

**HUMBLE
INDEPENDENT SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2013

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

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Humble I.S.D.

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November 12, 2013

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, 2013.

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, 2013 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, 2013, 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 requires 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 ninety 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 2012-2013, the District operated five traditional high schools for students in grades nine through twelve, an early college high school serving students in grades nine through twelve, a career and technology education center, eight middle schools, and twenty-six elementary schools. Enrollment for the 2012-2013 year was 37,095, an increase of approximately 2.8 percent over the previous year. A total of 2,526 seniors graduated from the District in 2013.

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 2012-2013 school year, the District employed 4,560 employees consisting of 3,124 professionals, 366 educational aides, and 1,070 auxiliary staff. Professional employees include 2,335 classroom teachers with an average of 10.4 years of experience. This data was collected and reported based on a specified date in October 2012. Master's degrees have been earned by 23.3 percent of the teaching staff and 0.8 percent of the teaching staff have earned a doctorate degree. The average student/teacher ratio was 15.9 to 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 Independent School District 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/Lake Houston 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 2013 school year, forty of the District's campuses Met Standard, the highest rating available in the newly implemented accountability system developed by the Texas Education Agency. This rating was earned by meeting all four targets of the Performance Index Framework which evaluate student achievement, student progress, closing performance gaps, and postsecondary readiness. In addition, seven of the campuses achieved the top 25 percent of performance in student progress and four of the campuses achieved the top 25 percent in relation to its comparison group in Reading/English language arts and Mathematics. The Career and Technology Education Center is not a campus qualified to receive a rating by the Texas Education Agency.

Population. The population for 2013 was estimated at 177,666 by the Texas Municipal Reports, although the economic downturn has slowed the growth rate.

Local economy. The Humble/Lake Houston, located within the Houston-The Woodlands-Sugarland metropolitan area includes twenty-two employers with 250 or more employees. Airport-related jobs, as well as those in the medical 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, Kings Harbor, and 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. One of the world's largest privately owned country clubs, The Clubs of Kingwood, is located in Kingwood and offers ninety holds of championship golf. 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.

The area is home to numerous medical facilities. Memorial Hermann Northeast Hospital and Kingwood Medical Center have 255 and 278 beds, respectively. Additionally, the Memorial Hermann Hospital System opened a Convenient Care Center on Beltway 8 near Summer Creek High School as well as a Cancer Center across from the hospital's Humble location. The Memorial Hermann Northeast Cancer Center is an almost \$4 million investment in new technology and includes collaboration with University of Texas Oncology Physicians.

Per the Bureau of Labor Statistics, US Department of Labor, from June 2012 to June 2013 job growth in the Houston area increased 3.6 percent, about two times faster than the national increase of 1.7 percent. Among the twelve largest metropolitan areas in the country, the Houston area rate of job growth surpassed all others and was one of only two areas with growth in excess of 3.0 percent. The majority of this growth occurred in the Trade, Transportation, and Utilities 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. In addition to serving an estimated 40,000,000 passengers a year, the Bush Intercontinental Airport is ranked as the seventh busiest airport in the nation and the nation's eleventh busiest airport in terms of passengers and the world's ninth busiest airport in total aircraft landings and take-offs. Humble is connected to downtown Houston via U.S. Highway 59, which was recently re-designated as Interstate 69. The I-69 corridor will ultimately become a 1600-mile stretch of highway running from Mexico City, Mexico to Toronto, Canada. Rail service runs through Humble linking the area to Galveston and the Port of Houston, the nation's second largest ocean port in total tonnage 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	\$ 244,920,000

Upon the future completion of the 2008 Referendum, all of the District's existing campuses will have been updated and three new campuses will have been constructed. The age of the school buildings ranges from three years old to 53 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:
 - 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, and 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 historical collection rates. 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 86% 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, while 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 within their departments 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 and 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 through Section 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 2013-14 notice was June 12, 2013. The Board officially adopted the budget for 2013-14 on June 25, 2013.

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 2013-14 fiscal year, the required legal notice of these rates was published on June 12, 2013. As required by law, the Board of Trustees held a public hearing on the proposed rate on June 25, 2013 and adopted the tax rate for 2013 at the October 8, 2013 board meeting.

Enrollment. Student enrollment grew from 33,883 in 2008-09 to 36,076 in 2011-12, an increase of almost 6.5 percent. Enrollment increased by 1,019 students to 37,095 in 2012-13, or approximately 2.8 percent. Student enrollment is projected to increase by a minimum of 1.5 percent in 2013-14.

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.

Since 2008-09, the District's tax base grew from \$10.4 billion to \$10.8 billion, an increase of approximately 4.2 percent. 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 percent of total General Fund revenue ranging from \$119.5 million in 2008-09 to \$125.2 million in 2012-13. The tax base and related tax collections are projected to increase slightly in the 2013-14 fiscal year.

During the same time period, state revenue (excluding TRS On-Behalf Payments) represented approximately 48 percent of total General Fund revenue ranging from \$122.1 million in 2008-09 to \$135.4 million in 2012-13. During those five years, there was a \$9 million reduction for an adjustment by the TEA in the funding formulas related to participation in a Tax Increment Reinvestment Zone. There was a \$15 million increase in total state revenue (including TRS On-Behalf Payments) from \$132.2 million in 2011-12 to \$147.3 million in 2012-13. The increase in state revenue was a result of approximately 1,100 more students in ADA and increased property valuations.

State revenue represents almost half of the Districts revenue stream. 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 efforts, 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 percent of the 2005 rate in the 2006-07 school year and to 66.67 percent of the 2005 tax rate in the 2007-08 school year. Districts may tax four cents above the compressed rate without voter approval, but must obtain voter approval in order to access the remaining pennies up to the statutory M&O cap of \$1.17. Accordingly, Humble ISD reduced its M&O tax rate from \$1.50 in 2005-06, to \$1.37 in 2006-07, and then to \$1.04 in 2007-08. On November 22, 2008, the District held a successful tax rate election to increase the M&O tax rate by thirteen cents bringing the total tax rate to the \$1.17 cap.

In order to ensure that no district lost money due to the tax relief effort, the Legislature created a new "hold-harmless" provision under HB1 guaranteeing each district a "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 sixty 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, and 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 made the public school finance litigation a reality.

The 83rd Texas Legislative Session and Special Session ended with a better outlook than the previous session, but did not include legislation to significantly change the funding system to provide an adequate and equitable funding system for all students. However, \$3.8 billion was added back to the State's education budget out of some \$5.4 billion that had been cut in previous sessions. The State funding formulas have been adjusted to increase the basic allotment per student to \$4,950 for the fiscal year 2013-14.

The lawsuit challenging the Texas school finance system will reopen in January 2014. In June 2013, state District Judge John Dietz determined that he needed to collect new evidence in light of the additional funding as well as lawmakers' changes to testing and graduation requirements. The additional evidence is not expected to change Judge Dietz's determination that the school finance system violates the state constitution. Once Judge Dietz issues a final order, the case will likely head directly to the Texas Supreme Court.

Expenditures. Expenditures funded with General Fund revenues provide for the general educational services for all students. Total general fund expenditures ranged from \$227.2 million to \$259.2 million for the five year period from 2008-09 to 2012-13. Of these expenditures, salaries and related benefits costs comprise the largest expenditure category at approximately 86 percent followed by contracted services at approximately 7 percent (which is predominantly expenditures for utilities), leaving only 7 percent 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 third consecutive year, the budget for 2013-14 was adopted with no additional compensation for employees. Consistent with the 2012-13 fiscal year, it was recommended that compensation for all employees remain frozen until the fall. At this time 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 percent 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 Regulation for Board approval. This regulation included a provision for targeting a minimum debt service fund balance of 25 percent 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's 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 percent (60 days) and 25 percent (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 \$64.1 million (28.2%) in 2008-09 to an estimated \$64.8 million (25%) in fiscal year 2012-13. Unassigned fund balance is projected to be approximately \$65 million at the end of fiscal year 2014. Assignments of fund balance ranged from approximately \$19 million in 2008-09 to \$39.5 million in 2012-13. 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 2012-13 directly tied to the 2013-17 District Goals. A total of \$17.1 million was assigned to achieve the five goals defined by the Board of Trustees.

Planning Projections. Tax collections and other local revenue are projected to be \$137.7 million (or 44 percent of total revenue) in fiscal year 2016-17 while state revenue is projected at \$157.4 million (or 173.6 million including TRS On-Behalf Payments). Total General Operating revenue is projected at \$311.3 million, including indirect costs from federal sources.

Payroll expenditures are projected to be \$271.9 million (or 87 percent of total expenditures) with contracted services (primarily utilities) projected at \$19.2 million (or 6 percent of total expenditures). Total General Operating expenditures are projected to be \$313.3 million.

Expenditures are projected to exceed revenues in fiscal year 2016-17 by \$2.0 million. Unassigned fund balance is projected to be \$64 million or 20.5 percent of total operating expenditures.

Major Initiatives and Accomplishments

Dr. Sconzo Selected as Region 4 Superintendent of the Year – Humble ISD Superintendent Dr. Guy Sconzo was chosen to represent Region 4 in the State Superintendent of the Year Award Program sponsored by the Texas Association of School Boards. Dr. Sconzo was among 16 Regional candidates that will be considered for the award to be announced in September.

Humble ISD Named Finalist in H-E-B Excellence in Education Awards Program – The Humble ISD was among only five Large District Finalists to be considered for the top honor in the H-E-B Excellence in Education Awards Program. As a finalist, Humble ISD was awarded \$5,000 in recognition of the District's "commitment to academic excellence, student achievement, innovative learning, efficient use of resources and community involvement." The prize money funded *Camp Nobis Est*, a summer day camp dedicated to helping elementary school students transitioning to middle school.

Security Renovations at Sixteen Elementary Schools – Humble ISD funded major security improvements in the form of security vestibules at sixteen elementary campuses and two administrative

facilities with older designs not providing for this feature. The vestibules will provide an additional layer of access control and security at the entrances of each of the buildings.

District Approves Sale of Bonds and Issuance of \$32.2 million in Refunding Bonds – Humble ISD authorized the issuance of bonds to refund outstanding issues Series 2002A and 2005. The refunding resulted in a savings of over \$5 million and an increase in capacity to accommodate the issue of previously authorized Series 2008 bonds.

District Partners with YMCA for Summer Transportation – Humble ISD entered into a contract with community partner Lake Houston YMCA to provide transportation services to clients of the YMCA. The partnership allowed the District to recover all costs associated with the operation of the buses at times when they would otherwise be idle.

Teacher of the Year Recognition Reaches New Heights – Community Partners stepped up to provide excitement and grand prizes for the Humble ISD Teachers of the Year. Planet Ford awarded a brand new car to the District and Elementary Teacher of the Year, Joanna Grigsby, while Thomas Markle Jewelers and United Airlines provided a trip to Hawaii for the District Runner-up and Secondary Teacher of the Year, Samuel Pollard.

More than 100 Teachers Awarded Education Foundation Grants – The Humble ISD Education Foundation awarded \$842,938 in grants to 143 projects on 37 campuses in 2012-13. 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.

Humble ISD Transportation Receives Clean Air Champion Recognition – Humble ISD was recognized by the Houston Galveston Area Council with two awards for Clean Air Action in 2012. The District was awarded the Air Quality Leadership Award as well as the Clean Air Champion Award. The Humble ISD Transportation Department was recognized for outstanding leadership in implementing strategies that improve regional air quality through the use of alternative fuel buses for student transport. The fleet includes 27 propane powered buses and three buses that run on compressed natural gas. The award cited the District's commitment to support voluntary measures aimed at reducing air pollution and promoting regional air quality initiatives.

District Role Critical in School Finance Lawsuit – Humble ISD, as a plaintiff in a lawsuit to challenge the constitutionality of the State school finance system, took a lead role with Superintendent Guy Sconzo testifying for several days. The Court agreed with District leaders who believe the state funding system is inequitable, inadequate, and overly reliant on local taxes to fund a state responsibility. The plaintiff's group has never been larger or more diverse, representing more than one-third of all students in Texas.

The JASON Project Comes to Humble – Humble ISD received \$200,000 in grant funding from Chevron to implement the JASON Project in middle schools in 2013-14. The JASON Project is a non-profit organization that connects students with scientists and researchers virtually and physically, to provide mentored, authentic, and enriching science learning experiences. JASON and its partners create these connections using multiple platforms and technologies, including award-winning, standards-based Science, Technology, Engineering and Math (STEM) curricula developed with NOAA, NASA, National Geographic Society and others. Using the JASON Project modules, students spend up to 50 percent of classroom time working on hands-on labs and field assignments that are connected to current and ongoing scientific research.

Humble ISD is “No Place for Hate” – Thirty Humble ISD schools were recognized as “No Place for Hate” campuses by the Anti-defamation League after organizing and implementing school-wide activities in an effort to stand up against bullying and promote respect for all. Associate Director of the ADL Southwest Susan Shaw said, “To have so many schools in one district receiving the “No Place for Hate”

designation shows such a commitment by Humble ISD to their students. We are overwhelmed by their efforts to provide students and staff with a safe and welcoming climate at school.”

Turner Stadium Upgrades – Humble ISD working with the AAU Junior Olympics and the Harris County/Houston Sports Authority implemented modifications to George Turner Stadium including the largest high school video scoreboard in the United States. Additionally, a new access road to the rear parking area and shade awnings over the top six rows of each side of the stadium will enhance the stadium experience for patrons and visitors alike and all improvements came with no cost to the District. The improvements totaling \$1.5 million make Turner Stadium a premier facility and will likely result in more hosting opportunities like the Junior Olympics.

Two New Facilities Completed – Humble ISD saw two new facilities constructed over the 2012-13 school year. Ridge Creek Elementary, the 27th elementary campus, opened to serve students living in the neighborhoods along the Sam Houston Toll Road. The new District Emergency Operations Center provides a home for the Humble ISD Police Department and the Department of Safe and Secure Schools.

Child Nutrition Department Wins National Award – The School Nutrition Association recognized Humble ISD’s Child Nutrition Department as the 2013 national winner in the Successful Practices poster showcase. Their poster presentation “Team Approach to Managing Food Allergies” highlighted the importance of including child nutrition professionals along with school nurses, parents and others in implementing procedures that help provide safety in the school cafeteria for students with life threatening food allergies.

Maintenance Department SCOREs Big – Humble ISD received two checks from Centerpoint Energy for the Maintenance Department’s participation in Energy Savings Programs. The SCORE program returned \$53,763 to Humble for projects that replaced aging inefficient chillers at three campuses with new energy efficient equipment. The Centerpoint Load Shed Program implemented only at Summer Creek High School earned Humble ISD \$30,520 for allowing peak demand electricity reduction controls.

Humble ISD Trustee Charles Cunningham serves GCAASB – Humble ISD School Board Trustee Charles Cunningham was elected to serve as First Vice President of the Gulf Coast Area Association of School Boards for 2013-14. Cunningham will be joining a leadership team that includes representatives from fourteen area school boards all working to provide education and information to local boards and creating an opportunity for local school boards to impact legislation affecting public schools.

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, 2012.

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 27 consecutive years and the GFOA award for 27 years.

The certificates are valid for a period of one year only. We believe 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 2013 certificate.

The TEA has awarded the District a rating of “Superior Achievement” for the year ended June 30, 2012, the eleventh 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 2011-12 school year and budgetary and actual financial data for the fiscal period ended June 30, 2012.

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

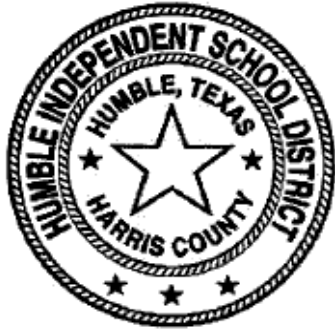
Ida A. Schultze, Director of Accounting and Financial Reporting

Lynn Lynn

Lynn Lynn, Chief Financial Officer

Guy M. Sconzo

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



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, 2013, was reviewed and approved at a meeting of the Board of Trustees of the Humble Independent School District on the 12th of November, 2013.

Brent Engelage

Mr. Brent Engelage, Board President

Robert Sitton

Mr. Robert Sitton, Board Secretary

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Humble Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in black ink, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

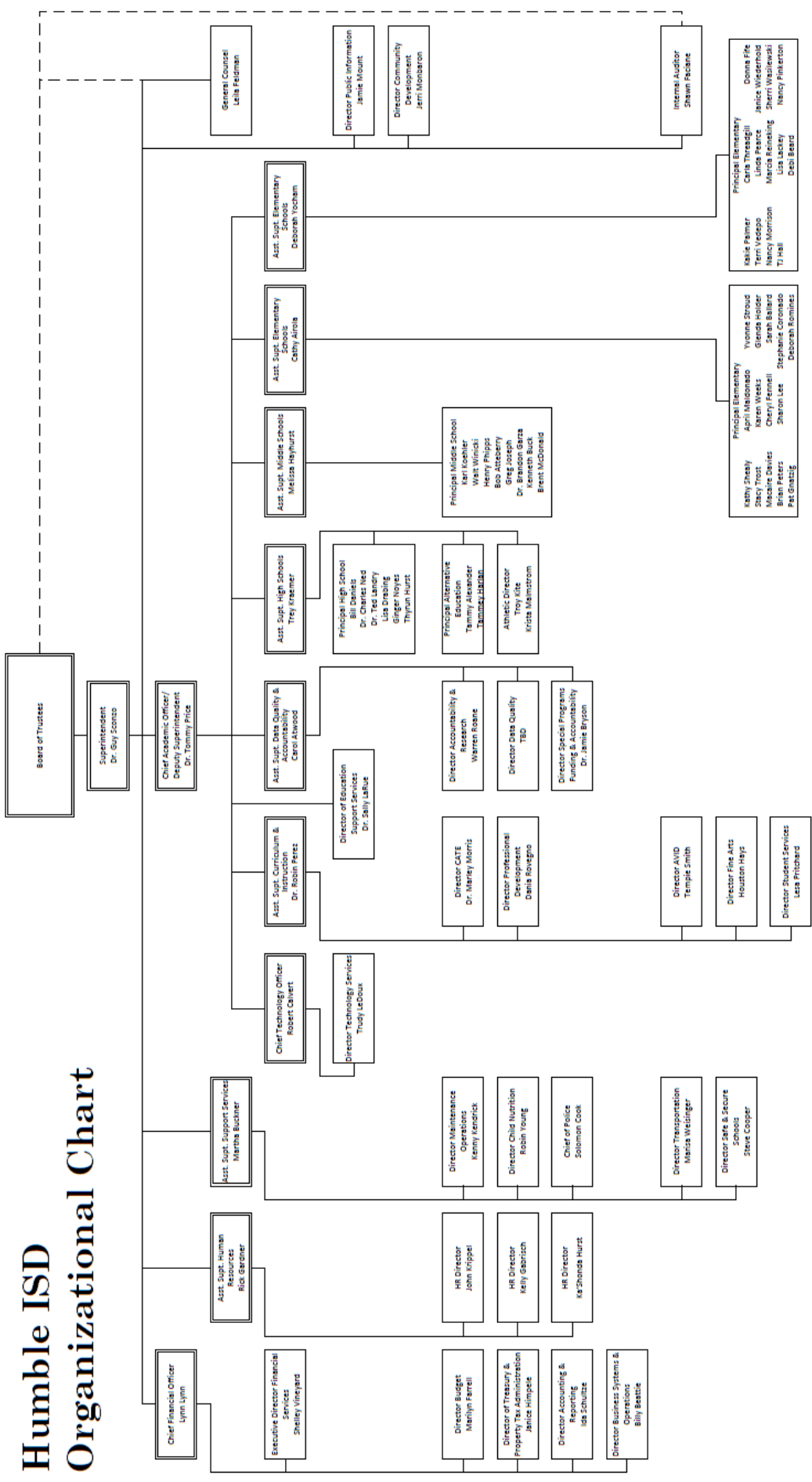
Humble Independent School
District, Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

HUMBLE INDEPENDENT SCHOOL DISTRICT ORGANIZATIONAL CHART



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

BOARD OF TRUSTEES

Mr. Brent Engelage	President
Mr. Robert Scarfo	Vice President
Mr. Robert Sitton	Secretary
Mr. Keith Lapeze	Parliamentarian
Mr. Charles Cunningham	Member
Ms. Angela Conrad	Member
Mr. Heath Rushing	Member

ADMINISTRATION LEADERSHIP

Dr. Guy M. Sconzo	Superintendent of Schools
Dr. Tommy Price	Chief Academic Officer/Deputy Superintendent
Lynn Lynn	Chief Financial Officer
Rick Gardner	Assistant Superintendent Human Resources
Martha Buckner	Assistant Superintendent Support Services
Leila Feldman	General Counsel
Shelley Vineyard	Executive Director of Financial Services
Robert Calvert	Chief Technology Officer
Dr. Robin Perez	Assistant Superintendent of Curriculum & Instruction
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
Dr. Sally LaRue	Director of Educational Support Services
Jamie Mount	Director of Public Information
Jerri Monbaron	Director of Community Development



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note III G to the financial statements, the District adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of June 30, 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 22-31 and 74-76 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and compliance schedules as listed in the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, and compliance schedules as listed in

the table of contents, are fairly stated in all material respects in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, slightly slanted style.

Houston, Texas
November 12, 2013

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, 2013. 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 and deferred outflows of the District exceeded its liabilities at June 30, 2013, by \$121,789,491 (*net position*). Of this amount, \$105,928,563 or 87.0 percent (*unrestricted net position*) 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 \$157,614,571. Approximately 41.1 percent of this total amount, \$64,794,355 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 position* presents information on all of the District's assets, deferred outflows, and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 34-35 of this report.

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-one 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 36-43 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 and internal service funds. *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*. *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 44-46 of this report.

- **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 position and statement of changes in fiduciary net position, found on pages 47-48.

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 49-71 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. The required supplementary information can be found on pages 74-76 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. The combining and individual fund statements and schedules can be found on pages 82-100 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$121,789,491 as of June 30, 2013. Humble ISD's net position reflects 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 \$19.8 million or approximately 16.3 percent of total net position. 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 Position

	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 219,288,480	\$ 229,728,494
Capital assets	590,683,376	591,414,877
Total assets	<u>809,971,856</u>	<u>821,143,371</u>
Deferred charge on refunding	1,057,511	
Total Deferred Outflows of Resources	<u>1,057,511</u>	
Long-term liabilities outstanding	640,029,621	660,486,404
Other liabilities	49,210,255	46,757,969
Total liabilities	<u>689,239,876</u>	<u>707,244,373</u>
Net Position		
Net investment in capital assets	(19,834,349)	(6,911,607)
Restricted	35,695,277	34,216,814
Unrestricted	105,928,563	86,593,791
Total net position	<u>\$ 121,789,491</u>	<u>\$ 113,898,998</u>

The District's capital assets decreased by \$0.7 million in fiscal year 2013. This decrease consisted of additions to construction in progress (CIP), land purchases, and furniture and equipment acquisitions of \$28.4 million prior to current year depreciation of \$29.1 million and disposals or transfers of \$6.5 million. Construction in progress increased for new projects by \$22.6 million; however, projects placed into service as assets in the amount of \$6.5 million resulted in a net increase in CIP of \$16.1 million for the year. Land was purchased for the expansion of Turner Stadium parking and the access road from Summer Creek High School to Beltway 8 for \$3.5 million. Buildings increased \$6.5 million due to the transfer of completed construction projects that were placed into service such as the secondary schools renovations, a major project at Northbelt Elementary School, and supplies purchased for the new campus opening in August 2013. Purchases of furniture and equipment increased \$2.3 million. Of this amount, \$.8 million was used for cafeteria equipment for the new elementary school; \$.1 million used for technology; \$.3 million from Capital Projects funds for Police Vehicles and technology information systems; \$.2 million on playgrounds and other equipment, while an additional \$.9 million was spent on miscellaneous assets for the District. During the current year, fully depreciated equipment originally valued at \$91,261 was retired or disposed of by the District. The District issued refunding bonds in 2013 in the amount of \$32.2 million while retiring \$52.9 million in debt. Other liabilities increased by \$2.5 million from 2012 to 2013 due to an increase in accrued wages and the amount due to other governments.

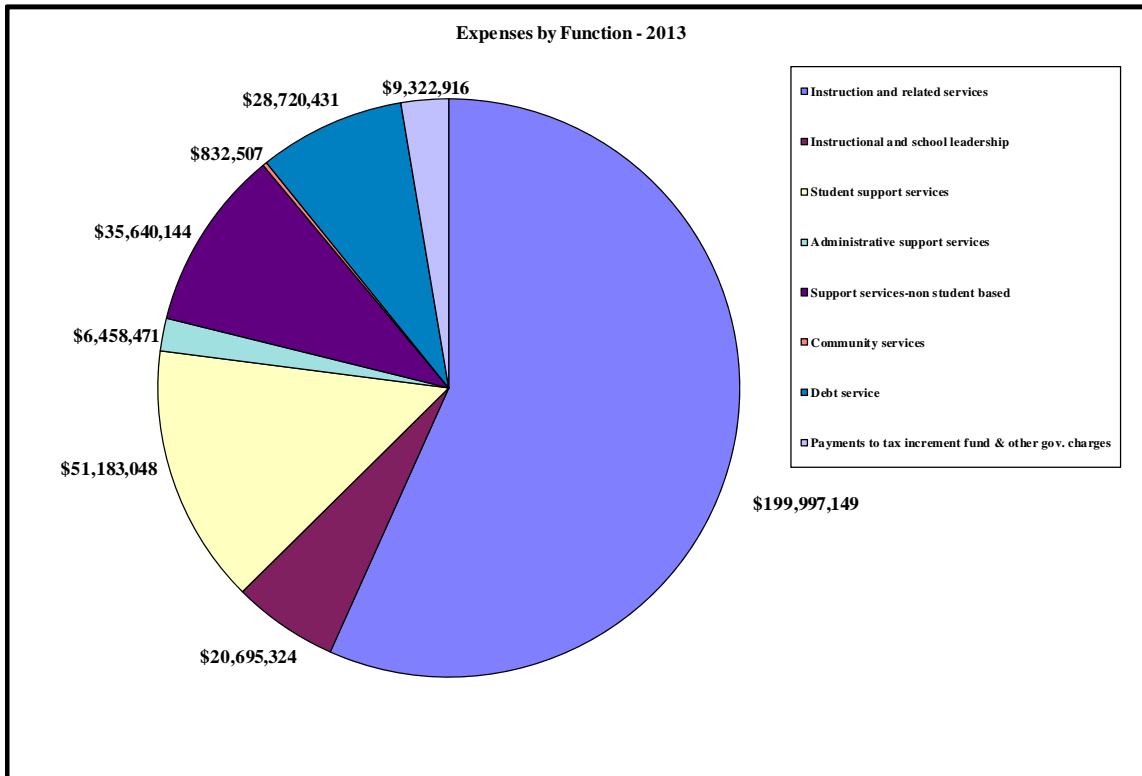
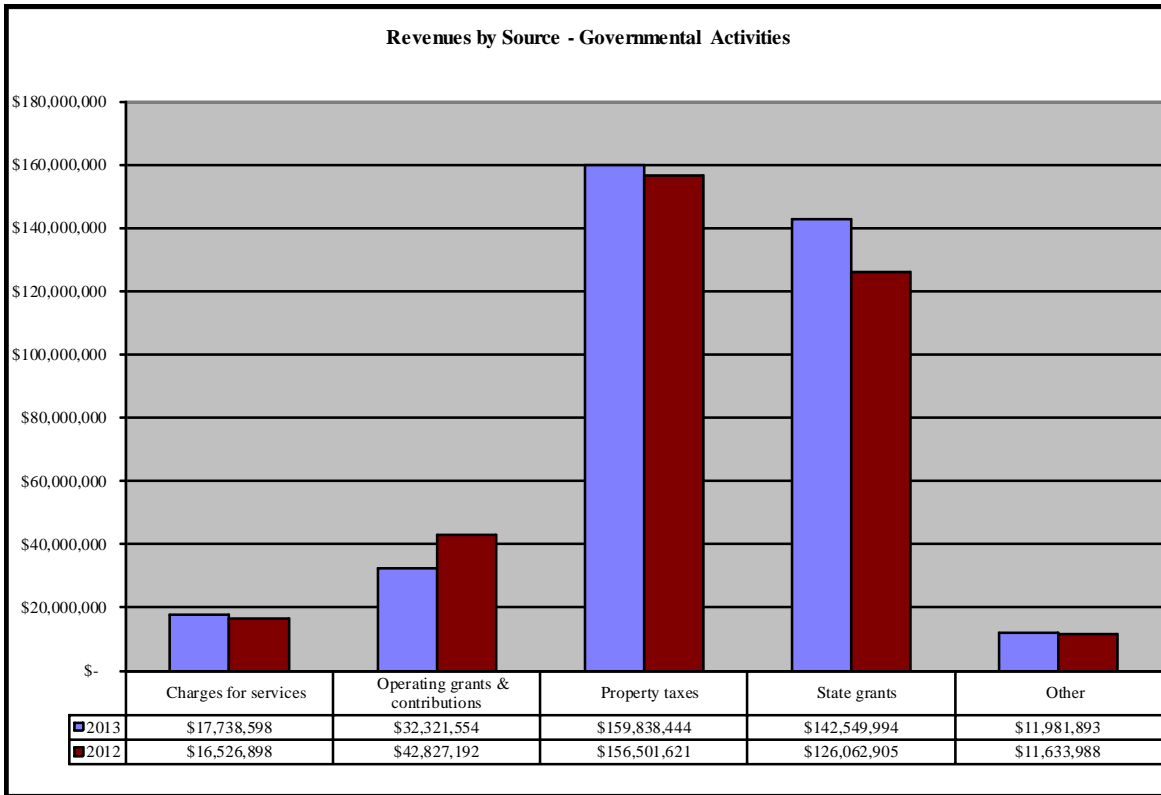
An additional portion of net position, approximately 29.3 percent, represents resources that are subject to external restriction as to how they may be used. The remainder of net position, *unrestricted net position*, of \$105.9 million comprised 87.0 percent of net position and may be used to meet the District's ongoing obligations. This surplus is not an indication 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 position increased by \$1.5 million from the prior year due an increase in fund balance for the Debt Service Fund. Unrestricted net position increased by \$19.3 million due to the increase in deferred outflows, decrease in liabilities, and decrease in Net Investment in Capital Assets as described above.

Governmental activities. Governmental activities increased the District's net position by \$12.7 million. The total cost of all *governmental activities* this year was \$352,849,990. Key elements of the increase are as follows:

Change in Humble Independent School District's Net Position

	2013	2012
Revenues		
Charges for services	\$ 17,738,598	\$ 16,526,898
Operating grants & contributions	32,321,554	42,827,192
Capital Grants		
General Revenues:		
Property taxes	159,838,444	156,501,621
State grants	142,549,994	126,062,905
Other	11,981,893	11,633,988
Total Revenues	364,430,483	353,552,604
Expenses		
Instruction	187,912,301	188,241,024
Instructional resources and media services	4,215,959	4,121,671
Curriculum and staff development	7,868,889	4,638,951
Instructional leadership	2,851,650	2,370,239
School leadership	17,843,674	18,037,994
Guidance, counseling, and evaluation services	13,640,384	12,868,163
Social work services	126,162	80,918
Health services	2,991,996	2,873,019
Student transportation	9,393,269	9,355,195
Food service	15,988,828	15,024,593
Extracurricular activities	8,952,089	11,131,707
General administration	6,458,471	6,701,140
Plant, maintenance and operations	28,799,686	27,697,810
Security and monitoring services	2,942,375	2,702,022
Data processing services	3,898,083	3,826,472
Community services	832,507	684,713
Interest on long-term debt	28,285,246	28,383,575
Debt issuance costs and fees	435,185	182,471
Payments to JJAEP	90,320	96,010
Payments to Tax Increment Fund	8,034,373	7,801,287
Payments to Appraisal District	1,288,543	1,300,625
Total Expenses	352,849,990	348,119,599
Increase (Decrease) in Net Position	11,580,493	5,433,005
Beginning Net Position	113,898,998	108,465,993
Prior period adjustment	(3,690,000)	
Ending Net Position	\$ 121,789,491	\$ 113,898,998

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



The amount of expenditures paid by taxpayers for these activities through property taxes was \$159,838,444, or 45.2 percent. Although the District's tax rate remained the same at \$1.52 per \$100 of assessed value, property valuations increased by 1.7 percent resulting in increased revenues from property taxes of approximately \$3.3 million. The General Fund state aid increased by approximately \$16.5 million, special revenue funds decreased by \$10.5 million. Charges for services increased by approximately \$1.2 million due to increases in food services and co-curricular activities. Revenues provided by interest earnings and miscellaneous revenue sources (primarily building rentals and E-rate rebates) increased by \$1.6 million.

The increase in expenses of \$4.8 million was necessary due to the addition of new staff members, an increase in employee benefits, and unavoidable increases in operating costs.

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 \$157,614,571, a decrease of \$8,609,874. Approximately 41.1 percent of this total amount (\$64,794,355) constitutes unassigned fund balance. The remainder of fund balance is restricted, committed, or assigned to indicate it is not available for new spending because it has already been committed (1) to pay debt service (\$39,554,229); (2) for capital projects (\$6,324,157); (3) for federal, state, or local grants (\$4,164,747); (4) for activity funds (\$3,235,327); and (5) for other purposes (\$39,541,756). Additional information regarding assignments of fund balance for other purposes can be found in Note II, G, on page 65.

During the current fiscal year, fund balance of the general fund increased by \$16,979,984. Total revenues in the general fund were \$276.1 million with an increase from the previous year of \$17.7 million. Of this increase, \$15 million was attributed to state revenue. There was an increase of approximately 1,100 more students in ADA (33,906 in 2011-12 increasing to 35,006 in 2012-13 and increased property valuations.

General fund expenditures totaled \$259.2 million, an increase of \$17.7 million over the previous fiscal year. Salaries and benefits increased by \$5.5 million for salaries previously funded by the federal Education Jobs Grant, \$1.1 million for new staff due to growth, approximately \$6.7 million in compensation increases, and \$1.4 million in Texas Retirement System On-Behalf. General Fund expenditures increased by an additional \$1.9 million in technology and capital expenditures and \$1.1 million in miscellaneous costs related to increases in property insurance, contracted services, and support services.

The debt service fund ended the fiscal year with a fund balance of \$39,554,229, all of which is restricted for the payment of debt service. The District received total debt service revenue, not including other financing sources, of \$54,204,889 of which \$47,023,158 was local revenue, including Tax Increment Reinvestment Zone (TIRZ) revenue of \$9,581,132, or 17.7 percent. State revenues totaled \$7,181,731, or 13.2 percent of total revenue excluding other financing sources. The Debt Service Fund received transfers of interest income from the Capital Projects Fund of \$27,585 dedicated to the payment of debt.

During the 2013 fiscal year, the District issued refunding bonds. Series 2013A and 2013B Unlimited Tax Refunding Bonds, dated March 15, 2013, were issued with a par value of \$8,250,000 and \$23,950,000,

respectively. These bonds refunded a portion of outstanding bonds from the Series 2002A (\$8,650,000) and the Series 2005 (\$26,675,000). The Series 2013A and Series 2013B bonds were issued at a combined premium of \$4,748,950.

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 \$6,324,157 as of June 30, 2013, all of which is restricted for capital projects. The net decrease in fund balance for the fiscal year ended June 30, 2013 was \$27,479,111. This net decrease resulted from the completion of elementary school #27, Ridge Creek Elementary, and the Emergency Operations Center.

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 position at June 30, 2013 totaled \$14,981,675 for the combined proprietary funds. The total decrease in net position was \$120,622. Of this amount, there was a \$191,707 increase in the Self-Funded Insurance net position due to medical rebates; an increase of \$20,207 due to increased child care revenues; and a decrease in the Public Entity Risk Fund of \$332,536 due to increased worker's compensation claims during the year.

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:

\$73,422 increase in local tax collections
\$340,408 increase in local revenue for miscellaneous other revenue
\$4,029,331 increase in state revenue due to increased enrollment and updated attendance data

Following is a summary of amendments made to expenditures:

\$340,408 increase in miscellaneous expenditures as a result of one time receipts
\$179,415 increase in payments to the tax increment fund
\$775,000 increase in additional positions added due to enrollment growth
\$1,443,862 increase for 2012-13 carryover assignments of fund balance
\$7,517,772 increase for the released assignments of fund balance during 2012-13

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 \$9,479,995, or 3.6 percent. Actual local revenue exceeded budgeted revenue due to greater than anticipated tax collections (\$2.2 million) and building rental revenue (\$1.7 million). State revenue increased due to the difference between estimated and final data for student counts by approximately \$5 million. Federal revenue increased due to

greater than expected indirect cost revenue and other federal programs of \$.5 million. Other resources increased by approximately \$92,400 due to the sale of personal property.

Actual expenditures and other uses were \$15,818,484, or 5.8 percent, below the final amended budget. This positive variance was due primarily to available balances (\$3.3 million) from the releases of fund balance for capital expenditures (\$2.0 million) and technology projects (\$1.3 million) during the year that were unspent at year end. These balances were carried over and included within the total outstanding encumbrances of approximately \$4.3 million as well as the carry forward of the remaining released assignments of \$1.5 million (\$.7 for capital expenditures and \$.8 for technology). Approximately \$1.8 million available in salaries and wages was due to vacant positions going unfilled during the year along with \$4 million available in benefits which was primarily group health (\$1.0 million), TRS On-Behalf (\$1.4 million) and Teacher Retirement System (\$.9 million). The balance of \$3.4 million is due to unspent budgets for miscellaneous items such as supplies, contracted services, and other operating costs. Of this amount, \$1.3 million is due to utility savings during the year.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2013, totals \$590,683,376 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress.

	<u>2013</u>	<u>2012</u>
Land	\$ 43,564,828	\$ 40,081,442
Buildings & improvements	509,656,389	528,498,765
Furniture & equipment	17,969,621	19,440,359
Construction in Progress	19,492,538	3,394,311
Totals at historical cost	<u>\$ 590,683,376</u>	<u>\$ 591,414,877</u>

Additional information on the District's capital assets can be found in Note II, C, on page 60 of this report.

Long Term Debt

As of June 30, 2013, the District had total general obligation bonded debt outstanding of \$591.3 million, a net decrease of \$20.7 million from the prior year. The decrease resulted from scheduled debt principal payments of \$17.6 million and an issuance of \$32.2 million in refunding bonds with a refunding of debt in the amount of \$35.3 million.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation. However, the District voted its maintenance tax under former Article 2784e-1, Texas Civil Statutes, which provided for a maximum maintenance tax rate of \$1.50 per \$100 assessed valuation. Article 2784e-1 limits the District's annual local maintenance and operations tax levy based upon a comparison between the District's outstanding bonded indebtedness and the District's taxable assessed value per \$100 of assessed valuation. Article 2784e-1 provides for a reduction of \$0.10 for each one percent (1%) or major fraction thereof increase in bonded indebtedness beyond seven percent (7%) of assessed valuation of property in the District. Per the state statutes, the current debt limitation for the District is \$1,084,771,000. The District's outstanding debt of \$591,255,000 less the restriction for the retirement of the debt of \$39,554,229 totals \$551,700,771 resulting in a legal debt margin of \$533,070,229. Under Article 2784e-1, the current debt limitation for the District is \$759,339,630 with a legal debt margin of \$207,638,860.

Additional information on the District's long-term debt can be found in Note II, F on pages 62-64 of this report.

Economic Factors and Next Year's Budgets and Rates

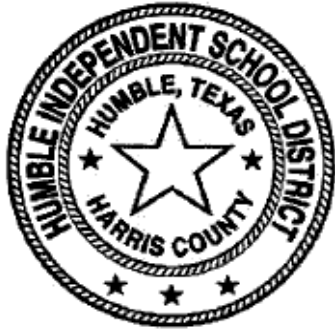
- The District's enrollment is projected to increase by 551 students, or a growth rate of 1.5 percent, for the 2013-14 fiscal year.
- The District's student attendance rate is projected at 95 percent.
- The District's taxable valuation is estimated to increase by 2.7 percent to \$11,145,674,556 for the 2013-14 fiscal year.
- The District's tax collection rate is estimated to be 98.5 percent for the 2013-14 fiscal year (including current and delinquent taxes, penalties, and interest).

The Board of Trustees adopted a balanced operating budget for the 2013-14 fiscal year with estimated revenues and expenditures of \$272,819,275. Estimated revenues included \$128,448,327 from property taxes, an increase of 2.7 percent over the previous year, and \$129,341,092 in state funding based on the 2012-13 funding formulas. Appropriated expenditures for the 2013-14 fiscal year increased by \$7.89 million as compared to 2012-13, less the fund balance assignments of approximately \$8.96 million and \$1 million in one time 2012-13 expenditures. Appropriated expenditures included the following changes:

- Increase of \$1.6 million for new staff due to growth
- Increase of approximately \$3 million for salary increases
- Increase of \$2 million for the opening of Ridge Creek elementary School
- Increase of \$1.3 million for Teacher Retirement System On-Behalf, increases due to inflation, and start up costs for the Emergency Operations Center

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 POSITION

June 30, 2013

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and temporary investments	\$ 175,685,716
1225	Property taxes receivables, net	5,745,496
1240	Due from other governments	36,808,266
1290	Other receivables, net	231,503
1300	Inventories	518,410
1410	Prepaid items	299,089
	Capital assets not subject to depreciation:	
1510	Land	43,564,828
1580	Construction in progress	19,492,538
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	509,656,389
1530	Furniture and equipment, net	17,969,621
1000	Total Assets	809,971,856
1700	Deferred Outflows of Resources	
1700	Deferred Charge on Refunding	1,057,511
	Total Deferred Outflows of Resources	1,057,511
	Liabilities	
2110	Accounts payable	5,772,040
2140	Interest payable	9,343,711
2150	Payroll deductions and withholdings	1,784,358
2160	Accrued wages payable	27,651,290
2180	Due to other governments	2,199,381
2200	Accrued expenses payable	991,928
2300	Unearned revenues	1,467,547
	Noncurrent Liabilities:	
2501	Due within one year	23,245,681
2502	Due in more than one year	616,783,940
2000	Total Liabilities	689,239,876
	Net Position	
3200	Net investment in capital assets	(19,834,349)
	Restricted for:	
3840	Food service	4,164,747
3850	Debt service	31,530,530
3900	Unrestricted	105,928,563
3000	Total net position	\$ 121,789,491

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, 2013

Data Control Codes	Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Government
					Governmental Activities
Governmental activities:					
11	Instruction	\$ 187,912,301	\$ 3,948,331	\$ 17,588,655	\$ (166,375,315)
12	Instructional resources & media service	4,215,959	197,081	220,116	(3,798,762)
13	Curriculum and staff development	7,868,889	103,096	1,537,838	(6,227,955)
21	Instructional leadership	2,851,650	1,580	296,972	(2,553,098)
23	School leadership	17,843,674	162,581	791,621	(16,889,472)
31	Guidance, counseling & evaluation	13,640,384	132,082	1,526,326	(11,981,976)
32	Social work services	126,162		55,850	(70,312)
33	Health services	2,991,996	1,003	165,620	(2,825,373)
34	Student transportation	9,393,269	7,988	409,244	(8,976,037)
35	Food service	15,988,828	8,422,713	6,803,859	(762,256)
36	Extracurricular activities	8,952,089	2,407,044	480,308	(6,064,737)
41	General administration	6,458,471	369,601	473,243	(5,615,627)
51	Plant, maintenance and operations	28,799,686	1,577,724	1,352,087	(25,869,875)
52	Security and monitoring services	2,942,375	90,005	222,170	(2,630,200)
53	Data processing services	3,898,083	227,013	112,918	(3,558,152)
61	Community services	832,507	90,756	284,727	(457,024)
72	Interest on long-term debt	28,285,246			(28,285,246)
73	Debt issuance costs and fees	435,185			(435,185)
95	Payments to JJAEP	90,320			(90,320)
97	Payments to Tax Increment Fund	8,034,373			(8,034,373)
99	Payments to Appraisal District	1,288,543			(1,288,543)
TG	Total governmental activities	<u>\$ 352,849,990</u>	<u>\$ 17,738,598</u>	<u>\$ 32,321,554</u>	<u>(302,789,838)</u>

Data Control Codes		
General revenues:		
Taxes:		
MT	Property taxes, levied for general purposes	124,641,597
DT	Property taxes, levied for debt service	35,196,847
SF	State-aid formula grants	142,549,994
IE	Investment earnings	222,467
MI	Miscellaneous	11,759,426
TR	Total general revenues, special items, and transfers	<u>314,370,331</u>
CN	Change in net position	11,580,493
NB	Net position - beginning	113,898,998
PA	Prior period adjustments	(3,690,000)
NE	Net position - ending	<u>\$ 121,789,491</u>

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

HUMBLE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2013

Data Control Codes	General Fund	Debt Service Fund	Capital Projects Fund
Assets			
1110 Cash and temporary investments	\$ 103,123,842	\$ 38,819,676	\$ 8,241,411
Receivables:			
1210 Current property taxes receivable	148,652	44,468	
1220 Delinquent property taxes receivables	8,838,890	2,293,018	
1230 Allowance for uncollectible taxes (credit)	(4,502,602)	(1,076,930)	
1240 Receivables from other governments	33,133,373	1,546,759	
1260 Due from other funds	174,262	1,851	
1290 Other receivables	224,346		
1300 Inventories, at cost	367,825		
1410 Prepaid items	234,216		
1000 Total Assets	\$ 141,742,804	\$ 41,628,842	\$ 8,241,411
Liabilities and Fund Balance			
Liabilities:			
2110 Accounts payable	\$ 3,240,167	\$ 38,694	\$ 1,037,357
2140 Interest payable		59,456	
2150 Payroll deduction and withholdings	1,784,358		
2160 Accrued wages payable	26,170,805		
2170 Due to other funds	69,518	65,709	506
2180 Payable to other governments	1,546,759	650,197	
2200 Accrued expenses	98,224		879,391
2300 Unearned revenues	11,922	1	
2000 Total Liabilities	32,921,753	814,057	1,917,254
Deferred Inflows of Resources			
2600 Unavailable Revenues - Property Taxes	4,484,940	1,260,556	
Total Deferred Inflows of Resources	4,484,940	1,260,556	
Fund Balances:			
Restricted:			
3450 Federal/State grant restrictions			
3470 Capital acquisitions			6,324,157
3480 Debt service		39,554,229	
Committed:			
3545 Other purposes			
Assigned:			
3590 Other assigned	39,541,756		
3600 Unassigned	64,794,355		
3000 Total Fund Balances	104,336,111	39,554,229	6,324,157
4000 Total Liabilities, Deferred Inflows, and Fund Balances	\$ 141,742,804	\$ 41,628,842	\$ 8,241,411

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 9,403,833	\$ 159,588,762
	193,120
	11,131,908
	(5,579,532)
2,128,134	36,808,266
89,460	265,573
5,733	230,079
150,585	518,410
13,373	247,589
<u>\$ 11,791,118</u>	<u>\$ 203,404,175</u>
\$ 1,308,950	\$ 5,625,168
	59,456
	1,784,358
1,443,919	27,614,724
165,813	301,546
2,425	2,199,381
14,313	991,928
1,455,624	1,467,547
<u>4,391,044</u>	<u>40,044,108</u>
	5,745,496
	<u>5,745,496</u>
4,164,747	4,164,747
	6,324,157
	39,554,229
3,235,327	3,235,327
	39,541,756
	64,794,355
<u>7,400,074</u>	<u>157,614,571</u>
<u>\$ 11,791,118</u>	<u>\$ 203,404,175</u>



HUMBLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET POSITION
June 30, 2013

<u>Data Control Codes</u>		
	Total fund balance, governmental funds	\$ 157,614,571
	Amounts reported for governmental activities in the statement of net position (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	590,683,376
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).	5,745,496
3	Deferred gain on refunding	1,057,511
	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	(591,255,000)
5	Premiums on issuance	(26,644,393)
6	Accreted interest on premium Capital Appreciation Bonds	(21,109,490)
7	Additional accrued interest payable	(9,284,255)
9	Workers Compensation Long Term Liability	
8	Addition of Internal Service fund net position	<u>14,981,675</u>
19	Total net position - governmental activities	<u>\$ 121,789,491</u>

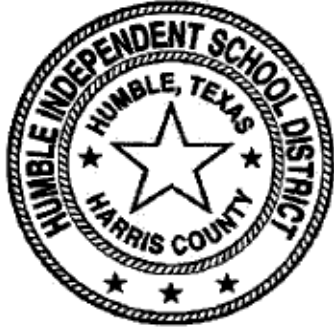
The notes to the financial statements are an integral part of this statement.

HUMBLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ 128,281,715	\$ 47,023,158	\$ 27,585
5800	State program revenues	147,272,444	7,181,731	
5900	Federal program revenues	510,845		
5020	Total revenues	<u>276,065,004</u>	<u>54,204,889</u>	<u>27,585</u>
Expenditures				
Current:				
0011	Instruction	154,999,358		234,578
0012	Instruction resources and media services	2,793,232		19,691
0013	Curriculum and instructional staff development	6,245,379		
0021	Instructional leadership	2,614,246		
0023	School leadership	16,921,485		7,357
0031	Guidance, counseling and evaluation services	12,319,048		
0032	Social work services	124,988		
0033	Health services	2,707,961		
0034	Student transportation	8,028,839		200,000
0035	Food services			
0036	Extracurricular activities	6,417,030		17,406
0041	General administration	6,065,564		2,000
0051	Facilities maintenance and operations	26,071,191		1,697,696
0052	Security and monitoring services	2,676,488		230,608
0053	Data processing services	3,076,011		245,670
0061	Community services	553,384		
Debt service:				
0071	Principal on long-term debt		17,605,000	
0072	Interest on long-term debt		32,664,390	
0073	Bond issuance costs and fees		435,185	
Capital outlay:				
0081	Facilities acquisition and construction			24,824,105
Intergovernmental:				
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	90,320		
0097	Payments to Tax Increment Fund	6,184,353	1,850,020	
0099	Payments to County Appraisal District	1,288,543		
6030	Total Expenditures	<u>259,177,420</u>	<u>52,554,595</u>	<u>27,479,111</u>
1100	Excess (deficiency) of revenues over expenditures	<u>16,887,584</u>	<u>1,650,294</u>	<u>(27,451,526)</u>
Other Financing Sources (Uses)				
7901	Refunding bonds issued		32,200,000	
7912	Sale of real or personal property	92,400		
7915	Transfers in		27,585	
7916	Premium or discount on issuance of bonds		4,748,950	
8911	Transfers out			(27,585)
8949	Payments to refunded bonds escrow agent		(36,686,415)	
7080	Total Other Financing Sources (Uses)	<u>92,400</u>	<u>290,120</u>	<u>(27,585)</u>
1200	Net change in fund balances	16,979,984	1,940,414	(27,479,111)
0100	Fund Balance - beginning	<u>87,356,127</u>	<u>37,613,815</u>	<u>33,803,268</u>
3000	Fund Balance - ending	<u>\$ 104,336,111</u>	<u>\$ 39,554,229</u>	<u>\$ 6,324,157</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 14,794,103	\$ 190,126,561
1,814,322	156,268,497
18,092,206	18,603,051
<u>34,700,631</u>	<u>364,998,109</u>
12,211,693	167,445,629
162,532	2,975,455
1,566,959	7,812,338
198,708	2,812,954
159,154	17,087,996
1,059,001	13,378,049
1,174	126,162
34,914	2,742,875
91,258	8,320,097
15,068,699	15,068,699
1,539,157	7,973,593
46,695	6,114,259
745,663	28,514,550
287,174	3,194,270
41,571	3,363,252
287,502	840,886
	17,605,000
	32,664,390
	435,185
1,249,938	26,074,043
	90,320
	8,034,373
	1,288,543
<u>34,751,792</u>	<u>373,962,918</u>
<u>(51,161)</u>	<u>(8,964,809)</u>
	32,200,000
	92,400
16,815	44,400
	4,748,950
(16,815)	(44,400)
	(36,686,415)
	<u>354,935</u>
(51,161)	(8,609,874)
<u>7,451,235</u>	<u>166,224,445</u>
<u>\$ 7,400,074</u>	<u>\$ 157,614,571</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, 2013

<u>Data Control Codes</u>	
Net change in fund balances - total governmental funds (from C-3)	\$ (8,609,874)
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. 28,413,708
	Depreciation expense taken to Statement of Activities. (29,145,209)
2	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (679,119)
3	Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position. 17,605,000
4	Payment to escrow agent for refunding. 36,686,415
5	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities. (32,200,000)
6	Premium received from issuance of long-term debt (4,748,950)
7	Amortization of gain/loss on refunding (175,026)
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:	
8	Decrease in interest payable not recognized in fund statements 570,632
9	Accreted interest on capital appreciation bonds 2,173,107
10	Amortization of premiums and discounts on issuance of bonds 1,810,431
11	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). (120,622)
Change in net position of governmental activities	<u><u>\$ 11,580,493</u></u>

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

HUMBLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

For the Year Ended June 30, 2013

<u>Data Control Codes</u>	<u>Governmental Activities</u>
	<u>Total Internal Service Funds</u>
Assets	
Current assets:	
1110 Cash and cash equivalents	\$ 16,096,954
1260 Due from other funds	52,692
1290 Other receivables	1,424
1410 Prepaid items	51,500
1000 Total Assets	<u><u>\$ 16,202,570</u></u>
Liabilities	
Current liabilities:	
2110 Accounts payable	\$ 146,872
2160 Accrued wages payable	36,566
2170 Due to other funds	16,719
2200 Claims payable	145,681
Total current liabilities	<u>345,838</u>
Non-current liabilities:	
2590 Claims and judgments	875,057
Total non-current liabilities	<u>875,057</u>
2000 Total Liabilities	<u>1,220,895</u>
Net Position	
3900 Unrestricted net position	14,981,675
3000 Total Net Position	<u>14,981,675</u>
4000 Total Liabilities and Net Position	<u><u>\$ 16,202,570</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 NET POSITION

PROPRIETARY FUNDS

For the Year Ended June 30, 2013

Data Control Codes		Governmental Activities
		Total Internal Service Funds
	Operating Revenues	
5754	Interfund services provided and used	\$ 19,432,058
5745	Insurance recovery	30,043
5739	Tuition and fees	366,596
5020	Total operating revenues	<u>19,828,697</u>
	Operating Expenses	
6100	Payroll costs	503,886
6200	Purchased and contracted services	188,556
6300	Supplies and materials	74,997
6400	Claims expense and other operating expenses	19,200,973
6600	Non-capitalized expenses	
6030	Total Operating Expenses	<u>19,968,412</u>
1200	Operating Income (Loss)	<u>(139,715)</u>
	Non-Operating Revenues (Expenses)	
7020	Earnings - temporary deposits and investments	19,093
	Total Nonoperating Revenues	<u>19,093</u>
	Income (Loss) before Transfers	(120,622)
	Transfers	
7915	Transfers in	5,799
8911	Transfers out	(5,799)
	Total Transfers	<u>(120,622)</u>
1200	Change in Net Position	(120,622)
	Net Position:	
0100	Net Position - beginning	<u>15,102,297</u>
3300	Net Position - ending	<u>\$ 14,981,675</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, 2013

	Governmental Activities
	Total Internal Service funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash receipts from interfund services provided	\$ 19,799,416
Cash receipts from miscellaneous sources	(19,440,404)
Cash payments for insurance claims	(497,403)
Cash payments to suppliers for goods and services	(304,211)
Net Cash Provided by (Used for) Operating Activities	<u>(442,602)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash payment from other fund	(26,143)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(26,143)</u>
Cash Flows from Investing Activities:	
Interest on investments	19,091
Net Cash Provided by Investing Activities	<u>19,091</u>
Net Increase in Cash and Cash Equivalents	(449,654)
Cash and Cash Equivalents at Beginning of Year	16,546,608
Cash and Cash Equivalents at End of Year	<u><u>\$ 16,096,954</u></u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 16,096,954</u>
Cash and Cash Equivalents per Balance Sheet	<u><u>\$ 16,096,954</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (139,715)
Change in Assets and Liabilities	
Decrease (increase) in Receivables	120,743
Increase (decrease) in Accounts Payable	(185,928)
Increase (decrease) in Claims payable	(237,702)
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (442,602)</u></u>

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

HUMBLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2013

<u>Data Control Codes</u>		<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
	Assets		
1110	Cash and cash equivalents	\$ 1,331,685	\$ 604,154
	Receivables:		
1260	Due from other funds	2,681	18,330
1290	Other receivables	1,000	7,458
	Total Assets	<u>\$ 1,335,366</u>	<u>\$ 629,942</u>
	Liabilities		
2110	Accounts payable		\$ 45,954
2170	Due to other funds		21,011
2190	Due to others		562,977
2000	Total Liabilities		<u>\$ 629,942</u>
	Net Position		
3800	Restricted for scholarships	979,382	
3900	Unrestricted net position	355,984	
	Total Net Position	<u>\$ 1,335,366</u>	

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

HUMBLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2013

	Private Purpose Trust Fund
Additions	
Gifts and contributions	\$ 36,800
Total contributions	<u>36,800</u>
Investment earnings	
Interest	1,593
Total Additions	<u>38,393</u>
 Deductions	
Scholarships awarded	78,910
Total deductions	<u>78,910</u>
 Change in net position	(40,517)
 Net position - beginning of year	<u>1,375,883</u>
 Net position - end of year	<u><u>\$ 1,335,366</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, 2013

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 the *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 Position 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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as required 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 unearned 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 2012-13, the self-funded insurance program continued to provide funding for run-out claims incurred prior to June 30, 2011, for the

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

medical and workers' compensation programs. Additionally, the self-funded program will continue to pay unemployment compensation claims.

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 ISD teen parents with the cost of childcare, thus minimizing the chance 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 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, deferred outflows/inflows of resources, and net position/fund balance

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 had unlimited FDIC coverage. During this period of unlimited FDIC coverage, interest-bearing accounts received FDIC coverage of up to \$250,000 in accordance with standard FDIC rules. Subsequent to December 31, 2012, the District has pledged securities for funds in excess of FDIC coverage.

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, 2013 the rates were \$1.17 and \$0.35, 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. Based on specific statutory authority from the Texas Legislature, uncollectible personal property taxes and real property taxes, delinquent for 10 years and 20 years, respectively, are canceled and removed from the District's delinquent tax roll. The delinquent tax receivable allowance aggregately equals 49.3 percent of total outstanding property taxes and associated penalties and interest at June 30, 2013. The allowance percentage consists of 23.8 percent for delinquent taxes and 25.5 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 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.

Prepaid items on the balance sheet are accounted for using the consumption method and are recognized as expenditures proportionately over the periods in which the services are provided.

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, and equipment	10
Information systems (computer equipment)	6
Automobiles	3
Buses	9
Light general purpose trucks	4

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The District has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the Government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and therefore, will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes, in the amount of \$5,745,496. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

6. 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, 2013, was \$103,328.

7. 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 position. Bond premiums and discounts 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 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.

8. 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, 2013, the District has no arbitrage liability that is due and payable.

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

9. 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 a formal action by the District’s highest level of decision-making authority, the Board of Trustees. The Board of Trustees passes a Resolution to commit these amounts on an annual basis. Once committed, the Board of Trustees must pass an additional resolution to modify or rescind the commitment.

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 – the residual classification applicable to the general fund only. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to these purposes.

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 (sixty days) and 25 percent (ninety 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.”

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

10. Net Position

Net position represents the differences between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings, used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on its use through external grantors, laws, or regulations of other governments.

11. Net Position and Fund Balance Flow Assumptions

It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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.

12. 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 database 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.

At June 30, 2013, 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 \$3,649,796 and the bank balance was \$5,444,608. The carrying amount of the District's fiduciary funds was \$479,279. The District's cash deposits at June 30, 2013, and during the year ended June 30, 2013, 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

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

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, 2013.

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 position 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 Standish Mellon Asset Management Company, LLC, Pittsburgh, Pennsylvania, provide investment management services to LSIP regarding the investment and reinvestment of the pool's assets. The fund's credit quality is excellent as its portfolio is composed of U. S. government and U. S. agency securities. Investments in LSIP provide for investment in securities with maturities and returns generally greater than money market instruments. LSIP is marked-to-market daily to 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

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

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, 2013. 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, 2013, the carrying amounts of the District's investments for governmental and fiduciary funds are summarized as follows:

	Fair Value	Weighted Average Maturity (Days)
Investments		
TexPool	\$ 63,907,461	52
Lone Star Investment Pool	109,585,017	58
Total Investments	<u>\$ 173,492,478</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, 2013, and all remaining investments included TexPool and Lone Star Investment Pool. Although the District's investment policy does not specifically address credit risk, the District limits its investment in local government pools to AAA rated public fund investment pools. The investment pools are not evidenced by securities that exist in physical form or book entry form and, accordingly do not have custodial credit risk. As of June 30, 2013, TexPool and Lone Star Investment Pool represented 36.8 percent and 63.2 percent respectively of the General Fund, Internal Service Funds, Proprietary Funds, Debt Service Fund, and Capital Project Funds investments.

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

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, 2013, 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 Funds	Nonmajor Governmental Funds	Total
Taxes - Current	\$ 148,652	\$ 44,468	\$	\$	\$ 193,120
Taxes - Delinquent	5,411,983	1,447,379			6,859,362
Taxes - Penalties/Interest	3,426,907	845,639			4,272,546
Total Taxes Receivable	<u>8,987,542</u>	<u>2,337,486</u>			<u>11,325,028</u>
Due from State	32,933,985			65,639	32,999,624
Due from Federal Agencies	199,388			2,007,495	2,206,883
Due from Other Governments					
Due from City of Houston		1,546,759			1,546,759
Due from Local ISDs for Shared Services				55,000	55,000
Other	224,346		1,424	5,733	231,503
Gross Receivables	<u>42,345,261</u>	<u>3,884,245</u>	<u>1,424</u>	<u>2,133,867</u>	<u>48,364,797</u>
Less: Allowance for Uncollectibles	(4,502,602)	(1,076,930)			(5,579,532)
Net Total Receivables	<u>\$ 37,842,659</u>	<u>\$ 2,807,315</u>	<u>\$ 1,424</u>	<u>\$ 2,133,867</u>	<u>\$ 42,785,265</u>

Governmental funds 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 *unearned revenue* reported in the governmental funds were as follows:

	Unearned Revenues
Advanced funding	<u>\$ 1,467,547</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 1,467,547</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, 2013, was as follows:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>(Retirements) and Transfers</u>	<u>Balance June 30, 2013</u>
Capital assets, not being depreciated:				
Land	\$ 40,081,442	\$ 3,483,386	\$	\$ 43,564,828
Construction in progress	3,394,311	22,572,413	(6,474,186)	19,492,538
Total Capital assets, not being depreciated	<u>43,475,753</u>	<u>26,055,799</u>	<u>(6,474,186)</u>	<u>63,057,366</u>
Capital assets, being depreciated:				
Buildings and improvements	735,750,429		6,474,186	742,224,615
Furniture and equipment	51,231,255	2,357,909	(91,261)	53,497,903
Total Capital assets, being depreciated	<u>786,981,684</u>	<u>2,357,909</u>	<u>6,382,925</u>	<u>795,722,518</u>
Less accumulated depreciation for:				
Buildings and improvements	(207,251,664)	(25,316,562)		(232,568,226)
Furniture and equipment	(31,790,896)	(3,828,647)	91,261	(35,528,282)
Total Accumulated depreciation	<u>(239,042,560)</u>	<u>(29,145,209)</u>	<u>91,261</u>	<u>(268,096,508)</u>
Governmental Capital Assets	<u>\$ 591,414,877</u>	<u>\$ (731,501)</u>	<u>\$</u>	<u>\$ 590,683,376</u>

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

<u>Function</u>	<u>Depreciation Expense</u>
Instruction	\$ 20,667,053
Instructional resources and media services	1,238,965
Curriculum and staff development	53,066
Instructional leadership	37,099
School leadership	746,267
Guidance, counseling and evaluation services	254,579
Health services	247,582
Student transportation	1,378,641
Food Services	1,728,839
Extracurricular activities	1,084,532
General administration	340,785
Plant maintenance and operations	369,236
Security and monitoring services	136,056
Data processing services	851,093
Community services	11,416
Total depreciation expense	<u>\$ 29,145,209</u>

The District has active construction projects as of June 30, 2013. The projects include the construction of new facilities as well as major renovations and additions to existing facilities. As of June 30, 2013, construction in progress totaled \$19,492,538. Open commitments to contractors totaled \$4,254,689.

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

D. Deferred Inflow of Resources

Governmental Funds report an amount that represents an acquisition of net position for a future period that will not be recognized as revenue until that time. At June 30, 2013, the District had the following Deferred Inflow of Resources:

	Deferred Inflows
Current property taxes receivable (General Fund)	\$ 148,652
Current property taxes receivable (Debt Service Fund)	44,468
Delinquent property taxes receivable (General Fund)	4,336,288
Delinquent property taxes receivable (Debt Service Fund)	1,216,088
Total Deferred Inflow of Resources	\$ 5,745,496

E. Interfund Receivables, Payables, and Transfers

The composition of interfund receivables and payables balances as of June 30, 2013 is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 174,262	\$ 69,518
Debt Service Fund	1,851	65,709
Capital Projects Fund		506
Special Revenues Funds	89,460	165,813
Internal Service Funds	52,692	16,719
Agency Funds	18,330	21,011
Private Purpose Trust fund	2,681	
	\$ 339,276	\$ 339,276

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, 2013 were as follows:

Transfer Out	Transfer In	Amount
Capital Projects Fund	Debt Service Fund	\$ 27,585
Internal Service Fund	Internal Service Fund	5,799
Non-major (Other)	Non-major (Other)	
Governmental Funds	Governmental Funds	16,815
Total		\$ 50,199

Earnings on investments totaling \$27,585 were transferred from the bond funded capital projects fund to the debt service fund for use in paying debt service obligations. The Public Entity Risk Pool Fund

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

transferred \$5,799 to the Print Shop Fund to pay for operational costs. As a result of the centralization of all campus activity funds, it was necessary to transfer \$16,815 between activity funds and local special revenue funds.

F. 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 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, 2013, \$155,920,000 of the 2008 authorization remains unissued.

During March 2013, Series 2013A Unlimited Tax Refunding Bonds, dated March 15, 2013, with a par value of \$8,250,000 were issued. The bonds refunded a portion of outstanding bonds from the Series 2002A (\$8,650,000) with maturity dates refunded of 2/15/2014 to 2/15/2022. The Series 2013A bonds were issued at a premium of \$543,371 with issuance costs of \$36,668, accrued interest of \$9,945, and an underwriter's discount of \$34,480. The premium for the Series 2013A is being amortized over the life of the bonds in the government-wide financial statements. The refunding resulted in a net present value savings of \$1,399,356.

Additionally, during March 2013, Series 2013B Unlimited Tax Refunding Bonds, dated March 15, 2013, with a par value of \$23,950,000 were issued. The bonds refunded a portion of outstanding bonds from the Series 2005 (\$26,675,000) with maturity dates refunded of 2/15/2015 to 2/15/2024. The Series 2013B bonds were issued at a premium of \$4,205,579 with issuance costs of \$128,003, accrued interest of \$49,511, and an underwriter's discount of \$102,170. The premium for the Series 2013B is being amortized over the life of the bonds in the government-wide financial statements. The refunding resulted in a net present value savings of \$3,836,470.

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

General obligation bonds payable at June 30, 2013, 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	\$ 12,270,000
Series 2003	92,000,000	2.90% to 4.20%	2023	56,615,000
Series 2005	42,800,000	3.00% to 5.00%	2014	2,025,000
Series 2005A	27,165,000	5.00% to 5.25%	2019	14,770,000
Series 2005B	41,085,000	3.50% to 5.25%	2030	34,875,000
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	8,400,000
Series 2009	73,510,000	3.00% to 5.00%	2034	71,850,000
Series 2011A	24,030,000	3.00% to 5.00%	2035	24,030,000
Series 2011B Refunding	33,365,000	3.00% to 5.00%	2022	31,485,000
Series 2013A Refunding	8,250,000	1.50% to 3.00%	2022	8,250,000
Series 2013B Refunding	23,950,000	1.50% to 5.00%	2024	23,950,000
				<u>\$ 591,255,000</u>

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

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
<u>June 30,</u>			
2014	\$ 17,500,000	\$ 32,611,728	\$ 50,111,728
2015	18,600,000	34,145,259	52,745,259
2016	20,530,000	34,158,654	54,688,654
2017	23,815,000	29,709,734	53,524,734
2018	31,380,000	24,650,451	56,030,451
2019-2023	156,950,000	102,560,224	259,510,224
2024-2028	178,525,000	63,176,495	241,701,495
2029-2033	136,245,000	19,324,875	155,569,875
2034-2035	7,710,000	460,050	8,170,050
	<u>\$ 591,255,000</u>	<u>\$ 340,797,470</u>	<u>\$ 932,052,470</u>

The District refunded certain general obligation bonds in 1997, 2002, 2005, 2008, 2011, and 2013. 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, 2013 the District's outstanding balance of defeased bonds is \$26,675,000.

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, 2013.

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

Changes in Long-term Liabilities

Long-term liability activity for the governmental activities for the year ended June 30, 2013 was as follows:

	<u>Balance at June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2013</u>	<u>Due Within One Year</u>
General obligation bonds payable	\$ 611,985,000	\$ 32,200,000	\$ (52,930,000)	\$ 591,255,000	\$ 17,500,000
Add: premium on bonds	25,221,611	4,748,950	(3,326,168)	26,644,393	
Accreted value on capital appreciation bonds	23,282,597	2,256,893	(4,430,000)	21,109,490	5,600,000
Workers' compensation liability	<u>1,384,055</u>		<u>(363,317)</u>	<u>1,020,738</u>	<u>145,681</u>
Total	<u>\$ 661,873,263</u>	<u>\$ 39,205,843</u>	<u>\$ (61,049,485)</u>	<u>\$ 640,029,621</u>	<u>\$ 23,245,681</u>

During the 2013 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 \$363,317 to a reserve total of \$1,020,738 in the Internal Service Fund. Of this total, \$875,057 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 were 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 \$12,270,000 and a maturity value of \$37,740,000. 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, 2013 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>\$ 33,379,490</u>	<u>\$ 12,270,000</u>	<u>\$ 21,109,490</u>	<u>\$ 37,740,000</u>	2017

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

G. 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	\$ 3,235,327
	<u>\$ 3,235,327</u>
General Fund Assignments:	
Outstanding Encumbrances	\$ 4,288,951
Capital Expenditures-Campus Carryforwards	83,334
Campus/Department 15% Carryforwards	1,175,511
E-Rate	62,271
Facility Rentals	347,268
Curriculum Audit	101,417
Capital Expenditures	4,322,151
Technology Initiatives	1,005,685
Insurance Deductibles	500,000
Legal Services	500,000
Special Education	5,262,500
Contingency	500,000
AYP-Average Yearly Progress	250,000
Emergency Preparedness	4,000,000
District Goals 2013-2016:	
Student Achievement-College/Career Ready	3,428,534
Safe/Nurturing School Environment	3,428,534
Attract, Develop & Retain Staff	3,428,534
Develop/Promote Positive Relations	3,428,533
Accountability; Effective/Efficient Operations	3,428,533
	<u>\$ 39,541,756</u>

H. Operating Leases

The District leases copiers and postage meters under non-cancelable operating leases. Total costs for such leases were \$683,399 for the year ended June 30, 2013. Operating lease obligations are payable from the general fund. The future minimum lease payments for these leases are as follows:

Year Ending	
June 30,	
2014	\$ 620,621
2015	42,489
2016	<u>25,570</u>
Total	<u>\$ 688,680</u>

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

III. Other Information

A. Risk Management

General

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

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 workers' compensation programs through June 30, 2013. Run out claims from the self-funded health benefits program have all been closed as of June 30, 2013. 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, 2013.

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, 2013, and June 30, 2012 for claims incurred prior to July 1, 2011:

	<u>2013</u>	<u>2012</u>
Liability, beginning of period	\$ 1,384,055	\$ 1,429,463
Adjustment to estimated claims incurred	(297,956)	455,479
Payments on claims	(65,361)	(500,887)
Liability, end of period	<u>\$ 1,020,738</u>	<u>\$ 1,384,055</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.

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

The following is a summary of the changes in the balances of claims liabilities for health care for the fiscal year ending June 30, 2013, and June 30, 2012 for claims incurred prior to July 1, 2011:

	<u>2013</u>	<u>2012</u>
Liability, beginning of period	\$ -	\$ 2,223,592
Claims incurred during the period	-	-
Payments on claims	-	(2,223,592)
Liability, end of period	<u>\$ -</u>	<u>\$ -</u>

B. Contingent Liabilities

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

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

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.

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

Funding Policy

Contribution requirements are not actuarially determined but are legally established and amended by the Texas state legislature. The state funding policy is as follows: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0 percent of the member's annual compensation and a state contribution rate of not less than 6.0 percent and not more than 10.0 percent of the aggregate annual compensation of all members of the system; and (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member regular payroll contribution rate of 6.4 percent for fiscal years 2013, 2012 and 2011, and a state contribution rate of 6.4 percent, effective September 2012, 6.0 percent effective September 2011, and 6.644 percent prior to September 2011 for fiscal year 2011. In certain instances, the reporting district is required to make all or a portion of the state's contribution during fiscal years 2013, 2012, and 2011.

Effective September 1, 2005, employers must pay an amount equal to the state's contributions (6.4 percent starting September 1, 2012, 6.0 percent from September 1, 2011 to August 31, 2012, 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 (12.8 percent beginning September 1, 2012, 12.4 percent from September 1, 2011 to August 31, 2012, and 13.044 percent prior to September 2011) 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.

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

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, 2013, 2012, and 2011 are as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
District Payroll	\$ 208,717,242	\$ 201,885,805	\$ 214,950,405
District TRS payroll	200,174,181	193,618,699	201,414,873
Required District contributions	2,190,643	1,396,247	2,438,070
Ratio of Actual to Required District Cont.	124.8%	138.9%	129.1%
Federal contributions	496,948	464,949	623,943
State contributions	11,537,878	10,665,984	12,255,853
Employee contributions	12,811,148	12,512,105	12,890,552

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 contribution rate was .5% beginning September 1, 2012 and 1.0 percent prior to September 1, 2012, while active public school employee contribution rate was 0.65 percent of public school payroll, with school districts contributing a percentage of payroll set aside at 0.55 percent for fiscal years 2013, 2012 and 2011. 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 0.50 percent effective September 2012 and 1.0 percent for periods prior to September 2012.

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

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, 2013, 2012, and 2011 are as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Required District contributions	\$ 1,148,857	\$ 1,077,160	\$ 1,126,151
Actual District contributions	1,148,857	1,077,160	1,126,151
Federal contributions	45,748	78,043	85,534
State contributions	852,884	859,027	887,997
Employee contributions	1,301,132	1,268,878	1,309,197

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 30, 2013, 2012, and 2011, the subsidy payments received by TRS-Care on-behalf of the District were \$776,368, \$441,795, and \$545,413, respectively. The information for the year ended June 30, 2013 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. This program was not funded for the year ending June 30, 2013.

F. Prior Period Adjustments

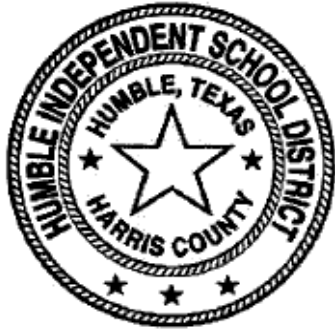
The District eliminated the remaining unamortized cost of bond issuance for the outstanding bonds in accordance with the implementation of GASB Statement No. 65. The effect of this change on the beginning net position balance of the Government-wide Statement of Activities is as follows:

	<u>Statement of Activities</u>
Net Position at July 1, 2012	\$ 113,898,998
Elimination of unamortized debt issuance costs in accordance with GASB 65	<u>(3,690,000)</u>
Net Position at July 1, 2012 as restated:	<u>\$ 110,208,998</u>

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

G. Implementation of New GASB Statements

The accompanying financial statements reflect the implementation of GASB Statements numbers 63 and 65. Significant impacts of GASB Statement No. 63 include changing the title of the Statement of Net Assets to the Statement of Net Position and reformatting the Statement of Net Position to add separate sections for deferred inflows of resources and deferred outflows of resources. Significant impacts of GASB statement No. 65 include reclassifying certain balances that were previously reported as assets and liabilities as deferred inflows of resources and deferred outflows of resources. GASB Statement No. 65 also required debt issuance costs be reported as expenses when incurred. The retroactive effects of implementing this change in reporting debt issuance costs resulted in a restatement of the beginning net position of the government wide funds, as described further in Note III, F on page 70.



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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts, Budgetary Basis	
Revenues				
5700 Local revenues	\$ 123,919,652	\$ 124,333,482	\$ 128,281,715	\$ 3,948,233
5800 State program revenues	138,269,596	142,298,927	147,272,444	4,973,517
5900 Federal program revenues	45,000	45,000	510,845	465,845
5020 Total revenues	262,234,248	266,677,409	276,065,004	9,387,595
Expenditures				
Current:				
0011 Instruction	161,466,906	159,071,215	154,999,358	4,071,857
0012 Instructional resources and media services	2,801,641	2,865,415	2,793,232	72,183
0013 Curriculum and staff development	3,495,418	6,703,167	6,245,379	457,788
0021 Instructional leadership	2,366,698	2,838,051	2,614,246	223,805
0023 School leadership	17,080,122	17,342,105	16,921,485	420,620
0031 Guidance, counseling and evaluation services	11,975,306	12,752,229	12,319,048	433,181
0032 Social work services	133,094	134,003	124,988	9,015
0033 Health services	2,738,097	2,856,638	2,707,961	148,677
0034 Student transportation	8,780,926	9,097,000	8,028,839	1,068,161
0036 Extracurricular activities	6,763,617	6,606,234	6,417,030	189,204
0041 General administration	6,687,980	6,825,340	6,065,564	759,776
0051 Facilities maintenance and operations	27,144,830	31,157,946	26,071,191	5,086,755
0052 Security and monitoring services	2,508,634	3,022,102	2,676,488	345,614
0053 Data processing services	2,777,442	5,483,312	3,076,011	2,407,301
0061 Community services	578,797	603,793	553,384	50,409
0081 Capital outlay		18,000		18,000
0095 Payments to Juvenile Justice Alt. Ed. Prgm.	95,000	95,000	90,320	4,680
0097 Payments to Tax Increment Fund	6,004,939	6,184,354	6,184,353	1
0099 Other intergovernmental charges	1,340,000	1,340,000	1,288,543	51,457
6030 Total Expenditures	264,739,447	274,995,904	259,177,420	15,818,484
1100 Excess (deficiency) of revenues over expenditures	(2,505,199)	(8,318,495)	16,887,584	25,206,079
Other Financing Sources (Uses)				
7912 Sale of real or personal property			92,400	92,400
7080 Total other financing sources and uses			92,400	92,400
1200 Net change in fund balances	(2,505,199)	(8,318,495)	16,979,984	25,298,479
0100 Fund balances - beginning	87,356,127	87,356,127	87,356,127	
3000 Fund balances - ending	\$ 84,850,928	\$ 79,037,632	\$ 104,336,111	\$ 25,298,479

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/or special board meetings 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. However, there was a negative variance in the National School Breakfast & Lunch Program Fund in the functional category of food services due to the donated commodities being recorded at the fiscal year end, thereby increasing function 35 expenditures in excess of the budget by \$159,719. There was a negative variance in the Debt Service Fund in function 71 in the amount of \$44,570 due to accrued interest on the bond sale.

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

End of year outstanding encumbrances are provided for in the subsequent year's amended budget. Outstanding encumbrances for the General Fund and National School Breakfast and Lunch Program were \$4,288,951 and \$52,970, respectively. An assignment of fund balance equal to the outstanding encumbrances at year end is provided for at June 30, 2013, in the General Fund. A restriction of fund balance equal to the outstanding encumbrances at year end is provided for at June 30, 2013, 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.

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 assist 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.

Miscellaneous Federal Programs

This fund includes:

Funds for summer school programs for LEP students

REMS funds which improve emergency preparedness

JROTC funds used to reimburse specific campus NJROTC activities

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, Deaf

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

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.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

State Supplemental Visually Impaired (SSVI)

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

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.

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.

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.

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 Sheldon Independent School District and New Caney Independent School District.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

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.

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

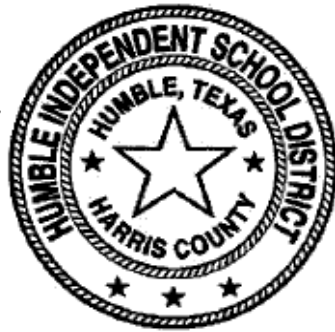
Locally funded grants by the Humble ISD Education Foundation.

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, 2013

Data Control Codes	206 ESEA Title X, Part C	211 ESEA Title I Part A	220 Adult Education (ABE) - Federal
Assets			
1110	\$	\$	\$
Receivables:			
1240	32,293	357,564	18,656
1260			
1290		142	
1310			
1410			
1000	\$ 32,293	\$ 357,706	\$ 18,656
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	\$ 27,790	\$ 122,789	\$ 8,058
2160	4,503	234,917	10,598
2170			
2180			
2200			
2300			
2000	32,293	357,706	18,656
Fund Balance:			
Restricted:			
3450			
Committed:			
3545			
3000			
4000	Total Liabilities, Deferred Inflows, and Fund Balances	Total Liabilities, Deferred Inflows, and Fund Balances	Total Liabilities, Deferred Inflows, and Fund Balances
	\$ 32,293	\$ 357,706	\$ 18,656

(continued)

224	225	240	244	255
IDEA-Part B, Formula	IDEA-Part B, Preschool	National School Breakfast & Lunch Program	Career and Technical - Basic Grant	ESEA Title II, Part A
\$	\$	\$ 4,311,504	\$	\$
979,337 1,293	27,959	179,730 18,748 889 150,585	30,661	82,546
<u>\$ 980,630</u>	<u>\$ 27,959</u>	<u>\$ 4,661,456</u>	<u>\$ 30,661</u>	<u>\$ 82,546</u>
\$ 225,475 731,473	\$ 5,185 22,774	\$ 252,032 159,509 70,855	\$ 30,661	\$ 60,685 21,861
23,682		14,313		
<u>980,630</u>	<u>27,959</u>	<u>496,709</u>	<u>30,661</u>	<u>82,546</u>
		4,164,747		
		<u>4,164,747</u>		
<u>\$ 980,630</u>	<u>\$ 27,959</u>	<u>\$ 4,661,456</u>	<u>\$ 30,661</u>	<u>\$ 82,546</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013

Data Control Codes	263	265	272
	Title III, Part A	Title IV, Part B 21st Century Community Learning	Medicaid Admin. Claim Prgm (MAC)
Assets			
1110	\$	\$	\$
Receivables:			
1240	51,670	20,726	27,498
1260			
1290			
1310			
1410			
1000	<u>\$ 51,670</u>	<u>\$ 20,726</u>	<u>\$ 27,498</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	\$ 11,160	\$ 15,300	\$ 5,536
2160	40,510	5,426	
2170			
2180			
2200			
2300			21,962
2000	<u>51,670</u>	<u>20,726</u>	<u>27,498</u>
Fund Balance:			
Restricted:			
3450			
Committed:			
3545			
3000			
4000	<u>\$ 51,670</u>	<u>\$ 20,726</u>	<u>\$ 27,498</u>

(continued)

273	289	315	316	317	340
<u>Title II, Part B Math/Science Partnerships</u>	<u>Misc. Federal Programs</u>	<u>SSA - IDEA - Part B - Discretionary</u>	<u>SSA - IDEA - Part B, Deaf</u>	<u>SSA - IDEA - Part B - Preschool Deaf</u>	<u>SSA - IDEA, Part C, ECI</u>
\$	\$	\$	\$ 806	\$	\$
97,568	96,009	4,243	1,035		
			60		
<u>\$ 97,568</u>	<u>\$ 96,009</u>	<u>\$ 4,243</u>	<u>\$ 1,901</u>	<u>\$</u>	<u>\$</u>
\$ 93,879	\$ 72,324	\$ 785	\$ 1,095	\$	\$
3,689	15,755	3,458			
	7,930		806		
<u>97,568</u>	<u>96,009</u>	<u>4,243</u>	<u>1,901</u>		
<u>\$ 97,568</u>	<u>\$ 96,009</u>	<u>\$ 4,243</u>	<u>\$ 1,901</u>	<u>\$</u>	<u>\$</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013

Data Control Codes	385 State Supplemental Visually Impaired (SSVI)	397 Advanced Placement Incentives	404 Student Success Initiative
Assets			
1110	\$	\$ 23,632	\$
Receivables:			
1240			10,402
1260			
1290			
1310			
1410		250	
1000	\$	\$ 23,882	\$ 10,402
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	\$	\$	\$ 10,402
2160			
2170			
2180			
2200			
2300		23,882	
2000	\$	23,882	10,402
Fund Balance:			
Restricted:			
3450			
Committed:			
3545			
3000			
4000	\$	\$ 23,882	\$ 10,402

(continued)

410	411	425	429	435	459
Instructional Materials Allotment	State Technology Allotment	Teacher Induction and Mentoring Program	State Funded Special Revenues	SSA - Regional Day School for the Deaf	SSA - State Educational Programs
\$ 392,346	\$	\$	\$ 1,070	\$	\$
				55,237	55,000
<u>\$ 392,346</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,070</u>	<u>\$ 55,237</u>	<u>\$ 55,000</u>
\$	\$	\$	\$	\$ 1,435	\$ 24,504
				53,802	30,496
<u>392,346</u>	<u></u>	<u></u>	<u>1,070</u>	<u></u>	<u></u>
<u>392,346</u>	<u></u>	<u></u>	<u>1,070</u>	<u>55,237</u>	<u>55,000</u>
<u>\$ 392,346</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,070</u>	<u>\$ 55,237</u>	<u>\$ 55,000</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013

Data Control Codes	461 Campus Activity Funds	481 Houston A+ Grant	482 Livestock Show Activity Fund
Assets			
1110	\$ 2,997,640	\$ 910	\$ 41,081
Receivables:			
1240	Receivables from other governments		
1260	Due from other funds	69,419	
1290	Other receivables	2,119	
1310	Inventories, at cost		
1410	Prepaid items	6,635	
1000	Total Assets	\$ 3,075,813	\$ 41,081
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	Accounts payable	\$ 183,299	\$ 906
2160	Accrued wages payable	1,084	
2170	Due to other funds	71,126	
2180	Due to other governments	2,399	
2200	Accrued expenses		
2300	Unearned revenues		4
2000	Total Liabilities	257,908	910
Fund Balance:			
Restricted:			
3450	Grant Funds		
Committed:			
3545	Other purposes	2,817,905	41,081
3000	Total Fund Balances	2,817,905	41,081
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 3,075,813	\$ 41,081

483	487	488	490	491	Total Nonmajor Governmental Funds
Athletic Activity Fund	Local Administrative Grants	HISD Education Foundation	Local Continuous Grants	Local Funding to Campuses	
\$ 332,487	\$ 67,944	\$ 781,126	\$ 298,299	\$ 154,988	\$ 9,403,833
					2,128,134
					89,460
	23			2,500	5,733
					150,585
		6,488			13,373
<u>\$ 332,487</u>	<u>\$ 67,967</u>	<u>\$ 787,614</u>	<u>\$ 298,299</u>	<u>\$ 157,488</u>	<u>\$ 11,791,118</u>
\$ 26,997	\$	\$ 34,391	\$ 92,151	\$ 2,111	\$ 1,308,950
90,557		10,780	1,768	959	1,443,919
			23,832		165,813
				26	2,425
					14,313
		742,443	180,548	60,951	1,455,624
<u>117,554</u>	<u></u>	<u>787,614</u>	<u>298,299</u>	<u>64,047</u>	<u>4,391,044</u>
					4,164,747
214,933	67,967			93,441	3,235,327
<u>214,933</u>	<u>67,967</u>			<u>93,441</u>	<u>7,400,074</u>
<u>\$ 332,487</u>	<u>\$ 67,967</u>	<u>\$ 787,614</u>	<u>\$ 298,299</u>	<u>\$ 157,488</u>	<u>\$ 11,791,118</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, 2013

Data Control Codes	206	211	220
Data Control Codes	ESEA Title X, Part C	ESEA Title I Part A	Adult Education (ABE) - Federal
Revenues			
5700 Local, intermediate, and out-of-state	\$	\$	\$
5800 State program revenues			
5900 Federal program revenues	56,237	2,778,844	96,648
5020 Total revenues	<u>56,237</u>	<u>2,778,844</u>	<u>96,648</u>
Expenditures			
Current:			
0011 Instruction	486	1,875,554	
0012 Instruction resources and media services			
0013 Curriculum and instructional staff development		639,691	
0021 Instructional leadership		79,660	
0023 School leadership		19,999	
0031 Guidance, counseling and evaluation services	36,187	669	
0032 Social work services		1,174	
0033 Health services			
0034 Student transportation	19,564	67,565	
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		94,532	96,648
Capital outlay:			
0081 Capital outlay			
6030 Total Expenditures	<u>56,237</u>	<u>2,778,844</u>	<u>96,648</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)

224	225	240	244	255
<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>	<u>ESEA Title II, Part A</u>
\$	\$	\$ 8,428,585	\$	\$
		78,312		
5,883,938	132,427	7,574,609	275,607	460,908
<u>5,883,938</u>	<u>132,427</u>	<u>16,081,506</u>	<u>275,607</u>	<u>460,908</u>
4,656,960	132,427		273,357	118,093
333,894			2,125	244,106
54,695			125	60,786
1,684				
818,248				
18,457				
		15,068,699		
				37,923
		589,175		
		62,645		
		1,228,621		
<u>5,883,938</u>	<u>132,427</u>	<u>16,949,140</u>	<u>275,607</u>	<u>460,908</u>
		(867,634)		
		(867,634)		
		5,032,381		
<u>\$</u>	<u>\$</u>	<u>\$ 4,164,747</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, 2013

Data Control Codes	263	265	272
Revenues	Title III, Part A	Title IV, Part B 21st Century Community Learning	Medicaid Admin. Claim Prgm (MAC)
5700 Local, intermediate, and out-of-state	\$	\$	\$
5800 State program revenues			
5900 Federal program revenues	320,120	59,120	15,432
5020 Total revenues	<u>320,120</u>	<u>59,120</u>	<u>15,432</u>
Expenditures			
Current:			
0011 Instruction	287,576	59,120	
0012 Instruction resources and media services			
0013 Curriculum and instructional staff development	26,954		
0021 Instructional leadership			
0023 School leadership			
0031 Guidance, counseling and evaluation services			
0032 Social work services			
0033 Health services			15,432
0034 Student transportation			
0035 Food service			
0036 Extracurricular activities			
0041 General administration			
0051 Facilities maintenance and operations			
0052 Security and monitoring services			
0053 Data processing services			
0061 Community services	5,590		
Capital outlay:			
0081 Capital outlay			
6030 Total Expenditures	<u>320,120</u>	<u>59,120</u>	<u>15,432</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)

273	289	315	316	317	340
Title II, Part B Math/Science Partnerships	Misc. Federal Programs	SSA - IDEA - Part B - Discretionary	SSA - IDEA - Part B, Deaf	SSA - IDEA - Part B - Preschool Deaf	SSA - IDEA, Part C, ECI
\$	\$	\$	\$	\$	\$
231,588	163,423	26,366	14,087	1,688	1,164
<u>231,588</u>	<u>163,423</u>	<u>26,366</u>	<u>14,087</u>	<u>1,688</u>	<u>1,164</u>
110,994	23,880	26,192	8,556		1,164
120,594			5,531		
		174		1,688	
	5,001				
	134,542				
<u>231,588</u>	<u>163,423</u>	<u>26,366</u>	<u>14,087</u>	<u>1,688</u>	<u>1,164</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, 2013

<u>Data Control Codes</u>	<u>385 State Supplemental Visually Impaired (SSVI)</u>	<u>397 Advanced Placement Incentives</u>	<u>404 Student Success Initiative</u>
Revenues			
5700	\$	\$	\$
5800	20,000	12,161	158,860
5900			
5020	<u>20,000</u>	<u>12,161</u>	<u>158,860</u>
Expenditures			
Current:			
0011	20,000	6,406	151,422
0012			
0013		2,265	7,295
0021			
0023		1,950	143
0031		1,540	
0032			
0033			
0034			
0035			
0036			
0041			
0051			
0052			
0053			
0061			
Capital outlay:			
0081			
6030	<u>20,000</u>	<u>12,161</u>	<u>158,860</u>
1100			
Other Financing Sources (Uses)			
7915			
8911			
7080			
1200			
0100			
3000	<u>\$</u>	<u>\$</u>	<u>\$</u>

(continued)

410	411	425	429	435	459
Instructional Materials Allotment	State Technology Allotment	Teacher Induction and Mentoring Program	State Funded Special Revenues	SSA - Regional Day School for the Deaf	SSA - State Educational Programs
\$ 1,150,548	\$	\$ 80,112	\$ 1,368	\$ 312,961	\$ 220,000
<u>1,150,548</u>		<u>80,112</u>	<u>1,368</u>	<u>312,961</u>	<u>220,000</u>
1,149,958		7,333	46	219,757	219,900
590		72,779	222		100
				93,204	
			1,100		
	41,571				
<u>1,150,548</u>	<u>41,571</u>	<u>80,112</u>	<u>1,368</u>	<u>312,961</u>	<u>220,000</u>
	(41,571)				
	(41,571)				
	41,571				
<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, 2013

Data Control Codes		461	481	482
		Campus Activity Funds	Houston A+ Grant	Livestock Show Activity Fund
	Revenues			
5700	Local, intermediate, and out-of-state	\$ 4,026,859	\$	\$ 229,758
5800	State program revenues			
5900	Federal program revenues			
5020	Total revenues	<u>4,026,859</u>	<u> </u>	<u>229,758</u>
	Expenditures			
	Current:			
0011	Instruction	2,263,791		
0012	Instruction resources and media services	154,398		
0013	Curriculum and instructional staff development	61,906		
0021	Instructional leadership			
0023	School leadership	120,783		
0031	Guidance, counseling and evaluation services	101,812		
0032	Social work services			
0033	Health services	819		
0034	Student transportation			
0035	Food service			
0036	Extracurricular activities	414,352		226,761
0041	General administration			
0051	Facilities maintenance and operations	80,696		
0052	Security and monitoring services	63,298		
0053	Data processing services			
0061	Community services			
	Capital outlay:			
0081	Capital outlay	21,317		
6030	Total Expenditures	<u>3,283,172</u>	<u> </u>	<u>226,761</u>
1100	Excess (deficiency) of revenues over expenditures	<u>743,687</u>	<u> </u>	<u>2,997</u>
	Other Financing Sources (Uses)			
7915	Transfers in	2,008		
8911	Transfers out	(16,628)		
7080	Total other financing sources and uses	<u>(14,620)</u>	<u> </u>	
1200	Net change in fund balances	729,067		2,997
0100	Fund balance - beginning	<u>2,088,838</u>	<u> </u>	<u>38,084</u>
3000	Fund balance - ending	<u>\$ 2,817,905</u>	<u>\$</u>	<u>\$ 41,081</u>

483	487	488	490	491	
<u>Athletic Activity Fund</u>	<u>Local Administrative Grants</u>	<u>HISD Education Foundation</u>	<u>Local Continuous Grants</u>	<u>Local Funding to Campuses</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 841,642	\$ 68,767	\$ 701,891	\$ 139,574	\$ 137,027	\$ 14,794,103
					1,814,322
					18,092,206
<u>841,642</u>	<u>68,767</u>	<u>701,891</u>	<u>139,574</u>	<u>137,027</u>	<u>34,700,631</u>
	30,913	478,610	82,258	6,940	12,211,693
		7,912			162,532
		26,797	22,279	53	1,566,959
		1,580			198,708
		14,595			159,154
		7,341			1,059,001
					1,174
				206	34,914
		4,129			91,258
					15,068,699
815,478		28,147	35,027	14,391	1,539,157
				8,772	46,695
28,255		34,202	10	13,325	745,663
17,930		7,659			287,174
					41,571
		90,732			287,502
					1,249,938
<u>861,663</u>	<u>30,913</u>	<u>701,704</u>	<u>139,574</u>	<u>43,687</u>	<u>34,751,792</u>
(20,021)	37,854	187		93,340	(51,161)
14,706				101	16,815
		(187)			(16,815)
<u>14,706</u>		<u>(187)</u>		<u>101</u>	
(5,315)	37,854			93,441	(51,161)
<u>220,248</u>	<u>30,113</u>				<u>7,451,235</u>
<u>\$ 214,933</u>	<u>\$ 67,967</u>	<u>\$</u>	<u>\$</u>	<u>\$ 93,441</u>	<u>\$ 7,400,074</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2013

Data Control Codes	752	753	755	770	Total Internal Service Funds	
	Print Shop	Self-Funded Insurance	Public Entity Risk Pool	Child Care Program		
Assets						
Current assets:						
1110	Cash and cash equivalents	\$ 28,829	\$ 7,893,328	\$ 7,975,833	\$ 198,964	\$ 16,096,954
Receivables:						
1260	Due from other funds			48,122	4,570	52,692
1290	Other receivables				1,424	1,424
1410	Prepaid items		51,500			51,500
1000	Total Assets	<u>\$ 28,829</u>	<u>\$ 7,944,828</u>	<u>\$ 8,023,955</u>	<u>\$ 204,958</u>	<u>\$ 16,202,570</u>
Liabilities						
Current liabilities:						
2110	Accounts payable	\$ 26,000	\$ 120,872	\$	\$	\$ 146,872
2160	Accrued wages payable	2,829			33,737	36,566
2170	Due to other funds				16,719	16,719
2200	Claims payable		145,681			145,681
	Total current liabilities	<u>28,829</u>	<u>266,553</u>		<u>50,456</u>	<u>345,838</u>
Non-current liabilities:						
2590	Claims and judgments		875,057			875,057
	Total non-current liabilities		<u>875,057</u>			<u>875,057</u>
2000	Total Liabilities	<u>28,829</u>	<u>1,141,610</u>		<u>50,456</u>	<u>1,220,895</u>
Net Position						
3900	Unrestricted net position		6,803,218	8,023,955	154,502	14,981,675
3000	Total Net Position		<u>6,803,218</u>	<u>8,023,955</u>	<u>154,502</u>	<u>14,981,675</u>
4000	Total Liabilities and Net Position	<u>\$ 28,829</u>	<u>\$ 7,944,828</u>	<u>\$ 8,023,955</u>	<u>\$ 204,958</u>	<u>\$ 16,202,570</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2013

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	Interfund services provided and used	\$ 311,162	\$ 337,562	\$ 18,783,334	\$	\$ 19,432,058
5745	Insurance recovery		30,043			30,043
5739	Tuition and fees				366,596	366,596
5749	Miscellaneous revenue					
5020	Total operating revenues	<u>311,162</u>	<u>367,605</u>	<u>18,783,334</u>	<u>366,596</u>	<u>19,828,697</u>
Operating Expenses						
6100	Payroll costs	91,489		112,041	300,356	503,886
6200	Purchased and contracted services	160,886	27,670			188,556
6300	Supplies and materials	64,586			10,411	74,997
6400	Claims expense and other operating expenses		157,688	19,007,483	35,802	19,200,973
6600	Non-capitalized expenses					
6030	Total Operating Expenses	<u>316,961</u>	<u>185,358</u>	<u>19,119,524</u>	<u>346,569</u>	<u>19,968,412</u>
1200	Operating Income (Loss)	<u>(5,799)</u>	<u>182,247</u>	<u>(336,190)</u>	<u>20,027</u>	<u>(139,715)</u>
Non-Operating Revenues (Expenses)						
7020	Earnings - temporary deposits and investments		9,460	9,453	180	19,093
	Total Non-Operating Revenues		<u>9,460</u>	<u>9,453</u>	<u>180</u>	<u>19,093</u>
	Income (Loss) before Transfers	<u>(5,799)</u>	<u>191,707</u>	<u>(326,737)</u>	<u>20,207</u>	<u>(120,622)</u>
Transfers						
7915	Transfers in	5,799				5,799
8911	Transfers out			(5,799)		(5,799)
	Total Transfers	<u>5,799</u>		<u>(5,799)</u>		
1200	Change in Net Position		191,707	(332,536)	20,207	(120,622)
Net Position:						
0100	Net Position - beginning		6,611,511	8,356,491	134,295	15,102,297
3300	Net Position - ending	<u>\$</u>	<u>\$ 6,803,218</u>	<u>\$ 8,023,955</u>	<u>\$ 154,502</u>	<u>\$ 14,981,675</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2013

	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	\$ 311,162	\$ 337,562	\$ 18,783,334	\$ 367,358	\$ 19,799,416
Cash receipts from miscellaneous sources		\$ (432,921)	\$ (19,007,483)		(19,440,404)
Cash payments to employees	(91,576)		(112,297)	(293,530)	(497,403)
Cash payments to suppliers for goods and services	(227,502)	(30,496)		(46,213)	(304,211)
Net Cash Provided by (Used for) Operating Activities	<u>(7,916)</u>	<u>(125,855)</u>	<u>(336,446)</u>	<u>27,615</u>	<u>(442,602)</u>
Cash Flows from Non-Capital Financing Activities:					
Cash payment to/from other fund	5,799	9,902	(53,993)	12,149	(26,143)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>5,799</u>	<u>9,902</u>	<u>(53,993)</u>	<u>12,149</u>	<u>(26,143)</u>
Cash Flows from Investing Activities:					
Interest on investments		9,460	9,452	179	19,091
Net Cash Provided by Investing Activities		<u>9,460</u>	<u>9,452</u>	<u>179</u>	<u>19,091</u>
Net Increase in Cash and Cash Equivalents	(2,117)	(106,493)	(380,987)	39,943	(449,654)
Cash and Cash Equivalents at Beginning 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>
Cash and Cash Equivalents at End of Year	<u>\$ 28,829</u>	<u>\$ 7,893,328</u>	<u>\$ 7,975,833</u>	<u>\$ 198,964</u>	<u>\$ 16,096,954</u>
Reconciliation to Balance Sheet					
Cash and Cash Equivalents Per Cash Flow	<u>\$ 28,829</u>	<u>\$ 7,893,328</u>	<u>\$ 7,975,833</u>	<u>\$ 198,964</u>	<u>\$ 16,096,954</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 28,829</u>	<u>\$ 7,893,328</u>	<u>\$ 7,975,833</u>	<u>\$ 198,964</u>	<u>\$ 16,096,954</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ (5,799)	\$ 182,247	\$ (336,190)	\$ 20,027	\$ (139,715)
Change in Assets and Liabilities					
Decrease (increase) in Receivables		119,981		762	120,743
Increase (decrease) in Accounts payable	(2,117)	(190,381)	(256)	6,826	(185,928)
Increase (decrease) in Claims payable		(237,702)			(237,702)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (7,916)</u>	<u>\$ (125,855)</u>	<u>\$ (336,446)</u>	<u>\$ 27,615</u>	<u>\$ (442,602)</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, 2013

Data Control Codes	Debt Service Fund				
	Budget			Variance with Final Budget	
	Original	Final	Actual		
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 44,593,644	\$ 45,108,310	\$ 47,023,158	\$ 1,914,848
5800	State Program Revenues	5,740,760	5,658,399	7,181,731	1,523,332
5020	Total Revenues	50,334,404	50,766,709	54,204,889	3,438,180
Expenditures					
Debt Service:					
0071	Principal on long-term debt	17,605,000	17,605,000	17,605,000	
0072	Interest on long-term debt	32,664,390	32,604,934	32,664,390	(59,456)
0073	Bond issuance costs and fees	60,750	450,071	435,185	14,886
0097	Intergovernmental Charges	1,796,350	1,850,020	1,850,020	
6030	Total Expenditures	52,126,490	52,510,025	52,554,595	(44,570)
1100	Excess (Deficiency) Revenues Over Expenditures	(1,792,086)	(1,743,316)	1,650,294	3,393,610
Other Financing Sources (Uses)					
7901	Refunding bonds issued			32,200,000	32,200,000
7915	Transfers In	50,000	286,242	27,585	(258,657)
7916	Premium or discount on issuance of bonds			4,748,950	4,748,950
8949	Payment to Refunded Bonds Escrow Agent			(36,686,415)	(36,686,415)
	Total Other Financing Sources (Uses)	50,000	286,242	290,120	3,878
1200	Increase (Decrease) in Fund Balance	(1,742,086)	(1,457,074)	1,940,414	3,397,488
0100	Fund Balance - beginning	37,613,815	37,613,815	37,613,815	
3000	Fund Balance - ending	\$ 35,871,729	\$ 36,156,741	\$ 39,554,229	\$ 3,397,488

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, 2013

Data Control Codes	National School Breakfast and Lunch Program				
	Budget			Variance with Final Budget	
	Original	Final	Actual		
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 8,208,047	\$ 8,208,047	\$ 8,428,585	\$ 220,538
5800	State Program Revenues	75,000	75,000	78,312	3,312
5900	Federal Program Revenues	6,343,222	6,343,222	7,574,609	1,231,387
5020	Total Revenues	<u>14,626,269</u>	<u>14,626,269</u>	<u>16,081,506</u>	<u>1,455,237</u>
Expenditures					
Current:					
0035	Food Services	13,971,960	14,908,983	15,068,699	(159,716)
0051	Facilities Maintenance and Operations	590,740	590,740	589,175	1,565
0052	Security and Monitoring Services	62,717	62,717	62,645	72
0053	Data Processing Services	852	852		852
0081	Facilities Acquisition and Construction		1,235,634	1,228,621	7,013
6030	Total Expenditures	<u>14,626,269</u>	<u>16,798,926</u>	<u>16,949,140</u>	<u>(150,214)</u>
1200	Increase (Decrease) in Fund Balance		(2,172,657)	(867,634)	1,305,023
0100	Fund Balance - beginning	<u>5,032,381</u>	<u>5,032,381</u>	<u>5,032,381</u>	
3000	Fund Balance - ending	<u>\$ 5,032,381</u>	<u>\$ 2,859,724</u>	<u>\$ 4,164,747</u>	<u>\$ 1,305,023</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
Assets				
Cash and cash equivalents	\$ 1,202,651	\$ 4,755,817	\$ 5,354,314	\$ 604,154
Due from other funds	282	18,549	501	18,330
Other receivables	6,430	8,671	7,643	7,458
Total Assets	<u>\$ 1,209,363</u>	<u>\$ 4,783,037</u>	<u>\$ 5,362,458</u>	<u>\$ 629,942</u>
Liabilities				
Accounts Payable	\$ 54,242	\$ 1,736,024	\$ 1,744,312	\$ 45,954
Due to other funds	17,424	22,009	18,422	21,011
Due to others	1,137,697	36,197	610,917	562,977
Total Liabilities	<u>\$ 1,209,363</u>	<u>\$ 1,794,230</u>	<u>\$ 2,373,651</u>	<u>\$ 629,942</u>

Compliance Schedules

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

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the Year Ended June 30, 2013

Last Ten Fiscal Years	1		2	3	10
	Tax Rates		Debt Service	Net Assessed/Appraised Value For School Tax Purposes ¹	Beginning Balance 06/30/12
	Maintenance				
2004 and prior	Various		Various	Various	\$ 1,519,675
2005	1.500		0.240	7,123,029,982	314,665
2006	1.500		0.270	7,765,515,685	346,145
2007	1.370		0.270	8,386,605,261	360,241
2008	1.040		0.270	9,548,595,428	360,901
2009	1.170		0.350	10,414,226,700	553,873
2010	1.170		0.350	10,349,541,147	692,409
2011	1.170		0.350	10,306,944,605	865,652
2012	1.170		0.350	10,427,243,816	2,475,560
2013	1.170		0.350	10,625,667,895	
1000 Totals					7,489,121
Penalties and interest receivable					4,799,832
Allowance for uncollectible taxes					(6,064,544)
Net taxes/penalties & interest receivable					\$ 6,224,409
9000 Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code				\$ 609,008,520	\$
Supplemental Tax Increment Zone Payment ²					
Total Payment into Tax Increment Zone					

¹ 2010-2013 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 2013	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 06/30/13
\$	\$ 31,202	\$ 26,135	\$ 5,067	\$ 420,059	\$ 1,068,414
	14,005	12,073	1,932	8,596	292,064
	26,691	22,619	4,072	11,223	308,231
	40,187	33,571	6,616	10,844	309,210
	56,929	45,459	11,470	5,847	298,125
	172,514	133,058	39,456	(33,069)	414,428
	144,017	111,105	32,912	38,613	509,779
	318,778	245,610	73,168	17,883	528,991
	1,479,833	1,138,382	341,451	247,269	748,458
<u>161,510,152</u>	<u>158,934,579</u>	<u>122,337,803</u>	<u>36,596,776</u>	<u>193,912</u>	<u>2,381,661</u>
<u>\$ 161,510,152</u>	<u>\$ 161,218,735</u>	<u>\$ 124,105,815</u>	<u>\$ 37,112,920</u>	<u>\$ 921,177</u>	<u>\$ 6,859,361</u>
					4,272,547
					(5,579,531)
					<u>\$ 5,552,377</u>
<u>\$</u>	<u>\$ 8,034,373</u>	<u>\$ 6,184,353</u>	<u>\$ 1,850,020</u>	<u>\$</u>	<u>\$</u>
		\$ 1,546,759			
		<u>\$ 7,731,112</u>	<u>\$ 1,850,020</u>		

HUMBLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF
INDIRECT COSTS FOR 2014-2015
GENERAL AND SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION AND FUNCTION 99 (APPRAISAL DISTRICT COSTS)

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		222,030	779,802	5,295,055			6,296,887
6149	Fringe Benefits Terminal Leave (Only for Separating Employees in Function 41 and Related 53)				20,085			20,085
6149	Fringe Benefits Terminal Leave (Only for Separating Employees in all Functions except Function 41 and Related 53)				142,390			142,390
6211	Legal Services			385,227				385,227
6212	Audit Services				97,583			97,583
6213	Tax Appraisal and Collection (Appraisal district costs only from function 99)		1,288,543					1,288,543
6214	Lobbying							
621X	Other Prof. Services				19,709			19,709
6220	Tuition and Transfer Payments							
6230	Education Service Centers				23,162			23,162
6240	Contr. Maint. and Repair					2,929		2,929
6250	Utilities							-
6260	Rentals		3,263	4,479	52,673			60,415
6290	Miscellaneous Contr.	1,550		5,781	1,309,422			1,316,753
6320	Textbooks and Reading			1,780	12,281			14,061
6330	Testing Materials							
63XX	Other Supplies Materials	185	5,780	16,334	141,063			163,362
6410	Travel, Subsistence, Stipends	17,749	2,272	22,175	50,337			92,533
6420	Ins. and Bonding Costs				181,671			181,671
6430	Election Costs	31,915						31,915
6490	Miscellaneous Operating	21,360	355	76,409	54,560			152,684
6500	Debt Service							
6600	Capital Outlay						370,868	370,868
6000	TOTAL	72,759	1,522,243	1,291,987	7,399,991	2,929	370,868	10,660,777

Total expenditures/expenses for General and Special Revenue Funds
 (plus Food Service Enterprise Fund if present) 9 \$ 292,679,274

Less: Deductions of Unallowable Costs

Fiscal Year

Total Capital Outlay (6600)	10	\$ 5,043,701
Total Debt & Lease (6500)	11	
Plant Maintenance (Function 51, 6100-6400)	12	26,684,904
Food (Function 35, 6341 and 6499)	13	6,869,658
Stipends (6413)	14	5,250
Column 4 (above) - Total Indirect Cost		7,399,991
Subtotal:		46,003,504
Net Allowed Direct Cost		\$ 246,675,770

Cumulative

Total Cost of Buildings before Depreciation (1520)	15	\$ 742,224,615
Historical Cost of Buildings over 50 years old	16	
Amount of Federal Money in building Cost (Net of #16)	17	2,533,941
Total Cost of Furniture & Equipment before Depreciation (1530&1540)	18	53,497,903
Historical Cost of Furniture & Equipment over 16 years old	19	
Amount of Federal Money in Furniture & Equipment (Net of #19)	20	7,087,484

(8) Note A - \$ 3,117,585 in Function 53 expenditures directly related to administrative costs are included in this report on administrative costs.
 \$ 1,288,543 in Function 99 expenditures directly related to appraisal district costs are included in this report.
 \$ 142,390 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	110
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	118
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
Debt Capacity	125
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	130
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	136
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 POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

	<u>2004</u>	<u>2005¹</u>	<u>2006</u>	<u>2007</u>
Governmental Activities				
Net investment in capital assets	\$ 14,945,621	\$ 14,006,200	\$ 20,100,762	\$ 22,866,828
Restricted	28,249,795	30,499,641	25,522,602	27,537,760
Unrestricted	33,052,114	22,306,970	31,215,255	47,314,180
Total Governmental Activities Net Position	<u>\$ 76,247,530</u>	<u>\$ 66,812,811</u>	<u>\$ 76,838,619</u>	<u>\$ 97,718,768</u>

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

¹ The decrease in Net Position reflects a prior period adjustment of \$17,154,152 that represents the accreted value of Capital Appreciation bonds as of 6/30/04.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 26,101,304	\$ 17,211,332	\$ 13,280,934	\$ 4,352,256	\$ (6,911,607)	\$ (19,834,349)
27,691,603	27,903,700	32,162,806	32,743,502	34,216,814	35,695,277
47,152,199	82,789,127	81,167,974	71,370,235	86,593,791	105,928,563
<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>	<u>\$ 121,789,491</u>

HUMBLE INDEPENDENT SCHOOL DISTRICT**CHANGES IN NET POSITION****LAST TEN FISCAL YEARS****(ACCRUAL BASIS OF ACCOUNTING)***(Unaudited)*

Fiscal Year	2004	2005	2006	2007
Expenses				
Governmental Activities:				
Instruction	\$ 106,096,719	\$ 115,555,152	\$ 123,017,567	\$ 136,893,317
Instructional Resources & Media Services	2,867,116	2,902,668	3,106,878	3,509,577
Curriculum & Staff Development	3,465,086	3,984,476	4,513,100	4,651,590
Instructional Leadership	1,442,272	1,576,224	1,761,067	2,065,541
School Leadership	10,528,219	10,972,484	11,526,831	13,387,873
Guidance, Counseling & Evaluation Services	8,232,784	8,680,891	8,868,886	10,046,065
Social Work Services	365,343	247,594	210,479	248,080
Health Services	1,724,275	1,896,906	1,949,728	2,277,340
Student (Pupil) Transportation	6,187,405	6,419,879	7,071,486	8,380,388
Food Services	7,171,582	7,978,962	8,923,992	9,908,141
Cocurricular/Extracurricular Activities	4,767,721	5,212,281	5,536,902	7,637,929
General Administration	4,977,824	5,195,415	6,260,861	6,502,263
Plant Maintenance & Operations	21,843,613	20,625,823	24,094,327	24,393,123
Security & Monitoring Services	989,640	1,080,336	1,413,166	1,629,594
Data Processing Services	2,938,433	3,251,449	3,335,870	3,173,696
Community Services	1,306,256	1,323,206	1,323,366	1,459,915
Debt Service - Interest	9,792,381	13,160,551	18,409,857	23,866,482
Debt Service - Bond Issuance Costs	367,483	351,399	356,649	434,067
Facilities Acquisition & Construction	3,460			
Payments to Fiscal Agents/Member Districts			154,709	
Payments to Juvenile Justice Alternative Ed. Prg.	100,475	156,057	168,391	215,850
Payments to Tax Increment Fund	4,007,031	4,610,051	5,229,435	5,657,504
Tax Appraisal and Collection Fees				
Total Primary Government Expenses	<u>\$ 199,175,118</u>	<u>\$ 215,181,804</u>	<u>\$ 237,233,547</u>	<u>\$ 266,338,335</u>
Program Revenues				
Governmental Activities:				
Charges for Services	\$ 1,162,321	\$ 867,597	\$ 1,004,612	\$ 897,837
Food Service	4,989,657	5,436,562	5,750,344	6,507,496
Cocurricular/Extracurricular Activities	2,243,571	2,465,801	2,797,335	3,943,875
Operating Grants and Contributions	19,087,630	21,948,610	26,499,259	26,899,178
Capital Grants and Contributions				
Total Primary Government Program Revenues	<u>\$ 27,483,179</u>	<u>\$ 30,718,570</u>	<u>\$ 36,051,550</u>	<u>\$ 38,248,386</u>
Net (Expense)/Revenue				
Total Primary Government Net Expense	<u>\$ (171,691,939)</u>	<u>\$(184,463,234)</u>	<u>\$ (201,181,997)</u>	<u>\$ (228,089,949)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes for General Purposes	\$ 96,130,816	\$ 105,436,663	\$ 114,346,835	\$ 114,970,921
Property Taxes, Levied for Debt Service	15,388,313	16,869,529	20,585,284	22,643,919
Grants and Contributions not Restricted	64,304,305	61,071,392	61,549,403	90,195,021
Investment Earnings	1,975,898	3,895,249	9,246,901	13,706,814
Miscellaneous Local and Intermediate Revenue	4,459,663	4,909,834	5,479,382	7,453,423
Special Item - Gain on Sale of Asset				
Total Primary Government	<u>\$ 182,258,995</u>	<u>\$ 192,182,667</u>	<u>\$ 211,207,805</u>	<u>\$ 248,970,098</u>
Change in Net Position				
Total Primary Government	<u>\$ 10,567,056</u>	<u>\$ 7,719,433</u>	<u>\$ 10,025,808</u>	<u>\$ 20,880,149</u>

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

2008	2009	2010	2011	2012	2013
\$ 152,937,250	\$ 168,563,793	\$ 188,681,282	\$ 201,583,741	\$ 188,241,024	\$ 187,912,301
3,356,888	3,076,571	3,883,522	4,014,070	4,121,671	4,215,959
4,650,225	3,780,988	4,475,549	5,200,862	4,638,951	7,868,889
2,164,607	2,387,241	2,757,202	2,593,743	2,370,239	2,851,650
15,099,016	15,853,866	18,140,888	19,177,933	18,037,994	17,843,674
11,206,300	10,869,805	12,397,077	13,875,463	12,868,163	13,640,384
256,088	308,803	327,958	264,841	80,918	126,162
2,438,808	2,371,056	2,733,435	3,006,962	2,873,019	2,991,996
8,876,859	8,086,220	8,791,647	9,605,101	9,355,195	9,393,269
10,733,537	11,281,873	12,555,594	14,338,336	15,024,593	15,988,828
9,898,113	9,806,552	11,164,616	12,074,698	11,131,707	8,952,089
6,139,914	6,171,987	6,458,306	6,714,403	6,701,140	6,458,471
27,474,932	27,479,070	27,580,141	28,936,697	27,697,810	28,799,686
1,812,215	2,015,044	2,305,669	2,979,431	2,702,022	2,942,375
3,339,718	3,086,794	3,484,681	3,688,318	3,826,472	3,898,083
1,460,176	1,035,574	1,019,038	1,046,553	684,713	832,507
25,954,831	27,323,200	29,605,664	30,483,942	28,383,575	28,285,246
223,667	2,037,622	117,378	138,438	182,471	435,185
208,270	269,080	92,300	86,950	96,010	90,320
5,214,656	6,482,747	11,642,730	8,376,196	7,801,287	8,034,373
1,009,607	1,190,168	1,298,101	1,313,349	1,300,625	1,288,543
<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>	<u>\$ 352,849,990</u>
\$ 1,358,136	\$ 1,481,124	\$ 1,483,776	\$ 2,319,513	\$ 3,949,435	\$ 6,908,841
6,655,579	6,743,693	7,595,866	7,762,175	8,354,181	8,422,713
5,773,267	4,714,595	4,852,614	5,303,459	4,223,282	2,407,044
28,542,806	32,326,718	40,022,620	61,319,281	42,827,192	32,321,554
<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>\$ 50,060,152</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>	<u>\$ (302,789,838)</u>
\$ 99,456,338	\$ 119,866,910	\$ 121,545,495	\$ 121,017,152	\$ 122,049,513	\$ 124,641,597
25,819,174	35,818,168	36,377,552	34,433,572	34,452,108	35,196,847
115,163,636	130,262,661	123,398,850	108,429,966	126,062,905	142,549,994
10,160,187	3,743,036	481,102	307,123	219,488	222,467
4,752,892	5,480,202	12,462,458	10,462,065	11,352,686	11,759,426
				61,814	
<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>\$ 314,370,331</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>	<u>\$ 11,580,493</u>

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

	2004	2005	2006	2007
General Fund				
Assigned	\$ 2,806,208	\$ 4,181,697	\$ 19,746,989	\$ 20,806,806
Unassigned	24,243,391	29,887,252	23,471,634	34,724,078
Total General Fund	<u>\$ 27,049,599</u>	<u>\$ 34,068,949</u>	<u>\$ 43,218,623</u>	<u>\$ 55,530,884</u>
All Other Governmental Funds				
Capital Projects Funds				
Restricted	<u>\$ 90,970,874</u>	<u>\$ 118,518,325</u>	<u>\$ 149,406,386</u>	<u>\$ 159,957,349</u>
Total Capital Projects Funds	<u>\$ 90,970,874</u>	<u>\$ 118,518,325</u>	<u>\$ 149,406,386</u>	<u>\$ 159,957,349</u>
Debt Service Fund				
Restricted	<u>\$ 25,611,293</u>	<u>\$ 27,734,663</u>	<u>\$ 29,090,848</u>	<u>\$ 30,834,730</u>
Total Debt Service Fund	<u>\$ 25,611,293</u>	<u>\$ 27,734,663</u>	<u>\$ 29,090,848</u>	<u>\$ 30,834,730</u>
Special Revenue Funds				
Restricted	\$ 2,661,423	\$ 2,871,079	\$ 2,308,023	\$ 2,867,465
Committed	1,948,654	1,797,080	1,731,341	1,985,374
Total Special Revenue Funds	<u>\$ 4,610,077</u>	<u>\$ 4,668,159</u>	<u>\$ 4,039,364</u>	<u>\$ 4,852,839</u>
Total All Other Governmental Funds				
Restricted	\$ 119,243,590	\$ 149,124,067	\$ 180,805,257	\$ 193,659,544
Committed	1,948,654	1,797,080	1,731,341	1,985,374
Total All Other Governmental Funds	<u>\$ 121,192,244</u>	<u>\$ 150,921,147</u>	<u>\$ 182,536,598</u>	<u>\$ 195,644,918</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 2004-2010 were restated.

¹ Changes in Fund Balances are explained in Management Discussion and Analysis section of this CAFR.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013¹</u>
\$ 19,798,372	\$ 19,732,380	\$ 20,088,969	\$ 3,127,713	\$ 26,970,956	\$ 39,541,756
<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>64,794,355</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>\$ 104,336,111</u>
\$ 129,558,010	\$ 36,419,459	\$ 45,428,126	\$ 50,511,919	\$ 33,803,268	\$ 6,324,157
<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>\$ 6,324,157</u>
\$ 30,959,357	\$ 32,562,171	\$ 35,208,969	\$ 35,141,232	\$ 37,613,815	\$ 39,554,229
<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>\$ 39,554,229</u>
\$ 3,182,796	\$ 3,290,541	\$ 4,592,418	\$ 5,660,889	\$ 5,073,952	\$ 4,164,747
<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>3,235,327</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>	<u>\$ 7,400,074</u>
\$ 163,700,163	\$ 72,272,171	\$ 85,229,513	\$ 91,314,040	\$ 76,491,035	\$ 50,043,133
<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>3,235,327</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>	<u>\$ 53,278,460</u>

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

Fiscal Year	2004	2005	2006	2007	2008
Revenues:					
Total Local and Intermediate Sources	\$ 127,173,681	\$ 140,345,945	\$ 159,145,625	\$ 166,804,211	\$ 153,961,003
State Program Revenues	73,366,960	70,734,594	71,736,168	102,785,911	129,766,436
Federal Program Revenues	9,764,179	11,871,572	15,865,947	13,803,230	12,833,418
Total Revenues	210,304,820	222,952,111	246,747,740	283,393,352	296,560,857
Expenditures:					
Instruction	102,588,736	111,505,541	119,108,241	132,011,711	146,092,180
Instructional Resources & Media Services	2,608,197	2,632,072	2,773,602	3,186,730	2,939,572
Curriculum & Staff Development	3,434,323	3,915,601	4,468,759	4,608,174	4,600,287
Instructional Leadership	1,442,237	1,550,328	1,745,245	2,034,006	2,133,732
School Leadership	10,409,586	10,820,774	11,398,733	13,251,815	14,859,373
Guidance, Counseling & Evaluation Services	8,204,213	8,627,767	8,855,367	10,017,111	11,122,782
Social Work Services	366,252	247,594	210,479	248,080	256,088
Health Services	1,676,938	1,841,818	1,893,111	2,217,971	2,356,349
Student (Pupil) Transportation	6,180,126	5,727,479	8,607,200	8,243,507	8,286,710
Food Services	7,036,445	8,187,453	9,631,092	9,709,399	10,222,943
Cocurricular/Extracurricular Activities	4,595,629	5,031,197	5,349,139	7,403,218	10,110,177
General Administration	4,858,747	5,020,333	5,939,010	6,241,598	5,880,191
Plant Maintenance & Operations	21,926,754	20,378,374	23,929,574	24,007,186	26,849,885
Security & Monitoring Services	962,235	1,091,126	1,468,256	1,684,034	1,868,415
Data Processing Services	6,443,569	3,565,391	3,083,216	2,747,854	3,691,574
Community Services	1,421,529	1,316,142	1,329,747	1,461,272	1,450,106
Debt Service - Principal	17,883,698	17,889,418	23,883,291	18,920,196	17,200,000
Debt Service - Interest	9,962,399	10,238,312	13,356,047	23,639,147	26,319,846
Debt Service - Bond Issuance Costs	323,044	1,257,494	734,823	864,048	1,207,012
Facilities Acquisition & Construction	27,369,735	48,999,441	81,218,353	91,329,791	101,569,180
Payments to Fiscal Agent/Member Dist of SSA	-	-	154,709	-	208,270
Payments to Juvenile Justice Alternative Ed.	100,475	156,057	168,391	215,850	5,214,656
Payments to Tax Increment Fund	4,007,031	4,610,051	5,229,435	5,657,504	1,009,607
Payments to Central Appraisal District	-	-	-	-	-
Total Expenditures	243,801,898	274,609,763	334,535,820	369,700,202	405,448,935
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,497,078)	(51,657,652)	(87,788,080)	(86,306,850)	(108,888,078)
Other Financing Sources (Uses):					
Refunding Bonds Issued	-	27,165,000	-	-	-
Capital-Related Debt Issued (Regular Bonds)	-	83,885,000	121,750,000	104,700,000	105,570,000
Sale of Real and Personal Property	3,092	-	95,379	98,276	129,833
Capital Leases	1,788,000	-	-	-	-
Transfers In	1,132,900	2,868,535	6,084,643	8,407,425	5,792,982
Premium or Discount on Issuance of Bonds	-	6,305,028	6,473,132	6,251,726	1,817,325
Prepaid Interest	-	244,249	234,694	117,824	-
Transfers Out (Use)	(1,132,900)	(2,868,535)	(6,084,643)	(8,407,425)	(5,792,982)
Payment to Bond Refunding Escrow Agent (Use)	-	-	-	-	(29,981,988)
Other (Uses)	-	(29,193,372)	-	559,605	554,114
Total Other Financing Sources (Uses)	1,791,092	88,405,905	128,553,205	111,727,431	78,089,284
Net Change in Fund Balances	\$ (31,705,986) ¹	\$ 36,748,253	\$ 40,765,125	\$ 25,420,581	\$ (30,798,794)
Debt Service as a percentage of Noncapital Expenditures	13.08%	12.98%	15.09%	15.40%	14.59%

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.

2009	2010	2011	2012	2013
\$ 177,284,512	\$ 185,241,167	\$ 182,712,680	\$ 185,737,774	\$ 190,126,561
145,855,469	136,090,601	123,715,184	144,790,924	156,268,497
15,852,622	26,704,091	45,458,100	24,099,173	18,603,051
338,992,603	348,035,859	351,885,964	354,627,871	364,998,109
153,986,370	172,213,331	180,753,939	166,220,552	167,445,629
2,618,651	2,841,534	2,831,895	2,888,830	2,975,455
3,808,878	4,409,623	5,097,453	4,549,499	7,812,338
2,421,801	2,721,080	2,514,949	2,313,314	2,812,954
15,965,429	17,543,051	18,239,076	17,152,959	17,087,996
11,042,630	12,167,545	13,430,736	12,496,185	13,378,049
308,803	327,958	264,841	80,080	126,162
2,336,736	2,524,865	2,736,017	2,609,281	2,742,875
11,056,246	8,313,068	9,001,787	11,127,831	8,320,097
11,014,397	11,422,103	12,975,213	13,873,219	15,068,699
9,623,802	10,259,366	11,133,266	10,061,889	7,973,593
6,055,997	6,167,244	6,375,560	6,309,609	6,114,259
27,248,160	26,469,299	28,278,029	27,189,367	28,514,550
2,084,133	2,261,883	3,014,187	2,727,182	3,194,270
3,055,977	3,862,052	3,690,772	3,305,112	3,363,252
1,023,489	1,008,558	1,070,472	761,447	840,886
21,055,000	20,575,000	16,680,000	16,850,000	17,605,000
26,167,577	28,645,244	30,780,603	31,185,628	32,664,390
590,620	644,487	1,501,973	19,538	435,185
82,410,629	66,937,757	16,781,674	11,444,662	26,074,043
269,080	92,300	-	-	-
6,482,747	11,642,730	86,950	96,010	90,320
1,190,168	1,298,101	8,376,196	7,801,287	8,034,373
-	-	1,313,349	1,300,625	1,288,543
401,817,320	414,348,179	376,928,937	352,364,106	373,962,918
(62,824,717)	(66,312,320)	(25,042,973)	2,263,765	(8,964,809)
-	-	-	-	32,200,000
-	73,510,000	33,365,000	-	-
256,423	420,336	24,030,000	84,425	92,400
-	-	235,155	-	-
1,562,058	157,546	144,345	79,305	44,400
-	6,029,604	5,591,402	-	4,748,950
-	-	-	-	-
(1,562,058)	(238,281)	(9,019,380)	(99,792)	(44,400)
-	-	(37,465,263)	-	(36,686,415)
363,695	319,162	-	-	-
620,118	80,198,367	16,881,259	63,938	354,935
\$ (62,204,599)	\$ 13,886,047	\$ (8,161,714)	\$ 2,327,703	\$ (8,609,874)

14.70%

14.29%

13.58%

14.30%

14.69%

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
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	1,401,478,700	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
2013	8,418,953,810	1,660,475,475	10,079,429,285	768,279,610

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
\$6,531,754,436	\$ 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%
10,847,708,895	1.52	11,774,307,591	92.13%

HUMBLE INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS¹
(UNAUDITED)

Taxing Entity	2003	2004	2005	2006
Humble Independent School District				
Maintenance & Operations	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.37
Interest & Sinking	0.24	0.24	0.27	0.27
Total	1.74	1.74	1.77	1.64
Humble, City of	0.20	0.20	0.20	0.20
Houston, City of	0.66	0.65	0.65	0.65
Harris County ²	0.65	0.65	0.65	0.65
Lone Star College System ³	0.11	0.12	0.12	0.12
El Dorado Utility District	0.82	0.77	0.71	0.58
Trail of the Lakes MUD	0.88	0.80	0.80	0.75
Harris County MUD #46	0.44	0.44	0.43	0.43
Harris County MUD #49	1.00	1.00	1.00	1.00
Harris County MUD #106	1.25	1.25	1.15	1.05
Harris County MUD #109	0.60	0.60	0.60	0.56
Harris County MUD #132	0.56	0.56	0.46	0.35
Harris County MUD #151	0.57	0.57	0.52	0.49
Harris County MUD #152	0.53	0.50	0.49	0.44
Harris County MUD #153	0.45	0.45	0.45	0.45
Harris County MUD #278	1.13	1.13	1.11	1.10
Harris County MUD #290	1.25	1.25	1.25	1.25
Harris County MUD #342	1.15	1.10	0.95	0.75
Harris County MUD #361	1.25	1.25	1.25	1.15
Harris County MUD #400	-	-	1.35	1.35
Harris County WC&ID #96	1.30	1.25	1.20	1.17

¹ Tax year differs from fiscal year.

² Harris County includes the Harris County Department of Education, Harris County Flood Control District, Harris County Hospital District and Port of Houston Authority.

³ Formerly North Harris Montgomery Community College District

Source of information: Texas Municipal Reports and First Southwest Company.

MUD and UD are not completely overlapping; each affects an independent portion.

	2007	2008	2009	2010	2011	2012
\$	1.04	\$ 1.17	\$ 1.17	\$ 1.17	\$ 1.17	\$ 1.17
	0.27	0.35	0.35	0.35	0.35	0.35
	1.31	1.52	1.52	1.52	1.52	1.52
	0.20	0.20	0.20	0.20	0.20	0.20
	0.64	0.64	0.64	0.64	0.64	0.64
	0.64	0.64	0.64	0.64	0.64	0.64
	0.11	0.11	0.11	0.12	0.12	0.12
	0.54	0.53	0.53	0.52	0.54	0.58
	0.75	0.75	0.70	0.70	0.70	0.70
	0.43	0.43	0.43	0.49	0.54	0.54
	1.00	1.00	1.00	1.00	1.00	1.00
	0.95	0.92	0.92	0.89	0.89	0.93
	0.52	0.52	0.52	0.52	0.52	0.52
	0.35	0.34	0.34	0.34	0.22	0.16
	0.46	0.46	0.46	0.46	0.45	0.45
	0.41	0.40	0.40	0.40	0.40	0.37
	0.45	0.45	0.44	0.44	0.44	0.46
	1.09	1.09	1.13	1.18	1.20	1.20
	1.20	1.15	1.15	1.12	1.08	1.03
	0.75	0.75	0.75	0.80	0.83	0.85
	1.10	1.10	1.05	1.05	1.05	1.05
	1.35	1.35	1.35	1.35	1.35	1.30
	1.07	0.99	0.99	0.97	0.97	0.96

HUMBLE INDEPENDENT SCHOOL DISTRICT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(UNAUDITED)

Taxpayer	Type of Property	2013			2004		
		2012 Assessed Value ¹	Rank	Percentage of Total Assessed Value	2003 Assessed Value	Rank	Percentage of Total Assessed Value
Centerpoint Energy Inc.	Utility	\$ 73,115,341	1	0.67%	\$ 61,332,730	1	0.94%
GGP Deerbrook LP	Shopping Center	58,298,313	2	0.54%	39,803,910	3	0.61%
Wal-Mart	Retailer	43,911,815	3	0.40%			
Cole Mt Humble TX	Shopping Center	42,678,683	4	0.39%			
IVC Deerbrook LLC	Shopping Center	41,022,159	5	0.38%			
Kingwood Gardens Assoc.	Apartments	34,000,000	6	0.31%			
Lawler Foods	Wholesale Bakery	30,122,227	7	0.28%			
MidAmerica Apartments LP	Apartments	32,692,359	8	0.30%			
Beltway Eagle Apartments	Apartments	29,981,682	9	0.28%			
Kingwood Country Club	Country Club/Golf	26,324,279	10	0.24%	16,091,280	7	0.25%
Central Telephone	Utility				45,558,850	2	0.70%
Weingarten Realty Investors	Developer				33,886,280	4	0.52%
Ladbrook LLC	Hospital				18,305,300	5	0.28%
Deerbrook Plaza LP	Shopping Center				16,261,430	6	0.25%
Stateside Enterprises	Shopping Center				15,253,280	8	0.23%
AMLI Residential	Apartments				15,250,000	9	0.23%
May Dept. Store Company	Retail				15,215,310	10	0.23%
Totals		<u>\$ 412,146,858</u>		3.80%	<u>\$ 276,958,370</u>		4.24%

¹Based on Certified Tax Roll from Harris County Appraisal District, August 2012

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
2004	\$ 111,803,038	\$ 108,589,751	97.1%	\$ 3,045,463	\$ 111,635,214	99.8%
2005	121,798,869	118,448,409	97.2%	3,158,735	121,607,144	99.8%
2006	134,956,242	130,148,994	96.4%	4,566,335	134,715,329	99.8%
2007	135,473,668	130,432,979	96.3%	4,844,564	135,277,543	99.9%
2008	122,554,720	118,504,331	96.7%	3,720,217	122,224,548	99.7%
2009	153,795,249	149,268,418	97.1%	3,434,521	152,702,939	99.3%
2010	157,313,025	153,323,239	97.5%	2,679,255	156,002,494	99.2%
2011	156,665,558	153,511,322	98.0%	2,155,186	155,666,508	99.4%
2012	158,494,106	155,817,494	98.3%	1,479,833	157,297,327	99.2%
2013	161,510,152	158,934,579	98.4%		158,934,579	98.4%

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 Estimated Actual Value ²	Total Debt Per Capita	Debt Per ADA ³
	General Obligation Debt ¹	Capital Leases	Notes Payable	Total Primary Government			
2004	\$ 284,255,000	\$ -	\$ 217,906	\$ 284,472,906	3.99%	\$ 2,351	\$ 11,196
2005	349,790,000		123,488	349,913,488	4.50%	2,821	13,260
2006	447,755,000		25,197	447,780,197	5.33%	3,505	16,125
2007	533,560,000			533,560,000	5.89%	4,015	18,159
2008	592,320,000			592,320,000	5.76%	4,245	19,297
2009	571,265,000			571,265,000	5.08%	3,899	17,723
2010	624,200,000			624,200,000	5.42%	3,877	19,323
2011	628,835,000			628,835,000	5.48%	3,655	18,955
2012	659,102,349			659,102,349	5.69%	3,826	19,439
2013	639,008,883			639,008,883	5.43%	3,597	18,254

(1) General Obligation Bonds Payable (net of related premiums, discounts and adjustments).

(2) See Pages 118-119 for estimated actual value (appraised value).

(3) See Page 130-131 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 ⁵	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita ³	Net Bonded Debt Per ADA ³
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	659,102,349	37,613,815	621,488,534	5.8%	3,607	18,330
2013	10,847,709	639,008,883	39,554,229	599,454,654	5.5%	3,374	17,124

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

¹ 000's omitted - From Pages 118-119, Total Taxable Assessed Value.

² Gross Bonded Debt includes all long-term general obligation debt (net of related premiums, discounts and adjustments).

³ Data for population and Average Daily Attendance can be found in the Schedule of Demographic and Economic Information on Pages 130-131 . Personal income data was unavailable.

⁴ 2009 ADA changed after the printing of the 2009 CAFR. Updated amount represented in this CAFR.

⁵ Reserve for Retirement of Funded Debt differs from the amount of restricted assets on the government wide statements by the amount of interest payable and deferred inflows of resources.

HUMBLE INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
June 30, 2013
(UNAUDITED)

Taxing Body	Net Debt Amount	Outstanding As of	Percent Overlapping ⁴	Amount Overlapping
Overlapping:				
El Dorado Utility District	\$ 2,599,180	09/30/12	100.00	\$ 2,599,180
Harris County	2,208,298,306	02/29/12	3.72	82,148,697
Harris County Department of Education	7,795,000	08/31/12	3.72	289,974
Harris County Flood Control District	91,076,282	02/29/12	3.72	3,388,038
Harris Co. MUD #46 ¹	7,090,844	05/31/12	100.00	7,090,844
Harris Co. MUD #49 ¹	19,010,031	11/15/12	100.00	19,010,031
Harris Co. MUD #106 ¹	22,235,408	11/26/12	100.00	22,235,408
Harris Co. MUD #109 ¹	18,299,321	05/31/12	100.00	18,299,321
Harris Co. MUD #132 ¹	5,202,321	05/31/12	100.00	5,202,321
Harris Co. MUD #151 ¹	10,667,482	05/31/12	100.00	10,667,482
Harris Co. MUD #152 ¹	12,436,121	05/31/12	100.00	12,436,121
Harris Co. MUD #153 ¹	18,946,444	01/16/13	100.00	18,946,444
Harris Co. MUD #278 ¹	34,488,239	03/19/13	100.00	34,488,239
Harris Co. MUD #290 ¹	42,129,200	10/04/12	100.00	42,129,200
Harris Co. MUD #342 ¹	11,530,271	02/07/13	100.00	11,530,271
Harris Co. MUD #344 ¹	23,733,776	01/31/12	86.50	20,529,716
Harris Co. MUD #361 ¹	12,919,939	05/31/12	100.00	12,919,939
Harris Co. MUD #400 ¹	30,546,868	12/17/12	100.00	30,546,868
Harris Co. MUD #412 ¹	25,173,096	07/31/12	100.00	25,173,096
Harris Co. MUD #450 ¹	6,207,404	11/12/12	100.00	6,207,404
Harris Co. Toll Road	-	02/29/12	3.72	-
Harris Co. WC&ID #96	43,758,095	09/04/12	100.00	43,758,095
Houston, City of	2,967,763,439	06/30/12	3.05	90,516,785
Humble, City of	5,553,048	07/31/12	93.24	5,177,662
Lone Star College System	493,510,072	08/31/12	8.90	43,922,396
Port of Houston Authority	687,053,397	12/31/12	3.72	25,558,386
Trail of the Lakes MUD ¹	190,686,667	03/25/12	100.00	190,686,667
Total Net Overlapping Debt:				\$ 785,458,586
Humble Independent School District Debt:	639,008,883	06/30/13		639,008,883 *
Total Direct and Overlapping Debt:				\$ 1,424,467,469
Ratio of Total Direct and Overlapping Debt to 2012 Assessed Valuation ²				13.13%
Total Direct and Overlapping Debt per Capita ³				\$ 8,018
2012 Assessed Valuation per Capita ³				\$ 61,057

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 2012 assessed valuation is \$10,847,708,895.

³The estimated 2013 population is 177,666.

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:	2004	2005	2006	2007	2008	2009
Maximum Debt Limit	\$ 653,175	\$ 712,303	\$ 776,552	\$ 838,660	\$ 954,859	\$ 1,041,423
Total Net Debt Applicable to Limit	<u>258,644</u>	<u>322,055</u>	<u>418,664</u>	<u>502,726</u>	<u>561,168</u>	<u>538,703</u>
Legal Debt Margin	<u>\$ 394,531</u>	<u>\$ 390,248</u>	<u>\$ 357,888</u>	<u>\$ 335,934</u>	<u>\$ 393,691</u>	<u>\$ 502,720</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	39.60%	45.21%	53.91%	59.94%	58.77%	51.73%

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

Computation of Legal Debt Margin

(in thousands)

Assessed Value	\$ 10,847,709
Debt limit (10% of assessed value)	<u>10%</u>
Maximum Legal Debt	<u>1,084,771</u>
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	591,255
Less: Reserve for Retirement of Bonded Debt	<u>39,554</u>
Total Amount of Debt Applicable to Debt Limit	<u>551,701</u>
Legal Debt Margin	<u>\$ 533,070</u>

2010	2011	2012	2013
\$ 1,062,406	\$ 1,056,498	\$ 1,066,691	\$ 1,084,771
588,991	593,694	574,371	551,701
\$ 473,415	\$ 462,804	\$ 492,320	\$ 533,070
55.44%	56.19%	53.85%	50.86%

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
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
2013	177,666	53,287	8,398,543,834	157,610	37,095	35,006

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.

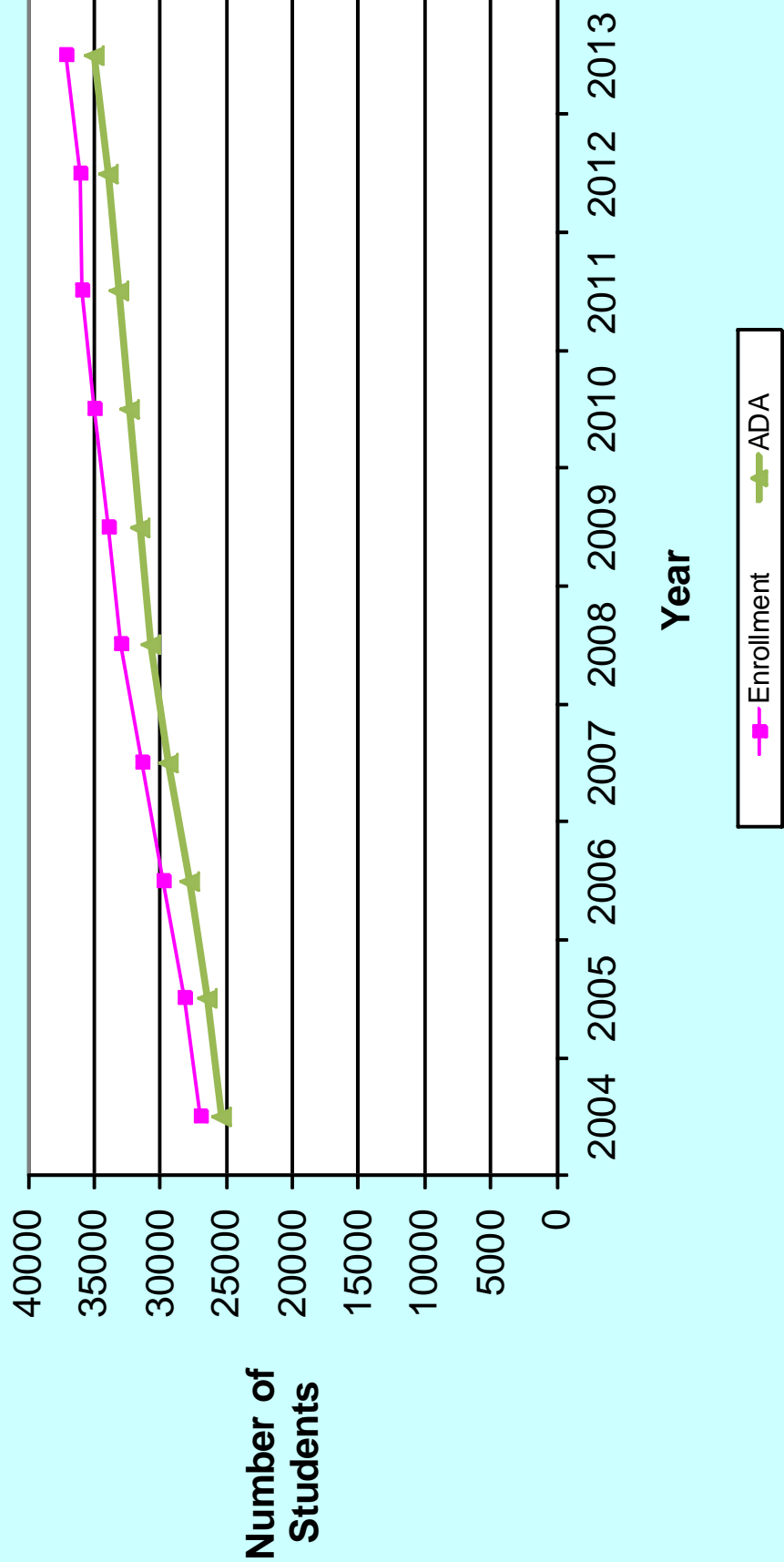
⁸ 2009 ADA changed after the printing of the 2009 CAFR. Updated amount represented in this CAFR.

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
6.3%	\$ 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
6.1%	289,790,000 ⁴	47,612 ⁴

Total Enrollment and ADA



HUMBLE INDEPENDENT SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

(UNAUDITED)

Principal Employer ¹	Description of Business	2013			2004		
		Employees	Rank	Percentage of Total Employment ⁵	Employees ³	Rank	Percentage of Total Employment ³
Humble ISD ²	Education District	4,739	1	5.66%	4,813	N/A	N/A
Memorial Hermann NE Medical Center	Medical Care	1,200	2	1.43%	500-999	N/A	N/A
Wal-Mart	Retail	1,095	3	1.31%	500-999	N/A	N/A
Insperty ⁵	Human Resource Outsourcing	900	4	1.08%	100-499	N/A	N/A
HEB	Retail Foods	897	5	1.07%	100-499	N/A	N/A
Kroger	Retail Foods	600	6	0.72%	100-499	N/A	N/A
Lawler Foods	Retail Foods	423	7	0.51%	100-499	N/A	N/A
Harris County Criminal Justice Dept ⁶	County Government	415	8	0.50%	100-499	N/A	N/A
Clubs of Kingwood	Private Recreational Club	400	9	0.48%	300-350	N/A	N/A
Target	Retail	310	10	0.37%	100-499	N/A	N/A

N/A = Information is not available.

¹ Source of Information: Human Resource Department or other managerial contact for referenced Employer, unless otherwise noted.

² FTEs calculated on March 7, 2013.

³ Employers are listed a range of employee numbers, not exact figures. Therefore, percentage and rank are not available for 2004.

⁴ 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	177,666
Estimated HISD population greater than 16 years of age	89,117
Harris County Unemployment rate for 2012	6.10%
Estimated HISD Unemployed population	5,436
Estimated HISD Employed population	83,681

⁵ Insperty, formerly Administaff, Human Resource Department

⁶ Texas Department of Criminal Justice http://www.tdcj.state.tx.us/unit_directory/aj.html

HUMBLE INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
LAST NINE 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 year 2004; therefore, only nine 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.

⁵ FTEs calculated in March of applicable year by HISD Budget Department.

	4	4	4	5
	2010	2011	2012	2013
	3,021	2,962	2,900	2,873
	49	46	42	44
	38	37	38	112
	29	25	25	28
	329	338	316	329
	206	216	208	221
	3	1	1	1
	50	48	49	52
	258	269	249	256
	313	332	335	334
	23	21	20	14
	74	70	78	73
	298	312	301	313
	36	40	41	40
	23	21	20	22
	22	26	26	27
	10	8	-	-
	4,782	4,772	4,649	4,739

HUMBLE INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

(UNAUDITED)

Fiscal Year	Average Daily Attendance	Governmental Operating Expenditures ¹	Cost Per Student	Percentage Change	Government Wide Expenses
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
2013	35,006	288,370,449	8,238	0.14%	352,849,990

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 position) and expenditures for capitalized assets included within the functional expenditures categories.

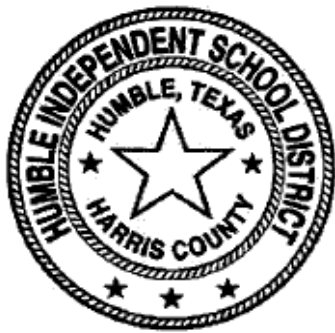
For the years, 2004-2007, only capital outlay in object code 66XX (less 664X) was removed.

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
\$ 7,839	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%
10,080	1.36%	2,335	15.90	35.80%



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
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
2013	45,000	58,993	46,498	48,375

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. 2013 data is not available until November 2013. Therefore, the 2012 data was updated to actuals from TEA and the 2013 averages were estimated using the 2012 amounts.

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(UNAUDITED)

Building:	2004	2005	2006	2007
HIGH SCHOOLS				
Atascocita (2007)				
Square Footage				435,435
Capacity				2,400
Enrollment				2,252
Humble (1965)				
Square Footage	421,482	421,482	421,482	421,482
Capacity	2,400	2,400	2,400	2,400
Enrollment	2,797	3,148	3,268	2,196
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	1,130	1,149	1,268	570
Kingwood (1979)				
Square Footage	428,352	428,352	428,352	428,352
Capacity	2,400	2,400	2,400	2,400
Enrollment	2,778	2,877	3,075	3,028
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	965	1,064	1,039	1,051
Quest-CLC (1995) ³				
Square Footage	64,000	64,000	64,000	64,000
Capacity	400	400	400	400
Enrollment	336	213	275	200
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)

2008	2009	2010¹	2011	2012	2013
450,000	450,000	450,000	450,000	493,767	493,767
2,400	2,400	3,200	3,200	3,200	3,200
3,107	3,326	3,213	3,106	2,952	3,006
400,520	400,520	400,520	405,870	488,715	488,715
2,400	2,400	2,400	2,400	2,400	2,400
2,343	2,363	2,044	1,734	1,482	1,483
428,352	523,967	534,452	534,452	523,967	523,967
2,400	2,800	2,800	2,400	2,400	2,400
2,626	2,949	2,644	2,736	2,664	2,560
203,024	203,024	203,024	203,024	348,324	348,324
1,100	1,100	1,600	1,100	1,100	1,100
1,484	1,218	1,625	1,645	1,637	1,681
63,949	63,949	63,949	101,459	101,000	101,000
400	400	250	400	400	400
335	350	210	200	115	76
		483,677	483,677	483,677	483,677
		3,200	3,200	3,200	3,200
		836	1,382	1,980	2,186

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2004	2005	2006	2007
MIDDLE SCHOOLS				
Atascocita (1983)				
Square Footage	139,022	130,922	139,022	139,022
Capacity	1,100	1,100	1,100	1,100
Enrollment	1,304	1,392	1,508	1,652
Creekwood (1981)				
Square Footage	141,338	141,338	141,338	141,338
Capacity	1,100	1,100	1,100	1,100
Enrollment	996	1,008	1,089	1,067
Humble (1993)				
Square Footage	151,310	151,310	151,310	151,310
Capacity	1,200	1,200	1,200	1,200
Enrollment	1,161	1,205	1,213	1,193
Kingwood (1977)				
Square Footage	144,045	144,045	144,045	144,045
Capacity	1,000	1,000	1,000	1,000
Enrollment	994	961	960	917
Riverwood (1991)				
Square Footage	139,022	139,022	139,022	139,022
Capacity	1,100	1,100	1,100	1,100
Enrollment	1,033	1,052	1,087	1,081
Timberwood (1998)				
Square Footage	151,418	151,418	151,418	151,418
Capacity	1,100	1,100	1,100	1,100
Enrollment	1,059	1,134	1,184	1,305
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)

2008	2009	2010¹	2011	2012	2013
139,022	139,022	139,022	139,022	139,022	139,022
1,100	1,100	990	1,100	1,100	1,100
1,520	1,657	1,706	1,075	1,103	1,136
141,438	141,438	141,438	141,438	141,338	141,338
1,100	1,100	1,064	1,050	1,050	1,050
1,071	1,021	970	945	924	1,011
151,310	151,310	151,310	154,536	154,536	154,536
1,200	1,200	1,110	1,110	1,110	1,110
985	988	1,044	1,071	1,126	1,069
144,045	144,045	144,045	144,045	144,045	144,045
1,000	1,000	1,030	1,030	1,030	1,030
979	970	1,013	998	1,005	1,016
139,022	139,022	139,022	139,022	139,022	139,022
1,100	1,100	1,130	1,150	1,150	1,150
1,101	1,092	1,091	1,056	1,074	1,152
151,418	151,418	151,418	151,418	151,418	151,418
1,100	1,100	1,110	1,110	1,110	1,110
967	1,032	1,133	1,186	1,239	1,257
153,854	153,854	153,854	153,854	142,559	142,559
1,000	1,000	950	950	950	950
919	949	977	793	793	852
			179,255	179,255	179,255
			1,110	1,110	1,110
			965	990	1,108

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2004	2005	2006	2007
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	567	549	536	569
Deerwood (1985)				
Square Footage	72,334	72,334	72,334	72,334
Capacity	700	700	700	700
Enrollment	523	516	551	573
Eagle Springs (2007)				
Square Footage				79,000
Capacity				750
Enrollment				735
Elm Grove (1978)				
Square Footage	65,683	65,683	65,683	65,683
Capacity	722	722	722	722
Enrollment	552	567	586	585
Fall Creek (2008)				
Square Footage				
Capacity				
Enrollment				
Foster (1971)				
Square Footage	74,683	74,683	74,683	74,683
Capacity	680	680	680	680
Enrollment	570	572	608	605
Greentree (1981)				
Square Footage	65,118	65,118	65,118	76,968
Capacity	650	650	650	650
Enrollment	745	737	766	753
Hidden Hollow (1990)				
Square Footage	74,752	74,752	74,752	74,752
Capacity	700	700	700	700
Enrollment	511	485	477	514

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

(continued)

2008	2009	2010 ¹	2011	2012	2013
			114,000	114,000	114,000
			950	950	950
			651	715	788
65,633	65,633	65,633	65,633	65,633	65,633
722	722	562	650	650	650
556	535	554	553	595	601
70,569	70,569	70,569	70,569	72,334	72,334
700	700	634	700	700	700
579	621	641	551	523	508
78,950	78,950	78,950	78,950	79,000	79,000
750	750	755	750	750	750
901	1,015	1,063	584	616	675
65,607	65,607	65,607	65,607	65,683	65,683
722	722	536	650	650	650
605	556	521	502	468	484
	78,950	78,950	78,950	78,950	78,950
	755	755	750	750	750
	478	578	667	720	846
70,323	70,323	70,323	70,323	74,683	74,683
680	680	669	550	550	550
638	600	592	618	612	614
65,118	65,118	65,118	65,118	76,968	76,968
650	650	779	650	650	650
768	751	764	772	738	733
76,869	76,869	76,869	76,869	74,752	74,752
700	700	578	700	700	700
505	485	475	581	539	552

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2004	2005	2006	2007
ELEMENTARY SCHOOLS				
Humble (1999)				
Square Footage	78,500	78,500	78,500	78,500
Capacity	750	750	750	750
Enrollment	694	773	729	747
Jack Fields (1995)				
Square Footage	76,210	76,210	76,210	76,210
Capacity	750	750	750	750
Enrollment	771	722	822	727
Lakeland (1960)				
Square Footage	72,772	72,772	72,772	72,772
Capacity	762	762	762	762
Enrollment	730	686	735	741
Lakeshore (2009)				
Square Footage				
Capacity				
Enrollment				
Maplebrook (2001)				
Square Footage	77,075	77,075	77,075	77,075
Capacity	750	750	750	750
Enrollment	807	736	928	792
North Belt (1968)				
Square Footage	77,714	77,714	77,714	77,714
Capacity	675	675	675	675
Enrollment	493	536	581	485
Oaks (1979)				
Square Footage	65,129	65,129	65,129	76,979
Capacity	650	650	650	650
Enrollment	610	597	593	662

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

(continued)

2008	2009	2010 ¹	2011	2012	2013
78,500	78,500	78,500	78,500	78,500	78,500
750	750	723	750	750	750
631	632	653	659	600	543
76,210	76,210	76,210	76,210	76,210	76,210
750	750	714	750	750	750
695	666	641	591	594	562
59,624	59,624	59,624	59,624	72,772	72,772
762	762	835	500	500	500
460	435	424	732	648	744
		80,147	80,147	98,978	98,978
		950	950	950	950
		461	599	689	808
90,223	90,223	90,223	90,223	77,075	77,075
750	750	747	750	750	750
858	794	826	825	754	729
77,714	77,714	77,714	90,793	90,793	90,793
675	675	708	550	550	550
639	601	686	717	652	632
81,904	81,904	81,904	81,904	76,979	76,979
650	650	604	650	650	650
618	622	633	625	608	581

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

Building:	2004	2005	2006	2007
ELEMENTARY SCHOOLS				
Oak Forest (1995)				
Square Footage	87,895	87,895	87,895	87,895
Capacity	750	750	750	750
Enrollment	723	759	802	679
Park Lakes (2007)				
Square Footage				79,000
Capacity				750
Enrollment				786
Pine Forest (1985)				
Square Footage	72,334	72,334	72,334	72,334
Capacity	700	700	700	700
Enrollment	643	645	703	686
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	664	656	679	658
Summerwood (2004)				
Square Footage		79,000	79,000	79,000
Capacity		750	750	750
Enrollment		638	913	743
Timbers (1981)				
Square Footage	65,118	65,118	65,118	70,178
Capacity	650	650	650	650
Enrollment	609	681	726	750
Whispering Pines (1991)				
Square Footage	74,752	74,752	74,752	74,752
Capacity	700	700	700	700
Enrollment	880	793	837	784

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

(continued)

2008	2009	2010 ¹	2011	2012	2013
87,895	87,895	87,895	87,895	87,895	87,895
750	750	702	750	750	750
645	663	610	664	659	698
78,950	78,950	78,950	78,950	79,000	79,000
750	750	755	750	750	750
869	791	858	894	910	956
72,334	72,334	72,334	72,334	72,334	72,334
700	700	623	700	700	700
694	681	678	667	681	671
78,509	78,509	78,509	78,509	78,950	78,950
750	750	755	750	750	750
681	823	846	660	689	718
68,542	68,542	68,542	68,542	68,542	68,542
700	700	644	700	700	700
659	636	620	606	577	566
79,000	79,000	79,000	79,000	79,000	79,000
750	750	743	750	750	750
942	876	516	583	627	622
65,118	65,118	65,118	65,118	70,178	70,178
650	650	759	650	650	650
734	858	903	821	759	753
76,869	76,869	76,869	76,869	74,752	74,752
700	700	610	700	700	700
723	721	726	716	681	740

HUMBLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

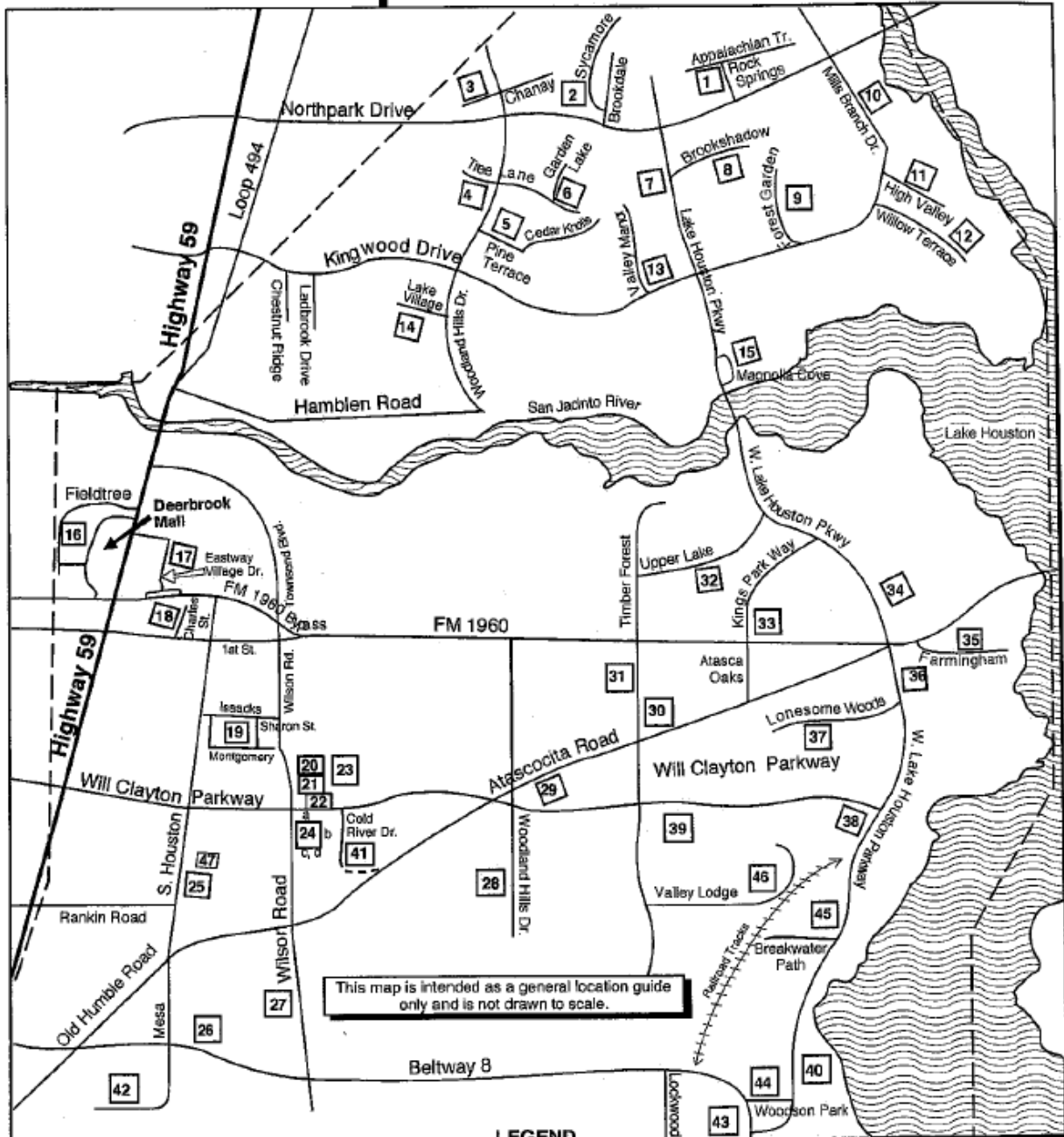
(Unaudited)

Building:	2004	2005	2006	2007
ELEMENTARY SCHOOLS (continued)				
Willow Creek (1988)				
Square Footage	72,334	72,334	72,334	72,334
Capacity	700	700	700	700
Enrollment	590	572	554	578
Woodland Hills (1976)				
Square Footage	65,683	65,683	65,683	65,683
Capacity	722	722	722	722
Enrollment	605	614	614	584

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

2008	2009	2010 ¹	2011	2012	2013
76,869	76,869	76,869	76,869	72,334	72,334
700	700	605	700	700	700
589	613	575	568	571	549
65,683	65,683	65,683	65,683	65,683	65,683
722	722	554	650	650	650
544	515	540	562	541	550

Humble Independent School District



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

LEGEND

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

HUMBLE INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION SCHEDULE
GENERAL FUND
June 30, 2013
UNAUDITED

Data Control Code	Explanation	Amount
1.	Total General Fund Balance 6-30-13 (Exhibit C-1 object 3000 for the General Fund only)	\$ 104,336,111
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	39,541,756
6.	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing unearned revenues)	2,519,475
7.	Estimate of TWO months' average cash disbursements during the regular school session (9/1/12 - 5/31/13)	32,254,567
8.	Estimate of delayed payments from state sources (58xx) including August payment delays	32,933,985
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)	1,027,578
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>108,277,361</u>
13.	Excess (Deficit) Unassigned General Fund Balance (1-12)	<u>\$ (3,941,250)</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.

