

**HUMBLE
INDEPENDENT SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2011

**PREPARED BY THE ACCOUNTING AND
FINANCIAL REPORTING DEPARTMENT**

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HUMBLE INDEPENDENT SCHOOL DISTRICT
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Humble I.S.D.

**20200 Eastway Village Drive * P.O. Box 2000
Humble, Texas 77347-2000
(281)-641-8016**

November 8, 2011

To the Board of Trustees and Taxpayers of the Humble Independent School District:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Humble Independent School District (the District) for the year ended June 30, 2011.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. In order to provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to protect the District's assets from loss, theft, or misuse. Additionally, the internal control framework is designed to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the District's comprehensive framework of internal control has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements of the District have been audited by Null-Lairson, P.C., a firm of independent certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the year ended June 30, 2011, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

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

Profile of the District

The District was created in 1923 by an act of the 38th Texas Legislature. Residents of the District elect a seven-member Board of Trustees (the Board), each of whom serves for three years. Monthly meetings of the Board are posted and advertised as prescribed under state law so that the Board may fulfill its charge to the students, parents, staff, and taxpayers of the District. Special meetings and study sessions are scheduled as needed. The Board has final control over all school matters except as limited by state law.

Serving the communities of Humble, Kingwood, Atascocita, Summerwood, Eagle Springs, and Fall Creek, the District's boundaries encompass approximately 90 square miles in Harris County. The District provides a well-rounded program of public education for children from pre-kindergarten through grade twelve. In addition to basic instructional programs, the District offers special education, gifted and talented, bilingual/ESL, remedial, college preparatory, career and technical programs, and an international baccalaureate program. The District is fully accredited by the Texas Education Agency (TEA).

During 2010-2011, the District operated five traditional high schools for students in grades nine through twelve, a nontraditional magnet high school, a career and technology education center, eight middle schools, and twenty-six elementary schools. Enrollment for the 2010-2011 year was 35,913, an increase of approximately 3 percent over the previous year. A total of 2,572 seniors graduated from the District in 2011.

The mission of the District is as follows: "Our purpose, in partnership with families and community, is to develop each child intellectually, artistically, emotionally, physically, and socially so that all students are life-long learners, complex thinkers, responsible global citizens and effective communicators."

A high degree of professionalism exists among our employees, and an on-going recognition of student and staff excellence contributes to this environment. The instructional program is geared toward having the student meet or exceed grade level expectations. Emphasis is placed on higher level thinking skills, including research methodologies and independent, complex and critical thinking skills.

The District attracts highly qualified personnel because of its commitment to excellence. During the 2010-2011 school year, the District employed 4,813 employees consisting of 3,291 professionals, 392 educational aides, and 1,130 auxiliary staff. Professional employees include 2,481 classroom teachers with an average of 9.6 years of experience. Master's degrees have been earned by 21.0 percent of the teaching staff and 0.8 percent of the teaching staff have earned a doctorate degree. The average student/teacher ratio was 14.5 - 1 in the District. Texas law mandates that no more than 22 students can be assigned to one classroom teacher in kindergarten through fourth grade.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered within the broader perspective of the specific environment in which the District operates.

Introduction. Humble ISD is located in the northeast portion of Harris County, three miles east of Houston-Bush Intercontinental Airport and 21 miles northeast of downtown Houston. The District is one of twenty-six public school districts which lie entirely or partly within Harris County. The Humble area has become the marketplace for northeastern metropolitan Houston residents. The District is considered one of the finest in the area and is nationally recognized for its outstanding academic and athletic achievements and programs. For the 2011 school year, twelve of the District's forty campuses received

an exemplary rating, fourteen earned a recognized rating and fourteen received an acceptable rating under the TEA accountability system. The District as a whole earned a recognized rating for the second consecutive year.

Population. The population for 2011 was estimated at 172,036 by the Population and Survey Analysts 2009 Demographic Update, although the economic downturn has slowed the growth rate.

Local economy. The Humble area includes twenty employers with 250 or more employees. Airport-related jobs, as well as those in the energy services and retail industries are among the largest job categories. Some of the attractions in the Humble area are the \$5 million Civic Center and Arena in Humble, Town Center in Kingwood, Starplex Theater in Kingwood, and the Deerbrook Mall complete with a 24-screen multiplex theater and over 140 stores for shoppers. In recent years, numerous retail centers have been added to accommodate the growth occurring in the Atascocita, Eagle Springs, Fall Creek and Summerwood areas. The world's largest privately owned country club, The Clubs of Kingwood, is located in Kingwood.

Per the Greater Houston Partnership, September 2011, job growth in the Houston area during the 2011 fiscal year increased 2.6 percent, and is expected to exceed nationwide growth. From April 2010 to April 2011, Houston had the second highest growth in the nation for nonagricultural jobs. The job growth is projected to occur in the health care and manufacturing, as well as oil and gas industries. Additional growth is expected in energy exploration and production.

Access. The Bush Intercontinental Airport, located just ten minutes away, is Houston's premier airport and one of three in the Houston Airport System. Supporting more than 151,000 jobs and serving over 43,000,000 passengers a year, the Bush Intercontinental Airport is ranked as the seventh busiest airport in the nation and the eighth largest international passenger gateway in the nation. Humble is connected to downtown Houston via U.S. Highway 59. Rail service runs through Humble linking the area to Galveston and the Port of Houston, the nation's second largest ocean port just twenty miles south of Humble.

Financial Information

Budgetary Process. The annual budget serves as the foundation for the District's financial planning and control. The budget process begins in October when the Superintendent and Budget Development Committee review and evaluate prior year program and budget data. This is followed by preparation of a budget calendar, updated enrollment and revenue projections, and tentative expenditure budget projections. Based upon this information, budget development planning parameters for the next year's budget are established in coordination with the Superintendent, Budget Development Committee, and the Board of Trustees. The Budget Development Committee then begins development of the budget based upon those parameters. All of the District's budget managers are required to submit requests for appropriations based on those same parameters. Budget managers, in conjunction with campus and departmental teams, develop and refine their requests. These requests are submitted to divisional administrators and, upon approval, are submitted to the Budget Department for compilation and summarization. A summary of the proposed budget is reviewed, evaluated, and revised by the Budget Development Committee. A preliminary budget is then presented and discussed with the Board at one or more budget workshops. The proposed budget must be prepared by June 19th for a July 1 fiscal year start date. The Board president must call a board meeting for the purpose of discussing and adopting the budget and the tax rate. A notice of this meeting is required to be published at least 10 days, but not more than 30 days, before the public meeting. The District must concurrently post a summary of the proposed budget on the District's website. The budget must be adopted prior to June 30th for a July 1 fiscal year start date.

The District maintains budgetary controls throughout its financial systems. The objective of budgetary control is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official budget for the general fund, debt service fund, and National School

Breakfast and Lunch Program fund (which is included in special revenue funds). In accordance with procedures prescribed by the State Board of Education, budget amendments that affect the total amount in a fund or functional spending category must be approved by the Board prior to the expenditure of funds. The functional level is specified by Board policy as the legal level of budgetary control. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are an assignment of fund balance and are treated as expenditures in the subsequent year upon receipt of the goods and services.

Tax base. During the previous five years, the District’s tax base grew from \$7.7 billion to \$10.6 billion, an increase of over 36%. The major growth was real residential single family property which represents approximately 75% of the total tax base. Real commercial property represents the next largest portion of the tax base at approximately 11%. The District experienced a slight decline of approximately .6% in the 2010-11 fiscal year due to the economic downturn. The tax base is projected to remain flat for 2011-12.

Tax rate. The tax rates per \$100 of assessed value for the past five years are as follows:

Tax Year	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund	\$1.17	\$1.17	\$1.17	\$1.17	\$1.04
Debt Service Fund	<u>.35</u>	<u>.35</u>	<u>.35</u>	<u>.35</u>	<u>.27</u>
Total	\$1.52	\$1.52	\$1.52	\$1.52	\$1.31

Enrollment. Student enrollment grew from 29,706 in 2005-06 to 34,923 in 2009-10, an increase of over 17%. Enrollment increased by 990 students to 35,913 in 2010-11, or approximately 2.8%. Student enrollment is projected to remain stable during 2011-12.

State funding. Prior to the 2006-2007 fiscal year, the State of Texas provided funding for public education via a financing formula which weighed student attendance levels, property value per student, the District’s tax effort, and regional variations in payroll and other costs. In November 2005, the Texas Supreme Court ruled in *West Orange-Cove vs Neeley* that the school finance system in Texas violated a provision in the Texas Constitution which prohibits a state property tax. The court ruled that the state’s control of local taxation for education amounted to a state property tax because the majority of all school districts were at or within five cents of the statutory tax rate cap of \$1.50 of maintenance and operation (M&O) and districts did not have “meaningful discretion” over the tax rate levied. In response to this decision, in 2006 the Legislature enacted House Bill 1 (HB1) and House Bill 2 (HB2). This legislation required school districts to compress their M&O tax rates to 88.67 percent of the 2005 rate in the 2006-07 school year and to 66.67 percent of the 2005 tax rate in the 2007-08 school year. Districts may tax four cents above the compressed rate without voter approval, but must obtain voter approval in order to access the remaining pennies up to the statutory M&O cap of \$1.17. Accordingly, Humble ISD reduced its M&O tax rate from \$1.50 in 2005-06, to \$1.37 in 2006-07, and then to \$1.04 in 2007-08. On November 22, 2008, the District held a successful tax rate election to increase the M&O tax rate by thirteen cents bringing the total tax rate to the \$1.17 cap.

In order to ensure that no district lost money due to the tax relief effort, the Legislature created a new “hold-harmless” provision under HB1 guaranteeing each district a “target amount” of revenue per student as long as the district did not adopt a tax rate below its compressed tax rate. The initial target revenue amounts ranged from \$2,441 to \$12,972 per student in Weighted Average Daily Attendance (WADA). The discrepancy in the amount of funding available to different school districts has caused much controversy among school officials, legislators, and taxpayers.

The 82nd Texas Legislative Session ended with a dismal outlook. For the first time in 60 years, the Legislature failed to finance the estimated cost of current law funding formulas. The Foundation Program state aid was decreased by \$4 billion. In addition, reductions of approximately \$1.3 billion were made to special programs and grant funding. The reduction in state aid, coupled with declining property values,

forced districts to make significant budget reductions for fiscal year 2011-12. Major budget reductions, increasing accountability standards, and continuing inequity in state funding have made the likelihood of public school finance litigation a reality.

Major Initiatives and Accomplishments

School Board honored as among best in Texas – The Humble ISD Board of Trustees was one of only five Honor Boards named in Texas. There are more than 1,000 school districts in the state.

Received 4.5 stars on FAST report – The State Comptroller’s Financial Allotment Study of Texas (FAST) rated Humble ISD 4.5 stars out of a possible 5 due to the District’s high student achievement and very low spending.

Advanced Placement courses emphasized – Forty-one percent of high school junior and senior students took AP exams and Humble ISD students recorded 1,191 exams with scores of 3 or more. Humble ISD was one of fewer than 400 school districts in the nation named to the College Board's Advanced Placement (AP) Achievement List. The honor, given to less than three percent of the nation's school districts, recognizes school districts for opening AP classroom doors to a significantly broader pool of students, while maintaining or improving the percentage of students earning scores of 3 or higher, the score typically needed to earn a college credit.

Renovated stadium opens – Turner Stadium re-opened in August after \$19.9 million in renovations and additions. Built in the 1960s when there was just one high school in the district, Turner Stadium was modernized and expanded. The improvements affected nearly every part of the stadium, including new grandstands, a resurfaced track and the inclusion of a steeplechase, open air ticket booths, a new field house, a remodeled two-story press box, concession stands at all four corners of the stadium, upgraded restroom facilities and improved lighting.

Quest Early College High School opens and receives award – Quest welcomed its first freshmen class into its new Early College High School program. Quest also was named the winner of Vision in Action: The ASCD (formerly the Association for Supervision and Curriculum Development) Whole Child Award, a national award that recognizes one school annually. The award honors a school for creating learners who are knowledgeable, emotionally and physically healthy, civically active, artistically engaged, prepared for economic self-sufficiency and ready for the world beyond formal schooling.

External grants bring in millions – Humble ISD increased external grant funding by 137 percent during the 2010-2011 school year, bringing in more than \$5.5 million in grant funding.

New elementary school opens with innovative campus design – Atascocita Springs Elementary School opened as Humble ISD’s 26th elementary campus. The school was built to LEED (Leadership in Energy and Design) certification and CHPS (Collaborative for High Performance Schools) verification. District officials know of no other school in Texas achieving both high standards. The campus includes “demonstration pieces,” such as kiosks with real-time data on campus energy usage, designed for hands-on math and science learning.

New electricity contract executed to save millions – Humble ISD entered into a new electricity contract to save the District about \$2.4 million per year in utility costs. The new rate was 3.1 cents per kilowatt hour lower than the previous rate.

Curriculum Management Audit conducted – Humble ISD participated in a curriculum management system audit in an on-going effort to take the district to the next level of excellence. It focused on teaching, curriculum and learning. Humble ISD will use the audit report and recommendations as a blueprint for bringing student achievement to new heights. The audit was conducted by Phi Delta Kappa International Curriculum Management Audit Center.

Legislative Committee established – Humble ISD invited citizens to serve on a District Legislative Committee. District Legislative Committee members became well informed about issues and how Legislative actions would affect Humble ISD schools and the community. Members also encouraged friends and neighbors to communicate with state legislators about these issues. The Legislature initially considered cutting the Foundation Program by \$10 billion but reduced the extent of cuts to \$4 billion after voters expressed concerns.

District assertively communicates budget crisis information – Superintendent Guy Sconzo hosted more than 20 meetings to inform parents, employees and concerned citizens about how a \$27 billion budget shortfall at the state level would affect local public schools. Thousands of people attended the meetings and extensive information was made available through the district’s communications and media relations program.

Pro-active measure taken to avoid extensive layoffs – Faced with a reduction in state funding for the coming year, Humble ISD trustees approved an Early Notification Incentive. Full time employees serving on annual employment contracts who notified the district of their intent to resign or retire effective at the end of their 2010-11 scheduled work calendar received a stipend equal to ten percent of their base annual salary. This allowed the District to avoid extensive layoffs and better plan for staffing as positions were eliminated due to the state funding reduction.

Awards and Acknowledgements

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2010.

In order to be awarded the certificates, a governmental unit must publish an efficiently organized comprehensive annual financial report, the contents of which must conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements. The District has received the ASBO award for 25 consecutive years and the GFOA award for 25 years.

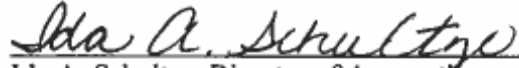
The certificates are valid for a period of one year only. We believe that our current CAFR continues to meet the requirements of both certificate programs, and it will be submitted accordingly to ASBO and GFOA to determine its eligibility for a 2011 certificate.

The TEA has awarded the District a rating of “Superior Achievement” for the year ended June 30, 2010, the ninth consecutive year of the state’s financial accountability rating system for school districts (School FIRST). The rating is based upon an analysis of staff and student data reported for the 2009-2010 school year and budgetary and actual financial data for the fiscal period ended June 30, 2010.

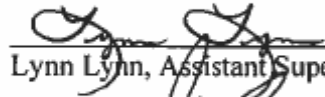
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the entire staff of the Finance and Budget Departments, Office of Accountability, and Public Information Department. We would like to express our sincere appreciation to the members of

these departments who assisted and contributed to the preparation of this report. We would also like to express appreciation to the Board for their support and interest in the financial operations of the District. Finally, we would like to thank the residents of the District for their support of and belief in our public schools and the principals and teachers who provide the quality education for which the District is known.

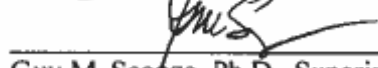
Respectfully submitted,



Ida A. Schultze, Director of Accounting and Financial Reporting



Lynn Lynn, Assistant Superintendent for Financial Services



Guy M. Scorzio, Ph.D., Superintendent

CERTIFICATE OF THE BOARD

Humble Independent School District
Name of School District

Harris
County

101-913
Co. - Dist. No.

We, the undersigned, certify that the attached Comprehensive Annual Financial Report of the Humble Independent School District for the year ended June 30, 2011, was reviewed and approved at a meeting of the Board of Trustees of the Humble Independent School District on the 8th of November, 2011.



Mr. Charles Cunningham, Board Vice President



Mr. Brent Engelage, Board Secretary

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

HUMBLE INDEPENDENT SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

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

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Humble Independent School
District, Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



A handwritten signature in black ink, appearing to read "Jeffrey R. Emen".

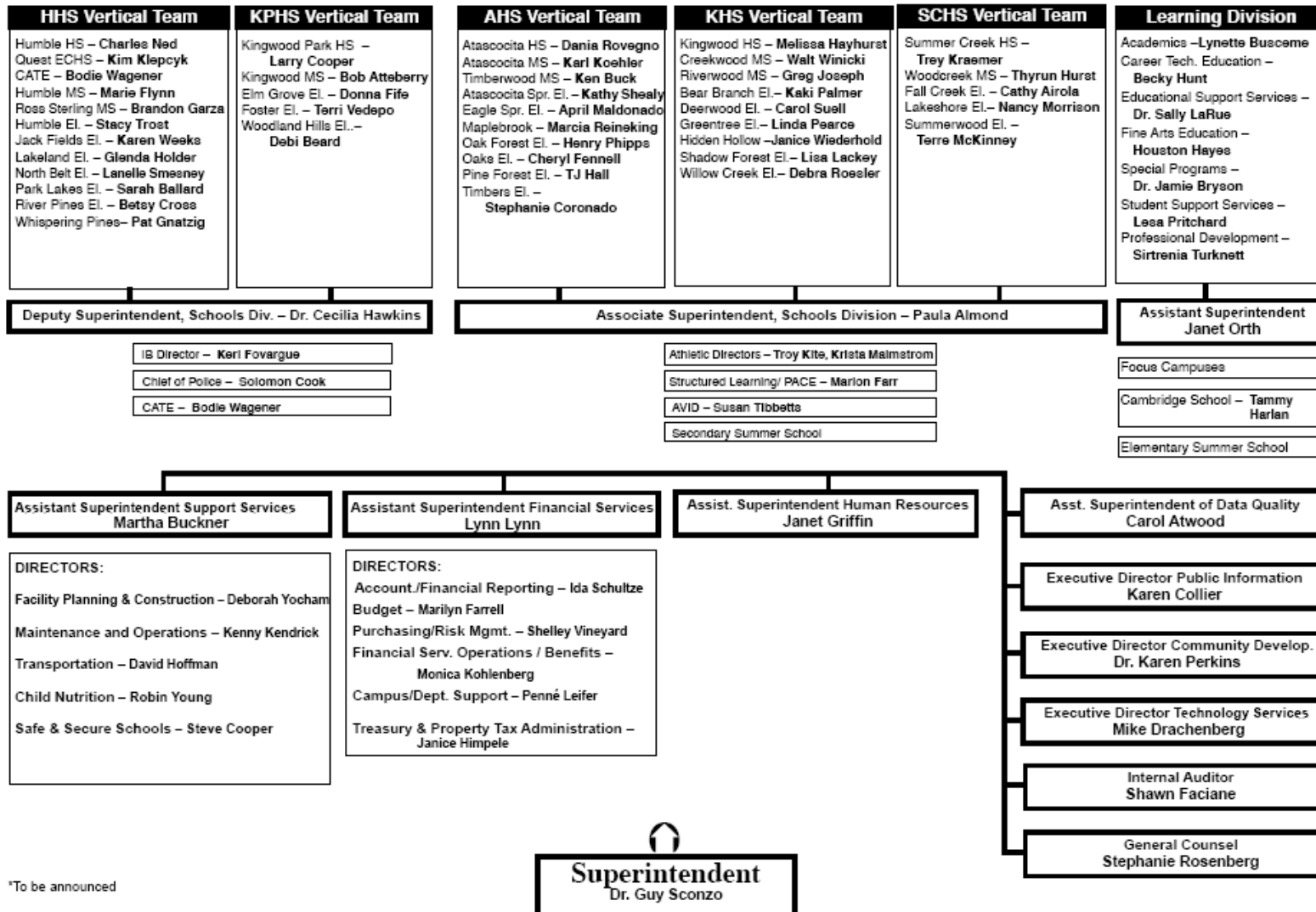
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emen".

Executive Director

HUMBLE INDEPENDENT SCHOOL DISTRICT
ORGANIZATIONAL CHART

HUMBLE ISD ADMINISTRATIVE LEADERSHIP STRUCTURE



*To be announced

**HUMBLE INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS AND ADVISORS**

BOARD OF TRUSTEES

Dr. Bonnie Longnion	President
Mr. Charles Cunningham	Vice President
Mr. Brent Engelage	Secretary
Mr. Robert Scarfo	Parliamentarian
Mr. Dave Martin	Member
Mr. Keith Lapeze	Member
Mr. Robert Sitton	Member

ADMINISTRATION STAFF

Dr. Guy M. Sconzo	Superintendent
Dr. Cecilia Hawkins	Deputy Superintendent
Paula Almond	Associate Superintendent
Martha Buckner	Assistant Superintendent for Support Services
Lynn Lynn	Assistant Superintendent for Financial Services
Janet Orth	Assistant Superintendent for Learning Support
Carol Atwood	Assistant Superintendent for Data Quality
Janet Griffin	Assistant Superintendent for Human Resources

CONSULTANTS AND ADVISORS

Null-Lairson, PC	Independent Auditors
Thompson & Horton, LLP	Legal Counsel
Vinson & Elkins, LLP	Bond Counsel
First Southwest Company	Financial Advisor



Independent Auditors' Report

To the Board of Trustees
Humble Independent School District
Humble, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Humble Independent School District (the "District") as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 15 through 25 and 64 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, schedules and compliance schedules as listed in the table of contents, and statistical section, are presented for the purpose of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and compliance schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Houston, Texas
November 8, 2011

HUMBLE INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the front of this report, and the District's financial statements which follow this section.

Financial Highlights

- The assets of the District exceeded its liabilities at June 30, 2011 by \$108,465,993 (*net assets*). Of this amount, \$71,370,235 or 65.8 percent (*unrestricted net assets*) may be used to meet the District's ongoing obligations.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$163,896,742. Approximately 41.1 percent of this total amount, \$67,335,790 is *unassigned fund balance*. This unassigned fund balance is in the general fund and represents 27.4 percent of the total general fund expenditures. In accordance with District Policy CE LOCAL, this is needed to preserve financial stability and respond to cash flow shortages, changes in the economy, or changes in state funding.

Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The *statement of activities* presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities*) as opposed to *business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges. The District has no *business-type activities* and no component units for which it is financially accountable. The government-wide financial statements can be found on pages 28-29 of this report.

HUMBLE INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole.

- Some funds are required by State law and/or bond covenants.
- Other funds may be established by the Board to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

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

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District maintains fifty governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other forty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The District adopts an annual appropriated budget for its general fund, debt service fund and food service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 30-37 of this report.
- **Proprietary funds.** *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. As mentioned above in the government-wide definition, the District has no *business-type activities* or *enterprise funds*. The second type of proprietary fund is the *internal service fund*. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses the *internal service fund* to report activities for its self-funded health insurance and workers' compensation programs, the Print Shop, and starting in the current year, the Child Care Program was also added as an *internal service fund*. The basic proprietary fund financial statements can be found on pages 38-40 of this report.

HUMBLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. *Fiduciary funds* are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and statement of changes in fiduciary net assets, found on pages 41-42.

Notes to the financial statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-62 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 64-65 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and the proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 72-94 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$108,465,993 as of June 30, 2011. Humble ISD's net assets reflect an investment in capital assets (land, buildings, furniture and equipment, and construction in progress), less any related outstanding debt used to acquire those assets of \$4.4 million or approximately 4.0 percent of total net assets. The District uses these capital assets to provide services to students, taxpayers and the general public. Consequently, these assets are not available for future spending. While these capital assets are reported net of related outstanding debt, it should be noted that the resources to repay this debt must be provided from other sources.

Humble Independent School District's Net Assets

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 238,902,414	\$ 249,775,422
Capital assets	<u>604,110,455</u>	<u>610,830,411</u>
Total assets	<u>843,012,869</u>	<u>860,605,833</u>
Long-term liabilities outstanding	680,430,591	671,445,506
Other liabilities	<u>54,116,285</u>	<u>62,548,613</u>
Total liabilities	<u>734,546,876</u>	<u>733,994,119</u>
Net Assets		
Invested in capital assets, net of related debt	4,352,256	13,280,934
Restricted	32,743,502	32,162,806
Unrestricted	<u>71,370,235</u>	<u>81,167,974</u>
Total net assets	<u>\$ 108,465,993</u>	<u>\$ 126,611,714</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The District's capital assets decreased by \$6.7 million in fiscal year 2011. This decrease consisted of additions to construction in progress, land purchases, and furniture and equipment acquisitions of \$20.7 million after current year depreciation of \$27.1 million. Additionally, \$2.6 million of assets (land, building and technology equipment) with accumulated depreciation of \$2.3 million were retired from use or sold during the current fiscal year. The District continues to provide funding for the expansion of its capital assets through the issuance of general obligation bonds reflected in the increase of the District's long-term liabilities outstanding. Other liabilities decreased from 2010 to 2011 due to a decrease in amounts due to other governments.

An additional portion of net assets, approximately 30.2 percent, represents resources that are subject to external restriction as to how they may be used. The remainder of net assets, *unrestricted net assets* of \$71.4 million, comprise 65.8 percent of net assets and may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having *long-term* commitments that are less than currently available resources. Restricted net assets increased by \$.6 million from the prior year due an increase in encumbrances and in fund balance for the National Lunch and Breakfast Program. Unrestricted net assets decreased by \$9.8 million due to the decrease in assets and increase in liabilities as described above.

HUMBLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

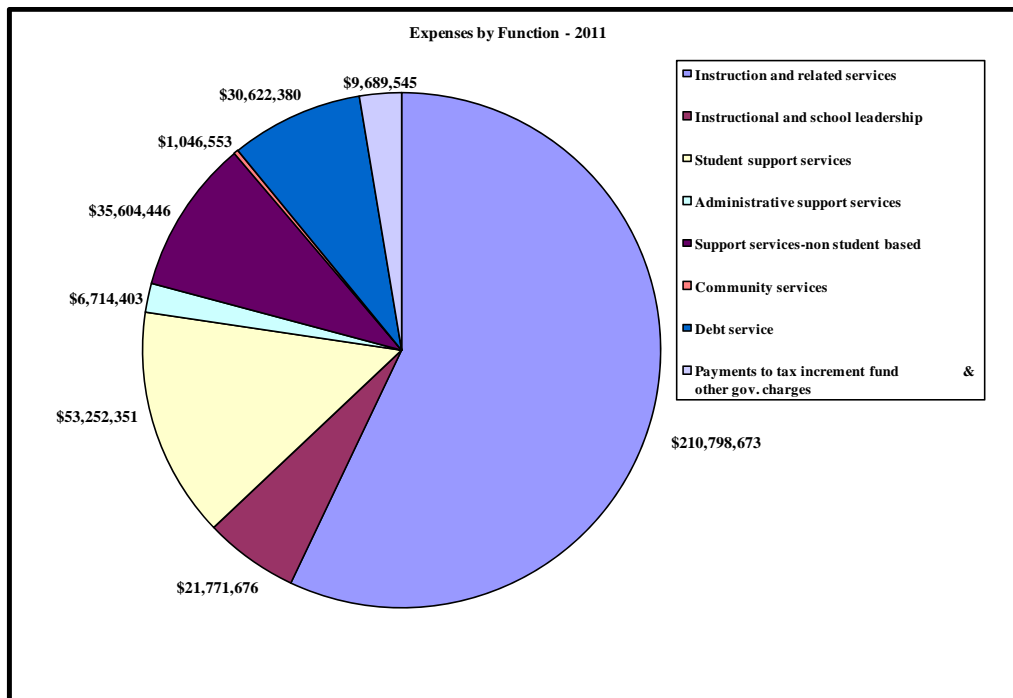
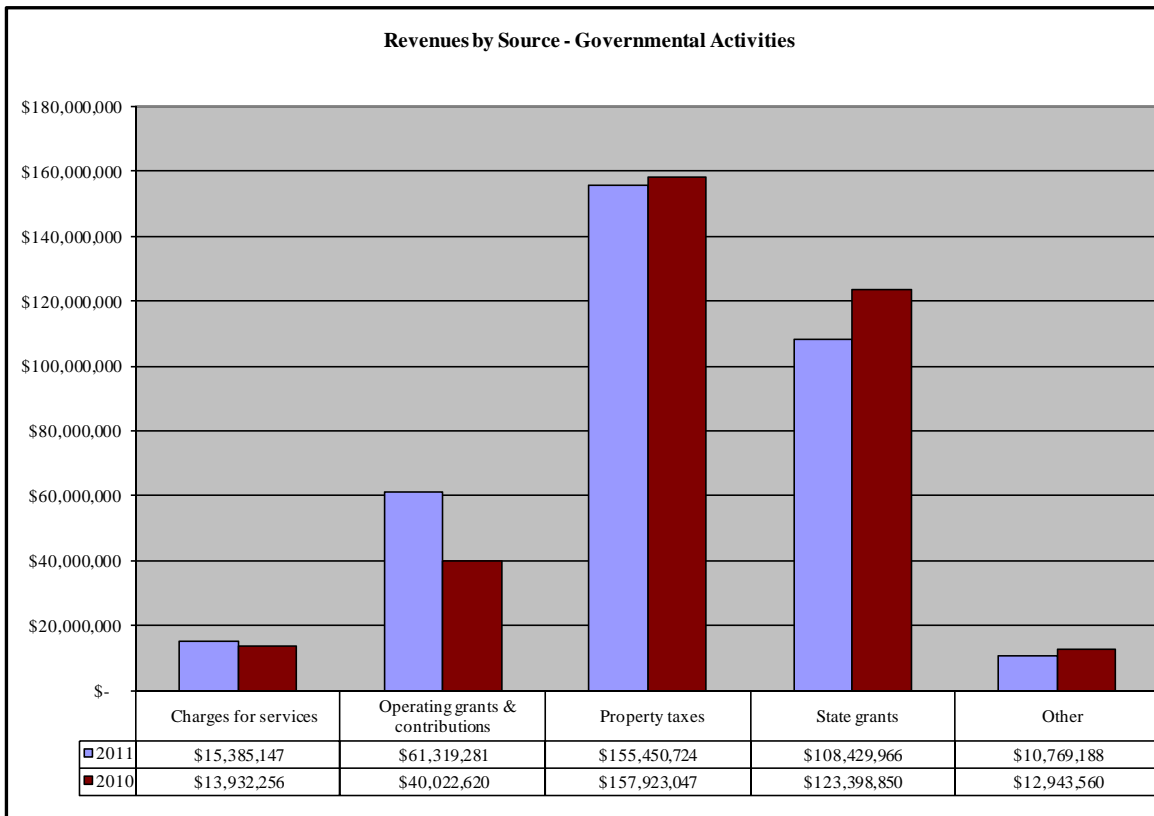
Governmental activities. Governmental activities decreased the District's net assets by \$18.1 million. The total cost of all *governmental activities* this year was \$369,500,027. Key elements of the decrease are as follows:

Change in Humble Independent School District's Net Assets

	<u>2011</u>	<u>2010</u>
Revenues		
Program Revenues:		
Charges for services	\$ 15,385,147	\$ 13,932,256
Operating grants & contributions	61,319,281	40,022,620
General Revenues:		
Property taxes	155,450,724	157,923,047
State grants	108,429,966	123,398,850
Other	10,769,188	12,943,560
Total Revenues	<u>351,354,306</u>	<u>348,220,333</u>
Expenses		
Instruction	201,583,741	188,681,282
Instructional resources and media services	4,014,070	3,883,522
Curriculum and staff development	5,200,862	4,475,549
Instructional leadership	2,593,743	2,757,202
School leadership	19,177,933	18,140,888
Guidance, counseling, and evaluation services	13,875,463	12,397,077
Social work services	264,841	327,958
Health services	3,006,962	2,733,435
Student transportation	9,605,101	8,791,647
Food service	14,338,336	12,555,594
Extracurricular activities	12,074,698	11,164,616
General administration	6,714,403	6,458,306
Plant, maintenance and operations	28,936,697	27,580,141
Security and monitoring services	2,979,431	2,305,669
Data processing services	3,688,318	3,484,681
Community services	1,046,553	1,019,038
Interest on long-term debt	30,483,942	29,605,664
Debt issuance costs and fees	138,438	117,378
Payments to JJAEP	86,950	92,300
Payments to Tax Increment Fund	8,376,196	11,642,730
Other governmental charges	1,313,349	1,298,101
Total Expenses	<u>369,500,027</u>	<u>349,512,778</u>
Increase (Decrease) in Net Assets	(18,145,721)	(1,292,445)
Beginning net assets	126,611,714	127,904,159
Ending Net Assets	<u>\$ 108,465,993</u>	<u>\$ 126,611,714</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

These same key elements of the District's governmental activities are illustrated in the following charts:



HUMBLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The amount of expense that was paid for by taxpayers for these activities through property taxes was \$155,450,724, or 44.1 percent. While the District's tax rate remained the same at \$1.52 per \$100 of assessed value, property valuations decreased by .6 percent resulting in decreased revenues from property taxes of approximately \$2.5 million. Revenues provided by state sources decreased by approximately \$15.0 million. Charges for services increased by approximately \$1.5 million due to increases in food services and co-curricular activities resulting from the opening of a middle school campus and elementary school campus and increases in students participating in these programs, as well as a fully functioning print shop and child care services center. Revenues provided by interest earnings and miscellaneous revenue sources decreased by \$2.2 million.

For the most part, expenses increased due to increases in salaries and benefits costs. These increases resulted from the addition of teachers, other professionals, and hourly employees needed for the opening of two new campuses for the 2010-11 fiscal year, increases in operations costs for the new campuses and a one-time district wide stipend.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$163,896,742, a decrease of \$8,161,714. Approximately 41.1 percent of this total amount (\$67,335,790) constitutes unassigned fund balance. The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed (1) to pay debt service (\$35,141,232), (2) for capital projects (\$50,511,919), (3) for federal, state, or local grants (\$5,660,889), (4) for activity funds (\$2,119,199), and for other purposes (\$3,127,713). Additional information regarding assignments of fund balance for other purposes can be found in Note II, G, on pages 57 and 58.

During the current fiscal year, fund balance of the general fund decreased by \$14,109,460. Total revenues in the general fund were \$240.4 million with a decrease from the previous year of \$13.4 million. The decrease was primarily due to a reduction in state aid of \$13.4 million. This reduction included an adjustment by the TEA of \$8.9 million related to a recalculation of the District's target revenue due to participation in a Tax Increment Reinvestment Zone. Additionally, tax collections decreased by \$.4 million, TRS On-Behalf revenue increased by \$.6 million, other local revenue increased by \$.2 million, and federal revenue decreased by \$.1 million.

General fund expenditures totaled \$245.9 million, which is a decrease of \$7.8 million over the previous fiscal year. The decline in expenditures was primarily due to a reclassification of special education expenditures of approximately \$18.4 million to the one-time state fiscal stabilization funds (SFSF) grant and a \$3.1 million decrease in payments to the Tax Increment Reinvestment Zone. The 2009-10 TIRZ payment included supplemental payments from TEA for fiscal years 2006-07 through 2008-09 in the amount of \$3.3 million. These decreases were offset by an increase of \$8.3 million in operating costs for new campuses (Atascocita Springs Elementary School and Woodcreek Middle School), \$.7 million

HUMBLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

increase associated with adding an 11th grade to Summer Creek High School, \$4.0 million increase for a one-time district wide stipend, and \$.7 million expenditure increase for student assessment and evaluation services.

The debt service fund ended the fiscal year with a fund balance of \$35,141,232, all of which is restricted for the payment of debt service. Total revenues were \$49.8 million with a decrease from the previous year of \$3.6 million. The primary reason for the decrease was a reduction in revenue received from the Tax Increment Reinvestment Zone in the amount of \$3.3 million. The 2009-10 TIRZ revenue included supplemental payments from the TEA for fiscal years 2006-07 through 2008-09. Additionally, tax collections decreased by \$.1 million, interest earnings decreased by \$.1 million, and state aid (existing debt allotment and instructional facilities allotment) decreased by \$.1 million. Debt service expenditures totaled \$50.3 million with a decrease of \$.6 million over the previous year which was mainly due to bond principal and interest payments. The annual net decrease in fund balance was \$67,737.

The capital projects fund is used to account for financial resources to be used for the acquisition or construction and renovation of major capital facilities and equipment purchases. The fund balance of the District's capital projects fund was \$50,511,919 as of June 30, 2011, all of which is restricted for capital projects. The net increase in fund balance for the fiscal year ended June 30, 2011, was \$5,083,793. This net increase resulted from the receipt of \$25.2 million in bond proceeds, the expenditure of funds for capital projects of \$16.2 million, facilities repairs, maintenance, and equipment acquisitions totaling \$3.7 million and bond issuance costs of \$.2 million..

Proprietary funds. As mentioned earlier, the District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets at June 30, 2011, totaled \$17,634,711. The total increase in net assets was \$4,706,053. For the fiscal year ended June 30, 2011, the District contributed approximately \$9.4 million to the health program, while employees contributed approximately \$9.0 million. The District contributed approximately \$1.2 million to the workers' compensation program. Additionally, the District made an adjustment to the workers' compensation reserve of \$166,457 based upon an analysis of actual claims. Cash and investments of the fund earned \$22,349 in interest. Medical claims incurred during the year totaled in excess of \$19.1 million accompanied by administrative fees of approximately \$1.6 million. Workers' compensation claims incurred during the year totaled approximately \$1.5 million with associated administrative fees of \$105,172. Other miscellaneous health care costs including stop loss coverage totaled \$1.5 million. The District contributed approximately \$8.9 million to fund future medical and workers' compensation costs to the public entity risk pool fund.

General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved several revisions to budgeted revenue and expenditures. These amendments fall into the following categories:

- Amendments approved shortly after the beginning of the new fiscal year for amounts reserved and designated in the prior year
- Amendments in early and late spring to revise estimates for local and state revenue based on the latest information on student attendance numbers and tax collections
- Amendments throughout the year for transfers to and from other funds and federal indirect cost calculations
- Amendments during the year for unexpected occurrences

HUMBLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The District made the following amendments to estimated revenues:

- \$2,629,673 increase in local tax collections
- \$770,878 increase in local revenue for donations and miscellaneous other revenue
- \$1,346,495 decrease in state revenue due to updated estimates of attendance
- \$175,000 increase in TRS On Behalf revenue
- \$185,000 increase in federal revenue due to indirect costs

Following is a summary of amendments made to expenditures:

- \$1,274,668 increase for 2009-10 carryover items
- \$3,231,922 increase in salaries due to one-time retention stipends
- \$1,263,046 increase in payments to the tax increment fund
- \$389,505 increase in miscellaneous expenditures as a result of donations and one time receipts
- \$143,000 increase for miscellaneous expenditures
- \$175,000 increase in TRS On-Behalf expenditures

The following amendments were made to other resources and other uses:

- \$200,000 increase in other resources for insurance recoveries and sale of property
- \$8,881,390 increase in other uses for a transfer of \$8,817,390 to the public entity risk pool for future medical and workers' compensation costs, and \$64,000 to stabilize the Print Shop Fund.

After revenues and appropriations were amended as described above, actual revenues and other resources were less than the final amended estimated revenues and other resources by \$525,551 or .22 percent. Local revenue increased due to greater than anticipated tax collections and building rental revenue. State revenue decreased due to the difference between estimated and final data for student counts and tax collections. Federal revenue increased due to greater than expected indirect cost revenue.

Actual expenditures and other uses were \$12,461,309 or 4.7 percent below the final amended budget. This positive variance was due primarily to a deliberate decision by the District in the fall of 2010 to freeze hiring. Vacant positions due to resignations, retirements, etc. were not filled during the fiscal year. This accounted for \$7.6 million of the budget variance. Another \$2 million was due to lower than expected utility costs with \$.5 million savings related to a new utility contract. The balance of \$2.9 million is due to unspent budgets for miscellaneous items such as supplies, contracted services, and other operating costs.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2011, totals \$604,110,455 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress.

HUMBLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

	<u>2011</u>	<u>2010</u>
Land	\$ 35,202,119	\$ 35,270,142
Buildings & improvements	542,269,161	485,358,194
Furniture & equipment	18,326,175	17,516,403
Construction in Progress	<u>8,313,000</u>	<u>72,685,672</u>
Totals at historical cost	<u>\$ 604,110,455</u>	<u>\$ 610,830,411</u>

Additional information on the District's capital assets can be found in Note II, C, on page 53 of this report.

Long Term Debt

As of June 30, 2011, the District had total general obligation bonded debt outstanding of \$628.8 million, a net increase of \$4.6 million from the prior year. The increase resulted from the issuance of \$24.0 million in unlimited tax school building bonds, scheduled debt principal payments, and refunding of old debt of \$33.4 million.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the District is \$1,056,498,000. The District's outstanding debt of \$628,835,000 less the restriction for the retirement of the debt of \$35,141,232 totals \$593,693,768 leaving a legal debt margin of \$462,804,232.

Additional information on the District's long-term debt can be found in Note II, E on pages 54-57 of this report.

Economic Factors and Next Year's Budgets and Rates

- From June of 2010 to June of 2011 the unadjusted (seasonally) unemployment rate for the Houston-Sugarland-Baytown Metropolitan Statistical Area (Houston MSA), which includes the District, increased from 8.8 percent to 9.0 percent. This fiscal year rate of 9.0 percent for the Houston MSA is 0.1 percent lower than the rate for the nation as a whole for the same time period. Job growth was evident in private sectors, a sign that Houston's economy is well into recovery. Healthcare and social assistances continues to add jobs as does the Business Services sector.
- Consumer prices for the Houston area experienced an overall increase of 2.2 percent during the 2010-2011 fiscal year. This overall increase is due in part to an annual increase of prices in the energy sector from the prior year. The cost of food rose 0.6 percent over the last twelve months while gasoline prices surged 36.7 percent.
- Although the homebuyers tax credit expired in April 2010, sales of new homes and existing homes increased 17.1 percent from July 2010 through July 2011.
- The District's enrollment is projected to remain flat for the 2011-12 fiscal year due to the overall economy.
- The District's student attendance rate is expected to remain at 95 percent.
- The District's taxable valuation is estimated to remain flat at \$10,564,977,883.

HUMBLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Board of Trustees adopted a deficit operating budget for the 2011-12 fiscal year with estimated expenditures of \$250,057,655 exceeding estimated revenues of \$242,350,195 by \$7,707,460. Estimated tax collections were based on a flat property valuation projection and a 98.5% tax collection rate (including delinquent taxes, penalties, and interest). State aid was also projected to remain relatively flat at approximately \$106 million. Appropriated expenditures for the 2011-12 fiscal year included the following changes:

- Increase of \$18.4 million for salaries funded in 2010-11 with one-time State Fiscal Stabilization Funds.
- Increase of \$1.1 million for salaries previously funded with bond funds.
- Increase of \$2.2 million for increased costs related to support services (custodial, grounds, maintenance/operations, and transportation services), property insurance, legal services, technology services, special projects related to a curriculum audit, and stipends.
- Decrease of \$4.6 million related to one-time retention stipends in 2010-11.
- Decrease of \$24.2 million comprised of \$18 million in personnel reductions, \$2.4 million in utility costs, and \$3.8 million in miscellaneous costs such as contracted services, consultant services, extra duty wages, and travel.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Director of Accounting and Financial Reporting, Humble ISD, P.O. Box 2000, Humble, Texas 77347-2000.



Basic Financial Statements

HUMBLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2011

Data Control Codes		Governmental Activities
Assets		
1110	Cash and temporary investments	\$ 189,623,355
1225	Property taxes receivables, net	7,551,312
1240	Due from other governments	35,131,924
1250	Accrued interest	3
1290	Other receivables, net	1,660,492
1300	Inventories	457,854
1410	Deferred expenses	538,031
1420	Capital bond and other debt issuance costs	3,939,443
	Capital assets not subject to depreciation:	
1510	Land	35,202,119
1580	Construction in progress	8,313,000
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	542,269,161
1530	Furniture and equipment, net	18,326,175
1000	Total Assets	843,012,869
Liabilities		
2110	Accounts payable	10,637,438
2120	Short term debt payable	2,318,088
2140	Interest payable	9,608,161
2150	Payroll deductions and withholdings	1,935,231
2160	Accrued wages payable	27,225,647
2177	Due to fiduciary funds	161
2180	Due to other governments	1,493,011
2200	Accrued expenses payable	312,068
2300	Unearned revenues	586,480
	Noncurrent Liabilities:	
2501	Due within one year	20,434,652
2502	Due in more than one year	659,995,939
2000	Total Liabilities	734,546,876
Net Assets		
3200	Invested in capital assets, net of related debt	4,352,256
	Restricted for:	
3820	Federal and state programs	457,642
3840	Food service	5,203,247
3850	Debt service	27,082,613
3900	Unrestricted	71,370,235
3000	Total net assets	\$ 108,465,993

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

HUMBLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Data Control Codes	Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Government
					Governmental Activities
	Governmental activities:				
11	Instruction	\$ 201,583,741	\$ 825,759	\$ 41,237,551	\$ (159,520,431)
12	Instructional resources & media service	4,014,070	36,178	252,814	(3,725,078)
13	Curriculum and staff development	5,200,862	5,069	2,621,429	(2,574,364)
21	Instructional leadership	2,593,743		859,827	(1,733,916)
23	School leadership	19,177,933	11,757	1,024,105	(18,142,071)
31	Guidance, counseling & evaluation	13,875,463	5,447	3,529,196	(10,340,820)
32	Social work services	264,841		61,720	(203,121)
33	Health services	3,006,962		208,893	(2,798,069)
34	Student transportation	9,605,101	2,484	1,069,874	(8,532,743)
35	Food service	14,338,336	7,762,175	6,435,802	(140,359)
36	Extracurricular activities	12,074,698	5,303,459	402,279	(6,368,960)
41	General administration	6,714,403	289,317	548,886	(5,876,200)
51	Plant, maintenance and operations	28,936,697	915,937	1,267,609	(26,753,151)
52	Security and monitoring services	2,979,431	38,471	252,698	(2,688,262)
53	Data processing services	3,688,318	189,094	1,073,865	(2,425,359)
61	Community services	1,046,553		472,733	(573,820)
72	Interest on long-term debt	30,483,942			(30,483,942)
73	Debt issuance costs and fees	138,438			(138,438)
95	Payments to JJAEP	86,950			(86,950)
97	Payments to Tax Increment Fund	8,376,196			(8,376,196)
99	Payments to Appraisal District	1,313,349			(1,313,349)
TG	Total governmental activities	<u>\$ 369,500,027</u>	<u>\$ 15,385,147</u>	<u>\$ 61,319,281</u>	<u>(292,795,599)</u>
	Data Control Codes				
	General revenues:				
	Taxes:				
MT	Property taxes, levied for general purposes				121,017,152
DT	Property taxes, levied for debt service				34,433,572
SF	State-aid formula grants				108,429,966
GC	Grants and contributions not restricted				9,132
IE	Investment earnings				307,123
MI	Miscellaneous				10,452,933
TR	Total general revenues, special items, and transfers				<u>274,649,878</u>
CN	Change in net assets				(18,145,721)
NB	Net assets - beginning				<u>126,611,714</u>
NE	Net assets - ending				<u>\$ 108,465,993</u>

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

HUMBLE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2011

<u>Data Control Codes</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
Assets			
1110 Cash and temporary investments	\$ 84,865,625	\$ 23,791,995	\$ 51,919,220
Receivables:			
1220 Delinquent property taxes receivables	10,507,493	2,725,225	
1230 Allowance for uncollectible taxes (credit)	(4,563,104)	(1,118,302)	
1240 Receivables from other governments	16,097,197	12,810,808	
1250 Accrued interest	3		
1260 Due from other funds	224,028	30,109	442
1290 Other receivables	188,393		
1300 Inventories, at cost	290,703		
1410 Prepays	23,966		
1000 Total Assets	\$ 107,634,304	\$ 38,239,835	\$ 51,919,662
Liabilities and Fund Balance			
Liabilities:			
2110 Accounts payable	\$ 3,473,052	\$ 54,510	\$ 1,089,916
2150 Payroll deduction and withholdings	1,835,087		
2160 Accrued wages payable	25,805,880		1,477
2170 Due to other funds	10,407	33,329	31,377
2180 Payable to other governments		1,403,841	
2200 Accrued expenses	94,496		284,973
2300 Deferred revenues	5,951,879	1,606,923	
2000 Total Liabilities	37,170,801	3,098,603	1,407,743
Fund Balances:			
Restricted:			
3450 Federal/State grant restrictions			
3470 Capital acquisitions			50,511,919
3480 Debt service		35,141,232	
Committed :			
3545 Other purposes			
Assigned:			
3590 Other assigned	3,127,713		
3600 Unassigned	67,335,790		
3000 Total fund balances	70,463,503	35,141,232	50,511,919
4000 Total Liabilities and Fund Balances	\$ 107,634,304	\$ 38,239,835	\$ 51,919,662

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 9,189,041	\$ 169,765,881
	13,232,718
	(5,681,406)
6,223,919	35,131,924
	3
5,725	260,304
7,500	195,893
167,151	457,854
565	24,531
<u>\$ 15,593,901</u>	<u>\$ 213,387,702</u>

\$ 5,694,616	\$ 10,312,094
	1,835,087
1,396,427	27,203,784
174,936	250,049
31,784	1,435,625
27,095	406,564
488,955	8,047,757
<u>7,813,813</u>	<u>49,490,960</u>

5,660,889	5,660,889
	50,511,919
	35,141,232
2,119,199	2,119,199
	3,127,713
	67,335,790
<u>7,780,088</u>	<u>163,896,742</u>
<u>\$ 15,593,901</u>	<u>\$ 213,387,702</u>



HUMBLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET ASSETS
June 30, 2011

<u>Data Control Codes</u>		
	Total fund balance, governmental funds	\$ 163,896,742
	Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation, where applicable	604,110,455
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	7,551,312
3	Bond issuance costs are not financial resources and, therefore, are not reported as assets in governmental funds. These costs are to be amortized over the life of the bonds.	3,939,443
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
4	General obligation bonds	(628,835,000)
5	Premiums on issuance	(26,941,473)
6	Deferred loss on refunding	1,566,912
7	Accreted interest on premium Capital Appreciation Bonds	(24,791,567)
8	Arbitrage rebate liability	(57,381)
9	Accrued interest payable	(9,608,161)
10	Addition of Internal Service fund net assets	<u>17,634,711</u>
19	Total net assets - governmental activities	<u><u>\$ 108,465,993</u></u>

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

HUMBLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ 124,083,037	\$ 44,756,424	\$ 66,698
5800	State program revenues	115,954,903	5,083,447	
5900	Federal program revenues	384,916		
5020	Total revenues	<u>240,422,856</u>	<u>49,839,871</u>	<u>66,698</u>
Expenditures				
Current:				
0011	Instruction	147,129,221		757,826
0012	Instruction resources and media services	2,773,592		7,364
0013	Curriculum and instructional staff development	2,559,978		17,430
0021	Instructional leadership	1,752,651		15,360
0023	School leadership	18,023,432		6,641
0031	Guidance, counseling and evaluation services	10,471,962		2,500
0032	Social work services	261,968		
0033	Health services	2,644,816		
0034	Student transportation	8,233,070		35,879
0035	Food services			8,335
0036	Extracurricular activities	6,677,492		53,097
0041	General administration	6,221,551		94,795
0051	Facilities maintenance and operations	25,506,812		1,964,828
0052	Security and monitoring services	2,452,041		289,996
0053	Data processing services	2,279,345		475,154
0061	Community services	691,173		1,231
Debt service:				
0071	Principal on long-term debt		16,680,000	
0072	Interest on long-term debt		30,780,603	
0073	Bond issuance costs and fees		1,269,970	232,003
Capital outlay:				
0081	Facilities acquisition and construction	1,633		16,153,844
Intergovernmental:				
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	86,950		
0097	Payments to Tax Increment Fund	6,811,400	1,564,796	
0099	Payments to County Appraisal District	1,313,349		
6030	Total Expenditures	<u>245,892,436</u>	<u>50,295,369</u>	<u>20,116,283</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(5,469,580)</u>	<u>(455,498)</u>	<u>(20,049,585)</u>
Other Financing Sources (Uses)				
7901	Refunding bonds issued		33,365,000	
7911	Issuance of bonds			24,030,000
7912	Sale of real or personal property	235,155		
7915	Transfers in		100,408	
7916	Premium or discount on issuance of bonds		4,387,616	1,203,786
8911	Transfers out	(8,875,035)		(100,408)
8949	Payments to refunded bonds escrow agent		(37,465,263)	
7080	Total Other Financing Sources (Uses)	<u>(8,639,880)</u>	<u>387,761</u>	<u>25,133,378</u>
1200	Net change in fund balances	(14,109,460)	(67,737)	5,083,793
0100	Fund Balance - beginning	<u>84,572,963</u>	<u>35,208,969</u>	<u>45,428,126</u>
3000	Fund Balance - ending	<u>\$ 70,463,503</u>	<u>\$ 35,141,232</u>	<u>\$ 50,511,919</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 13,806,521	\$ 182,712,680
2,676,834	123,715,184
45,073,184	45,458,100
<u>61,556,539</u>	<u>351,885,964</u>
32,866,892	180,753,939
50,939	2,831,895
2,520,045	5,097,453
746,938	2,514,949
209,003	18,239,076
2,956,274	13,430,736
2,873	264,841
91,201	2,736,017
732,838	9,001,787
12,966,878	12,975,213
4,402,677	11,133,266
59,214	6,375,560
806,389	28,278,029
272,150	3,014,187
936,273	3,690,772
378,068	1,070,472
	16,680,000
	30,780,603
	1,501,973
626,197	16,781,674
	86,950
	8,376,196
	1,313,349
<u>60,624,849</u>	<u>376,928,937</u>
<u>931,690</u>	<u>(25,042,973)</u>
	33,365,000
	24,030,000
	235,155
43,937	144,345
	5,591,402
(43,937)	(9,019,380)
	<u>(37,465,263)</u>
	<u>16,881,259</u>
931,690	(8,161,714)
<u>6,848,398</u>	<u>172,058,456</u>
<u>\$ 7,780,088</u>	<u>\$ 163,896,742</u>



HUMBLE INDEPENDENT SCHOOL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES**

For the Year Ended June 30, 2011

**Data
Control
Codes**

	Net change in fund balances - total governmental funds (from C-3)	\$ (8,161,714)
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
1	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. Capitalized expenditures reclassified to assets. 20,708,946 Depreciation expense taken to Statement of Activities. (27,102,287)	
2	In the Statement of Activities, only the gain on the sale is reported. However, in the Governmental Funds the proceeds from the sale increases financial resources. Thus the change in net assets differs from the change in fund Balance by the cost of the disposed capital asset.	(326,614)
3	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(789,163)
4	Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets.	16,680,000
5	Payment to escrow agent for refunding.	37,465,263
6	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(57,395,000)
7	Premium received from issuance of long-term debt	(5,591,401)
8	Bond issuance costs paid during the current year will be amortized over the life of the bonds.	516,752
	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
9	Decrease in interest payable not recognized in fund statements	342,407
10	Decrease in Arbitrage Payable	1,064,554
11	Accreted interest on capital appreciation bonds and amortization of bond issuance costs	(263,517)
12	Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities (see D-3).	4,706,053
	Change in net assets of governmental activities	<u><u>\$ (18,145,721)</u></u>

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

HUMBLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

For the Year Ended June 30, 2011

<u>Data Control Codes</u>		<u>Governmental Activities</u>
		<u>Total Internal Service Funds</u>
	Assets	
	Current assets:	
1110	Cash and cash equivalents	\$ 19,857,475
1260	Due from other funds	3,045
1290	Other receivables	1,464,599
1410	Deferred expenses	513,500
1000	Total Assets	<u>\$ 21,838,619</u>
	Liabilities	
	Current liabilities:	
2110	Accounts payable	\$ 325,350
2150	Payroll deductions and withholdings payable	100,144
2160	Accrued wages payable	21,863
2170	Due to other funds	13,461
2200	Claims payable	2,893,244
2300	Deferred revenue	90,035
	Total current liabilities	<u>3,444,097</u>
	Non-current liabilities:	
2590	Claims and judgments	759,811
	Total non-current liabilities	<u>759,811</u>
2000	Total Liabilities	<u>4,203,908</u>
	Net Assets	
3900	Unrestricted net assets	17,634,711
3000	Total Net Assets	<u>17,634,711</u>
4000	Total Liabilities and Net Assets	<u>\$ 21,838,619</u>

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

HUMBLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

For the Year Ended June 30, 2011

<u>Data Control Codes</u>		<u>Governmental Activities</u>
		<u>Total Internal Service Funds</u>
	Operating Revenues	
5754	Interfund services provided and used	\$ 19,883,757
5739	Tuition and fees	223,715
5020	Total operating revenues	<u>20,107,472</u>
	Operating Expenses	
6100	Payroll costs	326,384
6200	Purchased and contracted services	1,955,834
6300	Supplies and materials	74,317
6400	Claims expense and other operating expenses	21,942,268
6030	Total Operating Expenses	<u>24,298,803</u>
1200	Operating Income (Loss)	<u>(4,191,331)</u>
	Non-Operating Revenues (Expenses)	
7020	Earnings - temporary deposits and investments	22,349
	Total Nonoperating Revenues	<u>22,349</u>
	Income (Loss) before Transfers	(4,168,982)
	Transfers	
7915	Transfers in	8,875,035
1200	Change in Net Assets	<u>4,706,053</u>
	Net Assets:	
0100	Net Assets - beginning	<u>12,928,658</u>
3300	Net Assets - ending	<u>\$ 17,634,711</u>

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

HUMBLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY SERVICE FUNDS
Year Ended June 30, 2011

	Governmental Activities
	Total Internal Service funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash receipts from interfund services provided	\$ 18,743,898
Cash payments to employees	(408,846)
Cash payments for insurance claims	(20,646,565)
Cash payments to suppliers for goods and services	(2,683,679)
Net Cash Provided by (Used for) Operating Activities	<u>(4,995,192)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash payment from other fund	8,875,035
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>8,875,035</u>
Cash Flows from Investing Activities:	
Interest on investments	22,349
Net Cash Provided by Investing Activities	<u>22,349</u>
Net Increase in Cash and Cash Equivalents	3,902,192
Cash and Cash Equivalents at Beginning of Year	<u>15,955,283</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 19,857,475</u></u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 19,857,475</u>
Cash and Cash Equivalents per Balance Sheet	<u><u>\$ 19,857,475</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (4,191,331)
Change in Assets and Liabilities	
Decrease (increase) in Receivables	(1,457,796)
Decrease (increase) in Interfund Receivables	4,185
Decrease (increase) in Accrued Interest Receivable	2
Decrease (increase) in Prepaids	(185,000)
Increase (decrease) in Accounts Payable	570,162
Increase (decrease) in Long-term payables	264,586
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (4,995,192)</u></u>

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

HUMBLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2011

<u>Data Control Codes</u>		<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
	Assets		
1110	Cash and cash equivalents	\$ 1,326,468	\$ 1,266,569
	Receivables:		
1260	Due from other funds		161
1290	Other receivables		1,236
	Total Assets	<u>\$ 1,326,468</u>	<u>\$ 1,267,966</u>
	Liabilities		
2110	Accounts payable		\$ 22,995
2190	Due to others		1,244,971
2000	Total Liabilities		<u>\$ 1,267,966</u>
	Net Assets		
3800	Restricted for scholarships	1,031,564	
3900	Unrestricted net assets	294,904	
	Total Net Assets	<u>\$ 1,326,468</u>	

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

HUMBLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Year Ended June 30, 2011

	Private Purpose Trust Fund
Additions	
Gifts and contributions	\$ 59,417
Total contributions	<u>59,417</u>
Investment earnings	
Interest	<u>2,222</u>
Total Additions	<u>61,639</u>
Deductions	
Scholarships awarded	<u>76,809</u>
Total deductions	<u>76,809</u>
Change in net assets	(15,170)
Net assets - beginning of year	<u>1,341,638</u>
Net assets - end of year	<u><u>\$ 1,326,468</u></u>

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

HUMBLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

I. Summary of Significant Accounting Policies

The Humble Independent School District (District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees that is elected by registered voters of the District. The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement of Auditing Standards No. 69* of the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA) *Financial Accountability System Resource Guide* (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting Entity

The District's Board of Trustees is elected by the public; has the authority and the exclusive power and duty to govern and oversee the management of the District; has the authority to acquire and hold property in the name of the District, sue and be sued, and receive bequests and donations of funds legally received; and has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the GASB in its Statement No. 14, *"The Reporting Entity."* The District has no component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Revenues and expenses related to interfund services provided and used are not eliminated in the process of consolidation, except in the campus activity funds. The *governmental activities* are supported by tax revenues and intergovernmental revenues. The District has no *business-type activities* that rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements while agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount. The District reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. Major revenue sources include local property taxes and state funding under the Foundation School Program. Expenditures include all costs associated with the daily operations of the District except for specific programs funded by the federal or state government, food service, debt service, and capital projects.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital projects fund* accounts for financial resources used for the acquisition or construction of major capital facilities and equipment purchases.

Non-major governmental funds of the District include federal, state, and local grant funds accounted for as *special revenue funds*.

The District reports the following proprietary funds:

The *internal service funds* account for the District's self-funded insurance program provided for the benefit of eligible employees; public entity risk pool for employee insurance benefits beginning July 1, 2011; print shop; and child care center.

The self-funded insurance program includes medical and other related benefits as well as the workers' compensation program. The medical program is intended to be self-supporting and contributions for premiums are increased periodically to cover the cost of claims, insurance premiums, and administrative fees. All funds within the District that expend resources for salaries and wages contribute a percentage of salaries and wages expenditures to the workers' compensation program to fund the cost of workers' compensation claims, re-insurance premiums, and administrative fees. Beginning on July 1, 2011, the District will cease being self-funded for all employee benefits, with the exception of unemployment compensation, and the medical benefits and workers' compensation programs will be moved

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

to a public entity risk pool. The self-funded insurance program will continue to provide funding for run-out claims incurred prior to June 30, 2011, for the medical and workers' compensation programs.

A Public Entity Risk Pool is a shared services arrangement group of governmental entities joined together to finance exposure, liability, or risk. Effective July 1, 2011, the District joined the Teacher Retirement System of Texas statewide health care plan for public educators. The TRS-Active Care Program was established in 2002 and currently serves over 1,100 public entities with over 445,000 employees and dependents. Additionally, the District also joined the Texas Association of School Boards Risk Management Fund for effective and efficient management of the District's workers' compensation benefits.

The print shop provides internal printing operations as a cost effective alternative to outsourcing printing needs. Individual campuses or departments are charged fees to have documents printed and/or assembled at the print shop. It is intended for the print shop to be self-supporting.

The child care center was created not only to offer childcare services at discounted rates to Humble Independent School District's personnel, but also to assist Humble I.S.D. teen parents with the cost of childcare, thus minimizing the chance that these at-risk students will drop out of school. The center opened in August 2010. It is intended for the center to be self-supporting.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Additionally, the District reports the following fiduciary funds:

The private purpose trust fund is used to account for donations for scholarship funds that are received by the District that are to be awarded to current and former students for post-secondary education purposes.

The *agency fund* is used to account for resources held in a custodial capacity by the District and consists of funds that are the property of students or others.

D. Assets, liabilities, and net assets or equity

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the District are reported at fair value.

The funds of the District must be deposited and invested under the terms of a depository contract, the contents of which are set out in the Depository Contract Law. The depository bank may either place approved pledged securities for safekeeping and trust with the District's agent bank or file a corporate surety bond in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance. However, as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act, beginning December 31, 2010 through December 31, 2012, non-interest bearing transaction accounts will have unlimited FDIC coverage. During this period of unlimited FDIC coverage, interest-bearing accounts will continue to receive FDIC coverage of up to \$250,000 in accordance with standard FDIC rules.

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Receivables and Payables

During the course of the year, transactions occur between individual funds for various purposes. The resulting receivables and payables are classified as "due from" other funds or "due to" other funds on the balance sheet.

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

The appraisal and recording of all property within the District is the responsibility of the Harris County Appraisal District (HCAD), an independent governmental unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. HCAD is required by law to assess property at 100 percent of its market value. Real property is reappraised every two years. Under certain circumstances taxpayers and taxing units, including the District, may challenge orders of the HCAD Review Board through various appeals and, if necessary, legal action.

Tax collections are prorated between the general fund and debt service fund based on the tax rate approved by the Board. For the year ended June 30, 2011, the rates were \$1.17 and \$.35, respectively, per \$100 of assessed value.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the general and debt service funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The delinquent tax receivable allowance aggregately equals 42.9 percent of total outstanding property taxes and associated penalties and interest at June 30, 2011. The allowance percentage consists of 20.2 percent for delinquent taxes and 22.7 percent for penalties and interest charges on delinquent taxes.

3. Inventories and Prepaid Items

Inventories of supplies and materials on the balance sheet are stated at weighted average cost and they include consumable custodial, maintenance, transportation, instructional and office supplies. Inventories are accounted for using the Consumption Method. Inventories of governmental funds are recorded as expenditures when they are consumed rather than when purchased. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and revenue when received in the governmental funds. When requisitioned for use, inventory is relieved and the appropriate expenditure account is charged.

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Capital Assets

Capital assets, which include land, buildings, furniture and equipment, and construction in progress are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

Land improvements, buildings, and furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	50
Building improvements	Remaining life of building or 20 years, whichever is less
Furniture, fixtures & equipment	10
Information systems (computer equipment)	6
Automobiles	3
Buses	9
Light general purpose trucks	4

5. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Twelve-month classified staff members (custodial, maintenance, warehouse and nonexempt supervisory staff members) are granted annual vacation days based on consecutive years of service. Staff members under contract from July 1 through June 30, earn non-duty days based on the difference between the number of annual work days as set by the annual school calendar and the number of contract days per the staff member's annual contract. All staff members may carry up to a maximum of 15 accrued vacation or non-duty days to the following year. Full-time staff members can contribute one day of sick leave annually to benefit staff members whose own leave has been exhausted due to catastrophic illness. The Board approved a provision to compensate employees for accrued local leave days at retirement effective July 1, 2002. Prior to that time, the District policy did not allow staff members to be compensated for accrued or unused sick leave. This change in policy allows any employee who retires from the District through the Teacher Retirement System of Texas to receive, following termination of employment, a lump sum payment for accrued local leave days. The amount is determined by multiplying the number of days of unused local leave by one-third of the employee's daily rate of pay at the time of retirement up to a maximum amount of \$10,000 per retiree. The District's liability for buyback of accrued local leave days at June 30, 2011, was \$220,887.

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Long-term obligations

In the government-wide financial statements and in proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

7. Arbitrage payable

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires that rebatable arbitrage be calculated for tax purposes every fifth year that a debt issue is outstanding and at maturity. In the District's government-wide statements, a liability must be recognized as soon as rebatable arbitrage occurs. However, in the fund financial statements, consistent with the modified accrual basis of accounting, no liability is recognized until due and payable. The District estimates and updates its liability annually for all tax-exempt issuances. As of June 30, 2011, the district has no arbitrage liability that is due and payable. However, an accrued liability of \$57,781 is reflected in the government-wide statements.

8. Fund equity

In the fund financial statements, governmental funds report classifications of fund balance based on controls placed upon the funds. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 54, effective June 30, 2011, fund balance classifications are recorded as follows:

Non-spendable Fund Balance – amounts that are not in spendable form or amounts that are legally and contractually required to be maintained intact.

Restricted Fund Balance – amounts constrained to a specific purpose by external parties through constitutional provisions or by enabling legislation.

Committed Fund Balance – amounts constrained to a specific purpose by the Board of Trustees, (the highest level of authority within the District); amounts cannot be used for any other purpose unless the Board of Trustees takes the same action to remove or change the constraint.

Assigned Fund Balance – general fund amounts constrained to a specific purpose by the Board Finance Committee or the Superintendent and Assistant Superintendent for Financial Services.

Unassigned Fund Balance – residual classification applicable to the general fund only.

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

The District's fund balance policy as approved by the Board of Trustees is as follows:

"In order to preserve financial stability, the district must be prepared to respond to cash flow shortages, large or unexpected one-time expenditures, changes in the economy, and changes in state funding. The District shall, therefore, target a yearly unassigned general fund balance between 17 percent (60 days) and 25 percent (90 days) of total operating expenditures. Additionally, the District shall target a yearly minimum restricted debt service fund balance of 25 percent of annual debt service requirements on all outstanding debt issuance and a committed internal service fund balance of 20 percent of total operating expenditures.

Following any year where the audited fund balance falls outside the above-listed targeted range or below the minimum requirement, adjustments in budgeted expenditures shall be incorporated into the budget development process for that year. If the board determines that the minimum targeted fund balance is not attainable in the proposed budgeted being considered, it shall be the goal of the Board to reach that level within a specified period of time, not to exceed two years.

Additionally, the Board may establish assignments or commitments of fund balance from time to time in order to meet specific District needs. Assignments and commitments of fund balance shall be vetted and approved by the Board Finance Committee. Furthermore, commitments of fund balance shall be submitted to the Board for approval."

9. Use of Restricted/Unrestricted Net Assets

The order of spending and availability of the fund balance shall be to reduce funds from the listed areas in the following order: restricted, committed, assigned, and unassigned.

10. Data control codes

Data control codes refer to the account code structure prescribed by TEA in the FASRG. TEA requires school districts to display these codes in the financial statements filed with the Agency to ensure accuracy in building a statewide data base for policy development and funding plans.

II. Detailed notes on all funds

A. Deposits and Investments

The District's deposit and investment transactions are regulated by local, state and federal statutes. In accordance with the Texas Education Code, the District has a depository contract with an area bank which may be selected through competitive bidding or requests for proposals. Each school district's depository contract must be renewed every two years and may be extended for two additional two year periods. The contract and any extension of the contract must coincide with the District's fiscal year. Regulations require that all funds in the depository institution be fully secured by federal depository insurance or a combination of FDIC insurance and acceptable collateral securities and/or surety bonds. The District's policy requires the collateralization level to be 102 percent of market value of principal and accrued interest (or 110 percent margin for mortgage backed securities) and must be placed in custody with a trustee with a current District custodial agreement. Accordingly, the Federal Reserve Bank of New York is the trustee for the District's pledged securities and holds securities in the District's name. The District is responsible for reviewing the securities pledged to determine if they are acceptable for pledge purposes. Acceptable collateral securities include obligations of, or guaranteed by, the U.S. Government, its agencies and instrumentalities. Pledged securities may not be released or substituted without the written approval of the District.

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

At June 30, 2011, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$8,230,965 and the bank balance was \$8,651,346. The District's cash deposits at June 30, 2011, and during the year ended June 30, 2011, were entirely covered by FDIC insurance and pledged collateral held by the District's agent in the name of the District in accordance with Texas Government Code, Chapter 2257, Public Funds Collateral Act and the District's Investment Policy.

The State Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. It requires the District to adopt, implement, and publicize an investment policy. The investment policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the United States Treasury, certain United States agencies, and obligations of the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. Management of the District believes it is in compliance with the requirements of the Act and with local policies. The District's temporary investments consist of balances held by the Texas Local Government Investment Pool (TexPool) and Lone Star Investment Pool (LSIP). The District had no long-term investments at June 30, 2011.

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully-collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer. The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safekeep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool operates in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than fair value to report net assets to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at cost, which approximates fair value. TexPool is currently rated AAAM by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

LSIP is a Texas public investment pool sponsored by the Texas Association of School Boards (TASB) for investment of funds by state and local government entities, primarily local school districts. The Board has entered into an agreement with First Public, LLC (First Public), a Texas limited liability company and a member of the National Association of Securities Dealers, Securities Investor Protection Corporation, and Municipal Securities Rulemaking Board, pursuant to which First Public serves as administrator of LSIP's operations. American Beacon Advisors, Fort Worth, Texas, and NY Mellon Cash Investment Strategies, Pittsburgh, Pennsylvania, provide investment management services to LSIP regarding the investment and reinvestment of the pool's assets. The fund's credit quality is excellent as its portfolio is composed of U. S. government and U. S. agency securities. Investments in LSIP provide for investment in securities with maturities and returns generally greater than money market instruments. LSIP is marked-to-market daily to

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

maintain an accurate net asset value. The District's fair value in LSIP is the same as the value of the pool shares. LSIP is currently rated AAAM by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

The overall objective of the District's investment policy is to ensure that District financial assets are properly safeguarded, provide sufficient liquidity, and produce a reasonable rate of return while enabling the District to react to changes in economic conditions. The District concentrates its investment portfolio in short and intermediate term securities to limit market risk caused by changes in interest rates. For operating, fiduciary, and proprietary fund investments, the maximum maturity of an individual security may not exceed two years while the maximum dollar weighted average maturity must be 270 days or less. For debt service fund investments, the District's policy requires that each successive debt service payment be fully funded before extending investment maturities beyond that date. With the exception of state and local government securities, the maximum maturity of an individual debt service fund security may not exceed two years. Capital project funds investments must be short and intermediate securities with maturities closely matching projected cash flow needs with final maturity dates that do not exceed estimated project completion dates.

Investments have been recorded at fair value based upon quoted market prices as of June 30, 2011. The difference between the purchase price and market price is recorded as investment earnings. None of the District's investments have been reported at amortized cost. At June 30, 2011, the carrying amounts of the District's investments are summarized as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Investments		
TexPool	\$ 63,132,321	45
Lone Star Investment Pool	118,260,069	40
Total Investments	<u>181,392,390</u>	

Risk Related to Cash and Investments

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. As mentioned above, since all of the District's deposits are secured by a combination of FDIC insurance and acceptable securities held by an independent third party in the District's name, the District has no exposure for credit risk for deposits. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All investments of the District are held by independent third parties with a current District custodial agreement. All book entry transactions are settled on a delivery versus payment (DVP) basis to a District approved depository to ensure District control of all its funds. No securities shall be held by the transaction's counter-party. As stated above, the District had no long-term investments at June 30, 2011, and all remaining investments included TexPool and Lone Star Investment Pool. Although the District's investment policy does not specifically address credit risk, the District limits its investment in local government pools to AAA rated public fund investment pools. The investment pools are not evidenced by securities that exist in physical form or book entry form and, accordingly do not have custodial credit risk. As of June 30, 2011, TexPool and Lone Star Investment Pool represented 34.8 percent and 65.2 percent respectively of the General Fund, Internal Service Funds, Proprietary Funds, Debt Service Fund, and

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Capital Project Funds investments.

To reduce exposure to changes in interest rates that could adversely affect the value of investments, the District uses final and weighted-average maturity limits and diversification. The longer the maturity of investments, the greater their price volatility. As described above, the District concentrates its investment portfolio in short and intermediate term securities to limit market risk caused by changes in interest rates. The District attempts to match its investments with anticipated cash flow requirements.

B. Receivables

Receivables as of June 30, 2011, for the government's individual major, non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Internal Service	Other Governmental Funds	Total
Taxes - Delinquent	\$ 6,501,182	\$ 1,709,425	\$	\$	\$ 8,210,607
Taxes - Current	99,965	29,905			129,870
Taxes - Penalties/Interest	3,906,346	985,895			4,892,241
Total Taxes Receivable	<u>10,507,493</u>	<u>2,725,225</u>			<u>13,232,718</u>
Due from Other Governments	16,097,197	12,810,808		6,223,919	35,131,924
Interest	3				3
Other	188,393		1,464,599	7,500	1,660,492
Gross Receivables	<u>26,793,086</u>	<u>15,536,033</u>	<u>1,464,599</u>	<u>6,231,419</u>	<u>50,025,137</u>
Less: Allowance for Uncollectibles	<u>(4,563,104)</u>	<u>(1,118,302)</u>			<u>(5,681,406)</u>
Net Total Receivables	<u>\$ 22,229,982</u>	<u>\$ 14,417,731</u>	<u>\$ 1,464,599</u>	<u>\$ 6,231,419</u>	<u>\$ 44,343,731</u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Current property taxes receivable (General Fund)	\$ 99,966	\$	\$ 99,966
Current property taxes receivable (Debt Service Fund)	29,904		29,904
Delinquent property taxes receivable (General Fund)	5,844,423		5,844,423
Delinquent property taxes receivable (Debt Service Fund)	1,577,019		1,577,019
Advanced funding		496,445	496,445
Total deferred/unearned revenue for Governmental Funds	<u>\$ 7,551,312</u>	<u>\$ 496,445</u>	<u>\$ 8,047,757</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

C. Capital Assets

Capital asset activity for governmental funds for the year ended June 30, 2011, was as follows:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>(Retirements) and Transfers</u>	<u>Balance June 30, 2011</u>
Capital assets, not being depreciated:				
Land	\$ 35,270,142	\$ 63,059	\$ (131,082)	\$ 35,202,119
Construction in progress	72,685,672	16,642,008	(81,014,680)	8,313,000
Total Capital assets, not being depreciated	<u>107,955,814</u>	<u>16,705,067</u>	<u>(81,145,762)</u>	<u>43,515,119</u>
Capital assets, being depreciated:				
Buildings and improvements	645,270,474	121,903	79,051,784	724,444,161
Furniture and equipment	42,821,488	3,881,976	(513,612)	46,189,852
Total Capital assets, being depreciated	<u>688,091,962</u>	<u>4,003,879</u>	<u>78,538,172</u>	<u>770,634,013</u>
Less accumulated depreciation for:				
Buildings and improvements	(159,912,280)	(23,353,737)	1,091,017	(182,175,000)
Furniture and equipment	(25,305,085)	(3,748,550)	1,189,958	(27,863,677)
Total Accumulated depreciation	<u>(185,217,365)</u>	<u>(27,102,287)</u>	<u>2,280,975</u>	<u>(210,038,677)</u>
Governmental Capital Assets	<u>\$ 610,830,411</u>	<u>\$ (6,393,341)</u>	<u>\$ (326,615)</u>	<u>\$ 604,110,455</u>

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

<u>Function</u>	<u>Depreciation Expense</u>
Instruction	\$ 19,192,447
Instructional resources and media services	1,140,479
Curriculum and staff development	53,066
Instructional leadership	37,099
School leadership	687,316
Guidance, counseling and evaluation services	235,094
Health services	228,096
Student transportation	1,228,823
Food Services	1,525,400
Extracurricular activities	985,061
General administration	316,088
Plant maintenance and operations	353,056
Security and monitoring services	46,619
Data processing services	1,062,227
Community services	11,416
Total depreciation expense	<u>\$ 27,102,287</u>

The District has active construction projects as of June 30, 2011. The projects include the construction of new facilities, major renovations, and additions to existing facilities. As of June 30, 2011, construction in progress totaled \$8,313,000. Open commitments to contractors totaled \$664,771.

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund receivables and payables balances as of June 30, 2011, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	224,028	10,407
Debt Service Fund	30,109	33,329
Capital Projects Fund	442	31,377
Special Revenues Funds	5,725	174,936
Internal Service Funds	3,045	13,461
Agency Funds	161	
	<u>\$ 263,510</u>	<u>\$ 263,510</u>

The outstanding balances between funds result mainly from the time lag between the dates that reimbursable expenditures occur or deposits of revenue are received, the dates the transactions are recorded in the accounting system, and the dates interfund payments are actually settled. All interfund receivables and payables will be liquidated within the next fiscal year. In the government- wide statements, all interfund transactions for receivables and payables have been eliminated.

Interfund transfers are defined as "flows of assets without equivalent flows of assets in return and without a requirement for repayment". Interfund transfers during the year ended June 30, 2011, were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
Capital Projects Fund	Debt Service Fund	\$ 100,408
General	Internal Service Fund	8,875,035
Non-major (Other)	Non-major (Other)	
Governmental Funds	Governmental Funds	43,937
Total		<u>\$ 9,019,380</u>

Earnings on investments totaling \$100,408 were transferred from the bond funded capital projects fund to the debt service fund for use in paying debt service obligations. The special revenue fund used to account for the National School Breakfast and Lunch programs transferred \$43,937 of ice cream sales revenue to the Campus Activity special revenue fund in exchange for the campuses providing the labor to sell the ice cream. In past years, ice cream was sold by Child Nutrition Services staff whose salaries were funded through the National School Breakfast and Lunch Program fund. The general fund transferred \$57,645 to the print shop fund to pay for operational costs. A transfer was made from general fund to the Public Entity Risk Pool fund of \$8,817,390 to fund future medical benefits paid on behalf of the District's employees.

E. Long-term debt

General Obligation Bonds

The District issues general obligation bonds for governmental activities to provide resources for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Principal and interest requirements are payable solely from future revenues of the debt service fund which consists principally of property

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

taxes collected by the District and interest earnings. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures. The District has never defaulted on any principal or interest payment.

On May 10, 2008, the District's voters authorized the issuance of \$244,920,000 in general obligation bonds. The proceeds of these bonds when issued are to be used to meet the demands of enrollment growth that include acquisition of land, construction of new facilities, purchase of school buses, repair and renovation of existing facilities, and the acquisition of new and replacement technology equipment. During May 2011, Series 2011A unlimited tax school building bonds dated May 15, 2011 with a par value of \$24,030,000 were issued entirely from this authorization. The District issued these bonds to finance site acquisition, construction, and equipment of school buildings within the District, to purchase school buses, and included funds to cover the costs of issuance of the bonds. The Series 2011A bonds were issued at a net premium of \$1,203,786 with net issuance costs of \$232,002 and accrued interest of \$33,313. The premium and issuance costs for the Series 2011A are being amortized over the life of the bonds in the government-wide financial statements. As of June 30, 2011, \$155,920,000 of the 2008 authorization remains unissued.

Additionally during May 2011, Series 2011B unlimited tax refunding bonds, dated May 15, 2011, with a par value of \$33,365,000 were issued. The bonds refunded outstanding bonds from the Series 1997 (\$4,200,000), Series II 1997 (\$2,000,000), Series 1999 (\$690,000), and Series 2002A (\$29,190,000). The Series 2011B bonds were issued at a premium of \$4,387,616 with issuance costs of \$284,750 and accrued interest of \$45,994. The premium and issuance costs for the Series 2011B are being amortized over the life of the bonds in the government-wide financial statements. The refunding resulted in a net present value savings of \$3,128,060.

General obligation bonds payable at June 30, 2011, are summarized as follows:

<u>Issue</u>	<u>Original Issuance Amount</u>	<u>Interest Rate (%)</u>	<u>Final Maturity</u>	<u>Debt Outstanding</u>
Series 2000	\$ 21,915,000	5.75% to 6.35%	2017	\$ 17,130,000
Series 2002A	63,650,000	3.63% to 4.75%	2022	10,330,000
Series 2003	92,000,000	2.90% to 4.20%	2023	56,615,000
Series 2005	42,800,000	3.00% to 5.00%	2024	32,450,000
Series 2005A	27,165,000	5.00% to 5.25%	2019	21,690,000
Series 2005B	41,085,000	3.50% to 5.25%	2030	37,445,000
Series 2006	121,750,000	4.00% to 5.00%	2030	121,750,000
Series 2007	79,700,000	4.25% to 5.00%	2032	79,700,000
Series 2007A	25,000,000	4.50% to 4.75%	2033	25,000,000
Series 2008A	76,285,000	4.00% to 5.25%	2033	76,285,000
Series 2008B	29,285,000	3.25% to 5.00%	2018	19,535,000
Series 2009	73,510,000	3.00% to 5.00%	2034	73,510,000
Series 2011A	24,030,000	3.00% to 5.00%	2035	24,030,000
Series 2011B	33,365,000	3.00% to 5.00%	2022	33,365,000
				<u>\$ 628,835,000</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Annual debt service requirements to maturity for general obligation bonds, including capital appreciation bonds, are as follows:

Year Ending June 30,	Principal	Interest	Totals
2012	\$ 16,850,000	\$ 31,185,628	\$ 48,035,628
2013	17,605,000	32,664,390	50,269,390
2014	16,865,000	32,248,965	50,113,965
2015	19,180,000	34,686,603	53,866,603
2016	21,205,000	34,606,916	55,811,916
2017-2021	150,020,000	121,085,110	271,105,110
2022-2026	166,855,000	79,834,950	246,689,950
2027-2031	173,530,000	35,929,750	209,459,750
2032-2036	46,725,000	3,906,575	50,631,575
	<u>\$ 628,835,000</u>	<u>\$ 406,148,887</u>	<u>\$ 1,035,983,887</u>

The District refunded certain general obligation bonds in 1997, 2002, 2005, 2008, and 2011. Proceeds of the new bonds from each refunding are placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2011, the outstanding balance of defeased bonds is \$30,483,380.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management of the District has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2011. Computation of the District's legal debt margin may be found in the Statistical Section of this report on page 122.

Changes in Long-term Liabilities

Long-term liability activity for the governmental activities for the year ended June 30, 2011, was as follows:

	Balance at June 30, 2010	Additions	Retirements	Balance at June 30, 2011	Due Within One Year
General obligation bonds payable	\$ 624,200,000	\$ 57,395,000	\$ (52,760,000)	\$ 628,835,000	\$ 16,850,000
Less deferred amount on refunding	(251,003)	(1,385,263)	69,354	(1,566,912)	
Add: premium on bonds	22,669,140	5,591,402	(1,319,069)	26,941,473	
Accreted value on capital appreciation bonds	23,496,107	3,615,460	(2,320,000)	24,791,567	2,915,000
Workers' compensation liability	1,331,334	98,129		1,429,463	669,652
Total	<u>\$ 671,445,578</u>	<u>\$ 65,314,728</u>	<u>\$ (56,329,715)</u>	<u>\$ 680,430,591</u>	<u>\$ 20,434,652</u>

During the 2011 fiscal year, the District contracted for the performance of an actuarial valuation of its reserve for unpaid workers' compensation claims. Based upon this valuation, the District increased its reserve for incurred but not reported claims by \$98,129 to a reserve total of \$1,429,463. Of this total, \$759,811 is projected as the long-term portion. The Debt Service Fund is used to liquidate all retirement of bond related debt.

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Accreted Interest on Premium Compound Interest Bonds

A portion of the bonds sold in the Series 2000 refunding bond issue was capital appreciation bonds (CAB) commonly referred to as "premium compound interest bonds." Capital appreciation bonds are a type of security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return. As the interest is compounded back into the principal over time (a process known as "accretion") the District's stated liability theoretically increases. The Bond Series 2000 obligations have a principal value of \$17,130,000 and a maturity value of \$49,945,000. The District records the appreciation of bond principal annually for the accreted value of the bonds through maturity of the issue.

The accreted interest on these obligations will be paid upon maturity in the fiscal year ending June 30, 2017. The accreted interest has been included in the long-term debt of the District. The bonds, maturity value, current principal amount, accreted interest, and accreted value as of June 30, 2011 are as follows:

<u>Series</u>	<u>Accreted Value</u>	<u>Current Principal Balance</u>	<u>Accreted Interest</u>	<u>Maturity Value</u>	<u>Maturity Date</u>
2000 CABS	\$ 41,921,567	\$ 17,130,000	\$ 24,791,567	\$ 49,945,000	2017

F. Fund Balance Commitments and Assignments

The committed and assigned fund balance in the governmental funds consists of the following:

Committed for Campus/Department Activity Funds	\$ 2,119,199
	<u>\$ 2,119,199</u>
General Fund Assignments:	
Assigned - E-Rate	\$ 147,397
Assigned - Capital Outlay	221,676
Assigned - Legal Services	200,000
Assigned - Insurance Deductibles	200,000
Assigned - Contracted Services	125,000
Assigned - Curriculum Audit	300,000
Assigned - Building Rentals	36,685
Assigned - Special Education	1,162,500
Assigned - Contingency	100,000
Assigned - Encumbrances	634,455
	<u>\$ 3,127,713</u>

G. Operating Leases

The District leases copiers and postage meters under non-cancelable operating leases. Total costs for such leases were \$501,289 for the year ended June 30, 2011. Operating lease obligations are payable from the general fund. The future minimum lease payments for these leases are as follows:

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Year Ending June 30, 2011	
2012	\$ 582,287
2013	577,687
2014	577,185
Total	\$ 1,737,159

III. Other Information

A. Risk Management

General

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District purchases replacement value commercial property insurance with a \$100,000 deductible. Such insurance is consistent with the prior year.

The District is self-funded for both its workers' compensation program and health care insurance plan and accounts for each in the District's internal service fund. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an estimated amount for claims which have been incurred but not reported (IBNR) based upon the District's historical claims experience. The estimate of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims as well as other claim expenses not allocated to a specific claim.

Workers' Compensation

Beginning September 1, 2003, the District began self-funding its workers' compensation program. The program was administered by HealthFirst (formerly TriSurant) from September 1, 2003 to August 31, 2008, with re-insurance for claims exceeding \$500,000 through Midwest Employers Casualty. Broadspire began administering the program on September 1, 2008, with Safety National Insurance Company as the re-insurance carrier for claims exceeding \$500,000. Settlements have not exceeded coverage for each of the last three fiscal years. Estimates of IBNR claims were actuarially determined as of June 30, 2011.

The following is a summary of the changes in the balances of claims liabilities for workers' compensation for the internal service fund for the years ending June 30, 2011, and June 30, 2010:

	Internal Service Fund 2011	Internal Service Fund 2010
Liability, beginning of period	\$ 1,331,334	\$ 1,407,697
Adjustment to estimate if claims incurred	1,562,171	1,009,284
Payments on claims	(1,464,042)	(1,085,647)
Liability, end of period	<u>\$ 1,429,463</u>	<u>\$ 1,331,334</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Health Care

The District sponsors a modified self-insurance plan to provide health care benefits to staff members and their dependents. This plan is authorized by section 21.922 of the Texas Education Code. Partial contributions by staff members are required for coverage. The plan is administered by United Healthcare. The estimate of IBNR was prepared by the District using an estimate of 12.0 percent of actual claims at year end as recommended by United Healthcare. The District was protected against unanticipated, catastrophic individual or aggregate loss by stop loss coverage carried through ReliaStar Life Insurance Company for the plan period ending June 30, 2011 for annual individual claims exceeding \$200,000 and annual aggregate losses of \$13,499,678. Settlements for fiscal year 2011 exceeded stop loss coverage by \$1,463,168 which was accrued at year end. The District changed the plan year to coincide with the fiscal year, effective July 1, 2009.

The following is a summary of the changes in the balances of claims liabilities for health care for the fiscal years ending June 30, 2011, and June 30, 2010:

	<u>2011</u>	<u>2010</u>
Liability, beginning of period	\$ 1,625,412	\$ 1,945,000
Claims incurred during the period	19,780,703	15,884,354
Payments on claims	<u>(19,182,523)</u>	<u>(16,203,942)</u>
Liability, end of period	<u>\$ 2,223,592</u>	<u>\$ 1,625,412</u>

B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor agency cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not determinable presently, in the opinion of the District's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the District.

In January 2010, Humble ISD received notice from the Texas Education Agency ("TEA") that the District's target revenue per weighted average daily attendance was being recalculated due to an error related to the District's participation in a Tax Increment Reinvestment Zone ("TIRZ"). The recalculation was applied by TEA to not only the current fiscal year, but also retroactively to previous years, thereby creating the potential for the District to pay back a portion of state aid received in fiscal years 2005-06 through 2008-09. With the support of local legislators, the District pursued a legislative remedy for this issue during the 82nd Texas Legislative Session. The Legislature responded with legislation that reduced the District's liability by one-half of the initial amount from \$17,817,390 to \$8,908,695. This amount has been recorded in the 2010-11 fiscal year as a reduction in state aid.

C. Jointly governed organization

The District is the fiscal agent for a Shared Service Arrangement (SSA) which provides services for deaf students of both this district and New Caney ISD. All services are provided by the fiscal agent, and funds are received directly by the fiscal agent from the granting agency. According to the guidance

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

provided in TEA's FASRG, the District has accounted for the activities of the SSA in the appropriate Special Revenue funds, which are accounted for in accordance with Model 1 in the SSA section of the Resource Guide.

D. Employee retirement systems and pension plans

Plan Description

The Humble Independent School District and its employees contribute to the Teacher Retirement System of Texas (TRS), a cost sharing multiple employer defined benefit pension plan. TRS administers retirement, disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfers under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet Website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy

Contribution requirements are not actuarially determined but are legally established and amended by the Texas state legislature. The state funding policy is as follows: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0 percent of the member's annual compensation and a state contribution rate of not less than 6.0 percent and not more than 10.0 percent of the aggregate annual compensation of all members of the system; and (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member regular payroll contribution rate of 6.4 percent for fiscal years 2011, 2010 and 2009, and a state contribution rate of 6.64 percent, starting January 1, 2010, 6.58 percent prior to January for fiscal year 2010 and for fiscal year 2009. In certain instances, the reporting district is required to make all or a portion of the state's contribution during fiscal years 2011, 2010, and 2009.

Effective September 1, 2005, employers must pay an amount equal to the state's contributions (6.64 percent starting January 1, 2010, and 6.58 percent for fiscal year 2010 prior to January 1 and for fiscal year 2009) during the first 90 days of a new member's employment. Additionally, employers are required to pay a monthly surcharge for each retiree working in a TRS-covered position and reported to TRS in an amount equal to the sum of the combined state and member contribution rates (13.04 percent for fiscal years 2011 and 2010 after January 1 and 12.98 percent for fiscal 2010 prior to January and for fiscal year 2009) and a health benefit surcharge for each retiree enrolled in TRS-Care and working in a TRS-Care covered position. The amount of the health benefit surcharge is the amount of the difference between the retiree's premium to TRS-Care and the actual cost of the coverage as determined by TRS.

Types of staff members covered. All staff members who are employed for one-half or more of the standard work load and who are not exempt from membership under Texas Government Code, Title 8, Subtitle C,

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Section 822.002 are covered.

Service retirement is as follows:

- Normal**
 - any combination of age plus years of service which equals 80
 - age 65 with 5 years of service
- Reduced**
 - age 55 with at least 5 years of service
 - any age below 55 with 30 years of service

A member is fully vested after 5 years of creditable service and entitled to any benefit for which eligibility requirements have been met.

Contributions

Contributions made by the State on behalf of the District are recorded in the governmental funds financial statements as both revenue and expenditures. These contributions are the legal responsibility of the State. State contributions to TRS made on behalf of the District's employees as well as the District's required contributions and federal grant program contributions for the years ended June 30, 2011, 2010, and 2009, are as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
District Payroll	\$ 214,950,405	\$ 202,974,608	\$ 184,332,142
District TRS payroll	201,414,873	193,591,587	177,953,603
Required District contributions	2,438,070	2,318,766	2,200,564
Ratio of Actual to Required District Cont.	129.1%	128.3%	100.0%
Federal contributions	623,943	644,515	430,207
State contributions	12,255,853	10,891,522	9,508,783
Employee contributions	12,890,552	12,389,862	11,388,639

E. School District Retiree Health Plan

Plan Description

The Humble Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet Website, www.trs.state.tx.us, under the TRS Publications heading.

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1 percent and 0.65 percent of public school payroll, respectively, with school districts contributing a percentage of payroll set aside at 0.55 percent for fiscal years 2011, 2010 and 2009. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25 percent or greater than 0.75 percent of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribute 1.0 percent.

Contributions

Contributions made by the State on behalf of the District are recorded in the governmental funds financial statements as both revenue and expenditures. State contributions to TRS made on behalf of the District's employees as well as the District's required contributions and federal grant program contributions for the years ended June 30, 2011, 2010, and 2009, are as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Required District contributions	\$ 1,126,151	\$ 1,064,763	\$ 978,756
Actual District contributions	1,126,151	1,064,763	978,756
Federal contributions	85,534	102,364	67,017
State contributions	887,997	871,153	800,780
Employee contributions	1,309,197	1,258,345	1,156,659

Medicare Part D. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 31, 2011, 2010, and 2009, the subsidy payments received by TRS-Care on behalf of the District were \$545,413, \$509,863, and \$422,078, respectively. The information for the year ended June 31, 2011 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Required Supplementary Information

HUMBLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts, Budgetary Basis	
Revenues				
5700 Local revenues	\$ 118,657,782	\$ 122,058,333	\$ 124,083,037	\$ 2,024,704
5800 State program revenues	119,866,724	118,695,229	115,954,903	(2,740,326)
5900 Federal program revenues	45,000	230,000	384,916	154,916
5020 Total revenues	238,569,506	240,983,562	240,422,856	(560,706)
Expenditures				
Current:				
0011 Instruction	148,405,260	153,029,702	147,129,221	5,900,481
0012 Instructional resources and media services	2,969,296	2,806,544	2,773,592	32,952
0013 Curriculum and staff development	2,916,916	2,825,420	2,559,978	265,442
0021 Instructional leadership	2,403,676	1,803,482	1,752,651	50,831
0023 School leadership	18,451,634	18,255,416	18,023,432	231,984
0031 Guidance, counseling and evaluation services	10,814,687	10,649,339	10,471,962	177,377
0032 Social work services	336,589	287,752	261,968	25,784
0033 Health services	2,671,991	2,738,353	2,644,816	93,537
0034 Student transportation	8,521,076	9,176,138	8,233,070	943,068
0036 Extracurricular activities	6,469,427	7,051,840	6,677,492	374,348
0041 General administration	7,243,473	7,047,699	6,221,551	826,148
0051 Facilities maintenance and operations	28,187,319	28,596,675	25,506,812	3,089,863
0052 Security and monitoring services	2,377,517	2,481,891	2,452,041	29,850
0053 Data processing services	2,275,977	2,581,074	2,279,345	301,729
0061 Community services	847,056	773,030	691,173	81,857
0081 Capital outlay		1,634	1,633	1
0095 Payments to Juvenile Justice Alt. Ed. Prgm.	95,000	95,000	86,950	8,050
0097 Payments to Tax Increment Fund	5,548,355	6,811,401	6,811,400	1
0099 Other intergovernmental charges	1,335,000	1,335,000	1,313,349	21,651
6030 Total Expenditures	251,870,249	258,347,390	245,892,436	12,454,954
1100 Excess (deficiency) of revenues over expenditures	(13,300,743)	(17,363,828)	(5,469,580)	11,894,248
Other Financing Sources (Uses)				
7912 Sale of real or personal property		200,000	235,155	35,155
8911 Operating transfers out		(8,881,390)	(8,875,035)	6,355
7080 Total other financing sources and uses		(8,681,390)	(8,639,880)	41,510
1200 Net change in fund balances	(13,300,743)	(26,045,218)	(14,109,460)	11,935,758
0100 Fund balances - beginning	84,572,963	84,572,963	84,572,963	
3000 Fund balances - ending	\$ 71,272,220	\$ 58,527,745	\$ 70,463,503	\$ 11,935,758

HUMBLE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

Stewardship, compliance, and accountability

Budgetary information

The Board adopts an “appropriated budget” on a basis consistent with GAAP for the general fund, debt service fund and National School Breakfast and Lunch Program Fund (which is included in special revenue funds). At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three funds.

The following procedures are followed in establishing the budgetary data reflected in the general purpose financial statements:

- Prior to June 19th for a fiscal year start date of July 1, the District prepares a budget based on the modified zero-based budgeting concept for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- After one or more budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten days but not more than 30 days public notice of the meeting is required.
- Prior to June 30th for a fiscal year start date of July 1, the Board legally adopts the budget for the general fund, debt service fund and food service fund.
- After the budgets for the above listed funds are approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and are reflected in the official minutes. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.
- Expenditure budgets are controlled at the expenditure functional and object level by the appropriate budget manager (principal, department director or divisional administrator). Budget managers may authorize transfers within functional and organizational categories that do not affect the total functional and organizational appropriation. All budget appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Encumbrances outstanding at year-end are commitments that do not constitute expenditures or liabilities, but are reported assignments, commitments, or restrictions of fund balance depending on the fund type. Since appropriations lapse at the end of each year, outstanding encumbrances are appropriately provided for in the subsequent fiscal year’s budget to provide for the liquidation of the prior commitments.

There were no negative expenditure variances in General Fund, Debt Service Fund, or National School Breakfast & Lunch Program Fund.

End-of-year outstanding encumbrances that were provided for in the subsequent year’s budget for the general fund total \$634,455 for the general fund and \$769,469 for the National Breakfast & Lunch Program fund. An assignment of fund balance equal to the outstanding encumbrances at year end is provided for at June 30, 2011 in the General Fund. A restriction of fund balance equal to the outstanding encumbrances at year end is provided for at June 30, 2011 for the National School Breakfast & Lunch Program.



Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes. Most, but not all, of these funds must be applied for through the Standard Application System (SAS).

Programs accounted for in the Special Revenue Funds include:

ESEA, Title IV, Part A - Safe and Drug-Free Schools and Communities Act

Funds used to develop age-appropriate comprehensive violence and drug/alcohol prevention programs.

Energy Conservation for Institutional Buildings

Funds are granted by US Department of Energy to provide energy conservation and update buildings to be more efficient.

ESEA, Title I, Part A - Improving Basic Programs

Funds used to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet State performance standards for all children.

Adult Education (ABE) - Federal

Funds to provide or support programs for adult education and literacy services to adults.

National and Community Service Trust Act - Learn and Serve America

Funds used to enable student to apply classroom learning to real life experiences.

IDEA - Part B, Formula

Funds granted to operate educational programs for children with disabilities.

IDEA - Part B, Preschool

Funds granted for preschool children with disabilities.

IDEA - Part B, Discretionary, Deaf

Funds used to support ESC basic special education component, regional day school programs for the deaf, private residential placements and other emerging needs.

National School Breakfast and Lunch Program(Child Nutrition)

Funds used to account for allowable expenditures as determined under the National School Breakfast and Lunch Program for the operation and improvement of Child Nutrition programs.

Career and Technical - Basic Grant

Funds used to provide career and technology education to develop new and/or improved marketable skills for paid and unpaid employment.

IDEA - Part C, Early Intervention (Deaf)

Funds used to provide direct and supplemental appropriate services to hearing impaired infants and toddlers, ages birth through two years.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

ESEA, Title II, Part A - Teacher and Principal Training and Recruiting

Funds for increasing student academic achievement through improving teacher and principal quality.

Title II, Part D, Subpart I - Enhancing Education through Technology

Funds granted for the implementation and support of a comprehensive system that effectively uses technology to improve student academic achievement.

Title III, Part A - English Language Acquisition and Language Enhancement

Funds to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

Title IV, Part B - 21st Century Community Learning Centers

Funds to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related educational development for families of students.

Title XIV, SFSF - ARRA

The State Fiscal Stabilization Fund (SFSF funds) are a new, one-time appropriation of approximately \$3.9 billion that the U.S. Department of Education (USDE) will award to Texas to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services in exchange for a state's commitment to advance essential education reform in four areas.

Medicaid Administrative Claiming Program (MAC)

Funds used to reimburse administrative expenses for this project and also to improve access to health-related services for clients.

Title II, Part B, Mathematics and Science Partnership

Funds used to provide professional development and training to District staff and to provide Science and Math Instruction Mentoring to other school districts.

Title II, Part D, Subpart 1 - Enhancing Education Through Technology - ARRA

Additional funding for effectively using technology to improve student academic achievement.

ESEA, Title X, Part C - Education for the Homeless Children and Youth - ARRA

Funds for Staff Development and Supplemental services, including in-service, counseling, psychological services, and tutoring.

IDEA-Part B, Formula - ARRA

Additional funds granted to operate educational programs for children with disabilities.

IDEA-Part B, Preschool - ARRA

Additional funds granted for preschool children with disabilities.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

Title I, Part A - ARRA

Funds allocated to local educational agencies for children to acquire the knowledge and skills in the State Content Standard and to meet the State performance standards developed for all children.

Federal Transportation Grant

To assist efforts to maximize use of clean vehicles in regional fleets.

Miscellaneous Federal Programs

Funds for summer school programs for LEP students and for funding a playground at an elementary school. This fund includes the Gang Resistance Education and Training Grant, and Disaster Relief Program for Hurricane Ike.

SSA - IDEA-Part B, Discretionary

Support Education service center basic special education component and Regional Day school programs for the deaf.

SSA - IDEA-Part B, Preschool Deaf

Funds for preschool children with hearing disabilities.

SSA - IDEA-Part C, ECI SSA

Funds granted to assist local Regional Day School for the Deaf programs and the Texas school for the Deaf in providing direct services to hearing impaired infants to toddlers age birth to two years.

State Supplemental Visually Impaired (SSVI)

Regional plan for students with visual impairments using orientation and mobility services.

Non-educational Community-Based Support

Funds to provide non-education support services for students with disabilities who would have to be placed in residential facilities for educational reasons without the provision of these services.

Life Skills Program

Provide pregnant and parenting students the services needed to keep them in school until completion.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

Advanced Placement Incentives

Funds intended to reward students, teachers, and campuses for high achievement. Campuses are awarded money for each student who scored three or above on an AP examination or four or above on an IB examination.

Student Success Initiative

Provide additional state resources for costs associated with establishing appropriate, research-based programs to meet the needs of students experiencing difficulties in their reading development.

High School Completion and Success/Texas High School Project

To implement programs to support the improvement of High School graduation rates and post secondary readiness

State Technology Allotment

Funds awarded to school districts to purchase technological software or equipment that contributes to student learning, or to pay for training for educational personnel involved in the use of these materials.

Teacher Induction & Mentoring Program

Funds granted to schools that assign mentor teachers to classroom teachers with less than two years experience.

State Funded Special Revenues

Read to Succeed: To help generate funds for public school libraries and strengthen the campus reading program through the sale of specialty license plates. Tobacco Education for students. State funded Disaster Relief.

SSA - Regional Day School for the Deaf

For staff and activities of the regional school for the Deaf, not to be used on salary for teachers with other than Deaf assignment students in the RDSPD and not for MS or HS ASL teachers.

SSA - State Educational Programs

To provide deaf education services and consultation to students in Humble Independent School District and New Caney Independent School District.

Campus Activity Funds

To account for transactions related to a principal's activity fund.

Houston A+ Grants

Energize and support school reform to increase student learning, teacher learning, and communication between and among Houston's learning communities.

Livestock Activity Fund

To account for transactions related to the livestock show.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

Athletic Activity Fund

To account for transactions related to the athletic activity funds.

Local Administrative Grants

To account for vending commissions amount the district campuses.

HISD Education Foundation

Locally funded grants by the Humble ISD Education Foundation.

Local Campus Grants

Grants funded by local companies and organizations that are received over multiple years.

Local Funding to Campuses

One time only grants funded by local companies and organizations that are given for a very specific purpose to campuses.

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011

Data Control Codes	204 Title IV, Part A - Safe & Drug Free	209 Energy Conservation for Institutional Buildings	211 ESEA Title I Part A
Assets			
1110	Cash and cash equivalents	\$	\$
Receivables:			
1240	Receivables from other governments		2,309
1260	Due from other funds		608,700
1290	Other receivables		780
1310	Inventories, at cost		
1410	Prepaid expenses		
1000	Total Assets	\$	\$ 609,480
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	Accounts payable	\$	\$ 373,147
2160	Accrued wages payable		236,333
2170	Due to other funds		
2180	Due to other governments		
2200	Accrued expenses		
2300	Deferred revenues		
2000	Total Liabilities	\$	\$ 609,480
Fund Balance:			
Restricted:			
3450	Grant Funds		
Committed:			
3545	Other purposes		
3000	Total Fund Balances	\$	\$ 609,480
4000	Total Liabilities and Fund Balance	\$	\$ 609,480

(continued)

220	222	224	225	226	240	244
Adult Education (ABE) - Federal	National Community Service Trust Act	IDEA B Formula	IDEA B Preschool	IDEA B Discretionary	National School Breakfast & Lunch Program	Career and Technical - Basic Grant
\$	\$	\$ 5,890	\$	\$	\$ 5,979,876	\$
17,869	53,274	603,719 4,848	21,567	34,436	53,176	22,638
					167,151	
<u>\$ 17,869</u>	<u>\$ 53,274</u>	<u>\$ 614,457</u>	<u>\$ 21,567</u>	<u>\$ 34,436</u>	<u>\$ 6,200,203</u>	<u>\$ 22,638</u>
\$ 4,597 13,272	\$ 53,274	\$ 30,951 583,506	\$ 3,962 17,605	\$ 34,436	\$ 646,920 149,671 173,270	\$ 22,638
17,869	53,274	614,457	21,567	34,436	27,095	22,638
					996,956	
					5,203,247	
<u>\$ 17,869</u>	<u>\$ 53,274</u>	<u>\$ 614,457</u>	<u>\$ 21,567</u>	<u>\$ 34,436</u>	<u>5,203,247</u> <u>\$ 6,200,203</u>	<u>\$ 22,638</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011

	255	262	263
Data Control Codes	ESEA Title II, Part A	Title II, D Education Technology	Title III Part A
Assets			
1110	Cash and cash equivalents	\$	\$
	Receivables:		
1240	Receivables from other governments	61,951	68,384
1260	Due from other funds		
1290	Other receivables	450	
1310	Inventories, at cost		
1410	Prepaid expenses		
1000	Total Assets	<u>\$ 62,401</u>	<u>\$ 68,384</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	Accounts payable	\$ 47,968	\$ 27,728
2160	Accrued wages payable	14,433	40,656
2170	Due to other funds		
2180	Due to other governments		
2200	Accrued expenses		
2300	Deferred revenues		
2000	Total Liabilities	<u>62,401</u>	<u>68,384</u>
Fund Balance:			
Restricted:			
3450	Grant Funds		
Committed:			
3545	Other purposes		
3000	Total Fund Balances	<u></u>	<u></u>
4000	Total Liabilities and Fund Balance	<u>\$ 62,401</u>	<u>\$ 68,384</u>

(continued)

265	266	272	273	279	280	283
Title IV Part B 21st Century Community Learning	Title XIV - SFSF, ARRA	Medicaid Admin. Claim Prgm (MAC)	Title II Part B Math/Science Partnerships	Title II Part D - Technology - ARRA	ESEA, Title X, Part C - ARRA	IDEA Part B - Formula - ARRA
\$	\$	\$	\$	\$	\$	\$
31,723	2,771,067	12,629	167,161			456,255
						4,000
<u>\$ 31,723</u>	<u>\$ 2,771,067</u>	<u>\$ 12,629</u>	<u>\$ 167,161</u>	<u>\$</u>	<u>\$</u>	<u>\$ 460,255</u>
\$ 28,372 3,351	\$ 2,771,067	\$ 12,629	\$ 165,714 1,447	\$	\$	\$ 301,316 158,939
<u>31,723</u>	<u>2,771,067</u>	<u>12,629</u>	<u>167,161</u>			<u>460,255</u>
<u>\$ 31,723</u>	<u>\$ 2,771,067</u>	<u>\$ 12,629</u>	<u>\$ 167,161</u>	<u>\$</u>	<u>\$</u>	<u>\$ 460,255</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011

<u>Data Control Codes</u>	284	285	288
<u>Data Control Codes</u>	<u>IDEA Part B - Preschool - ARRA</u>	<u>Title I Part A - ARRA</u>	<u>Federal Transportation Grant</u>
Assets			
1110	Cash and cash equivalents	\$	\$
	Receivables:		
1240	Receivables from other governments	1,857	161,195
1260	Due from other funds		480,000
1290	Other receivables	97	
1310	Inventories, at cost		
1410	Prepaid expenses		
1000	Total Assets	<u>\$ 1,857</u>	<u>\$ 161,292</u>
		<u>\$ 480,000</u>	
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	Accounts payable	\$ 1,857	\$ 91,658
2160	Accrued wages payable		69,634
2170	Due to other funds		
2180	Due to other governments		
2200	Accrued expenses		
2300	Deferred revenues		
2000	Total Liabilities	<u>1,857</u>	<u>161,292</u>
Fund Balance:			
Restricted:			
3450	Grant Funds		
Committed:			
3545	Other purposes		
3000	Total Fund Balances		
4000	Total Liabilities and Fund Balance	<u>\$ 1,857</u>	<u>\$ 161,292</u>
			<u>\$ 480,000</u>

(continued)

289	315	316	317	340	385
Misc Federal Programs	SSA - IDEA - Part B - Discretionary	SSA - IDEA - Part B - Deaf	SSA - IDEA - Part B - Preschool Deaf	SSA - IDEA, Part C - ECI	State Supplemental Visually Impaired SSVI
\$ 139,566	\$ 13	\$ 3,660	\$	\$	\$
<u>\$ 139,566</u>	<u>\$ 13</u>	<u>\$ 3,660</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 139,185 377	\$ 13	\$ 3,641 19	\$	\$	\$
4 <u>139,566</u>	<u>13</u>	<u>3,660</u>	<u></u>	<u></u>	<u></u>
<u>\$ 139,566</u>	<u>\$ 13</u>	<u>\$ 3,660</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011

Data Control Codes	392	394	397
	Non-Ed Community Based Support	Life Skills Program	Advanced Placement Incentive
Assets			
1110	\$	\$	\$
Receivables:			
1240	1,410	4,135	51,750
1260			
1290			
1310			
1410			
1000	\$ 1,410	\$ 4,135	\$ 51,750
 Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	\$ 1,410	\$ 301	\$ 4,201
2160		3,834	
2170			
2180			
2200			
2300			47,549
2000	1,410	4,135	51,750
 Fund Balance:			
Restricted:			
3450			
Committed:			
3545			
3000	Total Fund Balances	Total Fund Balances	Total Fund Balances
4000	\$ 1,410	\$ 4,135	\$ 51,750

(continued)

404	409	411	425	429	435
Student Success Initiative	High School Completion and Success	State Technology Allotment	Teacher Induction and Mentoring Program	State Funded Special Revenues	SSA - Regional Day School for the Deaf
\$	\$	\$ 518,907	\$	\$	\$ 1
36,868	35,854			246,735	59,015
152	185				
				275	
<u>\$ 37,020</u>	<u>\$ 36,039</u>	<u>\$ 518,907</u>	<u>\$</u>	<u>\$ 247,010</u>	<u>\$ 59,016</u>
\$ 34,910	\$ 32,348	\$	\$	\$ 240,295	\$ 26,901
2,110	3,691	29,481			32,115
		31,784			
				6,715	
<u>37,020</u>	<u>36,039</u>	<u>61,265</u>	<u></u>	<u>247,010</u>	<u>59,016</u>
		457,642			
		457,642			
<u>\$ 37,020</u>	<u>\$ 36,039</u>	<u>\$ 518,907</u>	<u>\$</u>	<u>\$ 247,010</u>	<u>\$ 59,016</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011

	459	461	481
Data Control Codes	SSA - State Educational Programs	Campus Activity Funds	Houston A+ Grant
Assets			
1110 Cash and cash equivalents	\$	\$ 1,885,750	\$ 15,710
Receivables:			
1240 Receivables from other governments	15,003		
1260 Due from other funds		877	
1290 Other receivables		1,694	142
1310 Inventories, at cost			
1410 Prepaid expenses		290	
1000 Total Assets	<u>\$ 15,003</u>	<u>\$ 1,888,611</u>	<u>\$ 15,852</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110 Accounts payable	\$ 15,003	\$ 35,577	\$ 15,848
2160 Accrued wages payable		1,485	
2170 Due to other funds		1,566	
2180 Due to other governments			
2200 Accrued expenses			
2300 Deferred revenues			4
2000 Total Liabilities	<u>15,003</u>	<u>38,628</u>	<u>15,852</u>
Fund Balance:			
Restricted:			
3450 Grant Funds			
Committed:			
3545 Other purposes		1,849,983	
3000 Total Fund Balances		<u>1,849,983</u>	
4000 Total Liabilities and Fund Balance	<u>\$ 15,003</u>	<u>\$ 1,888,611</u>	<u>\$ 15,852</u>

482	483	487	488	490	491	
<u>Livestock Show Activity</u>	<u>Athletic Activity</u>	<u>Other Local Grants</u>	<u>HISD Education Foundation</u>	<u>Local Campus Grants</u>	<u>Local Funding to Campuses</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 35,724	\$ 285,589	\$	\$ 402,354	\$ 10,375	\$ 48,865	\$ 9,189,041
						6,223,919
						5,725
						7,500
						167,151
						565
<u>\$ 35,724</u>	<u>\$ 285,589</u>	<u>\$</u>	<u>\$ 402,354</u>	<u>\$ 10,375</u>	<u>\$ 48,865</u>	<u>\$ 15,593,901</u>
\$	\$ 21,915	\$	\$ 20,123	\$ 1,987	\$ 415	\$ 5,694,616
	32,322		529	1,617		1,396,427
	100					174,936
						31,784
						27,095
			381,702	6,771	46,210	488,955
	<u>54,337</u>		<u>402,354</u>	<u>10,375</u>	<u>46,625</u>	<u>7,813,813</u>
						5,660,889
<u>35,724</u>	<u>231,252</u>				<u>2,240</u>	<u>2,119,199</u>
<u>35,724</u>	<u>231,252</u>				<u>2,240</u>	<u>7,780,088</u>
<u>\$ 35,724</u>	<u>\$ 285,589</u>	<u>\$</u>	<u>\$ 402,354</u>	<u>\$ 10,375</u>	<u>\$ 48,865</u>	<u>\$ 15,593,901</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

Data Control Codes		204	209	211
		Title IV, Part A - Safe & Drug Free	Energy Conservation for Institutional Buildings	ESEA Title I Part A
	Revenues			
5700	Local, intermediate, and out-of-state	\$	\$	\$
5800	State program revenues			
5900	Federal program revenues	12,674	71,159	2,372,649
5020	Total revenues	<u>12,674</u>	<u>71,159</u>	<u>2,372,649</u>
	Expenditures			
	Current:			
0011	Instruction	12,674		2,053,825
0012	Instruction resources and media services			1,452
0013	Curriculum and instructional staff development			83,577
0021	Instructional leadership			56,408
0023	School leadership			13,178
0031	Guidance, counseling and evaluation services			
0032	Social work services			2,873
0033	Health services			
0034	Student transportation			41,603
0035	Food service			
0036	Extracurricular activities			
0041	General administration			
0051	Facilities maintenance and operations		71,159	
0052	Security and monitoring services			
0053	Data processing services			
0061	Community services			119,733
	Capital outlay:			
0081	Capital outlay			
6030	Total Expenditures	<u>12,674</u>	<u>71,159</u>	<u>2,372,649</u>
1100	Excess (deficiency) of revenues over expenditures			
	Other Financing Sources (Uses)			
7915	Transfers in			
8911	Transfers out			
7080	Total other financing sources and uses			
1200	Net change in fund balances			
0100	Fund balance - beginning			
3000	Fund balance - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>

(continued)

220	222	224	225	226	240	244
Adult Education (ABE) - Federal	National Community Service Trust Act	IDEA B Formula	IDEA B Preschool	IDEA B Discretionary	National School Breakfast & Lunch Program	Career and Technical - Basic Grant
\$	\$	\$	\$	\$	\$ 7,776,392	\$
105,341	91,590	4,696,852	113,481	34,436	76,688	231,154
<u>105,341</u>	<u>91,590</u>	<u>4,696,852</u>	<u>113,481</u>	<u>34,436</u>	<u>6,947,462</u>	<u>231,154</u>
	32,869	3,365,290	113,481	34,014		229,154
	51,795	219,171				
	6,926	99,755				
		12,044				
		961,262				2,000
		39,330		422		
					12,965,497	
105,341					557,295	
					33,946	
					594,038	
<u>105,341</u>	<u>91,590</u>	<u>4,696,852</u>	<u>113,481</u>	<u>34,436</u>	<u>14,150,776</u>	<u>231,154</u>
					649,766	
					(38,937)	
					(38,937)	
					610,829	
					4,592,418	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 5,203,247</u>	<u>\$</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

Data Control Codes	255	262	263
Data Control Codes	ESEA Title II, Part A	Title II, D Education Technology	Title III Part A
Revenues			
5700	Local, intermediate, and out-of-state	\$	\$
5800	State program revenues		
5900	Federal program revenues	516,729	13,553
5020	Total revenues	<u>516,729</u>	<u>339,034</u>
Expenditures			
Current:			
0011	Instruction	150,883	13,553
0012	Instruction resources and media services		298,859
0013	Curriculum and instructional staff development	319,499	36,618
0021	Instructional leadership	8,150	
0023	School leadership		
0031	Guidance, counseling and evaluation services		
0032	Social work services		
0033	Health services		
0034	Student transportation		
0035	Food service		
0036	Extracurricular activities		
0041	General administration	38,197	
0051	Facilities maintenance and operations		
0052	Security and monitoring services		
0053	Data processing services		
0061	Community services		3,557
Capital outlay:			
0081	Capital outlay		
6030	Total Expenditures	<u>516,729</u>	<u>339,034</u>
1100	Excess (deficiency) of revenues over expenditures		
Other Financing Sources (Uses)			
7915	Transfers in		
8911	Transfers out		
7080	Total other financing sources and uses		
1200	Net change in fund balances		
0100	Fund balance - beginning		
3000	Fund balance - ending	<u>\$</u>	<u>\$</u>

(continued)

265	266	272	273	279	280	283
Title IV Part B 21st Century Community Learning	Title XIV - SFSF, ARRA	Medicaid Admin. Claim Prgm (MAC)	Title II Part B Math/Science Partnerships	Title II Part D - Technology - ARRA	ESEA, Title X, Part C - ARRA	IDEA Part B - Formula - ARRA
\$	\$	\$	\$	\$	\$	\$
123,617	24,579,727	26,556	246,965	9,978	39,673	3,069,699
123,617	24,579,727	26,556	246,965	9,978	39,673	3,069,699
107,988	21,258,965		151,919	9,978	20,721	2,486,932
922	280,440		95,046		1,289	462,921
	441,110					
	134,170					
	1,846,640					94,953
		26,556				24,893
14,707					17,663	
	618,402					
123,617	24,579,727	26,556	246,965	9,978	39,673	3,069,699
\$	\$	\$	\$	\$	\$	\$

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

Data Control Codes	284	285	288
Data Control Codes	IDEA Part B - Preschool - ARRA	Title I Part A - ARRA	Federal Transportation Grant
Revenues			
5700	\$	\$	\$ 8,893
5800			171,107
5900	58,005	912,646	300,000
5020	Total revenues	58,005	480,000
Expenditures			
Current:			
0011	58,005	819,428	
0012			
0013		14,029	
0021		28,934	
0023		3,953	
0031		3,896	
0032			
0033			
0034		7,481	480,000
0035			
0036			
0041			
0051		165	
0052			
0053			
0061		34,760	
Capital outlay:			
0081			
6030	Total Expenditures	912,646	480,000
1100	Excess (deficiency) of revenues over expenditures		
Other Financing Sources (Uses)			
7915	Transfers in		
8911	Transfers out		
7080	Total other financing sources and uses		
1200	Net change in fund balances		
0100	Fund balance - beginning		
3000	Fund balance - ending	Fund balance - ending	Fund balance - ending

(continued)

289	315	316	317	340	385
Misc Federal Programs	SSA - IDEA - Part B - Discretionary	SSA - IDEA - Part B - Deaf	SSA - IDEA - Part B - Preschool Deaf	SSA - IDEA, Part C - ECI	State Supplemental Visually Impaired SSVI
\$	\$	\$	\$	\$	\$
					32,000
105,847	23,565	19,516	1,652	492	
<u>105,847</u>	<u>23,565</u>	<u>19,516</u>	<u>1,652</u>	<u>492</u>	<u>32,000</u>
20,288	23,565	15,552	1,652	492	32,000
		3,964			
121					
85,438					
<u>105,847</u>	<u>23,565</u>	<u>19,516</u>	<u>1,652</u>	<u>492</u>	<u>32,000</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

Data Control Codes		392	394	397
		Non-Ed Community Based Support	Life Skills Program	Advanced Placement Incentive
	Revenues			
5700	Local, intermediate, and out-of-state	\$	\$	\$
5800	State program revenues	4,285	53,474	75,159
5900	Federal program revenues			
5020	Total revenues	<u>4,285</u>	<u>53,474</u>	<u>75,159</u>
	Expenditures			
	Current:			
0011	Instruction	4,285		14,631
0012	Instruction resources and media services			
0013	Curriculum and instructional staff development			60,528
0021	Instructional leadership			
0023	School leadership			
0031	Guidance, counseling and evaluation services			
0032	Social work services			
0033	Health services			
0034	Student transportation			
0035	Food service			
0036	Extracurricular activities			
0041	General administration			
0051	Facilities maintenance and operations			
0052	Security and monitoring services			
0053	Data processing services			
0061	Community services		53,474	
	Capital outlay:			
0081	Capital outlay			
6030	Total Expenditures	<u>4,285</u>	<u>53,474</u>	<u>75,159</u>
1100	Excess (deficiency) of revenues over expenditures			
	Other Financing Sources (Uses)			
7915	Transfers in			
8911	Transfers out			
7080	Total other financing sources and uses			
1200	Net change in fund balances			
0100	Fund balance - beginning			
3000	Fund balance - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>

(continued)

404	409	411	425	429	435
Student Success Initiative	High School Completion and Success	State Technology Allotment	Teacher Induction and Mentoring Program	State Funded Special Revenues	SSA - Regional Day School for the Deaf
\$ 410,411	\$ 247,594	\$ 976,373	\$ 83,959	\$ 286,245	\$ 259,539
<u>410,411</u>	<u>247,594</u>	<u>976,373</u>	<u>83,959</u>	<u>286,245</u>	<u>259,539</u>
232,033	75,054	126,321	18,619	35,703	216,733
160,209	158,023	377,741	65,340	1,410	521
17,791	5,102	107,479			
	9,415				42,285
				161,738	
378					
				87,394	
		317,871			
<u>410,411</u>	<u>247,594</u>	<u>929,412</u>	<u>83,959</u>	<u>286,245</u>	<u>259,539</u>
		46,961			
		46,961			
		410,681			
<u>\$</u>	<u>\$</u>	<u>\$ 457,642</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	459	461	481
Data Control Codes	SSA - State Educational Programs	Campus Activity Funds	Houston A+ Grant
Revenues			
5700	\$ 64,342	\$ 4,424,280	\$ 2,350
5800			
5900		9,132	
5020	<u>64,342</u>	<u>4,433,412</u>	<u>2,350</u>
Expenditures			
Current:			
0011	64,342	452,200	5,350
0012		34,789	
0013		4,205	
0021			
0023		11,306	
0031		5,238	
0032			
0033			
0034		1,428	
0035			
0036		3,570,807	
0041			
0051		101,800	
0052		32,368	
0053			
0061			
Capital outlay:			
0081		32,159	
6030	<u>64,342</u>	<u>4,246,300</u>	<u>5,350</u>
1100		<u>187,112</u>	<u>(3,000)</u>
Other Financing Sources (Uses)			
7915		43,937	
8911			
7080		<u>43,937</u>	
1200		231,049	(3,000)
0100		<u>1,618,934</u>	<u>3,000</u>
3000	<u>\$</u>	<u>\$ 1,849,983</u>	<u>\$</u>

482	483	487	488	490	491	
Livestock Show Activity	Athletic Activity	Other Local Grants	HISD Education Foundation	Local Campus Grants	Local Funding to Campuses	Total-Other Governmental Funds
\$ 218,342	\$ 642,043	\$	\$ 506,855	\$ 96,027	\$ 66,997	\$ 13,806,521
						2,676,834
						45,073,184
<u>218,342</u>	<u>642,043</u>		<u>506,855</u>	<u>96,027</u>	<u>66,997</u>	<u>61,556,539</u>
			305,531	4,003		32,866,892
			14,698			50,939
			121,552	1,245		2,520,045
						746,938
			220			209,003
						2,956,274
						2,873
						91,201
		8,218				732,838
				1,381		12,966,878
227,301	507,293		796	89,398	7,082	4,402,677
		10,937			9,702	59,214
	21,827	905	3,100		50,017	806,389
	32,670		138		196	272,150
						936,273
			60,820		383	378,068
						626,197
<u>227,301</u>	<u>561,790</u>	<u>20,060</u>	<u>506,855</u>	<u>96,027</u>	<u>67,380</u>	<u>60,624,849</u>
<u>(8,959)</u>	<u>80,253</u>	<u>(20,060)</u>			<u>(383)</u>	<u>931,690</u>
						43,937
	<u>(5,000)</u>					<u>(43,937)</u>
	<u>(5,000)</u>					
<u>(8,959)</u>	<u>75,253</u>	<u>(20,060)</u>			<u>(383)</u>	<u>931,690</u>
<u>44,683</u>	<u>155,999</u>	<u>20,060</u>			<u>2,623</u>	<u>6,848,398</u>
<u>\$ 35,724</u>	<u>\$ 231,252</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,240</u>	<u>\$ 7,780,088</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2011

	752	753	755	770	
Data Control Codes	Print Shop	Self-Funded Insurance	Public Entity Risk Pool	Child Care Program	Total Internal Service Funds
Assets					
Current assets:					
1110	\$ 38,823	\$ 10,857,929	\$ 8,907,425	\$ 53,298	\$ 19,857,475
1260		3,045			3,045
1290		1,463,168		1,431	1,464,599
1410		513,500			513,500
1000	Total Assets	\$ 12,837,642	\$ 8,907,425	\$ 54,729	\$ 21,838,619
Liabilities					
Current liabilities:					
2110	\$ 34,976	\$ 290,374	\$	\$	\$ 325,350
2150		100,144			100,144
2160	3,847	99		17,917	21,863
2170		13,461			13,461
2200		2,893,244			2,893,244
2300			90,035		90,035
	Total current liabilities	3,297,322	90,035	17,917	3,444,097
Non-current liabilities:					
2590		759,811			759,811
	Total non-current liabilities	759,811			759,811
2000	Total Liabilities	4,057,133	90,035	17,917	4,203,908
Net Assets					
3900		8,780,509	8,817,390	36,812	17,634,711
3000	Total Net Assets	8,780,509	8,817,390	36,812	17,634,711
4000	Total Liabilities and Net Assets	\$ 12,837,642	\$ 8,907,425	\$ 54,729	\$ 21,838,619

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2011

Data Control Codes	752	753	755	770	Total Internal Service Funds
	Print Shop	Self-Funded Insurance	Public Entity Risk Pool	Child Care Program	
Operating Revenues					
5754	\$ 238,827	\$ 19,644,930	\$	\$	\$ 19,883,757
5739				223,715	223,715
5020	<u>238,827</u>	<u>19,644,930</u>		<u>223,715</u>	<u>20,107,472</u>
Operating Expenses					
6100	105,114	59,559		161,711	326,384
6200	120,823	1,835,011			1,955,834
6300	70,535			3,782	74,317
6400		21,919,958		22,310	21,942,268
6030	<u>296,472</u>	<u>23,814,528</u>		<u>187,803</u>	<u>24,298,803</u>
1200	<u>(57,645)</u>	<u>(4,169,598)</u>		<u>35,912</u>	<u>(4,191,331)</u>
Non-Operating Revenues (Expenses)					
7020		22,349			22,349
		<u>22,349</u>			<u>22,349</u>
	Income (Loss) before Transfers	(57,645)		35,912	(4,168,982)
Transfers					
7915	57,645		8,817,390		8,875,035
1200		<u>(4,147,249)</u>	<u>8,817,390</u>	<u>35,912</u>	<u>4,706,053</u>
Net Assets:					
0100	Net Assets - beginning	<u>12,927,758</u>		<u>900</u>	<u>12,928,658</u>
3300	Net Assets - ending	<u>\$ 8,780,509</u>	<u>\$ 8,817,390</u>	<u>\$ 36,812</u>	<u>\$ 17,634,711</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2011

	752	753	755	770	
	<u>Print Shop</u>	<u>Self-Funded Insurance</u>	<u>Public Entity Risk Pool</u>	<u>Child Care Program</u>	<u>Total Internal Service Funds</u>
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities:					
Cash receipts from interfund services provided	\$ 238,827	\$ 18,192,552	\$ 90,035	\$ 222,484	\$ 18,743,898
Cash payments to employees	(105,250)	(159,802)		(143,794)	(408,846)
Cash payments for insurance claims		(20,646,565)			(20,646,565)
Cash payments to suppliers for goods and services	(172,388)	(2,485,199)		(26,092)	(2,683,679)
Net Cash Provided by (Used for) Operating Activities	<u>(38,811)</u>	<u>(5,099,014)</u>	<u>90,035</u>	<u>52,598</u>	<u>(4,995,192)</u>
Cash Flows from Non-Capital Financing Activities:					
Cash payment to/from other fund	57,645		8,817,390		8,875,035
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>57,645</u>		<u>8,817,390</u>		<u>8,875,035</u>
Cash Flows from Investing Activities:					
Interest on investments		22,349			22,349
Net Cash Provided by Investing Activities		<u>22,349</u>			<u>22,349</u>
Net Increase in Cash and Cash Equivalents	18,834	(5,076,665)	8,907,425	52,598	3,902,192
Cash and Cash Equivalents at Beginning of Year	19,989	15,934,594		700	15,955,283
Cash and Cash Equivalents at End of Year	<u>\$ 38,823</u>	<u>\$ 10,857,929</u>	<u>\$ 8,907,425</u>	<u>\$ 53,298</u>	<u>\$ 19,857,475</u>
Reconciliation to Balance Sheet					
Cash and Cash Equivalents Per Cash Flow	<u>\$ 38,823</u>	<u>\$ 10,857,929</u>	<u>\$ 8,907,425</u>	<u>\$ 53,298</u>	<u>\$ 19,857,475</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 38,823</u>	<u>\$ 10,857,929</u>	<u>\$ 8,907,425</u>	<u>\$ 53,298</u>	<u>\$ 19,857,475</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ (57,645)	\$ (4,169,598)	\$	\$ 35,912	\$ (4,191,331)
Change in Assets and Liabilities					
Decrease (increase) in Receivables		(1,456,565)		(1,231)	(1,457,796)
Decrease (increase) in Interfund Receivables		4,185			4,185
Decrease (increase) in Accrued Interest Receivable		2			2
Decrease (increase) in Prepays		(185,000)			(185,000)
Increase (decrease) in Accounts Payable	18,834	443,376	90,035	17,917	570,162
Increase (decrease) in Long-term payables		264,586			264,586
Net Cash Provided by (Used for) Operating Activities	<u>\$ (38,811)</u>	<u>\$ (5,099,014)</u>	<u>\$ 90,035</u>	<u>\$ 52,598</u>	<u>\$ (4,995,192)</u>



HUMBLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Year Ended June 30, 2011

Data Control Codes	Debt Service Fund				
	Budget			Variance with Final Budget	
	Original	Final	Actual		
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 42,153,724	\$ 43,163,168	\$ 44,756,424	\$ 1,593,256
5800	State Program Revenues	5,385,042	5,080,694	5,083,447	2,753
5020	Total Revenues	47,538,766	48,243,862	49,839,871	1,596,009
Expenditures					
Debt Service:					
0071	Principal on long-term debt	16,680,000	16,680,000	16,680,000	
0072	Interest on long-term debt	30,859,911	30,859,911	30,780,603	79,308
0073	Bond issuance costs and fees	1,161,940	1,293,265	1,269,970	23,295
0097	Intergovernmental Charges	1,659,764	1,564,796	1,564,796	
6030	Total Expenditures	50,361,615	50,397,972	50,295,369	102,603
1100	Excess (Deficiency) Revenues Over Expenditures	(2,822,849)	(2,154,110)	(455,498)	1,698,612
Other Financing Sources (Uses)					
7901	Refunding bonds issued		33,365,000	33,365,000	
7915	Transfers In	96,785	71,335	100,408	29,073
7916	Premium or discount on issuance of bonds		4,387,618	4,387,616	(2)
7917	Prepaid Interest		79,307		(79,307)
8949	Other Financing (Uses)		(37,465,263)	(37,465,263)	
	Total Other Financing Sources (Uses)	96,785	437,997	387,761	(50,236)
1200	Increase (Decrease) in Fund Balance	(2,726,064)	(1,716,113)	(67,737)	1,648,376
0100	Fund Balance - beginning	35,208,969	35,208,969	35,208,969	
3000	Fund Balance - ending	\$ 32,482,905	\$ 33,492,856	\$ 35,141,232	\$ 1,648,376

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

For the Year Ended June 30, 2011

		National School Breakfast and Lunch Program			
		Budget			
Data Control Codes		Original	Final	Actual	Variance with Final Budget
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 8,066,847	\$ 7,875,347	\$ 7,776,392	\$ (98,955)
5800	State Program Revenues	75,000	75,000	76,688	1,688
5900	Federal Program Revenues	6,076,534	6,076,534	6,947,462	870,928
5020	Total Revenues	14,218,381	14,026,881	14,800,542	773,661
Expenditures					
Current:					
0035	Food Services	13,261,826	13,584,822	12,965,497	619,325
0051	Facilities Maintenance and Operations	649,089	661,312	557,295	104,017
0052	Security and Monitoring Services	55,868	55,868	33,946	21,922
0081	Facilities Acquisition and Construction		1,226,147	594,038	632,109
6030	Total Expenditures	13,966,783	15,528,149	14,150,776	1,377,373
1100	Excess (Deficiency) Revenues Over Expenditures	251,598	(1,501,268)	649,766	2,151,034
Other Financing Sources (Uses)					
8911	Transfers Out		(36,000)	(38,937)	(2,937)
1200	Increase (Decrease) in Fund Balance	251,598	(1,537,268)	610,829	2,148,097
0100	Fund Balance - beginning	4,592,418	4,592,418	4,592,418	
3000	Fund Balance - ending	\$ 4,844,016	\$ 3,055,150	\$ 5,203,247	\$ 2,148,097

HUMBLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
For the Year Ended June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets				
Cash and cash equivalents	\$ 1,174,075	\$ 855,207	\$ 762,713	\$ 1,266,569
Due from other funds		161		161
Other receivables	22,425	1,236	22,425	1,236
Total Assets	<u>\$ 1,196,500</u>	<u>\$ 856,604</u>	<u>\$ 785,138</u>	<u>\$ 1,267,966</u>
Liabilities				
Accounts Payable	\$ 8,637	\$ 607,876	\$ 593,517	\$ 22,996
Accrued Wages Payable	177		177	
Due to Student Groups	1,187,686	58,430	1,146	1,244,970
Total Liabilities	<u>\$ 1,196,500</u>	<u>\$ 666,306</u>	<u>\$ 594,840</u>	<u>\$ 1,267,966</u>

Compliance Schedules

Other Financial Information includes various schedules required by the Texas Education Agency that are not required disclosures in the Comprehensive Annual Financial Report.

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the Year Ended June 30, 2011

Last Ten Fiscal Years ¹	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes ²	Beginning Balance 06/30/10
	Maintenance	Debt Service		
2002 and prior	Various	Various	Various	\$ 1,357,068
2003	1.500	0.240	6,023,494,855	281,441
2004	1.500	0.240	6,531,754,436	324,037
2005	1.500	0.240	7,123,029,982	371,509
2006	1.500	0.270	7,765,515,685	410,205
2007	1.370	0.270	8,386,605,261	458,093
2008	1.040	0.270	9,548,595,428	514,916
2009	1.170	0.350	10,414,226,700	1,217,813
2010	1.170	0.350	10,349,541,147	3,828,675
2011	1.170	0.350	10,306,944,605	
1000 Totals				<u>8,763,757</u>
Penalties and interest receivable				4,663,597
Allowance for uncollectible taxes				(5,245,316)
Net taxes/penalties & interest receivable				<u>\$ 8,182,038</u>
9000 Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code			\$ 522,442,678	\$ -
Supplemental Tax Increment Zone Payment ³				
Total Payment into Tax Increment Zone			<u>\$ -</u>	<u>\$ -</u>

¹ Fiscal year end was changed from August 31 to June 30 effective September 1, 2001.

² 2011 Assessed Valuation is adjusted for tax freeze amounts as defined by The Texas Education Agency.

³ Due to Tax Rate Compression.

20		31	32	40	50
Current Year's Total Levy	Total Collections 2011	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 06/30/11
\$ -	\$ 13,774	\$ 11,281	\$ 2,493	\$ 158,590	\$ 1,184,704
	5,256	4,531	725	4,161	272,024
	9,693	8,356	1,337	3,767	310,577
	14,222	12,261	1,961	4,760	352,527
	30,151	26,013	4,138	(5,826)	385,880
	63,378	53,728	9,650	(18,837)	413,552
	122,941	97,603	25,338	(26,963)	418,938
	301,637	232,170	69,467	108,837	807,339
	2,369,857	1,823,993	545,864	385,534	1,073,284
<u>156,665,558</u>	<u>153,511,322</u>	<u>118,160,865</u>	<u>35,350,457</u>	<u>162,454</u>	<u>2,991,782</u>
<u>\$ 156,665,558</u>	<u>\$ 156,442,231</u>	<u>\$ 120,430,801</u>	<u>\$ 36,011,430</u>	<u>\$ 776,477</u>	<u>8,210,607</u>
					<u>4,892,241</u>
					<u>(5,681,406)</u>
					<u>\$ 7,421,442</u>
<u>\$ -</u>	<u>\$ 6,795,684</u>	<u>\$ 5,230,888</u>	<u>\$ 1,564,796</u>	<u>\$ -</u>	<u>\$ -</u>
		\$ 1,580,512			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,811,400</u>	<u>\$ 1,564,796</u>	<u>\$ -</u>	<u>\$ -</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF
INDIRECT COSTS FOR 2012-2013
GENERAL AND SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2011

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
611X-6146	PAYROLL COSTS	4,183	213,565	674,889	4,338,665			5,231,302
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)				10,490			10,490
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)				253,719			253,719
6211	Legal Services			417,933				417,933
6212	Audit Services				83,250			83,250
6213	(Appraisal district costs only from function 99)		1,313,349					1,313,349
6214	Lobbying							
621X	Other Prof. Services				86,854			86,854
6220	Tuition and Transfer Payments							
6230	Education Service Centers			34,770	2,480			37,250
6240	Contr. Maint. and Repair					919		919
6250	Utilities							
6260	Rentals		3,176	7,096	39,830			50,102
6290	Miscellaneous Contr.			70,124	885,410			955,534
6320	Textbooks and Reading			429	2,852			3,281
6330	Testing Materials							
63XX	Other Supplies Materials		6,930	12,087	134,479			153,496
6410	Travel, Subsistence, Stipends	7,173	921	15,299	24,840			48,233
6420	Ins. and Bonding Costs				231,232			231,232
6430	Election Costs	17,297						17,297
6490	Miscellaneous Operating	11,300	270	77,511	51,150			140,231
6500	Debt Service							-
6600	Capital Outlay						505,229	505,229
6000	TOTAL	39,953	1,538,211	1,310,138	6,145,251	919	505,229	9,539,701

Total expenditures/expenses for General and Special Revenue Funds
 (plus Food Service Enterprise Fund if present) 9 \$ 306,517,285

Less: Deductions of Unallowable Costs

Fiscal Year

Total Capital Outlay (6600)	10	\$ 9,900,124
Total Debt & Lease (6500)	11	26,146,844
Plant Maintenance (Function 51, 6100-6400)	12	5,793,806
Food (Function 35, 6341 and 6499)	13	4,725
Stipends (6413)	14	6,145,251
Column 4 (above) - Total Indirect Cost		47,990,750
Subtotal:		258,526,535
Net Allowed Direct Cost		

Cumulative

Total Cost of Buildings before Depreciation (1520)	15	\$ 724,444,161
Historical Cost of Buildings over 50 years old	16	
Amount of Federal Money in building Cost (Net of #16)	17	173,478
Total Cost of Furniture & Equipment before Depreciation (1530&1540)	18	45,607,565
Historical Cost of Furniture & Equipment over 16 years old	19	
Amount of Federal Money in Furniture & Equipment (Net of #19)	20	5,648,954

(8) Note A - \$2,104,812 in Function 53 expenditures are included in this report on administrative costs.
 \$1,313,349 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

HUMBLE INDEPENDENT SCHOOL DISTRICT
STATISTICAL SECTION

This part of the Humble Independent School District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

	<u>Page</u>
Financial Trends	104
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	
Revenue Capacity	112
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
Debt Capacity	118
These schedules present information to help the reader assess the affordability of the government’s ability to issue additional debt in the future.	
Demographic and Economic Information	124
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
Operating Information	128
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

HUMBLE INDEPENDENT SCHOOL DISTRICT

NET ASSETS BY COMPONENT

LAST NINE FISCAL YEARS ¹

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

	<u>2003</u>	<u>2004</u>	<u>2005 ²</u>
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 14,046,226	\$ 14,945,621	\$ 14,006,200
Restricted	26,018,532	28,249,795	30,499,641
Unrestricted	25,615,716	33,052,114	22,306,970
Total Governmental Activities Net Assets	<u>\$ 65,680,474</u>	<u>\$ 76,247,530</u>	<u>\$ 66,812,811</u>

Source of information: Humble Independent School District's Financial Statements.

¹ Government-wide data is only available for the last nine fiscal years due to implementation of GASB 34 on June 30, 2002.

² The decrease in Net Assets reflects a prior period adjustment of \$17,154,152 that represents the accreted value of Capital Appreciation bonds as of 6/30/04.

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 20,100,762	\$22,866,828	\$ 26,101,304	\$ 17,211,332	\$ 13,280,934	\$ 4,352,256
25,522,602	27,537,760	27,691,603	27,903,700	32,162,806	32,743,502
31,215,255	47,314,180	47,152,199	82,789,127	81,167,974	71,370,235
<u>\$ 76,838,619</u>	<u>\$97,718,768</u>	<u>\$ 100,945,106</u>	<u>\$ 127,904,159</u>	<u>\$ 126,611,714</u>	<u>\$ 108,465,993</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT**CHANGES IN NET ASSETS****LAST NINE FISCAL YEARS ¹****(ACCRUAL BASIS OF ACCOUNTING)***(Unaudited)*

Fiscal Year	2003	2004	2005	2006
Expenses				
Governmental Activities:				
Instruction	\$ 102,778,626	\$ 106,096,719	\$ 115,555,152	\$ 123,017,567
Instructional Resources & Media Services	2,987,686	2,867,116	2,902,668	3,106,878
Curriculum & Staff Development	3,299,775	3,465,086	3,984,476	4,513,100
Instructional Leadership	1,364,584	1,442,272	1,576,224	1,761,067
School Leadership	9,752,673	10,528,219	10,972,484	11,526,831
Guidance, Counseling & Evaluation Services	7,626,632	8,232,784	8,680,891	8,868,886
Social Work Services	432,034	365,343	247,594	210,479
Health Services	1,684,190	1,724,275	1,896,906	1,949,728
Student (Pupil) Transportation	5,828,050	6,187,405	6,419,879	7,071,486
Food Services	7,065,010	7,171,582	7,978,962	8,923,992
Cocurricular/Extracurricular Activities	4,922,704	4,767,721	5,212,281	5,536,902
General Administration	5,230,755	4,977,824	5,195,415	6,260,861
Plant Maintenance & Operations	20,484,289	21,843,613	20,625,823	24,094,327
Security & Monitoring Services	904,302	989,640	1,080,336	1,413,166
Data Processing Services	2,181,850	2,938,433	3,251,449	3,335,870
Community Services	1,497,613	1,306,256	1,323,206	1,323,366
Debt Service - Interest	8,438,773	9,792,381	13,160,551	18,409,857
Debt Service - Bond Issuance Costs	191,233	367,483	351,399	356,649
Facilities Acquisition & Construction	59,117	3,460		
Payments to Fiscal Agents/Member Districts				154,709
Payments to Juvenile Justice Alternative Ed. Prg.	98,050	100,475	156,057	168,391
Payments to Tax Increment Fund	3,024,854	4,007,031	4,610,051	5,229,435
Tax Appraisal and Collection Fees				
Total Primary Government Expenses	<u>\$ 189,852,800</u>	<u>\$ 199,175,118</u>	<u>\$ 215,181,804</u>	<u>\$ 237,233,547</u>
Program Revenues				
Governmental Activities:				
Charges for Services	\$ 1,276,168	\$ 1,162,321	\$ 867,597	\$ 1,004,612
Food Service	4,594,378	4,989,657	5,436,562	5,750,344
Cocurricular/Extracurricular Activities	2,526,381	2,243,571	2,465,801	2,797,335
Operating Grants and Contributions	19,196,153	19,087,630	21,948,610	26,499,259
Capital Grants and Contributions				
Total Primary Government Program Revenues	<u>\$ 27,593,080</u>	<u>\$ 27,483,179</u>	<u>\$ 30,718,570</u>	<u>\$ 36,051,550</u>
Net (Expense)/Revenue				
Total Primary Government Net Expense	<u>\$ (162,259,720)</u>	<u>\$(171,691,939)</u>	<u>\$ (184,463,234)</u>	<u>\$ (201,181,997)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 89,797,381	\$ 96,130,816	\$ 105,436,663	\$ 114,346,835
Property Taxes, Levied for Debt Service	14,236,153	15,388,313	16,869,529	20,585,284
Grants and Contributions not Restricted	57,503,479	64,304,305	61,071,392	61,549,403
Investment Earnings	1,579,844	1,975,898	3,895,249	9,246,901
Miscellaneous Local and Intermediate Revenue	2,956,389	4,459,663	4,909,834	5,479,382
Total Primary Government	<u>\$ 166,073,246</u>	<u>\$ 182,258,995</u>	<u>\$ 192,182,667</u>	<u>\$ 211,207,805</u>
Change in Net Assets				
Total Primary Government	<u>\$ 3,813,526</u>	<u>\$ 10,567,056</u>	<u>\$ 7,719,433</u>	<u>\$ 10,025,808</u>

Source of Information: Humble Independent School District's Financial Statements.

¹Government wide data is only available for the last nine fiscal years due to the implementation of GASB 34 on June 30, 2002.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 136,893,317	\$ 152,937,250	\$ 168,563,793	\$ 188,681,282	\$ 201,583,741
3,509,577	3,356,888	3,076,571	3,883,522	4,014,070
4,651,590	4,650,225	3,780,988	4,475,549	5,200,862
2,065,541	2,164,607	2,387,241	2,757,202	2,593,743
13,387,873	15,099,016	15,853,866	18,140,888	19,177,933
10,046,065	11,206,300	10,869,805	12,397,077	13,875,463
248,080	256,088	308,803	327,958	264,841
2,277,340	2,438,808	2,371,056	2,733,435	3,006,962
8,380,388	8,876,859	8,086,220	8,791,647	9,605,101
9,908,141	10,733,537	11,281,873	12,555,594	14,338,336
7,637,929	9,898,113	9,806,552	11,164,616	12,074,698
6,502,263	6,139,914	6,171,987	6,458,306	6,714,403
24,393,123	27,474,932	27,479,070	27,580,141	28,936,697
1,629,594	1,812,215	2,015,044	2,305,669	2,979,431
3,173,696	3,339,718	3,086,794	3,484,681	3,688,318
1,459,915	1,460,176	1,035,574	1,019,038	1,046,553
23,866,482	25,954,831	27,323,200	29,605,664	30,483,942
434,067	223,667	2,037,622	117,378	138,438
215,850	208,270	269,080	92,300	86,950
5,657,504	5,214,656	6,482,747	11,642,730	8,376,196
	1,009,607	1,190,168	1,298,101	1,313,349
<u>\$ 266,338,335</u>	<u>\$ 294,455,677</u>	<u>\$ 313,478,054</u>	<u>\$ 349,512,778</u>	<u>\$ 369,500,027</u>
\$ 897,837	\$ 1,358,136	\$ 1,481,124	\$ 1,483,776	\$ 2,319,513
6,507,496	6,655,579	6,743,693	7,595,866	7,762,175
3,943,875	5,773,267	4,714,595	4,852,614	5,303,459
26,899,178	28,542,806	32,326,718	40,022,620	61,319,281
<u>\$ 38,248,386</u>	<u>\$ 42,329,788</u>	<u>\$ 45,266,130</u>	<u>\$ 53,954,876</u>	<u>\$ 76,704,428</u>
<u>\$ (228,089,949)</u>	<u>\$ (252,125,889)</u>	<u>\$ (268,211,924)</u>	<u>\$ (295,557,902)</u>	<u>\$ (292,795,599)</u>
\$ 114,970,921	\$ 99,456,338	\$ 119,866,910	\$ 121,545,495	\$ 121,017,152
22,643,919	25,819,174	35,818,168	36,377,552	34,433,572
90,195,021	115,163,636	130,262,661	123,398,850	108,429,966
13,706,814	10,160,187	3,743,036	481,102	307,123
7,453,423	4,752,892	5,480,202	12,462,458	10,462,065
<u>\$ 248,970,098</u>	<u>\$ 255,352,227</u>	<u>\$ 295,170,977</u>	<u>\$ 294,265,457</u>	<u>\$ 274,649,878</u>
<u>\$ 20,880,149</u>	<u>\$ 3,226,338</u>	<u>\$ 26,959,053</u>	<u>\$ (1,292,445)</u>	<u>\$ (18,145,721)</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2002¹</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
Assigned	\$ 2,038,742	\$ 3,183,313	\$ 2,806,208	\$ 4,181,697	\$ 19,746,989
Unassigned	<u>16,050,971</u>	<u>17,501,780</u>	<u>24,243,391</u>	<u>29,887,252</u>	<u>23,471,634</u>
Total General Fund	<u>\$ 18,089,713</u>	<u>\$ 20,685,093</u>	<u>\$ 27,049,599</u>	<u>\$ 34,068,949</u>	<u>\$ 43,218,623</u>
All Other Governmental Funds					
Capital Projects Funds					
Restricted	<u>\$ 986,790</u>	<u>\$ 131,842,856</u>	<u>\$ 90,970,874</u>	<u>\$ 118,518,325</u>	<u>\$ 149,406,386</u>
Total Capital Projects Funds	<u>\$ 986,790</u>	<u>\$ 131,842,856</u>	<u>\$ 90,970,874</u>	<u>\$ 118,518,325</u>	<u>\$ 149,406,386</u>
Debt Service Fund					
Restricted	<u>\$ 24,517,071</u>	<u>\$ 23,776,610</u>	<u>\$ 25,611,293</u>	<u>\$ 27,734,663</u>	<u>\$ 29,090,848</u>
Total Debt Service Fund	<u>\$ 24,517,071</u>	<u>\$ 23,776,610</u>	<u>\$ 25,611,293</u>	<u>\$ 27,734,663</u>	<u>\$ 29,090,848</u>
Special Revenue Funds					
Restricted	\$ 1,022,832	\$ 1,913,366	\$ 2,661,423	\$ 2,871,079	\$ 2,308,023
Committed	<u>1,734,990</u>	<u>1,729,904</u>	<u>1,948,654</u>	<u>1,797,080</u>	<u>1,731,341</u>
Total Special Revenue Funds	<u>\$ 2,757,822</u>	<u>\$ 3,643,270</u>	<u>\$ 4,610,077</u>	<u>\$ 4,668,159</u>	<u>\$ 4,039,364</u>
Total All Other Governmental Funds					
Restricted	\$ 26,526,693	\$ 157,532,832	\$ 119,243,590	\$ 149,124,067	\$ 180,805,257
Committed	<u>1,734,990</u>	<u>1,729,904</u>	<u>1,948,654</u>	<u>1,797,080</u>	<u>1,731,341</u>
Total All Other Governmental Funds	<u>\$ 28,261,683</u>	<u>\$ 159,262,736</u>	<u>\$ 121,192,244</u>	<u>\$ 150,921,147</u>	<u>\$ 182,536,598</u>

Source of Information: Humble Independent School District's Financial Statements.

This statement was updated on June 30, 2011 to accommodate the changes in Fund Balance classification per GASB 54.

Fiscal years 2002-2010 were restated.

¹ Fiscal year end was changed from August 31 to June 30 effective September 1, 2001.

² Changes in Fund Balances are explained in Management Discussion and Analysis section of this CAFR.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011²</u>
\$ 20,806,806	\$ 19,798,372	\$ 19,732,380	\$ 20,088,969	\$ 3,127,713
<u>34,724,078</u>	<u>34,666,605</u>	<u>64,055,331</u>	<u>64,483,994</u>	<u>67,335,790</u>
<u>\$ 55,530,884</u>	<u>\$ 54,464,977</u>	<u>\$ 83,787,711</u>	<u>\$ 84,572,963</u>	<u>\$ 70,463,503</u>
\$ 159,957,349	\$ 129,558,010	\$ 36,419,459	\$ 45,428,126	\$ 50,511,919
<u>\$ 159,957,349</u>	<u>\$ 129,558,010</u>	<u>\$ 36,419,459</u>	<u>\$ 45,428,126</u>	<u>\$ 50,511,919</u>
\$ 30,834,730	\$ 30,959,357	\$ 32,562,171	\$ 35,208,969	\$ 35,141,232
<u>\$ 30,834,730</u>	<u>\$ 30,959,357</u>	<u>\$ 32,562,171</u>	<u>\$ 35,208,969</u>	<u>\$ 35,141,232</u>
\$ 2,867,465	\$ 3,182,796	\$ 3,290,541	\$ 4,592,418	\$ 5,660,889
<u>1,985,374</u>	<u>2,211,868</u>	<u>2,112,527</u>	<u>2,255,980</u>	<u>2,119,199</u>
<u>\$ 4,852,839</u>	<u>\$ 5,394,664</u>	<u>\$ 5,403,068</u>	<u>\$ 6,848,398</u>	<u>\$ 7,780,088</u>
\$ 193,659,544	\$ 163,700,163	\$ 72,272,171	\$ 85,229,513	\$ 91,314,040
<u>1,985,374</u>	<u>2,211,868</u>	<u>2,112,527</u>	<u>2,255,980</u>	<u>2,119,199</u>
<u>\$ 195,644,918</u>	<u>\$ 165,912,031</u>	<u>\$ 74,384,698</u>	<u>\$ 87,485,493</u>	<u>\$ 93,433,239</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS ¹
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Fiscal Year	2003	2004	2005	2006	2007
Revenues:					
Total Local and Intermediate Sources	\$ 115,861,359	\$ 127,173,681	\$ 140,345,945	\$ 159,145,625	\$ 166,804,211
State Program Revenues	68,321,529	73,366,960	70,734,594	71,736,168	102,785,911
Federal Program Revenues	8,225,473	9,764,179	11,871,572	15,865,947	13,803,230
Total Revenues	192,408,361	210,304,820	222,952,111	246,747,740	283,393,352
Expenditures:					
Instruction	97,335,867	102,588,736	111,505,541	119,108,241	132,011,711
Instructional Resources & Media Services	2,697,446	2,608,197	2,632,072	2,773,602	3,186,730
Curriculum & Staff Development	3,238,568	3,434,323	3,915,601	4,468,759	4,608,174
Instructional Leadership	1,339,864	1,442,237	1,550,328	1,745,245	2,034,006
School Leadership	9,477,154	10,409,586	10,820,774	11,398,733	13,251,815
Guidance, Counseling & Evaluation Services	7,491,113	8,204,213	8,627,767	8,855,367	10,017,111
Social Work Services	432,034	366,252	247,594	210,479	248,080
Health Services	1,613,470	1,676,938	1,841,818	1,893,111	2,217,971
Student (Pupil) Transportation	7,736,256	6,180,126	5,727,479	8,607,200	8,243,507
Food Services	6,553,642	7,036,445	8,187,453	9,631,092	9,709,399
Cocurricular/Extracurricular Activities	4,743,936	4,595,629	5,031,197	5,349,139	7,403,218
General Administration	5,065,370	4,858,747	5,020,333	5,939,010	6,241,598
Plant Maintenance & Operations	20,317,364	21,926,754	20,378,374	23,929,574	24,007,186
Security & Monitoring Services	956,323	962,235	1,091,126	1,468,256	1,684,034
Data Processing Services	2,069,023	6,443,569	3,565,391	3,083,216	2,747,854
Community Services	1,475,773	1,421,529	1,316,142	1,329,747	1,461,272
Debt Service - Principal	15,658,058	17,883,698	17,889,418	23,883,291	18,920,196
Debt Service - Interest	7,862,074	9,962,399	10,238,312	13,356,047	23,639,147
Debt Service - Bond Issuance Costs	976,492	323,044	1,257,494	734,823	864,048
Facilities Acquisition & Construction	7,023,407	27,369,735	48,999,441	81,218,353	91,329,791
Payments to Fiscal Agent/Member Dist of SSA	-	-	-	154,709	-
Payments to Juvenile Justice Alternative Ed.	98,050	100,475	156,057	168,391	215,850
Payments to Tax Increment Fund	3,024,854	4,007,031	4,610,051	5,229,435	5,657,504
Payments to Central Appraisal District	-	-	-	-	-
Total Expenditures	207,186,138	243,801,898	274,609,763	334,535,820	369,700,202
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,777,777)	(33,497,078)	(51,657,652)	(87,788,080)	(86,306,850)
Other Financing Sources (Uses):					
Refunding Bonds Issued	16,580,000	-	27,165,000	-	-
Capital-Related Debt Issued (Regular Bonds)	148,385,000	-	83,885,000	121,750,000	104,700,000
Sale of Real and Personal Property	105,690	3,092	-	95,379	98,276
Capital Leases	-	1,788,000	-	-	-
Transfers In	992,870	1,132,900	2,868,535	6,084,643	8,407,425
Premium or Discount on Issuance of Bonds	533,287	-	6,305,028	6,473,132	6,251,726
Prepaid Interest	-	-	244,249	234,694	117,824
Transfers Out (Use)	(992,870)	(1,132,900)	(2,868,535)	(6,084,643)	(8,407,425)
Payment to Bond Refunding Escrow Agent (Use)	(17,229,767)	-	-	-	-
Other (Uses)	-	-	(29,193,372)	-	559,605
Total Other Financing Sources (Uses)	148,374,210	1,791,092	88,405,905	128,553,205	111,727,431
Net Change in Fund Balances	\$ 133,596,433	\$ (31,705,986) ²	\$ 36,748,253	\$ 40,765,125	\$ 25,420,581
Debt Service as a percentage of Noncapital Expenditures	12.42%	13.08%	12.98%	15.09%	15.40%

Source of Information: Humble Independent School District's Financial Statements.

¹ Government-wide data is only available for the last eight fiscal years due to implementation of GASB 34 on June 30, 2002.

² The negative net change in fund balance is due to no issuance of capital related debt in 2004.

	2008	2009	2010	2011
\$	153,961,003	\$ 177,284,512	\$ 185,241,167	\$ 182,712,680
	129,766,436	145,855,469	136,090,601	123,715,184
	12,833,418	15,852,622	26,704,091	45,458,100
	296,560,857	338,992,603	348,035,859	351,885,964
	146,092,180	153,986,370	172,213,331	180,753,939
	2,939,572	2,618,651	2,841,534	2,831,895
	4,600,287	3,808,878	4,409,623	5,097,453
	2,133,732	2,421,801	2,721,080	2,514,949
	14,859,373	15,965,429	17,543,051	18,239,076
	11,122,782	11,042,630	12,167,545	13,430,736
	256,088	308,803	327,958	264,841
	2,356,349	2,336,736	2,524,865	2,736,017
	8,286,710	11,056,246	8,313,068	9,001,787
	10,222,943	11,014,397	11,422,103	12,975,213
	10,110,177	9,623,802	10,259,366	11,133,266
	5,880,191	6,055,997	6,167,244	6,375,560
	26,849,885	27,248,160	26,469,299	28,278,029
	1,868,415	2,084,133	2,261,883	3,014,187
	3,691,574	3,055,977	3,862,052	3,690,772
	1,450,106	1,023,489	1,008,558	1,070,472
	17,200,000	21,055,000	20,575,000	16,680,000
	26,319,846	26,167,577	28,645,244	30,780,603
	1,207,012	590,620	644,487	1,501,973
	101,569,180	82,410,629	66,937,757	16,781,674
	208,270	269,080	92,300	-
	5,214,656	6,482,747	11,642,730	86,950
	1,009,607	1,190,168	1,298,101	8,376,196
	-	-	-	1,313,349
	405,448,935	401,817,320	414,348,179	376,928,937
	(108,888,078)	(62,824,717)	(66,312,320)	(25,042,973)
	-	-	-	33,365,000
	105,570,000	-	73,510,000	24,030,000
	129,833	256,423	420,336	235,155
	-	-	-	-
	5,792,982	1,562,058	157,546	144,345
	1,817,325	-	6,029,604	5,591,402
	-	-	-	-
	(5,792,982)	(1,562,058)	(238,281)	(9,019,380)
	(29,981,988)	-	-	(37,465,263)
	554,114	363,695	319,162	-
	78,089,284	620,118	80,198,367	16,881,259
\$	(30,798,794)	\$ (62,204,599)	\$ 13,886,047	\$ (8,161,714)
	14.59%	14.70%	14.29%	13.58%

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

Tax Roll for Fiscal Year ¹	Real Property			
	Residential Property	Commercial Property	Total Real Property	Personal Property
2002	4,616,275,950	533,007,418	5,149,283,368	500,062,849
2003	5,018,786,460	477,163,255	5,495,949,715	527,545,140
2004	5,513,749,460	481,733,496	5,995,482,956	536,271,480
2005	5,517,242,680	1,050,998,762	6,568,241,442	554,788,540
2006	6,005,590,766	1,209,074,419	7,214,665,185	550,850,500
2007	6,537,833,718	1,233,026,552	7,770,860,270	615,744,991
2008	7,421,485,355	1,233,026,552	8,822,964,055	725,631,373
2009	8,022,286,291	1,592,567,814	9,614,854,105	799,372,595
2010	8,203,530,840	1,615,763,904	9,819,294,744	804,767,982
2011	8,301,440,597	1,512,157,380	9,813,597,977	751,379,906

¹ Fiscal year end was changed to June 30 effective September 1, 2001.

² Estimated actual value is appraised value provided by the Harris County Appraisal District.

Source of Information: Humble Independent School District Tax Office and
Harris County Appraisal District.

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value ²	Assessed Value to Total Estimated Actual Value
5,649,346,217	1.74	6,173,440,217	91.51%
6,023,494,855	1.74	6,575,008,414	91.61%
6,531,754,436	1.74	7,131,912,126	91.58%
7,123,029,982	1.74	7,769,095,022	91.68%
7,765,515,685	1.77	8,394,711,271	92.50%
8,386,605,261	1.64	9,052,174,272	92.65%
9,548,595,428	1.31	10,288,010,009	92.81%
10,414,226,700	1.52	11,247,104,493	92.59%
10,624,062,726	1.52	11,513,372,501	92.28%
10,564,977,883	1.52	11,465,811,590	92.14%

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

Taxing Entity	2001	2002	2003	2004
Humble Independent School District	\$ 1.74	\$ 1.74	\$ 1.74	\$ 1.74
Humble, City of	0.20	0.20	0.20	0.20
Houston, City of	0.66	0.66	0.66	0.65
Harris County ¹	0.65	-	-	-
Lone Star College System ²	0.11	0.11	0.11	0.12
El Dorado Utility District	0.98	0.90	0.82	0.77
Harris County UD #1	annexed	annexed	annexed	annexed
Harris County UD #2	annexed	annexed	annexed	annexed
Harris County UD #3	annexed	annexed	annexed	annexed
Harris County UD #4	annexed	annexed	annexed	annexed
Harris County UD #8	annexed	annexed	annexed	annexed
Harris County UD #10	annexed	annexed	annexed	annexed
Forest Cove MUD	annexed	annexed	annexed	annexed
Trail of the Lakes MUD	0.88	0.88	0.88	0.80
Harris County MUD #46	0.45	0.44	0.44	0.44
Harris County MUD #49	1.00	1.00	1.00	1.00
Harris County MUD #93	annexed	annexed	annexed	annexed
Harris County MUD #106	1.25	1.25	1.25	1.25
Harris County MUD #109	0.62	0.60	0.60	0.60
Harris County MUD #132	0.60	0.58	0.56	0.56
Harris County MUD #145	annexed	annexed	annexed	annexed
Harris County MUD #151	0.62	0.59	0.57	0.57
Harris County MUD #152	0.55	0.57	0.53	0.50
Harris County MUD #153	0.52	0.45	0.45	0.45
Harris County MUD #236	annexed	annexed	annexed	annexed
Harris County MUD #262	annexed	annexed	annexed	annexed
Harris County MUD #278	1.15	1.15	1.13	1.13
Harris County MUD #290	-	-	1.25	1.25
Harris County MUD #342	1.15	1.15	1.15	1.10
Harris County MUD #350	annexed	annexed	annexed	annexed
Harris County MUD #356	annexed	annexed	annexed	annexed
Harris County MUD #361	0.95	1.25	1.25	1.25
Harris County MUD #400	-	-	-	-
Harris County WC&ID #96	1.30	1.30	1.30	1.25

¹ Harris County includes the Harris County Department of Education, Harris County Flood Control District, Harris County Hospital District and Port of Houston Authority

² Formerly North Harris Montgomery Community College District
Annexed - Indicates property previously taxed by the Utility District that is now taxed by the City of Houston.

Source of information: Texas Municipal Reports and First Southwest Company.
MUD and UD are not completely overlapping; each affects an independent portion.

	2005	2006	2007	2008	2009	2010
\$	1.77	\$ 1.64	\$ 1.31	\$ 1.52	\$ 1.52	\$ 1.52
	0.20	0.20	0.20	0.20	0.20	0.20
	0.65	0.65	0.64	0.64	0.64	0.64
	-	0.65	0.64	0.64	0.64	0.64
	0.12	0.12	0.11	0.11	0.11	0.12
	0.71	0.58	0.54	0.53	0.53	0.52
	annexed	annexed	annexed	annexed	annexed	annexed
	annexed	annexed	annexed	annexed	annexed	annexed
	annexed	annexed	annexed	annexed	annexed	annexed
	annexed	annexed	annexed	annexed	annexed	annexed
	annexed	annexed	annexed	annexed	annexed	annexed
	annexed	annexed	annexed	annexed	annexed	annexed
	annexed	annexed	annexed	annexed	annexed	annexed
	0.80	0.75	0.75	0.75	0.70	0.70
	0.43	0.43	0.43	0.43	0.43	0.49
	1.00	1.00	1.00	1.00	1.00	1.00
	annexed	annexed	annexed	annexed	annexed	annexed
	1.15	1.05	0.95	0.92	0.92	0.89
	0.60	0.56	0.52	0.52	0.52	0.52
	0.46	0.35	0.35	0.34	0.34	0.34
	annexed	annexed	annexed	annexed	annexed	annexed
	0.52	0.49	0.46	0.46	0.46	0.46
	0.49	0.44	0.41	0.40	0.40	0.40
	0.45	0.45	0.45	0.45	0.44	0.44
	annexed	annexed	annexed	annexed	annexed	annexed
	annexed	annexed	annexed	annexed	annexed	annexed
	1.11	1.10	1.09	1.09	1.13	1.18
	1.25	1.25	1.20	1.15	1.15	1.12
	0.95	0.75	0.75	0.75	0.75	0.80
	annexed	annexed	annexed	annexed	annexed	annexed
	annexed	annexed	annexed	annexed	annexed	annexed
	1.25	1.15	1.10	1.10	1.05	1.05
	1.35	1.35	1.35	1.35	1.35	1.35
	1.20	1.17	1.07	0.99	0.99	0.97

HUMBLE INDEPENDENT SCHOOL DISTRICT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(UNAUDITED)

Taxpayer	Type of Property	2011			2002		
		2010 Assessed Value ¹	Rank	Percentage of Total Assessed Value	2001 Assessed Value	Rank	Percentage of Total Assessed Value
Centerpoint Energy Inc.	Utility	\$ 71,113,464	1	0.67%	\$		
GGP Deerbrook LP	Shopping Center	51,855,968	2	0.49%	45,488,980	2	0.84%
Wal-Mart	Retailer	43,693,346	3	0.41%			
IVC Deerbrook LLC	Shopping Center	36,405,148	4	0.34%			
Verde Woodland Hills Apartments	Apartments	35,617,640	5	0.34%			
Cole Mt Humble TX	Shopping Center	33,886,774	6	0.32%			
MidAmerica Apartments	Apartments	32,008,511	7	0.30%			
Beltway Eagle Apartments	Apartments	30,572,099	8	0.29%			
Central Telephone	Utility	29,723,790	9	0.28%	38,978,240	3	0.72%
Lawler Foods	Wholesale Bakery	28,794,267	10	0.27%			
Houston Lighting & Power	Utility				51,405,900	1	0.95%
Weingarten Realty Investors	Developer				33,610,680	4	0.62%
Deerbrook Plaza L.P.	Shopping Center				19,197,860	5	0.36%
LaMar Palms Association L.P.	Shopping Center				18,972,000	6	0.35%
Kingwood Country Club	Country Club/Golf				17,852,750	7	0.33%
NLP Lakeshire Villas LLC	Apartments				15,922,230	8	0.30%
May Department Store Company	Retailer				15,634,390	9	0.29%
Texas Cable Partners	Cable Company				14,370,130	10	0.27%
Totals		<u>\$ 393,671,007</u>		3.73%	<u>\$ 271,433,160</u>		4.80%

¹Based on Certified Tax Roll from Harris County Appraisal District, August 2010

Source: Humble Independent School District

Tax Office and Harris County Appraisal District

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

Tax Roll for Fiscal Year¹	Tax Levy For The Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2002	\$ 96,727,648	\$ 93,960,511	97.1%	\$ 2,754,338	\$ 96,717,849	99.9%
2003	103,101,973	99,926,043	96.9%	2,889,018	102,815,061	99.7%
2004	111,803,038	108,589,751	97.1%	3,022,418	111,612,169	99.8%
2005	121,798,869	118,448,409	97.2%	3,143,218	121,591,627	99.8%
2006	134,956,242	130,148,994	96.4%	4,551,988	134,700,982	99.8%
2007	135,473,668	130,432,979	96.3%	4,837,810	135,270,789	99.9%
2008	122,554,720	118,504,331	96.7%	3,737,738	122,232,069	99.7%
2009	153,795,249	149,268,418	97.1%	3,332,193	152,600,611	99.2%
2010	157,313,025	153,323,239	97.5%	2,369,857	155,693,096	99.0%
2011	156,665,558	153,511,322	98.0%		153,511,322	98.0%

¹Fiscal year end is August 31 for 2001. Fiscal year end changed to June 30 effective September 1, 2001.
Source of Information: Humble Independent School District Tax Office

HUMBLE INDEPENDENT SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(UNAUDITED)

Fiscal Year ¹	Governmental Activities				Ratio of Debt to Assessed Value ³	Total Debt Per Capita	Debt Per ADA ⁴
	General Obligation Debt ²	Capital Leases	Notes Payable	Total Primary Government			
2002	\$ 160,175,000	\$ 7,760	\$ 7,660,728	\$ 167,843,488	2.97%	\$ 1,453	\$ 7,010
2003	300,260,000		308,604	300,568,604	4.99%	2,546	12,232
2004	284,255,000		217,906	284,472,906	4.36%	2,351	11,196
2005	349,790,000		123,488	349,913,488	4.91%	2,821	13,260
2006	447,755,000		25,197	447,780,197	5.77%	3,505	16,125
2007	533,560,000			533,560,000	6.36%	4,015	18,159
2008	592,320,000			592,320,000	6.20%	4,245	19,297
2009	571,265,000			571,265,000	5.49%	3,899	17,723
2010	624,200,000			624,200,000	5.88%	3,877	19,323
2011	628,835,000			628,835,000	5.95%	3,655	18,955

(1) Fiscal year end is August 31 for year 2001. Fiscal year-end was changed to June 30 effective September 1, 2001.

(2) General Obligation Bonds Payable.

(3) See Pages 112-113 for assessed value data.

(4) See Page 124 for student enrollment data. Personal income data is unavailable.

HUMBLE INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year ¹	Assessed Value ²	Gross Bonded Debt ³	Less Reserve for Retirement of Funded Debt	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita ⁴	Net Bonded Debt Per ADA ⁴
2002	\$ 5,649,346	\$ 160,175,000	\$ 24,517,071	\$ 135,657,929	2.4%	\$ 1,174	\$ 5,666
2003	6,023,495	300,260,000	23,776,610	276,483,390	4.6%	2,342	17,064
2004	6,531,754	284,255,000	25,611,293	258,643,707	4.0%	2,138	10,180
2005	7,123,030	349,790,000	27,734,663	322,055,337	4.5%	2,597	12,204
2006	7,765,516	447,755,000	29,090,848	418,664,152	5.4%	3,277	15,077
2007	8,386,605	533,560,000	30,834,730	502,725,270	6.0%	3,783	17,109
2008	9,548,595	592,320,000	31,152,347	561,167,653	5.9%	4,021	18,282
2009 ⁵	10,414,227	571,265,000	32,562,171	538,702,829	5.2%	3,676	16,713
2010	10,624,063	624,200,000	35,208,969	588,991,031	5.5%	3,658	18,233
2011	10,564,978	628,835,000	35,141,232	593,693,768	5.6%	3,451	17,895

Source of Information: Humble Independent School District's Financial Statements.

¹ Fiscal year end was changed to June 30 effective September 1, 2001.

² 000's omitted - From Pages 112-113, Total Taxable Assessed Value.

³ Gross Bonded Debt includes all long-term general obligation debt.

⁴ Data for population and Average Daily Attendance can be found in the Schedule of Demographic and Economic Information on Page 124. Personal income data was unavailable.

⁵ 2009 ADA changed after the printing of the 2009 CAFR. Updated amount represented in this CAFR.

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
June 30, 2011
(UNAUDITED)

Taxing Body	Net Debt Amount	Outstanding As of	Percent Overlapping ⁴	Amount Overlapping
Overlapping:				
El Dorado Utility District	\$ 3,140,342	09/30/08	100.00	\$ 3,140,342
Harris County	2,235,736,628	02/28/10	3.87	86,523,008
Harris County Department of Education	8,160,000	08/31/10	3.87	315,792
Harris County Flood Control District	94,092,820	02/28/10	3.87	3,641,392
Harris Co. MUD #46 ¹	7,545,003	12/31/08	100.00	7,545,003
Harris Co. MUD #49 ¹	20,176,155	11/18/10	100.00	20,176,155
Harris Co. MUD #106 ¹	21,853,289	05/20/11	100.00	21,853,289
Harris Co. MUD #109 ¹	19,987,665	05/31/10	100.00	19,987,665
Harris Co. MUD #132 ¹	6,871,061	06/10/10	100.00	6,871,061
Harris Co. MUD #151 ¹	13,829,714	05/31/10	100.00	13,829,714
Harris Co. MUD #152 ¹	14,081,420	09/22/10	100.00	14,081,420
Harris Co. MUD #153 ¹	17,449,207	08/18/10	100.00	17,449,207
Harris Co. MUD #278 ¹	34,047,408	02/10/11	100.00	34,047,408
Harris Co. MUD #290 ¹	31,763,742	06/23/10	100.00	31,763,742
Harris Co. MUD #342 ¹	13,761,534	01/31/10	100.00	13,761,534
Harris Co. MUD #344 ¹	19,064,058	01/31/11	100.00	19,064,058
Harris Co. MUD #361 ¹	14,626,544	11/12/10	100.00	14,626,544
Harris Co. MUD #400 ¹	27,264,145	03/22/10	100.00	27,264,145
Harris Co. MUD #412 ¹	20,525,579	01/18/11	100.00	20,525,579
Harris Co. MUD #450 ¹	4,884,838	08/09/10	100.00	4,884,838
Harris Co. Toll Road	-	02/28/10	3.87	-
Harris Co. WC&ID #96	44,092,849	06/07/11	100.00	44,092,849
Houston, City of	2,896,233,963	06/30/10	3.05	88,335,136
Humble, City of	2,217,968	01/31/10	93.24	2,068,033
Lone Star College System	554,078,580	08/31/09	9.09	50,365,743
Port of Houston Authority	739,197,397	12/31/09	3.87	28,606,939
Trail of the Lakes MUD ¹	19,222,221	10/01/09	100.00	19,222,221
Total Net Overlapping Debt:				\$ 614,042,817
Humble Independent School District Debt:	628,835,000	06/30/11		<u>628,835,000</u> *
Total Direct and Overlapping Debt:				<u>\$ 1,242,877,817</u>
Ratio of Total Direct and Overlapping Debt to 2010 Assesed Valuation ²				11.75%
Total Direct and Overlapping Debt per Capita ³				\$ 7,225
2010 Assesed Valuation per Capita ³				\$ 61,499

Source of Information: Texas Municipal Reports.

¹Each Municipal Utility District (MUD) affects a distinct area of the District; the MUDs do not overlap one another.

²The 2010 assessed valuation is \$10,580,088,672.

³The estimated 2011 population is 172,036.

⁴The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

* Gross Debt



HUMBLE INDEPENDENT SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

(Amounts in Thousands)

(UNAUDITED)

Fiscal Year:	2002 ¹	2003	2004	2005	2006	2007
Maximum Debt Limit	\$ 564,935	\$ 602,349	\$ 653,175	\$ 712,303	\$ 776,552	\$ 838,660
Total Net Debt Applicable to Limit	135,658	276,483	258,644	322,055	418,664	502,726
Legal Debt Margin	\$ 429,277	\$ 325,866	\$ 394,531	\$ 390,248	\$ 357,888	\$ 335,934
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.01%	45.90%	39.60%	45.21%	53.91%	59.94%

¹ Fiscal year end was changed to June 30 effective September 1, 2001.

Source of Information: Humble Independent School District Tax Office and District's financial statements.

Computation of Legal Debt Margin

Assessed Value	\$ 10,564,978
Debt limit (10% of assessed value)	10%
Maximum Legal Debt	1,056,498
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	628,835
Less: Reserve for Retirement of Bonded Debt	35,141
Total Amount of Debt Applicable to Debt Limit	593,694
Legal Debt Margin	\$ 462,804

2008	2009	2010	2011
\$ 954,859	\$ 1,041,423	\$ 1,062,406	\$ 1,056,498
561,168	538,703	588,991	593,694
\$ 393,691	\$ 502,720	\$ 473,415	\$ 462,804
58.77%	51.73%	55.44%	56.19%

HUMBLE INDEPENDENT SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

(UNAUDITED)

Fiscal Year ¹	Population	Residential Units	Assessed Value of Residential Units	Average Assessed Value of Units	Student Enrollment ³	ADA ³
2002 ²	115,532	37,868	\$ 4,616,275,950	\$ 121,904	25,238	23,942
2003	118,047	39,838	5,018,786,460	125,980	26,025	24,572
2004	120,998	41,344	5,513,749,460	133,363	27,009	25,408
2005	124,023	41,319	5,517,242,680	133,528	28,165	26,389
2006	127,744	43,540	6,005,590,766	137,933	29,706	27,769
2007	132,905	46,428	6,525,819,102	140,558	31,327	29,383
2008	139,550	47,963	7,406,811,584	154,428	32,970	30,695
2009 ⁹	146,527	49,695	8,007,337,376	161,130	33,883	31,570 ⁹
2010 ⁸	161,006	50,120 ¹⁰	8,166,336,310	162,936	34,923	32,304
2011	172,036	51,187	8,260,111,229	161,371	35,913	33,176

¹ Fiscal year end was changed to June 30 effective September 1, 2001.

² Source of Information: U.S. Census Bureau, based on 2000 census numbers

³ Sources of Information: Humble Independent School District Assessment & Evaluation (PEIMS Fall/Summer Submissions)
Humble Independent School District's Financial Statements

⁴ Source of Information: Texas Workforce Commission for Harris County

⁵ Source of information: Bureau of Economic Analysis,
Houston-Sugar Land-Baytown, TX Metropolitan Statistical Area

⁶ Based on estimated growth of 9.4 percent per year per Bureau of Economic Analysis.

⁷ Based on estimated growth of 7.1 percent per year per Bureau of Economic Analysis.

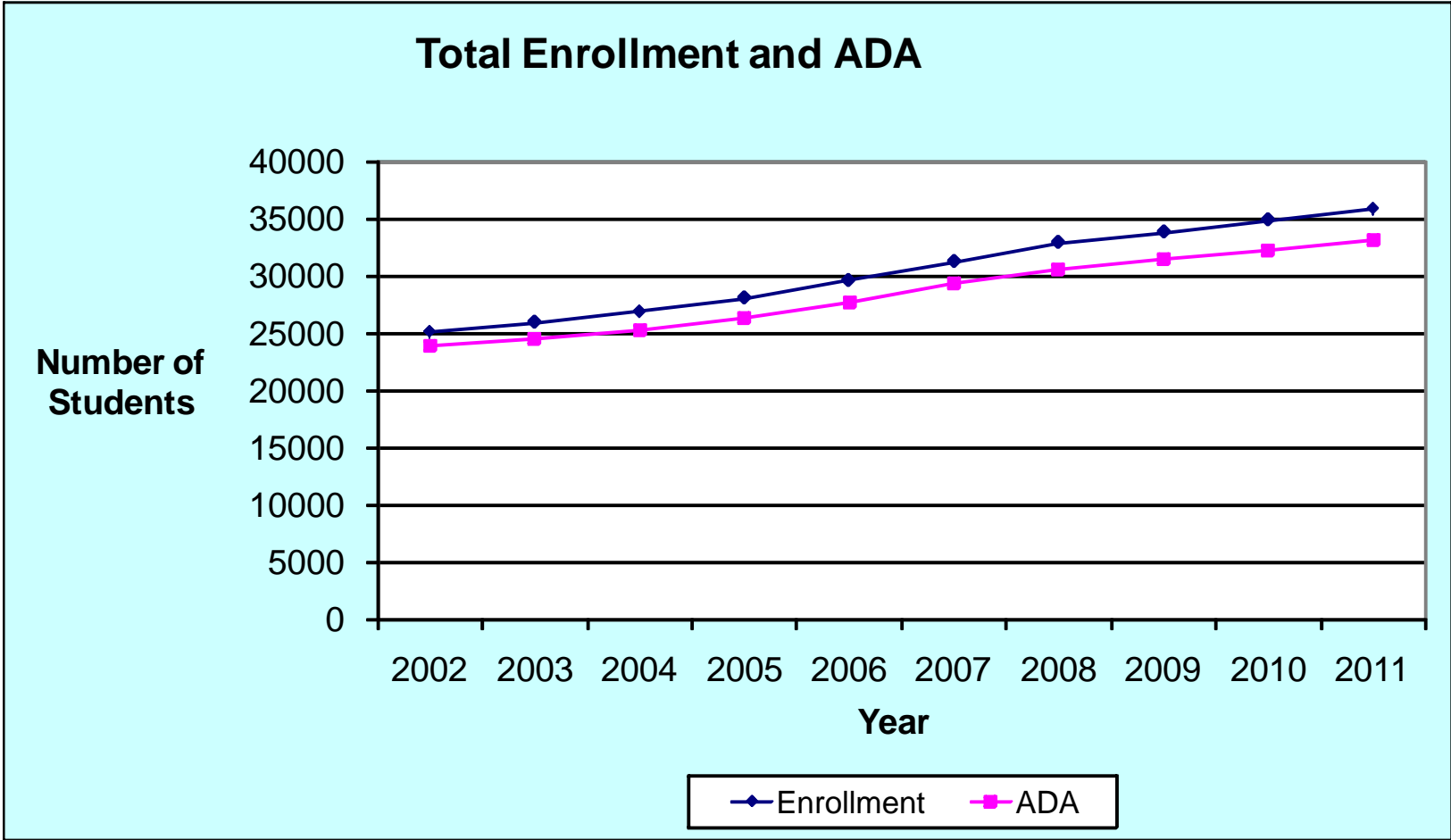
⁸ Population estimated per Texas Municipal Reports.

⁹ 2009 ADA changed after the printing of the 2009 CAFR. Updated amount represented in this CAFR.

¹⁰ Includes M3 Tangible, Mobile Homes, excludes C1 Real, Vacant Lots/Tracts

¹¹ Per capita income from Harris County for 2011. Data used in prior years was unavailable.

Unemploy- ment Rate ⁴	Total Personal Income ⁵	Per Capita Personal Income ⁵
6.0%	\$ 171,890,362	\$ 34,369
6.8%	178,720,405	34,929
6.3%	191,918,391	36,676
5.7%	209,817,787	39,199
6.3%	229,517,000	42,883
6.4%	251,091,598 ⁶	46,235
4.9%	274,694,208 ⁶	49,518 ⁷
8.0%	276,434,000	48,259 ⁷
8.8%	255,635,000	43,568
9.0%	281,242,000	25,272 ¹¹



HUMBLE INDEPENDENT SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

(UNAUDITED)

Principal Employer ¹	Description of Business	2011			2002		
		Employees	Rank	Percentage of Total Employment ⁵	Employees ³	Rank	Percentage of Total Employment ³
Humble ISD ²	Education District	4,772	1	3.85%	3,257	N/A	N/A
Methodist Hermann NE Medical Center	Medical Care	1,000	2	0.81%	500-999	N/A	N/A
Wal-Mart ⁴	Retail	933	3	0.75%	100-499	N/A	N/A
Insperty ⁶	Human Resource Outsourcing	800	4	0.65%	100-499	N/A	N/A
Harris County Criminal Justice Dept	County Government	438	5	0.35%	438	N/A	N/A
Lawler Foods ⁴	Retail Foods	389	6	0.31%	200	N/A	N/A
Miceli Smith Realty	Real Estate Brokers	400	7	0.32%	250-499	N/A	N/A
Clubs of Kingwood	Private Recreational Club	300	8	0.24%	300-350	N/A	N/A
Randall's Food Market	Retail Foods	230	9	0.19%	100-499	N/A	N/A
Randall Reed's Team Ford	Vehicle dealerships	150	10	0.12%			
Panalpina, Inc ⁴	Freight and Logistics Consultants				300	N/A	N/A

N/A = Information is not available.

¹ Source of Information: Business Extension Bureau, unless otherwise noted.

² FTEs calculated on April 18, 2011.

³ Source of Information: Data obtained from the Greater Humble Area Chamber of Commerce archive files for 1997.

Employers are listed using a range of employee numbers, not exact figures. Therefore, percentage is not available for 2002.

⁴ Source of Information: Human Resource Department or other managerial contact for referenced Employer.

⁵ Percentage of total employment is as follows (Source of information: U.S. Census Bureau):

Harris County % of population between age 18-64	79.20%
HISD population	172,036
Estimated HISD population between age 18-64	136,253
Harris County Unemployment rate for 2010	9.00%
Estimated HISD Unemployed population	12,263
Estimated HISD Employed population	123,990

⁶Insperty was originally named Administaff.

HUMBLE INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
LAST SEVEN FISCAL YEARS¹
(UNAUDITED)

	2	4	4	3	4
Fiscal Year:	2005	2006	2007	2008	2009
Instruction	2,192	2,277	2,529	2,773	2,813
Instructional Resources/Media	66	64	70	54	43
Curriculum, Staff Development	34	40	39	35	32
Instructional Leadership	17	20	22	25	28
School Leadership	219	230	269	282	300
Guidance, Evaluation and Counseling	162	167	178	193	193
Attendance and Social Work	4	3	3	3	3
Health Services	36	38	44	47	45
Student (Pupil) Transportation	223	240	269	266	259
Food Services	223	237	262	295	303
Cocurricular/Extracurricular Activities	8	10	13	19	19
General Administration	57	59	61	62	68
Plant Maintenance Operations	299	285	264	266	284
Security and Monitoring Services	15	24	25	27	30
Data Processing Services	23	22	20	19	23
Community Services	14	16	19	19	17
Facilities Aquisition/Construction	6	8	10	9	11
Totals	3,598	3,740	4,097	4,394	4,470

Source of Information: Humble Independent School District Finance Office

¹ Information by function is not available for fiscal years 2001-2004; therefore, only seven years are presented.

² November 2004 PEIMS Submission.

³ October 2007 PEIMS Submission.

⁴ FTEs calculated in April of applicable year.

4	4
2010	2011
3,021	2,962
49	46
38	37
29	25
329	338
206	216
3	1
50	48
258	269
313	332
23	21
74	70
298	312
36	40
23	21
22	26
10	8
4,782	4,772

HUMBLE INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

(UNAUDITED)

Fiscal Year	Average Daily Attendance	Governmental Operating Expenditures ¹	Cost Per Student	Percentage Change	Government Wide Expenses
2002	23,942	\$ 141,698,349	\$ 5,918	-11.26%	\$ 151,454,701
2003	24,572	172,680,220	7,028	18.74%	189,852,800
2004	25,408	187,200,581	7,368	4.84%	199,175,118
2005	26,389	197,043,698	7,467	1.35%	215,181,804
2006	27,769	213,702,211	7,696	3.06%	237,233,547
2007	29,383	238,588,412	8,120	5.51%	266,338,335
2008	30,695	261,859,528	8,531	5.06%	294,455,677
2009	32,233	270,843,578	8,403	-1.50%	313,478,054
2010	32,304	301,043,649	9,319	10.91%	349,512,778
2011	33,176	312,524,924	9,420	3.81%	369,500,027

Source: Nonfinancial information from district records

¹ Governmental operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net assets) and expenditures for capitalized assets included within the functional expenditures categories.

For the years, 2002-2007, only capital outlay in object code 66XX (less 664X) was removed.

² Texas law mandates that no more than 22 students can be assigned to one classroom teacher in kindergarten through fourth grade. Fall PEIMS Submission (PRF4D004) for applicable year.

³ Source of Information: Robin Young, Director of Child Nutrition Services. Count made in October of each school year. Increase in numbers in 2006 is a result of Hurricanes Katrina and Rita students.

⁴ Fall PEIMS Submission (PRF4D001) for the applicable year.

Cost Per Student	Percentage Change	Number of Teaching Staff ⁴	Student to Teacher Ratio ²	Percentage of Students in Free/Reduced Lunch Program ³
6,326	N/A	1,731	15.20	17.48%
7,726	22.14%	1,734	14.90	19.11%
7,839	1.46%	1,772	15.30	20.13%
8,154	4.02%	1,837	15.50	20.43%
8,543	4.77%	1,905	15.30	22.02%
9,064	6.10%	2,110	15.60	25.40%
9,593	5.83%	2,330	14.80	25.60%
9,725	1.38%	2,292	14.80	28.30%
10,819	11.25%	2,506	14.40	33.50%
11,138	5.72%	2,598	14.50	35.00%



HUMBLE INDEPENDENT SCHOOL DISTRICT

TEACHER SALARY DATA

LAST TEN FISCAL YEARS

(UNAUDITED)

Fiscal Year	Minimum Salary ¹	Maximum Salary ¹	District Average Salary ²	State Average Salary ²
2002	\$ 33,350	\$ 46,550	\$ 39,837	\$ 39,232
2003	34,850	47,550	40,917	39,974
2004	35,500	48,165	41,460	40,478
2005	36,000	49,275	41,821	41,011
2006	37,000	50,500	42,588	41,743
2007	39,500	53,000	44,641	44,897
2008	40,300	53,800	44,641	46,179
2009	42,000	55,200	46,983	47,159
2010	42,500	56,375	46,983	47,159
2011	42,500	56,375	46,844	48,263

¹ Source of Information: Humble Independent School District Human Resource Department - Hiring Schedule for Teachers ending at 25 years of service.

² Source of Information: TEA Academic Excellence Indicator System: Staff Information Teachers Regular Duty Only. 2011 data is not available until November 2011. Therefore, the 2010 data was updated to actuals from TEA and the 2011 averages were estimated using the 2010 amounts.

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(UNAUDITED)

Building:	2002	2003	2004	2005
HIGH SCHOOLS				
Atascocita (2007)				
Square Footage				
Capacity				
Enrollment				
Humble (1965)				
Square Footage	421,482	421,482	421,482	421,482
Capacity	2,400	2,400	2,400	2,400
Enrollment	2,661	2,966	2,797	3,148
Humble - Ninth Grade (1971) ²				
Square Footage	153,854	153,854	153,854	153,854
Capacity	1,000	1,000	1,000	1,000
Enrollment	977	1,015	1,130	1,149
Kingwood (1979)				
Square Footage	428,352	428,352	428,352	428,352
Capacity	2,400	2,400	2,400	2,400
Enrollment	2,804	2,801	2,778	2,877
Kingwood Park High School (1993)				
Square Footage	203,024	203,024	203,024	203,024
Capacity	1,100	1,100	1,100	1,100
Enrollment	977	1,028	965	1,064
Quest - CLC (1995)				
Square Footage	64,000	64,000	64,000	64,000
Capacity	400	400	400	400
Enrollment	191	293	336	213
Summer Creek High School (2009)				
Square Footage				
Capacity				
Enrollment				

¹ Source of Information: Lexington Insurance Company Property Valuation Schedule.

² Humble High School - Ninth Grade (1971) converted into Ross Sterling Middle School for the 2007-08 school year.

(continued)

2006	2007	2008	2009	2010 ¹	2011
	435,435	450,000	450,000	450,000	450,000
	2,400	2,400	2,400	3,200	3,200
	2,252	3,107	3,326	3,213	3,106
421,482	421,482	400,520	400,520	400,520	405,870
2,400	2,400	2,400	2,400	2,400	2,400
3,268	2,196	2,343	2,363	2,044	1,734
153,854	153,854				
1,000	1,000				
1,268	570				
428,352	428,352	428,352	523,967	534,452	534,452
2,400	2,400	2,400	2,800	2,800	2,400
3,075	3,028	2,626	2,949	2,644	2,736
203,024	203,024	203,024	203,024	203,024	203,024
1,100	1,100	1,100	1,100	1,600	1,100
1,039	1,051	1,484	1,218	1,625	1,645
64,000	64,000	63,949	63,949	63,949	101,459
400	400	400	400	250	400
275	200	335	350	210	200
				483,677	483,677
				3,200	3,200
				836	1,382

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2002	2003	2004	2005
MIDDLE SCHOOLS				
Atascocita (1983)				
Square Footage	139,022	139,022	139,022	130,922
Capacity	1,100	1,100	1,100	1,100
Enrollment	1,088	1,144	1,304	1,392
Creekwood (1981)				
Square Footage	139,022	139,022	141,338	141,338
Capacity	1,100	1,100	1,100	1,100
Enrollment	982	970	996	1,008
Humble (1993)				
Square Footage	151,310	151,310	151,310	151,310
Capacity	1,200	1,200	1,200	1,200
Enrollment	1,036	1,067	1,161	1,205
Kingwood (1977)				
Square Footage	144,045	144,045	144,045	144,045
Capacity	1,000	1,000	1,000	1,000
Enrollment	997	961	994	961
Riverwood (1991)				
Square Footage	139,022	139,022	139,022	139,022
Capacity	1,100	1,100	1,100	1,100
Enrollment	1,084	1,055	1,033	1,052
Timberwood (1998)				
Square Footage	151,418	151,418	151,418	151,418
Capacity	1,100	1,100	1,100	1,100
Enrollment	967	1,015	1,059	1,134
Ross Sterling Middle School (1971) ²				
Square Footage				
Capacity				
Enrollment				
Woodcreek Middle School (2010)				
Square Footage				
Capacity				
Enrollment				

¹ Source of Information: Lexington Insurance Company Property Valuation Schedule.

² Humble High School - Ninth Grade (1971) converted into Ross Sterling Middle School for the 2007-08 school year.

(continued)

2006	2007	2008	2009	2010 ¹	2011
139,022	139,022	139,022	139,022	139,022	139,022
1,100	1,100	1,100	1,100	990	1,100
1,508	1,652	1,520	1,657	1,706	1,075
141,338	141,338	141,438	141,438	141,438	141,438
1,100	1,100	1,100	1,100	1,064	1,050
1,089	1,067	1,071	1,021	970	945
151,310	151,310	151,310	151,310	151,310	154,536
1,200	1,200	1,200	1,200	1,110	1,110
1,213	1,193	985	988	1,044	1,071
144,045	144,045	144,045	144,045	144,045	144,045
1,000	1,000	1,000	1,000	1,030	1,030
960	917	979	970	1,013	998
139,022	139,022	139,022	139,022	139,022	139,022
1,100	1,100	1,100	1,100	1,130	1,150
1,087	1,081	1,101	1,092	1,091	1,056
151,418	151,418	151,418	151,418	151,418	151,418
1,100	1,100	1,100	1,100	1,110	1,110
1,184	1,305	967	1,032	1,133	1,186
		153,854	153,854	153,854	153,854
		1,000	1,000	950	950
		919	949	977	793
					179,255
					1,110
					965

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2002	2003	2004	2005
ELEMENTARY SCHOOLS				
Atascocita Springs (2010)				
Square Footage				
Capacity				
Enrollment				
Bear Branch (1978)				
Square Footage	65,683	65,683	65,683	65,683
Capacity	722	722	722	722
Enrollment	578	580	567	549
Deerwood (1985)				
Square Footage	72,334	72,334	72,334	72,334
Capacity	700	700	700	700
Enrollment	429	516	523	516
Eagle Springs (2007)				
Square Footage				
Capacity				
Enrollment				
Elm Grove (1978)				
Square Footage	65,683	65,683	65,683	65,683
Capacity	722	722	722	722
Enrollment	595	553	552	567
Fall Creek (2008)				
Square Footage				
Capacity				
Enrollment				
Foster (1971)				
Square Footage	59,648	59,648	74,683	74,683
Capacity	550	550	680	680
Enrollment	583	594	570	572
Greentree (1981)				
Square Footage	65,118	65,118	65,118	65,118
Capacity	650	650	650	650
Enrollment	704	721	745	737
Hidden Hollow (1990)				
Square Footage	74,752	74,752	74,752	74,752
Capacity	700	700	700	700
Enrollment	609	586	511	485

¹ Source of Information: Lexington Insurance Company Property Valuation Schedule.

(continued)

2006	2007	2008	2009	2010 ¹	2011
					114,000
					950
					651
65,683	65,683	65,633	65,633	65,633	65,633
722	722	722	722	562	650
536	569	556	535	554	553
72,334	72,334	70,569	70,569	70,569	70,569
700	700	700	700	634	700
551	573	579	621	641	551
	79,000	78,950	78,950	78,950	78,950
	750	750	750	755	750
	735	901	1,015	1,063	584
65,683	65,683	65,607	65,607	65,607	65,607
722	722	722	722	536	650
586	585	605	556	521	502
			78,950	78,950	78,950
			755	755	750
			478	578	667
74,683	74,683	70,323	70,323	70,323	70,323
680	680	680	680	669	550
608	605	638	600	592	618
65,118	76,968	65,118	65,118	65,118	65,118
650	650	650	650	779	650
766	753	768	751	764	772
74,752	74,752	76,869	76,869	76,869	76,869
700	700	700	700	578	700
477	514	505	485	475	581

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2002	2003	2004	2005
ELEMENTARY SCHOOLS				
Humble (1999) ²				
Square Footage	78,500	78,500	78,500	78,500
Capacity	750	750	750	750
Enrollment	632	684	694	773
Jack Fields (1995)				
Square Footage	76,210	76,210	76,210	76,210
Capacity	750	750	750	750
Enrollment	725	759	771	722
Lakeland (1960)				
Square Footage	59,624	59,624	72,772	72,772
Capacity	500	500	762	762
Enrollment	730	718	730	686
Lakeshore (2009)				
Square Footage				
Capacity				
Enrollment				
Maplebrook (2001)				
Square Footage	77,075	77,075	77,075	77,075
Capacity	750	750	750	750
Enrollment	463	626	807	736
North Belt (1968)				
Square Footage	77,714	77,714	77,714	77,714
Capacity	675	675	675	675
Enrollment	549	502	493	536
Oaks (1979)				
Square Footage	65,129	65,129	65,129	65,129
Capacity	650	650	650	650
Enrollment	649	615	610	597

¹ Source of Information: Lexington Insurance Company Property Valuation Schedule.

² Humble Elementary moved to a new building in 1999. Data for Humble Elementary prior to 1999 relates to a building constructed in 1947.

(continued)

2006	2007	2008	2009	2010 ¹	2011
78,500	78,500	78,500	78,500	78,500	78,500
750	750	750	750	723	750
729	747	631	632	653	659
76,210	76,210	76,210	76,210	76,210	76,210
750	750	750	750	714	750
822	727	695	666	641	591
72,772	72,772	59,624	59,624	59,624	59,624
762	762	762	762	835	500
735	741	460	435	424	732
				80,147	80,147
				950	950
				461	599
77,075	77,075	90,223	90,223	90,223	90,223
750	750	750	750	747	750
928	792	858	794	826	825
77,714	77,714	77,714	77,714	77,714	90,793
675	675	675	675	708	550
581	485	639	601	686	717
65,129	76,979	81,904	81,904	81,904	81,904
650	650	650	650	604	650
593	662	618	622	633	625

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2002	2003	2004	2005
ELEMENTARY SCHOOLS				
Oak Forest (1995)				
Square Footage	87,895	87,895	87,895	87,895
Capacity	750	750	750	750
Enrollment	647	704	723	759
Park Lakes (2007)				
Square Footage				
Capacity				
Enrollment				
Pine Forest (1985)				
Square Footage	72,334	72,334	72,334	72,334
Capacity	700	700	700	700
Enrollment	578	587	643	645
River Pines (2007)				
Square Footage				
Capacity				
Enrollment				
Shadow Forest (1993)				
Square Footage	68,542	68,542	68,542	68,542
Capacity	700	700	700	700
Enrollment	606	615	664	656
Summerwood (2004)				
Square Footage				79,000
Capacity				750
Enrollment				638
Timbers (1981)				
Square Footage	65,118	65,118	65,118	65,118
Capacity	650	650	650	650
Enrollment	499	538	609	681
Whispering Pines (1991)				
Square Footage	74,752	74,752	74,752	74,752
Capacity	700	700	700	700
Enrollment	733	800	880	793

¹ Source of Information: Lexington Insurance Company Property Valuation Schedule.

(continued)

2006	2007	2008	2009	2010 ¹	2011
87,895	87,895	87,895	87,895	87,895	87,895
750	750	750	750	702	750
802	679	645	663	610	664
	79,000	78,950	78,950	78,950	78,950
	750	750	750	755	750
	786	869	791	858	894
72,334	72,334	72,334	72,334	72,334	72,334
700	700	700	700	623	700
703	686	694	681	678	667
		78,509	78,509	78,509	78,509
		750	750	755	750
		681	823	846	660
68,542	68,542	68,542	68,542	68,542	68,542
700	700	700	700	644	700
679	658	659	636	620	606
79,000	79,000	79,000	79,000	79,000	79,000
750	750	750	750	743	750
913	743	942	876	516	583
65,118	70,178	65,118	65,118	65,118	65,118
650	650	650	650	759	650
726	750	734	858	903	821
74,752	74,752	76,869	76,869	76,869	76,869
700	700	700	700	610	700
837	784	723	721	726	716

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

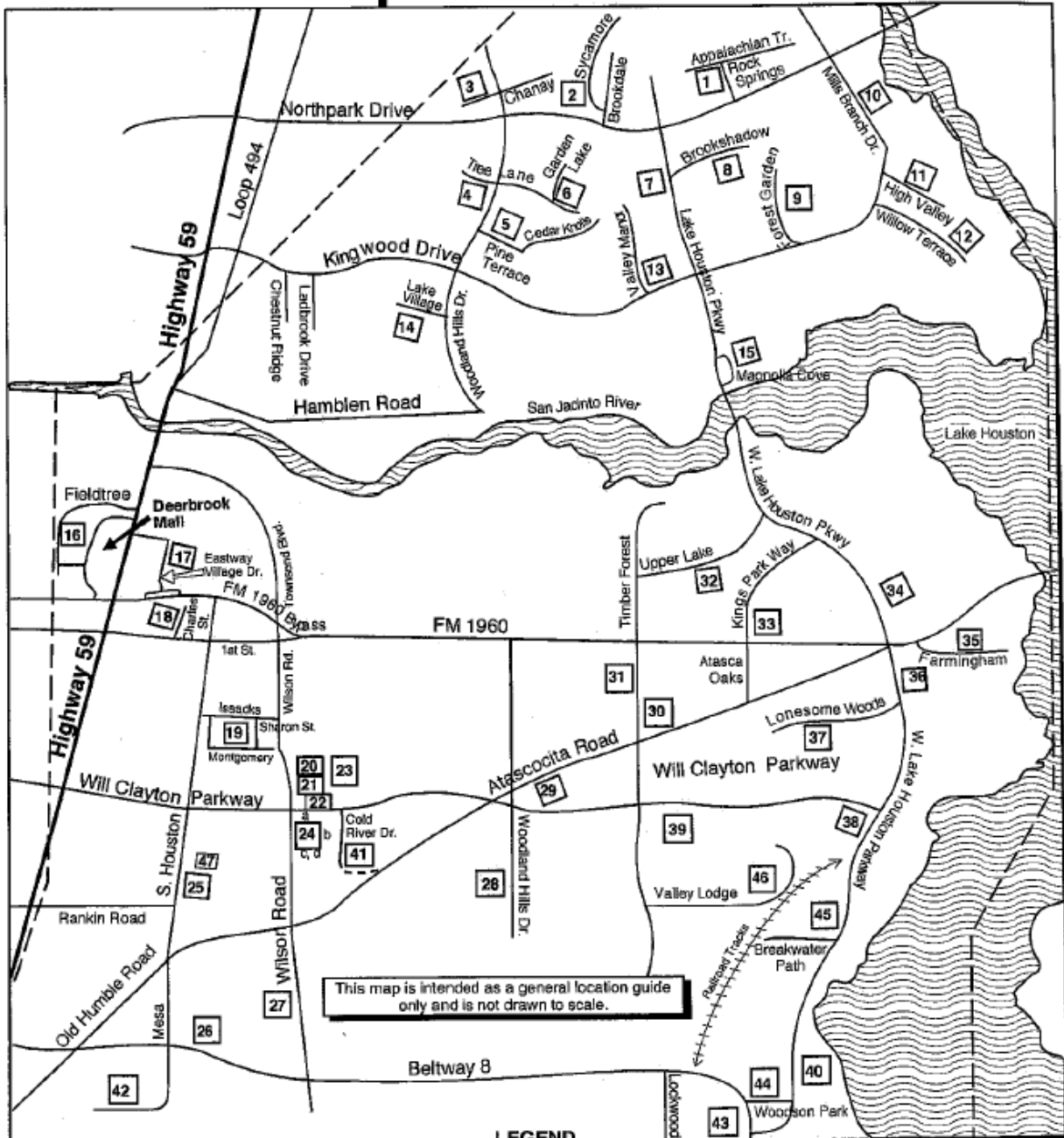
(Unaudited)

Building:	2002	2003	2004	2005
ELEMENTARY SCHOOLS (continued)				
Willow Creek (1988)				
Square Footage	72,334	72,334	72,334	72,334
Capacity	700	700	700	700
Enrollment	576	589	590	572
Woodland Hills (1976)				
Square Footage	65,683	65,683	65,683	65,683
Capacity	722	722	722	722
Enrollment	589	592	605	614

¹ Source of Information: Lexington Insurance Company Property Valuation Schedule.

2006	2007	2008	2009	2010 ¹	2011
72,334	72,334	76,869	76,869	76,869	76,869
700	700	700	700	605	700
554	578	589	613	575	568
65,683	65,683	65,683	65,683	65,683	65,683
722	722	722	722	554	650
614	584	544	515	540	562

Humble Independent School District



This map is intended as a general location guide only and is not drawn to scale.

LEGEND

Administaff Observatory 47	Eagle Springs Elem. 39	Kingwood Park High 3	Riverwood Middle 11
Administration 17	Elm Grove Elem. 2	Lakeland Elem. 19	Ross Sterling Middle 20
Atascocita High 38	Fall Creek Elem. 42	Lakeshore Elem. 45	Shadow Forest Elem. 10
Atascocita Middle 36	Foster Elem. 14	Maintenance 24c	Summer Creek High 43
Atascocita Springs Elem. 46	Greentree Elem. 8	Maplebrook Elem. 35	Summerwood Elem. 40
Bear Branch Elem. 6	Hidden Hollow Elem. 1	North Belt Elem. 26	Timbers Elem. 37
Behavior Training Center 31	Humble Elem. 16	Oak Forest Elem. 33	Timberwood Middle 30
Career And Tech Ed (CATE) 22	Humble High 21	Oaks Elem. 32	Transportation Center 24b
Charles Street Stadium 18	Humble Middle 29	Pace Program 31	Turner Stadium 23
Child Nutrition Center 24d	Instruct. Support Center 15	Park Lakes Elem. 27	Warehouse 24a
Community Learn. Center 31	Jack M. Fields Sr. Elem. 26	Pine Forest Elem. 34	Whispering Pines Elem. 28
Creekwood Middle 7	Kingwood High 13	Quest High School 43	Willow Creek Elem. 12
Deerwood Elem. 9	Kingwood Middle 5	River Pines Elem. 41	Woodcreek Middle 44
District Police Station 18			Woodland Hills Elem. 4

HUMBLE INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION SCHEDULE
GENERAL FUND
June 30, 2011
UNAUDITED

Data Control Code	Explanation	Amount
1.	Total General Fund Balance 6-30-11 (Exhibit C-1 object 3000 for the General Fund only)	\$ 70,463,503
2.	Total Restricted Fund Balance 6-30-11 (from Exhibit C-1 - total of object 3400s for the General Fund only)	
3.	Total Assigned Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	3,127,713
4.	Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)	18,875,237
5.	Estimate of two month's average cash disbursements during the regular school session (9-1-09 to 5-31-10)	41,901,288
6.	Estimate of delayed payments from state sources (58xx) including August payment delays	15,911,843
7.	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated	
8.	Estimate of delayed payments from federal sources (59xx)	4,324,314
9.	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds).	
10.	Adjustment to meet Board Policy	<u>42,739,313</u>
11.	General Fund Optimum Fund Balance and Cash Flow (2+3+4+5+6+7+8+9+10)	<u>126,879,708</u>
12.	Excess or Deficit Undesignated Unreserved General Fund Fund Balance (1-11)	<u>\$ (56,416,205)</u>

The District's Administration will continue to monitor the General Fund Balance in the following budgetary cycles to maintain a fund balance level within District policy and State guidelines.

