

**HUMBLE
INDEPENDENT SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2012

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

**IDA SCHULTZE, CPA
DIRECTOR OF ACCOUNTING AND FINANCIAL REPORTING**

**LYNN LYNN, CPA, RTSBA
CHIEF FINANCIAL OFFICER**

**20200 EASTWAY VILLAGE DRIVE
HUMBLE, TEXAS 77338**

HUMBLE INDEPENDENT SCHOOL DISTRICT
TABLE OF CONTENTS

	<u>Page</u>
Introductory Section	
Transmittal Letter	1
Certificate of the Board	11
ASBO Certificate of Excellence	12
GFOA Certificate of Achievement	13
Organizational Chart	14
Principal Officials and Advisors	15
Financial Section	
Report of Independent Auditors	17
Management’s Discussion and Analysis	19
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	30
Statement of Activities	31
Governmental Fund Financial Statements:	
Balance Sheet	32
Reconciliation of Balance Sheet for Governmental Funds to Statement of Net Assets	35
Statement of Revenues, Expenditures, and Changes in Fund Balance	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	39
Proprietary Funds Financial Statements:	
Statement of Net Assets	40
Statement of Revenues, Expenses, and Changes in Fund Net Assets	41
Statement of Cash Flows	42
Fiduciary Funds Financial Statements:	
Statement of Fiduciary Net Assets	43
Statement of Changes in Fiduciary Net Assets	44
Notes to the Financial Statements	45
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	66
Notes to Required Supplementary Information	67
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	84
Internal Service Funds:	
Combining Statement of Net Assets	94
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	95
Combining Statement of Cash Flows	96

HUMBLE INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS (continued)

	<u>Page</u>
Financial Section (continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance:	
Budget to Actual – Debt Service	98
Budget to Actual – National Breakfast and Lunch Program	99
Statement of Changes in Assets and Liabilities – Agency Funds	100
Compliance Schedules:	
Schedule of Delinquent Taxes Receivable	102
Schedule of Expenditures for Computation of Indirect Costs for 2013-2014 (Unaudited)	104
Statistical Section	
Net Assets by Component	106
Changes in Net Assets	108
Fund Balances of Governmental Funds	110
Changes in Fund Balances - Governmental Funds	112
Assessed Value and Actual Value of Taxable Property	114
Property Tax Rates - Direct and Overlapping Governments	116
Principal Taxpayers	118
Property Tax Levies and Collections	119
Ratios of Outstanding Debt by Type	120
Ratios of Net General Obligation Bonded Debt Outstanding	121
Computation of Estimated Direct and Overlapping Debt	122
Legal Debt Margin	124
Demographic and Economic Statistics	126
Enrollment and ADA Data Chart	128
Principal Employers	129
Full-Time Equivalent District Employees by Function	130
Operating Statistics	132
Teacher Salary Data	135
School Building Information	136
Humble ISD Map and Facility Locations	148
Fund Balance and Cash Flow Calculation Schedule (Unaudited) - General Fund	149

Humble I.S.D.

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

November 13, 2012

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, 2012.

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 Whitley Penn, LLP, 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, 2012, 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, 2012, 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 four 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 2011-2012, 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 2011-2012 year was 36,076, an increase of approximately .5 percent over the previous year. A total of 2,538 seniors graduated from the District in 2012.

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 2011-2012 school year, the District employed 4,526 employees consisting of 3,079 professionals, 333 educational aides, and 1,114 auxiliary staff. Professional employees include 2,310 classroom teachers with an average of 10.3 years of experience. This data was collected and reported based on a specified date in October 2011. Master's degrees have been earned by 22.8 percent of the teaching staff and 0.8 percent of the teaching staff have earned a doctorate degree. The average student/teacher ratio was 15.6 - 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 2012 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 2012 was estimated at 172,290 by the Texas Municipal Reports, 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. The only PGA Tournament held in the Houston area, The Shell Houston Open, is hosted by Redstone Golf Club in Fall Creek. In addition, Humble is home to one of the two nationally known Tour 18 Golf Courses.

Per the Bureau of Labor Statistics, US Department of Labor, from June 2011 to June 2012 job growth in the Houston area increased 3.3 percent, about 2.5 times faster than the national increase of 1.3 percent. Among the twelve largest metropolitan areas in the country, the Houston area rate of job growth surpassed all others and was the only area with growth in excess of 3.0 percent. The majority of this growth occurred in the health services and education sectors.

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.

District's Bond Authorization. In the past ten years, the District has issued three bond referendums:

<u>Referendum Number</u>	<u>Authorized Amount</u>
2002	\$ 229,984,624
2005	\$ 342,030,000
2008	\$ 244,920,200

With the completion of the 2008 Referendum, all of the District's campuses will have been updated. The age of the school buildings ranges from 2 years old to 47 years old.

Financial Information

Budgetary Process. Using the Board and Superintendent Targets as a foundation, the District allocates estimated resources in accordance with prioritized needs. Prioritization is required to achieve a balance between the educational needs of students and the ability of the community and the state to provide the necessary financial support to meet the needs. The prioritization process is instructionally driven and consists of four distinct phases: Definition, Analysis, Decision, and Execution.

These phases span the entire fiscal year prior to the budget projection year:

- Definition July - September
- Analysis October - December

- Decision January - March
- Execution: April - June
 - Board review November - June
 - Adoption June
 - Final Amended Budget for Prior Year June
 - Approval of Fund Balance Classifications October
 - Tax Rate Adoption October

The Definition Phase begins with a review by the Board of Trustees and Superintendent of the educational, curriculum, financial and capital goals as the foundation for planning. With the ever changing accountability standards and rapidly changing student population, the District must constantly seek changes in the programmatic structure which yield the best results for students. Due to a changing economy, inadequate state funding, rising energy and health care costs, the District must develop and maintain financial policies that set the standards for financial stewardship to which the District will hold itself. Finally, with an ever growing student population, the District must be ever mindful of future facility and staffing impacts. This review allows the Board and Superintendent to define the planning parameters for budget development.

After completion of the Definition Phase and Board approval of the prior fiscal year’s audited financial statements, District staff can begin to generate information needed to identify potential financial imbalances and develop strategies for financial sustainability. This phase, known as the **Analysis Phase**, involves consideration of economic trends, the impact of the economy on property tax revenues, the state’s fiscal condition, state mandates, enrollment trends, class size standards, staffing considerations, educational and programmatic goals articulated by the Board, instructional needs, and facility needs.

The Chief Financial Officer and Budget Director begin preparing revenue, expenditure and debt estimates for the upcoming fiscal year and beyond. The estimates are updated continuously during the analysis and decision phases. Local property taxes, the District’s main source of operating revenue, must be estimated using preliminary appraisal values and collection rates based upon historical data. Current debt obligations are analyzed as well as the District’s ability to issue new debt for future facility needs.

The Budget Development Committee reviews all of the information described above and begins a process of prioritization. The financial balance analysis considers decisions impacting both short-term and long-term financial stability. With staffing comprising approximately 87% of the total General Fund budget, it is a constant challenge to maintain a balanced budget while adding new staff to accommodate student growth and the operating costs for expanding facilities to house additional students.

Staffing allocations are managed centrally, taking into account input from campus principals and department heads. Additionally, the state mandated maximum student-teacher ratio of 22 students to 1 teacher for kindergarten through fourth grade requires the District to constantly monitor the ratio of students to teachers for all grade levels, as well as students per staff members (another state benchmark set by the Financial Integrity Rating System of Texas (FIRST) as a measure of sound financial management and budgeting).

Balancing the curriculum offerings and the desired ratios of students to teachers with available funding has proven to be an annual challenge. Correctly predicting enrollment across all grade levels is necessary to establish accurate budget projections for revenues as well as expenditures.

The **Decision Phase** integrates the planning parameters defined by the Board of Trustees and Superintendent with all of the information examined during the Analysis Phase in order to develop a financial strategy to achieve fiscal balance in the adoption of the budget. Members of the Budget Development Committee meet with campus and department administrators to discuss the connection between the goals and objectives of their individual campus or departmental improvement plans and the

allocation of their budgetary resources. Programs are evaluated, needs are assessed and prioritized in the development of strategies for the achievement of success.

Throughout the analysis and decision phases, the Board of Trustees receives updates, including revisions to the current year's budget which can impact the next year's enrollment, staffing and budget projections. Regularly scheduled meetings are held with the Board Finance Committee throughout the year and with the entire Board of Trustees beginning in February to start acquainting the Board with various segments of the proposed budget as developed by Administration in accordance with Board parameters and recommended by the Superintendent. The **Execution Phase** is the final phase of the budget development process. This phase involves a final review of updated financial projections and implementation of the financial strategy leading to the adoption of the budget in June.

The process for budget preparation and adoption is dictated by Texas Education Code Sections 44.002 - 44.006. The budget for school districts that operate on a July 1 to June 30 fiscal year must be prepared by June 19th each year and adopted by the Board of Trustees by June 30th. Districts are required to publish a Notice of Public Hearing to Discuss the Budget and Tax Rate in a local newspaper no fewer than ten days prior to nor greater than thirty days prior to the meeting where formal adoption is scheduled. Additionally, a summary of the proposed budget must be posted on the District's website or in the District's central administrative office on the same date as the newspaper publication as required by the TEC code. The date of publication for the 2012-13 notice was June 13, 2012. The Board officially adopted the budget for 2012-13 on June 26, 2012.

The final action required to complete the budgetary process cycle is adoption of the local property tax rate. The steps and timing of tax rate adoption are dictated by section 26.04 of the Texas Property Tax Code. Property is appraised and valued by the Harris County Appraisal District (HCAD). Final certified rolls are generally received by the District in late August. The Humble ISD Tax Office calculates the effective tax rate and the rollback tax rate in June. For the 2012-13 fiscal year, the required legal notice of these rates was published on June 13, 2012. As required by law, the Board of Trustees held a public hearing on the proposed rate on June 26, 2012 and adopted the tax rate for 2012 at the October 9, 2012 board meeting.

Enrollment. Student enrollment grew from 31,327 in 2006-07 to 35,913 in 2010-11, an increase of over 15%. Enrollment increased by 163 students to 36,076 in 2011-12, or approximately .5%. Student enrollment is projected to remain stable during 2012-13.

Revenue. The predominant sources of revenue are from local property tax collections and state funding. Expenditures funded with General Fund revenues provide for the general educational services for all students, including salaries and related benefits, utilities, instructional supplies, insurance, facilities maintenance, athletics, and instructional and administrative contractual services.

During the previous four years, the District's tax base grew from \$10.4 billion to \$10.7 billion, an increase of approximately 2.4%. The Maintenance & Operations tax rate has remained at \$1.17 per \$100 of taxable value (maximum allowed by law) throughout that time. On average, tax collections represented 48% of total General Fund revenue during the four-year period ranging from \$119.5 million in 2008-09 to \$123 million in 2011-12. The tax base and related tax collections are projected to remain relatively flat for 2012-13 fiscal year.

During the same time period, state revenue (excluding TRS On-Behalf Payments) represented approximately 46% of total General Fund revenue ranging from \$122 million in 2008-09 to \$120 million in 2011-12. As stated in the Introductory Section, the higher the District's property wealth per student, the less state funding the District receives.

The state funding formula is complex, and the Legislature is constantly faced with the challenge of developing a formula that is both adequate and equitable for all school districts. Prior to the 2006-07

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 operations (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% of the 2005 rate in the 2006-07 school year and to 66.67% 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 "targeted 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 Legislature 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. Despite these cuts, the Texas Legislature has continued to add requirements for school districts and students, increase accountability standards and testing requirements. Increased standards and an emphasis on the post-secondary readiness for all students are the right goals for all Texas students. However the State's funding commitment no longer matches its plans and has failed to fundamentally change the system in a way that will allocate resources to the mandates and requirements the State has set. The reduction in state aid forced districts to make significant budget reductions for fiscal year 2011-12. Major reductions, increasing accountability standards, and continuing inequity in state funding have made the likelihood of public school finance litigation a reality.

Currently, 63 public school districts led by the Fort Bend Independent School District (collectively educating more than 1.5 million Texas students) have filed a lawsuit in Travis County to challenge the constitutionality of the State school finance system. In addition to three other lawsuits previously filed by other groups, approximately half of all Texas school districts, who educate over sixty percent of Texas students, are currently challenging the school funding system.

Expenditures. Expenditures funded with General Fund revenues provide for the general educational services for all students. Total general fund expenditures ranged from \$227 million to \$241 million for the 4-year period from 2008-09 to 2011-12. Of these expenditures, salaries and related benefits costs comprise the largest expenditure category at approximately 86% followed by contracted services at approximately 7% (which is predominantly expenditures for utilities) leaving only 7% of the total general fund budget to provide for supplies, materials, and other operating expenditures.

In order to plan for the operating revenue reductions, as a result of the 82nd Legislature Session, and maintain financial stability in future years, the 2011-12 District operating budget reflected reductions in expenditures of over \$24 million. This amount of reductions was necessary in order to avoid additional reductions in 2012-13 and continue to meet the District's fund balance policy in future years.

For the second consecutive year, the budget was adopted with no additional compensation for employees. Consistent with the 2011-12 fiscal year, it was recommended that compensation for all employees remain frozen until the fall. The District will have updated information regarding property values, student enrollment, and state aid and will be better able to determine if any compensation increases can be awarded to employees.

Fund Balance. In fiscal year 2000-01, the District began to experience significant growth in property valuations and student enrollment. The needs of the District started changing rapidly. District administration began discussions with the Board of Trustees regarding capital needs and financial sustainability. The District held a successful bond election in September 2002 for the issuance of in excess of \$229 million to accommodate growth. District administration began preparing long-term planning projections and held Budget Workshops with the Board of Trustees emphasizing balancing educational services, payroll costs, facility and capital needs, and long-term obligations with the tax burden on the community. In an effort to preserve financial stability, in January of 2004 the Board of Trustees approved a change to the local annual operating budget policy that targeted a yearly minimum unreserved, undesignated general fund balance of 10% of total operating expenditures. In April 2005, the District held a second successful bond election for the issuance of bonds in excess of \$342 million. The District began to formalize the capital improvement program with the development of a Capital Improvement Program Regulation and Capital Assets Accounting and Financial Reporting Regulation. In November 2007, with a commitment to long-term financial planning, District administration presented a Debt Management Policy for Board approval. This policy included a provision for targeting a minimum debt service fund balance of 25% of annual debt service requirements on all outstanding debt for the Debt Service Fund. The District continued in a pattern of rapid growth and in May 2008, District voters approved a third bond election just under \$245 million. As the needs of the District continued to change significantly, the state funding formulas began to change and the economic downturn created great uncertainty in the District's revenue stream. In May of 2010, after many meetings reviewing and discussing budget planning projections with various scenarios and assumptions including the appropriate level of fund balance, the Board of Trustees approved the recommendation to target a yearly unassigned general fund balance between 17% (60 days) and 25% (90 days) of total operating expenditures. This action was taken in order to preserve the financial stability of the District.

Unassigned fund balance ranged from \$64 million (28.2%) in 2008-09 to an estimated \$60 million (25%) in fiscal year 2011-12. Unassigned fund balance is projected to be approximately \$58 million at the end of fiscal 2013. Assignments of fund balance ranged from approximately \$20 million in 2008-09 to \$27 million in 2011-12. At the end of fiscal year 2010-11, the Board of Trustees approved a release of the assigned fund balance for the opening of new campuses in order to accommodate a \$9 million reduction in state aid (due to a recalculation related to TIRZ) and a transfer of \$8.9 million to the Internal Service Fund for stabilization of the health care program due to elimination of the District's self-funded health care program and the potential impact of health care reform. In addition to the standard year end assignments required for one-time uses of fund balance (such as outstanding encumbrances and insurance deductibles), the District recommended additional assignments at the end of fiscal 2012 related to the uncertainty in federal and state funding. Included in these are amounts related to potential budgetary cuts at the federal and state level (sequestration and failure to meet maintenance of effort requirements related to the No Child Left Behind Act of 2001 and the Individuals with Disabilities Education Improvement Act of 2004). Additionally, since the District currently has no capacity to issue debt without increasing the tax rate, the General Fund must provide for necessary capital outlay and technology expenditures. Fund balance may only be appropriated through official Board action.

Planning Projections. Tax collections and other local revenue are projected to be \$127.6 million (or 47% of total revenue) in fiscal year 2015-16 while state revenue is projected at \$145.7 million (or 53% of total revenue). Total General Operating revenue is projected at \$273.4 million (including indirect costs from federal sources).

Payroll expenditures are projected to be \$235.4 million (or 86% of total expenditures) with contracted services (primarily utilities) projected at \$18.7 million (or 7% of total expenditures). Total General Operating expenditures are projected to be \$274.7 million.

Expenditures are projected to exceed revenues in fiscal year 2015-16 by \$1.3 million. Unassigned fund balance is projected to be \$49.1 million or 17.9% of total operating expenditures.

Major Initiatives and Accomplishments

Superintendent appointed to national governing board - Humble ISD Superintendent Dr. Guy Sconzo was appointed to the American Association of School Administrators Governing Board in 2011. Founded in 1865, the association advocates for the highest quality public education for all students and supports school system leaders. Dr. Sconzo is among four Texas superintendents serving on the national Governing Board.

Humble ISD Dashboard developed as online tool for finding data - The Humble ISD Dashboard was developed as a new tool to provide data to the public about student achievement and district operations. The Dashboard is located on the top corner of the district website. The public can click on it to find information about Student Achievement, Financial Resources, Attendance, Facilities and Human Resources. Figures for Humble ISD are presented next to figures for other school districts in the Houston area. State figures are also presented where applicable. Monitoring a variety of performance indicators keeps the district focused on continual improvement in all functions.

Administrative reorganization - Humble ISD implemented a new structure to provide schools with more direct, coordinated support. The reorganization took 11 central office positions and reconfigured them into 10, saving on administration costs. The reorganization was developed based upon recommendations from a Curriculum Management Audit conducted by Phi Delta Kappa International Curriculum Management Audit Center.

Ground broken on 27th elementary school - Humble ISD broke ground on its 27th elementary school. The new school is being built in the Sunset Ridge subdivision near Beltway 8. The school is designed to educate 960 students and the floor plan will be similar to Atascocita Springs Elementary School. It will open in August 2013.

District receives nearly \$2.9 million in grants for propane-fueled buses - Humble ISD received nearly \$2.9 million in grant funding from the Texas Railroad Commission, Texas Commission on Environmental Quality and Texas PTA to purchase 27 propane-fueled school buses. The new buses were both environmentally-friendly, reducing nearly 20 tons of nitrogen oxide emissions per year, and more cost-efficient, saving Humble ISD \$75,000 annually in fuel costs.

Advanced Placement courses emphasized - Humble ISD was among just 388 districts nationwide named to the Advanced Placement (AP) Achievement List in 2011. Humble ISD was recognized for simultaneously achieving increases in access to AP courses for a broader number of students while also maintaining or improving the rate at which AP students earned scores of 3 or higher on an AP Exam. Humble ISD increased the number of Advanced Placement exams taken by students from 2,039 exams taken in 2011 to 3,112 exams taken in 2012.

Received 4.5 stars on FAST report - The State Comptroller's Financial Allocation Study of Texas (FAST) rated Humble ISD 4.5 stars out of 5 for the third consecutive year of FAST ratings due to the district's high achievement and low spending. FAST is a detailed study of Texas Public school funding and its relationship to the academic achievement.

Graduation rate rises - Humble ISD's graduation rate increased to 94.5 percent in 2012, up from 92.8 percent in 2011.

Elementary school honored as first in Texas to receive CPHS Verified Recognition - Atascocita Springs Elementary School was honored as the first school in Texas to achieve Collaborative for High Performance Schools (CPHS) Verified Recognition. Atascocita Springs attained the high achievement for its innovative energy efficient construction design. The school, built in 2010, includes hands-on math and science teaching tools, including touch screen computers connected to the building's systems so students can call up information about electricity, rainwater collection receptacles for irrigating student gardens, and waste management systems that emphasize recycling.

More than 100 teachers awarded Education Foundation grants - The Humble ISD Education Foundation awarded \$267,338 in grants to 109 teachers on 38 campuses in 2012. Teachers submitted a proposal for a creative, educational enrichment opportunity for their students and the best submissions received funding to bring their ideas to life.

Atascocita Springs Elementary School dedicates the ConocoPhillips Rice Elementary Model Science Lab - Atascocita Springs Elementary School dedicated the ConocoPhillips Rice Elementary Model Science Lab, a science lab equipped with distance-learning technology that is used by Rice University for training public school teachers in Humble ISD and other area districts to enhance science instruction in elementary school classrooms. Humble ISD is proud to be a home for this area program.

Employee campaign doubles staff donations - The Humble ISD Education Foundation experienced its most successful employee campaign in history. Employee donations grew 86 percent to \$87,000.

District joins school finance lawsuit - Humble ISD joined as a plaintiff in a lawsuit to challenge the constitutionality of the State school finance system. District leaders believe the state funding system is inequitable, inadequate and overly reliant on local taxes to fund a state responsibility. Humble ISD was among more than 60 districts statewide listed as plaintiffs in the lawsuit. In the history of school finance litigation, no plaintiff group ever has been larger in terms of student enrollment, representing more than one-third of the State's student population. This lawsuit is also the most broad and diverse group of school districts ever to jointly challenge the school finance system.

District emphasizes emergency response preparedness - Humble ISD received \$394,000 in funding by the Readiness and Emergency Management in Schools (REMS) Grant. Staff members were trained on the National Incident Management System (NIMS) framework and a full-scale, emergency responder exercise was held at Turner Stadium that involved emergency responders from 20 local agencies.

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, 2011.

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 26 consecutive years and the GFOA award for 26 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 2012 certificate.

The TEA has awarded the District a rating of "Superior Achievement" for the year ended June 30, 2011, the tenth 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 2010-2011 school year and budgetary and actual financial data for the fiscal period ended June 30, 2011.

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

Ida A. Schultze, Director of Accounting and Financial Reporting

Lynn Lynn

Lynn Lynn, Chief Financial Officer

Guy M. Sconzo

Guy M. Sconzo, Ph.D., Superintendent of Schools

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, 2012, was reviewed and approved at a meeting of the Board of Trustees of the Humble Independent School District on the 13th of November, 2012.

Charles Cunningham
Mr. Charles Cunningham, Board President

Robert Scarfo
Mr. Robert Scarfo, 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, 2011

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

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, 2011

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



Linda C. Danison

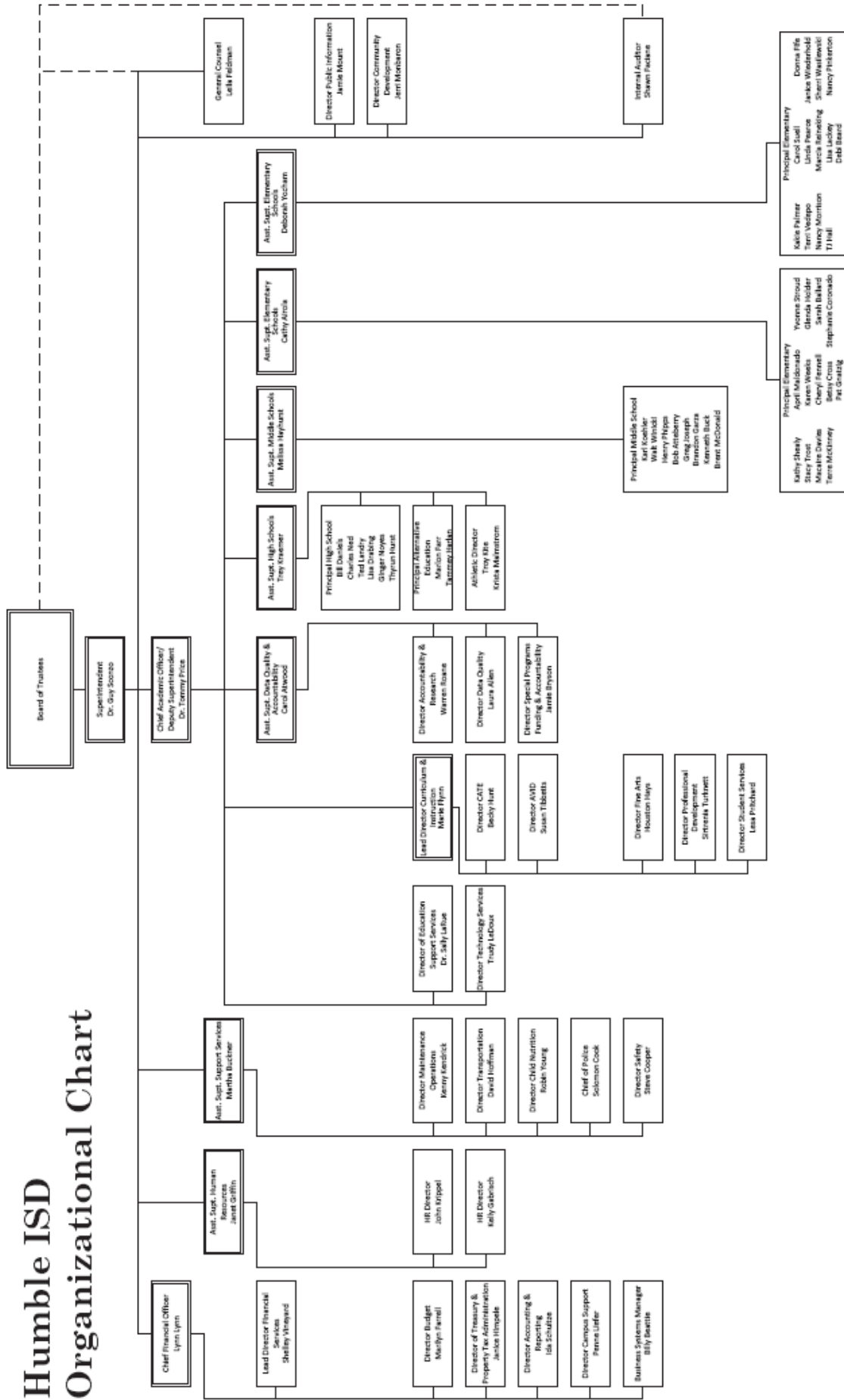
President

Jeffrey R. Emer

Executive Director

HUMBLE INDEPENDENT SCHOOL DISTRICT ORGANIZATIONAL CHART

Humble ISD Organizational Chart



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

BOARD OF TRUSTEES

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

ADMINISTRATION LEADERSHIP

Dr. Guy M. Sconzo	Superintendent of Schools
Dr. Tommy Price	Chief Academic Officer/Deputy Superintendent
Lynn Lynn	Chief Financial Officer
Janet Griffin	Assistant Superintendent Human Resources
Martha Buckner	Assistant Superintendent Support Services
Leila Feldman	General Counsel
Shelley Vineyard	Lead Director of Financial Services
Carol Atwood	Assistant Superintendent Data Quality
Trey Kraemer	Assistant Superintendent High Schools
Melissa Hayhurst	Assistant Superintendent Middle Schools
Cathy Airola	Assistant Superintendent Elementary Schools
Deborah Yocham	Assistant Superintendent Elementary Schools
Jamie Mount	Director of Public Information
Jerri Monbaron	Director of Community Development
Dr. Sally LaRue	Director of Special Education
Marie Flynn	Lead Director of Curriculum & Instruction
Trudy Ledoux	Director of Technology Services



REPORT OF INDEPENDENT AUDITORS

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, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of 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.

To the Board of Trustees
Humble Independent School District
Humble, Texas
Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 19 through 28 and 66 through 68 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, 2012

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, 2012. 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, 2012, by \$113,898,998 (*net assets*). Of this amount, \$86,593,791 or 76.0 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 \$166,224,445. Approximately 36.3 percent of this total amount, \$60,385,171 is *unassigned fund balance*. This unassigned fund balance is in the general fund and represents 25.0 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 30-31 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 forty-six 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-three 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 32-39 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 health care, workers' compensation, and unemployment compensation programs, the Print Shop, and Child Care Program. The basic proprietary fund financial statements can be found on pages 40-42 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 43-44.

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 45-64 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 66-68 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 74-96 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 \$113,898,998 as of June 30, 2012. 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 (\$6.9) million or approximately (6.1) 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>2012</u>	<u>2011</u>
Current and other assets	\$ 229,728,494	\$ 238,902,414
Capital assets	<u>591,414,877</u>	<u>604,110,455</u>
Total assets	<u>821,143,371</u>	<u>843,012,869</u>
Long-term liabilities outstanding	660,486,404	680,430,591
Other liabilities	<u>46,757,969</u>	<u>54,116,285</u>
Total liabilities	<u>707,244,373</u>	<u>734,546,876</u>
Net Assets		
Invested in capital assets, net of related debt	(6,911,607)	4,352,256
Restricted	34,216,814	32,743,502
Unrestricted	<u>86,593,791</u>	<u>71,370,235</u>
Total net assets	<u>\$ 113,898,998</u>	<u>\$ 108,465,993</u>

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

The District's capital assets decreased by \$12.7 million in fiscal year 2012. This decrease consisted of additions to construction in progress (CIP), land purchases, and furniture and equipment acquisitions of \$27.7 million after current year depreciation of \$29.0 million and disposals or transfers of \$11.4 million. Construction in progress increased for new projects by \$6.4 million; however, projects placed into service as assets in the amount of \$11.3 million resulted in a net decrease in CIP of \$4.9 million for the year. Land was purchased for the new elementary and middle schools for \$4.9 million. Buildings increased \$11.3 million due to the transfer of completed construction projects that were placed into service, while furniture and equipment purchases for the year amounted to \$5.1 million. Purchases of furniture and equipment increased in part due to an allocation of \$2.2 million of capital outlay funding to the campuses and departments from the remaining bond funds from Phase 6 of the 2005 Referendum and Phase 1 of the 2008 Referendum. Several of the newer campuses spent funds on furniture, fixtures and equipment that was allocated to them from the issue of various bonds for start up costs. Funding in the amount of \$1.3 million was spent on technology equipment from the State Fiscal Stabilization Funds remaining from 2011. During the current year, equipment worth \$59,000 was retired or disposed of by the District. The District did not issue general obligation bonds during the year as reflected in the decrease of the District's long-term liabilities outstanding. Other liabilities decreased from 2011 to 2012 due to a significant decrease in accounts payable, accrued wages, and the amount due to other governments.

An additional portion of net assets, approximately 30.0 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 \$86.6 million comprise 76.0 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 \$1.5 million from the prior year due an increase in fund balance for the Debt Service Fund. Unrestricted net assets increased by \$15.2 million due to the decrease in assets, decrease in liabilities, and decrease in Investment in Capital Assets Net of Related Debt as described above.

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

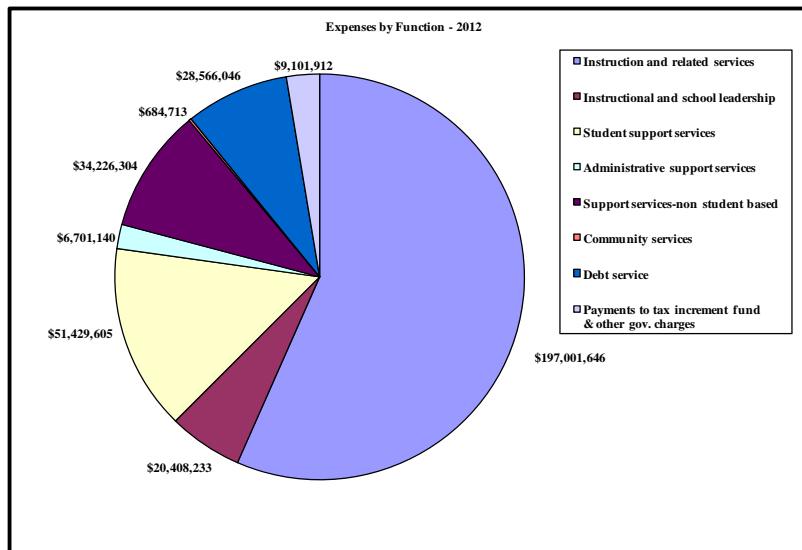
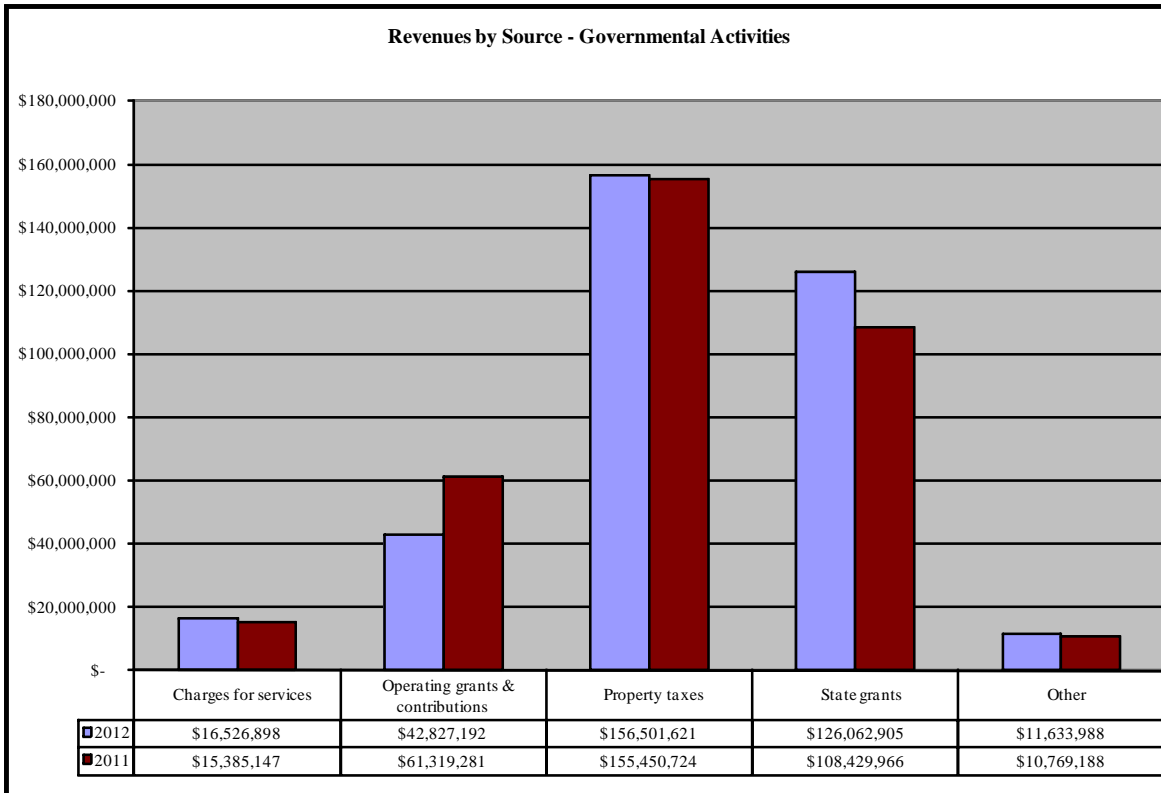
Governmental activities. Governmental activities increased the District's net assets by \$5.4 million. The total cost of all *governmental activities* this year was \$348,119,599. Key elements of the increase are as follows:

Change in Humble Independent School District's Net Assets

	<u>2012</u>	<u>2011</u>
Revenues		
Program Revenues:		
Charges for services	\$ 16,526,898	\$ 15,385,147
Operating grants & contributions	42,827,192	61,319,281
General Revenues:		
Property taxes	156,501,621	155,450,724
State grants	126,062,905	108,429,966
Other	11,633,988	10,769,188
Total Revenues	<u>353,552,604</u>	<u>351,354,306</u>
Expenses		
Instruction	188,241,024	201,583,741
Instructional resources and media services	4,121,671	4,014,070
Curriculum and staff development	4,638,951	5,200,862
Instructional leadership	2,370,239	2,593,743
School leadership	18,037,994	19,177,933
Guidance, counseling, and evaluation services	12,868,163	13,875,463
Social work services	80,918	264,841
Health services	2,873,019	3,006,962
Student transportation	9,355,195	9,605,101
Food service	15,024,593	14,338,336
Extracurricular activities	11,131,707	12,074,698
General administration	6,701,140	6,714,403
Plant, maintenance and operations	27,697,810	28,936,697
Security and monitoring services	2,702,022	2,979,431
Data processing services	3,826,472	3,688,318
Community services	684,713	1,046,553
Interest on long-term debt	28,383,575	30,483,942
Debt issuance costs and fees	182,471	138,438
Payments to JJAEP	96,010	86,950
Payments to Tax Increment Fund	7,801,287	8,376,196
Other governmental charges	1,300,625	1,313,349
Total Expenses	<u>348,119,599</u>	<u>369,500,027</u>
Increase (Decrease) in Net Assets	5,433,005	(18,145,721)
Beginning net assets	108,465,993	126,611,714
Ending Net Assets	<u>\$ 113,898,998</u>	<u>\$ 108,465,993</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 expenditures paid for by taxpayers for these activities through property taxes was \$156,501,621, or 44.9 percent. While the District's tax rate remained the same at \$1.52 per \$100 of assessed value, property valuations increased by 1.0 percent resulting in increased revenues from property taxes of approximately \$1.1 million. While General Fund state aid increased by approximately \$17.6 million, special revenue funds decreased by \$18.4 million. Of the total increase in state revenue, \$9 million was due to a reduction in the prior year for an adjustment by the TEA in the funding formulas related to participation in a Tax Increment Reinvestment Zone. Another \$3.7 million was due to increased average daily attendance (ADA). While the District experienced a slight increase in enrollment, there was a significant increase in the number of full-time versus half-time students in attendance due to the following factors: 1) the State implemented a policy that requires all high school students to take 4 years of the 4 core subjects (Math, English, Science, and Social Studies); 2) the District implemented a policy that prevents high school seniors from taking multiple "off" periods (i.e. late arrival / early release) in their schedule; 3) the District shifted from a 4-period block schedule to a 7-period schedule; and 4) the Data Quality Department implemented a new process for ensuring that all students are coded and accounted for properly. Additionally, the District received \$3.2 million in Instructional Materials Allotment funding and another \$1.7 million in miscellaneous state funded special revenue funds from the Texas Commission of Environmental Quality for the Clean School Bus grant. Charges for services increased by approximately \$1.1 million due to increases in food services and co-curricular activities. Revenues provided by interest earnings and miscellaneous revenue sources (primarily building rentals) increased by \$.8 million.

The reduction in expenses was necessary due to the elimination of State Fiscal Stabilization Funds. This large reduction could only be achieved through reduced personnel costs which were realized through attrition.

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 \$166,224,445, an increase of \$2,327,703. Approximately 36.3 percent of this total amount (\$60,385,171) 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 (\$37,613,815), (2) for capital projects (\$33,803,268), (3) for federal, state, or local grants (\$5,073,952), (4) for activity funds (\$2,377,283), and for other purposes (\$26,970,956). Additional information regarding assignments of fund balance for other purposes can be found in Note II, F, on pages 59.

During the current fiscal year, fund balance of the general fund increased by \$16,892,624. Total revenues in the general fund were \$258.3 million with an increase from the previous year of \$17.9 million. This increase is due primarily to an increase in state aid of \$16.3 million.

General fund expenditures totaled \$241.5 million, which is a decrease of \$4.4 million over the previous fiscal year. The decline in expenditures was due to a decrease in the amount of fees paid for the Tax Increment Reinvestment Zone of \$.8 million, a decrease of \$1 million in salaries and benefits moved to a

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

special revenue fund for the Education Jobs Fund, and a decrease of \$2.1 million in electricity costs as well as a \$.5 million reduction in contracted services.

The debt service fund ended the fiscal year with a fund balance of \$37,613,815, all of which is restricted for the payment of debt service. Total revenues and other financing resources were \$52.3 million with a decrease from the previous year of \$35.4 million. This decrease results from the fact that the District did not refund bonds in the current year reducing other financing resources by \$37.8 million. This combined with an increase in property tax revenues of \$.4 million, TIRZ revenues of \$.9 million, and an increase in state aid of \$1.1 million result in the total reduction of resources. Debt service expenditures and other financing uses totaled \$49.9 million with a decrease of \$37.9 million over the previous year which was mainly due to refunded bonds. The annual net increase in fund balance was \$2,472,583.

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 \$33,803,268 as of June 30, 2012, all of which is restricted for capital projects. The net decrease in fund balance for the fiscal year ended June 30, 2012, was \$16,708,651. This net decrease resulted from the completed renovation of existing facilities, purchase of site acquisitions, and beginning the construction of elementary school #27.

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, 2012, totaled \$15,102,297. The total decrease in net assets was \$2,532,414. Of this amount, \$1.6 million was due to run-out claims and the associated administrative fees related to the District's former self-funded health care and workers' compensation programs. An additional \$.53 million accounted for unemployment claims related to the District's current self-funded unemployment compensation program. The remaining amount related to workers' compensation premiums exceeding contributions in the Public Entity Risk Pool.

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 assigned in the prior year
- Amendments in early and late spring to revise estimates for local and state revenue based on the latest information on tax collections and student attendance numbers
- Amendments throughout the year for transfers to and from other funds and federal indirect cost calculations
- Amendments during the year for unexpected occurrences

The District made the following amendments to estimated revenues:

\$301,014 increase in local revenue for miscellaneous other revenue
\$9,006,877 increase in state revenue due to increased enrollment and updated attendance data

Following is a summary of amendments made to expenditures:

\$301,014 increase in miscellaneous expenditures as a result of one time receipts

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

- \$1,574,913 increase for 2010-11 carryover items
- \$3,397,537 increase in salaries due to salary increases determined in the fall
- \$456,584 increase in payments to the tax increment fund
- \$650,000 increase in additional positions added due to enrollment growth

After revenues and appropriations were amended as described above, actual revenues and other resources were greater than the final amended estimated revenues and other resources by \$6,775,216 or 2.7 percent. Actual local revenue exceeded budgeted revenue due to greater than anticipated tax collections and building rental revenue combined of approximately \$2.4 million. State revenue increased due to the difference between estimated and final data for student counts by approximately \$3.8 million. Federal revenue increased due to greater than expected indirect cost revenue and other federal programs of \$.5 million.

Actual expenditures and other uses were \$14,937,999 or 5.8 percent below the final amended budget. This positive variance was due primarily to lower than anticipated charges in salaries due to employee turnover, tighter staffing guidelines, and a decrease of average salaries of approximately \$8 million. There was approximately a \$1.3 million decrease due to lower than anticipated utility costs. Another \$3.1 million resulted from lower than expected benefits costs. The balance of \$2.5 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, 2012, totals \$591,414,877 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress.

	<u>2012</u>	<u>2011</u>
Land	\$ 40,081,442	\$ 35,202,119
Buildings & improvements	528,498,765	542,269,161
Furniture & equipment	19,440,359	18,326,175
Construction in Progress	3,394,311	8,313,000
Totals at historical cost	<u>\$ 591,414,877</u>	<u>\$ 604,110,455</u>

Additional information on the District's capital assets can be found in Note II, C, on page 55 of this report.

Long Term Debt

As of June 30, 2012, the District had total general obligation bonded debt outstanding of \$611.9 million, a net decrease of \$16.9 million from the prior year. The decrease resulted from scheduled debt principal payments.

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 \$1,066,691,000. The District's outstanding debt of \$611,985,000 less the restriction for the retirement of the debt of \$37,613,815 totals \$574,371,185 leaving a legal debt margin of \$492,319,815.

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

Additional information on the District's long-term debt can be found in Note II, E on pages 56-58 of this report.

Economic Factors and Next Year's Budgets and Rates

- The District's enrollment is projected to increase by 402 students or a growth rate of 1.1 percent for the 2012-13 fiscal year.
- The District's student attendance rate is projected at 95.0 percent.
- The District's taxable valuation is estimated to remain stable at \$10,663,772,971 for the 2012-13 fiscal year.

The Board of Trustees adopted a deficit operating budget for the 2012-13 fiscal year with estimated expenditures of \$264,739,447 exceeding estimated revenues of \$262,234,248 by \$2,505,199. 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 \$125 million. Appropriated expenditures for the 2012-13 fiscal year included the following changes:

- Increase of \$1.1 million for new staff for student growth.
- Increase of \$5.5 million for salaries previously funded by federal dollars through the Education Jobs Grant.
- Increase of \$.35 million for salaries previously funded through the Technology Allotment.
- Increase of approximately \$100,000 for start-up costs related to the opening of a new elementary campus in 2013-14.
- Increase of \$2.5 million for inflationary costs related to support services (custodial, grounds, maintenance/operations, and transportation services), property insurance, initiatives resulting from the curriculum audit, additional diagnosticians, and software related to the student attendance initiative.

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, 2012

<u>Data Control Codes</u>	<u>Governmental Activities</u>
Assets	
1110 Cash and temporary investments	\$ 189,681,242
1225 Property taxes receivables, net	6,424,614
1240 Due from other governments	28,868,613
1260 Internal balances	5,423
1267 Due from fiduciary funds	132,548
1290 Other receivables, net	327,196
1300 Inventories	346,610
1410 Deferred expenses	252,248
1420 Capital bond and other debt issuance costs	3,690,000
Capital assets not subject to depreciation:	
1510 Land	40,081,442
1580 Construction in progress	3,394,311
Capital assets net of depreciation:	
1520 Buildings and improvements, net	528,498,765
1530 Furniture and equipment, net	19,440,359
1000 Total Assets	<u>821,143,371</u>
Liabilities	
2110 Accounts payable	6,160,480
2120 Short term debt payable	370,519
2140 Interest payable	9,854,887
2150 Payroll deductions and withholdings	1,671,370
2160 Accrued wages payable	26,570,029
2177 Due to fiduciary funds	134,945
2180 Due to other governments	631,388
2200 Accrued expenses payable	115,873
2300 Unearned revenues	1,248,478
Noncurrent Liabilities:	
2501 Due within one year	22,306,296
2502 Due in more than one year	638,180,108
2000 Total Liabilities	<u>707,244,373</u>
Net Assets	
3200 Invested in capital assets, net of related debt	(6,911,607)
Restricted for:	
3820 Federal and state programs	41,571
3840 Food service	5,032,381
3850 Debt service	29,142,862
3900 Unrestricted	86,593,791
3000 Total net assets	<u>\$ 113,898,998</u>

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, 2012

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	\$ 188,241,024	\$ 1,942,118	\$ 25,039,034	\$ (161,259,872)
12	Instructional resources & media service	4,121,671	101,741	139,134	(3,880,796)
13	Curriculum and staff development	4,638,951	137,372	1,579,375	(2,922,204)
21	Instructional leadership	2,370,239		310,269	(2,059,970)
23	School leadership	18,037,994	56,349	1,043,567	(16,938,078)
31	Guidance, counseling & evaluation	12,868,163	4,034	1,695,664	(11,168,465)
32	Social work services	80,918		5,581	(75,337)
33	Health services	2,873,019	395	290,530	(2,582,094)
34	Student transportation	9,355,195	16,288	3,010,655	(6,328,252)
35	Food service	15,024,593	8,354,181	6,385,262	(285,150)
36	Extracurricular activities	11,131,707	4,223,282	557,374	(6,351,051)
41	General administration	6,701,140	318,244	529,437	(5,853,459)
51	Plant, maintenance and operations	27,697,810	1,086,050	1,515,416	(25,096,344)
52	Security and monitoring services	2,702,022	33,627	371,540	(2,296,855)
53	Data processing services	3,826,472	198,964	93,457	(3,534,051)
61	Community services	684,713	54,253	260,897	(369,563)
72	Interest on long-term debt	28,383,575			(28,383,575)
73	Debt issuance costs and fees	182,471			(182,471)
95	Payments to JJAEP	96,010			(96,010)
97	Payments to Tax Increment Fund	7,801,287			(7,801,287)
99	Payments to Appraisal District	1,300,625			(1,300,625)
TG	Total governmental activities	<u>\$ 348,119,599</u>	<u>\$ 16,526,898</u>	<u>\$ 42,827,192</u>	<u>(288,765,509)</u>
	Data Control Codes				
	General revenues:				
	Taxes:				
MT	Property taxes, levied for general purposes				122,049,513
DT	Property taxes, levied for debt service				34,452,108
SF	State-aid formula grants				126,062,905
IE	Investment earnings				219,488
MI	Miscellaneous				11,352,686
SI	Special item - gain on sale of asset				61,814
TR	Total general revenues, special items, and transfers				<u>294,198,514</u>
CN	Change in net assets				5,433,005
NB	Net assets - beginning				<u>108,465,993</u>
NE	Net assets - ending				<u>\$ 113,898,998</u>

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

HUMBLE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2012

<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	\$ 99,020,046	\$ 29,013,135	\$ 36,564,625
Receivables:			
1210 Current property taxes receivable	154,106	46,099	
1220 Delinquent property taxes receivables	9,753,362	2,535,591	
1230 Allowance for uncollectible taxes (credit)	(4,866,787)	(1,197,757)	
1240 Receivables from other governments	25,381,295		
1260 Due from other funds	1,004,541	9,285,314	1,298,993
1290 Other receivables	218,525		
1300 Inventories, at cost	213,458		
1410 Prepays	64,395		
1000 Total Assets	\$ 130,942,941	\$ 39,682,382	\$ 37,863,618
Liabilities and Fund Balance			
Liabilities:			
2110 Accounts payable	\$ 2,724,676	\$ 12,387	\$ 2,039,006
2150 Payroll deduction and withholdings	1,903,396		
2160 Accrued wages payable	24,405,268		
2170 Due to other funds	9,405,473	39,895	1,940,749
2180 Payable to other governments		632,352	
2200 Accrued expenses	99,223		80,595
2300 Deferred revenues	5,048,778	1,383,933	
2000 Total Liabilities	43,586,814	2,068,567	4,060,350
Fund Balances:			
Restricted:			
3450 Federal/State grant restrictions			
3470 Capital acquisitions			33,803,268
3480 Debt service		37,613,815	
Committed:			
3545 Other purposes			
Assigned:			
3590 Other assigned	26,970,956		
3600 Unassigned	60,385,171		
3000 Total fund balances	87,356,127	37,613,815	33,803,268
4000 Total Liabilities and Fund Balances	\$ 130,942,941	\$ 39,682,382	\$ 37,863,618

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 9,874,733	\$ 174,472,539
	200,205
	12,288,953
	(6,064,544)
3,487,318	28,868,613
13,650	11,602,498
108,499	327,024
133,152	346,610
16,373	80,768
<u>\$ 13,633,725</u>	<u>\$ 222,122,666</u>

\$ 2,547,920	\$ 7,323,989
	1,903,396
2,134,677	26,539,945
223,184	11,609,301
1,050	633,402
35,278	215,096
1,240,381	7,673,092
<u>6,182,490</u>	<u>55,898,221</u>

5,073,952	5,073,952
	33,803,268
	37,613,815
2,377,283	2,377,283
	26,970,956
	60,385,171
<u>7,451,235</u>	<u>166,224,445</u>
<u>\$ 13,633,725</u>	<u>\$ 222,122,666</u>



HUMBLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET ASSETS
June 30, 2012

<u>Data Control Codes</u>		
	Total fund balance, governmental funds	\$ 166,224,445
	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	591,414,877
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).	6,424,614
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.	3,690,000
	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	(611,985,000)
5	Premiums on issuance	(25,221,611)
6	Deferred loss on refunding	1,386,859
7	Accreted interest on premium Capital Appreciation Bonds	(23,282,597)
8	Accrued interest payable	(9,854,886)
9	Addition of Internal Service fund net assets	<u>15,102,297</u>
19	Total net assets - governmental activities	<u><u>\$ 113,898,998</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, 2012

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ 125,580,851	\$ 46,029,496	\$ 77,758
5800	State program revenues	132,239,241	6,216,844	
5900	Federal program revenues	528,785		
5020	Total revenues	<u>258,348,877</u>	<u>52,246,340</u>	<u>77,758</u>
Expenditures				
Current:				
0011	Instruction	146,066,537		2,087,817
0012	Instruction resources and media services	2,609,759		178,657
0013	Curriculum and instructional staff development	2,957,485		3,921
0021	Instructional leadership	2,013,135		
0023	School leadership	16,916,120		89,229
0031	Guidance, counseling and evaluation services	11,407,167		16,795
0032	Social work services	78,452		
0033	Health services	2,536,174		
0034	Student transportation	7,822,871		611,635
0035	Food services			3,310
0036	Extracurricular activities	6,733,508		3,008
0041	General administration	6,267,203		1,655
0051	Facilities maintenance and operations	23,482,752		2,926,103
0052	Security and monitoring services	2,364,051		30,696
0053	Data processing services	2,367,756		667,799
0061	Community services	495,648		
Debt service:				
0071	Principal on long-term debt		16,850,000	
0072	Interest on long-term debt		31,185,628	
0073	Bond issuance costs and fees		19,538	
Capital outlay:				
0081	Facilities acquisition and construction			10,088,026
Intergovernmental:				
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	96,010		
0097	Payments to Tax Increment Fund	6,004,938	1,796,349	
0099	Payments to County Appraisal District	1,300,625		
6030	Total Expenditures	<u>241,520,191</u>	<u>49,851,515</u>	<u>16,708,651</u>
1100	Excess (deficiency) of revenues over expenditures	<u>16,828,686</u>	<u>2,394,825</u>	<u>(16,630,893)</u>
Other Financing Sources (Uses)				
7912	Sale of real or personal property	84,425		
7915	Transfers in		77,758	
8911	Transfers out	(20,487)		(77,758)
7080	Total Other Financing Sources (Uses)	<u>63,938</u>	<u>77,758</u>	<u>(77,758)</u>
1200	Net change in fund balances	16,892,624	2,472,583	(16,708,651)
0100	Fund Balance - beginning	<u>70,463,503</u>	<u>35,141,232</u>	<u>50,511,919</u>
3000	Fund Balance - ending	<u>\$ 87,356,127</u>	<u>\$ 37,613,815</u>	<u>\$ 33,803,268</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 14,049,669	\$ 185,737,774
6,334,839	144,790,924
23,570,388	24,099,173
<u>43,954,896</u>	<u>354,627,871</u>
18,066,198	166,220,552
100,414	2,888,830
1,588,093	4,549,499
300,179	2,313,314
147,610	17,152,959
1,072,223	12,496,185
1,628	80,080
73,107	2,609,281
2,693,325	11,127,831
13,869,909	13,873,219
3,325,373	10,061,889
40,751	6,309,609
780,512	27,189,367
332,435	2,727,182
269,557	3,305,112
265,799	761,447
	16,850,000
	31,185,628
	19,538
1,356,636	11,444,662
	96,010
	7,801,287
	1,300,625
<u>44,283,749</u>	<u>352,364,106</u>
<u>(328,853)</u>	<u>2,263,765</u>
	84,425
1,547	79,305
<u>(1,547)</u>	<u>(99,792)</u>
	<u>63,938</u>
(328,853)	2,327,703
<u>7,780,088</u>	<u>163,896,742</u>
<u>\$ 7,451,235</u>	<u>\$ 166,224,445</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, 2012

**Data
Control
Codes**

Net change in fund balances - total governmental funds (from C-3) \$ 2,327,703

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. 16,367,537
Depreciation expense taken to Statement of Activities. (29,040,502)
- 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. (22,611)
- 3 Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,126,698)
- 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. 16,850,000

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:

- 5 Increase in interest payable not recognized in fund statements (246,726)
- 6 Decrease in Arbitrage Payable 57,381
- 7 Accreted interest on capital appreciation bonds 1,508,970
- 8 Amortization of deferred charges including bond issuance costs, as well as premiums and discounts on issuance of bonds 1,290,366
- 9 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). (2,532,415)

Change in net assets of governmental activities \$ 5,433,005

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, 2012

<u>Data Control Codes</u>		<u>Governmental Activities</u>
		<u>Total Internal Service Funds</u>
	Assets	
	Current assets:	
1110	Cash and cash equivalents	\$ 16,546,608
1260	Due from other funds	9,901
1290	Other receivables	2,186
1410	Prepays	171,480
1000	Total Assets	<u><u>\$ 16,730,175</u></u>
	Liabilities	
	Current liabilities:	
2110	Accounts payable	\$ 174,396
2150	Payroll deductions and withholdings payable	39,270
2160	Accrued wages payable	30,085
2170	Due to other funds	72
2200	Claims payable	271,296
	Total current liabilities	<u>515,119</u>
	Non-current liabilities:	
2590	Claims and judgments	1,112,759
	Total non-current liabilities	<u>1,112,759</u>
2000	Total Liabilities	<u><u>1,627,878</u></u>
	Net Assets	
3900	Unrestricted net assets	15,102,297
3000	Total Net Assets	<u>15,102,297</u>
4000	Total Liabilities and Net Assets	<u><u>\$ 16,730,175</u></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, 2012

<u>Data Control Codes</u>		<u>Governmental Activities</u>
		<u>Total Internal Service Funds</u>
	Operating Revenues	
5754	Interfund services provided and used	\$ 18,735,818
5739	Tuition and fees	386,728
5020	Total operating revenues	<u>19,122,546</u>
	Operating Expenses	
6100	Payroll costs	479,346
6200	Purchased and contracted services	284,150
6300	Supplies and materials	80,489
6400	Claims expense and other operating expenses	20,838,136
6600	Non-capitalized expenses	12,072
6030	Total Operating Expenses	<u>21,694,193</u>
1200	Operating Income (Loss)	<u>(2,571,647)</u>
	Non-Operating Revenues (Expenses)	
7020	Earnings - temporary deposits and investments	18,746
	Total Nonoperating Revenues	<u>18,746</u>
	Income (Loss) before Transfers	(2,552,901)
	Transfers	
7915	Transfers in	<u>20,487</u>
1200	Change in Net Assets	(2,532,414)
	Net Assets:	
0100	Net Assets - beginning	<u>17,634,711</u>
3300	Net Assets - ending	<u>\$ 15,102,297</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, 2012

	Governmental Activities
	Total Internal Service funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash receipts from interfund services provided	\$ 20,444,115
Cash receipts from miscellaneous sources	385,972
Cash payments to employees	(471,125)
Cash payments for insurance claims	(23,146,757)
Cash payments to suppliers for goods and services	(562,305)
Net Cash Provided by (Used for) Operating Activities	<u>(3,350,100)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash payment from other fund	20,487
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>20,487</u>
Cash Flows from Investing Activities:	
Interest on investments	18,746
Net Cash Provided by Investing Activities	<u>18,746</u>
Net Increase in Cash and Cash Equivalents	(3,310,867)
Cash and Cash Equivalents at Beginning of Year	<u>19,857,475</u>
Cash and Cash Equivalents at End of Year	<u>\$ 16,546,608</u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 16,546,608</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 16,546,608</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (2,571,647)
Change in Assets and Liabilities	
Decrease (increase) in Receivables	1,462,413
Decrease (increase) in Interfund Receivables	(20,317)
Decrease (increase) in Prepaids	251,985
Increase (decrease) in Accounts Payable	(2,825,482)
Increase (decrease) in Long-term payables	352,948
Net Cash Provided by (Used for) Operating Activities	<u>\$ (3,350,100)</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, 2012

<u>Data Control Codes</u>		<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets			
1110	Cash and cash equivalents	\$ 1,361,767	\$ 1,202,651
Receivables:			
1260	Due from other funds	14,116	282
1290	Other receivables		6,430
	Total Assets	<u>\$ 1,375,883</u>	<u>\$ 1,209,363</u>
Liabilities			
2110	Accounts payable		\$ 54,242
2170	Due to other funds		17,424
2190	Due to others		1,137,697
2000	Total Liabilities		<u>\$ 1,209,363</u>
Net Assets			
3800	Restricted for scholarships	978,459	
3900	Unrestricted net assets	397,424	
	Total Net Assets	<u>\$ 1,375,883</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, 2012

	Private Purpose Trust Fund
Additions	
Gifts and contributions	\$ 127,690
Total contributions	<u>127,690</u>
Investment earnings	
Interest	1,465
Total Additions	<u>129,155</u>
 Deductions	
Scholarships awarded	<u>79,740</u>
Total deductions	<u>79,740</u>
 Change in net assets	49,415
 Net assets - beginning of year	<u>1,326,468</u>
 Net assets - end of year	<u><u>\$ 1,375,883</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, 2012

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 for unemployment compensation; public entity risk pool for employee health care and workers' compensation benefits beginning July 1, 2011; print shop; and child care center.

Prior to July 2011, the District sponsored a self-funded plan to provide health care benefits to employees and their dependents. Partial contributions by employees were required for coverage. The plan was administered by a third party. The District was protected against unanticipated, catastrophic individual or aggregate loss through stop-loss coverage carried through an insurance carrier. Due to increased health care costs, the District began to explore other options. The District also sponsored a self-funded workers' compensation program which was administered by a third party. During fiscal year 2011-12, the self-funded insurance program continued to provide funding for run-out claims incurred prior to June 30, 2011, for the medical and workers' compensation programs. Additionally, the self-funded program will continue to pay unemployment compensation claims.

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

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 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 1 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, 2012 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 48.6 percent of total outstanding property taxes and associated penalties and interest at June 30, 2012. The allowance percentage consists of 23.0 percent for delinquent taxes and 25.6 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, 2012, was \$140,021.

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, 2012, the district has no arbitrage liability that is due and payable

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. Moreover, the Board of Trustees must approve the establishment, modification, or rescission of a fund.

Assigned Fund Balance – general fund amounts constrained to a specific purpose by the Board Finance Committee or the Superintendent and Chief Financial Officer, as authorized by Board Policy CE-Local.

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, 2012, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) in governmental funds was \$2,536,634 and the bank balance was \$5,104,665. The carrying amount of the District's fiduciary funds was \$759,170. The District's cash deposits at June 30, 2012, and during the year ended June 30, 2012, 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, 2012.

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.

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

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 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, 2012. 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, 2012, the carrying amounts of the District's investments for governmental funds are summarized as follows:

	Fair Value	Weighted Average Maturity (Days)
Investments		
TexPool	\$ 63,627,884	46
Lone Star Investment Pool	123,516,724	50
Total Investments	<u>\$ 187,144,608</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, 2012, 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.

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

As of June 30, 2012, TexPool and Lone Star Investment Pool represented 34.0 percent and 66.0 percent respectively of the General Fund, Internal Service Funds, Proprietary Funds, Debt Service Fund, and 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, 2012, 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 - Current	\$ 154,106	\$ 46,099	\$	\$	\$ 200,205
Taxes - Delinquent	5,921,927	1,567,194			7,489,121
Taxes - Penalties/Interest	3,831,435	968,397			4,799,832
Total Taxes Receivable	<u>9,907,468</u>	<u>2,581,690</u>			<u>12,489,158</u>
Due from Other Governments	25,381,295			3,487,318	28,868,613
Other	218,525		2,186	108,499	329,210
Gross Receivables	<u>35,507,288</u>	<u>2,581,690</u>	<u>2,186</u>	<u>3,595,817</u>	<u>41,686,981</u>
Less: Allowance for Uncollectibles	<u>(4,866,787)</u>	<u>(1,197,757)</u>			<u>(6,064,544)</u>
Net Total Receivables	<u>\$ 30,640,501</u>	<u>\$ 1,383,933</u>	<u>\$ 2,186</u>	<u>\$ 3,595,817</u>	<u>\$ 35,622,437</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)	\$ 154,106	\$	\$ 154,106
Current property taxes receivable (Debt Service Fund)	46,099		46,099
Delinquent property taxes receivable (General Fund)	4,886,575		4,886,575
Delinquent property taxes receivable (Debt Service Fund)	1,337,834		1,337,834
Advanced funding		1,248,478	1,248,478
Total deferred/unearned revenue for Governmental Funds	<u>\$ 6,424,614</u>	<u>\$ 1,248,478</u>	<u>\$ 7,673,092</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, 2012, was as follows:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>(Retirements) and Transfers</u>	<u>Balance June 30, 2012</u>
Capital assets, not being depreciated:				
Land	\$ 35,202,119	\$ 4,874,952	\$ 4,371	\$ 40,081,442
Construction in progress	8,313,000	6,391,950	(11,310,639)	3,394,311
Total Capital assets, not being depreciated	<u>43,515,119</u>	<u>11,266,902</u>	<u>(11,306,268)</u>	<u>43,475,753</u>
Capital assets, being depreciated:				
Buildings and improvements	724,444,161		11,306,268	735,750,429
Furniture and equipment	46,189,852	5,100,633	(59,230)	51,231,255
Total Capital assets, being depreciated	<u>770,634,013</u>	<u>5,100,633</u>	<u>11,247,038</u>	<u>786,981,684</u>
Less accumulated depreciation for:				
Buildings and improvements	(182,175,000)	(25,076,664)		(207,251,664)
Furniture and equipment	(27,863,677)	(3,963,838)	36,619	(31,790,896)
Total Accumulated depreciation	<u>(210,038,677)</u>	<u>(29,040,502)</u>	<u>36,619</u>	<u>(239,042,560)</u>
Governmental Capital Assets	<u>\$ 604,110,455</u>	<u>\$ (12,672,967)</u>	<u>\$ (22,611)</u>	<u>\$ 591,414,877</u>

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

<u>Function</u>	<u>Depreciation Expense</u>
Instruction	\$ 20,515,545
Instructional resources and media services	1,225,760
Curriculum and staff development	53,066
Instructional leadership	37,099
School leadership	738,579
Guidance, counseling and evaluation services	252,150
Health services	245,152
Student transportation	1,539,055
Food Services	1,653,510
Extracurricular activities	1,069,149
General administration	340,826
Plant maintenance and operations	366,810
Security and monitoring services	50,275
Data processing services	942,110
Community services	11,416
Total depreciation expense	<u>\$ 29,040,502</u>

The District has active construction projects as of June 30, 2012. The projects include the construction of new facilities, major renovations, and additions to existing facilities. As of June 30, 2012, construction in progress totaled \$3,394,311. Open commitments to contractors totaled \$18,771,476.

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, 2012, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,004,541	\$ 9,405,473
Debt Service Fund	9,285,314	39,895
Capital Projects Fund	1,298,993	1,940,749
Special Revenues Funds	13,650	223,184
Internal Service Funds	9,901	72
Agency Funds	14,398	17,424
	<u>\$ 11,626,797</u>	<u>\$ 11,626,797</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, 2012, were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
Capital Projects Fund	Debt Service Fund	\$ 77,758
General	Internal Service Fund	20,487
Non-major (Other)	Non-major (Other)	
Governmental Funds	Governmental Funds	1,547
Total		<u>\$ 99,792</u>

Earnings on investments totaling \$77,578 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 \$1,005 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 \$20,487 to the print shop fund to pay for operational costs. During the centralization of all campus activity funds, it was necessary to transfer \$542 between activity funds.

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 primarily of property taxes collected by the District and interest earnings. Certain outstanding bonds may be redeemed at their par

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

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. In October of 2009, \$64 million was issued. Another \$25 million was issued in May 2011. As of June 30, 2012, \$155,920,000 of the 2008 authorization remains unissued.

General obligation bonds payable at June 30, 2012, 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 Refunding	\$ 21,915,000	5.75% to 6.35%	2017	\$ 15,060,000
Series 2002A	63,650,000	3.63% to 4.75%	2022	9,020,000
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	30,625,000
Series 2005A	27,165,000	5.00% to 5.25%	2019	18,280,000
Series 2005B	40,985,000	3.50% to 5.25%	2030	36,185,000
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	13,110,000
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	32,815,000
				<u>\$ 611,985,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 17,605,000	\$ 32,664,390	\$ 50,269,390
2014	16,865,000	33,248,965	50,113,965
2015	19,180,000	34,686,603	53,866,603
2016	21,205,000	34,606,914	55,811,914
2017	24,590,000	30,055,856	54,645,856
2018-2022	158,120,000	110,169,585	268,289,585
2023-2027	171,345,000	71,647,820	242,992,820
2028-2032	159,635,000	27,275,500	186,910,500
2033-2035	23,440,000	1,607,625	25,047,625
	<u>\$ 611,985,000</u>	<u>\$ 375,963,258</u>	<u>\$ 987,948,258</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, 2012, the District has no

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

outstanding balance of defeased bonds.

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, 2012.

Changes in Long-term Liabilities

Long-term liability activity for the governmental activities for the year ended June 30, 2012, was as follows:

	<u>Balance at June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2012</u>	<u>Due Within One Year</u>
General obligation bonds payable	\$ 628,835,000	\$	\$ (16,850,000)	\$ 611,985,000	\$ 17,605,000
Less deferred amount on refunding	(1,566,912)		180,053	(1,386,859)	
Add: premium on bonds	26,941,473		(1,719,862)	25,221,611	
Accreted value on capital appreciation bonds	24,791,567	2,456,030	(3,965,000)	23,282,597	4,430,000
Workers' compensation liability	1,429,463		(45,408)	1,384,055	271,296
Total	<u>\$ 680,430,591</u>	<u>\$ 2,456,030</u>	<u>\$ (22,400,217)</u>	<u>\$ 660,486,404</u>	<u>\$ 22,306,296</u>

During the 2012 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 decreased its reserve for incurred but not reported claims by \$45,408 to a reserve total of \$1,384,055 in the Internal Service Fund. Of this total, \$1,112,759 is projected as the long-term portion. The Debt Service Fund is used to liquidate all retirement of bond related debt.

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 \$15,060,000 and a maturity value of \$44,960,000. 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, 2012, 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	<u>\$ 38,342,597</u>	<u>\$ 15,060,000</u>	<u>\$ 23,282,597</u>	<u>\$ 44,960,000</u>	2017

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

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	\$ 2,377,283
	<u>\$ 2,377,283</u>
General Fund Designated/Assignments:	
Outstanding Encumbrances	\$ 1,056,057
E-Rate	91,337
Special Education	5,262,500
Capital Expenditures-Campus Carryforwards	133,466
Insurance Deductibles	500,000
Legal Services	500,000
Facility Rentals	163,002
Contingency	500,000
Summer School	250,000
AYP-Average Yearly Progress	250,000
Capital Expenditures	5,106,312
Technology Initiatives	6,085,010
Campus/Department 15% Carryforwards	823,272
Sequestration	2,250,000
Emergency Preparedness	4,000,000
	<u>\$ 26,970,956</u>

G. Operating Leases

The District leases copiers and postage meters under non-cancelable operating leases. Total costs for such leases were \$723,804 for the year ended June 30, 2012. Operating lease obligations are payable from the general fund. The future minimum lease payments for these leases are as follows:

Year Ending	
June 30,	
2013	\$ 621,122
2014	620,621
2015	42,489
Total	<u>\$ 1,284,232</u>

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.

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

The District purchases replacement value commercial property insurance with a \$100,000 deductible. Such insurance is consistent with the prior year.

Prior to July 1, 2011, The District sponsored a self-funded health care and workers' compensation program. Beginning July 1, 2011, the District ceased being self-funded for all employee benefits, with the exception of unemployment compensation benefits, and the health care and workers' compensation programs were moved to a public entity risk pool. This was done in an effort to minimize both the employer and employee cost of health care while maximizing plan design and minimizing financial risk. The self-funded insurance program continued to provide funding for run out claims incurred prior to June 30, 2011, for the health care and workers' compensation programs through June 30, 2012. All programs are accounted for in the District's internal service funds.

Workers' Compensation

Effective July 2011, the District changed from the self-funded workers' compensation plan to the workers' compensation plan offered by the Texas Association of School Boards (TASB), a public entity risk pool. Quarterly premiums are paid to TASB to cover all expenses related to workers compensation claims incurred after July 1, 2011.

Prior to July 1, 2011, the District sponsored a self-funded program which was administered through a third party. Liabilities for claims incurred prior to July 1, 2011, include an estimated amount for claims which have been incurred but not reported (IBNR) based upon the Districts historical claims experience. The estimates of IBNR claims were actuarially determined as of June 30, 2012.

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, 2012, and June 30, 2011 for claims incurred prior to July 1, 2011:

	<u>2012</u>	<u>2011</u>
Liability, beginning of period	\$ 1,429,463	\$ 1,331,334
Adjustment to estimated claims incurred	455,479	1,562,171
Payments on claims	<u>(500,887)</u>	<u>(1,464,042)</u>
Liability, end of period	<u>\$ 1,384,055</u>	<u>\$ 1,429,463</u>

Health Care

Effective July 1, 2011, the District transitioned from the self-funded health care plan to TRS-ActiveCare, a public entity risk pool operated by the Teacher Retirement System (TRS) of Texas that provides medical and prescription benefits for eligible employees. Premiums are paid to TRS on a monthly basis to provide coverage to employees.

The following is a summary of the changes in the balances of claims liabilities for health care for the fiscal year ending June 30, 2012, and June 30, 2011 for claims incurred prior to July 1, 2011:

	<u>2012</u>	<u>2011</u>
Liability, beginning of period	\$ 2,223,592	\$ 1,625,412
Claims incurred during the period		19,780,703
Payments on claims	<u>(2,223,592)</u>	<u>(19,182,523)</u>
Liability, end of period	<u>\$ 2,223,592</u>	<u>\$ 2,223,592</u>

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

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.

C. Jointly governed organization

The District is the fiscal agent for a Shared Service Arrangement (SSA) which provides services for deaf students of this District as well as students of New Caney ISD and Sheldon ISD. Additionally, the District has an Interlocal agreement to provide discipline program services for eligible Crosby ISD students. 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 provided in TEA's Financial Accountability System Resource Guide, 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

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

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 2012, 2011 and 2010, and a state contribution rate of 6.0 percent, effective September 2011, and 6.644 percent prior to September 2011 for fiscal years 2011 and 2010. In certain instances, the reporting district is required to make all or a portion of the state's contribution during fiscal years 2012, 2011, and 2010.

Effective September 1, 2005, employers must pay an amount equal to the state's contributions (6.00 percent starting January 1, 2011, and 6.644 percent for fiscal year 2011 prior to September) 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 (12.40 percent for fiscal year 2012, and 13.044 percent prior to September 2011 for fiscal years 2011 and 2010) 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, 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, 2012, 2011, and 2010, are as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
District Payroll	\$ 201,885,805	\$ 214,950,405	\$ 202,974,608
District TRS payroll	193,618,699	201,414,873	193,591,587
Required District contributions	1,396,247	2,438,070	2,318,766
Ratio of Actual to Required District Cont.	138.9%	129.1%	128.3%
Federal contributions	464,949	623,943	644,515
State contributions	10,665,984	12,255,853	10,891,522
Employee contributions	12,512,105	12,890,552	12,389,862

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

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. Texas Insurance Code 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.

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 2012, 2011 and 2010. 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, 2012, 2011, and 2010, are as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Required District contributions	\$ 1,077,160	\$ 1,126,151	\$ 1,064,763
Actual District contributions	1,077,160	1,126,151	1,064,763
Federal contributions	78,043	85,534	102,364
State contributions	859,027	887,997	871,153
Employee contributions	1,268,878	1,309,197	1,258,345

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, 2012, 2011, and 2010, the subsidy payments received by TRS-Care on behalf of the District were \$441,795, \$545,413, and \$509,863, respectively. The information for the year

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

ended June 31, 2012, 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.

Early Retiree Reinsurance Program. The Patient Protection and Affordable Care Act has a provision to provide reimbursement to plan sponsors for a portion of the cost of providing health benefits to retirees between the ages of 55-64 and their covered dependents. This temporary program is available to help employers continue to provide coverage to early retirees. For the initial year ending June 30, 2012, the subsidy payments received by TRS on-behalf of the District were \$487,153. 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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts, Budgetary Basis	
Revenues				
5700 Local revenues	\$ 122,885,881	\$ 123,186,895	\$ 125,580,851	\$ 2,393,956
5800 State program revenues	119,419,314	128,426,191	132,239,241	3,813,050
5900 Federal program revenues	45,000	45,000	528,785	483,785
5020 Total revenues	242,350,195	251,658,086	258,348,877	6,690,791
Expenditures				
Current:				
0011 Instruction	151,424,599	154,055,368	146,066,537	7,988,831
0012 Instructional resources and media services	2,761,729	2,816,654	2,609,759	206,895
0013 Curriculum and staff development	2,887,998	3,231,990	2,957,485	274,505
0021 Instructional leadership	2,025,096	2,052,543	2,013,135	39,408
0023 School leadership	16,620,045	17,211,164	16,916,120	295,044
0031 Guidance, counseling and evaluation services	11,691,878	11,792,166	11,407,167	384,999
0032 Social work services	128,970	136,469	78,452	58,017
0033 Health services	2,624,155	2,740,836	2,536,174	204,662
0034 Student transportation	8,549,512	8,763,369	7,822,871	940,498
0036 Extracurricular activities	6,874,725	6,860,564	6,733,508	127,056
0041 General administration	6,431,250	6,753,929	6,267,203	486,726
0051 Facilities maintenance and operations	25,850,694	26,835,325	23,482,752	3,352,573
0052 Security and monitoring services	2,380,936	2,474,633	2,364,051	110,582
0053 Data processing services	2,204,634	2,636,975	2,367,756	269,219
0061 Community services	623,079	636,779	495,648	141,131
0081 Capital outlay				
0095 Payments to Juvenile Justice Alt. Ed. Prgm.	95,000	99,000	96,010	2,990
0097 Payments to Tax Increment Fund	5,548,355	6,004,939	6,004,938	1
0099 Other intergovernmental charges	1,335,000	1,335,000	1,300,625	34,375
6030 Total Expenditures	250,057,655	256,437,703	241,520,191	14,917,512
1100 Excess (deficiency) of revenues over expenditures	(7,707,460)	(4,779,617)	16,828,686	21,608,303
Other Financing Sources (Uses)				
7912 Sale of real or personal property			84,425	84,425
8911 Operating transfers out			(20,487)	(20,487)
7080 Total other financing sources and uses			63,938	63,938
1200 Net change in fund balances	(7,707,460)	(4,779,617)	16,892,624	21,672,241
0100 Fund balances - beginning	70,463,503	70,463,503	70,463,503	
3000 Fund balances - ending	\$ 62,756,043	\$ 65,683,886	\$ 87,356,127	\$ 21,672,241

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 incremental 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 as 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.

Negative budget variances occurred in Other Financial Sources and Uses in General Fund. The variance of \$84,425 resulted from the sale of real personal property and a variance of \$20,487 was the result of a transfer to the Internal Service Fund to provide additional resources to the Print Shop.

HUMBLE INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

End of year outstanding encumbrances that were provided for in the subsequent year's budget for the General Fund total \$1,056,057 and \$1,085,395 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, 2012, in the General Fund. A restriction of fund balance equal to the outstanding encumbrances at year end is provided for at June 30, 2012, 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 X, Part C - Education for the Homeless Children and Youth

Funds for staff development and supplemental services, including in-service, counseling, psychological services, and tutoring.

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 students 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.

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.

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

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

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.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

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.

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.

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.

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.

Education Jobs Fund - ARRA

Funds granted to retain, recall, or rehire school-level employees, and to hire new school employees, in order to provide early childhood, elementary, or secondary educational and related services.

Federal Transportation Grant - ARRA

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

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

Miscellaneous Federal Programs

Funds for summer school programs for LEP students. This fund also includes: REMS which is to improve emergency preparedness; JROTC funds used to reimburse specific campus NJROTC activities; and Emergency Management Communications used to purchase a dispatch console, and various equipment for the District's police department.

SSA - IDEA-Part B, Discretionary

Support Education service center basic special education component.

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)

Funds for the regional plan for students with visual impairments using orientation and mobility services.

Life Skills Program

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

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

Funds to 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.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

High School Completion and Success/Texas High School Project

Funds to implement programs to support the improvement of High School graduation rates and post secondary readiness reading development.

Instructional Materials Allotment

Funds for the purchase of instructional materials, technological equipment, and technology-related services. This follows the discontinuation of the State Technology Allotment.

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. This was the final year for this allotment.

Teacher Induction & Mentoring Program

Funds granted to schools that assign mentor teachers to classroom teachers with less than two years of 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. Texas Clean Fleet Program to maximize use of clean vehicles in regional fleets.

SSA - Regional Day School for the Deaf

Funds 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

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

Campus Activity Funds

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

Houston A+ Grants

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

Livestock Show 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 at District facilities.

HISD Education Foundation

Locally funded grants by the Humble ISD Education Foundation.

Local Continuous Grants

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

Local Funding to Campuses

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

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

Data Control Codes	206	211
Assets	ESEA Title X, Part C	ESEA Title I Part A
1110 Cash and cash equivalents	\$	\$
Receivables:		
1240 Receivables from other governments	8,959	382,928
1260 Due from other funds		
1290 Other receivables		307
1310 Inventories, at cost		
1410 Prepaid items		
1000 Total Assets	<u>\$ 8,959</u>	<u>\$ 383,235</u>
Liabilities and Fund Balances		
Liabilities:		
Current Liabilities:		
2110 Accounts payable	\$ 8,959	\$ 118,482
2160 Accrued wages payable		255,423
2170 Due to other funds		9,330
2180 Due to other governments		
2200 Accrued expenses		
2300 Deferred revenues		
2000 Total Liabilities	<u>8,959</u>	<u>383,235</u>
Fund Balance:		
Restricted:		
3450 Grant Funds		
Committed:		
3545 Other purposes		
3000 Total Fund Balances		
4000 Total Liabilities and Fund Balance	<u>\$ 8,959</u>	<u>\$ 383,235</u>

(continued)

220	222	224	225	240	244
Adult Education (ABE) - Federal	National & Community Service Trust Act	IDEA-Part B, Formula	IDEA-Part B, Preschool	National School Breakfast & Lunch Program	Career and Technical - Basic Grant
\$	\$	\$	\$	\$ 5,902,664	\$
27,412	37,074	881,383	46,080	40,011	17,095
				11,182	
				9,436	
				133,152	
<u>\$ 27,412</u>	<u>\$ 37,074</u>	<u>\$ 881,383</u>	<u>\$ 46,080</u>	<u>\$ 6,096,445</u>	<u>\$ 17,095</u>
\$ 10,598	\$ 37,074	\$ 216,249	\$ 26,670	\$ 733,091	\$ 17,095
16,282		643,076	18,814	141,387	
532		22,058	596	154,308	
				35,278	
<u>27,412</u>	<u>37,074</u>	<u>881,383</u>	<u>46,080</u>	<u>1,064,064</u>	<u>17,095</u>
				5,032,381	
				<u>5,032,381</u>	
<u>\$ 27,412</u>	<u>\$ 37,074</u>	<u>\$ 881,383</u>	<u>\$ 46,080</u>	<u>\$ 6,096,445</u>	<u>\$ 17,095</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

Data Control Codes		255	263
		<u>ESEA Title II, Part A</u>	<u>Title III, Part A</u>
	Assets		
1110	Cash and cash equivalents	\$	\$
	Receivables:		
1240	Receivables from other governments	45,453	44,816
1260	Due from other funds		
1290	Other receivables		
1310	Inventories, at cost		
1410	Prepaid items		
1000	Total Assets	<u>\$ 45,453</u>	<u>\$ 44,816</u>
	 Liabilities and Fund Balances		
	Liabilities:		
	Current Liabilities:		
2110	Accounts payable	\$ 20,570	\$ 9,235
2160	Accrued wages payable	23,287	34,519
2170	Due to other funds	1,596	1,062
2180	Due to other governments		
2200	Accrued expenses		
2300	Deferred revenues		
2000	Total Liabilities	<u>45,453</u>	<u>44,816</u>
	 Fund Balance:		
	Restricted:		
3450	Grant Funds		
	Committed:		
3545	Other purposes		
3000	Total Fund Balances		
4000	Total Liabilities and Fund Balance	<u>\$ 45,453</u>	<u>\$ 44,816</u>

(continued)

265	272	273	279	283	284
Title IV, Part B 21st Century Community Learning	Medicaid Admin. Claim Prgm (MAC)	Title II, Part B Math/Science Partnerships	Title II, Part D, Technology - ARRA	IDEA-Part B, Formula - ARRA	IDEA-Part B, Preschool - ARRA
\$	\$	\$	\$	\$ 205	\$
26,669	9,427	101,216			
		93			
<u>\$ 26,669</u>	<u>\$ 9,427</u>	<u>\$ 101,309</u>	<u>\$</u>	<u>\$ 205</u>	<u>\$</u>
\$ 23,232	\$ 9,427	\$ 101,151	\$	\$ 205	\$
3,231					
206		158			
<u>26,669</u>	<u>9,427</u>	<u>101,309</u>	<u></u>	<u>205</u>	<u></u>
<u>\$ 26,669</u>	<u>\$ 9,427</u>	<u>\$ 101,309</u>	<u>\$</u>	<u>\$ 205</u>	<u>\$</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

Data Control Codes	285	287	288
Data Control Codes	Title I, Part A - ARRA	Education Jobs Fund - ARRA	Federal Transportation Grant - ARRA
Assets			
1110	Cash and cash equivalents	\$	\$
	Receivables:		
1240	Receivables from other governments	1,494,347	
1260	Due from other funds		
1290	Other receivables		
1310	Inventories, at cost		
1410	Prepaid items		
1000	Total Assets	\$ 1,494,347	\$
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	Accounts payable	\$ 659,209	\$
2160	Accrued wages payable	830,786	
2170	Due to other funds	4,352	
2180	Due to other governments		
2200	Accrued expenses		
2300	Deferred revenues		
2000	Total Liabilities	1,494,347	
Fund Balance:			
Restricted:			
3450	Grant Funds		
Committed:			
3545	Other purposes		
3000	Total Fund Balances		
4000	Total Liabilities and Fund Balance	\$ 1,494,347	\$

(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)
\$	\$	\$	\$	\$	\$
105,117			338		
<u>\$ 105,117</u>	<u>\$</u>	<u>\$</u>	<u>\$ 338</u>	<u>\$</u>	<u>\$</u>
\$ 80,708 14,072 365	\$	\$	\$ 338	\$	\$
9,972			338		
<u>105,117</u>			<u>338</u>		
<u>\$ 105,117</u>	<u>\$</u>	<u>\$</u>	<u>\$ 338</u>	<u>\$</u>	<u>\$</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

	394	397	404
<u>Data Control Codes</u>	<u>Life Skills Program</u>	<u>Advanced Placement Incentives</u>	<u>Student Success Initiative</u>
Assets			
1110	\$	\$ 30,740	\$
Receivables:			
1240		225	32,435
1260			
1290			80
1310			
1410		1,395	
1000	<u>\$</u>	<u>\$ 32,360</u>	<u>\$ 32,515</u>
 Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	\$	\$ 145	\$ 27,593
2160			4,922
2170			
2180			
2200			
2300		32,215	
2000	<u>\$</u>	<u>32,360</u>	<u>32,515</u>
 Fund Balance:			
Restricted:			
3450			
Committed:			
3545			
3000	<u>\$</u>	<u>32,360</u>	<u>32,515</u>
4000	<u>\$</u>	<u>32,360</u>	<u>\$ 32,515</u>

(continued)

409 High School Completion & Success/TX High School Project	410 Instructional Materials Allotment	411 State Technology Allotment	425 Teacher Induction and Mentoring Program	429 State Funded Special Revenues	435 SSA - Regional Day School for the Deaf
\$	\$ 712,282	\$ 41,975	\$	\$ 2,966	\$
43,400			28,830		74,103
<u>\$ 43,400</u>	<u>\$ 712,282</u>	<u>\$ 41,975</u>	<u>\$ 28,830</u>	<u>\$ 2,966</u>	<u>\$ 74,103</u>
\$ 33,962	\$ 202,013	\$	\$ 28,830	\$ 651	\$ 29,801
9,366					44,147
72		404			155
<u>43,400</u>	<u>510,269</u>	<u>404</u>	<u>28,830</u>	<u>2,315</u>	<u>74,103</u>
	<u>712,282</u>			<u>2,966</u>	
		41,571			
<u>\$ 43,400</u>	<u>\$ 712,282</u>	<u>41,571</u>	<u>\$ 28,830</u>	<u>\$ 2,966</u>	<u>\$ 74,103</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

	459	461	481
Data Control Codes	SSA - State Educational Programs	Campus Activity Funds	Houston A+ Grant
Assets			
1110 Cash and cash equivalents	\$	\$ 2,209,106	\$ 998
Receivables:			
1240 Receivables from other governments	40,000		
1260 Due from other funds		977	
1290 Other receivables		1,821	
1310 Inventories, at cost			
1410 Prepaid items		14,538	
1000 Total Assets	<u>\$ 40,000</u>	<u>\$ 2,226,442</u>	<u>\$ 998</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110 Accounts payable	\$ 10,899	\$ 105,025	\$ 906
2160 Accrued wages payable	29,043	4,637	
2170 Due to other funds	58	26,892	88
2180 Due to other governments		1,050	
2200 Accrued expenses			
2300 Deferred revenues			4
2000 Total Liabilities	<u>40,000</u>	<u>137,604</u>	<u>998</u>
Fund Balance:			
Restricted:			
3450 Grant Funds			
Committed:			
3545 Other purposes		2,088,838	
3000 Total Fund Balances		<u>2,088,838</u>	
4000 Total Liabilities and Fund Balance	<u>\$ 40,000</u>	<u>\$ 2,226,442</u>	<u>\$ 998</u>

482	483	487	488	490	491	
Livestock Show Activity	Athletic Activity	Local Administrative Grants	HISD Education Foundation	Local Continuous Grants	Local Funding to Campuses	Total Nonmajor Governmental Funds
\$ 45,284	\$ 301,396	\$ 36	\$ 498,115	\$ 68,246	\$ 60,720	\$ 9,874,733
						3,487,318
					1,491	13,650
		30,077	66,619	66		108,499
						133,152
	340		100			16,373
<u>\$ 45,284</u>	<u>\$ 301,736</u>	<u>\$ 30,113</u>	<u>\$ 564,834</u>	<u>\$ 68,312</u>	<u>\$ 62,211</u>	<u>\$ 13,633,725</u>
\$ 7,200	\$ 19,689	\$	\$ 8,913	\$	\$	\$ 2,547,920
	60,967				718	2,134,677
	832		99	21		223,184
						1,050
						35,278
			555,822	68,291	61,493	1,240,381
<u>7,200</u>	<u>81,488</u>		<u>564,834</u>	<u>68,312</u>	<u>62,211</u>	<u>6,182,490</u>
						5,073,952
38,084	220,248	30,113				2,377,283
<u>38,084</u>	<u>220,248</u>	<u>30,113</u>				<u>7,451,235</u>
<u>\$ 45,284</u>	<u>\$ 301,736</u>	<u>\$ 30,113</u>	<u>\$ 564,834</u>	<u>\$ 68,312</u>	<u>\$ 62,211</u>	<u>\$ 13,633,725</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, 2012

Data Control Codes	206	211
	ESEA Title X, Part C	ESEA Title I Part A
Revenues		
5700	Local, intermediate, and out-of-state	\$
5800	State program revenues	
5900	Federal program revenues	40,982
5020	Total revenues	2,486,679
Expenditures		
Current:		
0011	Instruction	26,964
0012	Instruction resources and media services	703
0013	Curriculum and instructional staff development	882
0021	Instructional leadership	76,316
0023	School leadership	22,388
0031	Guidance, counseling and evaluation services	210
0032	Social work services	1,628
0033	Health services	
0034	Student transportation	13,136
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	70,150
Capital outlay:		
0081	Capital outlay	
6030	Total Expenditures	2,486,679
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	

(continued)

220	222	224	225	240	244
<u>Adult Education (ABE) - Federal</u>	<u>National & Community Service Trust Act</u>	<u>IDEA-Part B, Formula</u>	<u>IDEA-Part B, Preschool</u>	<u>National School Breakfast & Lunch Program</u>	<u>Career and Technical - Basic Grant</u>
\$	\$	\$	\$	\$ 8,360,285	\$
				82,798	
<u>123,667</u>	<u>39,883</u>	<u>5,484,363</u>	<u>126,586</u>	<u>7,194,393</u>	<u>225,303</u>
<u>123,667</u>	<u>39,883</u>	<u>5,484,363</u>	<u>126,586</u>	<u>15,637,476</u>	<u>225,303</u>
	36,427	3,970,528	126,586		225,303
	3,456	370,991			
		91,986			
		13,305			
		985,668			
		51,562			
		198			
				13,869,909	
				562,060	
				38,420	
				1,548	
123,667		125			
<u>123,667</u>	<u>39,883</u>	<u>5,484,363</u>	<u>126,586</u>	<u>1,335,400</u>	<u>225,303</u>
				<u>15,807,337</u>	
				<u>(169,861)</u>	
				<u>(1,005)</u>	
				<u>(1,005)</u>	
				<u>(170,866)</u>	
				<u>5,203,247</u>	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 5,032,381</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, 2012

		255	263
Data Control Codes		ESEA Title II, Part A	Title III, Part A
	Revenues		
5700	Local, intermediate, and out-of-state	\$	\$
5800	State program revenues		
5900	Federal program revenues	537,970	366,254
5020	Total revenues	<u>537,970</u>	<u>366,254</u>
	Expenditures		
	Current:		
0011	Instruction	110,926	319,447
0012	Instruction resources and media services		
0013	Curriculum and instructional staff development	384,042	36,955
0021	Instructional leadership	9,670	
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	33,332	
0051	Facilities maintenance and operations		
0052	Security and monitoring services		
0053	Data processing services		
0061	Community services		9,852
	Capital outlay:		
0081	Capital outlay		
6030	Total Expenditures	<u>537,970</u>	<u>366,254</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	272	273	279	283	284
Title IV, Part B 21st Century Community Learning	Medicaid Admin. Claim Prm (MAC)	Title II, Part B Math/Science Partnerships	Title II, Part D, Technology - ARRA	IDEA-Part B, Formula - ARRA	IDEA-Part B, Preschool - ARRA
\$	\$	\$	\$	\$	\$
85,090	21,174	223,192	192	36,938	6,560
<u>85,090</u>	<u>21,174</u>	<u>223,192</u>	<u>192</u>	<u>36,938</u>	<u>6,560</u>
72,882		140,990		29,372	6,560
890		82,202	192	7,566	
988					
10,330	21,174				
<u>85,090</u>	<u>21,174</u>	<u>223,192</u>	<u>192</u>	<u>36,938</u>	<u>6,560</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, 2012

	285	287	288
Data Control Codes	Title I, Part A - ARRA	Education Jobs Fund - ARRA	Federal Transportation Grant - ARRA
Revenues			
5700	\$	\$	\$
5800			
5900	2,272	5,649,812	627,900
5020	2,272	5,649,812	627,900
Expenditures			
Current:			
0011	1,271	5,603,360	
0012			
0013	727		
0021	132		
0023	142	25,508	
0031		20,944	
0032			
0033			
0034			627,900
0035			
0036			
0041			
0051			
0052			
0053			
0061			
Capital outlay:			
0081			
6030	2,272	5,649,812	627,900
1100			
Other Financing Sources (Uses)			
7915			
8911			
7080			
1200			
0100			
3000	\$	\$	\$

(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)
\$	\$	\$	\$	\$	\$
					20,000
250,668	24,109	12,108	1,968	727	
<u>250,668</u>	<u>24,109</u>	<u>12,108</u>	<u>1,968</u>	<u>727</u>	<u>20,000</u>
14,072	23,395	10,025	1,183	727	20,000
		2,083			
	714		785		
2,914					
233,682					
<u>250,668</u>	<u>24,109</u>	<u>12,108</u>	<u>1,968</u>	<u>727</u>	<u>20,000</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, 2012

		394	397	404
Data Control Codes		Life Skills Program	Advanced Placement Incentives	Student Success Initiative
Revenues				
5700	Local, intermediate, and out-of-state	\$	\$	\$
5800	State program revenues	4,779	9,363	233,272
5900	Federal program revenues			
5020	Total revenues	<u>4,779</u>	<u>9,363</u>	<u>233,272</u>
Expenditures				
Current:				
0011	Instruction		9,363	119,387
0012	Instruction resources and media services			
0013	Curriculum and instructional staff development			100,632
0021	Instructional leadership			
0023	School leadership			12,135
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			1,118
0051	Facilities maintenance and operations			
0052	Security and monitoring services			
0053	Data processing services			
0061	Community services	4,779		
Capital outlay:				
0081	Capital outlay			
6030	Total Expenditures	<u>4,779</u>	<u>9,363</u>	<u>233,272</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)

409 High School Completion & Success/TX High School Project	410 Instructional Materials Allotment	411 State Technology Allotment	425 Teacher Induction and Mentoring Program	429 State Funded Special Revenues	435 SSA - Regional Day School for the Deaf
\$ 384,157	\$ 3,200,667	\$	\$ 102,848	\$ 2,008,721	\$ 288,234
<u>384,157</u>	<u>3,200,667</u>		<u>102,848</u>	<u>2,008,721</u>	<u>288,234</u>
161,958	3,200,667		20,061	1,832	232,778
		3,304		76	
86,971		33,328	82,787		
8,982		111,594			
20,115					
6,138					55,456
4,104				2,004,197	
95,889				2,616	
		267,845			
<u>384,157</u>	<u>3,200,667</u>	<u>416,071</u>	<u>102,848</u>	<u>2,008,721</u>	<u>288,234</u>
		(416,071)			
		(416,071)			
		457,642			
<u>\$</u>	<u>\$</u>	<u>\$ 41,571</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, 2012

	459	461	481
Data Control Codes	<u>SSA - State Educational Programs</u>	<u>Campus Activity Funds</u>	<u>Houston A+ Grant</u>
Revenues			
5700	\$ 160,000	\$ 3,907,273	\$ 7,805
5800			
5900		1,598	
5020	<u>160,000</u>	<u>3,908,871</u>	<u>7,805</u>
Expenditures			
Current:			
0011	160,000	1,098,934	7,805
0012		86,420	
0013		47,398	
0021			
0023		53,029	
0031		3,627	
0032			
0033		371	
0034		1,827	
0035			
0036		2,302,794	
0041			
0051		43,098	
0052		21,245	
0053			
0061			
Capital outlay:			
0081		11,736	
6030	<u>160,000</u>	<u>3,670,479</u>	<u>7,805</u>
1100		<u>238,392</u>	
Other Financing Sources (Uses)			
7915		1,005	
8911		(542)	
7080		<u>463</u>	
1200		238,855	
0100		<u>1,849,983</u>	
3000	<u>\$</u>	<u>\$ 2,088,838</u>	<u>\$</u>

482	483	487	488	490	491	
Livestock Show Activity	Athletic Activity	Local Administrative Grants	HISD Education Foundation	Local Continuous Grants	Local Funding to Campuses	Total Nonmajor Governmental Funds
\$ 240,544	\$ 794,399	\$ 30,113	\$ 476,557	\$ 34,780	\$ 37,913	\$ 14,049,669
						6,334,839
						23,570,388
<u>240,544</u>	<u>794,399</u>	<u>30,113</u>	<u>476,557</u>	<u>34,780</u>	<u>37,913</u>	<u>43,954,896</u>
			286,553	3,000	175	18,066,198
			9,911			100,414
			87,007			1,588,093
						300,179
						147,610
			180			1,072,223
						1,628
						73,107
						2,693,325
						13,869,909
238,184	710,844		14,539	31,780	24,318	3,325,373
					6,301	40,751
	54,929		17,608		6,928	780,512
	30,130		6,342			332,435
			164			269,557
			54,253		2,973	265,799
	9,500					1,356,636
<u>238,184</u>	<u>805,403</u>	<u></u>	<u>476,557</u>	<u>34,780</u>	<u>40,695</u>	<u>44,283,749</u>
<u>2,360</u>	<u>(11,004)</u>	<u>30,113</u>	<u></u>	<u></u>	<u>(2,782)</u>	<u>(328,853)</u>
					542	1,547
						(1,547)
					542	
2,360	(11,004)	30,113			(2,240)	(328,853)
<u>35,724</u>	<u>231,252</u>	<u></u>	<u></u>	<u></u>	<u>2,240</u>	<u>7,780,088</u>
<u>\$ 38,084</u>	<u>\$ 220,248</u>	<u>\$ 30,113</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 7,451,235</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2012

	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	\$ 30,946	\$ 7,999,821	\$ 8,356,820	\$ 159,021	\$ 16,546,608
1260		9,901			9,901
1290				2,186	2,186
1410		171,480			171,480
1000	Total Assets	\$ 8,181,202	\$ 8,356,820	\$ 161,207	\$ 16,730,175
Liabilities					
Current liabilities:					
2110	\$ 28,030	\$ 146,366	\$	\$	\$ 174,396
2150		39,270			39,270
2160	2,916		257	26,912	30,085
2170			72		72
2200		271,296			271,296
	Total current liabilities	456,932	329	26,912	515,119
Non-current liabilities:					
2590		1,112,759			1,112,759
	Total non-current liabilities	1,112,759			1,112,759
2000	Total Liabilities	1,569,691	329	26,912	1,627,878
Net Assets					
3900		6,611,511	8,356,491	134,295	15,102,297
3000	Total Net Assets	6,611,511	8,356,491	134,295	15,102,297
4000	Total Liabilities and Net Assets	\$ 8,181,202	\$ 8,356,820	\$ 161,207	\$ 16,730,175

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2012

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	\$ 285,689	\$	\$ 18,450,129	\$	\$ 18,735,818	
5739				386,728	386,728	
5020	<u>285,689</u>		<u>18,450,129</u>	<u>386,728</u>	<u>19,122,546</u>	
Operating Expenses						
6100	107,197		138,789	233,360	479,346	
6200	127,661	156,489			284,150	
6300	71,318			9,171	80,489	
6400		2,021,832	18,781,662	34,642	20,838,136	
6600				12,072	12,072	
6030	<u>306,176</u>	<u>2,178,321</u>	<u>18,920,451</u>	<u>289,245</u>	<u>21,694,193</u>	
1200	<u>(20,487)</u>	<u>(2,178,321)</u>	<u>(470,322)</u>	<u>97,483</u>	<u>(2,571,647)</u>	
Non-Operating Revenues (Expenses)						
7020		9,323	9,423		18,746	
		<u>9,323</u>	<u>9,423</u>		<u>18,746</u>	
	Income (Loss) before Transfers	(20,487)	(2,168,998)	(460,899)	97,483	(2,552,901)
Transfers						
7915	<u>20,487</u>				<u>20,487</u>	
1200		(2,168,998)	(460,899)	97,483	(2,532,414)	
Net Assets:						
0100	Net Assets - beginning	8,780,509	8,817,390	36,812	17,634,711	
3300	Net Assets - ending	<u>\$ 6,611,511</u>	<u>\$ 8,356,491</u>	<u>\$ 134,295</u>	<u>\$ 15,102,297</u>	

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2012

	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	\$ 285,689	\$ 1,798,332	\$ 18,360,094	\$	\$ 20,444,115
Cash receipts from miscellaneous sources				385,972	385,972
Cash payments to employees	(108,129)	(99)	(138,532)	(224,365)	(471,125)
Cash payments for insurance claims		(4,365,167)	(18,781,590)		(23,146,757)
Cash payments to suppliers for goods and services	(205,924)	(300,497)		(55,884)	(562,305)
Net Cash Provided by (Used for) Operating Activities	<u>(28,364)</u>	<u>(2,867,431)</u>	<u>(560,028)</u>	<u>105,723</u>	<u>(3,350,100)</u>
Cash Flows from Non-Capital Financing Activities:					
Cash payment to/from other fund	20,487				20,487
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>20,487</u>				<u>20,487</u>
Cash Flows from Investing Activities:					
Interest on investments		9,323	9,423		18,746
Net Cash Provided by Investing Activities		<u>9,323</u>	<u>9,423</u>		<u>18,746</u>
Net Increase in Cash and Cash Equivalents	(7,877)	(2,858,108)	(550,605)	105,723	(3,310,867)
Cash and Cash Equivalents at Beginning 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>
Cash and Cash Equivalents at End of Year	<u>\$ 30,946</u>	<u>\$ 7,999,821</u>	<u>\$ 8,356,820</u>	<u>\$ 159,021</u>	<u>\$ 16,546,608</u>
Reconciliation to Balance Sheet					
Cash and Cash Equivalents Per Cash Flow	<u>\$ 30,946</u>	<u>\$ 7,999,821</u>	<u>\$ 8,356,820</u>	<u>\$ 159,021</u>	<u>\$ 16,546,608</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 30,946</u>	<u>\$ 7,999,821</u>	<u>\$ 8,356,820</u>	<u>\$ 159,021</u>	<u>\$ 16,546,608</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ (20,487)	\$ (2,178,321)	\$ (470,322)	\$ 97,483	\$ (2,571,647)
Change in Assets and Liabilities					
Decrease (increase) in Receivables		1,463,168		(755)	1,462,413
Decrease (increase) in Interfund Receivables		(20,317)			(20,317)
Decrease (increase) in Prepays		342,020	(90,035)		251,985
Increase (decrease) in Accounts Payable	(7,877)	(2,826,929)	329	8,995	(2,825,482)
Increase (decrease) in Long-term payables		352,948			352,948
Net Cash Provided by (Used for) Operating Activities	<u>\$ (28,364)</u>	<u>\$ (2,867,431)</u>	<u>\$ (560,028)</u>	<u>\$ 105,723</u>	<u>\$ (3,350,100)</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, 2012

Data Control Codes		Debt Service Fund			
		Budget		Actual	Variance with Final Budget
		Original	Final		
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 43,289,794	\$ 45,746,026	\$ 46,029,496	\$ 283,470
5800	State Program Revenues	6,394,263	5,401,337	6,216,844	815,507
5020	Total Revenues	<u>49,684,057</u>	<u>51,147,363</u>	<u>52,246,340</u>	<u>1,098,977</u>
Expenditures					
Debt Service:					
0071	Principal on long-term debt	16,850,000	16,850,000	16,850,000	
0072	Interest on long-term debt	31,185,628	31,185,628	31,185,628	
0073	Bond issuance costs and fees	97,787	97,787	19,538	78,249
0097	Intergovernmental Charges	1,564,796	1,796,350	1,796,349	1
6030	Total Expenditures	<u>49,698,211</u>	<u>49,929,765</u>	<u>49,851,515</u>	<u>78,250</u>
1100	Excess (Deficiency) Revenues Over Expenditures	(14,154)	1,217,598	2,394,825	1,177,227
Other Financing Sources (Uses)					
7915	Transfers In	50,000	50,000	77,758	27,758
	Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>77,758</u>	<u>27,758</u>
1200	Increase (Decrease) in Fund Balance	35,846	1,267,598	2,472,583	1,204,985
0100	Fund Balance - beginning	<u>35,141,232</u>	<u>35,141,232</u>	<u>35,141,232</u>	
3000	Fund Balance - ending	<u>\$ 35,177,078</u>	<u>\$ 36,408,830</u>	<u>\$ 37,613,815</u>	<u>\$ 1,204,985</u>

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, 2012

		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	\$ 8,136,020	\$ 8,136,020	\$ 8,360,285	\$ 224,265
5800	State Program Revenues	75,000	75,000	82,798	7,798
5900	Federal Program Revenues	6,205,728	6,205,728	7,194,393	988,665
5020	Total Revenues	<u>14,416,748</u>	<u>14,416,748</u>	<u>15,637,476</u>	<u>1,220,728</u>
Expenditures					
Current:					
0035	Food Services	13,726,242	14,203,198	13,869,909	333,289
0051	Facilities Maintenance and Operations	601,001	606,098	562,060	44,038
0052	Security and Monitoring Services	53,505	54,805	38,420	16,385
0053	Data Processing Services		1,548	1,548	
0081	Facilities Acquisition and Construction		2,325,357	1,335,400	989,957
6030	Total Expenditures	<u>14,380,748</u>	<u>17,191,006</u>	<u>15,807,337</u>	<u>1,383,669</u>
1100	Excess (Deficiency) Revenues Over Expenditures	36,000	(2,774,258)	(169,861)	2,604,397
Other Financing Sources (Uses)					
8911	Transfers Out	(36,000)	(1,005)	(1,005)	
1200	Increase (Decrease) in Fund Balance		(2,775,263)	(170,866)	2,604,397
0100	Fund Balance - beginning	<u>5,203,247</u>	<u>5,203,247</u>	<u>5,203,247</u>	
3000	Fund Balance - ending	<u>\$ 5,203,247</u>	<u>\$ 2,427,984</u>	<u>\$ 5,032,381</u>	<u>\$ 2,604,397</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
For the Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
Assets				
Cash and cash equivalents	\$ 1,266,569	\$ 2,969,196	\$ 3,033,114	\$ 1,202,651
Due from other funds	161	282	161	282
Other receivables	1,236	5,420	226	6,430
Total Assets	\$ 1,267,966	\$ 2,974,898	\$ 3,033,501	\$ 1,209,363
Liabilities				
Accounts Payable	\$ 22,996	\$ 901,162	\$ 869,916	\$ 54,242
Due to other funds		17,448	24	17,424
Due to others	1,244,970	73,270	180,543	1,137,697
Total Liabilities	\$ 1,267,966	\$ 991,880	\$ 1,050,483	\$ 1,209,363

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, 2012

Last Ten Fiscal Years	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes ¹	Beginning Balance 06/30/11
	Maintenance	Debt Service		
2003 and prior	Various	Various	Various	\$ 1,456,728
2004	1.500	0.240	6,531,754,436	310,577
2005	1.500	0.240	7,123,029,982	352,527
2006	1.500	0.270	7,765,515,685	385,880
2007	1.370	0.270	8,386,605,261	413,552
2008	1.040	0.270	9,548,595,428	418,938
2009	1.170	0.350	10,414,226,700	807,339
2010	1.170	0.350	10,349,541,147	1,073,284
2011	1.170	0.350	10,306,944,605	2,991,782
2012	1.170	0.350	10,427,243,816	
1000 Totals				<u>8,210,607</u>
Penalties and interest receivable				<u>4,892,241</u>
Allowance for uncollectible taxes				<u>(5,681,406)</u>
Net taxes/penalties & interest receivable				<u>\$ 7,421,442</u>
9000 Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code			<u>\$ 575,654,812</u>	<u>\$</u>
Supplemental Tax Increment Zone Payment ²				
Total Payment into Tax Increment Zone				

¹ 2010-2012 Assessed Valuations are adjusted for tax freeze amounts as defined by The Texas Education Agency.

² Supplemental TIF payment paid by TEA into the TIRZ 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 06/30/12
\$	\$ 18,367	\$ 15,043	\$ 3,324	\$ 196,188	\$ 1,242,173
	23,355	20,134	3,221	9,720	277,502
	15,690	13,526	2,164	22,172	314,665
	18,107	15,346	2,761	21,628	346,145
	29,904	24,982	4,922	23,407	360,241
	57,161	45,380	11,781	876	360,901
	226,565	174,387	52,178	26,901	553,873
	150,337	115,714	34,623	230,538	692,409
	1,857,031	1,429,638	427,393	269,099	865,652
<u>158,494,106</u>	<u>155,817,494</u>	<u>119,933,385</u>	<u>35,884,109</u>	<u>201,052</u>	<u>2,475,560</u>
<u>\$ 158,494,106</u>	<u>\$ 158,214,011</u>	<u>\$ 121,787,535</u>	<u>\$ 36,426,476</u>	<u>\$ 1,001,581</u>	<u>\$ 7,489,121</u>
					4,799,832
					(6,064,544)
					<u>\$ 6,224,409</u>
<u>\$</u>	<u>\$ 7,801,287</u>	<u>\$ 6,004,938</u>	<u>\$ 1,796,349</u>	<u>\$</u>	<u>\$</u>
		\$ 1,461,629			
		<u>\$ 7,466,567</u>	<u>\$ 1,796,349</u>		

HUMBLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF
INDIRECT COSTS FOR 2013-2014
GENERAL AND SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2012

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		220,119	752,189	5,180,078			6,152,386
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)				155,736			155,736
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)				200,172			200,172
6211	Legal Services			363,380				363,380
6212	Audit Services				83,167			83,167
6213	(Appraisal district costs only from function 99)		1,300,625					1,300,625
6214	Lobbying							
621X	Other Prof. Services				44,172			44,172
6220	Tuition and Transfer Payments							
6230	Education Service Centers				2,813			2,813
6240	Contr. Maint. and Repair					3,393		3,393
6250	Utilities							-
6260	Rentals	210	3,263	4,479	48,877			56,829
6290	Miscellaneous Contr.			8,032	1,126,223			1,134,255
6320	Textbooks and Reading			1,255	5,309			6,564
6330	Testing Materials							
63XX	Other Supplies Materials	197	5,287	5,916	169,773			181,173
6410	Travel, Subsistence, Stipends	20,233	1,458	18,313	29,942			69,946
6420	Ins. and Bonding Costs				229,501			229,501
6430	Election Costs							
6490	Miscellaneous Operating	11,095	245	77,425	52,905			141,670
6500	Debt Service							
6600	Capital Outlay						41,823	41,823
6000	TOTAL	31,735	1,530,997	1,230,989	7,328,668	3,393	41,823	10,167,605

Total expenditures/expenses for General and Special Revenue Funds
 (plus Food Service Enterprise Fund if present) 9 \$ 284,447,304

Less: Deductions of Unallowable Costs

Fiscal Year

Total Capital Outlay (6600)	10	\$ 6,083,525	
Total Debt & Lease (6500)	11		
Plant Maintenance (Function 51, 6100-6400)	12	27,092,539	
Food (Function 35, 6341 and 6499)	13	6,389,931	
Stipends (6413)	14	6,500	
Column 4 (above) - Total Indirect Cost		7,328,668	
Subtotal:			46,901,163
Net Allowed Direct Cost			\$ 237,546,141

Cumulative

Total Cost of Buildings before Depreciation (1520)	15	\$ 735,750,429
Historical Cost of Buildings over 50 years old	16	
Amount of Federal Money in building Cost (Net of #16)	17	1,293,016
Total Cost of Furniture & Equipment before Depreciation (1530&1540)	18	50,610,133
Historical Cost of Furniture & Equipment over 16 years old	19	
Amount of Federal Money in Furniture & Equipment (Net of #19)	20	6,531,781

- (8) Note A - \$2,357,199 in Function 53 expenditures are included in this report on administrative costs.
 \$1,300,625 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.
 \$ 200,172 in Functions other than 41 and 53 are included on line 3 of 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	106
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	114
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
Debt Capacity	120
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	126
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	132
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 TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

	<u>2003</u>	<u>2004</u>	<u>2005¹</u>	<u>2006</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 14,046,226	\$ 14,945,621	\$ 14,006,200	\$ 20,100,762
Restricted	26,018,532	28,249,795	30,499,641	25,522,602
Unrestricted	25,615,716	33,052,114	22,306,970	31,215,255
Total Governmental Activities Net Assets	<u>\$ 65,680,474</u>	<u>\$ 76,247,530</u>	<u>\$ 66,812,811</u>	<u>\$ 76,838,619</u>

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

¹ 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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$22,866,828	\$ 26,101,304	\$ 17,211,332	\$ 13,280,934	\$ 4,352,256	\$ (6,911,607)
27,537,760	27,691,603	27,903,700	32,162,806	32,743,502	34,216,814
<u>47,314,180</u>	<u>47,152,199</u>	<u>82,789,127</u>	<u>81,167,974</u>	<u>71,370,235</u>	<u>86,593,791</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>	<u>\$ 113,898,998</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT**CHANGES IN NET ASSETS****LAST TEN FISCAL YEARS****(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
Special Item - Gain on Sale of Asset				
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.

2007	2008	2009	2010	2011	2012
\$ 136,893,317	\$ 152,937,250	\$ 168,563,793	\$ 188,681,282	\$ 201,583,741	\$ 188,241,024
3,509,577	3,356,888	3,076,571	3,883,522	4,014,070	4,121,671
4,651,590	4,650,225	3,780,988	4,475,549	5,200,862	4,638,951
2,065,541	2,164,607	2,387,241	2,757,202	2,593,743	2,370,239
13,387,873	15,099,016	15,853,866	18,140,888	19,177,933	18,037,994
10,046,065	11,206,300	10,869,805	12,397,077	13,875,463	12,868,163
248,080	256,088	308,803	327,958	264,841	80,918
2,277,340	2,438,808	2,371,056	2,733,435	3,006,962	2,873,019
8,380,388	8,876,859	8,086,220	8,791,647	9,605,101	9,355,195
9,908,141	10,733,537	11,281,873	12,555,594	14,338,336	15,024,593
7,637,929	9,898,113	9,806,552	11,164,616	12,074,698	11,131,707
6,502,263	6,139,914	6,171,987	6,458,306	6,714,403	6,701,140
24,393,123	27,474,932	27,479,070	27,580,141	28,936,697	27,697,810
1,629,594	1,812,215	2,015,044	2,305,669	2,979,431	2,702,022
3,173,696	3,339,718	3,086,794	3,484,681	3,688,318	3,826,472
1,459,915	1,460,176	1,035,574	1,019,038	1,046,553	684,713
23,866,482	25,954,831	27,323,200	29,605,664	30,483,942	28,383,575
434,067	223,667	2,037,622	117,378	138,438	182,471
215,850	208,270	269,080	92,300	86,950	96,010
5,657,504	5,214,656	6,482,747	11,642,730	8,376,196	7,801,287
	1,009,607	1,190,168	1,298,101	1,313,349	1,300,625
<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>	<u>\$ 348,119,599</u>
\$ 897,837	\$ 1,358,136	\$ 1,481,124	\$ 1,483,776	\$ 2,319,513	\$ 3,949,435
6,507,496	6,655,579	6,743,693	7,595,866	7,762,175	8,354,181
3,943,875	5,773,267	4,714,595	4,852,614	5,303,459	4,223,282
26,899,178	28,542,806	32,326,718	40,022,620	61,319,281	42,827,192
<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>\$ 59,354,090</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>	<u>\$ (288,765,509)</u>
\$ 114,970,921	\$ 99,456,338	\$ 119,866,910	\$ 121,545,495	\$ 121,017,152	\$ 122,049,513
22,643,919	25,819,174	35,818,168	36,377,552	34,433,572	34,452,108
90,195,021	115,163,636	130,262,661	123,398,850	108,429,966	126,062,905
13,706,814	10,160,187	3,743,036	481,102	307,123	219,488
7,453,423	4,752,892	5,480,202	12,462,458	10,462,065	11,352,686
					61,814
<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>\$ 294,198,514</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>	<u>\$ 5,433,005</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Assigned	\$ 3,183,313	\$ 2,806,208	\$ 4,181,697	\$ 19,746,989
Unassigned	17,501,780	24,243,391	29,887,252	23,471,634
Total General Fund	<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>\$ 131,842,856</u>	<u>\$ 90,970,874</u>	<u>\$ 118,518,325</u>	<u>\$ 149,406,386</u>
Total Capital Projects Funds	<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>\$ 23,776,610</u>	<u>\$ 25,611,293</u>	<u>\$ 27,734,663</u>	<u>\$ 29,090,848</u>
Total Debt Service Fund	<u>\$ 23,776,610</u>	<u>\$ 25,611,293</u>	<u>\$ 27,734,663</u>	<u>\$ 29,090,848</u>
Special Revenue Funds				
Restricted	\$ 1,913,366	\$ 2,661,423	\$ 2,871,079	\$ 2,308,023
Committed	1,729,904	1,948,654	1,797,080	1,731,341
Total Special Revenue Funds	<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	\$ 157,532,832	\$ 119,243,590	\$ 149,124,067	\$ 180,805,257
Committed	1,729,904	1,948,654	1,797,080	1,731,341
Total All Other Governmental Funds	<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 2003-2010 were restated.

¹ 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>2011</u>	<u>2012¹</u>
\$ 20,806,806	\$ 19,798,372	\$ 19,732,380	\$ 20,088,969	\$ 3,127,713	\$ 26,970,956
<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>60,385,171</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>	<u>\$ 87,356,127</u>
<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>	<u>\$ 33,803,268</u>
<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>	<u>\$ 33,803,268</u>
<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>	<u>\$ 37,613,815</u>
<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>	<u>\$ 37,613,815</u>
\$ 2,867,465	\$ 3,182,796	\$ 3,290,541	\$ 4,592,418	\$ 5,660,889	\$ 5,073,952
<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>2,377,283</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>	<u>\$ 7,451,235</u>
\$ 193,659,544	\$ 163,700,163	\$ 72,272,171	\$ 85,229,513	\$ 91,314,040	\$ 76,491,035
<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>2,377,283</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>	<u>\$ 78,868,318</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(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) ¹	\$ 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 The negative net change in fund balance is due to no issuance of capital related debt in 2004.

2008	2009	2010	2011	2012
\$ 153,961,003	\$ 177,284,512	\$ 185,241,167	\$ 182,712,680	\$ 185,737,774
129,766,436	145,855,469	136,090,601	123,715,184	144,790,924
12,833,418	15,852,622	26,704,091	45,458,100	24,099,173
296,560,857	338,992,603	348,035,859	351,885,964	354,627,871
146,092,180	153,986,370	172,213,331	180,753,939	166,220,552
2,939,572	2,618,651	2,841,534	2,831,895	2,888,830
4,600,287	3,808,878	4,409,623	5,097,453	4,549,499
2,133,732	2,421,801	2,721,080	2,514,949	2,313,314
14,859,373	15,965,429	17,543,051	18,239,076	17,152,959
11,122,782	11,042,630	12,167,545	13,430,736	12,496,185
256,088	308,803	327,958	264,841	80,080
2,356,349	2,336,736	2,524,865	2,736,017	2,609,281
8,286,710	11,056,246	8,313,068	9,001,787	11,127,831
10,222,943	11,014,397	11,422,103	12,975,213	13,873,219
10,110,177	9,623,802	10,259,366	11,133,266	10,061,889
5,880,191	6,055,997	6,167,244	6,375,560	6,309,609
26,849,885	27,248,160	26,469,299	28,278,029	27,189,367
1,868,415	2,084,133	2,261,883	3,014,187	2,727,182
3,691,574	3,055,977	3,862,052	3,690,772	3,305,112
1,450,106	1,023,489	1,008,558	1,070,472	761,447
17,200,000	21,055,000	20,575,000	16,680,000	16,850,000
26,319,846	26,167,577	28,645,244	30,780,603	31,185,628
1,207,012	590,620	644,487	1,501,973	19,538
101,569,180	82,410,629	66,937,757	16,781,674	11,444,662
208,270	269,080	92,300	-	-
5,214,656	6,482,747	11,642,730	86,950	96,010
1,009,607	1,190,168	1,298,101	8,376,196	7,801,287
-	-	-	1,313,349	1,300,625
405,448,935	401,817,320	414,348,179	376,928,937	352,364,106
(108,888,078)	(62,824,717)	(66,312,320)	(25,042,973)	2,263,765
-	-	-	-	-
105,570,000	-	73,510,000	33,365,000	-
129,833	256,423	420,336	24,030,000	84,425
-	-	-	235,155	-
5,792,982	1,562,058	157,546	144,345	79,305
1,817,325	-	6,029,604	5,591,402	-
-	-	-	-	-
(5,792,982)	(1,562,058)	(238,281)	(9,019,380)	(99,792)
(29,981,988)	-	-	(37,465,263)	-
554,114	363,695	319,162	-	-
78,089,284	620,118	80,198,367	16,881,259	63,938
\$ (30,798,794)	\$ (62,204,599)	\$ 13,886,047	\$ (8,161,714)	\$ 2,327,703

14.59%

14.70%

14.29%

13.58%

14.51%

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

Tax Roll for Fiscal Year	Real Property			
	Residential Property	Commercial Property	Total Real Property	Personal Property
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
2012	8,356,002,365	1,566,821,619	9,922,823,984	744,081,272

¹ 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 ¹	Assessed Value to Total Estimated Actual Value
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%
10,666,905,256	1.52	11,586,452,123	92.06%

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

Taxing Entity	2002	2003	2004	2005
Humble Independent School District	\$ 1.74	\$ 1.74	\$ 1.74	\$ 1.77
Humble, City of	0.20	0.20	0.20	0.20
Houston, City of	0.66	0.66	0.65	0.65
Harris County ¹	-	-	-	-
Lone Star College System ²	0.11	0.11	0.12	0.12
El Dorado Utility District	0.90	0.82	0.77	0.71
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	0.80	0.80
Harris County MUD #46	0.44	0.44	0.44	0.43
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	1.15
Harris County MUD #109	0.60	0.60	0.60	0.60
Harris County MUD #132	0.58	0.56	0.56	0.46
Harris County MUD #145	annexed	annexed	annexed	annexed
Harris County MUD #151	0.59	0.57	0.57	0.52
Harris County MUD #152	0.57	0.53	0.50	0.49
Harris County MUD #153	0.45	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	1.13	1.13	1.11
Harris County MUD #290	-	1.25	1.25	1.25
Harris County MUD #342	1.15	1.15	1.10	0.95
Harris County MUD #350	annexed	annexed	annexed	annexed
Harris County MUD #356	annexed	annexed	annexed	annexed
Harris County MUD #361	1.25	1.25	1.25	1.25
Harris County MUD #400	-	-	-	1.35
Harris County WC&ID #96	1.30	1.30	1.25	1.20

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.

	2006	2007	2008	2009	2010	2011
\$	1.64	\$ 1.31	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52
	0.20	0.20	0.20	0.20	0.20	0.20
	0.65	0.64	0.64	0.64	0.64	0.64
	0.65	0.64	0.64	0.64	0.64	0.64
	0.12	0.11	0.11	0.11	0.12	0.12
	0.58	0.54	0.53	0.53	0.52	0.54
	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
	0.75	0.75	0.75	0.70	0.70	0.70
	0.43	0.43	0.43	0.43	0.49	0.54
	1.00	1.00	1.00	1.00	1.00	1.00
	annexed	annexed	annexed	annexed	annexed	annexed
	1.05	0.95	0.92	0.92	0.89	0.89
	0.56	0.52	0.52	0.52	0.52	0.52
	0.35	0.35	0.34	0.34	0.34	0.22
	annexed	annexed	annexed	annexed	annexed	annexed
	0.49	0.46	0.46	0.46	0.46	0.45
	0.44	0.41	0.40	0.40	0.40	0.40
	0.45	0.45	0.45	0.44	0.44	0.44
	annexed	annexed	annexed	annexed	annexed	annexed
	annexed	annexed	annexed	annexed	annexed	annexed
	1.10	1.09	1.09	1.13	1.18	1.20
	1.25	1.20	1.15	1.15	1.12	1.08
	0.75	0.75	0.75	0.75	0.80	0.83
	annexed	annexed	annexed	annexed	annexed	annexed
	annexed	annexed	annexed	annexed	annexed	annexed
	1.15	1.10	1.10	1.05	1.05	1.05
	1.35	1.35	1.35	1.35	1.35	1.35
	1.17	1.07	0.99	0.99	0.97	0.97

HUMBLE INDEPENDENT SCHOOL DISTRICT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(UNAUDITED)

Taxpayer	Type of Property	2012			2003		
		2011 Assessed Value ¹	Rank	Percentage of Total Assessed Value	2002 Assessed Value	Rank	Percentage of Total Assessed Value
Centerpoint Energy Inc.	Utility	\$ 70,610,035	1	0.66%	\$		
GGP Deerbrook LP	Shopping Center	49,722,750	2	0.47%	41,033,010	3	0.68%
Wal-Mart	Retailer	44,817,144	3	0.42%			
Cole Mt Humble TX	Shopping Center	40,058,126	4	0.38%			
IVC Deerbrook LLC	Shopping Center	38,657,701	5	0.36%			
Kingwood Gardens Assoc.	Apartments	29,608,000	6	0.28%			
Lawler Foods	Wholesale Bakery	28,759,086	7	0.27%			
Beltway Eagle Apartments	Apartments	27,313,476	8	0.26%			
Target Corporation	Retailer	25,243,649	9	0.24%			
Kingwood Country Club	Country Club/Golf	24,945,829	10	0.23%	15,484,970	9	0.26%
Reliant Energy	Utility				54,469,490	1	0.90%
Central Telephone	Utility				41,631,210	2	0.69%
Weingarten Realty Investors	Developer				33,175,730	4	0.55%
Ladbrook LLC	Hospital				17,860,580	5	0.30%
RMLI Residential	Apartments				17,502,530	6	0.29%
Texas Cable Partners	Cable Company				16,294,920	7	0.27%
Timber Lakes LLC	Apartments				15,500,000	8	0.26%
Deerbrook Plaza LP	Shopping Center				15,336,600	10	0.25%
Totals		<u>\$ 379,735,796</u>		3.56%	<u>\$ 268,289,040</u>		4.45%

¹Based on Certified Tax Roll from Harris County Appraisal District, August 2011

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 Year	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
2003	\$ 103,101,973	\$ 99,926,043	96.9%	\$ 2,888,129	\$ 102,814,172	99.7%
2004	111,803,038	108,589,751	97.1%	3,036,080	111,625,831	99.8%
2005	121,798,869	118,448,409	97.2%	3,144,686	121,593,095	99.8%
2006	134,956,242	130,148,994	96.4%	4,539,944	134,688,938	99.8%
2007	135,473,668	130,432,979	96.3%	4,804,336	135,237,315	99.8%
2008	122,554,720	118,504,331	96.7%	3,661,958	122,166,289	99.7%
2009	153,795,249	149,268,418	97.1%	3,257,121	152,525,539	99.2%
2010	157,313,025	153,323,239	97.5%	2,520,194	155,843,433	99.1%
2011	156,665,558	153,511,322	98.0%	1,857,031	155,368,353	99.2%
2012	158,494,106	155,817,494	98.3%		155,817,494	98.3%

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	Governmental Activities				Ratio of Debt to Assessed Value ²	Total Debt Per Capita	Debt Per ADA ³
	General Obligation Debt ¹	Capital Leases	Notes Payable	Total Primary Government			
2003	\$ 300,260,000		\$ 308,604	\$ 300,568,604	4.99%	\$ 2,546	\$ 12,232
2004	284,255,000		217,906	284,472,906	4.72%	2,351	11,196
2005	349,790,000		123,488	349,913,488	5.36%	2,821	13,260
2006	447,755,000		25,197	447,780,197	6.29%	3,505	16,125
2007	533,560,000			533,560,000	6.87%	4,015	18,159
2008	592,320,000			592,320,000	7.06%	4,245	19,297
2009	571,265,000			571,265,000	5.98%	3,899	17,723
2010	624,200,000			624,200,000	5.99%	3,877	19,323
2011	628,835,000			628,835,000	5.92%	3,655	18,955
2012	611,985,000			611,985,000	5.74%	3,552	18,049

(1) General Obligation Bonds Payable.

(2) See Pages 114-115 for assessed value data.

(3) See Page 126-127 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	Assessed Value ¹	Gross Bonded Debt ²	Less Reserve for Retirement of Funded Debt	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita ³	Net Bonded Debt Per ADA ³
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 ⁴	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
2012	10,666,905	611,985,000	37,613,815	574,371,185	5.4%	3,334	15,921

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

¹ 000's omitted - From Pages 114-115, Total Taxable Assessed Value.

² Gross Bonded Debt includes all long-term general obligation debt.

³ Data for population and Average Daily Attendance can be found in the Schedule of Demographic and Economic Information on Pages 126-127 . Personal income data was unavailable.

⁴ 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, 2012
(UNAUDITED)

Taxing Body	Net Debt Amount	Outstanding As of	Percent Overlapping ⁴	Amount Overlapping
Overlapping:				
El Dorado Utility District	\$ 2,883,926	09/30/10	100.00	\$ 2,883,926
Harris County	2,330,652,485	02/28/11	3.80	88,564,794
Harris County Department of Education	7,980,000	08/31/11	3.80	303,240
Harris County Flood Control District	93,645,830	02/28/11	3.80	3,558,542
Harris Co. MUD #46 ¹	6,158,579	05/31/11	100.00	6,158,579
Harris Co. MUD #49 ¹	19,534,136	11/17/11	100.00	19,534,136
Harris Co. MUD #106 ¹	22,316,676	01/20/12	100.00	22,316,676
Harris Co. MUD #109 ¹	19,396,649	10/02/11	100.00	19,396,649
Harris Co. MUD #132 ¹	5,877,954	05/31/11	100.00	5,877,954
Harris Co. MUD #151 ¹	11,432,267	02/14/12	100.00	11,432,267
Harris Co. MUD #152 ¹	13,330,335	02/22/12	100.00	13,330,335
Harris Co. MUD #153 ¹	20,261,132	09/21/11	100.00	20,261,132
Harris Co. MUD #278 ¹	34,999,893	01/12/12	100.00	34,999,893
Harris Co. MUD #290 ¹	37,341,351	08/25/11	100.00	37,341,351
Harris Co. MUD #342 ¹	13,122,649	01/31/12	100.00	13,122,649
Harris Co. MUD #344 ¹	23,259,094	08/18/11	86.50	20,119,116
Harris Co. MUD #361 ¹	13,067,301	04/13/12	100.00	13,067,301
Harris Co. MUD #400 ¹	29,143,271	10/24/11	100.00	29,143,271
Harris Co. MUD #412 ¹	20,525,579	01/18/11	100.00	20,525,579
Harris Co. MUD #450 ¹	4,642,769	03/31/11	100.00	4,642,769
Harris Co. Toll Road	-	02/28/11	3.80	-
Harris Co. WC&ID #96	44,806,526	01/03/12	100.00	44,806,526
Houston, City of	2,962,330,044	06/30/11	3.05	90,351,066
Humble, City of	2,217,968	01/31/10	93.24	2,068,033
Lone Star College System	516,389,161	08/31/11	9.06	46,784,858
Port of Houston Authority	704,419,397	12/31/11	3.80	26,767,937
Trail of the Lakes MUD ¹	21,801,120	03/26/12	100.00	21,801,120
Total Net Overlapping Debt:				\$ 619,159,700
Humble Independent School District Debt:	611,985,000	06/30/12		611,985,000 *
Total Direct and Overlapping Debt:				\$ 1,231,144,700
Ratio of Total Direct and Overlapping Debt to 2011 Assessed Valuation ²				11.54%
Total Direct and Overlapping Debt per Capita ³				\$ 7,146
2011 Assessed Valuation per Capita ³				\$ 61,913

Source of Information: Texas Municipal Reports.

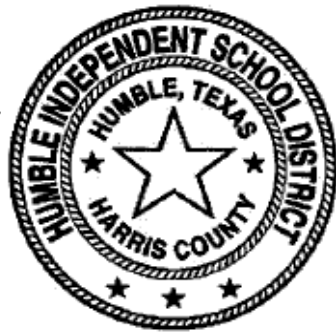
¹Each Municipal Utility District (MUD) affects a distinct area of the District; the MUDs do not overlap one another.

²The 2011 assessed valuation is \$10,666,905,256.

³The estimated 2012 population is 172,290.

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:	2003	2004	2005	2006	2007	2008
Maximum Debt Limit	\$ 602,349	\$ 653,175	\$ 712,303	\$ 776,552	\$ 838,660	\$ 954,859
Total Net Debt Applicable to Limit	<u>276,483</u>	<u>258,644</u>	<u>322,055</u>	<u>418,664</u>	<u>502,726</u>	<u>561,168</u>
Legal Debt Margin	<u>\$ 325,866</u>	<u>\$ 394,531</u>	<u>\$ 390,248</u>	<u>\$ 357,888</u>	<u>\$ 335,934</u>	<u>\$ 393,691</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	45.90%	39.60%	45.21%	53.91%	59.94%	58.77%

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

Computation of Legal Debt Margin

Assessed Value	\$ 10,666,905
Debt limit (10% of assessed value)	<u>10%</u>
Maximum Legal Debt	1,066,691
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	611,985
Less: Reserve for Retirement of Bonded Debt	<u>37,614</u>
Total Amount of Debt Applicable to Debt Limit	<u>574,371</u>
Legal Debt Margin	<u>\$ 492,320</u>

2009	2010	2011	2012
\$ 1,041,423	\$ 1,062,406	\$ 1,056,498	\$ 1,066,691
538,703	588,991	593,694	574,371
\$ 502,720	\$ 473,415	\$ 462,804	\$ 492,320
51.73%	55.44%	56.19%	53.85%

HUMBLE INDEPENDENT SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

(UNAUDITED)

Fiscal Year	Population	Residential Units	Assessed Value of Residential Units	Average Assessed Value of Units	Student Enrollment ²	ADA ²
2003 ¹	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 ⁸	146,527	49,695	8,007,337,376	161,130	33,883	31,570 ⁸
2010 ⁷	161,006	50,120 ⁹	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
2012	172,290	52,115	8,328,160,172	159,804	36,076	33,906

¹ Source of Information: U.S. Census Bureau, based on 2000 census numbers

² Sources of Information: Humble Independent School District Data Quality Department (PEIMS Fall/Summer Submissions)
Humble Independent School District's Financial Statements

³ Source of Information: Texas Workforce Commission for Harris County

⁴ Source of information: US Bureau of Economic Analysis, Houston-Sugar Land-Baytown, TX Metropolitan Statistical Area

⁵ Based on estimated growth of 9.4 percent per year per Bureau of Economic Analysis.

⁶ Based on estimated growth of 7.1 percent per year per Bureau of Economic Analysis.

⁷ Population estimated per Texas Municipal Reports.

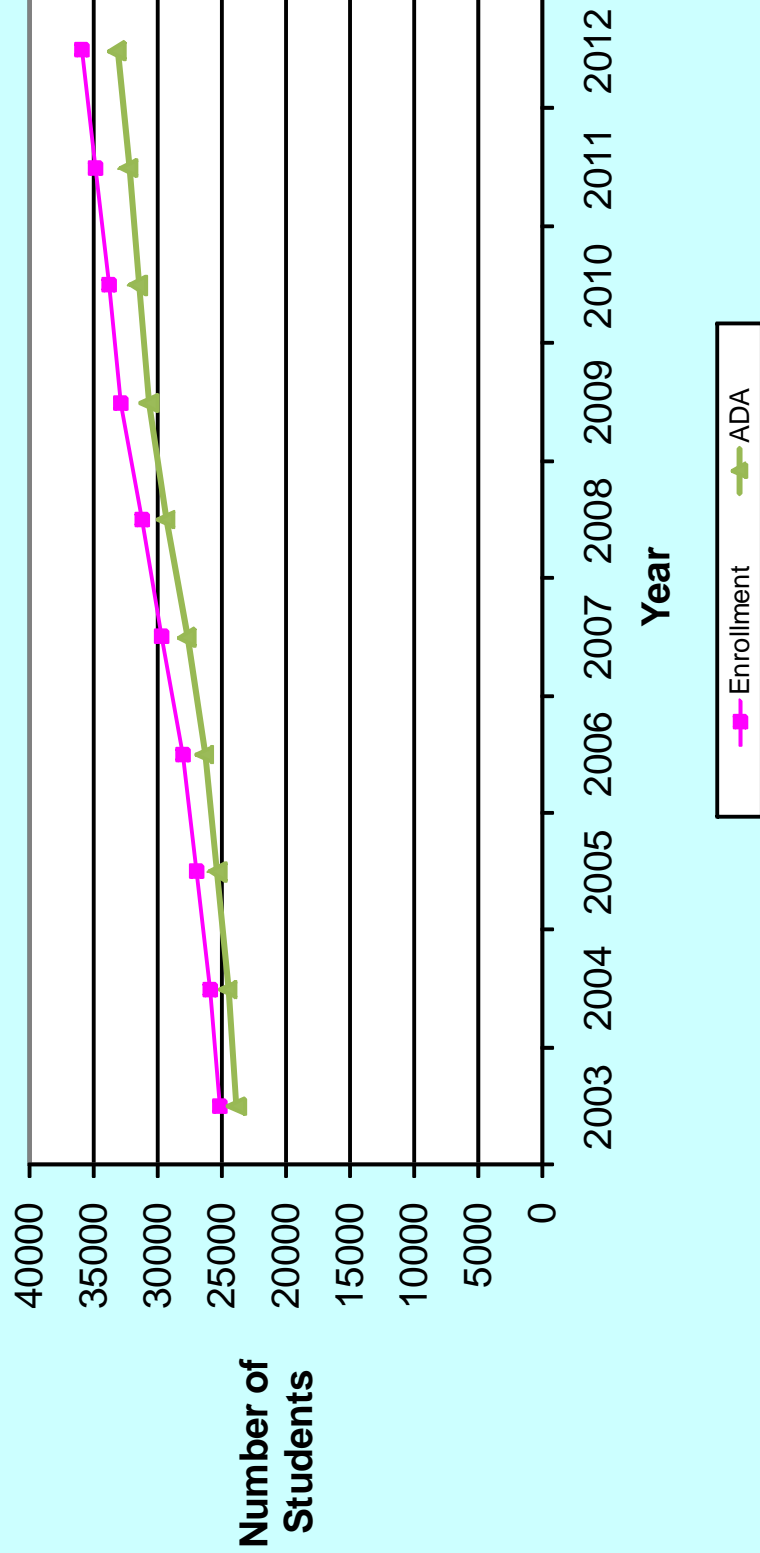
⁸ 2009 ADA changed after the printing of the 2009 CAFR. Updated amount represented in this CAFR.

⁹ Includes M3 Tangible, Mobile Homes, excludes C1 Real, Vacant Lots/Tracts

¹⁰ Per capita income from Harris County for 2011.

Unemploy- ment Rate ³	Total Personal Income	Per Capita Personal Income
6.8%	\$ 178,720,405 ⁴	\$ 34,929 ⁴
6.3%	191,918,391 ⁴	36,676 ⁴
5.7%	209,817,787 ⁴	39,199 ⁴
6.3%	229,517,000 ⁴	42,883 ⁴
6.4%	251,091,598 ⁵	46,235 ⁴
4.9%	274,694,208 ⁵	49,518 ⁶
8.0%	276,434,000 ⁴	48,259 ⁶
8.8%	255,635,000 ⁴	43,568 ⁴
9.0%	281,242,000 ⁴	25,272 ¹⁰
7.5%	262,968,000 ⁴	44,001 ⁴

Total Enrollment and ADA



HUMBLE INDEPENDENT SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

(UNAUDITED)

Principal Employer ¹	Description of Business	2012			2003		
		Employees	Rank	Percentage of Total Employment ⁵	Employees ³	Rank	Percentage of Total Employment ³
Humble ISD ²	Education District	4,649	1	5.82%	4,813	N/A	N/A
Wal-Mart ⁴	Retail	1,400	2	1.75%	100-499	N/A	N/A
Methodist Hermann NE Medical Center	Medical Care	1,100	3	1.38%	500-999	N/A	N/A
Harris County Criminal Justice Dept	County Government	465	4	0.58%	438	N/A	N/A
HEB	Retail Foods	440	5	0.55%	100-499	N/A	N/A
Lawler Foods ⁴	Retail Foods	421	6	0.53%	200	N/A	N/A
Insperty ⁶	Human Resource Outsourcing	410	7	0.51%	100-499	N/A	N/A
Target	Retail	400	8	0.50%	100-499	N/A	N/A
Clubs of Kingwood	Private Recreational Club	320	9	0.40%	300-350	N/A	N/A
Kroger	Retail Foods	320	10	0.40%	100-499	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 3,2012.

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 and rank are not available for 2003.

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: Infogroup, LakeHouston.org):

Lake Houston area % of population greater than 16 years of age	50.16%
HISD population	172,290
Estimated HISD population greater than 16 years of age	86,421
Harris County Unemployment rate for 2012	7.50%
Estimated HISD Unemployed population	6,482
Estimated HISD Employed population	79,939

⁶Insperty was formerly named Administaff.

HUMBLE INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
LAST EIGHT 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 eight years are presented.

² November 2004 PEIMS Submission.

³ October 2007 PEIMS Submission.

⁴ FTEs calculated in April of applicable year by HISD Budget Department.

4	4	4
2010	2011	2012
3,021	2,962	2,900
49	46	42
38	37	38
29	25	25
329	338	316
206	216	208
3	1	1
50	48	49
258	269	249
313	332	335
23	21	20
74	70	78
298	312	301
36	40	41
23	21	20
22	26	26
10	8	-
4,782	4,772	4,649
4,782	4,772	4,649

HUMBLE INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

(UNAUDITED)

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Governmental Operating Expenditures</u> ¹	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Government Wide Expenses</u>
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
2012	33,906	287,970,532	8,493	-7.86%	348,119,599

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
\$ 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%
10,267	-5.79%	2,371	15.60	34.20%



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
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
2012	42,500	57,343	46,525	48,638

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. 2012 data is not available until November 2012. Therefore, the 2011 data was updated to actuals from TEA and the 2012 averages were estimated using the 2011 amounts.

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(UNAUDITED)

Building:	2003	2004	2005	2006
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	2,966	2,797	3,148	3,268
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	1,015	1,130	1,149	1,268
Kingwood (1979)				
Square Footage	428,352	428,352	428,352	428,352
Capacity	2,400	2,400	2,400	2,400
Enrollment	2,801	2,778	2,877	3,075
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	1,028	965	1,064	1,039
Quest-CLC (1995) ³				
Square Footage	64,000	64,000	64,000	64,000
Capacity	400	400	400	400
Enrollment	293	336	213	275
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.

³ Quest High School relocated to an off-district property beginning the 2011 fiscal year. Only the CLC and Early Learning program remain at this location.

(continued)

2007	2008	2009	2010 ¹	2011	2012
435,435	450,000	450,000	450,000	450,000	493,767
2,400	2,400	2,400	3,200	3,200	3,200
2,252	3,107	3,326	3,213	3,106	2,952
421,482	400,520	400,520	400,520	405,870	488,715
2,400	2,400	2,400	2,400	2,400	2,400
2,196	2,343	2,363	2,044	1,734	1,482
153,854					
1,000					
570					
428,352	428,352	523,967	534,452	534,452	523,967
2,400	2,400	2,800	2,800	2,400	2,400
3,028	2,626	2,949	2,644	2,736	2,664
203,024	203,024	203,024	203,024	203,024	348,324
1,100	1,100	1,100	1,600	1,100	1,100
1,051	1,484	1,218	1,625	1,645	1,637
64,000	63,949	63,949	63,949	101,459	101,000
400	400	400	250	400	400
200	335	350	210	200	115
			483,677	483,677	483,677
			3,200	3,200	3,200
			836	1,382	1,980

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2003	2004	2005	2006
MIDDLE SCHOOLS				
Atascocita (1983)				
Square Footage	139,022	139,022	130,922	139,022
Capacity	1,100	1,100	1,100	1,100
Enrollment	1,144	1,304	1,392	1,508
Creekwood (1981)				
Square Footage	139,022	141,338	141,338	141,338
Capacity	1,100	1,100	1,100	1,100
Enrollment	970	996	1,008	1,089
Humble (1993)				
Square Footage	151,310	151,310	151,310	151,310
Capacity	1,200	1,200	1,200	1,200
Enrollment	1,067	1,161	1,205	1,213
Kingwood (1977)				
Square Footage	144,045	144,045	144,045	144,045
Capacity	1,000	1,000	1,000	1,000
Enrollment	961	994	961	960
Riverwood (1991)				
Square Footage	139,022	139,022	139,022	139,022
Capacity	1,100	1,100	1,100	1,100
Enrollment	1,055	1,033	1,052	1,087
Timberwood (1998)				
Square Footage	151,418	151,418	151,418	151,418
Capacity	1,100	1,100	1,100	1,100
Enrollment	1,015	1,059	1,134	1,184
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)

2007	2008	2009	2010 ¹	2011	2012
139,022	139,022	139,022	139,022	139,022	139,022
1,100	1,100	1,100	990	1,100	1,100
1,652	1,520	1,657	1,706	1,075	1,103
141,338	141,438	141,438	141,438	141,438	141,338
1,100	1,100	1,100	1,064	1,050	1,050
1,067	1,071	1,021	970	945	924
151,310	151,310	151,310	151,310	154,536	154,536
1,200	1,200	1,200	1,110	1,110	1,110
1,193	985	988	1,044	1,071	1,126
144,045	144,045	144,045	144,045	144,045	144,045
1,000	1,000	1,000	1,030	1,030	1,030
917	979	970	1,013	998	1,005
139,022	139,022	139,022	139,022	139,022	139,022
1,100	1,100	1,100	1,130	1,150	1,150
1,081	1,101	1,092	1,091	1,056	1,074
151,418	151,418	151,418	151,418	151,418	151,418
1,100	1,100	1,100	1,110	1,110	1,110
1,305	967	1,032	1,133	1,186	1,239
	153,854	153,854	153,854	153,854	142,559
	1,000	1,000	950	950	950
	919	949	977	793	793
				179,255	179,255
				1,110	1,110
				965	990

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2003	2004	2005	2006
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	580	567	549	536
Deerwood (1985)				
Square Footage	72,334	72,334	72,334	72,334
Capacity	700	700	700	700
Enrollment	516	523	516	551
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	553	552	567	586
Fall Creek (2008)				
Square Footage				
Capacity				
Enrollment				
Foster (1971)				
Square Footage	59,648	74,683	74,683	74,683
Capacity	550	680	680	680
Enrollment	594	570	572	608
Greentree (1981)				
Square Footage	65,118	65,118	65,118	65,118
Capacity	650	650	650	650
Enrollment	721	745	737	766
Hidden Hollow (1990)				
Square Footage	74,752	74,752	74,752	74,752
Capacity	700	700	700	700
Enrollment	586	511	485	477

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

(continued)

2007	2008	2009	2010 ¹	2011	2012
				114,000	114,000
				950	950
				651	715
65,683	65,633	65,633	65,633	65,633	65,633
722	722	722	562	650	650
569	556	535	554	553	595
72,334	70,569	70,569	70,569	70,569	72,334
700	700	700	634	700	700
573	579	621	641	551	523
79,000	78,950	78,950	78,950	78,950	79,000
750	750	750	755	750	750
735	901	1,015	1,063	584	616
65,683	65,607	65,607	65,607	65,607	65,683
722	722	722	536	650	650
585	605	556	521	502	468
		78,950	78,950	78,950	78,950
		755	755	750	750
		478	578	667	720
74,683	70,323	70,323	70,323	70,323	74,683
680	680	680	669	550	550
605	638	600	592	618	612
76,968	65,118	65,118	65,118	65,118	76,968
650	650	650	779	650	650
753	768	751	764	772	738
74,752	76,869	76,869	76,869	76,869	74,752
700	700	700	578	700	700
514	505	485	475	581	539

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2003	2004	2005	2006
ELEMENTARY SCHOOLS				
Humble (1999) ²				
Square Footage	78,500	78,500	78,500	78,500
Capacity	750	750	750	750
Enrollment	684	694	773	729
Jack Fields (1995)				
Square Footage	76,210	76,210	76,210	76,210
Capacity	750	750	750	750
Enrollment	759	771	722	822
Lakeland (1960)				
Square Footage	59,624	72,772	72,772	72,772
Capacity	500	762	762	762
Enrollment	718	730	686	735
Lakeshore (2009)				
Square Footage				
Capacity				
Enrollment				
Maplebrook (2001)				
Square Footage	77,075	77,075	77,075	77,075
Capacity	750	750	750	750
Enrollment	626	807	736	928
North Belt (1968)				
Square Footage	77,714	77,714	77,714	77,714
Capacity	675	675	675	675
Enrollment	502	493	536	581
Oaks (1979)				
Square Footage	65,129	65,129	65,129	65,129
Capacity	650	650	650	650
Enrollment	615	610	597	593

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)

2007	2008	2009	2010 ¹	2011	2012
78,500	78,500	78,500	78,500	78,500	78,500
750	750	750	723	750	750
747	631	632	653	659	600
76,210	76,210	76,210	76,210	76,210	76,210
750	750	750	714	750	750
727	695	666	641	591	594
72,772	59,624	59,624	59,624	59,624	72,772
762	762	762	835	500	500
741	460	435	424	732	648
			80,147	80,147	98,978
			950	950	950
			461	599	689
77,075	90,223	90,223	90,223	90,223	77,075
750	750	750	747	750	750
792	858	794	826	825	754
77,714	77,714	77,714	77,714	90,793	90,793
675	675	675	708	550	550
485	639	601	686	717	652
76,979	81,904	81,904	81,904	81,904	76,979
650	650	650	604	650	650
662	618	622	633	625	608

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2003	2004	2005	2006
ELEMENTARY SCHOOLS				
Oak Forest (1995)				
Square Footage	87,895	87,895	87,895	87,895
Capacity	750	750	750	750
Enrollment	704	723	759	802
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	587	643	645	703
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	615	664	656	679
Summerwood (2004)				
Square Footage			79,000	79,000
Capacity			750	750
Enrollment			638	913
Timbers (1981)				
Square Footage	65,118	65,118	65,118	65,118
Capacity	650	650	650	650
Enrollment	538	609	681	726
Whispering Pines (1991)				
Square Footage	74,752	74,752	74,752	74,752
Capacity	700	700	700	700
Enrollment	800	880	793	837

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

(continued)

2007	2008	2009	2010 ¹	2011	2012
87,895	87,895	87,895	87,895	87,895	87,895
750	750	750	702	750	750
679	645	663	610	664	659
79,000	78,950	78,950	78,950	78,950	79,000
750	750	750	755	750	750
786	869	791	858	894	910
72,334	72,334	72,334	72,334	72,334	72,334
700	700	700	623	700	700
686	694	681	678	667	681
	78,509	78,509	78,509	78,509	78,950
	750	750	755	750	750
	681	823	846	660	689
68,542	68,542	68,542	68,542	68,542	68,542
700	700	700	644	700	700
658	659	636	620	606	577
79,000	79,000	79,000	79,000	79,000	79,000
750	750	750	743	750	750
743	942	876	516	583	627
70,178	65,118	65,118	65,118	65,118	70,178
650	650	650	759	650	650
750	734	858	903	821	759
74,752	76,869	76,869	76,869	76,869	74,752
700	700	700	610	700	700
784	723	721	726	716	681

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

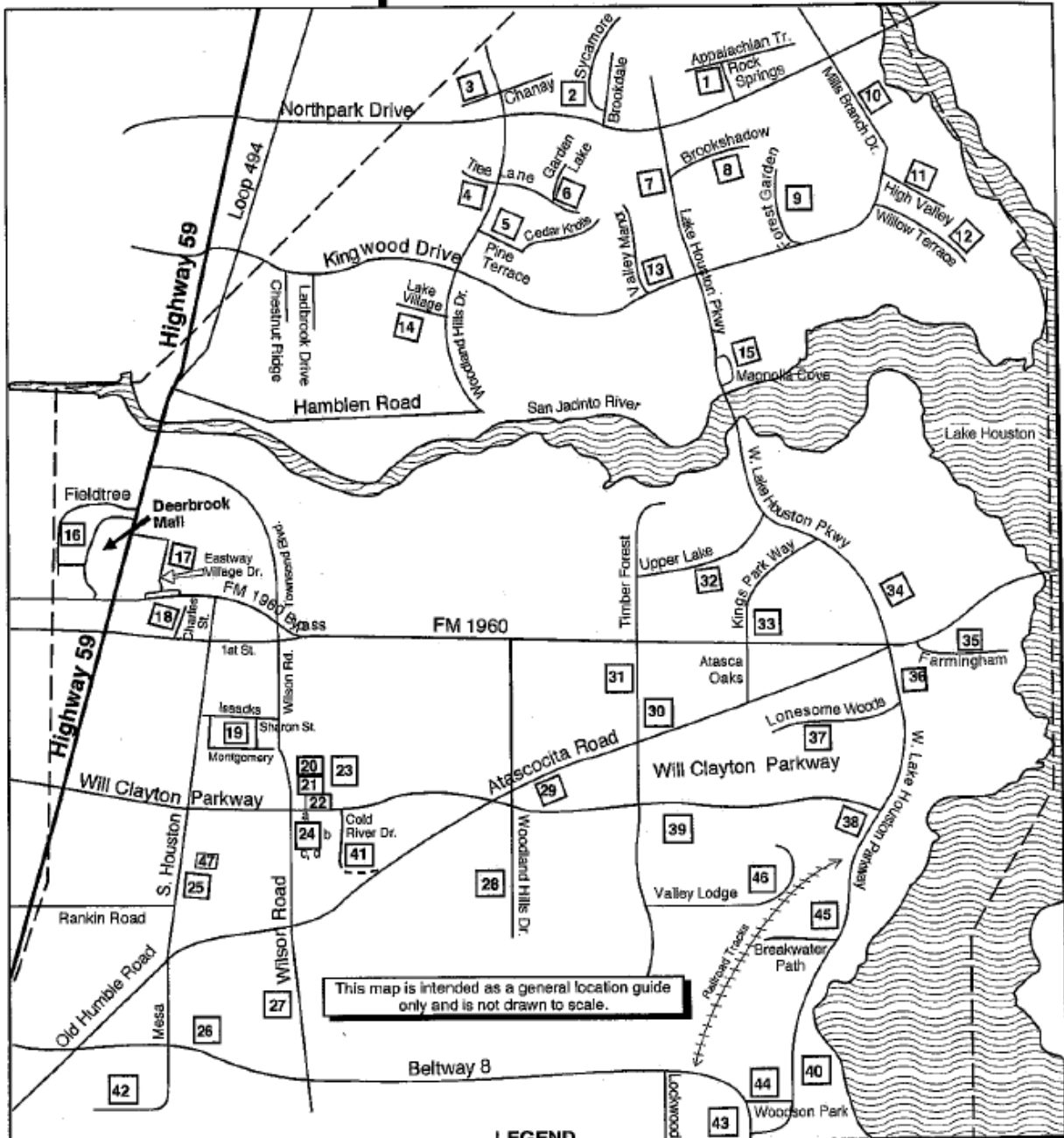
(Unaudited)

Building:	2003	2004	2005	2006
ELEMENTARY SCHOOLS (continued)				
Willow Creek (1988)				
Square Footage	72,334	72,334	72,334	72,334
Capacity	700	700	700	700
Enrollment	589	590	572	554
Woodland Hills (1976)				
Square Footage	65,683	65,683	65,683	65,683
Capacity	722	722	722	722
Enrollment	592	605	614	614

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

2007	2008	2009	2010 ¹	2011	2012
72,334	76,869	76,869	76,869	76,869	72,334
700	700	700	605	700	700
578	589	613	575	568	571
65,683	65,683	65,683	65,683	65,683	65,683
722	722	722	554	650	650
584	544	515	540	562	541

Humble Independent School District



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, 2012
UNAUDITED

Data Control Code	Explanation	Amount
1.	Total General Fund Balance 6-30-12 (Exhibit C-1 object 3000 for the General Fund only)	\$ 87,356,127
2.	Total Nonspendable Fund Balance (341x-344x) - General Fund Only	
3.	Total Restricted Fund Balance (345x-349x) - General Fund Only	
4.	Total Committed Fund Balance (351x-354x) - General Fund Only	
5.	Total Assigned Fund Balance (351X-359X) - General Fund Only	26,970,956
6.	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues)	1,819,249
7.	Estimate of TWO months' average cash disbursements during the regular school session (9/1/11 - 5/31/12)	44,530,735
8.	Estimate of delayed payments from state sources (58xx) including August payment delays	25,182,482
9.	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	
10.	Estimate of delayed payments from federal sources (59xx)	1,908,892
11.	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)	
12.	Optimum Fund Balance and Cash Flow (2+3+4+5+6+7+8+9+10+11)	<u>100,412,314</u>
13	Excess (Deficit) Unassigned General Fund Balance (1-12)	<u>\$ (13,056,187)</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.

