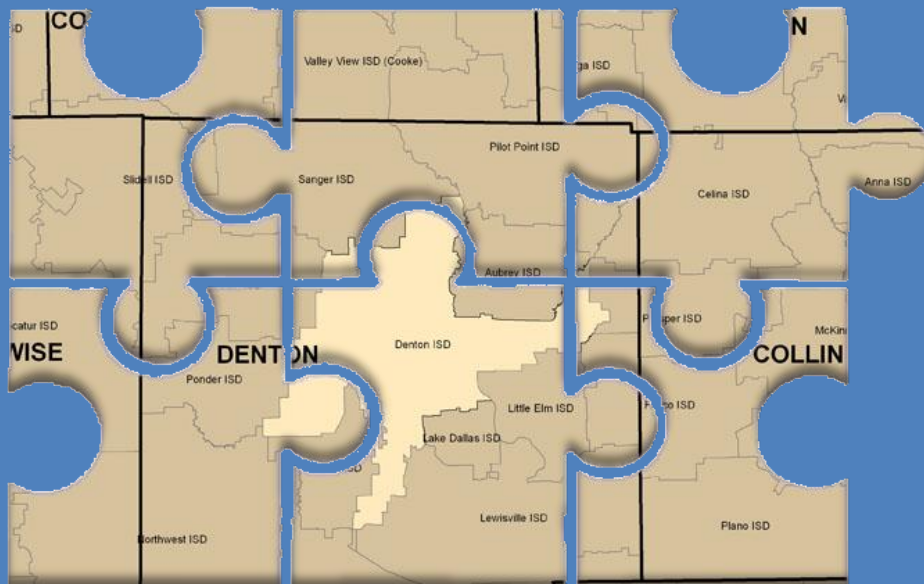




Denton ISD Quarterly Economic and Housing Analysis 1Q12



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Economic Conditions

- Texas gained 245,700 jobs between March 2011 and March 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 62 consecutive months. (Susan Combs, Texas Comptroller)
- DFW 3rd in the nation with 79,400 new jobs as of Feb. 2012
- Unemployment rates - Texas Labor Market Review (March)
 - U.S. 8.4%
 - Texas 7.0%
 - DFW 7.0%
 - Denton County 6.3%
- DFW annual new home starts up 7% from 2011. (Metrostudy)
- Texas sales tax receipts for March 2012 were 16.9 percent higher than for March 2011. (Susan Combs, Texas Comptroller)
- Sales tax collections have increased for 24 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 six months of fiscal 2012 were 60 percent higher than during the same period in 2011. (Susan Combs, Texas Comptroller)



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National Economic Overview

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

Rank	MSA	Total Employment	Job Gains	% Change
1	New York-Northern New Jersey-Long Isla	8,356,500	117,700	1.4%
2	Houston-Baytown-Sugar Land TX	2,637,100	93,400	3.7%
3	Dallas-Fort Worth-Arlington TX	2,949,600	79,400	2.8%
4	Atlanta-Sandy Springs-Marietta GA	2,316,400	43,900	1.9%
5	Chicago-Naperville-Joliet IL-IN-WI	4,231,000	42,100	1.0%
6	Los Angeles-Long Beach-Santa Ana CA	5,175,800	39,000	0.8%
7	Washington-Arlington-Alexandria DC-VA	2,989,800	36,900	1.2%
8	Phoenix-Mesa-Glendale, AZ	1,741,500	36,200	2.1%
9	Seattle-Tacoma-Bellevue WA	1,672,600	34,600	2.1%
10	San Francisco-Oakland-Fremont CA	1,911,600	34,200	1.8%
11	Miami-Fort Lauderdale-Miami Beach FL	2,241,200	27,200	1.2%
12	San Jose-Sunnyvale-Santa Clara CA	891,800	26,900	3.1%
13	Denver-Aurora CO	1,210,600	26,800	2.3%
14	Austin-Round Rock-San Marcos, TX	806,100	25,800	3.3%
15	Baltimore-Towson MD	1,288,500	24,200	1.9%

Source: Metrostudy - MetroUSA



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National Economic Overview Top 15 MSAs –

Ranked by Ann. SF Permits on February 2012

Rank	MSA	Permits	Change
1	Houston-Baytown-Sugar Land TX	23,595	2,147
2	Dallas-Fort Worth-Arlington TX	14,554	667
3	Washington-Arlington-Alexandria DC-	9,874	608
4	Phoenix-Mesa-Glendale, AZ	8,161	1,422
5	Atlanta-Sandy Springs-Marietta GA	6,515	282
6	Austin-Round Rock-San Marcos, TX	6,459	568
7	Seattle-Tacoma-Bellevue WA	5,955	46
8	New York-Northern New Jersey-Long	5,903	-939
9	Charlotte-Gastonia-Rock Hill, NC-SC	5,086	1,023
10	Raleigh-Cary NC	5,047	630
11	Orlando-Kissimmee-Sanford, FL	4,795	858
12	San Antonio-New Braunfels, TX	4,604	-317
13	Tampa-St. Petersburg-Clearwater FL	4,537	202
14	Philadelphia-Camden-Wilmington PA-NJ-	4,533	-500
15	Miami-Fort Lauderdale-Miami Beach FL	4,412	1,373

Source: Metrostudy - MetroUSA



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Dallas/Fort Worth Market Apartment Market Summary

- Occupancy fell by 270 units in the first quarter of 2012. Net leasing during the last twelve months totaled 14,307 units.
- Occupancy in DFW slipped 0.2% to 93.3% in the first quarter of 2012.
- Average rent in DFW rose 4.5%.
- Upper-end projects in the suburbs have begun to experience more renter churn, as home sales in these neighborhoods are making progress.
- 5,516 units were completed in the last twelve months. Approximately 12,000 units in the construction pipeline.

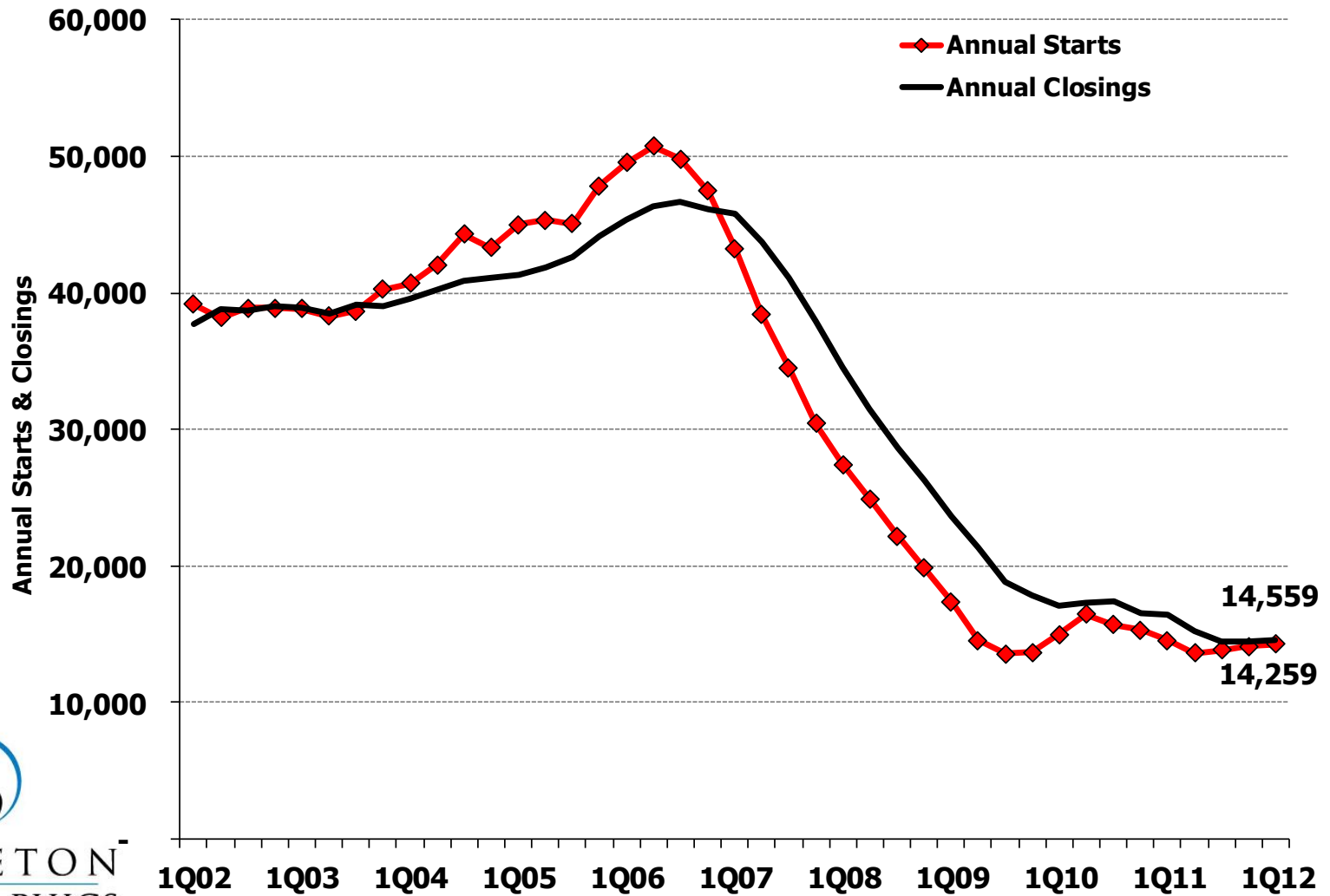


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Dallas/Fort Worth Market

SFD-TH – Starts and Closings

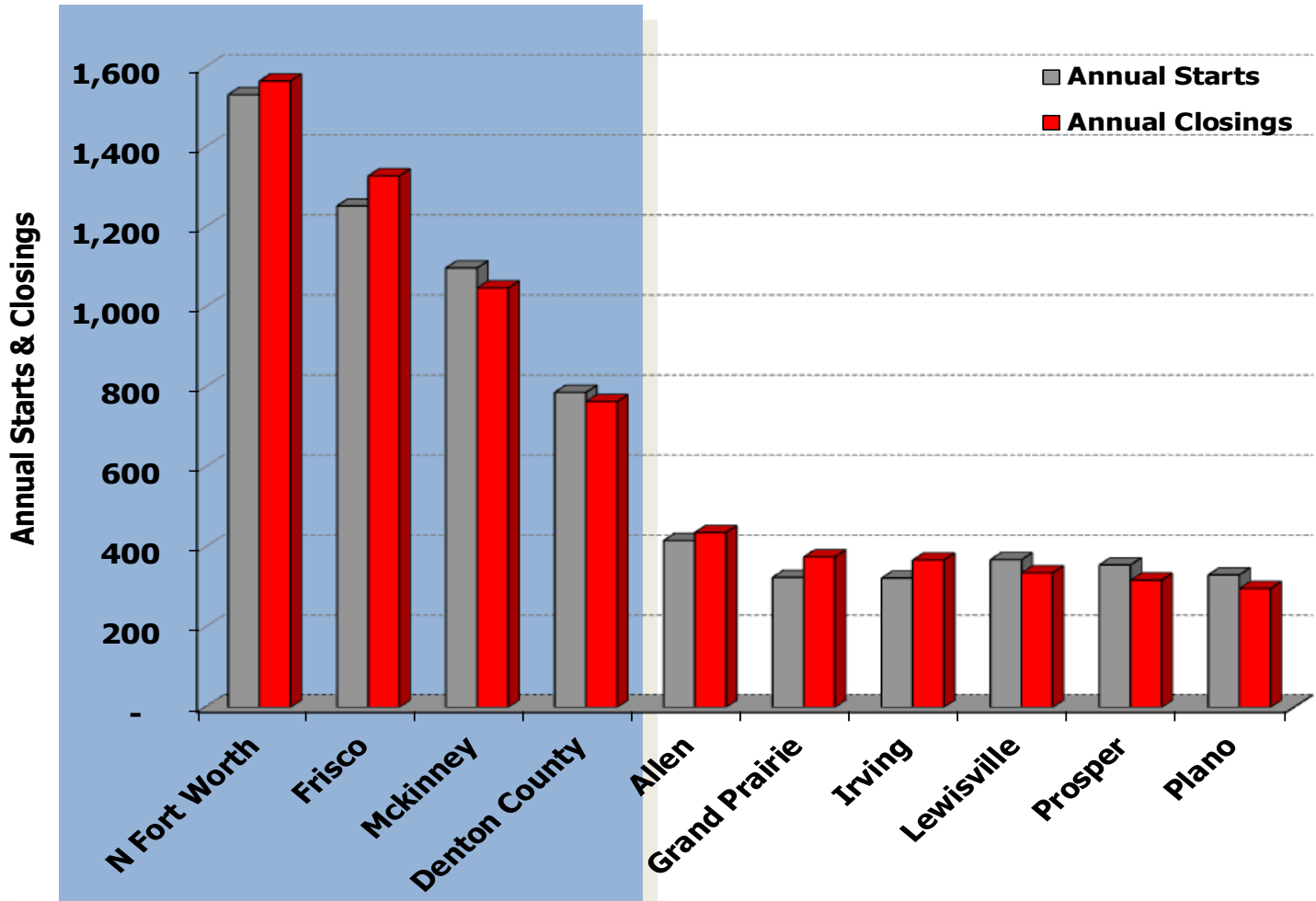


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Dallas/Fort Worth Market

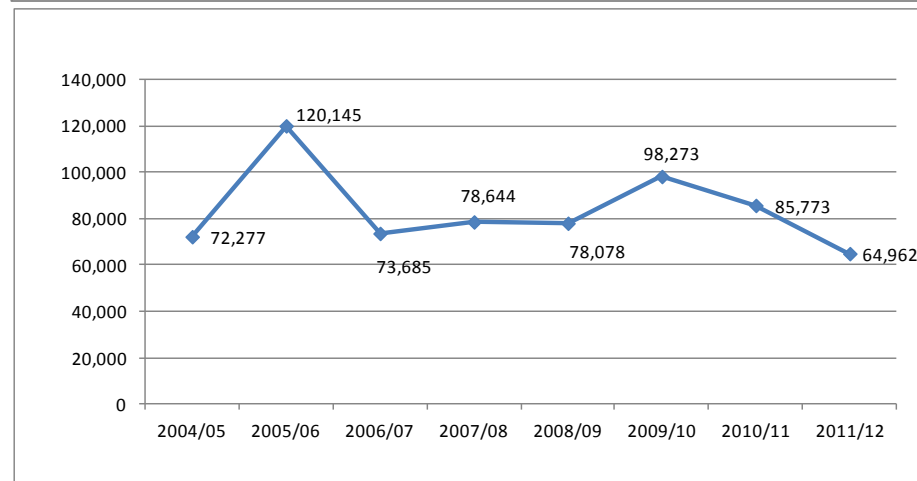
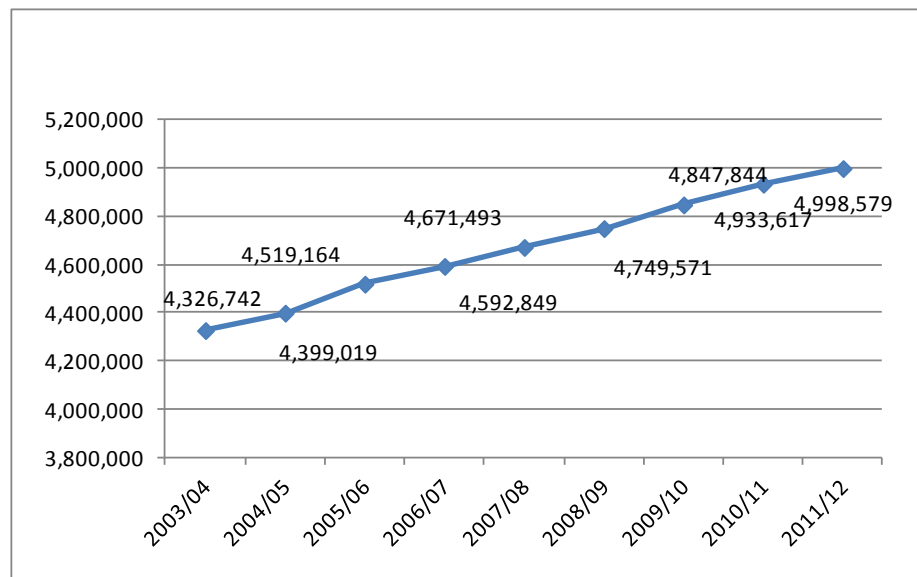
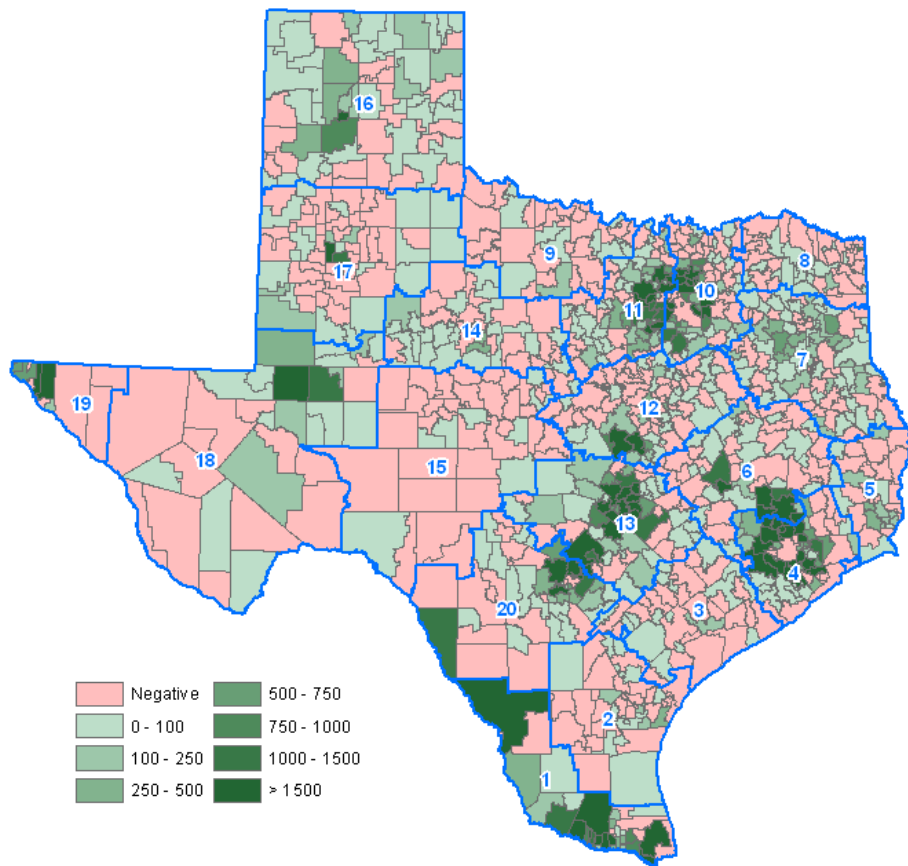
SFD-TH – Top Ten Submarkets by Closings



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Texas ISD Enrollment Trends



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2011 State enrollment = 4,998,579

2011 State enrollment growth = 64,962



REGION	ENROLLMENT		5-YEAR	
	2006/07	2011/12	CHANGE	PERCENT
13	323,090	385,526	62,436	20.0%
14	47,153	52,288	5,135	11.5%
6	156,966	174,707	17,741	11.5%
11	499,522	553,205	53,683	11.0%
1	373,247	412,862	39,615	10.9%
10	695,970	763,593	67,623	9.9%
4	1,014,545	1,105,601	91,056	9.1%
12	146,459	158,895	12,436	8.7%
16	79,540	85,832	6,292	8.0%
18	74,777	80,177	5,400	7.2%
20	382,365	408,591	26,226	7.0%
19	172,713	183,430	10,717	6.2%
17	78,296	81,848	3,552	4.5%
7	163,732	170,146	6,414	3.9%
3	53,289	53,305	16	0.0%
8	56,824	56,803	-21	0.0%
2	105,978	105,357	-621	-0.6%
5	80,840	80,331	-509	-0.6%
15	48,236	47,810	-426	-0.9%
9	39,307	38,272	-1,035	-2.6%
STATE	4,592,849	4,998,579	405,730	9.0%

Austin

Houston

DFW

San Antonio



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Top Districts In DFW Regions

Region 10

Rank	District Name	2006-2011 Growth
1	FRISCO ISD	16346
2	MCKINNEY ISD	3444
3	ALLEN ISD	3042
4	RICHARDSON ISD	3002
5	WYLIE ISD	2929
6	PLANO ISD	2662
7	PROSPER ISD	2623
8	MESQUITE ISD	2285
9	FORNEY ISD	2126
10	GRAND PRAIRIE ISD	1991
11	IRVING ISD	1819
12	ROCKWALL ISD	1813
13	LIFE CHARTER SCHOOL	1768
14	LOVEJOY ISD	1446
15	WILLIAMS PREPARATORY	1264
16	GARLAND ISD	1196
17	WAXAHACHIE ISD	1194
18	PEAK ACADEMY	1059
19	MIDLOTHIAN ISD	991
20	ROYSE CITY ISD	858

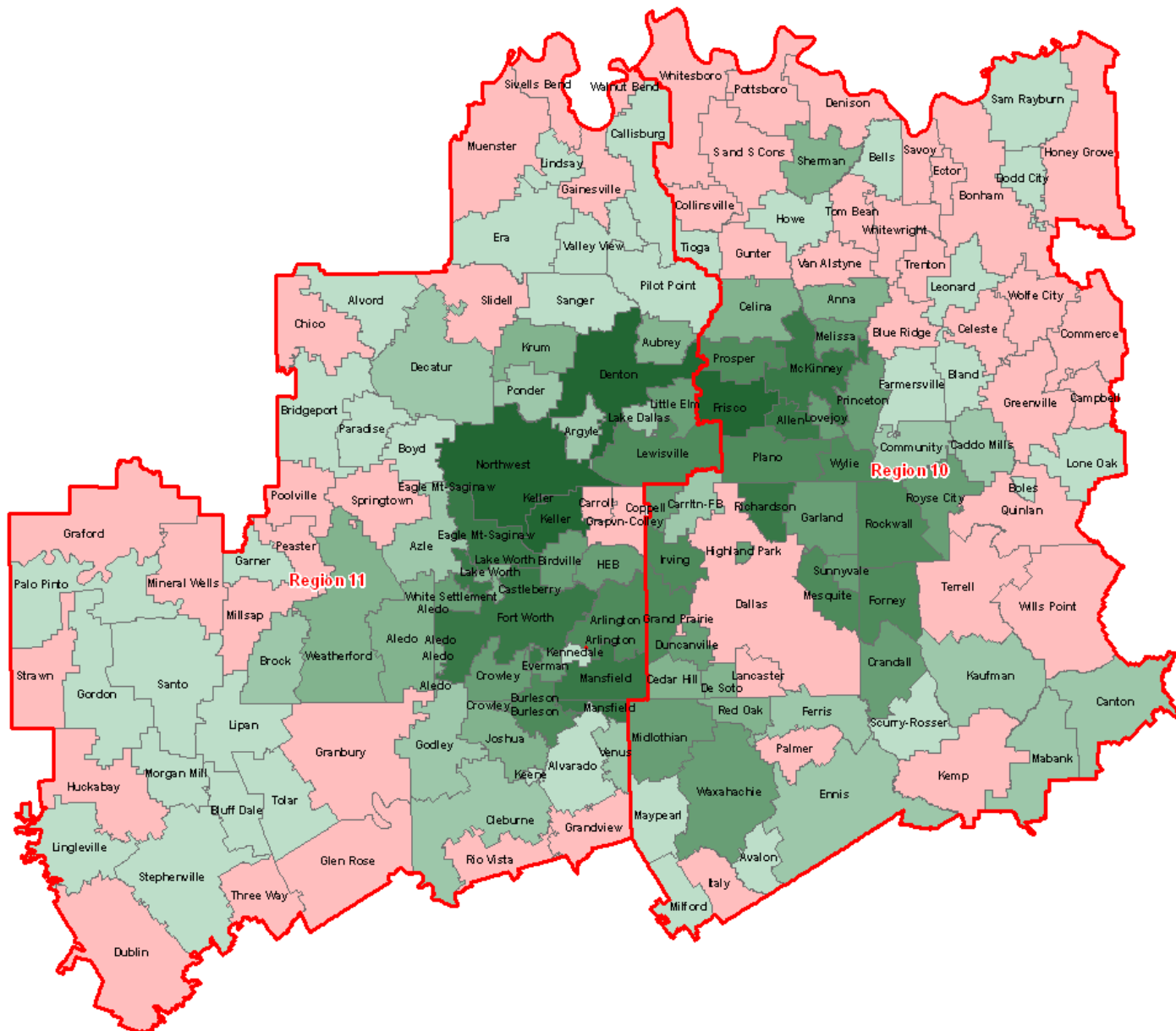
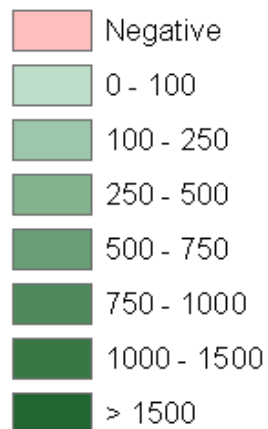
Region 11

Rank	District Name	2006-2011 Growth
1	NORTHWEST ISD	6238
2	KELLER ISD	5225
3	DENTON ISD	5123
4	MANSFIELD ISD	4549
5	EAGLE MT-SAGINAW ISD	4500
6	PARADIGM ACCELERATED SCHOOL	3871
7	FORT WORTH ISD	3652
8	LEWISVILLE ISD	2860
9	HARMONY SCIENCE ACAD (FORT WORTH)	2040
10	BURLESON ISD	1707
11	ARLINGTON ISD	1621
12	HURST-EULESS-BEDFORD ISD	1332
13	LITTLE ELM ISD	1231
14	BIRDVILLE ISD	1170
15	WHITE SETTLEMENT ISD	1011
16	CROWLEY ISD	926
17	EVERMAN ISD	837
18	SUMMIT INTERNATIONAL PREPARATORY	764
19	ARLINGTON CLASSICS ACADEMY	593
20	ALEDO ISD	471





Region 20 Growth from 2006 - 2011



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New Home Ranking Report

Inventory Analysis By School District

DFW School District Ranking

Ranked By Annual Starts

4

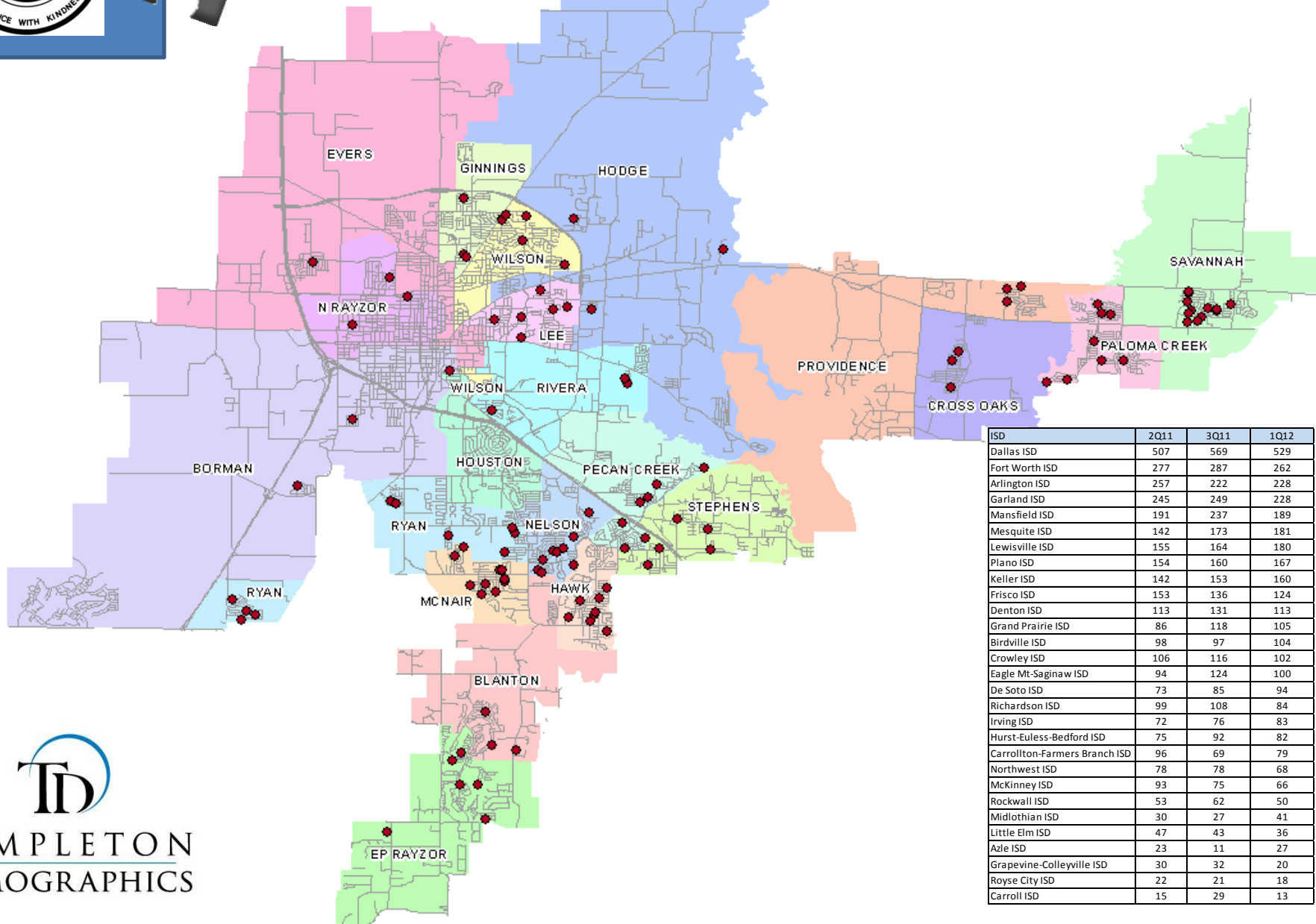
<i>School District</i>	<i>Annual Starts</i>	<i>Annual Closings</i>	<i>Current Housing Inventory</i>	<i>Months of Supply</i>	<i>Current VDL Inventory</i>	<i>Months of Supply</i>	<i>Future Inventory</i>
<i>Frisco Isd</i>	1,825	1,787	839	5.6	3,584	23.6	12,197
<i>Northwest Isd</i>	1,032	989	514	6.2	2,268	26.4	30,491
<i>Keller Isd</i>	869	822	442	6.5	1,790	24.7	3,066
<i>Denton Isd</i>	787	803	360	5.4	2,719	41.5	14,251
<i>Prosper Isd</i>	683	647	329	6.1	1,595	28.0	14,091
<i>Lewisville Isd</i>	630	613	297	5.8	2,012	38.3	1,083
<i>Mansfield Isd</i>	560	591	266	5.4	1,400	30.0	6,080
<i>Dallas Isd</i>	550	749	1,227	19.7	2,396	52.3	6,787
<i>Eagle Mt-saginaw Isd</i>	507	525	250	5.7	2,393	56.6	12,062
<i>Mckinney Isd</i>	505	488	253	6.2	1,611	38.3	3,393
<i>Allen Isd</i>	460	494	199	4.8	1,050	27.4	1,232
<i>Little Elm Isd</i>	423	468	161	4.1	1,205	34.2	6,248
<i>Rockwall Isd</i>	330	304	189	7.5	2,120	77.1	9,416
<i>Plano Isd</i>	310	282	188	8.0	1,156	44.7	1,708
<i>Wylie Isd</i>	277	311	147	5.7	668	28.9	1,337
<i>Crowley Isd</i>	268	295	144	5.9	2,434	109.0	8,222



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Foreclosure 1Q12



ISD	2Q11	3Q11	1Q12
Dallas ISD	507	569	529
Fort Worth ISD	277	287	262
Arlington ISD	257	222	228
Garland ISD	245	249	228
Mansfield ISD	191	237	189
Mesquite ISD	142	173	181
Lewisville ISD	155	164	180
Plano ISD	154	160	167
Keller ISD	142	153	160
Frisco ISD	153	136	124
Denton ISD	113	131	113
Grand Prairie ISD	86	118	105
Birdville ISD	98	97	104
Crowley ISD	106	116	102
Eagle Mt-Saginaw ISD	94	124	100
De Soto ISD	73	85	94
Richardson ISD	99	108	84
Irving ISD	72	76	83
Hurst-Euless-Bedford ISD	75	92	82
Carrollton-Farmers Branch ISD	96	69	79
Northwest ISD	78	78	68
McKinney ISD	93	75	66
Rockwall ISD	53	62	50
Midlothian ISD	30	27	41
Little Elm ISD	47	43	36
Azle ISD	23	11	27
Grapevine-Colleyville ISD	30	32	20
Royse City ISD	22	21	18
Carroll ISD	15	29	13

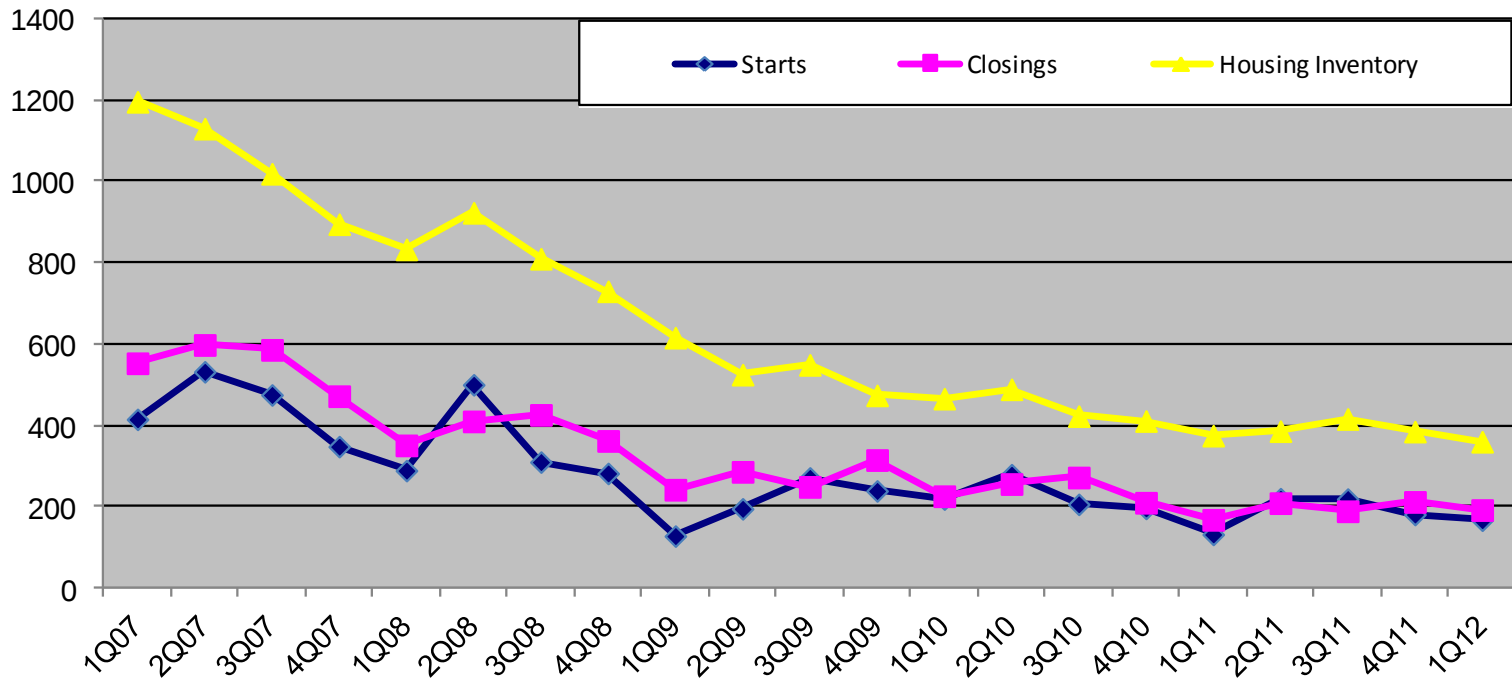


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Denton ISD New Housing Activity

Denton ISD New Housing Information

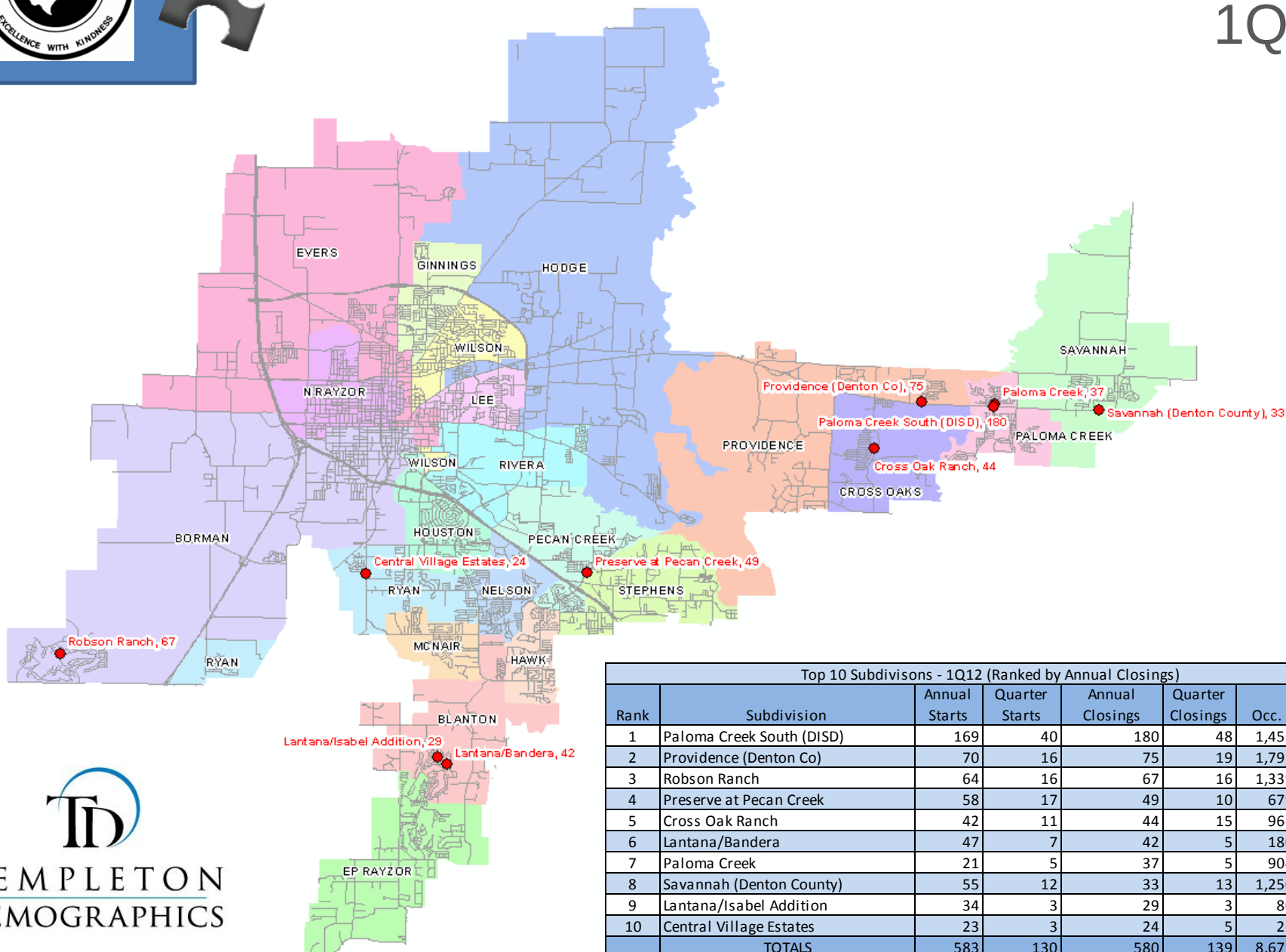


Starts	2007	2008	2009	2010	2011	2012
1Q	415	289	128	219	133	167
2Q	532	500	195	279	223	
3Q	475	310	271	206	216	
4Q	348	282	239	196	181	
Total	1770	1381	833	900	753	167

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



Annual Closing Distribution, 1Q12



Top 10 Subdivisions - 1Q12 (Ranked by Annual Closings)

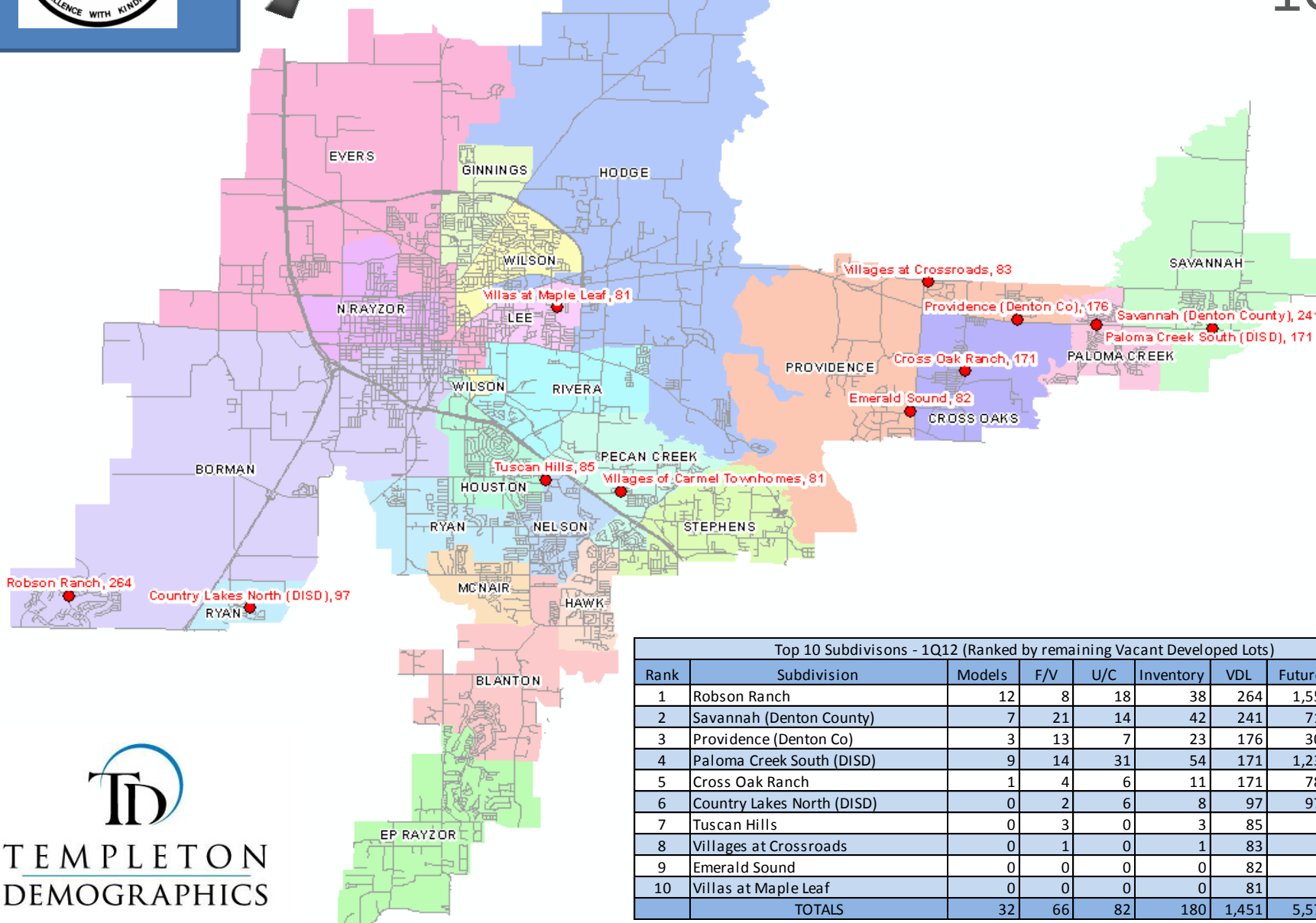
Rank	Subdivision	Annual Starts	Quarter Starts	Annual Closings	Quarter Closings	Occ.	Total
1	Paloma Creek South (DISD)	169	40	180	48	1,456	2,917
2	Providence (Denton Co)	70	16	75	19	1,791	2,295
3	Robson Ranch	64	16	67	16	1,339	3,193
4	Preserve at Pecan Creek	58	17	49	10	679	1,198
5	Cross Oak Ranch	42	11	44	15	966	1,934
6	Lantana/Bandera	47	7	42	5	180	279
7	Paloma Creek	21	5	37	5	904	1,009
8	Savannah (Denton County)	55	12	33	13	1,250	2,250
9	Lantana/Isabel Addition	34	3	29	3	80	138
10	Central Village Estates	23	3	24	5	26	69
TOTALS		583	130	580	139	8,671	15,282



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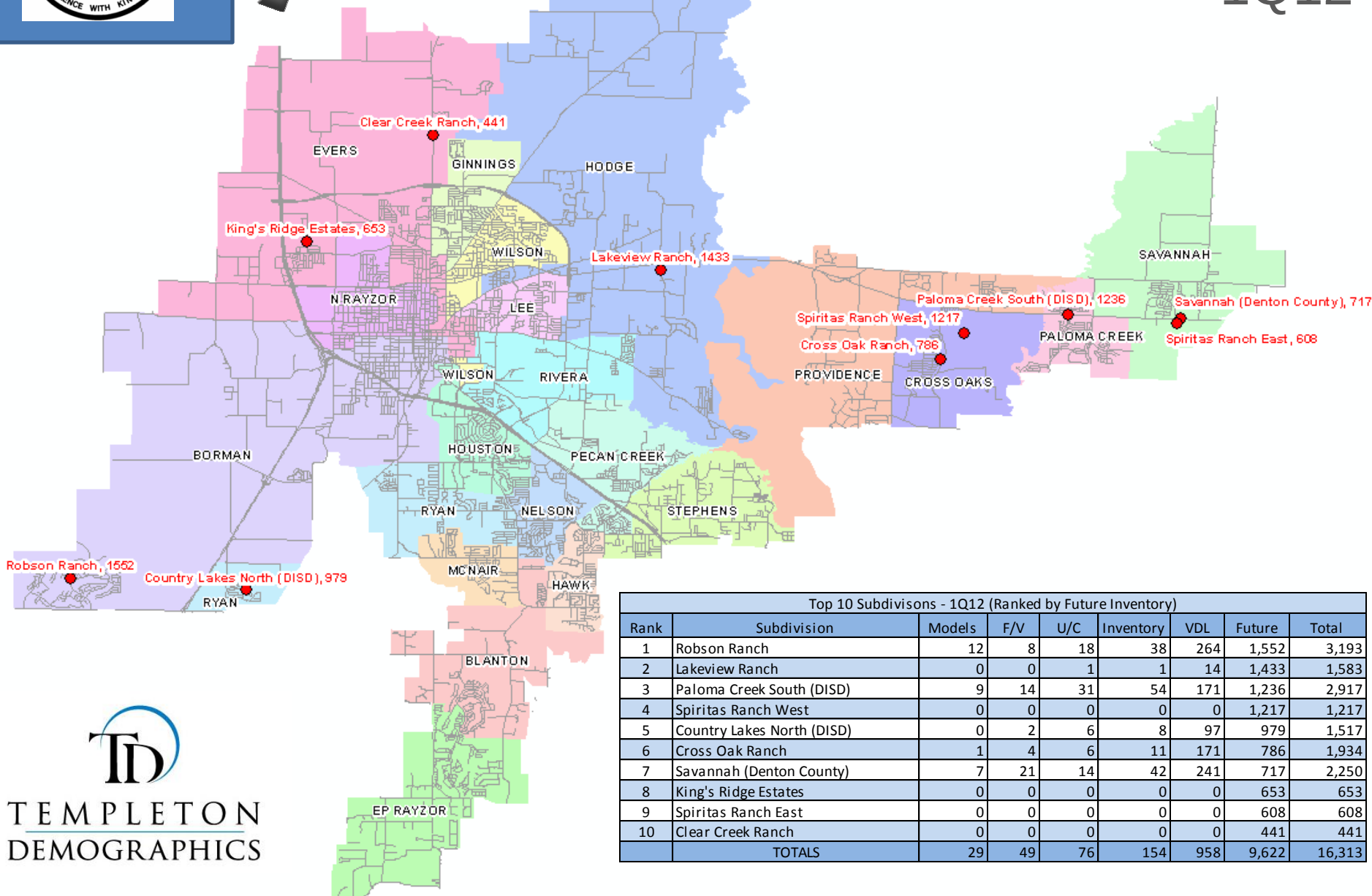


Vacant Developed Lots, 1Q12





Future Lots, 1Q12





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 Total	101	12	99	10	1,492	6	15	21	42	164	57	1,755
BORMAN Total	71	16	67	16	1,830	12	8	25	45	264	1,795	3,934
CROSS OAKS Total	42	11	44	15	974	1	4	6	11	171	2,003	3,159
EP RAYZOR Total	63	14	58	16	1,638	5	15	11	31	242	162	2,073
EVERS Total	21	5	21	4	961	1	13	4	18	124	1,306	2,409
GINNINGS Total	0	0	0	0	304	0	0	0	0	9	378	691
HAWK Total	4	1	7	1	1,979	0	1	1	2	19	115	2,115
HODGE Total	11	4	12	1	318	0	0	4	4	30	2,139	2,491
HOUSTON Total	0	0	0	0	1,460	0	0	0	0	0	393	1,853
LEE Total	12	2	20	7	595	1	6	2	9	181	451	1,236
McNair Total	0	0	0	0	1,518	0	0	0	0	0	0	1,518
N RAYZOR Total	0	0	0	0	0	0	0	0	0	0	100	100
NELSON Total	3	0	2	0	1,904	0	3	0	3	85	6	1,998
Paloma Creek Total	190	45	217	53	2,360	9	20	36	65	248	1,253	3,926
PECAN CREEK Total	58	17	50	11	1,766	3	3	23	29	176	688	2,659
PROVIDENCE Total	74	16	80	21	2,200	3	15	8	26	428	305	2,959
RIVERA Total	0	0	0	0	333	0	0	0	0	0	247	580
RYAN Total	47	9	51	11	1,783	1	7	10	18	218	1,220	3,239
SAVANNAH Total	74	14	51	22	1,463	8	25	16	49	277	1,588	3,377
STEPHENS Total	16	1	24	4	624	0	2	6	8	83	0	715
WILSON Total	0	0	0	0	594	0	0	0	0	0	45	639
Grand Total	787	167	803	192	26,096	50	137	173	360	2,719	14,251	43,426





Enrollment History

Year (Oct.)	EE/PRE-K	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	Total	Growth	Percent
2006/07	562	1,783	1,731	1,628	1,566	1,606	1,550	1,435	1,301	1,410	1,645	1,279	1,248	974	19,718		
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	1,171	5.9%
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%

*Yellow box = largest grade per year

*Green box = second largest grade per year

Year (Oct.)	KG	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
2007/08	1.09	1.03	1.02	1.02	1.04	1.03	1.01	1.02	1.07	1.21	0.80	0.99	0.90
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

2011 KG - 3rd = 8,295

2011 9th - 12th = 6,264

Difference = 2,031



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Elementary grades over 2,000 students larger than
High School grades.



Ten Year Forecast

ELEMENTARY SCHOOL CAMPUS ENROLLMENT PROJECTIONS											
	Current	Projections									
Campus Name	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2020/22
Blanton Elementary School	657	686	702	686	678	671	686	692	699	707	714
Borman Elementary School	452	479	513	576	651	728	789	854	918	995	1,091
Cross Oaks Elementary School	428	446	470	503	536	570	613	667	731	791	857
E P Rayzor Elementary School	771	711	723	741	746	787	825	864	908	953	1,010
Evers Park Elementary School	573	585	592	620	665	705	755	797	835	888	944
Ginnings Elementary School	602	607	615	629	649	632	635	636	638	638	639
Hodge Elementary School	652	676	696	699	730	758	787	815	844	875	906
Houston Elementary School	611	599	587	577	569	562	568	576	584	590	603
Nelson Elementary School	621	636	638	650	650	668	670	666	667	667	663
Lee Elementary School	592	603	594	594	613	596	605	613	618	625	632
McNair Elementary School	567	565	554	558	557	558	566	576	579	584	587
Hawk Elementary School	727	709	691	680	671	681	686	693	697	697	699
Olive Stephens Elementary School	520	522	531	542	546	559	563	570	570	574	575
Paloma Creek Elementary School	691	774	858	939	1,014	1,092	1,158	1,233	1,295	1,350	1,377
Pecan Creek Elementary School	727	740	773	806	841	871	880	902	924	950	978
Providence Elementary School	520	526	532	539	533	545	571	603	626	645	665
Newton Rayzor Elementary School	650	706	751	766	795	797	787	785	782	786	793
Rivera Elementary School	472	474	476	477	475	474	478	485	500	506	510
Savannah Elementary School	527	554	573	625	679	750	822	893	967	1,053	1,132
Ryan Elementary School	545	700	769	822	901	987	1,053	1,136	1,214	1,305	1,407
Wilson Elementary School	661	656	664	668	683	694	695	695	699	705	711
Ann Windle School For Young Child	342	344	346	348	350	352	352	352	352	352	352
Gonzalez School For Young Child	351	351	351	351	351	351	351	351	351	351	351
Total Elementary	13,259	13,649	13,999	14,396	14,883	15,388	15,895	16,454	16,998	17,587	18,196
Elementary growth	396	390	350	397	487	505	507	559	544	589	609



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2014: Paloma Creek, Pecan Creek and Ryan Elementary schools top 800 enrollment.



Ten Year Forecast

MIDDLE SCHOOL CAMPUS ENROLLMENT PROJECTIONS											
	Current	Projections									
Campus Name	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Calhoun Middle School	851	868	860	881	913	962	1,010	1,089	1,128	1,156	1,181
McMath Middle School	823	841	889	935	974	1,011	1,067	1,157	1,235	1,312	1,351
Navo Middle School	829	896	978	1,021	1,174	1,254	1,368	1,417	1,534	1,639	1,773
Crownover Middle School	978	1,090	1,179	1,230	1,214	1,185	1,211	1,229	1,286	1,289	1,297
Strickland Middle School	885	905	974	1,023	988	1,027	1,038	1,119	1,118	1,139	1,154
Harpool Middle School	956	1,008	1,087	1,154	1,241	1,260	1,237	1,229	1,256	1,303	1,346
Total Middle School	5,322	5,608	5,967	6,244	6,504	6,699	6,931	7,240	7,557	7,838	8,102
Middle School Growth	206	286	359	277	260	195	232	309	317	281	264
HIGH SCHOOL CAMPUS ENROLLMENT PROJECTIONS											
	Current	Projections									
Campus Name	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2020/22
Denton High School	1,842	1,915	1,922	1,946	1,964	2,079	2,174	2,251	2,407	2,536	2,688
Fred Moore High School	31	36	33	33	34	34	34	34	34	34	34
John Guyer High School	2,137	2,142	2,265	2,368	2,525	2,720	2,893	3,008	3,055	3,092	3,136
Ryan High School	2,185	2,276	2,379	2,486	2,588	2,741	2,889	2,989	3,132	3,271	3,416
Total High School	6,195	6,369	6,599	6,833	7,111	7,574	7,990	8,282	8,628	8,933	9,274
High School growth	222	174	231	234	278	462	416	292	346	305	341
TOTAL	24,855	25,705	26,644	27,552	28,577	29,740	30,895	32,055	33,262	34,437	35,651
Student Growth	831	850	940	908	1,025	1,162	1,155	1,160	1,207	1,175	1,214
Percent Growth	3.5%	3.4%	3.7%	3.4%	3.7%	4.1%	3.9%	3.8%	3.8%	3.5%	3.5%



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2014: Navo, Crownover, Strickland and Harpool Middle Schools top 1,000 enrollment

2015: John Guyer and Ryan High Schools top 2,500 enrollment



Summary

Positives

- Texas economy continues to out perform the nation.
- DFW 3rd highest job growth city in the country.
- Texas Annual Job Growth areas (March 2012 – March 2011): 245,700 nonagricultural

Professional and Business Services (51,000 jobs 3.9%)

Mining (36,400 jobs 16.1%)

Trade, Transportation and Utilities (54,900 jobs 2.6%)

Leisure and Hospitality (49,900 jobs 4.8%) – (Texas Workforce Commission)

- Housing market should begin to improve later part of 2012 see continued growth in 2013.

Concerns

- Foreclosures still dragging housing, primarily in the lower price ranges.
- Government layoffs and the continued education funding crisis.



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Summary

- DISD 1Q12 starts up 26% from 1Q11.
- New housing market positioned for growth in 2013.
- District in position for enrollment growth of 850 (3.4%) growth fall 2012.
- District enrollment will likely exceed 30,000 by the fall of 2017.
- Enrollment growth will likely pressure capacities at several campuses within the next 2-5 years.
- Overall economic outlook remains positive which will lead to continued population growth across Texas and the DFW region.



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