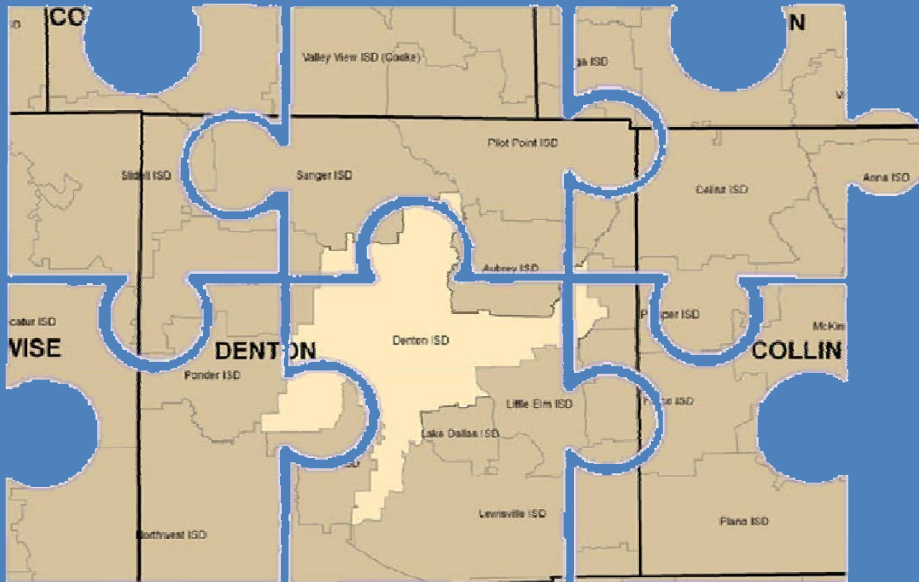


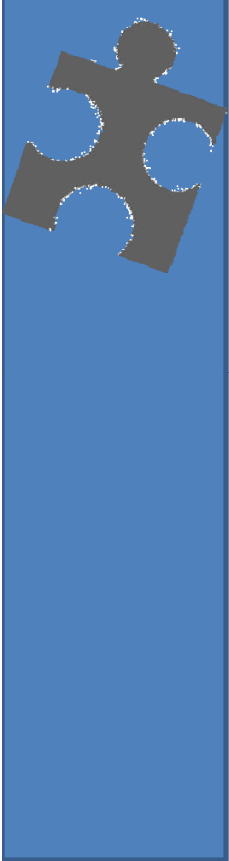


Denton ISD Economic and Housing Analysis 3Q12



TEMPLETON
DEMOGRAPHICS



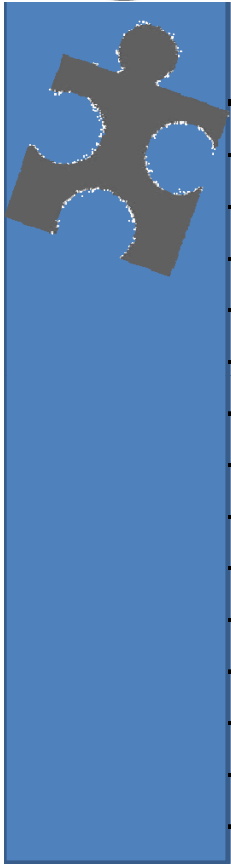


Economic Conditions

- Texas gained 262,700 jobs between August 2011 and August 2012. Continuing to lead the nation in job growth. (Susan Combs, Texas Comptroller)
- The state's unemployment rate has been at or below the national rate for 69 consecutive months. (Susan Combs, Texas Comptroller)
- DFW MSA 5th in the nation with 60,200 new jobs added July 2011 - July 2012 (BLS)
- Unemployment rates - Texas Labor Market Review (October)
 - U.S. 7.6%
 - Texas 6.3%
 - DFW 6.3%
 - **Denton County 5.6%**, down from 6.9% in Sept. 2011
- DFW annual new home starts **up 22%** from 2Q11.(Metrostudy)
- New housing market in position for sustained growth with inventories in balance and raising rental rates.
- Texas sales tax receipts for October 2012 were **8.2 percent higher** than for October 2011. (Susan Combs, Texas Comptroller)
- Sales tax collections have increased for **30 consecutive months** (year-over-year), boosted by strong business spending in the oil/natural gas and manufacturing sectors, and to a lesser extent by retail sales activity. (Susan Combs, Texas Comptroller)
- Oil and natural gas production tax collections in the first 11 months of fiscal 2012 were **44 percent higher** than during the same period in 2011. (Susan Combs, Texas Comptroller)



Top Job Growth Markets Ranked by Change in Emp. – August 2012

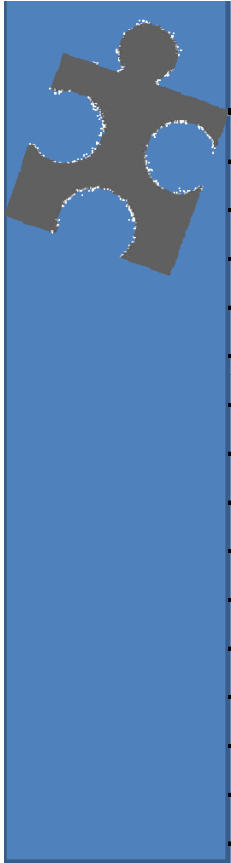


Rank	MSA	Total Employment	Job Gains	% Change
1	New York-Northern New Jersey-Long Isla	8,514,400	117,900	1.4 %
2	Los Angeles-Long Beach-Santa Ana CA	5,188,900	103,000	2.0 %
3	Houston-Baytown-Sugar Land TX	2,682,900	89,500	3.5 %
4	Dallas-Fort Worth-Arlington TX	2,985,400	61,100	2.1 %
5	San Francisco-Oakland-Fremont CA	1,941,900	59,400	3.2 %
6	Seattle-Tacoma-Bellevue WA	1,716,600	48,000	2.9 %
7	Phoenix-Mesa-Glendale, AZ	1,745,600	47,200	2.8 %
8	Chicago-Naperville-Joliet IL-IN-WI	4,354,000	38,800	0.9 %
9	Washington-Arlington-Alexandria DC-VA	3,023,900	38,200	1.3 %
10	Denver-Aurora CO	1,253,400	33,800	2.8 %
11	San Diego-Carlsbad-San Marcos CA	1,253,300	30,300	2.5 %
12	San Jose-Sunnyvale-Santa Clara CA	903,800	29,600	3.4 %
13	Atlanta-Sandy Springs-Marietta GA	2,339,000	29,400	1.3 %
14	Detroit-Warren-Livonia MI	1,802,200	27,400	1.5 %
15	Cincinnati-Middletown OH-KY-IN	1,022,400	27,400	2.8 %

Source: Metrostudy - MetroUSA



Top 15 MSAs – Ranked by Ann. SF Permits on August 2012

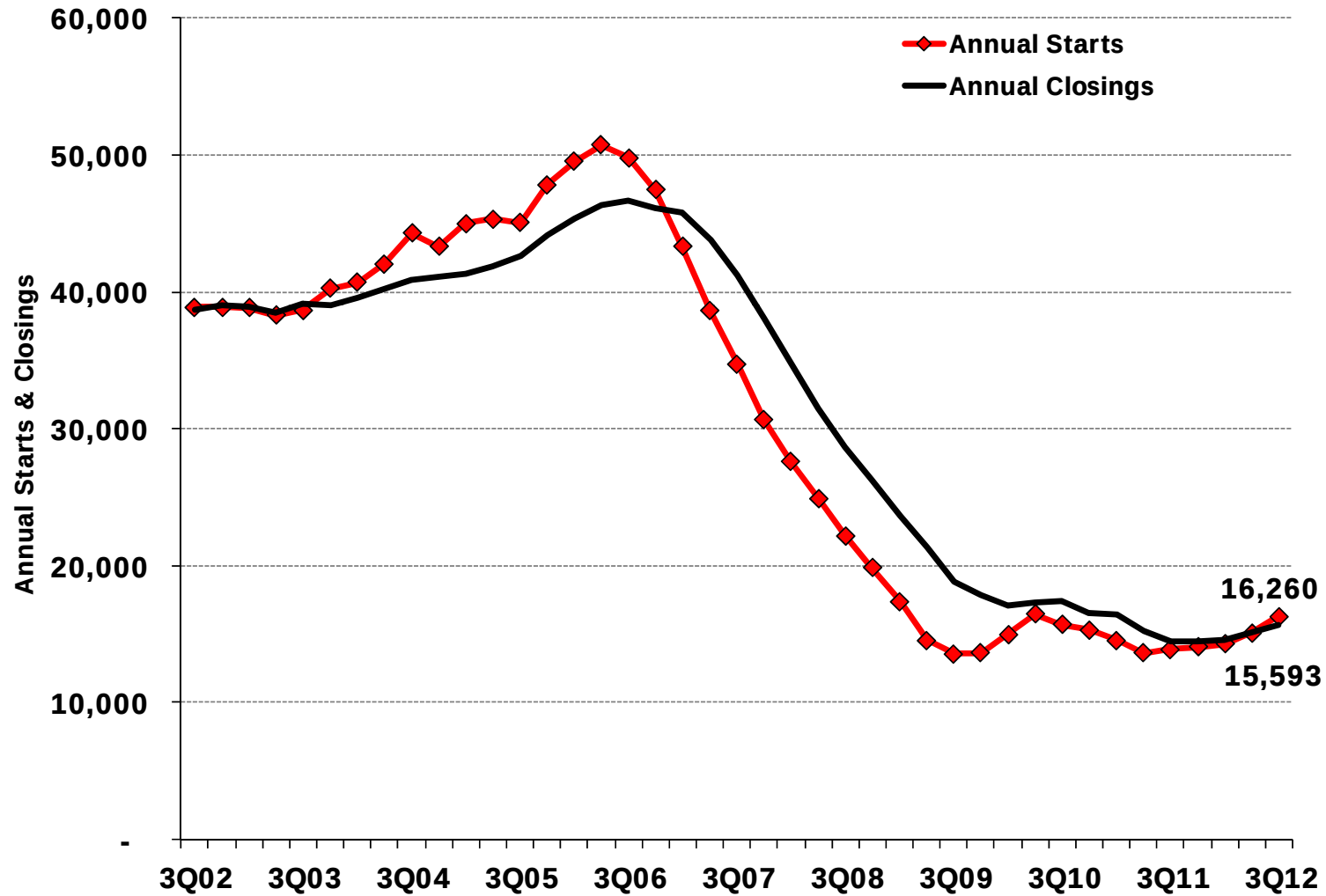


Rank	MSA	Permits	Change
1	Houston-Baytown-Sugar Land TX	26,539	5,406
2	Dallas-Fort Worth-Arlington TX	16,142	2,539
3	Phoenix-Mesa-Glendale, AZ	10,952	4,031
4	Washington-Arlington-Alexandria DC-	10,558	1,499
5	Atlanta-Sandy Springs-Marietta GA	8,058	1,975
6	Austin-Round Rock-San Marcos, TX	7,442	1,634
7	Seattle-Tacoma-Bellevue WA	7,133	1,180
8	New York-Northern New Jersey-Long	6,446	334
9	Orlando-Kissimmee-Sanford, FL	6,125	2,072
10	Charlotte-Gastonia-Rock Hill, NC-SC	5,991	1,938
11	Raleigh-Cary NC	5,773	1,330
12	Las Vegas-Paradise NV	5,356	1,638
13	Tampa-St. Petersburg-Clearwater FL	5,186	921
14	Chicago-Naperville-Joliet IL-IN-WI	5,101	1,094
15	Philadelphia-Camden-Wilmington PA-NJ-	4,997	287

Source: Metrostudy - MetroUSA

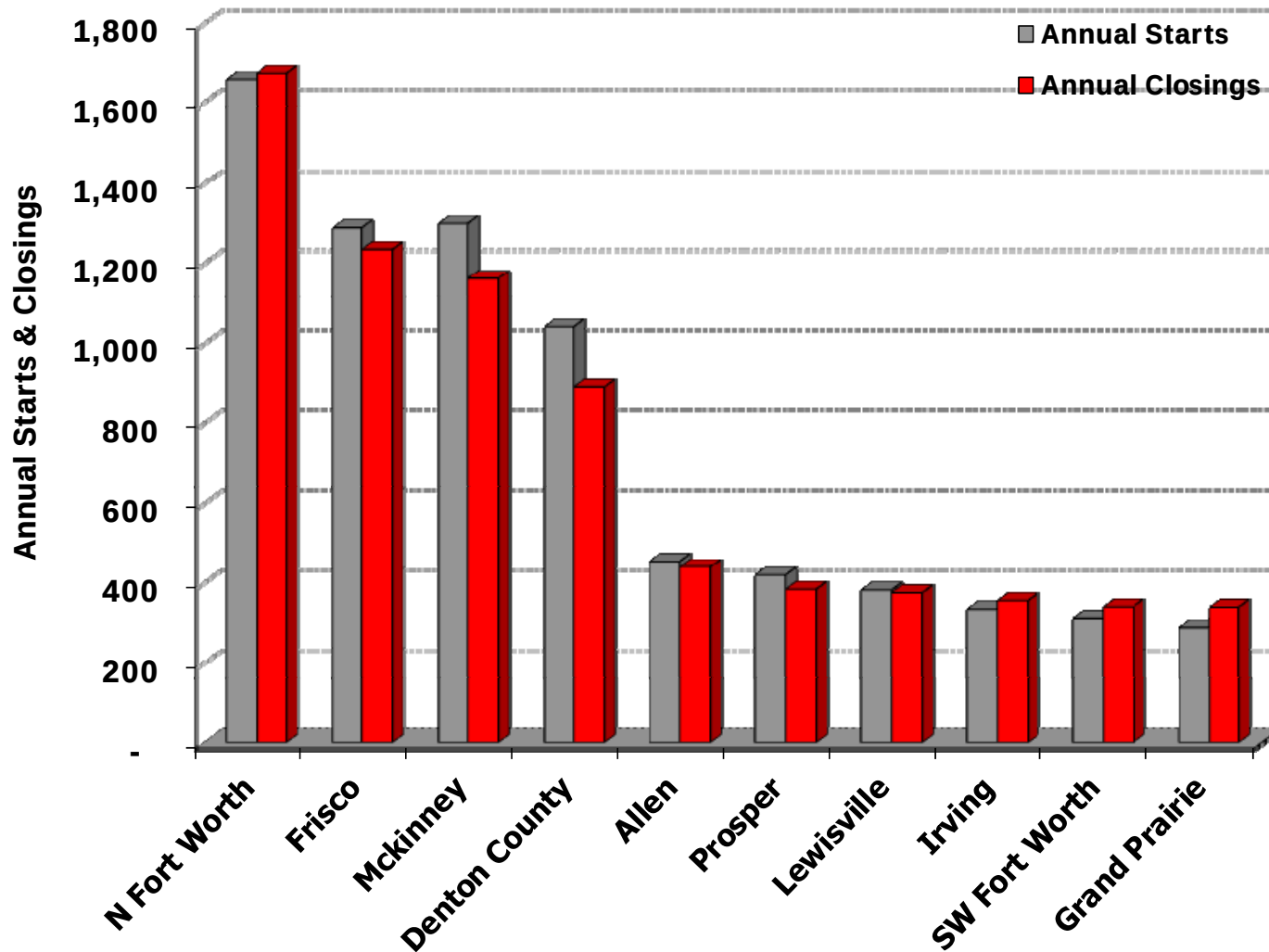


Dallas/Fort Worth Market SFD-TH – Starts and Closings





Dallas/Fort Worth Market SFD-TH – Top Ten Submarkets by Closings





Denton County (Denton), Texas

Population (2010): 662,614

Population (2005): 553,669

Inbound income per cap. (2010): \$26,600

Outbound income per cap. (2010): \$24,600

Non-migrant income per cap. (2010): \$30,000

Hide Lines

✕ Clear

↗ Share

Inbound migration 54,600

Outbound migration

27,300

Select year (April-April):

2005

2006

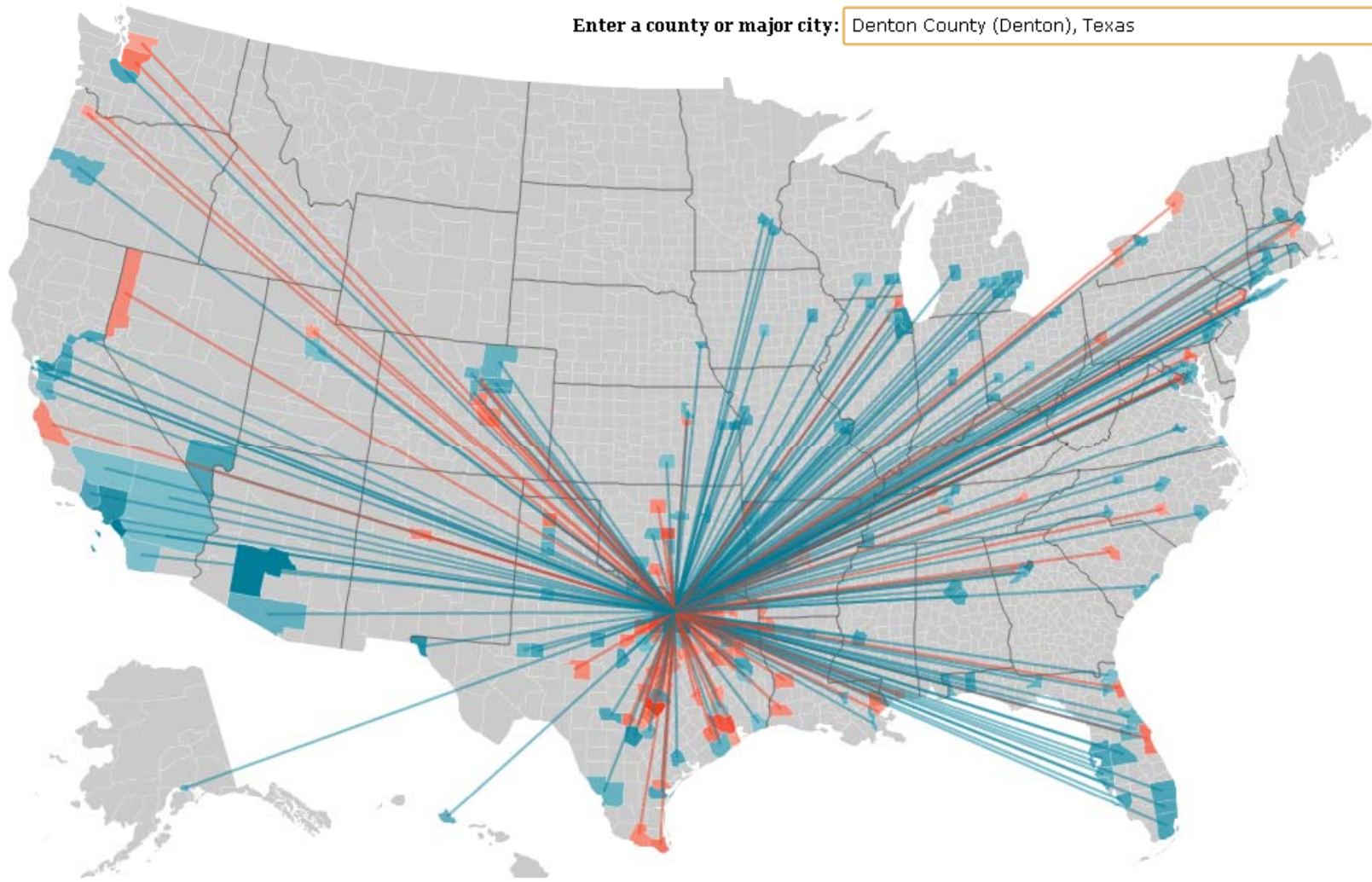
2007

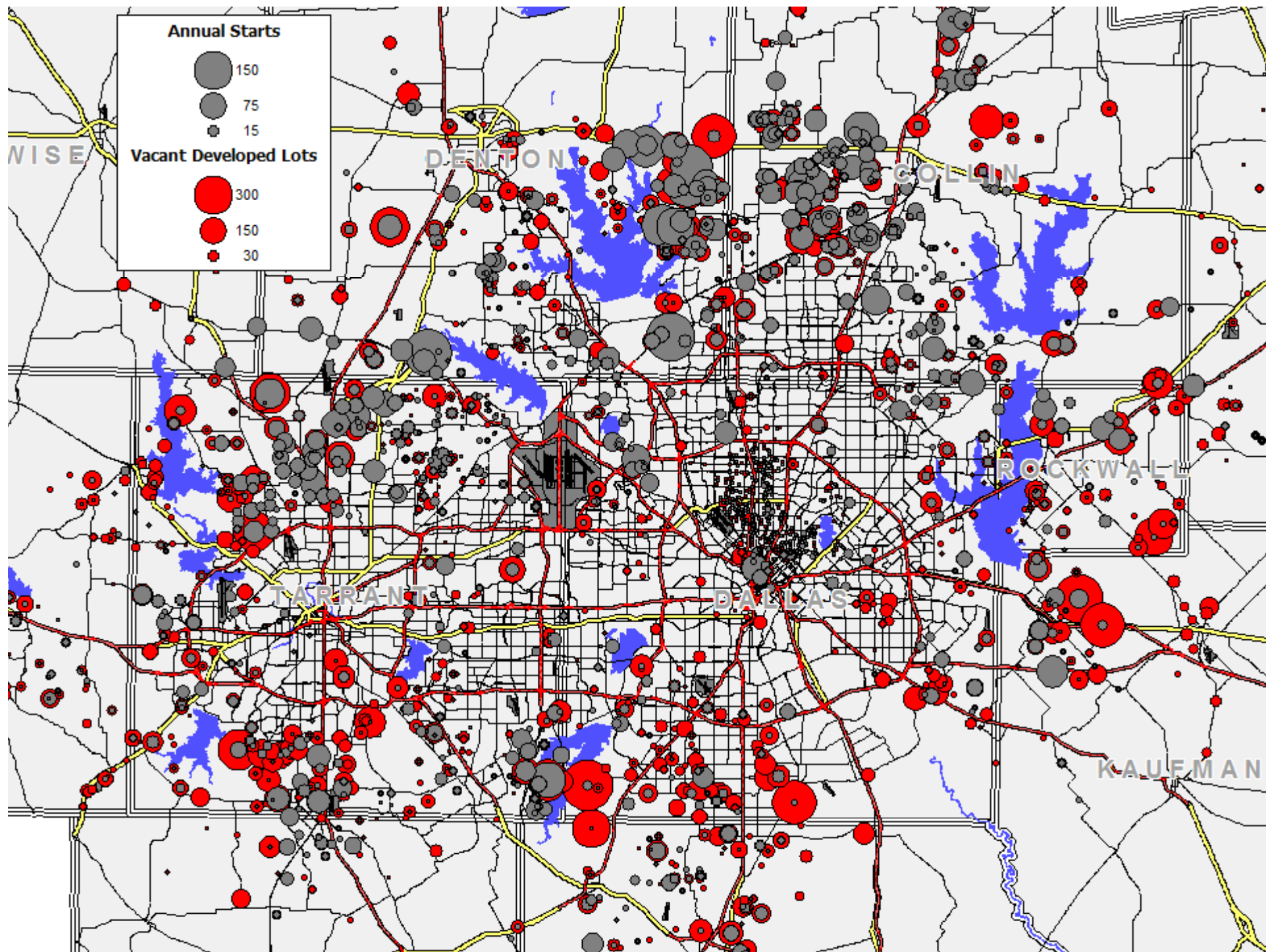
2008

2009

2010

Enter a county or major city:





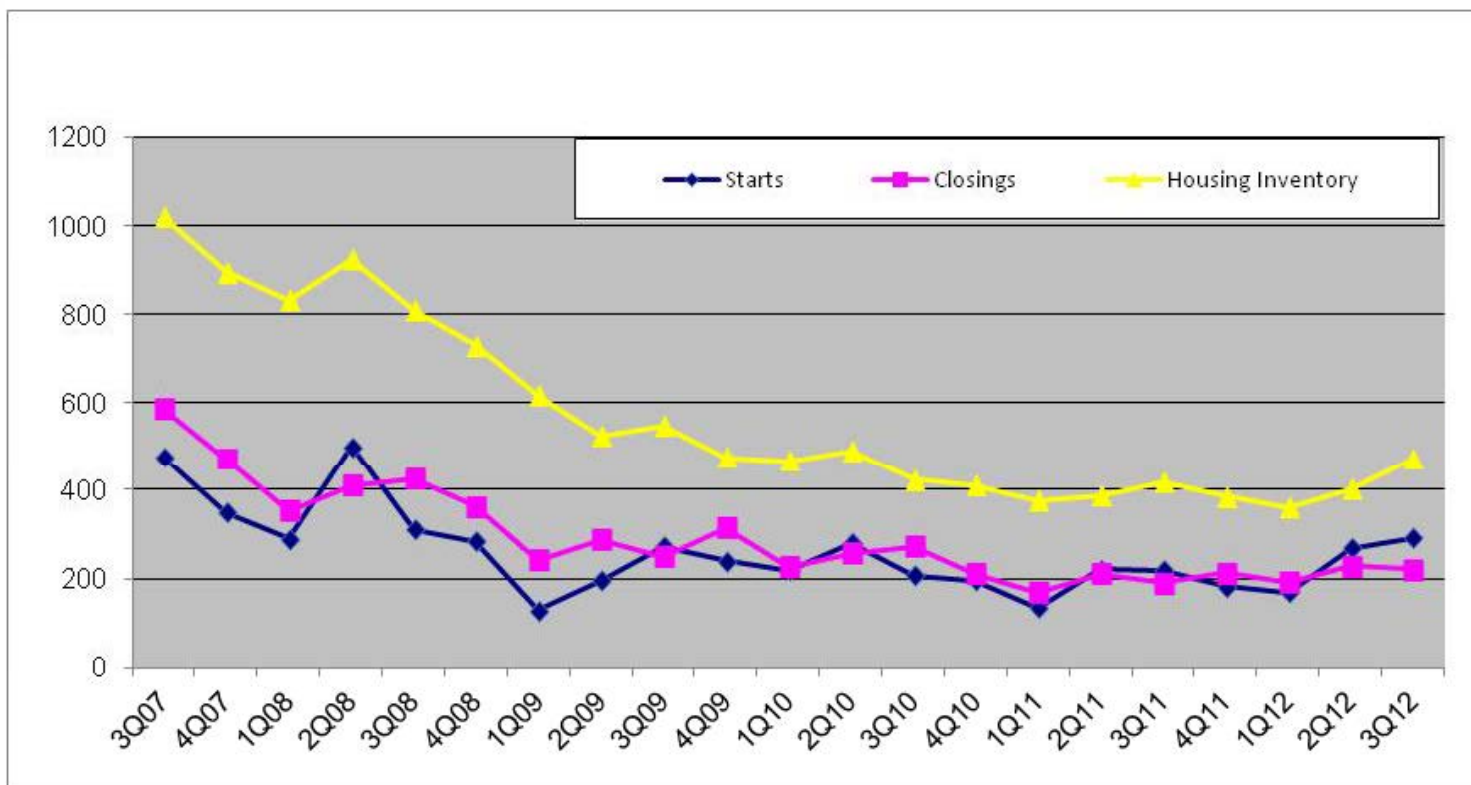


New Home Ranking Report 3Q12

Rank	SCHOOL DISTRICT	ANNUAL CLOSINGS	ANNUAL STARTS	VACANT DEVELOPED LOTS	FUTURE LOTS
1	FRISCO ISD	1,893	2,034	4,393	11,113
2	NORTHWEST ISD	1,177	1,085	1,886	22,734
3	KELLER ISD	910	933	1,548	2,767
4	DENTON ISD	852	907	2,364	13,975
5	DALLAS INDEPENDENT SCHOOL DISTRICT	809	677	2,389	7,909
6	LEWISVILLE ISD	678	664	1,753	1,653
7	PROSPER ISD	633	749	1,429	14,707
8	MANSFIELD ISD	612	606	1,183	6,042
9	EAGLE MT-SAGINAW ISD	574	615	2,158	20,267
10	MCKINNEY ISD	546	567	1,383	2,618
11	ALLEN ISD	513	545	863	1,618
12	LITTLE ELM ISD	489	515	1,193	5,906
13	ROCKWALL ISD	342	405	1,897	7,708
14	CROWLEY ISD	325	349	2,203	8,222
15	WYLIE ISD (48085)	297	294	494	1,188
16	BURLESON ISD	271	317	728	3,874
17	FORT WORTH ISD	271	266	1,443	4,663
18	CARROLLTON-FARMERS BRANCH ISD	266	309	464	524
19	FORNEY ISD	261	261	1,880	11,421
20	PLANO ISD	260	371	951	1,663



Denton ISD New Housing Activity

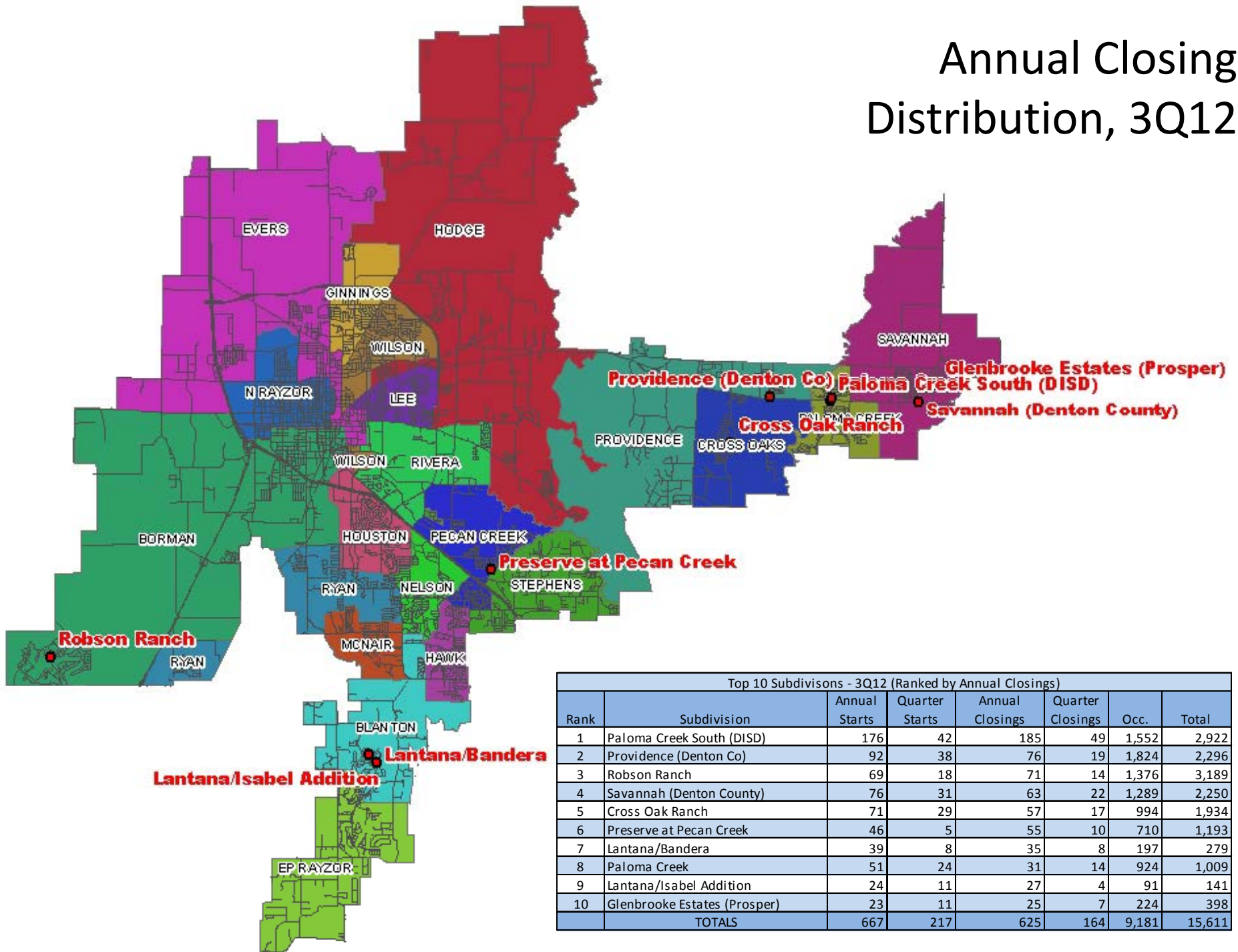


Starts	2007	2008	2009	2010	2011	2012
1Q	415	289	128	219	133	167
2Q	532	500	195	279	223	268
3Q	475	310	271	206	216	291
4Q	348	282	239	196	181	
Total	1770	1381	833	900	753	726

Closings	2007	2008	2009	2010	2011	2012
1Q	553	351	242	226	168	192
2Q	598	410	286	256	210	227
3Q	586	426	249	272	189	220
4Q	472	362	315	210	212	
Total	2209	1549	1092	964	779	639

- Largest 3Q start rate since 2008.
- DISD should close well over 800 homes at year end.

Annual Closing Distribution, 3Q12



Top 10 Subdivisions - 3Q12 (Ranked by Annual Closings)							
Rank	Subdivision	Annual Starts	Quarter Starts	Annual Closings	Quarter Closings	Occ.	Total
1	Paloma Creek South (DISD)	176	42	185	49	1,552	2,922
2	Providence (Denton Co)	92	38	76	19	1,824	2,296
3	Robson Ranch	69	18	71	14	1,376	3,189
4	Savannah (Denton County)	76	31	63	22	1,289	2,250
5	Cross Oak Ranch	71	29	57	17	994	1,934
6	Preserve at Pecan Creek	46	5	55	10	710	1,193
7	Lantana/Bandera	39	8	35	8	197	279
8	Paloma Creek	51	24	31	14	924	1,009
9	Lantana/Isabel Addition	24	11	27	4	91	141
10	Glenbrooke Estates (Prosper)	23	11	25	7	224	398
TOTALS		667	217	625	164	9,181	15,611

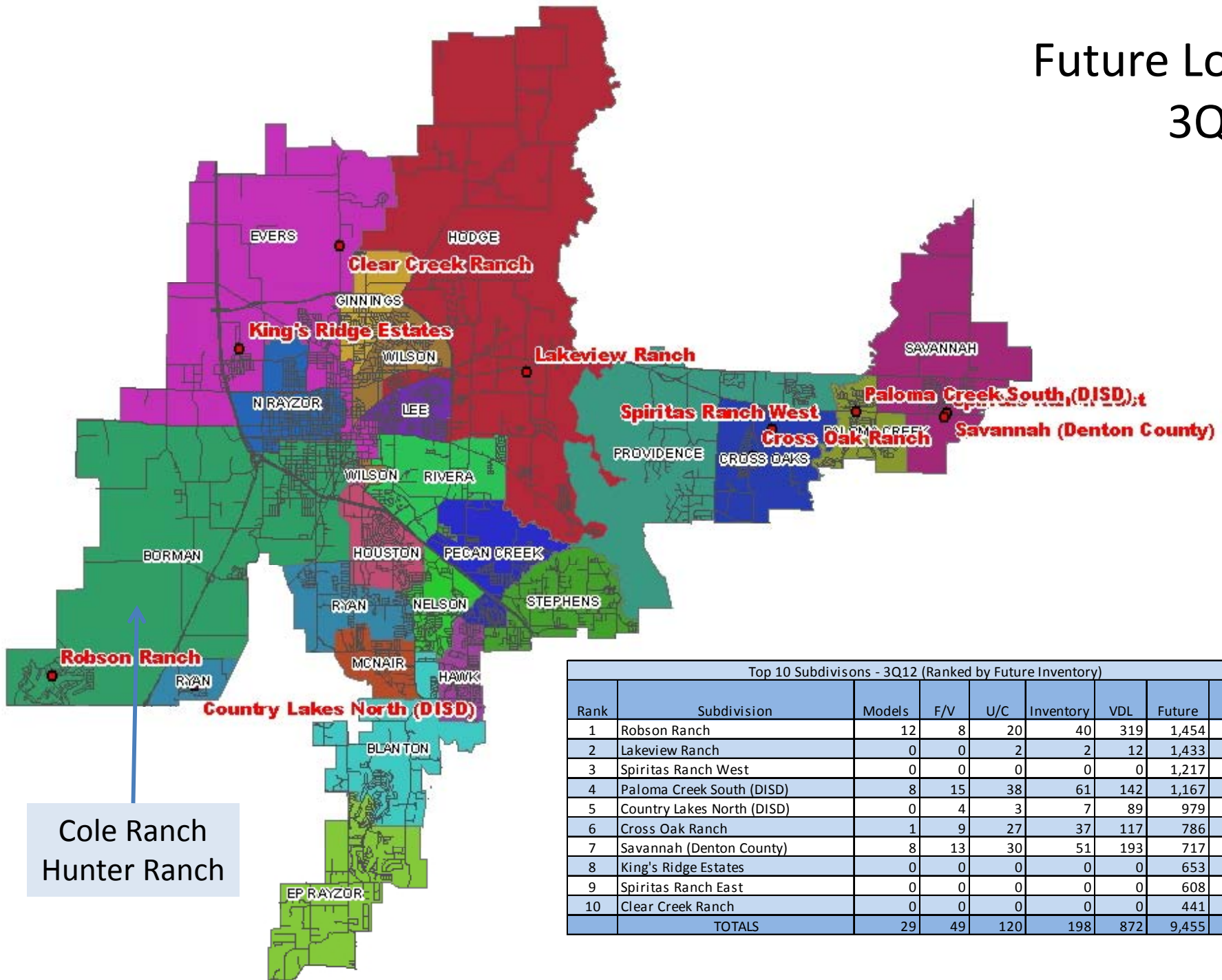
Vacant Developed Lots, 3Q12

Rank	Subdivision	Models	F/V	U/C	Inventory	VDL	Future	Total
1	Robson Ranch	12	8	20	40	319	1,454	3,189
2	Savannah (Denton County)	8	13	30	51	193	717	2,250
3	Paloma Creek South (DISD)	8	15	38	61	142	1,167	2,922
4	Cross Oak Ranch	1	9	27	37	117	786	1,934
5	Providence (Denton Co)	3	13	38	54	113	305	2,296
6	Country Lakes North (DISD)	0	4	3	7	89	979	1,517
7	Villages at Crossroads	0	0	0	0	82	0	96
8	Emerald Sound	0	0	0	0	82	0	362
9	Tuscan Hills	1	0	0	1	81	0	104
10	Villas at Maple Leaf	0	0	0	0	81	0	96
	TOTALS	33	62	156	251	1,299	5,408	14,766

Vacant Developed Lots, 3Q12

Rank	Subdivision	Models	F/V	U/C	Inventory	VDL	Future	Total
1	Robson Ranch	12	8	20	40	319	1,454	3,189
2	Savannah (Denton County)	8	13	30	51	193	717	2,250
3	Paloma Creek South (DISD)	8	15	38	61	142	1,167	2,922
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5	Providence (Denton Co)	3	13	38	54	113	305	2,296
6	Country Lakes North (DISD)	0	4	3	7	89	979	1,517
7	Villages at Crossroads	0	0	0	0	82	0	96
8	Emerald Sound	0	0	0	0	82	0	362
9	Tuscan Hills	1	0	0	1	81	0	104
10	Villas at Maple Leaf	0	0	0	0	81	0	96
	TOTALS	33	62	156	251	1,299	5,408	14,766

Future Lots, 3Q12



Top 10 Subdivisions - 3Q12 (Ranked by Future Inventory)

Rank	Subdivision	Models	F/V	U/C	Inventory	VDL	Future	Total
1	Robson Ranch	12	8	20	40	319	1,454	3,189
2	Lakeview Ranch	0	0	2	2	12	1,433	1,583
3	Spirititas Ranch West	0	0	0	0	0	1,217	1,217
4	Paloma Creek South (DISD)	8	15	38	61	142	1,167	2,922
5	Country Lakes North (DISD)	0	4	3	7	89	979	1,517
6	Cross Oak Ranch	1	9	27	37	117	786	1,934
7	Savannah (Denton County)	8	13	30	51	193	717	2,250
8	King's Ridge Estates	0	0	0	0	0	653	653
9	Spirititas Ranch East	0	0	0	0	0	608	608
10	Clear Creek Ranch	0	0	0	0	0	441	441
TOTALS		29	49	120	198	872	9,455	16,314



Overall Housing Data by Elementary Attendance Zone

Elementary	Annual Starts	Quarter Starts	Annual Closings	Quarter Closings	Occupied	Models	Finished Vacant	Under Const.	Inventory	Vacant Dev. Lots	Future	Total
BLANTON EL Total	85	31	83	16	1,529	6	17	30	53	119	29	1,730
BORMAN EL Total	76	18	77	18	1,873	12	8	21	41	319	1,697	3,930
CROSS OAKS EL Total	71	29	57	17	1,002	1	9	27	37	117	2,003	3,159
EP RAYZOR EL Total	75	21	60	13	1,672	7	11	22	40	229	86	2,027
EVERS PARK EL Total	23	6	28	8	982	0	1	8	9	112	1,306	2,409
GINNINGS EL Total	0	0	0	0	304	0	0	0	0	9	378	691
HAWK EL Total	4	0	5	2	1,982	0	1	0	1	17	115	2,115
HODGE EL Total	17	4	13	4	325	0	6	2	8	19	2,139	2,491
HOUSTON EL Total	0	0	0	0	1,460	0	0	0	0	0	393	1,853
LEE EL Total	11	4	16	4	601	1	4	2	7	177	451	1,236
MCNAIR EL Total	0	0	0	0	1,518	0	0	0	0	0	0	1,518
NELSON EL Total	2	0	5	1	1908	1	0	0	1	81	6	1996
NEWTON RAYZOR EL Total	0	0	0	0	0	0	0	0	0	0	100	100
PALOMA CREEK EL Total	227	66	216	63	2,476	9	25	62	96	175	1,792	4,539
PECAN CREEK EL Total	60	14	57	11	1,798	1	3	19	23	151	683	2,655
PROVIDENCE EL Total	95	41	83	22	2,237	3	14	40	57	361	305	2,960
RIVERA EL Total	0	0	0	0	333	0	0	0	0	0	247	580
RYAN EL Total	48	12	43	9	1,802	1	8	15	24	193	1,220	3,239
SAVANNAH EL Total	99	42	88	29	1,513	9	16	41	66	210	980	2,769
STEPHENS EL Total	14	3	21	3	633	0	2	7	9	75	0	717
WILSON EL Total	0	0	0	0	594	0	0	0	0	0	45	639
Grand Total	907	291	852	220	26,542	51	125	296	472	2,364	13,975	43,353



Enrollment History

DENTON INDEPENDENT SCHOOL DISTRICT - GRADE LEVEL ENROLLMENT

Year (Oct.)	EE/PRE-K	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	Total	Growth	Percent
2007/08	563	1,943	1,829	1,774	1,668	1,621	1,655	1,561	1,467	1,388	1,707	1,324	1,261	1,128	20,889		
2008/09	629	2,051	2,013	1,930	1,846	1,729	1,690	1,670	1,603	1,495	1,657	1,371	1,290	1,213	22,187	1,298	6.2%
2009/10	644	1,998	2,032	1,989	1,896	1,864	1,737	1,682	1,648	1,641	1,724	1,421	1,321	1,222	22,819	632	2.8%
2010/11	936	2,030	2,015	2,080	2,022	1,892	1,888	1,715	1,705	1,696	1,793	1,563	1,368	1,321	24,024	1,205	5.3%
2011/12	995	2,088	2,080	2,038	2,089	2,049	1,920	1,878	1,768	1,686	1,829	1,676	1,472	1,287	24,855	831	3.5%
2012/13	1,002	2,121	2,165	2,054	2,064	2,110	2,060	1,930	1,887	1,767	1,822	1,772	1,609	1,428	25,791	936	3.8%

*Yellow box = largest grade per year

*Green box = second largest grade per year

YEAR	KG	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
2008/09	1.06	1.04	1.06	1.04	1.04	1.04	1.01	1.03	1.02	1.19	0.80	0.97	0.96
2009/10	0.97	0.99	0.99	0.98	1.01	1.00	1.00	0.99	1.02	1.15	0.86	0.96	0.95
2010/11	1.02	1.01	1.02	1.02	1.00	1.01	0.99	1.01	1.03	1.09	0.91	0.96	1.00
2011/12	1.03	1.02	1.01	1.00	1.01	1.01	0.99	1.03	0.99	1.08	0.93	0.94	0.94
2012/13	1.02	1.04	0.99	1.01	1.01	1.01	1.01	1.00	1.00	1.08	0.97	0.96	0.97

$$2011 \text{ KG} - 3^{\text{rd}} = 8,404$$

$$2011 \text{ 9}^{\text{th}} - 12^{\text{th}} = 6,631$$

$$\text{Difference} = 1,773$$

Gap between elementary grades and secondary grades is large but closing.

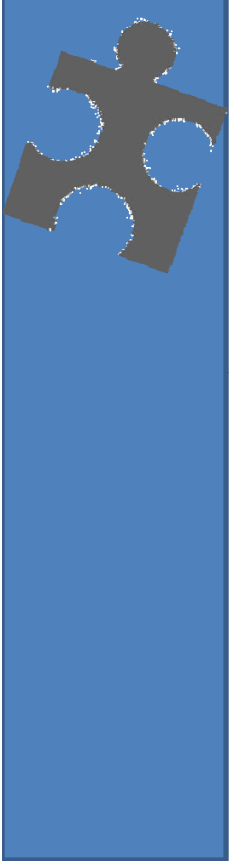


2013/14 Enrollment Projection

DENTON INDEPENDENT SCHOOL DISTRICT - GRADE LEVEL ENROLLMENT

Year (Oct.)	EE/PRE-K	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	Total	Growth	Percent
2009/10	644	1,998	2,032	1,989	1,896	1,864	1,737	1,682	1,648	1,641	1,724	1,421	1,321	1,222	22,819	632	2.8%
2010/11	936	2,030	2,015	2,080	2,022	1,892	1,888	1,715	1,705	1,696	1,793	1,563	1,368	1,321	24,024	1,205	5.3%
2011/12	995	2,088	2,080	2,038	2,089	2,049	1,920	1,878	1,768	1,686	1,829	1,676	1,472	1,287	24,855	831	3.5%
2012/13	1,002	2,121	2,165	2,054	2,064	2,110	2,060	1,930	1,887	1,767	1,822	1,772	1,609	1,428	25,791	936	3.8%
2013/14	1,002	2,169	2,180	2,204	2,084	2,084	2,158	2,063	1,963	1,899	1,906	1,726	1,686	1,553	26,677	886	3.4%
2014/15	1,002	2,215	2,236	2,222	2,241	2,099	2,116	2,286	2,104	2,019	2,112	1,808	1,617	1,609	27,686	1,009	3.8%
2015/16	1,002	2,265	2,279	2,278	2,260	2,274	2,136	2,248	2,324	2,173	2,209	2,021	1,699	1,546	28,714	1,028	3.7%
2016/17	1,002	2,323	2,334	2,338	2,327	2,287	2,316	2,250	2,290	2,376	2,388	2,099	1,891	1,628	29,849	1,135	4.0%
2017/18	1,002	2,400	2,417	2,417	2,398	2,382	2,339	2,453	2,295	2,336	2,604	2,271	1,963	1,812	31,089	1,240	4.2%
2018/19	1,002	2,494	2,504	2,485	2,478	2,454	2,442	2,506	2,497	2,351	2,559	2,478	2,130	1,875	32,255	1,166	3.8%
2019/20	1,002	2,563	2,595	2,578	2,554	2,528	2,507	2,584	2,561	2,550	2,580	2,433	2,323	2,036	33,394	1,139	3.5%
2020/21	1,002	2,652	2,672	2,670	2,648	2,616	2,587	2,661	2,636	2,617	2,788	2,453	2,280	2,214	34,496	1,102	3.3%
2021/22	1,002	2,732	2,753	2,745	2,738	2,715	2,685	2,745	2,714	2,690	2,864	2,649	2,301	2,175	35,508	1,012	2.9%
2022/23	1,002	2,938	2,838	2,832	2,818	2,806	2,786	2,838	2,802	2,769	2,944	2,720	2,486	2,190	36,769	1,261	3.6%

Roll-up	1,002	2,121	2,121	2,165	2,054	2,064	2,110	2,060	1,930	1,887	1,767	1,822	1,772	1,609	26,484	693
Prev Cohort	1,002	2,155	2,199	2,138	2,080	2,085	2,121	2,071	1,939	1,886	1,910	1,765	1,701	1,561	26,613	822
3-Year Cohort	1,002	2,164	2,171	2,181	2,077	2,079	2,133	2,051	1,962	1,898	1,915	1,707	1,692	1,561	26,593	802



Denton ISD Overview

- Overall economic outlook remains positive which will lead to continued population growth across Texas and the DFW region.
- DISD will end the year with the highest start rate since 2008.
- New housing market positioned for growth in 2013 as builder confidence appears to be high.
- District in position for enrollment growth of 886 (3.4%) growth by fall 2013.
- District enrollment will be pushing 30,000 by the fall of 2016.
- DISD can expect all grade levels to exceed 2,000 students by 2020
- DISD can expect an increase of over 10,000 students during the next 10 years.
- 2022/23 enrollment projection 36,769