 | 60,338 | 0 | 0 | 0 | 0 |
| West University E.S. | 9,600,000 | 109,158 | 373,013 | 4,558,915 | 3,419,186 | 1,139,729 |
| Total HEERY | 28,000,000 | 473,936 | 908,524 | 13,364,254 | 10,023,190 | 3,341,063 |
| TOTAL EXPANDED SCHOOLS | 60,300,000 | 1,226,248 | 3,934,817 | 27,648,664 | 20,736,498 | 6,912,166 |
| Gymnasium Renovations-DBR | | | | | | |
| Davis H.S. | 832,845 | 0 | 0 | 416,423 | 312,317 | 104,106 |
| Furr H.S. | 1,041,354 | 8,539 | 42,120 | 495,348 | 371,511 | 123,837 |
| Jones H.S. | 807,280 | 0 | 0 | 403,640 | 302,730 | 100,910 |
| Kashmere H.S. | 851,418 | 0 | 710 | 425,354 | 319,015 | 106,338 |
| Lamar H.S. | 910,146 | 0 | 0 | 455,073 | 341,305 | 113,768 |
| Lee H.S. | 460,990 | 7,512 | 31,325 | 211,077 | 158,307 | 52,769 |
| Madison H.S. | 922,431 | 23 | 30,666 | 445,871 | 334,403 | 111,468 |

**Houston Independent School District
Rebuild HISD Program
Application of Funds
As of April 2005**

| Description of Services | Total Approved Bond Allocation | 2003-04 Expenditures | 2004-05 Expenditures | 2005-06 Estimated Expenditures | 2006-07 Estimated Expenditures | 2007-08 Estimated Expenditures |
|--|-----------------------------------|-------------------------|-------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Gymnasium Renovations-DBR (Continued) | | | | | | |
| Milby M.S. | 694,854 | 166,869 | 439,900 | 44,043 | 33,032 | 11,011 |
| Sterling H.S. | 1,065,219 | 0 | 209 | 532,505 | 399,378 | 133,126 |
| Waltrip H.S. | 821,031 | 190,048 | 419,191 | 105,896 | 79,422 | 26,474 |
| Washington H.S. | 911,482 | 98,531 | 448,180 | 182,385 | 136,789 | 45,596 |
| Westbury H.S. | 756,199 | 39,254 | | 358,473 | 268,854 | 89,618 |
| Worthing H.S. | 720,680 | 0 | 0 | 360,340 | 270,255 | 90,085 |
| Yates H.S. | 956,905 | 209,286 | 569,715 | 88,952 | 66,714 | 22,238 |
| Sharpstown H.S. | 694,854 | 5,741 | 27,942 | 330,585 | 247,939 | 82,646 |
| Scarborough H.S. | 962,247 | 386,649 | 232,132 | 171,733 | 128,800 | 42,933 |
| Jordan H.S. | 362,088 | 0 | 0 | 181,044 | 135,783 | 45,261 |
| H.S.L.E.C.J. | 370,732 | 0 | 0 | 185,366 | 139,024 | 46,341 |
| T.H. Rogers M.S. | 498,193 | 3,795 | 29,670 | 232,364 | 174,273 | 58,091 |
| Attucks M.S. | 360,803 | 0 | 0 | 180,401 | 135,301 | 45,100 |
| Black M.S. | 372,748 | 148,874 | 156,655 | 33,609 | 25,207 | 8,402 |
| Burbank M.S. | 521,743 | 159,830 | 228,643 | 66,635 | 49,976 | 16,659 |
| Cullen M.S. | 516,766 | 0 | 0 | 258,383 | 193,787 | 64,596 |
| Deady M.S. | 595,759 | 247,784 | 267,746 | 40,115 | 30,086 | 10,029 |
| Edison M.S. | 392,656 | 182,410 | 127,592 | 41,327 | 30,995 | 10,332 |
| Fonville M.S. | 537,119 | 35,860 | 389,918 | 55,670 | 41,753 | 13,918 |
| Clifton M.S. | 364,785 | 160,105 | 145,987 | 29,346 | 22,010 | 7,337 |
| Hamilton M.S. | 535,338 | 0 | 0 | 267,669 | 200,752 | 66,917 |
| Holland M.S. | 357,502 | 3,008 | 16,043 | 169,225 | 126,919 | 42,306 |
| Henry M.S. | 392,656 | 26,317 | 196,345 | 84,997 | 63,747 | 21,249 |
| Hogg M.S. | 811,442 | 0 | 0 | 405,721 | 304,291 | 101,430 |
| Jackson M.S. | 596,255 | 186,406 | 352,607 | 28,621 | 21,466 | 7,155 |
| Johnston M.S. | 497,668 | 3,845 | 21,531 | 236,146 | 177,110 | 59,037 |
| Welch M.S. | 667,529 | 5,232 | 27,468 | 317,415 | 238,061 | 79,354 |
| Lanier M.S. | 490,545 | 0 | 0 | 245,273 | 183,954 | 61,318 |
| Revere M.S. | 704,019 | 5,676 | 39,595 | 329,374 | 247,031 | 82,344 |
| Marshall M.S. | 501,230 | 0 | 0 | 250,615 | 187,961 | 62,654 |
| McReynolds M.S. | 438,469 | 3,398 | 17,391 | 208,841 | 156,630 | 52,210 |
| Ryan M.S. | 470,637 | 161,699 | 308,938 | 0 | 0 | 0 |
| E.O. Smith | 667,529 | 5,338 | 25,273 | 318,459 | 238,844 | 79,615 |
| Fondren M.S. | 382,702 | 4,110 | 17,719 | 180,436 | 135,327 | 45,109 |
| Terrell M.S. | 499,004 | 0 | 9,645 | 244,679 | 183,510 | 61,170 |
| Woodson M.S. | 493,216 | 0 | 653 | 246,282 | 184,711 | 61,570 |
| Dowling M.S. | 641,464 | 23 | 25,659 | 307,890 | 230,918 | 76,973 |
| Thomas M.S. | 724,842 | 0 | 1,668 | 361,587 | 271,190 | 90,397 |
| Fleming M.S. | 499,004 | 0 | 0 | 249,502 | 187,126 | 62,375 |
| Key M.S. | 489,575 | 0 | 3,256 | 243,160 | 182,370 | 60,790 |
| Sharpstown M.S. | 454,211 | 4,542 | 24,898 | 212,386 | 159,289 | 53,096 |
| Stevenson M.S. | 596,255 | 111,823 | 256,191 | 114,121 | 85,591 | 28,530 |
| Butler/Delmar Sports Complex | 4,771,184 | 2,195,352 | 1,920,609 | 327,611 | 245,708 | 81,903 |
| Total Gymnasium Renovations-DBR | 34,985,600 | 4,767,881 | 6,853,790 | 11,681,964 | 8,761,473 | 2,920,491 |
| PreKindergarten Centers-GILBANE | | | | | | |
| North Central Pre-K (aka Lee E.S./Senior Citizen) | 0 | 0 | 24,500 | 0 | 0 | 0 |
| North Pre-K | 7,000,000 | 463,867 | 2,844,334 | 1,845,900 | 1,384,425 | 461,475 |
| West Central Pre-K (aka Braeburn EEC) | 8,000,000 | 51,334 | 2,477,083 | 2,735,792 | 2,051,844 | 683,948 |
| South Pre-K | 8,000,000 | 3,654,104 | 1,537,493 | 1,404,201 | 1,053,151 | 351,050 |
| East Pre-K (aka Burnet) | 7,000,000 | 3,481,326 | 1,450,454 | 1,034,110 | 775,582 | 258,527 |
| Total PreKindergarten Centers-GILBANE | 30,000,000 | 7,650,631 | 8,333,864 | 7,020,002 | 5,265,002 | 1,755,001 |
| Playground Safety Upgrades-Team Advance | | | | | | |
| Playground Safety | 10,000,000 | 1,423,649 | 2,638,199 | 2,969,076 | 2,226,807 | 742,269 |
| Total Playground Safety Upgrades-Team Advance | 10,000,000 | 1,423,649 | 2,638,199 | 2,969,076 | 2,226,807 | 742,269 |
| Support Facilities-Team Advance | | | | | | |
| Support Facilities | 14,000,000 | 36,168 | 116,805 | 6,923,514 | 5,192,635 | 1,730,878 |
| Total Support Facilities | 14,000,000 | 36,168 | 116,805 | 6,923,514 | 5,192,635 | 1,730,878 |

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HOUSTON INDEPENDENT SCHOOL DISTRICT
REBUILD 2002 PROGRAM
APPLICATION OF FUNDS
AS OF APRIL 30, 2005

| Description of Services | Overall Original Budget | Total Expenditures |
|--|----------------------------|-----------------------|
| New Schools-Sverdrup/CRSS/3DI | | |
| Westbriar M.S. | 25,000,000 | 23,024,462 |
| Dunvale E.S. (Briarmeadow) | 10,000,000 | 11,772,065 |
| Judson W. Robinson Jr. E.S. (R.P. Harris) | 11,500,000 | 10,804,924 |
| Rudy C. Vara E.S. (Park Place Replacement) | 11,500,000 | 12,535,987 |
| Daniel Ortiz Jr. M.S. (Southeast) | 25,000,000 | 28,716,936 |
| Project Manager Fee | 0 | 4,237,830 |
| Total Sverdrup/CRSS/3DI | 83,000,000 | 91,092,204 |
| New Schools-Heery International | | |
| Ketelsen E.S. (Lee/Lamar ES) | 11,500,000 | 15,578,297 |
| Pin Oak M.S. (Bellaire M.S.) | 25,000,000 | 21,655,682 |
| Sylvan Rodriguez E.S. (Benavidez/Cunninham) | 11,500,000 | 15,531,107 |
| Juan N. Seguin E.S. (Brookline/Cornelius) | 11,500,000 | 12,846,127 |
| Eleanor Tinsley E.S. (Elrod/Anderson) | 11,500,000 | 11,632,586 |
| Project Manager Fee | 0 | 3,695,296 |
| Total Heery International | 71,000,000 | 80,939,095 |
| Total-New Schools | 154,000,000 | 172,031,300 |
| Renovations/Repairs-Sverdrup/CRSS/3DI | | |
| Davis H.S. | 7,275,238 | 4,788,203 |
| Kashmere H.S. | 11,092,080 | 8,349,885 |
| Lee H.S. | 20,228,762 | 20,129,978 |
| Milby H.S. | 22,512,148 | 16,898,112 |
| Washington H.S. | 8,554,530 | 6,471,075 |
| Wheatley H.S. | 8,078,797 | 4,679,290 |
| Yates H.S. | 20,554,247 | 16,302,566 |
| Sharpstown H.S. | 14,490,623 | 9,318,303 |
| Jordan H.S. | 18,409,362 | 17,752,917 |
| Hamilton M.S. | 4,587,021 | 4,333,191 |
| Lanier M.S. | 8,622,996 | 7,806,564 |
| Revere M.S. | 3,613,552 | 6,933,341 |
| McReynolds M.S. | 5,416,983 | 4,873,401 |
| Ryan M.S. | 9,623,337 | 9,116,952 |
| Smith Education Center | 8,219,230 | 6,848,924 |
| Grady M.S. | 3,284,817 | 3,449,101 |
| Woodson M.S. | 9,697,052 | 7,875,450 |
| Dowling M.S. | 12,364,216 | 10,869,476 |
| Thomas M.S. | 13,075,978 | 10,873,853 |
| Key M.S. | 6,086,928 | 6,864,493 |
| Sharpstown M.S. | 9,878,578 | 8,863,408 |
| Durham E.S. | 4,011,798 | 3,610,034 |
| Brock E.S. | 3,010,913 | 3,519,448 |
| Codwell E.S. | 4,010,353 | 3,837,578 |
| Burrus E.S. | 5,626,830 | 4,245,015 |
| Condit E.S. | 2,664,956 | 1,686,032 |
| Halpin Early Childhood Center | 2,982,987 | 2,283,044 |
| Crawford E.S. | 4,171,867 | 4,217,466 |
| Crockett E.S. | 1,893,943 | 2,366,839 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
REBUILD 2002 PROGRAM
APPLICATION OF FUNDS
AS OF APRIL 30, 2005

| Description of Services | Overall Original Budget | Total Expenditures |
|---|----------------------------|-----------------------|
| De Zavala E.S. | 4,525,381 | 4,693,405 |
| Douglass E.S. | 4,188,963 | 3,215,514 |
| Field E.S. | 3,029,662 | 3,204,321 |
| Franklin E.S. | 3,452,659 | 3,780,946 |
| Golfcrest E.S. | 4,400,858 | 4,053,460 |
| Jefferson E.S. | 3,848,480 | 3,253,729 |
| Kolter E.S. | 3,173,157 | 2,780,186 |
| Lamar E.S. | 7,479,813 | 0 |
| Lockhart E.S. | 4,856,074 | 4,115,727 |
| McDade E.S. | 5,171,723 | 4,401,433 |
| Memorial E.S. | 2,658,824 | 1,960,964 |
| Oates E.S. | 3,624,811 | 4,297,680 |
| Poe E.S. | 2,182,131 | 3,112,795 |
| Port Houston E.S. | 2,786,919 | 1,761,809 |
| Ross E.S. | 3,703,531 | 3,283,745 |
| MacArthur E.S. | 3,686,046 | 3,759,056 |
| Cage E.S. | 3,744,367 | 4,035,438 |
| Academy/Academic Achievement | 441,258 | 22,059 |
| Project Manager Fee | 0 | 16,007,508 |
| Renovated Schools Reserve | 0 | 0 |
| Total Renovations/ Repairs-Sverup/CRSS/3DI | 320,994,779 | 290,903,714 |

Renovations/Repairs-Heery International

| | | |
|---------------------------|------------|------------|
| Bellaire H.S. | 21,196,300 | 12,375,011 |
| Jones H.S. | 13,416,423 | 11,425,618 |
| Sterling H.S. | 8,627,508 | 6,768,424 |
| Westbury H.S. | 20,088,386 | 15,104,442 |
| Carter Career Center | 2,534,869 | 2,900,587 |
| Attucks M.S. | 8,541,894 | 6,207,009 |
| Black M.S. | 12,207,076 | 8,828,117 |
| Deady M.S. | 7,670,897 | 8,888,587 |
| Edison M.S. | 4,248,890 | 5,669,429 |
| Holland M.S. | 4,586,070 | 4,001,736 |
| Henry M.S. | 7,230,704 | 8,925,356 |
| Fondren M.S. | 9,748,735 | 8,748,729 |
| Atherton E.S. | 0 | 10,289 |
| Burnet E.S. | 3,579,040 | 4,954,661 |
| Dodson E.S. | 5,420,685 | 5,059,056 |
| Elrod E.S. | 3,640,287 | 3,869,019 |
| Gordon E.S. | 2,739,041 | 3,454,607 |
| Anson Jones E.S. | 3,857,662 | 3,497,610 |
| Love E.S. | 3,001,077 | 1,692,569 |
| MacGregor E.S. | 3,150,203 | 2,938,198 |
| Milam E.S. | 1,954,568 | 2,411,100 |
| Law E.S. | 5,121,652 | 3,250,912 |
| Concord E.S. | 4,051,473 | 2,905,127 |
| Sanchez E.S. | 3,739,239 | 2,876,688 |
| Project Manager Fee | 0 | 6,828,150 |
| Renovated Schools Reserve | 0 | 0 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
REBUILD 2002 PROGRAM
APPLICATION OF FUNDS
AS OF APRIL 30, 2005

| Description of Services | Overall Original Budget | Total Expenditures |
|---|----------------------------|-----------------------|
| Total Renovated/Repairs-Heery International | 160,352,679 | 143,591,031 |
| Total-Renovations/ Repairs | 481,347,458 | 434,494,745 |
| Non-School Facilities-Sverdrup/CRSS/3DI | | |
| Barnett and Delmar Stadiums | 2,066,433 | 2,964,175 |
| Weslayan Facility | 982,486 | 75,329 |
| Structural North and Barnett South Maintenance | 1,688,315 | 113,156 |
| Bus Service Center | 245,474 | 140,576 |
| West Motor Pool | 2,512 | 610 |
| West Vehicle Repair | 10,050 | 0 |
| COTC | 120,770 | 0 |
| Project Manager Fee | 0 | 261,214 |
| Non-School Facilities Reserve | 0 | 0 |
| Non-School Facilities-Sverdrup/CRSS/3DI | 5,116,040 | 3,555,061 |
| Non-School Facilities-Heery International | | |
| FMOT Bldg 1,3,9 & Security Bldgs., Welding,Small Engine | 1,738,172 | 1,598,971 |
| FMOT Gas Pump/CBS | 9,138 | 12,079 |
| FMOT Central Motor Pool | 58,322 | 300,495 |
| FMOT Bus Repair Shop | 494,478 | 363,403 |
| FMOT Furniture Store & Warehouse | 1,443,068 | 674,896 |
| FMOT Truck Repair | 295,435 | 404,910 |
| Project Manager Fee | 0 | 782,394 |
| Non-School Facilities Reserve | 0 | 0 |
| Non-School Facilities-Heery International | 4,038,613 | 4,137,148 |
| Total-Non-School Facilities | 9,154,653 | 7,692,209 |
| Administration Costs | | |
| Bond Program Administration | 2,500,000 | 10,612,874 |
| Internal and External Audit Costs | 1,260,000 | 292,199 |
| Finance | 800,000 | 450,000 |
| Property Management | 0 | 208,216 |
| Technology & Information Services | 0 | 168,988 |
| Attendance, Boundaries, and Transfers | 0 | 78,037 |
| Administration Reserve | 0 | 0 |
| Total Administration Costs | 4,560,000 | 11,810,314 |
| Other Costs and Reserves | | |
| Operational Costs | 0 | 638,435 |
| Custodial Overtime | 0 | 4,459,658 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
REBUILD 2002 PROGRAM
APPLICATION OF FUNDS
AS OF APRIL 30, 2005

| Description of Services | Overall Original Budget | Total Expenditures |
|---|----------------------------|-----------------------|
| Asbestos Abatement | 0 | 54,737 |
| Other Board Approved Projects (1) | 0 | 74,513,171 |
| JR Harris | 0 | 1,604,409 |
| Living Resource Center | 935,000 | 1,153,126 |
| Overcrowding (Davis HS) | 8,000,000 | 10,900,827 |
| District Wide Costs (2) | 0 | 17,686,911 |
| Additional Life Safety & Emergency Repairs | 25,000,000 | 22,807,355 |
| Housing & Moving Costs | 5,000,000 | 0 |
| Reserves for Inflation/Escalation Cost | 25,000,000 | 0 |
| Other Reserves | 10,002,889 | 0 |
| Reserves for Debt Service | 0 | 0 |
| Reserves for Interest Income | 0 | 0 |
| Total Reserve & Other Costs | 73,937,889 | 133,818,628 |
| Total-Administration & Other Costs | 78,497,889 | 145,628,943 |
| Total Application of Funds | 723,000,000 | 759,847,196 |

SOURCE OF FUNDS

| | |
|-----------------------|--------------------|
| BONDS PROCEEDS | 678,000,000 |
| INTEREST INCOME | 100,084,829 |
| MISCELLANEOUS REVENUE | 611,136 |
| TOTAL PROCEEDS | 778,695,965 |

RECAP

| | |
|-------------------------|-------------------|
| TOTAL SOURCES | 778,695,965 |
| TOTAL EXPENDITURES | 759,847,196 |
| AMOUNT AVAILABLE | 18,848,769 |

Notes:

- (1) Other Board approved projects include Reagan, Westbury, Port Houston, Gregory-Lincoln, I. Weiner, Dunlavy, and East & South District T.H. Rogers, Jenard Gross, Oak Forest, Living Resource Center and Food Service Warehouse, St. Georges Place, and New Headquarters
- (2) Represents Printing, Advertising, Legal, OCIP, Claim Reserves, Facilities Assessments, Hazardous Material Consultants, and MWBE Services.

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Internal Service Funds

Houston Independent School District

The **Health Insurance Fund** is used to account for the health insurance plan administered by the District. The plan is a premium based plan requiring the District and its employees to share the cost.

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

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 period. The District also has reciprocal agreements with other governmental agencies in the event a backlog of jobs is experienced by District users.

The **Professional Development Fund** is used to account for the training that enables district administrators, teachers and support staff to develop or enhance effective skills to increase student achievement. The department provides the coordination of office services for the leadership and teacher training activities in the district.

The **Alternative Certification Fund** is used to account for the recruiting, training, and supporting of qualified, degreed professionals. It provides professional development services to degreed interns so that they are successful in their classrooms and fulfill the requirements of SBEC (State Board for Educator Certification) of Texas teacher certification.

The **Media Services Fund** is used to account for the media, audiovisual and radio products and services to students, teachers, administrators, parents and the community which supports the district's core curriculum and school-based programs in increasing student achievement.

The **Athletics Fund** is used to account for the educational, social, moral and athletic skills of the student athlete. It provides a comprehensive High School and Middle School program for male and female athletes in areas such as football, basketball, track/field and soccer. The Athletics Fund is also used to schedule athletic activities, transportation trips and game officials and to efficiently operate Sports Complex Venues for HISD athletics competitions and events.

The **Regional Offices Fund** is used to account for the support services that were previously provided through the Regional Office (formerly District Office). These buy back services include instructional support, special education, compliance, crisis intervention and other.

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, 2005 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services | | | | | |
| Sales to customers | 2,469,021 | 3,806,335 | 28,181,274 | 28,964,691 | 25,450,807 |
| Charges to other funds | 123,865,104 | 127,246,888 | 125,854,687 | 114,648,483 | 125,753,802 |
| Miscellaneous | 641,507 | 9,137,767 | 3,870,185 | 6,243,432 | 10,000 |
| Total revenues | 126,975,632 | 140,190,990 | 157,906,146 | 149,856,606 | 151,214,609 |
| Operating Expenses: | | | | | |
| Payroll costs | 3,543,313 | 4,469,400 | 23,304,256 | 21,276,589 | 19,287,927 |
| Purchased and contracted services | 1,801,011 | 2,797,537 | 6,552,209 | 5,533,530 | 5,736,862 |
| Supplies and materials | 802,014 | 824,036 | 2,587,571 | 2,800,787 | 3,275,182 |
| Other operating costs | 294,020 | 223,997 | 1,697,331 | 1,427,766 | 1,511,415 |
| Claims and judgments | 99,476,007 | 123,194,383 | 113,667,346 | 114,561,863 | 122,378,258 |
| Depreciation | 43,769 | 64,265 | 73,549 | 79,143 | 79,500 |
| Capital assets | - | - | 243,562 | 108,066 | 116,936 |
| Total operating expenses | 105,960,134 | 131,573,618 | 148,126,824 | 145,787,744 | 152,386,080 |
| Operating income (loss) | 21,015,498 | 8,617,372 | 9,780,322 | 4,068,862 | (1,171,471) |
| Nonoperating Revenues (Expenses): | | | | | |
| Earnings on investments | 561,117 | 794,414 | 559,527 | 1,378,511 | 740,000 |
| Total nonoperating revenue | 561,117 | 794,414 | 559,527 | 1,378,511 | 740,000 |
| Income (loss) before transfers | 21,576,615 | 9,411,786 | 10,339,849 | 5,447,373 | (431,471) |
| Transfers in | - | - | 1,574,989 | 5,615,121 | 1,049,911 |
| Transfers out | - | - | - | (5,000,000) | - |
| Change in net assets | 21,576,615 | 9,411,786 | 11,914,838 | 6,062,494 | 618,440 |
| Total net assets, beginning | (9,340,747) | 12,206,204 | 21,617,990 | 33,532,828 | 39,595,322 |
| Change in beginning net assets | (29,664) | - | - | - | - |
| Total net assets, ending | 12,206,204 | 21,617,990 | 33,532,828 | 39,595,322 | 40,213,762 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - HEALTH INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services | | | | | |
| Charges to other funds | 97,505,962 | 101,171,259 | 103,475,489 | 98,460,918 | 110,361,616 |
| Miscellaneous | 235,181 | 8,616,672 | 3,473,701 | 4,538,209 | - |
| Total operating revenues | 97,741,143 | 109,787,931 | 106,949,190 | 102,999,127 | 110,361,616 |
| Operating Expenses: | | | | | |
| Payroll costs | 1,741,603 | 2,200,257 | 1,414,209 | 1,106,435 | 1,198,783 |
| Purchased and contracted services | 31,727 | 74,937 | 87,345 | 48,198 | 34,000 |
| Supplies and materials | 2,161 | 9,158 | 10,260 | 8,387 | 11,200 |
| Other operating costs | - | 838 | 205,809 | 139,302 | 17,500 |
| Claims and Judgements | 82,881,288 | 108,992,160 | 104,969,068 | 103,832,869 | 109,100,133 |
| Total operating expenses | 84,656,779 | 111,277,350 | 106,686,681 | 105,135,191 | 110,361,616 |
| Operating income (loss) | 13,084,364 | (1,489,419) | 262,509 | (2,136,064) | - |
| Nonoperating Revenues (Expenses): | | | | | |
| Earnings on investments | 44,508 | 202,833 | 222,301 | 426,892 | 150,000 |
| Total nonoperating revenue | 44,508 | 202,833 | 222,301 | 426,892 | 150,000 |
| Income (loss) before transfers | 13,128,872 | (1,286,586) | 484,810 | (1,709,172) | 150,000 |
| Transfers in | - | - | - | 5,000,000 | - |
| Change in net assets | 13,128,872 | (1,286,586) | 484,810 | 3,290,828 | 150,000 |
| Change in beginning net assets | (710,223) | 12,418,649 | 11,132,063 | 11,616,873 | 14,907,701 |
| Total net assets, ending | 12,418,649 | 11,132,063 | 11,616,873 | 14,907,701 | 15,057,701 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - WORKERS COMPENSATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services | | | | | |
| Charges to other funds | 26,359,142 | 26,075,629 | 22,379,198 | 16,187,565 | 15,392,186 |
| Miscellaneous | 404,938 | 473,626 | 378,331 | 1,693,901 | - |
| Total operating revenues | 26,764,080 | 26,549,255 | 22,757,529 | 17,881,466 | 15,392,186 |
| Operating Expenses: | | | | | |
| Payroll costs | 627,585 | 766,491 | 848,719 | 881,253 | 1,128,302 |
| Purchased and contracted services | 888,962 | 1,204,469 | 1,707,670 | 310,418 | 236,575 |
| Supplies and materials | 16,137 | 18,826 | 22,924 | 26,842 | 39,700 |
| Other operating costs | 279,753 | 211,794 | 647,759 | 784,073 | 709,484 |
| Claims and judgements | 16,594,719 | 14,202,223 | 8,698,288 | 10,728,994 | 13,278,125 |
| Depreciation | - | - | - | - | - |
| Total operating expenses | 18,407,156 | 16,403,803 | 11,925,360 | 12,731,580 | 15,392,186 |
| Operating income (loss) | 8,356,924 | 10,145,452 | 10,832,169 | 5,149,886 | - |
| Nonoperating Revenues (Expenses): | | | | | |
| Earnings on investments | 498,796 | 584,005 | 261,982 | 868,400 | 500,000 |
| Total nonoperating revenue | 498,796 | 584,005 | 261,982 | 868,400 | 500,000 |
| Income (loss) | 8,855,720 | 10,729,457 | 11,094,151 | 6,018,286 | 500,000 |
| Transfers out | - | - | - | (5,000,000) | - |
| Change in net assets | 8,855,720 | 10,729,457 | 11,094,151 | 1,018,286 | 500,000 |
| Total net assets, beginning | (9,742,541) | (889,156) | 9,840,301 | 20,934,452 | 21,952,738 |
| Change in beginning net assets | (2,335) | - | - | - | - |
| Total net assets, ending | (889,156) | 9,840,301 | 20,934,452 | 21,952,738 | 22,452,738 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PRINT SHOP
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services: | | | | | |
| Sales to customers | 2,469,021 | 3,806,335 | 3,618,743 | 3,854,273 | 4,368,800 |
| Miscellaneous | 1,388 | 47,469 | 18,153 | 11,322 | 10,000 |
| Total operating revenues | 2,470,409 | 3,853,804 | 3,636,896 | 3,865,595 | 4,378,800 |
| Operating Expenses: | | | | | |
| Payroll costs | 1,174,125 | 1,502,652 | 1,712,468 | 1,647,380 | 1,688,300 |
| Purchased and contracted services | 880,322 | 1,518,131 | 1,552,523 | 1,594,069 | 1,485,500 |
| Supplies and materials | 783,716 | 796,052 | 859,719 | 879,858 | 1,097,500 |
| Other operating costs | 14,267 | 11,365 | 48,627 | 30,058 | 28,500 |
| Depreciation | 43,769 | 64,265 | 73,549 | 79,143 | 79,500 |
| Total operating expenses | 2,896,199 | 3,892,465 | 4,246,886 | 4,230,508 | 4,379,300 |
| Operating income (loss) | (425,790) | (38,661) | (609,990) | (364,913) | (500) |
| Nonoperating Revenues (Expenses): | | | | | |
| Earnings on investments | 17,813 | 7,576 | 2,119 | 309 | 500 |
| Total nonoperating revenue | 17,813 | 7,576 | 2,119 | 309 | 500 |
| Income (loss) before contributions and transfers | (407,977) | (31,085) | (607,871) | (364,604) | - |
| Transfers in | - | - | 336,750 | - | - |
| Change in net assets | (407,977) | (31,085) | (271,121) | (364,604) | - |
| Total net assets, beginning | 1,112,017 | 676,711 | 645,626 | 374,505 | 9,901 |
| Change in beginning net assets | (27,329) | - | - | - | - |
| Total net assets, ending | 676,711 | 645,626 | 374,505 | 9,901 | 9,901 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROFESSIONAL DEVELOPMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services: | | | | | |
| Sales to customers | - | - | 2,668,259 | 1,944,956 | 4,156,385 |
| Miscellaneous | - | - | - | - | - |
| Total operating revenues | - | - | 2,668,259 | 1,944,956 | 4,156,385 |
| Operating Expenses: | | | | | |
| Payroll costs | - | - | 1,820,635 | 1,546,631 | 3,458,185 |
| Purchased and contracted services | - | - | 391,161 | 254,643 | 450,655 |
| Supplies and materials | - | - | 232,890 | 206,520 | 373,739 |
| Other operating expenses | - | - | 66,561 | 47,233 | 91,100 |
| Capital assets | - | - | - | - | - |
| Total operating expenses | - | - | 2,511,247 | 2,055,027 | 4,373,679 |
| Operating income (loss) | - | - | 157,012 | (110,071) | (217,294) |
| Nonoperating Revenues (Expenses): | | | | | |
| Earnings on investments | - | - | 73,125 | 11,992 | 12,000 |
| Total nonoperating revenue | - | - | 73,125 | 11,992 | 12,000 |
| Income (loss) | - | - | 230,137 | (98,079) | (205,294) |
| Transfers in | - | - | - | - | - |
| Change in net assets | - | - | 103,323 | 110,499 | 217,294 |
| Total net assets, beginning | - | - | 333,460 | 12,420 | 12,000 |
| Change in beginning net assets | - | - | - | 333,460 | 345,880 |
| Total net assets, ending | - | - | 333,460 | 345,880 | 357,880 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - ALTERNATIVE CERTIFICATION PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services: | | | | | |
| Sales to customers | - | - | 3,632,730 | 3,789,131 | 4,154,774 |
| Miscellaneous | - | - | - | - | - |
| Total operating revenues | - | - | 3,632,730 | 3,789,131 | 4,154,774 |
| Operating Expenses: | | | | | |
| Payroll costs | - | - | 2,272,414 | 1,717,333 | 2,333,676 |
| Purchased and contracted services | - | - | 1,144,636 | 1,608,884 | 1,949,230 |
| Supplies and materials | - | - | 42,253 | 24,590 | 64,288 |
| Other operating expenses | - | - | 47,975 | 36,413 | 48,690 |
| Capital assets | - | - | 25,419 | 15,788 | 30,000 |
| Total operating expenses | - | - | 3,532,697 | 3,403,008 | 4,425,884 |
| Operating income (loss) | - | - | 100,033 | 386,123 | (271,110) |
| Nonoperating Revenues (Expenses): | | | | | |
| Earnings on investments | - | - | - | 22,759 | 24,000 |
| Total nonoperating revenue | - | - | - | 22,759 | 24,000 |
| Income (loss) | - | - | 100,033 | 408,882 | (247,110) |
| Transfers in | - | - | 140,337 | 155,050 | 150,050 |
| Change in net assets | - | - | 240,370 | 563,932 | (97,060) |
| Total net assets, beginning | - | - | - | 240,370 | 804,302 |
| Change in beginning net assets | - | - | - | - | - |
| Total net assets, ending | - | - | 240,370 | 804,302 | 707,242 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - ATHLETICS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services: | | | | | |
| Sales to customers | - | - | 6,508,184 | 6,735,767 | 6,320,788 |
| Miscellaneous | - | - | - | - | - |
| Total operating revenues | - | - | 6,508,184 | 6,735,767 | 6,320,788 |
| Operating Expenses: | | | | | |
| Payroll costs | - | - | 2,837,170 | 2,658,941 | 2,905,787 |
| Purchased and contracted services | - | - | 1,525,774 | 1,408,869 | 1,514,385 |
| Supplies and materials | - | - | 1,268,923 | 1,490,013 | 1,552,676 |
| Other operating expenses | - | - | 660,562 | 360,247 | 534,091 |
| Capital assets | - | - | 143,630 | 72,556 | 73,936 |
| Total operating expenses | - | - | 6,436,059 | 5,990,626 | 6,580,875 |
| Operating income (loss) | - | - | 72,125 | 745,141 | (260,087) |
| Nonoperating Revenues (Expenses): | | | | | |
| Earnings on investments | - | - | - | 44,727 | 50,000 |
| Total nonoperating revenue | - | - | - | 44,727 | 50,000 |
| Income (loss) | - | - | 72,125 | 789,868 | (210,087) |
| Transfers in | | | | | |
| Change in net assets | - | - | 252,252 | 310,237 | 260,087 |
| Total net assets, beginning | - | - | 324,377 | 1,100,105 | 50,000 |
| Change in beginning net assets | - | - | - | 324,377 | 1,424,482 |
| Total net assets, ending | - | - | 324,377 | 1,424,482 | 1,474,482 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - MEDIA CENTER
FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services: | | | | | |
| Sales to customers | - | - | 630,320 | 503,417 | 564,106 |
| Miscellaneous | - | - | - | - | - |
| Total operating revenues | - | - | 630,320 | 503,417 | 564,106 |
| Operating Expenses: | | | | | |
| Payroll costs | - | - | 407,075 | 362,130 | 413,474 |
| Purchased and contracted services | - | - | 40,801 | 39,142 | 66,517 |
| Supplies and materials | - | - | 77,932 | 99,180 | 120,000 |
| Other operating expenses | - | - | 1,599 | 319 | 3,500 |
| Capital assets | - | - | - | - | - |
| Total operating expenses | - | - | 527,407 | 500,771 | 603,491 |
| Operating income (loss) | - | - | 102,913 | 2,646 | (39,385) |
| Nonoperating Revenues (Expenses): | | | | | |
| Earnings on investments | - | - | - | 3,432 | 3,500 |
| Total nonoperating revenue | - | - | - | 3,432 | 3,500 |
| Income (loss) | - | - | 102,913 | 6,078 | (35,885) |
| Transfers in | - | - | 35,519 | 39,335 | 39,385 |
| Change in net assets | - | - | 138,432 | 45,413 | 3,500 |
| Total net assets, beginning | - | - | - | 138,432 | 183,845 |
| Change in beginning net assets | - | - | - | - | - |
| Total net assets, ending | - | - | 138,432 | 183,845 | 187,345 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - SPECIAL EDUCATION SHARED SERVICES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services: | | | | | |
| Sales to customers | - | - | 11,123,038 | 12,137,147 | 5,885,954 |
| Miscellaneous | - | - | - | - | - |
| Total operating revenues | - | - | 11,123,038 | 12,137,147 | 5,885,954 |
| Operating Expenses: | | | | | |
| Payroll costs | - | - | 11,991,566 | 11,356,486 | 6,161,420 |
| Purchased and contracted services | - | - | 102,299 | 269,307 | - |
| Supplies and materials | - | - | 72,670 | 65,397 | 16,079 |
| Other operating expenses | - | - | 18,439 | 30,121 | 91,550 |
| Capital assets | - | - | 74,513 | 19,722 | - |
| Total operating expenses | - | - | 12,259,487 | 11,741,033 | 6,269,049 |
| Operating income (loss) | - | - | (1,136,449) | 396,114 | (383,095) |
| Nonoperating Revenues (Expenses): | | | | | |
| Earnings on investments | - | - | - | - | - |
| Total nonoperating revenue | - | - | - | - | - |
| Income (loss) | - | - | (1,136,449) | 396,114 | (383,095) |
| Transfers in | - | - | 706,808 | - | 383,095 |
| Change in net assets | - | - | (429,641) | 396,114 | - |
| Total net assets, beginning | - | - | - | (429,641) | (33,527) |
| Change in beginning net assets | - | - | - | - | - |
| Total net assets, ending | - | - | (429,641) | (33,527) | (33,527) |



Enterprise Funds

Houston Independent School District

The **Food Service Fund** is used to account for the financial operations of the breakfast, lunch, and snack programs offered and managed through the district's own Food Services Department. The district currently operates nearly 300 school cafeterias and satellite programs serving an average of over 250,000 meals a day.

The district participates in the federally funded National School Breakfast and Lunch Program which provides partial reimbursement of the cost of meals served to children. The remaining costs of preparing and serving these meals are covered by the price of the meals for students and staff. The district's Food Service Department also participates in the Summer Food Service Program, last year serving an estimated 2.2 million meals over a six week period.

The **CAVE Fund**, a subfund of the Food Service Fund, is used to account for all food service activities at the employee cafeteria, which is located at the Hattie Mae White Administration Building. Revenues derived from The CAVE are generated through breakfast and lunch sales to employees and visitors as well as from catering functions.

The **Medicaid Enterprise Fund** is used to account for the financial operation of special reimbursement programs offered by the District. For several years, the district has been a consultant to other school districts in a Medicaid reimbursement program which is a federal program that provides partial reimbursement for health care services to eligible children. In addition to processing its own internal medicaid claims, the District currently provides Medicaid consulting services to over 180 Texas school districts.

The **Business Development Fund** is used to account for the financial operations of the district's Marketing Office. The Marketing Office was organized in early 2002 to help develop and coordinate the district's efforts in marketing and the sale of goods and services to other school districts. Primary relationships between HISD and other school districts are through cooperative purchasing programs or inter-local agreements, both of which are statutorily authorized ways for governmental entities to acquire goods or services. Activities involve the marketing and development of business relationships, both directly related to district products such as CLEAR curriculum, and also to products/services developed through vendor/HISD partnerships such as lighting retrofit and JOC programs. The Marketing Office assists other HISD departments such as Staff Development and Virtual Schools in their marketing efforts. The office also 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.

HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

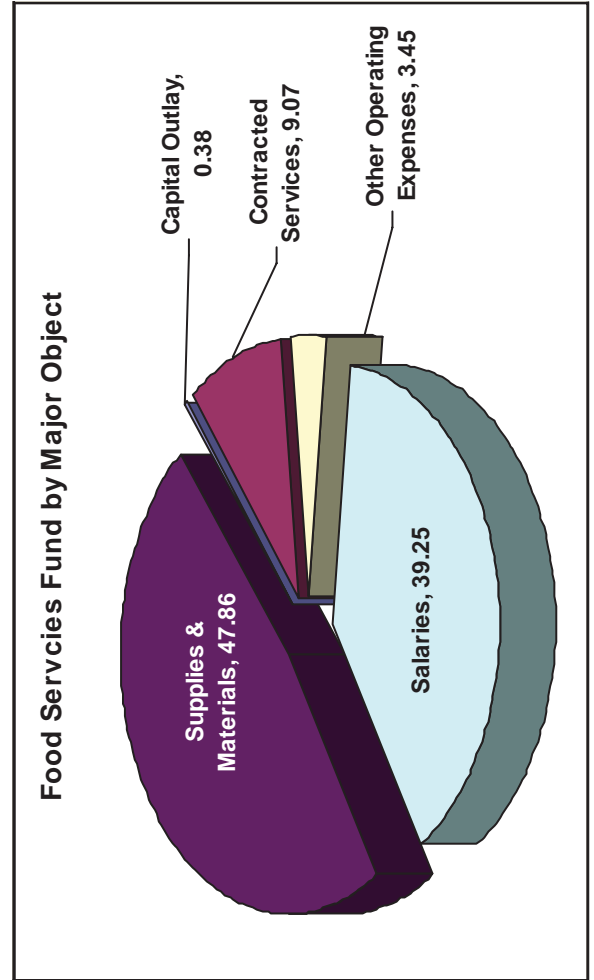
| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|---|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services: | | | | | |
| Sales to customers | 14,946,863 | 15,691,341 | 15,208,335 | 14,311,930 | 18,088,456 |
| Consulting services | 6,102,958 | 10,375,578 | 13,494,520 | 12,781,294 | 12,366,128 |
| Miscellaneous | 405,366 | 315,497 | 449,466 | 255,562 | 105,279 |
| Total operating revenues | 21,455,187 | 26,382,416 | 29,152,321 | 27,348,786 | 30,559,863 |
| Operating Expenses: | | | | | |
| Payroll costs | 30,854,138 | 34,693,030 | 37,372,336 | 37,801,159 | 39,803,833 |
| Purchased and contracted services | 12,401,271 | 18,332,862 | 21,871,733 | 19,844,980 | 19,330,081 |
| Supplies and materials | 32,189,004 | 34,431,779 | 37,594,683 | 44,494,014 | 47,404,552 |
| Other operating costs | 58,329 | 251,074 | 1,963,847 | 547,626 | 3,958,403 |
| Claims and judgements | - | - | - | - | - |
| Depreciation | 703,310 | 778,390 | 560,266 | 12,633 | - |
| Capital assets | - | - | - | 282,894 | - |
| Total operating expenses | 76,206,052 | 88,487,135 | 99,362,865 | 102,983,306 | 110,496,869 |
| Operating income (loss) | (54,750,865) | (62,104,719) | (70,210,544) | (75,634,520) | (79,937,006) |
| Non-Operating Revenues (Expenses): | | | | | |
| Earnings on investments | 385,400 | 484,172 | 282,105 | 581,931 | 444,721 |
| Grants from federal agencies: | | | | | |
| Child nutrition program/Summer food program | 58,716,582 | 69,173,889 | 73,691,139 | 71,206,832 | 73,873,479 |
| Donated commodities | 3,837,664 | 3,887,112 | 4,523,949 | 5,400,000 | 4,415,379 |
| School health services (SHARS) | 777,863 | 723,752 | 794,107 | 608,663 | 1,380,872 |
| Medicaid claim program (MACM) | 1,999,440 | 1,544,700 | 1,410,088 | 1,170,000 | - |
| Star health | 2,448,656 | 2,566,149 | 3,461,275 | 2,376,994 | 3,222,035 |
| State matching and other | 725,872 | 727,008 | 721,140 | 698,000 | 698,000 |
| Total non-operating revenue | 68,891,477 | 79,106,782 | 84,883,803 | 82,042,420 | 84,034,486 |
| Income before transfers | 14,140,612 | 17,002,063 | 14,673,259 | 6,407,900 | 4,097,480 |
| Transfers in | - | - | - | - | - |
| Transfers Out | (4,759,500) | (4,100,000) | (500,000) | (5,370,000) | (4,900,000) |
| Change in net assets | 9,381,112 | 12,902,063 | 14,173,259 | 1,037,900 | (802,520) |
| Total net assets, beginning | 18,445,487 | 25,756,696 | 38,658,759 | 52,832,018 | 53,869,918 |
| Change in beginning net assets | (2,069,903) | - | - | - | - |
| Total net assets, ending | 25,756,696 | 38,658,759 | 52,832,018 | 53,869,918 | 53,067,398 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - FOOD SERVICES FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Revenues: | | | | | |
| Food sales | 14,946,863 | 15,691,341 | 15,208,335 | 14,311,930 | 18,088,456 |
| Interest income | 345,422 | 443,079 | 246,035 | 471,931 | 394,721 |
| Miscellaneous local sources | 405,332 | 315,497 | 449,466 | 255,562 | 105,279 |
| State matching funds | 725,872 | 727,008 | 721,140 | 698,000 | 698,000 |
| Child nutrition programs/Summer food program | 58,716,582 | 69,173,889 | 73,691,139 | 71,206,832 | 73,873,479 |
| Donated commodities | 3,837,664 | 3,887,112 | 4,523,949 | 5,400,000 | 4,415,379 |
| Total revenues | 78,977,735 | 90,237,926 | 94,840,064 | 92,344,255 | 97,575,314 |
| Expenses: | | | | | |
| Current | | | | | |
| Food services | 67,048,850 | 74,585,249 | 81,703,133 | 86,561,511 | 94,183,736 |
| General administration | 430,181 | 592,203 | 485,919 | 1,510,289 | 1,680,162 |
| Plant maintenance and operations | 2,690,378 | 3,128,031 | 3,732,954 | 2,128,653 | 3,074,012 |
| Security and monitoring services | 7,606 | - | - | - | - |
| Data processing services | 14,096 | 17,656 | - | - | - |
| Total expenses | 70,191,111 | 78,323,139 | 85,922,006 | 90,200,453 | 98,937,910 |
| Change in net assets | 8,786,624 | 11,914,787 | 8,918,058 | 2,143,802 | (1,362,596) |
| Total net assets, beginning | 18,145,153 | 24,923,041 | 36,837,828 | 45,755,886 | 47,899,688 |
| Change in beginning net assets | (2,008,736) | - | - | - | - |
| Total net assets, ending | 24,923,041 | 36,837,828 | 45,755,886 | 47,899,688 | 46,537,092 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
 EXPENSES BY FUNCTION AND MAJOR OBJECT - FOOD SERVICES FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

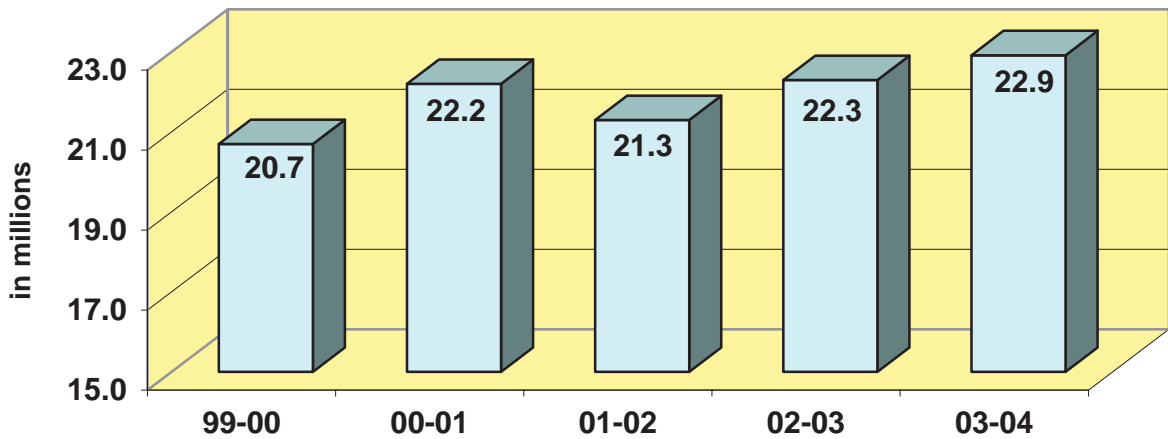
| Function | Function Name | Salaries 6100 | Contracted Services 6200 | Supplies and Materials 6300 | Other Operating Expenses 6400 | Debt Service 6500 | Capital Outlay 6600 | Other Uses 6900 | Function Totals |
|----------------------------|---|-------------------|--------------------------------|-----------------------------------|--|-------------------------|---------------------------|--------------------|-------------------|
| 11 | Instruction | - | - | - | - | - | - | - | - |
| 12 | Instructional resources and media services | - | - | - | - | - | - | - | - |
| 13 | Instructional staff development | - | - | - | - | - | - | - | - |
| 14 | Curriculum development | - | - | - | - | - | - | - | - |
| 21 | Instructional leadership | - | - | - | - | - | - | - | - |
| 23 | School leadership | - | - | - | - | - | - | - | - |
| 31 | Guidance, counseling, and evaluation services | - | - | - | - | - | - | - | - |
| 32 | Social work services | - | - | - | - | - | - | - | - |
| 33 | Health services | - | - | - | - | - | - | - | - |
| 34 | Student transportation | - | - | - | - | - | - | - | - |
| 35 | Food services | 37,501,670 | 5,582,983 | 47,351,769 | 3,376,269 | - | 371,045 | - | 94,183,736 |
| 36 | Co-Curricular/extracurricular activities | - | - | - | - | - | - | - | - |
| 41 | General administration | 1,048,704 | 597,958 | - | 33,500 | - | - | - | 1,680,162 |
| 51 | Plant maintenance and operations | 282,080 | 2,791,932 | - | - | - | - | - | 3,074,012 |
| 52 | Security and monitoring services | - | - | - | - | - | - | - | - |
| 53 | Data processing services | - | - | - | - | - | - | - | - |
| 61 | Community services | - | - | - | - | - | - | - | - |
| 71 | Debt services | - | - | - | - | - | - | - | - |
| 81 | Capital outlay | - | - | - | - | - | - | - | - |
| 95 | Juvenile justice alternative education programs | - | - | - | - | - | - | - | - |
| 96 | Other financing sources (uses) | - | - | - | - | - | - | - | - |
| 97 | Tax Increment Relief Zone (TIRZ) payments | - | - | - | - | - | - | - | - |
| Major Object Totals | | 38,832,454 | 8,972,873 | 47,351,769 | 3,409,769 | 0 | 371,045 | 0 | 98,937,910 |



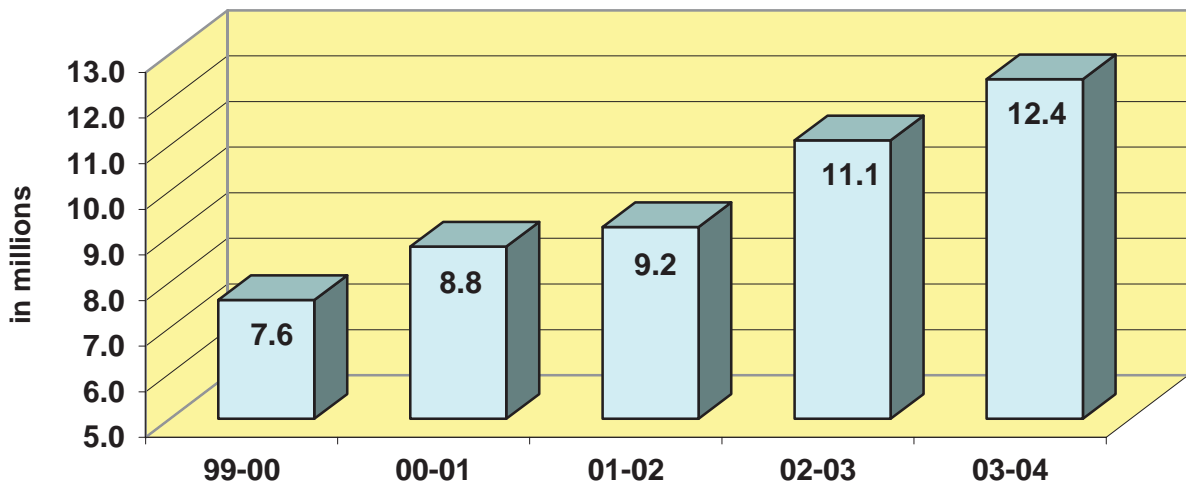
Food Service Statistics

| | | 99-00 | 00-01 | 01-02 | 02-03 | 03-04 | FY2003 % Change |
|------------------|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Lunch | Paid | 2,612,532 | 2,476,302 | 2,092,031 | 1,930,211 | 2,010,399 | 4.2% |
| | Reduced | 1,598,869 | 1,582,643 | 1,538,180 | 1,486,519 | 1,820,362 | 22.5% |
| | Free | 16,506,922 | 18,164,375 | 17,673,904 | 18,866,558 | 19,086,468 | 1.2% |
| | Total | 20,718,323 | 22,223,320 | 21,304,115 | 22,283,288 | 22,917,229 | 2.8% |
| Breakfast | Paid | 456,302 | 404,299 | 374,294 | 364,208 | 742,256 | 103.8% |
| | Reduced | 382,121 | 397,909 | 398,664 | 404,912 | 685,459 | 69.3% |
| | Free | 6,733,046 | 8,030,484 | 8,408,755 | 10,351,200 | 11,013,125 | 6.4% |
| | Total | 7,571,469 | 8,832,692 | 9,181,713 | 11,120,320 | 12,440,840 | 11.9% |

Total Lunches Served 2000-2004



Total Breakfasts Served 2000-2004



HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - MEDICAID
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services | | | | | |
| Consulting services | 930,137 | 1,005,931 | 972,670 | 859,922 | 817,578 |
| Miscellaneous | 34 | - | - | - | - |
| Total revenues | 930,171 | 1,005,931 | 972,670 | 859,922 | 817,578 |
| Operating Expenses: | | | | | |
| Payroll costs | 864,398 | 1,055,006 | 1,057,351 | 1,013,870 | 830,616 |
| Purchased and contracted services | 145,220 | 119,842 | 225,272 | 200,628 | 225,028 |
| Supplies and materials | 57,346 | 77,881 | 77,306 | 45,657 | 46,483 |
| Other operating expenses | 46,160 | 54,912 | 1,206,253 | 85,548 | 101,530 |
| Depreciation | 8,589 | 10,967 | 11,935 | 12,633 | - |
| Total operating expenses | 1,121,713 | 1,318,608 | 2,578,117 | 1,358,336 | 1,203,657 |
| Operating income (loss) | (191,542) | (312,677) | (1,605,447) | (498,414) | (386,079) |
| Nonoperating Revenues (Expenses): | | | | | |
| Earnings on investments | 39,948 | 30,674 | 20,864 | 50,000 | - |
| Grants from federal agencies | | | | | |
| School health services (SHARS) | 777,863 | 723,752 | 794,107 | 608,663 | 1,380,872 |
| Star health | 2,448,656 | 2,566,149 | 3,461,275 | 2,376,994 | 3,222,035 |
| Medicaid claim program (MACM) | 1,999,440 | 1,544,700 | 1,410,088 | 1,170,000 | - |
| Total nonoperating revenue | 5,265,907 | 4,865,275 | 5,686,334 | 4,205,657 | 4,602,907 |
| Income (loss) before transfers | 5,074,365 | 4,552,598 | 4,080,887 | 3,707,243 | 4,216,828 |
| Transfers out | (4,759,500) | (4,100,000) | - | (4,070,000) | (3,700,000) |
| Change in net assets | 314,865 | 452,598 | 4,080,887 | (362,757) | 516,828 |
| Total net assets, beginning | 300,334 | 554,032 | 1,006,630 | 5,087,517 | 4,724,760 |
| Change in beginning net assets | (61,167) | - | - | - | - |
| Total net assets, ending | 554,032 | 1,006,630 | 5,087,517 | 4,724,760 | 5,241,588 |

HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - BUSINESS DEVELOPMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE DATA FOR PRIOR YEARS

| | 2001-2002 Actual | 2002-2003 Actual | 2003-2004 Actual | 2004-2005 Projected | 2005-2006 Budget |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| Operating Revenues: | | | | | |
| Charges for sales and services: | | | | | |
| Consulting services | 5,172,821 | 9,369,647 | 12,521,850 | 11,921,372 | 11,548,550 |
| Total operating revenues | 5,172,821 | 9,369,647 | 12,521,850 | 11,921,372 | 11,548,550 |
| Operating Expenses: | | | | | |
| Payroll costs | 53,164 | 91,797 | 119,774 | 142,047 | 140,763 |
| Purchased and contracted services | 4,825,272 | 8,743,523 | 10,686,290 | 11,104,864 | 10,132,180 |
| Supplies and materials | 2,623 | 2,023 | 2,731 | 14,479 | 6,300 |
| Other operating expenses | 12,169 | 8,045 | 53,947 | 163,127 | 76,059 |
| Depreciation | - | - | - | - | - |
| Total operating expenses | 4,893,228 | 8,845,388 | 10,862,742 | 11,424,517 | 10,355,302 |
| Operating income (loss) | 279,593 | 524,259 | 1,659,108 | 496,855 | 1,193,248 |
| Nonoperating Revenues (Expenses): | | | | | |
| Earnings on investments | 30 | 10,419 | 15,206 | 60,000 | 50,000 |
| Total nonoperating revenue | 30 | 10,419 | 15,206 | 60,000 | 50,000 |
| Income (loss) before transfers | 279,623 | 534,678 | 1,674,314 | 556,855 | 1,243,248 |
| Transfers out | - | - | (500,000) | (1,300,000) | (1,200,000) |
| Change in net assets | 279,623 | 534,678 | 1,174,314 | (743,145) | 43,248 |
| Total net assets, beginning | - | 279,623 | 814,301 | 1,988,615 | 1,245,470 |
| Total net assets, ending | 279,623 | 814,301 | 1,988,615 | 1,245,470 | 1,288,718 |

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