



# City of Humble, Texas



## Annual Comprehensive Financial Report



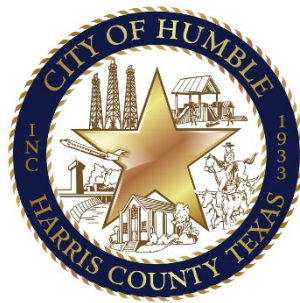
October 1, 2019 through September 30, 2020



**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**City of Humble, Texas**

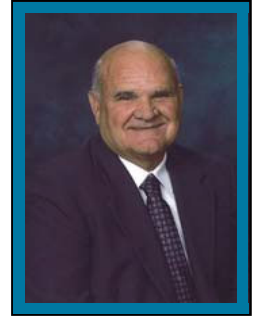
**For the fiscal year ended  
September 30, 2020**



***Report Prepared By  
City Manager and  
Members of His Staff***



# CITY OF HUMBLE, TEXAS

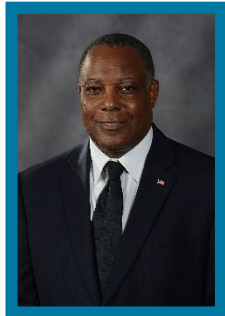


**MERLE AARON**  
Mayor

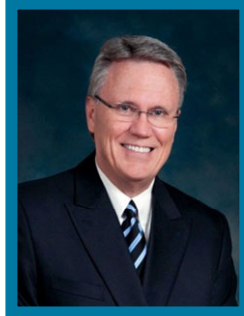
## City Officials



**ANDY CURRY**  
Councilman



**CHARLES CUNNINGHAM**  
Councilman



**NORMAN FUNDERBURK**  
Councilman



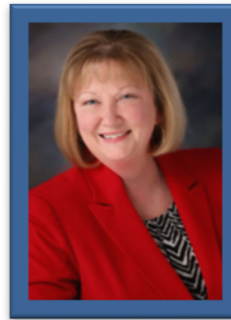
**ALLAN STEAGALL**  
Councilman



**DAVID PIERCE**  
Councilman



**JASON STUEBE**  
City Manager



**Jenny Page**  
City Secretary

## September 30, 2020



**CITY OF HUMBLE, TEXAS**  
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**CITY OF HUMBLE, TEXAS**  
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## **Introductory Section**





City of  
Humble

114 WEST HIGGINS, HUMBLE, TEXAS 77338, (281) 446-3061

MERLE AARON

MAYOR

**COUNCIL MEMBERS**

CHARLES CUNNINGHAM, JR.

CHARLES "ANDY" CURRY

BRUCE DAVIDSON

DAVID PIERCE

PAULA SETTLE

**CITY MANAGER**

JASON STUEBE

**CITY SECRETARY**

JENNY PAGE

March 31, 2021

To the Citizens, Honorable Mayor and Members of the  
City Council of the City of Humble, Texas

The Annual Comprehensive Financial Report (ACFR) of the City of Humble, Texas (the "City") for the fiscal year ended September 30, 2020, is hereby submitted. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects and that it is reported in a manner designed to present fairly the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Whitley Penn, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the City of Humble's financial statements for the year ended September 30, 2020. The independent auditor's report is located in the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the City**

The City is located approximately 18 miles north of downtown Houston, in the northeast quadrant of Harris County. The City occupies approximately 10 square miles, and serves a diverse population of more than 15,000.

The City was incorporated in 1933 and chartered as a home-rule city under Texas law in 1970. The City operates under the "Council-Mayor-Manager" form of government with five Council members and a Mayor serving staggered two-year terms. The Mayor presides at meetings of the City Council and exercises other powers and performs other duties as are or may be conferred and imposed upon him by the City Charter and City Ordinances. The Mayor shall be recognized as the head of the City Government for all ceremonial purposes, by the court for civil process and by the government for purposes of military law. The City Council enacts ordinances, determines policies, and adopts the annual budget. The City Manager is appointed by the City Council and is responsible for the daily management of the City.

A full range of municipal services is provided by the City of Humble including police, fire, emergency medical services, maintenance of streets and infrastructure, maintenance of the treated water distribution system, both sanitary and storm sewer collection and transmission systems, parks, civic center, arena complex, senior activity center and performing arts center, and general administrative services.

Being a suburb of the City of Houston, Humble is naturally linked economically to the Greater City of Houston region. Many of the area residents work in Houston's diverse business community that includes the petrochemical industry, world renown medical facilities, land, air and water based shipping and transportation, energy, manufacturing, educational facilities and tourism. The City profits from a number of large employers including a major retail outlet, state-of-the-art medical facilities, manufacturing, and smaller but well established retail and service type businesses. The City also benefits from being immediately adjacent to the Houston Intercontinental Airport. This has helped propel growth in the hotel/motel industry within the City bringing numerous visitors into our City for shopping and dining opportunities.

Because of the strength of the regional and local economy, Humble continues to experience growth in commercial and light industrial development. The tax roll certified by the Harris County Appraisal District for 2020 increased by \$11.7 million, or 0.6%. Over the past several years, the City has begun slowly increasing its ad valorem tax rate from \$0.248572 to \$0.255944 for the 2020 Fiscal Year to \$0.258693 for the 2021 Fiscal Year in an effort to stabilize and diversify its revenue stream. Despite the modest increases, Humble continues to maintain one of the lowest ad-valorem tax rates of any municipality within Harris County.

In terms of sales tax revenues, the City has experienced a 2.7% (approximately \$191k) increase in sales tax revenues that can be attributed to an overall recovery in the local economy.

### **Financial Policies**

Management of the City is responsible for establishing and maintaining an adequate internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits expected to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

We believe the City's accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period by employees in the normal course of performing their assigned functions.

The annual budget serves as the foundation of the City's financial planning and control. Activities of the general, debt service, water and sewer, capital projects, red light camera and the hotel/motel funds are included in the appropriated budget. The department administrators prepare and submit budget requests for the operation, maintenance and capital expenditures for their respective departments. These budget requests are submitted to the City Manager and are used as a starting point for developing a proposed budget. The budget process involves contributions from City employees, the City Manager, the governing body and the public. The final proposed budget is adopted by the governing body and implemented on October 1. The City Manager may make transfers of appropriations within a department's budgeted operations and maintenance levels; however, reallocation of personnel and capital appropriations as well as the transfer of appropriations between departments must be approved by the City Council.

During the year, expenditure controls are maintained by each department with review of the budget provided by the Finance Director and overall control exercised by the City Manager. Constant review of revenue and expenditure estimates is performed to assure the integrity of the adopted budget and to assure funds are available to meet current obligations. As a result of this review, it is possible to exercise administrative budgetary controls throughout the year. As demonstrated by the financial statements presented in this report, the City continues to meet its responsibility for sound financial management.

## **Long-Term Financial Planning**

When the City adopts a one-year budget, we implement strategies, both financial and operational, to meet existing challenges and to plan for future needs. Decisions are not based solely on current conditions but on the long-term welfare of the community. Financial forecasts are reviewed annually during the budget process to ensure that the City can continue to meet its challenges and fulfill its obligations. The forecast shows that the City should be able to accomplish the following:

- Grow the tax base, while maintaining one of the lowest rates in the area.
- Fund existing services at current service levels
- Meet current and future debt service needs

Sales tax receipts are the largest source of revenue for the City and have historically accounted for more than 45% of General Fund revenues. The City has seen a slight increase of sales tax revenues in the last 12 months. Based on this modest increase in sales tax revenues, budgeted sales tax revenues for 2021 remain consistent with 2020.

The City has recognized the long-term financial implications of its pension, in addition to employee and retiree health benefits. The City continues to pay the full contribution rate to the Texas Municipal Retirement System to ensure the long-term sustainability of the pension plan. During 2021, the City maintained its diverse medical plan offerings to include a high deductible health plan at a lower premium for both active and retired members in an effort to encourage members to be more conscious consumers and save overall out-of-pocket medical expenses.

## **Major Initiatives**

The City is committed to improving infrastructure and focusing on the core services that meet current and future demands. This includes the City's continued efforts on improving and expanding roadways and utilities throughout several neighborhoods and thoroughfares. As defined in the City's strategic plan as a top priority, during 2021 the City continued focusing on its revitalization efforts. The City completed renovation of a City owned building that is now the new home to the Humble Museum and completed construction of its new parks department building. The expansion of the Downtown Improvement Program and taking advantage of investment opportunities in Downtown Humble remain top priorities with approximately \$110,000 and \$300,000, respectively, budgeted in 2021 for these purposes.

## **Other Information**

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Humble for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2019. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

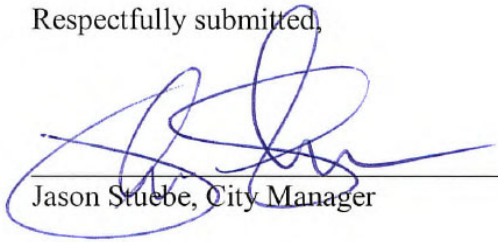
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which conform to program standards. Such annual comprehensive financial reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Humble has received a Certificate of Achievement for 18 consecutive years. We believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

## Acknowledgements

The preparation of this report was accomplished with the efficient and dedicated services of the entire staff of the finance department and the cooperation of all other City departments. We would like to express our appreciation to all members of the finance department staff and other City department staff who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council members for their continued interest and support in planning and conducting the financial operations of the City in a responsible and professional manner.

Respectfully submitted,



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Jason Stuebe, City Manager



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Aimee Phillips, CFO



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Humble  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morill*

Executive Director/CEO

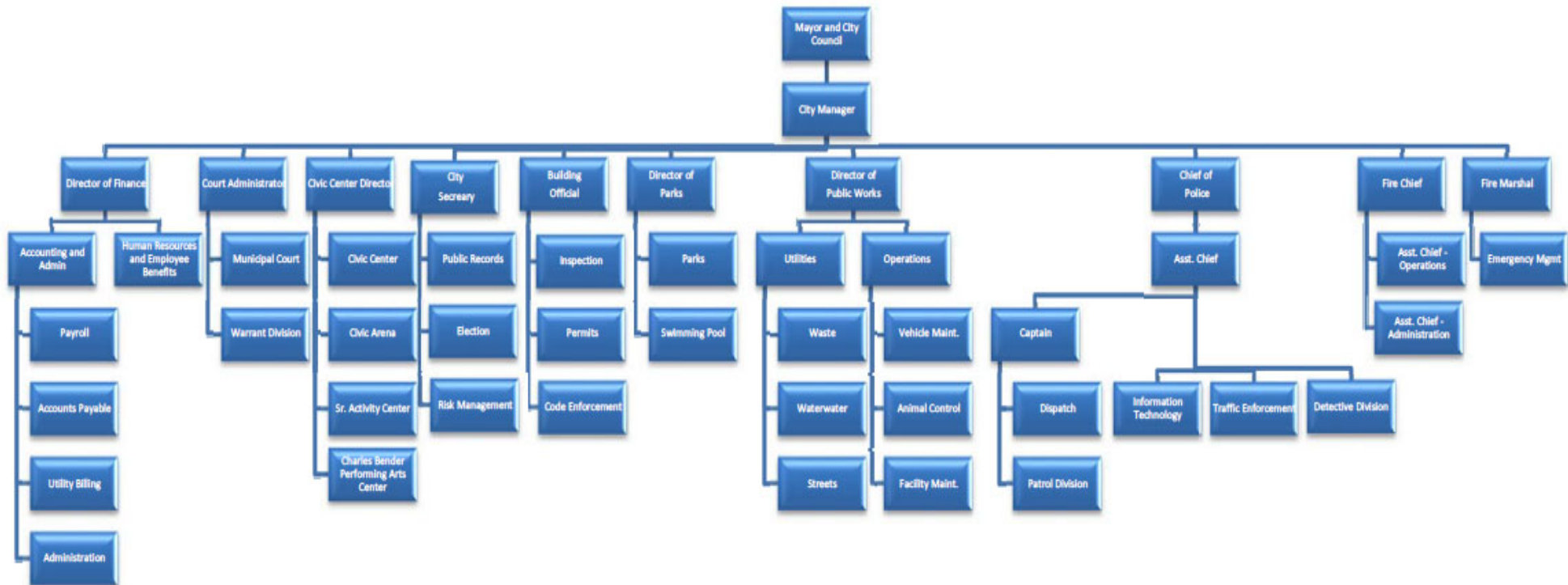
**CITY OF HUMBLE, TEXAS**  
**PRINCIPAL CITY OFFICIALS**  
*September 30, 2020*

<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Merle Aaron	Mayor	2021
Charles Curry	Councilman Position 1	2021
Charles Cunningham	Councilman Position 2	2021
Norman Funderburk	Councilman Position 3	2022
Allan Steagall	Councilman Position 4	2022
David Pierce	Councilman Position 5	2022

<u>Department Heads</u>	<u>Appointive Position</u>
Jason Stuebe	City Manager
Aimee Phillips	Chief Financial Officer
David Langenberg	Fire Chief
James Nykaza	Fire Marshal
Jenny Page	City Secretary
Jeremy Mittag	Parks Director
Ken Theis	Chief of Police
Mark Arnold	Director of Public Works
Ray Pearson	Building Official
Sandra Elliott	Court Administrator



**CITY OF HUMBLE, TEXAS**  
**ORGANIZATION CHART**





## **Financial Section**



## REPORT OF INDEPENDENT AUDITORS

To the Citizens, Honorable Mayor and  
Members of the City Council  
and the Citizens of the City of Humble  
City of Humble, Texas

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Humble, Texas (the “City”) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City’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 of 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.

To the Honorable Mayor and  
Members of the City Council  
and the Citizens of the City of Humble

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, budgetary comparison information on pages 60 through 63, and pension system and other post-employment benefit supplementary information on pages 64 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, debt service fund, capital projects fund and hotel/motel fund budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The debt service fund, capital projects fund and hotel/motel fund budgetary comparison schedules 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 debt service fund, capital projects fund and hotel/motel fund budgetary comparison schedules 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.

To the Honorable Mayor and  
Members of the City Council  
and the Citizens of the City of Humble

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 City'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, flowing style.

Houston, Texas  
March 31, 2021

## **CITY OF HUMBLE, TEXAS**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The management of the City of Humble (the "City") offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020.

#### **Financial Highlights**

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$153.2 million (*net position*). Of this amount, \$48.1 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$6.6 million due to operations.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$49.2 million, an increase of \$2.3 million from the prior year. Approximately 74.6% of the combined fund balance, or \$36.7 million, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was 130% of total general fund expenditures.
- The City's long-term liabilities decreased by \$6.1 million over the prior year primarily due to decreases in the net pension liability (\$5.8 million), bonds payable (\$0.6 million) and compensated absences (\$0.5 million) offset by increases in the total OPEB liability (\$0.8 million).

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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 City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the four 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 City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, court, public safety, public works and community services. The business-type activities of the City include the distribution and sale of treated water and the collection and disposal of sewage.

The government-wide financial statements can be found on pages 17 through 19 of this report.



**CITY OF HUMBLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary 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 City maintains six individual 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, Capital Projects Fund and Red Light Camera Fund, which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated, non-major presentation.

The City adopts an annual appropriated budget for its General Fund, Debt Service Fund, Capital Projects Fund, Red Light Camera Fund and other non-major special revenue funds. Budgetary comparison schedules have been provided for the General Fund, Debt Service Fund, Capital Projects Fund and Red Light Camera Fund and the Hotel/Motel Fund to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 20 through 26 of this report.

**Proprietary Funds**

The City maintains one type of proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for the distribution and sale of treated water and the collection and disposal of sewage.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operating fund that is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 27 through 29 of this report.

**CITY OF HUMBLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 58 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees and the general fund, debt service fund, capital projects fund, red light camera fund and hotel/motel fund budgetary comparisons. Required and other supplementary information can be found on pages 60 through 73 of the City's Annual Comprehensive Financial Report.

**Government-wide Financial Analysis**

Set forth below is condensed financial data extracted from the government-wide financial statements.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$153.2 million (net position). At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

By far, the largest portion of the City's net position (\$92.7 million) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$12.3 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$48.1 million, may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF HUMBLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The following table summarizes the financial position of the City as of September 30, 2020 and 2019.

**CONDENSED SCHEDULE OF NET POSITION**  
*September 30, 2020 and 2019*  
*Amounts in (000's)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Current and other assets	\$ 64,918	\$ 60,974	\$ 17,437	\$ 16,710	\$ 82,355	\$ 77,684
Capital assets	66,612	65,984	29,058	28,438	95,670	94,422
<b>Total Assets</b>	<b>131,530</b>	<b>126,958</b>	<b>46,495</b>	<b>45,148</b>	<b>178,025</b>	<b>172,106</b>
<b>Deferred Outflows of Resources</b>	<b>3,853</b>	<b>6,978</b>	<b>312</b>	<b>637</b>	<b>4,165</b>	<b>7,615</b>
Current liabilities	3,016	3,576	958	996	3,974	4,572
Long-term liabilities	20,466	26,066	1,463	1,953	21,929	28,019
<b>Total Liabilities</b>	<b>23,482</b>	<b>29,642</b>	<b>2,420</b>	<b>2,949</b>	<b>25,902</b>	<b>32,591</b>
<b>Deferred Inflows of Resources</b>	<b>2,875</b>	<b>476</b>	<b>206</b>	<b>47</b>	<b>3,081</b>	<b>523</b>
Net position:						
Net investment in capital assets	63,669	62,456	29,058	28,438	92,727	90,894
Restricted	12,333	11,036	-	-	12,333	11,036
Unrestricted	33,025	30,326	15,123	14,352	48,148	44,678
<b>Total Net Position</b>	<b>\$ 109,027</b>	<b>\$ 103,818</b>	<b>\$ 44,181</b>	<b>\$ 42,790</b>	<b>\$ 153,208</b>	<b>\$ 146,608</b>

The City's net position increased by \$6.6 million during the current fiscal year, demonstrating the ability of the City's revenues to keep pace with annual expenses. The City still reports a positive net position in all categories.

**CITY OF HUMBLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The following table summarizes the changes in net position for the City for the year ended September 30, 2020 and 2019.

**CONDENSED SCHEDULE OF CHANGES IN NET POSITION**  
**For the Year Ended September 30, 2020 and 2019**  
**Amounts in (000's)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Revenues						
Program revenue:						
Charges for services	\$ 7,567	\$ 8,080	\$ 7,841	\$ 7,895	\$ 15,408	\$ 15,975
Operating grants and contributions	837	769	-	-	837	769
General revenues:						
Property taxes	5,146	4,558	-	-	5,146	4,558
Sales and use taxes	13,277	13,584	-	-	13,277	13,584
Franchise taxes	1,432	1,451	-	-	1,432	1,451
Hotel/motel occupancy taxes	381	472	-	-	381	472
Other taxes	274	301	-	-	274	301
Contributions not restricted	6,638	6,792	-	-	6,638	6,792
Unrestricted investment earnings	413	938	140	396	553	1,334
Miscellaneous	196	61	413	73	609	134
<b>Total Revenues</b>	<b>36,161</b>	<b>37,006</b>	<b>8,394</b>	<b>8,364</b>	<b>44,555</b>	<b>45,370</b>
Expenses:						
General government	4,240	3,651	-	-	4,240	3,651
Court	1,009	1,017	-	-	1,009	1,017
Public safety	19,845	19,312	-	-	19,845	19,312
Public works	3,121	3,903	-	-	3,121	3,903
Community services	3,323	3,527	-	-	3,323	3,527
Interest on long-term debt	56	72	-	-	56	72
Water and sewer	-	-	6,361	6,211	6,361	6,211
<b>Total Expenses</b>	<b>31,594</b>	<b>31,482</b>	<b>6,361</b>	<b>6,211</b>	<b>37,955</b>	<b>37,693</b>
Increase in net position before transfers	4,567	5,524	2,033	2,153	6,600	7,677
Transfers	642	902	(642)	(902)	-	-
Change in net position	5,209	6,426	1,391	1,251	6,600	7,677
<b>Net position - beginning</b>	<b>103,818</b>	<b>97,392</b>	<b>42,790</b>	<b>41,539</b>	<b>146,608</b>	<b>138,931</b>
<b>Net position - ending</b>	<b>\$ 109,027</b>	<b>\$ 103,818</b>	<b>\$ 44,181</b>	<b>\$ 42,790</b>	<b>\$ 153,208</b>	<b>\$ 146,608</b>

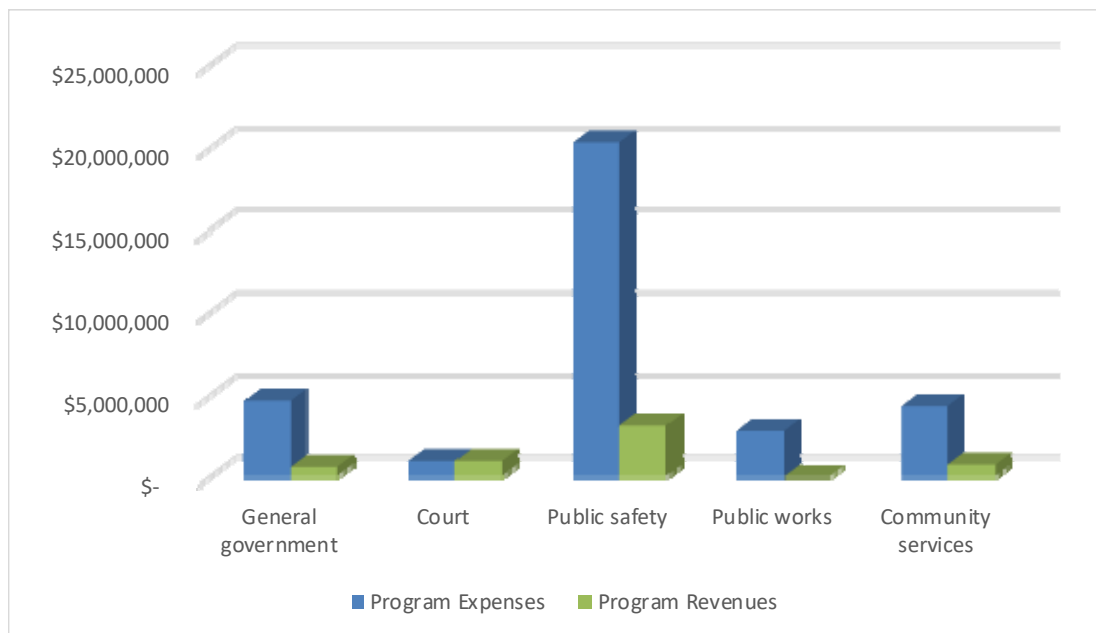
**CITY OF HUMBLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Governmental Activities**

Governmental activities increased the City's net position by approximately \$5.2 million compared to \$6.4 million in the prior year, thereby accounting for 79% of the total growth in the net position of the City. The change in net position is attributable to the following:

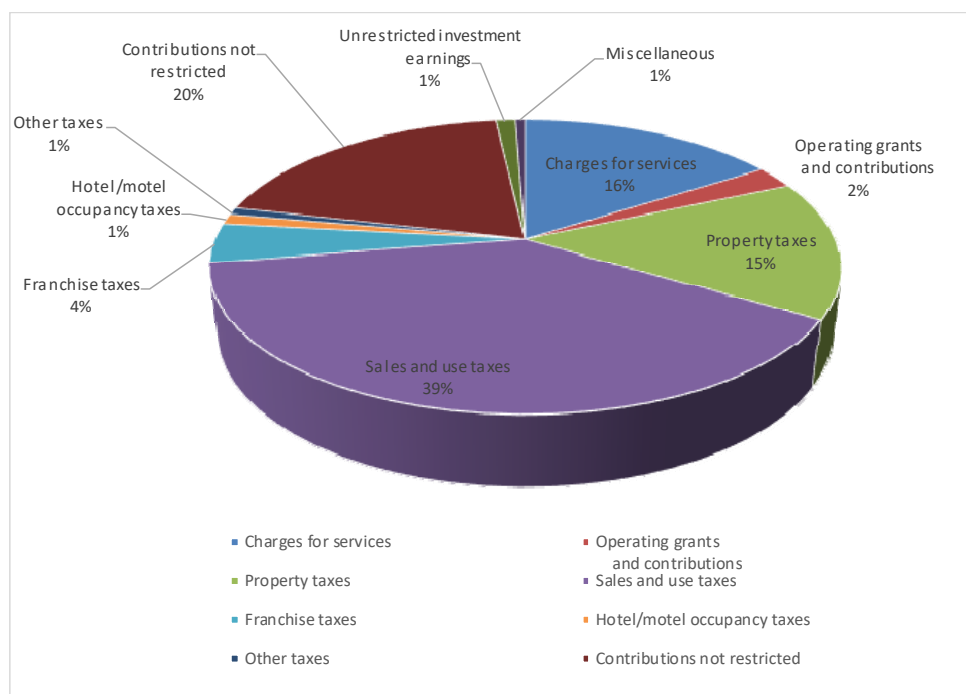
- Total revenues of \$36.8 million (including transfers) exceeded total expenses of \$31.6 million by \$5.2 million during 2020. Total revenues decreased by \$1.1 million compared to prior year primarily due to the following: COVID-19 pandemic that resulted in decreased retail sales and hotel occupancy and thus tax revenue, decreased intergovernmental contributions from Metro, decreased investment earnings because of the falling Treasury yields and decreased charges for services due to City facility closures (\$1.5 million). In addition, there were decreases in internal transfers related to capital project costs (\$0.3 million). The decreases were offset by increases in property tax revenues attributable to increased taxable property values totaling an additional \$200 million and an increase in the City ad valorem tax rate from \$.248572 to \$.0255944 (\$0.6 million) and increases in miscellaneous income as a result of City surplus equipment sales (\$0.1 million).
- Total expenses during 2020 increased by \$0.1 million primarily due to general government and public safety capital project expenditures.

A comparison of program expenses to program revenues follows:



**CITY OF HUMBLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

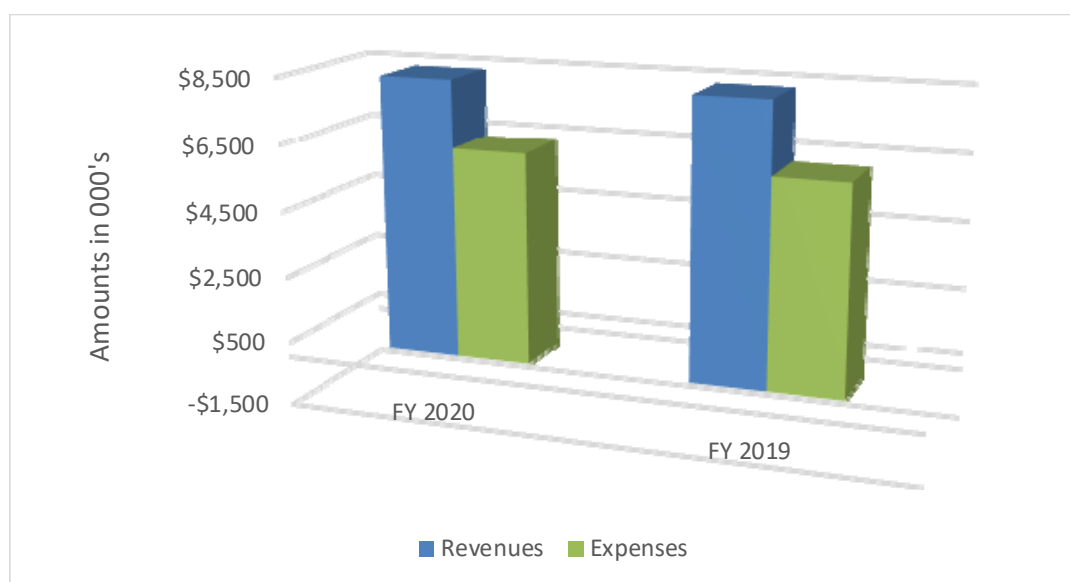
Revenue sources for governmental activities were distributed as follows:



**Business-type Activities**

Business-type activities increased the City's net position by \$1.4 million as a result of total revenues of \$7.8 million (including transfers) exceeded total expenses of \$6.4 million during 2020. Total revenues (including transfers) and expenses during 2020 remained consistent with 2019 total revenues of \$7.5 million (including transfers) and total expenses of \$6.2.

A comparison between expenses relating to water and sewer operations and program revenues (charges for services) for fiscal years 2020 and 2019 follows:



Revenue sources for business-type activities were almost entirely charges for water and sewer services.

**CITY OF HUMBLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Financial Analysis of the Government's Funds**

As noted earlier, the City used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

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

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$49.2 million, an increase of \$2.3 million from the prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$36.7 million. The unassigned fund balance increased \$1.0 million from fiscal year 2019. Expenditures increased by \$2.4 million primarily due to an increase in public safety expenditures related to salaries and an increase in pension and OPEB expense and due to an increase in community services expenditures related to the construction of a new parks department building; employee insurance cost increased in all functions due to increased claims. Revenues decreased by \$1 million primarily due to the COVID-19 pandemic that resulted in decreased retail sales and thus tax revenue, decreased intergovernmental contributions from Metro, decreased investment earnings because of the falling Treasury yields and decreased charges for services and fines due to City facility closures (\$1.6 million). These decreases were offset by increases in property tax revenues attributable to increased property values totaling an additional \$200 million and an increase in the City ad valorem tax rate from \$.248572 to \$.255944 (\$0.6 million).

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance for the general fund represents 130% of annual general fund expenditures for the 2020 fiscal year.

The debt service fund has a total fund balance of \$5,264, all of which is reserved for the payment of debt service. Funds received from the Proprietary Fund through Transfers In were fully utilized to pay annual debt service requirements of principal and interest on outstanding general obligation bonds.

The capital projects fund spent \$720 thousand on road widening and drainage projects. Funds received from the General Fund through Transfers In were fully utilized for these projects.

The red light camera fund has a fund balance of \$4.4 million. The red light camera fund is used to account for the revenues and expenditures related to the implementation and operation of red light cameras within the City. Tickets issued increased by 9% during the current fiscal year. However, revenues decreased by 10% due to an overall decrease in collections attributed to recent legislation passed affecting red light camera fines. Expenditures increased by 16% for the purchase of seven motor vehicles and equipment.

**Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements.

**CITY OF HUMBLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Net position of the Water and Sewer Enterprise Fund at the end of the year amounted \$44.2 million. The increase in net position was \$1.4 million. Other factors concerning this fund has been addressed in the discussion of the City's business-type activities.

**General Fund Budgetary Highlights**

Budgeted revenues exceeded actual revenues by \$1.5 million due to the delay of funding from intergovernmental federal grant awards for capital projects that are in the initial engineering phase.

Appropriations exceeded actual expenditures by \$4.6 million. The key elements of these positive variances are superior expenditure controls, ongoing analysis and execution of cost saving opportunities and postponement of select capital purchases, capital projects and budgeted positions due to the COVID-19 pandemic.

**Capital Asset and Debt Administration**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, totaled \$66.6 and \$29.1 million (net of accumulated depreciation), respectively, in a variety of capital assets and infrastructure, as reflected in the following schedule. The net decrease for the year is \$1.2 million.

Major capital asset events during the current fiscal year included road widening, drainage, elevated storage tank rehab, wastewater treatment plant and lift station improvements, sewer rehabilitation, playground improvements, building improvements, new construction of the parks department building and Humble Museum, and new vehicles for public safety, public works and community service departments.

The following table shows the balances at September 30, 2020 and 2019 (in \$000's):

	<u>2020</u>	<u>2019</u>
<b>Governmental Activities</b>		
Capital Assets not being depreciated		
Land	\$ 1,573	\$ 1,573
Construction in progress	1,897	573
Capital Assets, net of depreciation		
Buildings and improvements	20,062	20,552
Infrastructure	38,418	38,717
Furniture, fixtures and equipment	2,779	3,049
Vehicles	1,883	1,520
Total capital assets - Governmental Activities	<u>\$ 66,612</u>	<u>\$ 65,984</u>
<b>Business-Type Activities</b>		
Capital Assets not being depreciated		
Land	\$ 395	\$ 395
Construction in progress	2,693	3,760
Capital Assets, net of depreciation		
Buildings and improvements	4,473	1,662
Underground equipment	19,342	20,279
Furniture, fixtures and equipment	2,015	2,156
Vehicles	139	186
Total capital assets - Business-Type Activities	<u>\$ 29,057</u>	<u>\$ 28,438</u>

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements of this report.



**CITY OF HUMBLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Long-term Liabilities**

At the end of the current fiscal year, the City had total bonded debt obligations outstanding of \$3.0 million. Bonded debt represents bonds secured solely by specified revenue sources. Bonded debt decreased by \$570,000 due to scheduled principal payments.

The City maintains a rating of "AA/stable" from Standard and Poor's Rating Services as of September 2020.

	<b>2020</b>	<b>2019</b>
Combination Tax and Revenue Bonds	\$ 3,015	\$ 3,585
Bond issuance premiums/discounts	102	122
Compensated absences	1,326	1,802
	<u>\$ 4,443</u>	<u>\$ 5,509</u>

Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements of this report.

**Economic Factors and Next Year's Budget and Rates**

The unemployment rate for the City during fiscal year 2020 was 9.6%, compared to the United States' average unemployment rate of 7.9% for the same reporting period. The City has seen slight but steady increases in its total population and average household income, and continued commercial and light industrial growth.

During fiscal year 2021, the City continued its focus on improving service levels to the public and revitalization efforts throughout the City. The City completed the renovation of an existing structure that is now the new home to the historic Humble Museum and constructed a new parks department building. The City budgeted approximately \$410,000 during fiscal year 2021 for investment opportunities in Downtown Humble and for the expansion of the Downtown Improvement Program. Other significant budgeted items include the purchase of a new pumper, construction of a new police training and storage building, road widening and drainage projects, elevated storage tank rehab, sewer rehab and wastewater treatment plant and lift station improvements. These investments and slight increase in the City ad valorem tax rate were the main factors considered in preparing the City's budget for the 2021 fiscal year.

The fiscal year 2021 budget is based on an increased property tax rate of \$0.258693 per \$100 of assessed value and a 2020 taxable valuation totaling \$2.2 billion. The property rate increase and higher taxable values are budgeted to increase revenues received from ad valorem taxes by approximately \$664,000 over prior year budget. Continued increases in the property tax rate will allow the City to further diversify its revenues to cover its core service costs and invest in its long-term goals. Sales tax revenues are budgeted at \$13.5 million during 2021, which is consistent with prior year budget. Overall, total revenues for the City, excluding operating transfer in from other funds, are budgeted 5% higher than last year's budget. Budgeted federal grant awards totaling \$2 million is the main cause for this increase. The total budgeted expenditures for fiscal year 2021, excluding operating transfers between funds, are \$59 million and represent a 2% increase from prior fiscal year budget. This increase can be mostly attributed to several large capital improvement projects added to the 2021 budgeted.

The fiscal year 2021 Water and Sewer Proprietary Fund revenues are budgeted to increase 5% over prior year. Budgeted public contributions totaling \$350,000 to fund capital improvements is the main cause for this increase. Water and Sewer Proprietary Fund expenditures are budgeted 1% lower than prior year.

## **CITY OF HUMBLE, TEXAS**

### ***MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)***

#### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Humble, Director of Finance, 114 W. Higgins, Humble, TX 77338.

## **Basic Financial Statements**



**CITY OF HUMBLE, TEXAS**  
**STATEMENT OF NET POSITION**  
**September 30, 2020**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 44,529,496	\$ 16,387,142	\$ 60,916,638
Investments	2,988,246	103,441	3,091,687
Accounts receivable	16,971,265	1,315,361	18,286,626
Internal balances	368,704	(368,704)	-
Prepaid items	60,866	-	60,866
Capital assets, not subject to depreciation:			
Land	1,572,911	394,876	1,967,787
Construction in progress	1,897,409	2,693,303	4,590,712
Capital assets, net of depreciation:			
Buildings and improvements	20,061,922	4,473,414	24,535,336
Infrastructure	38,417,820	19,341,463	57,759,283
Furniture, fixtures and equipment	2,778,958	2,015,453	4,794,411
Vehicles	1,882,803	139,117	2,021,920
<b>Total Capital Assets</b>	<b>66,611,823</b>	<b>29,057,626</b>	<b>95,669,449</b>
<b>Total Assets</b>	<b>131,530,400</b>	<b>46,494,866</b>	<b>178,025,266</b>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	31,400	-	31,400
Deferred outflows related to pension activities	1,794,012	160,778	1,954,790
Deferred outflows related to OPEB activities	2,027,581	151,097	2,178,678
<b>Total Deferred Outflows of Resources</b>	<b>3,852,993</b>	<b>311,875</b>	<b>4,164,868</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	2,809,374	311,183	3,120,557
Unearned revenue	198,729	-	198,729
Accrued interest payable	7,538	-	7,538
Deposits payable	-	646,419	646,419
Long-term liabilities:			
Due within one year	1,484,159	66,096	1,550,255
Due in more than one year	2,860,594	31,870	2,892,464
Net Pension liability	5,204,434	577,523	5,781,957
Total OPEB liability	10,916,609	787,094	11,703,703
<b>Total Liabilities</b>	<b>23,481,437</b>	<b>2,420,185</b>	<b>25,901,622</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pension activities	2,646,566	190,798	2,837,364
Deferred inflows related to OPEB activities	228,253	15,129	243,382
<b>Total Deferred Inflows of Resources</b>	<b>2,874,819</b>	<b>205,927</b>	<b>3,080,746</b>
<b>Net Position</b>			
Net investment in capital assets	63,669,367	29,057,626	92,726,993
Restricted for:			
Transportation	6,780,929	-	6,780,929
Tourism	559,425	-	559,425
Police and traffic safety	4,866,609	-	4,866,609
Municipal court	126,101	-	126,101
Unrestricted	33,024,706	15,123,003	48,147,709
<b>Total Net Position</b>	<b>\$ 109,027,137</b>	<b>\$ 44,180,629</b>	<b>\$ 153,207,766</b>

**CITY OF HUMBLE, TEXAS**  
**STATEMENT OF ACTIVITIES**  
*For the Year Ended September 30, 2020*

*Page 1 of 2*

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenue</b>	
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>
<b>Primary government</b>			
Governmental Activities:			
General government	\$ 4,239,683	\$ 583,566	\$ -
Court	1,009,198	696,121	-
Public safety	19,845,401	5,560,841	836,599
Public works	3,120,622	-	-
Community services	3,322,984	726,525	-
Interest on long-term debt	56,254	-	-
<b>Total governmental activities</b>	<u>31,594,142</u>	<u>7,567,053</u>	<u>836,599</u>
Business-type activities:			
Water and sewer	6,361,355	7,840,453	-
<b>Total primary government</b>	<u>\$ 37,955,497</u>	<u>\$ 15,407,506</u>	<u>\$ 836,599</u>

**CITY OF HUMBLE, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2020

Page 2 of 2

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			
<b>Functions/Programs</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Primary government</b>			
Governmental Activities:			
General government	\$ (3,656,117)	\$ -	\$ (3,656,117)
Court	(313,077)	-	(313,077)
Public safety	(13,447,961)	-	(13,447,961)
Public works	(3,120,622)	-	(3,120,622)
Community services	(2,596,459)	-	(2,596,459)
Interest on long-term debt	(56,254)	-	(56,254)
<b>Total governmental activities</b>	<b>(23,190,490)</b>	<b>-</b>	<b>(23,190,490)</b>
Business-type activities:			
Water and sewer	-	1,479,098	1,479,098
<b>Total primary government</b>	<b>(23,190,490)</b>	<b>1,479,098</b>	<b>(21,711,392)</b>
<b>General revenues:</b>			
Taxes:			
Property taxes, levied for general support	5,145,905	-	5,145,905
Sales and use taxes	13,276,692	-	13,276,692
Franchise taxes	1,431,888	-	1,431,888
Hotel/motel occupancy tax	381,358	-	381,358
Other taxes	274,021	-	274,021
Grants and contributions not restricted to specific programs	6,638,346	-	6,638,346
Unrestricted investment earnings	413,037	140,166	553,203
Miscellaneous	196,481	413,414	609,895
<b>Transfers</b>	<b>642,050</b>	<b>(642,050)</b>	<b>-</b>
<b>Total general revenues and transfers</b>	<b>28,399,778</b>	<b>(88,470)</b>	<b>28,311,308</b>
Change in net position	5,209,288	1,390,628	6,599,916
<b>Net Position - Beginning</b>	<b>103,817,849</b>	<b>42,790,001</b>	<b>146,607,850</b>
<b>Net Position - Ending</b>	<b>\$ 109,027,137</b>	<b>\$ 44,180,629</b>	<b>\$ 153,207,766</b>

**CITY OF HUMBLE, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
September 30, 2020

Page 1 of 2

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 38,777,543	\$ 5,303	\$ 138,250
Investments	2,983,845	-	4,401
Receivables, net of allowance	5,667,991	1,967	8,425
Due from other funds	242,554	-	175,473
Prepaid items	35,538	-	-
<b>Total Assets</b>	<u>\$ 47,707,471</u>	<u>\$ 7,270</u>	<u>\$ 326,549</u>
<b>Liabilities</b>			
Accounts payable	\$ 348,115	\$ -	\$ 223,784
Due to other funds	-	-	(48,312)
Unearned revenue	190,304	-	8,425
Accrued liabilities	1,228,206	-	-
<b>Total Liabilities</b>	<u>1,766,625</u>	<u>-</u>	<u>183,897</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	1,826,829	2,006	-
<b>Total Deferred Inflows of Resources</b>	<u>1,826,829</u>	<u>2,006</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable			
Prepaid items	35,538	-	-
Restricted			
Debt service	-	5,264	-
Transportation	6,780,929	-	-
Capital projects	-	-	142,652
Tourism	-	-	-
Police and traffic safety	455,820	-	-
Municipal court	126,101	-	-
Assigned			
Development activities	-	-	-
Unassigned	36,715,629	-	-
<b>Total Fund Balances</b>	<u>44,114,017</u>	<u>5,264</u>	<u>142,652</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 47,707,471</u>	<u>\$ 7,270</u>	<u>\$ 326,549</u>



**CITY OF HUMBLE, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
September 30, 2020

Page 2 of 2

	<b>Red Light Camera</b>	<b>Non-Major Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 5,075,859	\$ 532,541	\$ 44,529,496
Investments	-	-	2,988,246
Receivables, net of allowance	11,259,708	33,174	16,971,265
Due from other funds	-	-	418,027
Prepaid items	25,328	-	60,866
<b>Total Assets</b>	<b>\$ 16,360,895</b>	<b>\$ 565,715</b>	<b>\$ 64,967,900</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,023,846	\$ 1,869	\$ 1,597,614
Due to other funds	95,688	1,947	49,323
Unearned revenue	-	-	198,729
Accrued liabilities	-	-	1,228,206
<b>Total Liabilities</b>	<b>1,119,534</b>	<b>3,816</b>	<b>3,073,872</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	10,830,572	-	12,659,407
<b>Total Deferred Inflows of Resources</b>	<b>10,830,572</b>	<b>-</b>	<b>12,659,407</b>
<b>Fund Balances</b>			
Nonspendable			
Prepaid items	25,328	-	60,866
Restricted:			
Debt service	-	-	5,264
Transportation	-	-	6,780,929
Capital projects	-	-	142,652
Tourism	-	559,425	559,425
Police and traffic safety	4,385,461	-	4,841,281
Municipal court	-	-	126,101
Assigned			
Development activities	-	2,474	2,474
Unassigned	-	-	36,715,629
<b>Total Fund Balances</b>	<b>4,410,789</b>	<b>561,899</b>	<b>49,234,621</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 16,360,895</b>	<b>\$ 565,715</b>	<b>\$ 64,967,900</b>



**CITY OF HUMBLE, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2020**

Total fund balance, governmental funds	\$ 49,234,621
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets of \$117,402,620 net of accumulated depreciation of \$50,790,797 used in the governmental activities are not financial resources and therefore are not reported in the funds	66,611,823
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Certain other unavailable assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Property taxes and penalties and interest	266,479
Fines	11,797,847
Other fees	595,081

Deferred outflows of resources relating to OPEB activities	2,027,581
Deferred inflows of resources relating to OPEB activities	(228,253)
Deferred outflows of resources relating to pension activities	1,794,012
Deferred inflows of resources relating to pension activities	(2,646,566)

Long-term liabilities are not due in the current period and, therefore, are not reported as liabilities in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.

Bonds payable, at maturity	(3,015,000)
Accrued long-term interest	(7,538)
Premium/discount on bonds payable	(101,508)
Deferred loss on refunding	31,400
Other post-employment benefits (OPEB)	(10,916,609)
Compensated absences	(1,211,799)
Net pension liability	(5,204,434)

Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 109,027,137</u>
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**CITY OF HUMBLE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2020**

Page 1 of 2

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Red Light Camera</u>
<b>Revenues</b>				
Taxes:				
Property taxes	\$ 5,147,649	\$ 46	\$ -	\$ -
Sales and use taxes	13,276,692	-	-	-
Hotel/motel occupancy taxes	-	-	-	-
Franchise taxes	1,431,888	-	-	-
Other taxes	274,021	-	-	-
Fines and forfeitures	1,083,055	-	-	2,105,968
Licenses and permits	522,833	-	-	-
Intergovernmental	7,474,945	-	-	-
Charges for services	1,623,848	-	-	-
Investment earnings	364,667	-	38	40,435
Miscellaneous	115,489	-	1,295	-
<b>Total Revenues</b>	<u>31,315,087</u>	<u>46</u>	<u>1,333</u>	<u>2,146,403</u>
<b>Expenditures</b>				
Current:				
General government	2,163,394	-	-	-
Court	963,144	-	-	-
Public safety	18,497,502	-	-	2,136,560
Public works	2,819,756	-	-	-
Community services	3,856,743	-	-	-
Capital outlay	-	-	719,628	-
Debt service:				
Principal	-	570,000	-	-
Interest and other charges	-	72,050	-	-
<b>Total Expenditures</b>	<u>28,300,539</u>	<u>642,050</u>	<u>719,628</u>	<u>2,136,560</u>
Revenues over (under) expenditures	<u>3,014,548</u>	<u>(642,004)</u>	<u>(718,295)</u>	<u>9,843</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	140,430	-	-	-
Transfers in	340,000	642,050	2,593,670	-
Transfers out	(719,628)	-	(1,874,042)	-
<b>Total other financing sources (uses)</b>	<u>(239,198)</u>	<u>642,050</u>	<u>719,628</u>	<u>-</u>
Net changes in fund balances	2,775,350	46	1,333	9,843
<b>Fund Balances - Beginning of Year</b>	<u>41,338,667</u>	<u>5,218</u>	<u>141,319</u>	<u>4,400,946</u>
<b>Fund Balances - End of Year</b>	<u>\$ 44,114,017</u>	<u>\$ 5,264</u>	<u>\$ 142,652</u>	<u>\$ 4,410,789</u>

**CITY OF HUMBLE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2020**

Page 2 of 2

	<b>Non-Major Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Taxes:		
Property taxes	\$ -	\$ 5,147,695
Sales and use taxes	-	13,276,692
Hotel/motel occupancy taxes	381,358	381,358
Franchise taxes	-	1,431,888
Other taxes	-	274,021
Fines and forfeitures	-	3,189,023
Licenses and permits	-	522,833
Intergovernmental	-	7,474,945
Charges for services	3,150	1,626,998
Investment earnings	7,897	413,037
Miscellaneous	-	116,784
<b>Total Revenues</b>	<b>392,405</b>	<b>33,855,274</b>
<b>Expenditures</b>		
Current:		
General government	-	2,163,394
Court	-	963,144
Public safety	-	20,634,062
Public works	-	2,819,756
Community services	501,157	4,357,900
Capital outlay	-	719,628
Debt service:		
Principal	-	570,000
Interest and other charges	-	72,050
<b>Total Expenditures</b>	<b>501,157</b>	<b>32,299,934</b>
Revenues over (under) expenditures	(108,752)	1,555,340
<b>Other Financing Sources (Uses)</b>		
Proceeds from sale of assets	-	140,430
Transfers in	-	3,575,720
Transfers out	(340,000)	(2,933,670)
<b>Total other financing sources (uses)</b>	<b>(340,000)</b>	<b>782,480</b>
Net changes in fund balances	(448,752)	2,337,820
<b>Fund Balances - Beginning of Year</b>	<b>1,010,651</b>	<b>46,896,801</b>
<b>Fund Balances - End of Year</b>	<b>\$ 561,899</b>	<b>\$ 49,234,621</b>

# CITY OF HUMBLE, TEXAS

## **RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended September 30, 2020**

Net change in fund balances - total governmental funds: \$ 2,337,820

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The capital asset expenditures are allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlay of \$4,023,853 exceeded depreciation of \$3,395,875 in the current period. 627,978

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 2,165,676

Pension contributions made after the net pension liability date are reported as expenditures in the governmental funds and are reported as deferred outflows on the face of the statement of net position. 1,578,255

OPEB contributions made after the OPEB liability date are reported as expenditures in the governmental funds and are reported as deferred outflows on the face of the statement of net position. 300,740

Governmental funds report proceeds from new debt as a current financial resources. In contrast, the Statement of Activities treats issuance of debt as a liability. Governmental funds report repayment of principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceed proceeds  
Repayment of long term debt principal 570,000

Deferred gains on bond refunding, and other debt charges which are treated as expenditures or other sources/uses in the fund basis financial statements are set up as assets and amortized in the Statement of Net Position. The net change for each represents an increase/(decrease) in net position.  
Bond premiums/discounts 20,301  
Gain/loss on refunding (6,280)

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:  
Changes in accrued interest 1,425  
Changes in accrued compensated absences 418,177  
OPEB expense for the OPEB measurement year (2,527,484)  
Pension expense for the pension plan measurement year (277,320)

Change in net position of governmental activities \$ 5,209,288

**CITY OF HUMBLE, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**September 30, 2020**

	<b>Enterprise Fund</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 16,387,142
Investments	103,441
Accounts receivable, net	1,315,361
<b>Total Current Assets</b>	<b>17,805,944</b>
Non-current assets:	
Capital assets not being depreciated:	
Land	394,876
Construction in progress	2,693,303
Other capital assets, net of depreciation:	
Buildings and improvements	4,473,414
Infrastructure	19,341,463
Machinery and equipment	2,015,453
Vehicles	139,117
<b>Total Non-Current Assets</b>	<b>29,057,626</b>
<b>Total Assets</b>	<b>46,863,570</b>
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pension activities	160,778
Deferred outflows related to OPEB activities	151,097
<b>Total Deferred Outflows of Resources</b>	<b>311,875</b>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	311,183
Due to other funds	368,704
Deposits payable	646,419
Compensated absences	66,096
<b>Total Current Liabilities</b>	<b>1,392,402</b>
Non-current liabilities:	
Compensated absences	31,870
Net pension liability	577,523
Total OPEB liability	787,094
<b>Total Non-Current Liabilities</b>	<b>1,396,487</b>
<b>Total Liabilities</b>	<b>2,788,889</b>
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to pension activities	190,798
Deferred inflows related to OPEB activities	15,129
<b>Total Deferred Inflows of Resources</b>	<b>205,927</b>
<b>Net Position</b>	
Investment in capital assets	29,057,626
Unrestricted	15,123,003
<b>Total Net Position</b>	<b>\$ 44,180,629</b>

**CITY OF HUMBLE, TEXAS****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION****PROPRIETARY FUND***For the Year Ended September 30, 2020*

	<b>Enterprise Fund</b>
<b>Operating Revenues</b>	
Charges for services	\$ 7,840,453
Miscellaneous	413,414
<b>Total Operating Revenues</b>	<u>8,253,867</u>
<b>Operating Expenses</b>	
Water expenses	3,219,481
Sewer expenses	1,833,955
Depreciation	1,307,919
<b>Total Operating Expenses</b>	<u>6,361,355</u>
<b>Operating income (loss)</b>	<u>1,892,512</u>
<b>Non-Operating Revenues (Expenses)</b>	
Interest and investment revenue	140,166
<b>Total Non-Operating Revenues (Expenses)</b>	<u>140,166</u>
<b>Income before Capital Contributions and Transfers</b>	2,032,678
Transfers in	1,874,042
Transfers out	<u>(2,516,092)</u>
Change in net position	1,390,628
<b>Total Net Position - Beginning</b>	42,790,001
<b>Total Net Position - Ending</b>	<u><u>\$ 44,180,629</u></u>



**CITY OF HUMBLE, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
*For the Year Ended September 30, 2020*

	<b>Enterprise Fund</b>
<b>Cash Flows From Operating Activities</b>	
Receipts from customers and users	\$ 8,328,122
Disbursed for personnel services	(1,831,507)
Disbursed for goods and services	(4,476,154)
<b>Net cash provided by operating activities</b>	<u>2,020,461</u>
<b>Cash Flows From Noncapital and Related Financing Activities</b>	
Transfers to other funds	(2,516,092)
<b>Net cash used by noncapital financing activities</b>	<u>(2,516,092)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	22,625
<b>Cash flows provided by capital and related financing activities</b>	<u>22,625</u>
<b>Cash Flows From Investing Activities</b>	
Interest received	140,166
Sale (Purchase) of investments	(3,072)
<b>Net cash provided by investing activities</b>	<u>137,094</u>
Net increase (decrease) in cash and cash equivalents	(335,912)
<b>Cash and cash equivalents - beginning of year</b>	<u>16,723,054</u>
<b>Cash and cash equivalents - end of year</b>	<u><u>\$ 16,387,142</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating Income	\$ 1,892,512
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,307,919
(Increase) decrease in accounts receivable	62,024
(Increase) decrease in deferred outflows relating to pension activities	325,164
Increase (decrease) in deferred inflows relating to OPEB activities	355
Increase (decrease) in interfund payables	(1,121,699)
Increase (decrease) in accounts payable	(126,874)
Increase (decrease) in accrued compensated absences	(58,065)
Increase (decrease) in total other post-employment benefit liability	44,391
Increase (decrease) in customer deposits	12,231
Increase (decrease) in net pension liability	(476,518)
Increase (decrease) in deferred inflows relating to pension activities	149,255
Increase (decrease) in deferred inflows relating to OPEB activities	9,766
<b>Net cash provided by operating activities</b>	<u><u>\$ 2,020,461</u></u>



**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 1 - Organization**

The City of Humble, Texas (the “City”), was incorporated under the laws of the State of Texas in 1933, and the present charter was adopted in 1970. The City operates under a “Home Rule Charter” which provides for a “Mayor-Council-Manager” form of government.

The City provides the following services: public safety to include police, fire and emergency medical services, highways and streets, sanitation, water and sewer services, recreation, public improvements, planning and zoning, and general administration.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. Reporting Entity**

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these general purpose financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the City's financial reporting entity. Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City has no entities, organizations or functions to be included as part of the City's financial reporting entity.

**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 nonfiduciary activities of the primary government. These statements include all activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's business-type and governmental funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

## **CITY OF HUMBLE, TEXAS**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

#### **Note 2 - Summary of Significant Accounting Policies (continued)**

##### **B. Government-wide and Fund Financial Statements (continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the economic resources measurement focus, as are the proprietary fund financial statements. The government-wide statements and proprietary fund statements are reported using the accrual basis of accounting. Revenues are recognized 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.

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 if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

General property taxes are recorded as receivables when levied and as revenue in the period for which they were levied and become available. Property taxes receivable have been recorded as deferred inflows of resources at year-end. Property taxes collected within 60 days subsequent to September 30, 2020, have been recorded as revenue.

Franchise taxes and sales taxes relating to underlying transactions that occurred prior to September 30, 2020, have been recorded as receivables and revenue. Licenses and permits and fines are not susceptible to accrual since they are not measurable until received. Revenue on federal and state cost-reimbursement grants is accrued when the related expenditures are incurred or the grant is determined “expended” by the awarding agency. Interest is recorded when earned.

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for the retirement of general long-term debt and related costs. The primary source of revenues of the Debt Service Fund is intergovernmental revenue.

Capital Projects Fund - The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Red Light Camera Fund - The Red light camera fund is used to account for red light fine receipts that are legally restricted to expenditures for specific purposes as defined by the State. Such expenditures include the cost of leasing the red light camera equipment, operating the system, which includes the costs of creating, reviewing, distributing and delivering violation notices, and to fund traffic safety programs.

The City reports the following non-major governmental fund:

Special Revenue Fund - The City's Special Revenue Fund is used to account for revenue sources that are legally restricted to expenditures for specified purposes.

The City reports one major proprietary fund:

The Enterprise Fund - is used to account for the City's water, wastewater collection, and wastewater treatment operations. Such operations are operated in a manner similar to private business enterprises, where the intent of the City is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation) and other City funds. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB).

Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the Enterprise Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **CITY OF HUMBLE, TEXAS**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

#### **Note 2 - Summary of Significant Accounting Policies (continued)**

##### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Net position is categorized into three components - net investment in capital assets, restricted, and unrestricted. These classifications are as follows:

- Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings.
- Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed by law through contractual provisions or enabling legislation.
- Unrestricted net position - This component of net position consists of the balance of net position that does not meet the definition of the other components noted above.

##### **D. Cash and Cash Equivalents**

The City reports cash and cash equivalents in the City's statement of cash flows for Proprietary Fund Types and in all other financial statements of financial position. The City considers cash and cash equivalents to be cash on hand, demand deposits, certificates of deposit, balances in public funds investment pools and short-term investments with original maturities of three months or less from the date of acquisition.

The City's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

##### **E. Investments**

The City reports all investments at fair value based on quoted market prices at year-end date. The City categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

##### **F. Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the Water and Sewer Fund are considered to be immaterial and have not been recognized at the end of the current fiscal year.

##### **G. Due to and from Other Funds**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. These receivables and payables are, for the most part, eliminated from the Government-Wide Statement of Net Position and are recorded as "due from other funds" or "due to other funds" in the fund financial statements.

##### **H. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**I. Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of one year. All purchased capital assets are valued at cost where historical records exist. Donated capital assets are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are capitalized and depreciated over the remaining useful lives of the related assets using the straight line method.

<u>Asset</u>	<u>Estimated Useful Lives</u>
Building and improvements	5-50 years
System infrastructure	5-50 years
Machinery and equipment	3-20 years
Vehicles	5-8 years

**J. Compensated Absences**

It is the City’s policy to permit employees to accumulate certain earned but unused vacation and comp time. Amounts accumulated may be paid to employees upon termination of employment or during employment in accordance with the City’s personnel policy. Accumulated personnel leave is accrued in the government-wide statements as current liabilities based upon amounts that were vested as of fiscal year end. These amounts will be paid out of the general fund and enterprise fund at the amounts reported in the financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees.

**K. Deferred Outflows/Inflows of Resources**

A *deferred outflow of resources* is a consumption of a government’s net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The City has three items that qualify for reporting in this category:

- Deferred outflows of resources for refunding – Reported in the government-wide financial statement of net position, this deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter the life of the refunded or refunding debt.
- Deferred outflows of resources for pension activities - Reported in the government wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences in assumption inputs as well as differences between projected and actual earnings on pension plan assets. The deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

## **CITY OF HUMBLE, TEXAS**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

#### **Note 2 - Summary of Significant Accounting Policies (continued)**

##### **K. Deferred Outflows/Inflows of Resources (continued)**

- Deferred outflows of resources for other post-employment benefits (OPEB) – Reported in the government wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on OPEB plan investments and 2) changes in the City's proportional share of OPEB liabilities. The deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five year period. The remaining OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the plan.

A *deferred inflow of resources* is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The City has three items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes and EMS services arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for pension activities - Reported in the government wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments.
- Deferred inflows of resources for other post-employment benefits (OPEB) – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the plan.

##### **L. General Property Taxes**

Property taxes are levied October 1 of each year and are due upon receipt of the City's tax bill and become delinquent on February 1 of the following year. The City's tax lien exists from January 1 (the assessment date) each year until the taxes are paid. The penalties and interest accumulate on the unpaid accounts until July 1, at which time the delinquent accounts are turned over to the tax attorney for legal action. The interest continues to accumulate on the account at 1% per month, but the penalty remains at a maximum of 12% until paid.

A penalty of 6% and interest of 1% is added to delinquent taxes on February 1. The penalty amount increases to a maximum of 12% on July 1 of each year, with interest continuing to increase at 1% per month until the account is paid. An additional penalty of 20% is added in July for attorney costs. There are no discounts allowed on taxes.

##### **M. Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ from these estimates.



**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**N. Bond Premiums and Discounts**

In governmental fund types, bond premiums and discounts are recognized in the current period and are deferred and amortized in the Government-wide Statement of Activities. Bond premiums and discounts for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums and discounts are recorded as deferred charges. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**O. Fund Equity**

In the fund financial statements, the City categorizes portions of fund balance into categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

*Non-spendable fund balance* – amounts that are not in spendable form or are legally or contractually required to be maintained intact.

*Restricted fund balance* – amounts that are subject to external restrictions from creditors, grantors, contributors, or laws of other governments.

*Committed fund balance* – amounts constrained for specific purposes as determined by a formal action of City Council. City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances approved by City Council. City Council will approve obligations of funds, such as multiyear contracts, prior to the end of the fiscal year.

*Assigned fund balance* – amounts the City intends to use for a specific purpose that is neither restricted or committed and includes the remaining positive fund balance of all governmental funds except for the General Fund. Balances for encumbrances, other than those committed by City Council, fall into this category. The City Council has authorized the City Manager as the official authorized.

*Unassigned fund balance* – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The City will typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

The City will maintain the General Fund unassigned fund balance equivalent to three months of normal recurring operating costs, based on current year budgeted expenditures. If the fund balance exceeds this amount, the amount in excess of policy requirements may be utilized to fund one-time expenditures in the next fiscal year's budget.

Unrestricted net position for proprietary funds represents the net position available for future operations or distribution. Restricted net position for proprietary funds represents the net position that has been legally identified for specific purposes.

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**P. Revenues and Expenditures/Expenses**

In the fund financial statements revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred. Revenues and expenses in the Government-wide Statement of Activities are recognized in essentially the same manner as used in commercial accounting.

**Q. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are reported as assigned fund balances since they do not constitute expenditures or liabilities. Encumbrances outstanding at year-end are appropriately provided for in the subsequent year's budget.

As of September 30, 2020, there we no outstanding purchase orders.

**R. Pensions**

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**S. Other Post-Employment Benefits**

The City participates in a defined-benefit group-term life insurance plan, both for current and retired employees, administered by the Texas Municipal Retirement System (TMRS). The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. Information regarding the City's total OPEB liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 75.

**T. Post-employment Healthcare Benefits**

The City provides post-employment healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and the City incurs no direct costs. In addition, retired employees receiving annuities from the Texas Municipal Retirement System and if selected, their dependents, are eligible to continue to participate in the City's health insurance plan at 25% of the employee group rate.

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**U. Implementation of New Standards**

The City did not implement any new standards in fiscal year 2020.

**Note 3 - Deposits (Cash) and Investments**

**Authorization for Deposits and Investments**

The Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code, regulates deposits and investment transactions of the City.

In accordance with applicable statutes, the City has a depository contract with an area bank (depository) providing for interest rates to be earned on deposited funds and for banking charges the City incurs for banking services received. The City may place funds with the depository in interest and non-interest bearing accounts. State law provides that collateral pledged as security for bank deposits must have a market value of not less than the amount of the deposits and must consist of: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas; and/or (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent. City policy requires the collateralization level to be at least 102% of market value of principal and accrued interest.

The Council has adopted a written investment policy regarding the investment of City funds as required by the Public Funds Investment Act (Chapter 2256, Texas Government Code). The investments of the City are in compliance with the City's investment policy. The City's investment policy is more restrictive than the PFIA requires. It is the City's policy to restrict its direct investments to obligations of the U.S. Government or U.S. Government Agencies, fully collateralized certificates of deposit, A1/P1 rated commercial paper, mutual funds, repurchase agreements and local government investment pools. The maximum maturity allowed is 270 days for commercial paper and four years from date of purchase for all other investments. The City's investment policy does not allow investments in commercial paper, collateralized mortgage obligations, floating rate investments or swaps.

**Deposit and Investment Amounts**

The City's cash and investments are classified as: cash and cash equivalents, investments, and restricted cash and investments. The cash and cash equivalents include cash on hand, deposits with financial institutions, federal agency bonds, non-negotiable certificates of deposit, and short-term investments in privately managed public funds investment pool accounts. The restricted cash and investments are assets restricted for specific use.

The following schedule shows the City's recorded cash and cash equivalents at year-end:

	<b>Amortized Cost</b>
<b>Primary Government</b>	
Cash deposits	\$ 60,916,638
Certificates of deposit	3,087,286
Public funds investment pool	4,401
<b>Total</b>	<u><u>\$ 64,008,325</u></u>

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 3 - Deposits (Cash) and Investments (continued)**

**Deposit and Investment Amounts (continued)**

At September 30, 2020, the City reported deposits in the amount of \$60,916,638, and the bank balance was \$59,870,350. The City's collateral requirement in accordance with its investment policy is 102%. The required collateralized balance was covered by federal depository insurance and by collateral held by the City's agent in the City's name as of September 30, 2020. The City's money market mutual fund sweep accounts do not require collateralization.

The City ensures that certificates of deposit are held at individual institutions for at or less than \$250,000. In doing so, all certificates of deposit are fully covered by FDIC at each institution.

Investments' fair value measurements are as follows at September 30, 2020:

<u>Investments</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Certificates of deposit	\$ 3,087,286	\$ 3,087,286	\$ -	\$ -

**Interest Rate Risk**

At year-end, the City had the following investments subject to interest rate risk disclosure, under U.S. generally accepted accounting principles:

	<u>Fair Value</u>	<u>Weighted Average Maturities (Days)</u>	<u>Percentage of Portfolio</u>
<b>Primary Government</b>			
Cash deposits	\$60,916,638	1	95%
Certificates of deposit	3,087,286	440	5%
Public funds investment pool	4,401	45	0%
Total	<u>\$64,008,325</u>	<u>22</u>	

The City measures interest rate risk using the weighted average maturity method for the portfolio. The City's investment policy specifies a maximum weighted average maturity of 365 days based on the stated maturity date for each investment in the portfolio. To the extent possible, the City attempts to match investments with anticipated cash flow requirements. The City does not directly invest in securities with a stated maturity date more than four years or 1,460 days from date of purchase. The settlement date is considered the date of purchase.

**CITY OF HUMBLE, TEXAS****NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)****Note 3 - Deposits (Cash) and Investments (continued)****Credit Risk**

At year-end, balances in TexStar, a privately managed public funds investment pools, were rated AAAM by Standard and Poor's Ratings Services. Certificates of deposit are not rated. All credit ratings meet acceptable levels required by guidelines prescribed by both the PFIA and the City's investment policy. A public funds investment pool must be continuously rated no lower than AAA or AAAM or no lower than investment grade by at least one nationally recognized rating service and have a weighted average maturity no greater than 90 days. Investments with minimum required ratings do not qualify as authorized investments during the period the investment does not have the minimum rating.

**Local Government Investment Pools**

As of September 30, 2020, the City's investments included TexStar external investment pools. The external investment pool's investments are not evidenced by securities that exist in physical or book entry form and, accordingly, do not have custodial risk.

The value of the City's portions in TexStar are the same as the value of the shares.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the local government investment pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

**Note 4 - Receivables**

Amounts recorded as receivables as of September 30, 2020, for the government's individual major and non-major funds, including the applicable allowance for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Red Light Camera</u>	<u>Non-Major Governmental</u>	<u>Enterprise Fund</u>	<u>Total</u>
<b>Receivables:</b>							
Taxes	\$ 2,559,674	\$ 1,508	\$ -	\$ -	\$ -	\$ -	\$ 2,561,182
Accounts	5,564,835	-	-	-	33,174	1,784,418	7,382,427
Fines	9,468,489	-	-	20,416,047	-	-	29,884,536
Interest and penalties	99,671	756	-	-	-	-	100,427
Metro mitigation	1,160,359	-	-	-	-	-	1,160,359
Assessments	-	-	65,016	-	-	-	65,016
Other	19,462	-	-	-	-	12,467	31,929
<b>Gross Receivables</b>	<u>18,872,490</u>	<u>2,264</u>	<u>65,016</u>	<u>20,416,047</u>	<u>33,174</u>	<u>1,796,885</u>	<u>41,185,876</u>
Less: allowance for uncollectibles	<u>(13,204,499)</u>	<u>(297)</u>	<u>(56,591)</u>	<u>(9,156,339)</u>	<u>-</u>	<u>(481,524)</u>	<u>(22,899,250)</u>
<b>Net Total Receivables</b>	<u>\$ 5,667,991</u>	<u>\$ 1,967</u>	<u>\$ 8,425</u>	<u>\$ 11,259,708</u>	<u>\$ 33,174</u>	<u>\$ 1,315,361</u>	<u>\$ 18,286,626</u>

# CITY OF HUMBLE, TEXAS

## NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

### Note 4 - Receivables (continued)

The following portions of receivables represent assets that are not available for use by the City to liquidate current year liabilities at September 30, 2020. These amounts are reported as deferred inflows of resources on the governmental fund balance sheet and are summarized below:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Red Light Camera</u>	<u>Total</u>
Property taxes	\$ 264,473	\$ 2,006	\$ -	\$ 266,479
Fines and forfeitures	967,275	-	10,830,572	11,797,847
Ambulance services	595,081	-	-	595,081
	<u>\$ 1,826,829</u>	<u>\$ 2,006</u>	<u>\$ 10,830,572</u>	<u>\$ 12,659,407</u>

### Note 5 - Capital Assets

A summary of activity for capital assets capitalized by the City for the year ended September 30, 2020, follows:

	<u>Balance 9/30/2019</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 9/30/2020</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,572,911	\$ -	\$ -	\$ 1,572,911
Construction in progress	572,646	1,899,539	(574,776)	1,897,409
<b>Total capital assets, not being depreciated</b>	<u>2,145,557</u>	<u>1,899,539</u>	<u>(574,776)</u>	<u>3,470,320</u>
Capital assets being depreciated:				
Buildings and improvements	47,303,820	309,564	523,979	48,137,363
Infrastructure	44,551,296	630,255	50,797	45,232,348
Furniture, fixtures and equipment	13,558,299	348,992	-	13,907,291
Vehicles	5,909,771	835,503	(89,976)	6,655,298
<b>Total capital assets being depreciated</b>	<u>111,323,186</u>	<u>2,124,314</u>	<u>484,800</u>	<u>113,932,300</u>
Less accumulated depreciation for:				
Buildings and improvements	26,751,367	1,324,074	-	28,075,441
Infrastructure	5,834,051	980,477	-	6,814,528
Furniture, fixtures and equipment	10,509,432	618,901	-	11,128,333
Vehicles	4,390,048	472,423	(89,976)	4,772,495
<b>Total accumulated depreciation</b>	<u>47,484,898</u>	<u>3,395,875</u>	<u>(89,976)</u>	<u>50,790,797</u>
<b>Total capital assets being depreciated, net</b>	<u>63,838,288</u>	<u>(1,271,561)</u>	<u>574,776</u>	<u>63,141,503</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 65,983,845</u>	<u>\$ 627,978</u>	<u>\$ -</u>	<u>\$ 66,611,823</u>

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 5 - Capital Assets (continued)**

	<b>Balance 9/30/2019</b>	<b>Additions</b>	<b>Deletions/ Transfers</b>	<b>Balance 9/30/2020</b>
<b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 394,876	\$ -	\$ -	\$ 394,876
Construction in progress	3,760,432	1,909,042	(2,976,171)	2,693,303
<b>Total capital assets, not being depreciated</b>	<b>4,155,308</b>	<b>1,909,042</b>	<b>(2,976,171)</b>	<b>3,088,179</b>
Capital assets being depreciated:				
Buildings and improvements	5,172,334	-	2,976,171	8,148,505
Underground equipment	36,135,214	8,085	-	36,143,299
Furniture, fixtures and equipment	4,658,215	10,089	-	4,668,304
Vehicles	745,841	-	(61,441)	684,400
<b>Total capital assets being depreciated</b>	<b>46,711,604</b>	<b>18,174</b>	<b>2,914,730</b>	<b>49,644,508</b>
Less accumulated depreciation for:				
Buildings and improvements	3,510,330	164,761	-	3,675,091
Underground equipment	15,856,596	945,240	-	16,801,836
Furniture, fixtures and equipment	2,502,091	150,760	-	2,652,851
Vehicles	559,565	47,159	(61,441)	545,283
<b>Total accumulated depreciation</b>	<b>22,428,582</b>	<b>1,307,920</b>	<b>(61,441)</b>	<b>23,675,061</b>
<b>Total capital assets being depreciated, net</b>	<b>24,283,022</b>	<b>(1,289,746)</b>	<b>2,976,171</b>	<b>25,969,447</b>
<b>Business-type Activities</b>				
<b>Capital Assets, Net</b>	<b>\$ 28,438,330</b>	<b>\$ 619,296</b>	<b>\$ -</b>	<b>\$ 29,057,626</b>

Depreciation was charged to functions of the primary government as follows:

<b>Governmental Activities</b>	
General government	\$ 1,293,051
Court	67,038
Public safety	565,174
Public works	951,172
Community services	519,440
<b>Total</b>	<b>\$ 3,395,875</b>
<b>Business-type Activities</b>	
Water and sewer	\$ 1,307,920

Construction in progress for the various projects and remaining commitments under these construction contracts at September 30, 2020, are as follows:

	<b>Authorized Contract</b>	<b>Total in Progress</b>	<b>Remaining Commitment</b>
<b>Governmental Activities</b>			
Various projects	\$ 2,378,934	\$ 1,798,578	\$ 580,356
	<u>\$ 2,378,934</u>	<u>\$ 1,798,578</u>	<u>\$ 580,356</u>
<b>Business-type Activities</b>			
Various projects	\$ 3,150,286	\$ 2,658,304	\$ 491,982
	<u>\$ 3,150,286</u>	<u>\$ 2,658,304</u>	<u>\$ 491,982</u>

# CITY OF HUMBLE, TEXAS

## NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

### Note 6 - Long-Term Debt

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for general government and enterprise fund activities. These instruments include general obligation bonds. Future ad valorem tax revenues secure these debt obligations. For governmental activities, compensated absences and the other post-employment obligation are liquidated by the general fund. For business-type activities, compensated absences and the other post-employment obligation are liquidated by the water and sewer fund.

During the year ended September 30, 2020, the following changes occurred in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Combination Tax and Revenue Bonds	\$ 3,585,000	\$ -	\$ (570,000)	\$ 3,015,000	\$ 580,000
Bond issuance premiums/discounts	121,809	-	(20,301)	101,508	-
Compensated absences	1,646,395	879,569	(1,297,719)	1,228,245	904,159
<b>Long-term Liabilities</b>	<u>\$ 5,353,204</u>	<u>\$ 879,569</u>	<u>\$ (1,888,020)</u>	<u>\$ 4,344,753</u>	<u>\$ 1,484,159</u>
<b>Business-type Activities:</b>					
Compensated absences	\$ 156,031	\$ 82,922	\$ (140,987)	\$ 97,966	\$ 66,096
<b>Long-term Liabilities</b>	<u>\$ 156,031</u>	<u>\$ 82,922</u>	<u>\$ (140,987)</u>	<u>\$ 97,966</u>	<u>\$ 66,096</u>

The following is a summary of the terms of obligations of general obligation bonds outstanding as of September 30, 2020:

<b>Governmental Activities:</b>			<b>Maturity</b>	<b>Debt</b>
<u>Series</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Date</u>	<u>Outstanding</u>
<b>Combination Tax and Revenue Bonds</b>				
2016 Series	2.0-3.0%	\$ 5,240,000	8/15/25	\$ 3,015,000
<b>Total Governmental Activities</b>				<u>\$ 3,015,000</u>

Annual debt service requirements to retire outstanding general obligation bonds are as follows:

	<b>Governmental Activities</b>		
<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 580,000	\$ 60,300	\$ 640,300
2022	590,000	48,700	638,700
2023	605,000	36,900	641,900
2024	615,000	24,800	639,800
2025	625,000	12,500	637,500
	<u>\$ 3,015,000</u>	<u>\$ 183,200</u>	<u>\$ 3,198,200</u>



**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 7 - Interfund Transactions**

The composition of interfund balances as of September 30, 2020, is as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 242,554	\$ -
Capital Projects Fund	223,785	-
Red Light Camera Fund	-	95,688
Non-Major Governmental Fund	-	1,947
Enterprise Fund	-	368,704
	<u>\$ 466,339</u>	<u>\$ 466,339</u>

Amounts recorded as interfund receivables and payables are considered to be temporary loans and will be repaid during the following fiscal year.

Interfund transfers for the year ended September 30, 2020, are as follows:

<b>Transfer In</b>					
<b>Transfer Out</b>	General Fund	Debt Service Fund	Capital Projects Fund	Enterprise Fund	Total
General Fund	\$ -	\$ -	\$ 719,628	\$ -	\$ 719,628
Capital Projects Fund	-	-	-	1,874,042	1,874,042
Non-Major Governmental Fund	340,000	-	-	-	340,000
Enterprise Fund	-	642,050	1,874,042	-	2,516,092
Totals	<u>\$ 340,000</u>	<u>\$ 642,050</u>	<u>\$ 2,593,670</u>	<u>\$ 1,874,042</u>	<u>\$ 5,449,762</u>

The following is a detail of the interfund transfers:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Purpose</u>
General Fund	Capital Projects Fund	To transfer for capital projects
Capital Projects Fund	Enterprise Fund	To transfer for capital projects
Nonmajor Governmental	General Fund	To transfer hotel/motel receipts
Enterprise Fund	Capital Projects Fund	To transfer for capital projects
Enterprise Fund	Debt Service	To transfer for debt service payments

**Note 8 - Intergovernmental Transactions**

The City received the following intergovernmental revenues:

Metro Mitigation - Harris County	\$ 6,638,346
State grant awards	15,915
Federal grant awards	820,684
	<u>\$ 7,474,945</u>

The City entered into a ten-year agreement with the Metropolitan Transit Authority of Harris County, Texas ("Metro"). Under this agreement, Metro agrees to pay the City 50% of the City's sales tax revenue collected on behalf of Metro. This agreement was effective from October 1, 1999 to September 30, 2009, and has since been extended three times with a new expiration date of September 30, 2040. In return, the City agrees to fund transportation improvement capital projects with the proceeds.

**Note 9 - Employee Retirement System**

***Texas Municipal Retirement System***

**Plan Description and Provisions**

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at [www.tmrs.com](http://www.tmrs.com).

All eligible employees of the City are required to participate in TMRS.

A summary of plan provisions for the City are as follows:

Employee deposit rate:	7%
Matching ratio (City to employee):	2 to 1
Years required for vesting:	5
Updated Service Credit:	50% repeating transfers
Annuity Increase to retirees:	70% of CPI repeating
Supplemental death benefit – employees and retirees:	Yes

The City participates in Social Security.

**Benefits Provided**

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

The plan provisions are adopted by the City Council, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	121
Inactive employees entitled to but not yet receiving benefits	57
Active employees	202
Total	<u>380</u>

**Note 9 - Employee Retirement System (continued)**

**Contributions**

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Since the City needs to know its contribution rates in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 13.43% and 13.61% in calendar years 2019 and 2020, respectively. The city's contributions to TMRS for the year ended September 30, 2020 were \$2,257,544, and were equal to the required contributions.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5% per year
Investment rate of return	6.75%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 9 - Employee Retirement System (continued)**

**Actuarial Assumptions (continued)**

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014, to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for annuity purchase rates is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the table below:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Domestic equity	17.5%	4.30%
International equity	17.5%	6.10%
Core fixed income	10.0%	1.00%
Non-core fixed income	20.0%	3.39%
Real estate	10.0%	3.78%
Real return	10.0%	4.44%
Absolute return	10.0%	3.56%
Private equity	5.0%	7.75%
Total	100.0%	

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 9 - Employee Retirement System (continued)**

**Changes in the Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Plan</b>		
	<b>Total Pension Liability</b>	<b>Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balance at 12/31/2018	\$ 77,347,244	\$ 65,771,619	\$ 11,575,625
Changes for the year:			
Service cost	2,517,684	-	2,517,684
Interest	5,205,963	-	5,205,963
Difference between expected and actual experience	(298,683)	-	(298,683)
Changes in assumptions	64		64
Contributions - employer	-	2,041,816	(2,041,816)
Contributions - employee	-	1,064,239	(1,064,239)
Net investment income	-	10,171,822	(10,171,822)
Benefit payments, including refunds, of employee contributions	(2,961,416)	(2,961,416)	-
Administrative expense	-	(57,455)	57,455
Other charges	-	(1,726)	1,726
Net changes	4,463,612	10,257,280	(5,793,668)
Balance at 12/31/2019	<u>\$ 81,810,856</u>	<u>\$ 76,028,899</u>	<u>\$ 5,781,957</u>

As previously disclosed, the assumed interest rate of return used by GRS is 6.75%. As of December 31, 2019, TMRS recognized an investment return of 14.96%. This, in turn, resulted in a net decrease of \$5,793,668 in the City's NPL. The return on investments is primarily a result of unrealized gains recognized in the global equities asset class in 2019.

**Sensitivity of the Net Pension Liability**

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<b>1% Decrease to 5.75%</b>	<b>Current Single Rate Assumption 6.75%</b>	<b>1% Increase to 7.75%</b>
City's net pension liability	\$ 17,557,460	\$ 5,781,957	\$ (3,888,023)

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 9 - Employee Retirement System (continued)**

**Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2020, the City recognized pension expense of \$2,232,025.

At September 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between actuarial assumptions and actual experience	\$ 156,100	\$ 529,226
Changes in actuarial assumptions used	63,877	-
Differences between projected and actual investment earnings	-	2,308,138
Contributions subsequent to the measurement date	<u>1,734,813</u>	<u>-</u>
Total	<u><u>\$ 1,954,790</u></u>	<u><u>\$ 2,837,364</u></u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,734,813 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2020 (i.e. recognized in the City's financial statements September 30, 2021). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Fiscal Year</u></b>	<b><u>Net deferred outflows (inflows) of resources</u></b>
2021	\$ (780,126)
2022	(709,817)
2023	140,389
2024	(1,208,734)
2025	(51,816)
Thereafter	<u>(7,283)</u>
Total	<u><u>\$ (2,617,387)</u></u>

**Note 10 - Other Post-Employment Benefits**

***TMRS Supplemental Death Benefits Fund***

**Benefit Plan Description**

The City also participates in the cost sharing single-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is another post-employment benefit (OPEB). As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Membership in the plan as of the measurement date of December 31, 2019 was as follows:

Inactive employees currently receiving benefits	100
Inactive employees entitled to but not yet receiving benefits	12
Active employees	<u>202</u>
Total	<u>314</u>

**Contributions**

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city (currently 0.17% of covered payroll). The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for benefits.

**Discount Rate**

The TMRS SDBF program is treated as unfunded OPEB plan because the SDBF trust covers both active employees and retirees and the assets are not segregated for these groups. Under GASB Statement No. 75, the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.75% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2019.

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 10 - Other Post-Employment Benefits (continued)**

**TMRS Supplemental Death Benefits Fund (continued)**

**Actuarial Assumptions**

The City's total OPEB liability was measured at December 31, 2019 and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

*Valuation Date:* December 31, 2019

*Methods and Assumptions:*

Inflation: 2.50%  
Salary Increases: 3.50% to 11.50%, including inflation  
Discount rate: 2.75%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.  
Retirees' share of benefit related costs: \$0  
Administrative expenses: All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.  
Mortality rates – service retirees: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.  
Mortality rates – disabled retirees: 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

*Other Information*

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

**Changes in the Total OPEB Liability**

<b>Total OPEB Liability</b>	
Service cost	\$ 18,244
Interest	20,840
Difference between expected and actual experience of the total OPEB liability	(21,205)
Changes of assumptions	107,093
Benefit payments	(3,041)
Net change in total OPEB liability	121,931
Total OPEB liability - beginning	554,121
Total OPEB liability - ending	<u>\$ 676,052</u>
Covered payroll	\$ 15,203,408
Total OPEB liability as a percentage of covered payroll	4.45%



**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 10 - Other Post-Employment Benefits (continued)**

**TMRS Supplemental Death Benefits Fund (continued)**

**Sensitivity Analysis**

The following presents the total OPEB liability of the employer, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

<b>1% Decrease to 1.75%</b>	<b>Current Discount Rate Assumption 2.75%</b>	<b>1% Increase to 3.75%</b>
<b>\$ 819,588</b>	<b>\$ 676,052</b>	<b>\$ 563,365</b>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Activity**

For the year ended September 30, 2020, the City recognized OPEB expense of \$51,024 related to the City's supplemental death benefit fund and OPEB expense of \$1,209,296 related to the Retiree Healthcare Plan for a total OPEB expense of \$1,260,320.

As of September 30, 2020, the City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 22,119
Changes assumptions	120,005	29,711
Contributions subsequent to the measurement date	21,669	-
<b>Total</b>	<b>\$ 141,674</b>	<b>\$ 51,830</b>

The \$21,669 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2021.

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 10 - Other Post-Employment Benefits (continued)**

***TMRS Supplemental Death Benefits Fund (continued)***

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Activity (continued)**

Amounts currently reported as deferred outflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows:

<b>Fiscal Year</b>	<b>Net deferred outflows (inflows) of resources</b>
2021	\$ 11,940
2022	11,940
2023	11,940
2024	11,940
2025	7,283
Thereafter	13,132
Total	<u>\$ 68,175</u>

***Retiree Health Care Plan (RHCP)***

**Plan Description**

The City's other post-employment benefits plan (OPEB) is a single-employer defined benefit healthcare plan that is administered by the City and covers retired employees of the City and if selected, their dependents. City Council has the authority to establish and amend benefit provisions of the plan. The plan does not issue a separate, publicly available report. In addition to providing pension benefits through the Texas Municipal Retirement System, the City has opted to provide eligible retired employees with the following post-employment benefits:

- For employees retiring and receiving annuities from the Texas Municipal Retirement System who are (1) at least 60 and have completed five consecutive years of active service with the city immediately prior to retirement, or (2) at any age have completed 20 consecutive years of active service with the City immediately prior to retirement. Coverage for medical benefits is provided from the date of retirement, for the balance of the retiree's life, and is contingent on the payment of the retiree's premium.
- For retirees under the age of 65, the retiree will pay 25% of the retiree premium for medical coverage. If dependent coverage is selected, the retiree is responsible for 100% of the dependent coverage premium.
- For retirees over the age of 65, the retiree is responsible for 100% of the fully-insured Medicare supplement plan. There is no GASB 45 liability associated with post-65 coverage.
- Retirees pay 25% of the retiree premium for dental, vision, and life insurance coverage. If dependent coverage is selected, the retiree is responsible for 100% of the dependent coverage premium. Life insurance coverage terminates for retirees at the age of 65.
- For retirees with a hire date on or after January 1, 2020, the City will provide a health reimbursement agreement (HRA) and fund \$12,500 on an annual basis to the HRA to go towards medical, dental, vision, and life coverage through the market.

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 10 - Other Post-Employment Benefits (continued)**

**Retiree Health Care Plan (RHCP) (continued)**

**Benefits provided**

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries	43
Inactive, nonretired members	-
Active members	<u>199</u>
Total	<u>242</u>

**Total OPEB Liability**

The City's total OPEB liability of \$11,027,651 was measured as of December 31, 2019, and was determined by an actuarial valuation as of December 31, 2018. Update procedures were used to roll forward the total OPEB liability to the measurement date of December 31, 2019.

**Actuarial assumptions and methods**

The City's total OPEB liability measured as of December 31, 2019, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

*Valuation Date:* December 31, 2018

*Methods and Assumptions:*

Actuarial Cost Method:	Individual Entry-Age
Discount Rate:	2.75%
Inflation:	2.50%
Salary Increases:	3.50% to 11.50%, including inflation
Demographic Assumptions:	Based on the experience study covering the four year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS)

**Mortality:** For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

**Health Care Trend Rates:** Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.

**Participation Rates:**

- 40% of retirees with age less than 50
- 65% of retirees with age between 50 and 59
- 95% of retirees with age between 60 and 64
- 75% of retirees were assumed to participate in the life insurance benefit

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 10 - Other Post-Employment Benefits (continued)**

**Retiree Health Care Plan (RHCP) (continued)**

**Actuarial assumptions and methods (continued)**

*Other Information:*

Notes: The discount rate changed from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019. Additionally, the demographic assumptions were updated to reflect the 2019 TMRS Experience Study and the ultimate health care trend assumption was decreased from 5.50% to 4.25% to reflect the repeal of the Excise Tax on high-cost employer health plans.

**Discount Rate**

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 3.71% as of the prior measurement date.

**Plan Assets**

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Changes in the Total OPEB Liability**

Service cost	\$ 589,832
Interest	393,336
Difference between expected and actual experience of the total OPEB liability	(134,713)
Changes of assumptions	(55,564)
Benefit payments	<u>(144,754)</u>
Net change in total OPEB liability	648,137
Total OPEB liability - beginning	<u>10,379,514</u>
Total OPEB liability - ending	<u><u>\$ 11,027,651</u></u>
 Covered payroll	 \$ 15,203,395
 Total OPEB liability as a percentage of covered payroll	 72.53%

The ending Total OPEB Liability was as of December 31, 2019.

Changes of assumptions reflect a change in the discount rate from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019, revised TMRS demographic and salary increase assumptions, and a decrease in the ultimate trend assumption related to the repeal of the Excise Tax on high-cost employer health plans.

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 10 - Other Post-Employment Benefits (continued)**

**Retiree Health Care Plan (RHCP) (continued)**

**Sensitivity of the total OPEB liability to changes in the discount rate**

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 2.75%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

<b>1% Decrease to 1.75%</b>	<b>Current Discount Rate Assumption 2.75%</b>	<b>1% Increase to 3.75%</b>
<u>\$ 12,076,364</u>	<u>\$ 11,027,651</u>	<u>\$ 10,074,383</u>

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates**

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase</b>
<u>\$ 9,612,670</u>	<u>\$ 11,027,651</u>	<u>\$ 12,740,904</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2020, the City recognized OPEB expense of \$1,209,296 related to the City's Retiree Healthcare Plan and \$51,024 related to the Supplemental Death Benefit Fund for a total OPEB expense of \$1,260,320.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,376,038	\$ 142,127
Changes assumptions	361,539	49,425
Contributions subsequent to the measurement date	299,427	-
Total	<u>\$ 2,037,004</u>	<u>\$ 191,552</u>

The \$299,427 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2021.

**CITY OF HUMBLE, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Note 10 - Other Post-Employment Benefits (continued)**

**Retiree Health Care Plan (RHCP) (continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)**

Amounts currently reported as deferred outflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows:

<b>Fiscal Year</b>	<b>Net deferred outflows (inflows) of resources</b>
2021	\$ 226,128
2022	226,128
2023	226,128
2024	226,128
2025	226,128
Thereafter	415,385
Total	<u>\$ 1,546,025</u>

**Note 11 - Commitments and Contingencies**

**Litigation and Other Contingencies**

From time to time, the City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of City Management and legal counsel that any ultimate uninsured liability to the City from these lawsuits will not be material.

Amounts received or receivable from granting 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. Management is not aware of any circumstances that would cause disallowed claims.

The City has been named as defendant in several lawsuits in the normal course of its operations. Legal counsel for the City is unable to estimate the amount, if any, for which the City may eventually become liable; however, such claims are not material to the financial condition of the City, in the opinion of its management. Should the City become liable in this manner, such liability would be satisfied by budgetary appropriation in a subsequent year.

The City has entered into several contracts which total \$5,529,220. The costs incurred to date related to these contracts are \$4,456,881 and are included in improvements and construction in process as of year-end.

**Note 12 - Risk Management**

The City 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 City participates along with over 2,800 other entities in the Texas Municipal League Intergovernmental Risk Pool ("Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past six fiscal years.

## **Required Supplementary Information**

**CITY OF HUMBLE, TEXAS***Page 1 of 2***SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND****BALANCES - BUDGET AND ACTUAL - GENERAL FUND****For the Year Ended September 30, 2020**

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 4,957,500	\$ 4,957,500	\$ 5,147,649	\$ 190,149
Sales tax	13,500,000	13,500,000	13,276,692	(223,308)
Franchise fees	1,436,782	1,436,782	1,431,888	(4,894)
Other taxes	298,000	298,000	274,021	(23,979)
Fines and forfeitures	1,237,750	1,237,750	1,083,055	(154,695)
Licenses and permits	288,750	288,750	522,833	234,083
Intergovernmental	6,785,600	8,838,600	7,474,945	(1,363,655)
Charges for services	1,905,195	1,905,195	1,623,848	(281,347)
Investment earnings	220,000	220,000	364,667	144,667
Other	111,500	111,500	115,489	3,989
<b>Total Revenues</b>	<b>30,741,077</b>	<b>32,794,077</b>	<b>31,315,087</b>	<b>(1,478,990)</b>
<b>Expenditures</b>				
Current:				
Administration				
Personnel	782,600	796,700	770,480	26,220
Capital	21,000	51,550	12,528	39,022
All other	1,953,970	1,956,770	1,380,386	576,384
Court				
Personnel	658,950	667,950	575,357	92,593
Capital	29,000	127,280	42,436	84,844
All other	459,820	461,920	345,351	116,569
Police department				
Personnel	6,113,680	6,262,380	6,122,984	139,396
Capital	559,000	559,000	80,776	478,224
All other	4,678,026	4,685,176	3,552,689	1,132,487
Fire department				
Personnel	4,627,543	4,701,343	4,639,251	62,092
Capital	716,586	1,151,374	1,136,086	15,288
All other	2,773,932	2,784,939	2,683,224	101,715
Streets				
Personnel	798,850	802,850	700,779	102,071
Capital	105,000	117,000	25,509	91,491
All other	1,046,000	1,047,100	804,609	242,491
Park department				
Personnel	485,770	549,370	548,671	699
Capital	768,975	950,141	879,686	70,455
All other	520,700	531,100	392,356	138,744
Civic center				
Personnel	754,000	799,100	715,510	83,590
Capital	595,840	653,340	217,964	435,376
All other	1,488,475	1,527,875	1,102,556	425,319



**CITY OF HUMBLE, TEXAS**

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**
**BALANCES - BUDGET AND ACTUAL - GENERAL FUND**

For the Year Ended September 30, 2020

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures (continued)</b>				
Animal control				
Personnel	\$ 128,650	\$ 128,650	\$ 119,346	\$ 9,304
Capital	45,500	45,500	10,517	34,983
All other	131,350	131,350	152,629	(21,279)
Inspections				
Personnel	337,600	359,800	360,576	(776)
Capital	-	-	-	-
All other	305,100	307,400	337,021	(29,621)
Vehicle maintenance				
Personnel	205,500	219,000	218,619	381
Capital	6,000	6,000	936	5,064
All other	115,900	117,400	86,023	31,377
Building maintenance				
Personnel	205,500	214,800	214,429	371
Capital	31,000	31,000	858	30,142
All other	110,925	111,625	70,397	41,228
<b>Total Expenditures</b>	<u>31,560,742</u>	<u>32,856,783</u>	<u>28,300,539</u>	<u>4,556,244</u>
Revenues Over Expenditures	<u>(819,665)</u>	<u>(62,706)</u>	<u>3,014,548</u>	<u>3,077,254</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	140,430	25,000	140,430	115,430
Operating transfers in	340,000	340,000	340,000	-
Operating transfers (out)	<u>(719,628)</u>	<u>(6,096,793)</u>	<u>(719,628)</u>	<u>5,377,165</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(239,198)</u>	<u>(5,731,793)</u>	<u>(239,198)</u>	<u>5,492,595</u>
Net Change in Fund Balance	(1,058,863)	(5,794,499)	2,775,350	8,569,849
<b>Fund Balance - Beginning</b>	<u>41,338,667</u>	<u>41,338,667</u>	<u>41,338,667</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 40,279,804</u>	<u>\$ 35,544,168</u>	<u>\$ 44,114,017</u>	<u>\$ 8,569,849</u>

**CITY OF HUMBLE, TEXAS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND****BALANCES - BUDGET AND ACTUAL - RED LIGHT CAMERA FUND***For the Year Ended September 30, 2020*

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 2,470,000	\$ 2,470,000	\$ 2,105,968	\$ (364,032)
Investment income	-	-	40,435	40,435
<b>Total Revenues</b>	<u>2,470,000</u>	<u>2,470,000</u>	<u>2,146,403</u>	<u>(323,597)</u>
<b>Expenditures</b>				
Current:				
Public safety	<u>2,705,568</u>	<u>2,699,568</u>	<u>2,136,560</u>	<u>563,008</u>
<b>Total Expenditures</b>	<u>2,705,568</u>	<u>2,699,568</u>	<u>2,136,560</u>	<u>563,008</u>
Revenues Over (Under) Expenditures	(235,568)	(229,568)	9,843	239,411
<b>Fund Balance - Beginning</b>	<u>4,400,946</u>	<u>4,400,946</u>	<u>4,400,946</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 4,165,378</u>	<u>\$ 4,171,378</u>	<u>\$ 4,410,789</u>	<u>\$ 239,411</u>

## **CITY OF HUMBLE, TEXAS**

### ***NOTES TO REQUIRED SUPPLEMENTARY BUDGET INFORMATION***

***For the Year Ended September 30, 2020***

#### **General Budget Policies**

The legally adopted budgets of the City are prepared on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted, or as amended in accordance with the annual appropriation ordinance.

#### **Excess of Expenditures over Appropriations**

For the year ended September 30, 2020, expenditures exceeded appropriations in the Inspections department (legal level of budgetary control) by \$30,397 due to increased insurance claims.

**CITY OF HUMBLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**  
**September 30, 2020**

**TEXAS MUNICIPAL RETIREMENT SYSTEM (UNAUDITED)**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST SIX MEASUREMENT YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability:</b>						
Service cost	\$ 2,517,684	\$ 2,444,543	\$ 2,426,241	\$ 2,259,399	\$ 1,924,388	\$ 1,754,213
Interest	5,205,963	4,918,920	4,623,653	4,331,685	4,231,641	4,003,543
Changes of benefit terms					(77,672)	
Difference between expected and actual experience	(298,683)	(143,096)	201,046	143,558	(598,978)	(422,967)
Change in assumptions	64				276,563	
Benefit payments, including refunds of employee contributions	(2,961,416)	(3,047,467)	(2,724,065)	(2,261,172)	(2,298,876)	(1,868,434)
Net change in total pension liability	4,463,612	4,172,900	4,526,875	4,473,470	3,457,066	3,466,355
Total pension liability - beginning	77,347,244	73,174,344	68,647,469	64,173,999	60,716,933	57,250,578
Total pension liability - ending (a)	<u>\$81,810,856</u>	<u>\$77,347,244</u>	<u>\$73,174,344</u>	<u>\$68,647,469</u>	<u>\$64,173,999</u>	<u>\$60,716,933</u>
<b>Plan fiduciary net position:</b>						
Contributions - employer	\$ 2,041,816	\$ 2,014,635	\$ 2,005,334	\$ 1,837,339	\$ 1,777,135	\$ 1,773,816
Contributions - employee	1,064,239	1,038,248	1,029,838	959,787	761,631	726,992
Net investment income	10,171,822	(2,032,694)	8,226,874	3,726,746	80,955	2,936,226
Benefit payments, including refunds of employee contributions	(2,961,416)	(3,047,467)	(2,724,065)	(2,261,172)	(2,298,876)	(1,868,434)
Administrative expense	(57,455)	(39,274)	(42,627)	(42,077)	(49,306)	(30,654)
Other	(1,727)	(2,052)	(2,159)	(2,267)	(2,434)	(2,520)
Net change in plan fiduciary net position	10,257,279	(2,068,604)	8,493,195	4,218,356	269,105	3,535,426
Plan fiduciary net position - beginning	65,771,620	67,840,224	59,347,029	55,128,673	54,859,568	51,324,142
Plan fiduciary net position - ending (b)	<u>76,028,899</u>	<u>65,771,620</u>	<u>67,840,224</u>	<u>59,347,029</u>	<u>55,128,673</u>	<u>54,859,568</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 5,781,957</u>	<u>\$11,575,624</u>	<u>\$ 5,334,120</u>	<u>\$ 9,300,440</u>	<u>\$ 9,045,326</u>	<u>\$ 5,857,365</u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	92.93%	85.03%	92.71%	86.45%	85.90%	90.35%
<b>Covered payroll</b>	\$15,203,408	\$14,817,238	\$14,713,410	\$13,709,948	\$12,693,854	\$12,065,483
<b>Net pension liability as a percentage of covered payroll</b>	38.03%	78.12%	36.25%	67.84%	71.26%	48.55%

The amounts presented are for each measurement year, which end the preceding December 31 of the City's fiscal year end. Net pension liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 68. Ten years of data should be presented in this schedule but data was unavailable prior to 2014.

**CITY OF HUMBLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**  
**September 30, 2020**

**TEXAS MUNICIPAL RETIREMENT SYSTEM (UNAUDITED)**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 2,257,544	\$ 2,038,431	\$ 2,000,953	\$ 1,977,481	\$ 1,860,348
Contribution in relation of the actuarially determined contribution	<u>2,257,544</u>	<u>2,038,431</u>	<u>2,000,953</u>	<u>1,977,481</u>	<u>1,860,348</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 16,638,868</u>	<u>\$ 15,132,665</u>	<u>\$ 14,701,872</u>	<u>\$ 14,535,815</u>	<u>\$ 12,693,854</u>
Contributions as a percentage of covered payroll	13.6%	13.5%	13.6%	13.6%	14.7%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 1,785,526	\$ 1,751,372	\$ 1,703,987	\$ 1,701,890	\$ 1,755,556
Contribution in relation of the actuarially determined contribution	<u>1,785,526</u>	<u>1,751,372</u>	<u>1,703,987</u>	<u>1,623,050</u>	<u>1,529,750</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,840</u>	<u>\$ -</u>
Covered payroll	<u>\$ 12,065,483</u>	<u>\$ 11,673,153</u>	<u>\$ 11,363,367</u>	<u>\$ 11,037,924</u>	<u>\$ 10,879,336</u>
Contributions as a percentage of covered payroll	14.8%	15.0%	15.0%	14.7%	14.1%

## **CITY OF HUMBLE, TEXAS**

### ***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS***

***September 30, 2020***

Valuation Date: Actuarial determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

#### **Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	26 years
Asset Valuation Method:	10 Year smoothed market; 12% soft corridor
Inflation:	2.50%
Salary Increases:	3.5% to 11.5% including inflation
Investment Rate of Return:	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

#### **Other Information**

Notes: There were no benefit changes during the year.

**CITY OF HUMBLE, TEXAS****REQUIRED SUPPLEMENTARY INFORMATION - OPEB***September 30, 2020***TMRS SUPPLEMENTAL DEATH BENEFITS FUND****SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS***Last Three Measurement Years Ended December 31*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 18,244	\$ 20,754	\$ 17,656
Interest	20,840	18,974	18,627
Difference between expected and actual experience	(21,205)	(5,289)	-
Change in assumptions	107,093	(40,965)	47,055
Benefit payments, including refunds of employee contributions	<u>(3,041)</u>	<u>(4,447)</u>	<u>(4,414)</u>
Net change in total OPEB liability	121,931	(10,973)	78,924
Total OPEB liability - beginning	<u>554,121</u>	<u>565,094</u>	<u>486,170</u>
Total OPEB liability - ending (a)	<u>\$ 676,052</u>	<u>\$ 554,121</u>	<u>\$ 565,094</u>
 <b>Covered payroll</b>	 \$15,203,408	 \$14,824,400	 \$14,713,410
 <b>Total OPEB liability as a percentage of covered payroll</b>	 4.45%	 3.74%	 3.84%

Ten years of data should be presented in this schedule but data was unavailable prior to 2017

**CITY OF HUMBLE RETIREE HEALTH CARE PLAN**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
*Last Three Measurement Years Ended December 31*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 589,832	\$ 528,329	\$ 434,530
Interest	393,336	267,651	274,959
Difference between expected and actual experience	(134,713)	1,766,316	(32,917)
Change in assumptions	(55,564)	140,063	372,655
Benefit payments, including refunds of employee contributions	<u>(144,754)</u>	<u>(289,642)</u>	<u>(163,851)</u>
Net change in total OPEB liability	648,137	2,412,717	885,376
Total OPEB liability - beginning	<u>10,379,514</u>	<u>7,966,797</u>	<u>7,081,421</u>
Total OPEB liability - ending (a)	<u>\$ 11,027,651</u>	<u>\$ 10,379,514</u>	<u>\$ 7,966,797</u>
 <b>Covered payroll</b>	 \$ 15,203,395	 \$ 14,824,396	 \$ 14,480,133
 <b>Total OPEB liability as a percentage of covered payroll</b>	 72.53%	 70.02%	 55.02%

Ten years of data should be presented in this schedule but data was unavailable prior to 2017

**CITY OF HUMBLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION - OPEB**  
*September 30, 2020*

**Notes to Required Supplementary Information:**

Fiscal Year 2020 (Measurement Year 2019) - The demographic assumptions were updated to reflect the 2019 TMRS Experience Study. Additionally, the ultimate health care trend assumption was decreased from 5.50% to 4.25% to reflect the repeal of the Excise Tax on high-cost employer health plans.

Fiscal Year 2019 (Measurement Year 2018) - The health care trend assumption was modified.

*Changes of Assumptions:*

Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	2.75%
2018	3.71%
2017	3.31%
2016	3.81%



## **Other Supplementary Information**



**CITY OF HUMBLE, TEXAS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND****BALANCES - BUDGET AND ACTUAL - DEBT SERVICE FUND***For the Year Ended September 30, 2020*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>				
Taxes:				
Property taxes	\$ 750	\$ 750	\$ 46	\$ (704)
<b>Total Revenues</b>	<u>750</u>	<u>750</u>	<u>46</u>	<u>(704)</u>
<b>Expenditures</b>				
Debt Service:				
Principal	570,000	570,000	570,000	-
Interest and other charges	<u>71,700</u>	<u>71,700</u>	<u>72,050</u>	<u>(350)</u>
<b>Total Expenditures</b>	<u>641,700</u>	<u>641,700</u>	<u>642,050</u>	<u>(350)</u>
Revenues over (under) expenditures	(640,950)	(640,950)	(642,004)	(1,054)
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>641,700</u>	<u>641,700</u>	<u>642,050</u>	<u>350</u>
<b>Total other financing sources (uses)</b>	<u>641,700</u>	<u>641,700</u>	<u>642,050</u>	<u>350</u>
Net changes in fund balances	750	750	46	(704)
<b>Fund Balances - Beginning</b>	<u>5,218</u>	<u>5,218</u>	<u>5,218</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 5,968</u>	<u>\$ 5,968</u>	<u>\$ 5,264</u>	<u>\$ (704)</u>

**CITY OF HUMBLE, TEXAS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND****BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND***From Inception Through the Year Ended September 30, 2020*

	<b>Prior Years Actual</b>	<b>Current Year Actual</b>	<b>Total Actual to Date</b>	<b>Project Authorization</b>
<b>Revenues</b>				
Investment income	\$ -	\$ 38	\$ 38	\$ -
Miscellaneous	-	1,295	1,295	-
<b>Total Revenues</b>	-	1,333	1,333	-
<b>Expenditures</b>				
Current:				
Capital Outlay	271,203	719,628	990,831	4,043,823
<b>Total Expenditures</b>	271,203	719,628	990,831	4,043,823
Revenues Over (Under) Expenditures	(271,203)	(718,295)	(989,498)	4,043,823
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	-	2,593,670	2,593,670	2,593,670
Operating transfers (out)	-	(1,874,042)	(1,874,042)	(1,874,042)
<b>Total Other Financing Sources (Uses)</b>	-	719,628	719,628	719,628
Net Change in Fund Balance	<u>\$ (271,203)</u>	1,333	<u>\$ (269,870)</u>	<u>\$ 4,763,451</u>
<b>Fund Balance - Beginning</b>		<u>141,319</u>		
<b>Fund Balance - Ending</b>		<u>\$ 142,652</u>		

**CITY OF HUMBLE, TEXAS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND****BALANCES - BUDGET AND ACTUAL - HOTEL/MOTEL FUND***For the Year Ended September 30, 2020*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>				
Taxes:				
Hotel/motel occupancy taxes	\$ 400,000	\$ 400,000	\$ 381,358	\$ (18,642)
Investment earnings	-	-	7,897	7,897
<b>Total Revenues</b>	<u>400,000</u>	<u>400,000</u>	<u>389,255</u>	<u>(10,745)</u>
<b>Expenditures</b>				
Current:				
Community services	556,700	556,700	500,481	56,219
<b>Total Expenditures</b>	<u>556,700</u>	<u>556,700</u>	<u>500,481</u>	<u>56,219</u>
Revenues over (under) expenditures	(156,700)	(156,700)	(111,226)	45,474
<b>Other Financing Sources (Uses)</b>				
Transfers out	(420,325)	(420,325)	(340,000)	80,325
<b>Total other financing sources (uses)</b>	<u>(420,325)</u>	<u>(420,325)</u>	<u>(340,000)</u>	<u>80,325</u>
Net changes in fund balances	(577,025)	(577,025)	(451,226)	125,799
<b>Fund Balances - Beginning</b>	<u>1,010,651</u>	<u>1,010,651</u>	<u>1,010,651</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 433,626</u>	<u>\$ 433,626</u>	<u>\$ 559,425</u>	<u>\$ 125,799</u>



# CITY OF HUMBLE, TEXAS

## UNAUDITED STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information, both current and historical, 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. To assist financial statement users, the section is categorized as follows:

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	80
These schedules contain trend information to help the reader understand how the City's financial performance and "well-being" have changed over time.	
<b>Revenue Capacity</b>	90
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	100
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	102
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	106
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement No. 34 in the fiscal year ending September 30, 2004. Schedules presenting government-wide information include information beginning in that year.

**CITY OF HUMBLE, TEXAS**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

*Page 1 of 2*

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 27,320,527	\$ 28,089,850	\$ 31,712,478	\$ 38,711,211	\$ 50,406,505
Restricted	6,745,451	16,643,656	12,632,359	21,332,381	21,090,176
Unrestricted	<u>27,476,588</u>	<u>22,991,250</u>	<u>31,321,795</u>	<u>22,737,963</u>	<u>13,772,378</u>
<b>Total Governmental Activities</b>					
<b>Net Position</b>	<u>\$ 61,542,566</u>	<u>\$ 67,724,756</u>	<u>\$ 75,666,632</u>	<u>\$ 82,781,555</u>	<u>\$ 85,269,059</u>
<b>Business-type Activities</b>					
Net investment in capital assets	\$ 30,133,849	\$ 29,470,677	\$ 29,552,626	\$ 28,770,288	\$ 27,976,892
Unrestricted	<u>4,585,585</u>	<u>6,621,388</u>	<u>5,391,386</u>	<u>7,511,551</u>	<u>8,990,773</u>
<b>Total Business-type Activities</b>					
<b>Net Position</b>	<u>\$ 34,719,434</u>	<u>\$ 36,092,065</u>	<u>\$ 34,944,012</u>	<u>\$ 36,281,839</u>	<u>\$ 36,967,665</u>
<b>Primary Government</b>					
Net investment in capital assets	\$ 57,454,376	\$ 57,560,527	\$ 61,265,104	\$ 67,481,499	\$ 78,383,397
Restricted	6,745,451	16,643,656	12,632,359	21,332,381	21,090,176
Unrestricted	<u>32,062,173</u>	<u>29,612,638</u>	<u>36,713,181</u>	<u>30,249,514</u>	<u>22,763,151</u>
<b>Total Primary Government</b>					
<b>Net Position</b>	<u>\$ 96,262,000</u>	<u>\$ 103,816,821</u>	<u>\$ 110,610,644</u>	<u>\$ 119,063,394</u>	<u>\$ 122,236,724</u>



**CITY OF HUMBLE, TEXAS**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

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	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 55,561,299	\$ 60,105,269	\$ 62,915,713	\$ 62,456,035	\$ 63,669,367
Restricted	9,408,341	7,629,060	8,259,447	11,036,162	12,333,064
Unrestricted	<u>24,544,998</u>	<u>24,905,335</u>	<u>26,217,025</u>	<u>30,325,652</u>	<u>33,024,706</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 89,514,638</u>	<u>\$ 92,639,664</u>	<u>\$ 97,392,185</u>	<u>\$ 103,817,849</u>	<u>\$ 109,027,137</u>
<b>Business-type Activities</b>					
Net investment in capital assets	\$ 27,466,080	\$ 27,202,724	\$ 27,381,078	\$ 28,438,330	\$ 29,057,626
Unrestricted	<u>11,297,289</u>	<u>12,694,141</u>	<u>14,157,586</u>	<u>14,351,671</u>	<u>15,123,003</u>
<b>Total Business-type Activities Net Position</b>	<u>\$ 38,763,369</u>	<u>\$ 39,896,865</u>	<u>\$ 41,538,664</u>	<u>\$ 42,790,001</u>	<u>\$ 44,180,629</u>
<b>Primary Government</b>					
Net investment in capital assets	\$ 83,027,379	\$ 87,307,993	\$ 90,296,791	\$ 90,894,365	\$ 92,726,993
Restricted	9,408,341	7,629,060	8,259,447	11,036,162	12,333,064
Unrestricted	<u>35,842,287</u>	<u>37,599,476</u>	<u>40,374,611</u>	<u>44,677,323</u>	<u>48,147,709</u>
<b>Total Primary Government Net Position</b>	<u>\$ 128,278,007</u>	<u>\$ 132,536,529</u>	<u>\$ 138,930,849</u>	<u>\$ 146,607,850</u>	<u>\$ 153,207,766</u>

**CITY OF HUMBLE, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

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	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 1,942,585	\$ 2,254,910	\$ 1,960,828	\$ 2,214,887	\$ 2,296,281
Court	894,537	919,512	1,014,342	940,620	912,002
Public safety	13,186,914	13,267,069	14,447,794	14,928,331	15,531,040
Public works	3,422,676	3,078,417	3,298,222	3,401,250	3,589,075
Community services	3,023,786	2,948,472	2,894,327	3,232,039	2,975,595
Interest on long-term debt	368,157	341,554	305,721	227,017	211,206
Total governmental activities expenses	<u>22,838,655</u>	<u>22,809,935</u>	<u>23,921,234</u>	<u>24,944,144</u>	<u>25,515,199</u>
Business-type activities:					
Water and sewer operations	<u>5,320,165</u>	<u>5,326,218</u>	<u>6,371,769</u>	<u>5,780,025</u>	<u>5,892,906</u>
<b>Total Primary Government Expenses</b>	<u>\$ 28,158,820</u>	<u>\$ 28,136,153</u>	<u>\$ 30,293,003</u>	<u>\$ 30,724,169</u>	<u>\$ 31,408,105</u>
<b>Program Revenue</b>					
Governmental activities:					
Charges for services:					
Court fines	\$ 1,079,547	\$ 1,385,308	\$ 1,276,763	\$ 1,476,476	\$ 461,536
Other activities	3,874,111	4,118,317	4,300,721	5,062,269	4,203,568
Operating grants and contributions	103,576	22,685	16,415	15,348	19,279
Capital grants and contributions	<u>2,943,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities program revenues	<u>8,000,724</u>	<u>5,526,310</u>	<u>5,593,899</u>	<u>6,554,093</u>	<u>4,684,383</u>
Business-type activities:					
Charges for services:					
Water	3,860,560	3,725,006	3,876,235	3,766,249	3,625,844
Sewer	3,729,001	3,785,888	3,937,328	3,961,836	4,159,771
Capital grants and contributions	<u>25,500</u>	<u>242,996</u>	<u>179,357</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>7,615,061</u>	<u>7,753,890</u>	<u>7,992,920</u>	<u>7,728,085</u>	<u>7,785,615</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 15,615,785</u>	<u>\$ 13,280,200</u>	<u>\$ 13,586,819</u>	<u>\$ 14,282,178</u>	<u>\$ 12,469,998</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (14,837,931)	\$ (17,283,625)	\$ (18,327,335)	\$ (18,390,051)	\$ (20,830,816)
Business-type activities	<u>2,294,896</u>	<u>2,427,672</u>	<u>1,621,151</u>	<u>1,948,060</u>	<u>1,892,709</u>
<b>Total Primary Government Net Expense</b>	<u>\$ (12,543,035)</u>	<u>\$ (14,855,953)</u>	<u>\$ (16,706,184)</u>	<u>\$ (16,441,991)</u>	<u>\$ (18,938,107)</u>

**CITY OF HUMBLE, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

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	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 3,003,257	\$ 3,885,935	\$ 3,982,333	\$ 3,651,067	\$ 4,239,683
Court	956,447	845,474	916,084	1,016,805	1,009,198
Public safety	17,434,608	18,202,614	18,323,622	19,312,345	19,845,401
Public works	4,017,382	3,586,290	3,693,386	3,903,141	3,120,622
Community services	3,045,499	3,162,880	3,253,388	3,526,539	3,322,984
Interest on long-term debt	196,992	154,489	88,373	72,248	56,254
Total governmental activities expenses	<u>28,654,185</u>	<u>29,837,682</u>	<u>30,257,186</u>	<u>31,482,145</u>	<u>31,594,142</u>
Business-type activities:					
Water and sewer operations	<u>6,171,402</u>	<u>6,657,743</u>	<u>6,264,775</u>	<u>6,210,568</u>	<u>6,361,355</u>
<b>Total Primary Government Expenses</b>	<u>\$ 34,825,587</u>	<u>\$ 36,495,425</u>	<u>\$ 36,521,961</u>	<u>\$ 37,692,713</u>	<u>\$ 37,955,497</u>
<b>Program Revenue</b>					
Governmental activities:					
Charges for services:					
Court fines	\$ 450,329	\$ 1,082,598	\$ 1,360,674	\$ 1,219,974	\$ 696,121
Other activities	5,641,461	5,576,302	7,026,543	6,860,306	6,870,932
Operating grants and contributions	35,008	36,476	1,557,568	768,739	836,599
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>6,126,798</u>	<u>6,695,376</u>	<u>9,944,785</u>	<u>8,849,019</u>	<u>8,403,652</u>
Business-type activities:					
Charges for services:					
Water	3,992,827	3,964,162	3,931,098	3,889,169	3,923,896
Sewer	4,468,207	4,465,198	4,105,543	4,006,284	3,916,557
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>8,461,034</u>	<u>8,429,360</u>	<u>8,036,641</u>	<u>7,895,453</u>	<u>7,840,453</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 14,587,832</u>	<u>\$ 15,124,736</u>	<u>\$ 17,981,426</u>	<u>\$ 16,744,472</u>	<u>\$ 16,244,105</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (22,527,387)	\$ (23,142,306)	\$ (20,312,401)	\$ (22,633,126)	\$ (23,190,490)
Business-type activities	<u>2,289,632</u>	<u>1,771,617</u>	<u>1,771,866</u>	<u>1,684,885</u>	<u>1,479,098</u>
<b>Total Primary Government Net Expense</b>	<u>\$ (20,237,755)</u>	<u>\$ (21,370,689)</u>	<u>\$ (18,540,535)</u>	<u>\$ (20,948,241)</u>	<u>\$ (21,711,392)</u>

**CITY OF HUMBLE, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

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	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 2,409,633	\$ 2,470,952	\$ 2,577,384	\$ 2,810,416	\$ 3,017,870
Sales and use taxes	11,172,162	11,764,836	12,337,228	13,027,778	13,825,421
Franchise taxes	1,394,592	1,415,797	1,454,209	1,456,072	1,477,269
Hotel/motel occupancy tax	440,888	540,441	571,612	632,201	541,333
Other taxes	245,883	252,241	265,964	324,311	338,355
Unrestricted grants and contributions	5,586,081	5,882,418	6,168,614	6,513,889	6,912,711
Investment earnings	53,152	16,200	8,264	6,577	188,160
Miscellaneous	9,137	117,118	97,409	107,809	62,399
Transfers	1,924,063	991,742	2,788,528	625,920	829,863
<b>Total governmental activities</b>	<u>23,235,591</u>	<u>23,451,745</u>	<u>26,269,212</u>	<u>25,504,973</u>	<u>27,193,381</u>
Business-type activities:					
Investment earnings	14,340	23,642	9,352	15,687	44,810
Miscellaneous	-	(86,942)	9,972	-	8,770
Gain (loss) on sale of assets	-	-	-	-	-
Transfers	(1,924,063)	(991,742)	(2,788,528)	(625,920)	(829,863)
<b>Total business-type activities</b>	<u>(1,909,723)</u>	<u>(1,055,042)</u>	<u>(2,769,204)</u>	<u>(610,233)</u>	<u>(776,283)</u>
<b>Total primary government</b>	<u>\$ 21,325,868</u>	<u>\$ 22,396,703</u>	<u>\$ 23,500,008</u>	<u>\$ 24,894,740</u>	<u>\$ 26,417,098</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 8,397,660	\$ 6,168,120	\$ 7,941,877	\$ 7,114,922	\$ 6,362,565
Business-type activities	385,173	1,372,630	(1,148,053)	1,337,827	1,116,426
<b>Total primary government</b>	<u>\$ 8,782,833</u>	<u>\$ 7,540,750</u>	<u>\$ 6,793,824</u>	<u>\$ 8,452,749</u>	<u>\$ 7,478,991</u>

**CITY OF HUMBLE, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

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	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 3,286,882	\$ 3,616,912	\$ 4,062,915	\$ 4,557,544	\$ 5,145,905
Sales and use taxes	13,602,282	13,002,882	13,903,685	13,583,972	13,276,692
Franchise taxes	1,557,008	1,451,166	1,352,328	1,451,471	1,431,888
Hotel/motel occupancy tax	492,889	625,607	416,287	471,995	381,358
Other taxes	326,500	307,560	266,574	300,900	274,021
Unrestricted grants and contributions	6,844,419	6,501,441	6,951,843	6,791,986	6,638,346
Investment earnings	145,984	55,246	267,432	938,337	413,037
Miscellaneous		58,257	39,772	60,500	196,481
Transfers	517,002	648,261	460,138	902,085	642,050
<b>Total governmental activities</b>	<u>26,772,966</u>	<u>26,267,332</u>	<u>27,720,974</u>	<u>29,058,790</u>	<u>28,399,778</u>
Business-type activities:					
Investment earnings	23,074	10,140	132,753	395,944	140,166
Miscellaneous	-	-	315,631	72,593	413,414
Gain (loss) on sale of assets	-	-	-	-	-
Transfers	(517,002)	(648,261)	(460,138)	(902,085)	(642,050)
<b>Total business-type activities</b>	<u>(493,928)</u>	<u>(638,121)</u>	<u>(11,754)</u>	<u>(433,548)</u>	<u>(88,470)</u>
<b>Total primary government</b>	<u>\$ 26,279,038</u>	<u>\$ 25,629,211</u>	<u>\$ 27,709,220</u>	<u>\$ 28,625,242</u>	<u>\$ 28,311,308</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 4,245,579	\$ 3,125,026	\$ 7,408,573	\$ 6,425,664	\$ 5,209,288
Business-type activities	1,795,704	1,133,496	1,760,112	1,251,337	1,390,628
<b>Total primary government</b>	<u>\$ 6,041,283</u>	<u>\$ 4,258,522</u>	<u>\$ 9,168,685</u>	<u>\$ 7,677,001</u>	<u>\$ 6,599,916</u>

**CITY OF HUMBLE, TEXAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

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	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund					
Nonspendable					
Prepaid items	\$ 2,998	\$ 2,165	\$ 10,415	\$ 10,415	\$ -
Restricted					
Transportation	1,869,143	11,413,775	8,055,090	15,382,991	13,912,987
Police and traffic safety	52,152	229,880	221,395	294,290	289,610
Municipal court	302,774	365,979	114,830	181,310	229,449
Committed					
Other purposes	14,016	-	-	-	-
Assigned					
Other purposes	21,863	91,602	-	-	-
Unassigned	26,472,769	23,634,980	32,633,301	23,914,187	19,558,851
<b>Total General Fund</b>	<u>\$ 28,735,715</u>	<u>\$ 35,738,381</u>	<u>\$ 41,035,031</u>	<u>\$ 39,783,193</u>	<u>\$ 33,990,897</u>
All other governmental funds					
Nonspendable					
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted					
Debt service	1,255,955	1,141,952	2,166	3,513	3,072
Capital projects	301,315	506,394	404,975	228,978	835,616
Tourism	156,591	157,304	367,781	561,659	658,156
Police and traffic safety	1,385,793	1,074,247	1,013,666	1,372,942	1,646,326
Committed					
Capital projects	285,622	285,932	-	-	-
Other purposes	12,795	14,848	-	-	-
Assigned					
Capital projects	43,979	43,979	136,955	136,955	136,955
Development activities	-	-	10,989	250	250
Unassigned	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ 3,442,050</u>	<u>\$ 3,224,656</u>	<u>\$ 1,936,532</u>	<u>\$ 2,304,297</u>	<u>\$ 3,280,375</u>

Note : In conforming to provisions of GASB Statement No. 54, fund balances of prior periods were restated to the new fund balance classifications.

**CITY OF HUMBLE, TEXAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

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	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General fund					
Nonspendable					
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ 35,538
Restricted					
Transportation	6,802,346	4,070,268	2,926,225	5,055,391	6,780,929
Police and traffic safety	303,111	333,854	418,717	459,565	455,820
Municipal court	233,607	316,519	136,241	109,609	126,101
Committed					
Other purposes	-	-	-	-	-
Assigned					
Other purposes	-	-	-	-	-
Unassigned	26,462,695	27,013,745	31,477,334	35,714,102	36,715,629
<b>Total General Fund</b>	<u><u>\$ 33,801,759</u></u>	<u><u>\$ 31,734,386</u></u>	<u><u>\$ 34,958,517</u></u>	<u><u>\$ 41,338,667</u></u>	<u><u>\$ 44,114,017</u></u>
All other governmental funds					
Nonspendable					
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ 25,328
Restricted					
Debt service	2,633	7,756	7,834	5,218	5,264
Capital projects	86,617	297,392	141,218	141,319	142,652
Tourism	735,103	906,977	908,167	1,010,651	559,425
Police and traffic safety	2,069,277	2,214,347	3,870,097	4,400,946	4,385,461
Committed					
Capital projects	-	-	-	-	-
Other purposes	-	-	-	-	-
Assigned					
Capital projects	-	-	-	-	-
Development activities	-	-	5,575	-	2,474
Unassigned	(1,600)	-	-	-	-
<b>Total all other governmental funds</b>	<u><u>\$ 2,892,030</u></u>	<u><u>\$ 3,426,472</u></u>	<u><u>\$ 4,932,891</u></u>	<u><u>\$ 5,558,134</u></u>	<u><u>\$ 5,120,604</u></u>

Note : In conforming to provisions of GASB Statement No. 54, fund balances of prior periods were restated to the new fund balance classifications.

**CITY OF HUMBLE, TEXAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

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	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>					
Taxes:					
Property taxes	\$ 2,421,530	\$ 2,470,181	\$ 2,583,342	\$ 2,853,348	\$ 2,975,871
Sales and use taxes	11,172,162	11,764,836	12,337,228	13,027,778	13,825,421
Hotel/motel occupancy taxes	440,888	540,441	571,612	632,205	541,333
Franchise taxes	1,394,592	1,415,797	1,454,209	1,456,072	1,477,269
Other taxes	245,883	252,241	265,964	324,311	338,355
Licenses and permits	225,554	194,785	159,535	281,481	270,132
Charges for services	1,708,923	1,545,103	1,555,415	1,681,722	1,820,089
Fines and forfeitures	2,626,438	3,083,056	2,974,525	2,923,635	2,651,047
Investment earnings	79,013	101,605	97,410	108,033	188,160
Intergovernmental	8,616,731	5,905,666	6,178,364	6,526,699	6,928,653
Miscellaneous	115,545	283,882	256,215	226,876	253,524
<b>Total Revenues</b>	<u>29,047,259</u>	<u>27,557,593</u>	<u>28,433,819</u>	<u>30,042,160</u>	<u>31,269,854</u>
<b>Expenditures</b>					
General government	1,661,980	1,855,046	1,649,003	1,866,769	1,885,058
Court	811,889	823,496	907,848	855,413	851,306
Public safety	12,749,384	12,522,049	13,667,913	14,123,026	15,302,970
Public works	2,288,273	2,024,168	2,137,537	2,263,845	2,358,232
Community services	2,451,070	2,385,502	2,308,631	2,642,289	2,619,170
Capital outlay	4,769,049	2,287,558	3,620,071	9,111,837	13,210,287
Debt service:					
Payment to refunding agent					-
Principal	1,750,000	690,000	2,575,000	460,000	475,000
Capital lease retirement	31,492	32,547	33,637	-	-
Interest and other charges	377,030	343,716	314,181	228,974	213,912
<b>Total Expenditures</b>	<u>26,890,167</u>	<u>22,964,081</u>	<u>27,213,821</u>	<u>31,552,153</u>	<u>36,915,935</u>
Excess of revenues over (under) expenditures	2,157,092	4,593,512	1,219,998	(1,509,993)	(5,646,081)
<b>Other Financing Sources (Uses)</b>					
Debt proceeds	-	-	-	-	-
Transfers	1,924,063	991,743	2,788,528	625,920	829,863
Proceeds from sale of assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>1,924,063</u>	<u>991,743</u>	<u>2,788,528</u>	<u>625,920</u>	<u>829,863</u>
<b>Net Change in Fund Balances</b>	<u>\$ 4,081,155</u>	<u>\$ 5,585,255</u>	<u>\$ 4,008,526</u>	<u>\$ (884,073)</u>	<u>\$ (4,816,218)</u>
Debt service as a percentage of noncapital expenditures	8.8%	5.5%	16.1%	3.1%	3.0%



**CITY OF HUMBLE, TEXAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
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	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Revenues</b>					
Taxes:					
Property taxes	\$ 3,263,296	\$ 3,599,012	\$ 4,050,021	\$ 4,551,854	\$ 5,147,695
Sales and use taxes	13,602,282	13,002,882	13,903,685	13,583,972	13,276,692
Hotel/motel occupancy taxes	492,889	625,607	416,287	471,995	381,358
Franchise taxes	1,557,008	1,451,166	1,352,328	1,451,471	1,431,888
Other taxes	326,500	307,560	266,574	300,900	274,021
Licenses and permits	369,488	635,754	371,322	493,738	522,833
Charges for services	3,823,641	1,927,956	1,967,930	2,074,024	1,626,998
Fines and forfeitures	1,042,606	2,893,613	4,161,038	3,518,918	3,189,023
Investment earnings	146,486	55,246	267,432	938,337	413,037
Intergovernmental	6,830,547	6,534,784	6,984,259	7,447,968	7,474,945
Miscellaneous	191,716	176,836	1,717,645	367,633	116,784
<b>Total Revenues</b>	<u>31,646,459</u>	<u>31,210,416</u>	<u>35,458,521</u>	<u>35,200,810</u>	<u>33,855,274</u>
<b>Expenditures</b>					
General government	5,004,653	5,990,043	2,748,825	2,336,649	2,163,394
Court	849,146	742,772	844,125	914,337	963,144
Public safety	14,502,124	15,510,838	18,199,395	18,397,781	20,634,062
Public works	2,874,774	2,545,642	2,858,517	2,988,711	2,819,756
Community services	2,544,017	2,590,054	2,916,658	3,194,888	4,357,900
Capital outlay	6,317,005	5,427,043	3,884,318	648,126	719,628
Debt service:					
Payment to refunding agent	-	5,321,520	-	-	-
Principal	495,000	565,000	535,000	555,000	570,000
Capital lease retirement	-	-	-	-	-
Interest and other charges	196,992	180,084	104,749	88,703	72,050
<b>Total Expenditures</b>	<u>32,783,711</u>	<u>38,872,996</u>	<u>32,091,587</u>	<u>29,124,195</u>	<u>32,299,934</u>
Excess of revenues over (under) expenditures	(1,137,252)	(7,662,580)	3,366,934	6,076,615	1,555,340
<b>Other Financing Sources (Uses)</b>					
Debt proceeds	-	5,422,712	-	-	-
Transfers	516,491	648,261	460,138	902,085	642,050
Proceeds from sale of assets	43,278	58,676	34,363	26,693	140,430
<b>Total other financing sources (uses)</b>	<u>559,769</u>	<u>6,129,649</u>	<u>494,501</u>	<u>928,778</u>	<u>782,480</u>
<b>Net Change in Fund Balances</b>	<u>\$ (577,483)</u>	<u>\$ (1,532,931)</u>	<u>\$ 3,861,435</u>	<u>\$ 7,005,393</u>	<u>\$ 2,337,820</u>
Debt service as a percentage of noncapital expenditures	2.8%	2.4%	2.4%	2.4%	2.3%

**CITY OF HUMBLE, TEXAS****ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Real Property Value (1)</b>	<b>Personal Property Value (1)</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (2)</b>
2011	2010	\$ 871,033,687	\$ 337,986,471	\$ 1,209,020,158	0.200000
2012	2011	886,924,844	337,665,939	1,224,590,783	0.200000
2013	2012	914,844,617	366,973,952	1,281,818,569	0.200000
2014	2013	1,009,238,228	387,183,844	1,396,422,072	0.200000
2015	2014	1,091,508,123	393,877,998	1,485,386,121	0.200000
2016	2015	1,193,280,511	445,777,298	1,639,057,809	0.200000
2017	2016	1,283,253,336	434,384,709	1,717,638,045	0.200000
2018	2017	1,345,190,647	446,240,478	1,791,431,125	0.225471
2019	2018	1,384,567,053	419,699,808	1,804,266,861	0.248572
2020	2019	1,536,736,376	461,458,153	1,998,194,529	0.255944

(1) Values are presented net of exemptions.

(2) Tax rate per \$100 assessed valuation.

Source: City finance department

**CITY OF HUMBLE, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
GGP Deerbrook LP	\$ 126,079,281	1	6.31%	\$ 49,722,750	1	4.11%
Rockstar Capital	61,717,749	2	3.09%	-	-	-
Vestar DM LLC	52,406,455	3	2.62%	-	-	-
MPLD Air 59 LLC	45,835,938	4	2.29%	-	-	-
Frep III Humblewood Center LLC	33,859,303	5	1.69%	-	-	-
Lawler Foods	29,971,190	6	1.50%	34,031,563	4	2.81%
Costco Wholesale	28,748,430	7	1.44%	-	-	-
Central Telephone Co of Texas	27,890,030	8	1.40%	-	-	-
Jackson Shaw Tprf Iv Parc Air 59 LLC	23,843,456	9	1.19%	-	-	-
Deerbrook Investment Properties LTD	23,538,702	10	1.18%	47,228,980	2	3.91%
IVC Deerbrook LLC	-	-	-	38,657,701	3	3.20%
Wal-Mart Stores, Inc.	-	-	-	21,214,159	5	1.75%
Macy's Retail Holdings, Inc.	-	-	-	17,405,789	6	1.44%
Hydril USA Manufacturing LLC	-	-	-	17,276,154	7	1.43%
WRI Retail Pool I LP	-	-	-	16,955,409	8	1.40%
Fast Group Houston Inc.	-	-	-	15,818,632	9	1.31%
Dillard's	-	-	-	11,637,180	10	0.96%
Total	<u>\$ 453,890,534</u>		<u>22.72%</u>	<u>\$ 269,948,317</u>		<u>22.33%</u>

Source: City tax assessor/collector

**CITY OF HUMBLE, TEXAS***Page 1 of 2***PROPERTY TAX RATES (1)****DIRECT AND OVERLAPPING GOVERNMENTS (2)****LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>City of Humble <sup>(3)</sup></b>	<b>Harris County</b>	<b>Harris County Flood District</b>	<b>Harris County Hospital District</b>
2011	\$ 0.200000	\$ 0.38805	\$ 0.02923	\$ 0.19216
2012	0.200000	0.39117	0.02809	0.19216
2013	0.200000	0.40021	0.02809	0.18216
2014	0.200000	0.41455	0.02827	0.17000
2015	0.200000	0.41731	0.02736	0.17000
2016	0.200000	0.41923	0.02733	0.17000
2017	0.200000	0.41656	0.02829	0.17179
2018	0.225471	0.41801	0.02831	0.17110
2019	0.248572	0.41858	0.02877	0.17108
2020	0.255944	0.40713	0.02792	0.16591

(1) Tax rate per \$100 assessed valuation

(2) Overlapping rates are those of local and county governments that apply to property owners within the City of Humble. Not all overlapping rates apply to all City of Humble property owners (e.g., the county rates apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the specific county).

(3) The City's tax rate is M&O only; there is no I&S rate

Source: Tax department records of various taxing authorities

**CITY OF HUMBLE, TEXAS***Page 2 of 2***PROPERTY TAX RATES (1)****DIRECT AND OVERLAPPING GOVERNMENTS (2)****LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Port of Houston Authority</b>	<b>HCDE School Equalization</b>	<b>Humble Independent School District</b>	<b>Lone Star College System</b>
2011	\$0.02054	\$ 0.00658	\$ 1.52000	\$ 0.11760
2012	0.01856	0.00658	1.52000	0.12100
2013	0.01952	0.00662	1.52000	0.11980
2014	0.01716	0.00636	1.52000	0.11600
2015	0.01531	0.00600	1.52000	0.10810
2016	0.13420	0.00542	1.52000	0.10790
2017	0.01334	0.00520	1.52000	0.10780
2018	0.01256	0.00520	1.52000	0.10780
2019	0.01155	0.00519	1.52000	0.10780
2020	0.01074	0.00500	1.41835	0.10780

(1) Tax rate per \$100 assessed valuation

(2) Overlapping rates are those of local and county governments that apply to property owners within the City of Humble. Not all overlapping rates apply to all City of Humble property owners (e.g., the county rates apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the specific county).

Source: Tax department records of various taxing authorities

**CITY OF HUMBLE, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

*Page 1 of 2*

<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Tax Rate (1)</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>	
				<b>Amount</b>	<b>Percentage of Levy</b>
2011	2010	\$ 0.200000	\$ 2,422,214	\$ 2,381,344	98.3%
2012	2011	0.200000	2,449,475	2,414,156	98.6%
2013	2012	0.200000	2,558,872	2,537,471	99.2%
2014	2013	0.200000	2,790,871	2,764,598	99.1%
2015	2014	0.200000	2,967,726	2,936,942	99.0%
2016	2015	0.200000	3,296,512	3,256,468	98.8%
2017	2016	0.210000	3,585,472	3,524,537	98.3%
2018	2017	0.225471	4,057,701	4,016,035	99.0%
2019	2018	0.248572	4,474,128	4,456,596	99.6%
2020	2019	0.255944	5,130,430	5,054,078	98.5%

(1) Tax rate per \$100 assessed valuation

Source: City finance department

**CITY OF HUMBLE, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

*Page 2 of 2*

<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	<b>Percentage of Levy</b>
		<b>Amount</b>	<b>Amount</b>	
2011	2010	\$ 34,799	\$ 2,416,143	99.7%
2012	2011	29,512	2,443,668	99.8%
2013	2012	17,460	2,554,931	99.8%
2014	2013	19,485	2,784,083	99.8%
2015	2014	22,138	2,959,080	99.7%
2016	2015	30,869	3,287,338	99.7%
2017	2016	46,624	3,571,161	99.6%
2018	2017	15,739	4,031,773	99.4%
2019	2018	(16,232)	4,440,363	99.2%
2020	2019	-	5,054,078	98.5%

(1) Tax rate per \$100 assessed valuation

Source: City finance department

**CITY OF HUMBLE, TEXAS**  
**TAXABLE SALES BY CATEGORY**  
**LAST TEN CALENDAR YEARS**

*Page 1 of 2*

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Retail Trade	\$ 644,197,247	\$ 683,360,090	\$ 737,395,109	\$ 777,735,359	\$ 818,904,337
City direct sales tax rate (1)	1.00%	1.00%	1.00%	1.00%	1.00%

Source: State Comptroller's Office



**CITY OF HUMBLE, TEXAS**  
**TAXABLE SALES BY CATEGORY**  
**LAST TEN CALENDAR YEARS**

*Page 2 of 2*

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Retail Trade	\$ 850,985,432	\$ 844,874,241	\$ 789,444,344	\$ 831,169,654	\$ 814,239,121
City direct sales tax rate (1)	1.00%	1.00%	1.00%	1.00%	1.00%

Source: State Comptroller's Office

**CITY OF HUMBLE, TEXAS**  
**SALES TAX REVENUE PAYERS BY INDUSTRY**  
**CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

Page 1 of 2

Industry	2020			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Agriculture, forestry, fishing and hunting	1	0.04%	\$ -	
Mining, quarrying and oil and gas extraction	4	0.21%	-	
Utilities	3	0.15%	-	
Construction	158	8.68%	229,432	1.92%
Manufacturing	107	5.87%	130,136	1.09%
Wholesale Trade	116	6.38%	406,262	3.40%
Retail Trade	711	38.98%	8,158,278	68.23%
Transportation and warehousing	10	0.53%	3,795	0.03%
Information	33	1.81%	279,469	2.34%
Finance and insurance	15	0.80%	9,203	0.08%
Real estate, rental and leasing	30	1.66%	43,901	0.37%
Professional, scientific and technical services	78	4.29%	29,324	0.25%
Management of companies and enterprises	1	0.04%	-	
Admin, support, waste mgmt and remediation	82	4.51%	534,203	4.47%
Educational services	17	0.92%	4,607	0.04%
Health care and social assistance	27	1.45%	18,860	0.16%
Arts, entertainment and recreation	36	1.99%	141,039	1.18%
Accommodation and food services	247	13.55%	1,770,634	14.81%
Other services	139	7.62%	197,123	1.65%
Public administration	1	0.05%	-	
Other	9	0.48%	-	
Undisclosed	-		486	0.00%
<b>Total</b>	<b>1,824</b>		<b>\$ 11,956,751</b>	

**Note:** The names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. Sales tax revenue information is not available on a fiscal-year basis.

**CITY OF HUMBLE, TEXAS**  
**SALES TAX REVENUE PAYERS BY INDUSTRY**  
**CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

Page 2 of 2

Industry	2011			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Agriculture, forestry, fishing and hunting	3	0.16%	\$ -	
Mining, quarrying and oil and gas extraction	3	0.21%	-	
Utilities	-		-	
Construction	135	8.79%	250,332	2.72%
Manufacturing	102	6.63%	75,405	0.82%
Wholesale Trade	104	6.73%	294,328	3.20%
Retail Trade	565	36.73%	6,441,972	69.97%
Transportation and warehousing	7	0.47%	2,389	0.03%
Information	27	1.76%	333,885	3.63%
Finance and insurance	11	0.70%	6,882	0.07%
Real estate, rental and leasing	29	1.85%	47,996	0.52%
Professional, scientific and technical services	89	5.79%	41,228	0.45%
Management of companies and enterprises	1	0.03%	-	
Admin, support, waste mgmt and remediation	119	7.72%	311,567	3.38%
Educational services	12	0.78%	556	0.01%
Health care and social assistance	14	0.91%	7,618	0.08%
Arts, entertainment and recreation	24	1.56%	44,775	0.49%
Accommodation and food services	148	9.64%	1,205,478	13.09%
Other services	133	8.66%	142,562	1.55%
Public administration	2	0.13%	-	
Other	12	0.75%	-	
Undisclosed	-		430	0.00%
<b>Total</b>	<u>1,538</u>		<u>\$ 9,207,404</u>	

**Note:** The names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. Sales tax revenue information is not available on a fiscal-year basis.

**CITY OF HUMBLE, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

<u>Governmental Activities</u>				Percentage of Actual Taxable Value of Property	Percentage of Personal Income (3)	Per Capita (3)
<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Capital Leases (1)</u>	<u>Total Primary Government</u>			
2011	\$ 9,960,000	-	\$ 9,960,000	0.82%	2.81%	\$ 658
2012	9,270,000	97,676	9,367,676	0.76%	2.90%	619
2013	6,695,000	66,184	6,761,184	0.53%	2.32%	447
2014	6,235,000	33,637	6,268,637	0.45%	1.97%	414
2015	5,760,000	-	5,760,000	0.39%	1.69%	381
2016	5,265,000	-	5,265,000	0.32%	1.65%	348
2017	4,837,411	-	4,837,411	0.28%	1.72%	320
2018	4,282,110	-	4,282,110	0.24%	1.30%	283
2019	3,706,809	-	3,706,809	0.21%	1.10%	245
2020	3,116,508	-	3,116,508	0.16%	0.91%	206

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for valuation data.  
(3) See the Schedule of Demographic and Economic Statistics for personal income and population data.

**CITY OF HUMBLE, TEXAS*****DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT******AS OF SEPTEMBER 30, 2020 (UNAUDITED)***

<b>Name of Governmental Unit</b>	<b>Net Debt Outstanding</b>	<b>Percentage Applicable to City</b>	<b>Estimated Debt Applicable to City</b>
Aldine I.S.D.	\$ 1,024,820,000	0.90%	\$ 9,223,380
Harris County	1,867,957,125	0.38%	7,098,237
Harris County Department of Education	6,320,000	0.38%	24,016
Harris County Flood Control District	334,270,000	0.38%	1,270,226
Harris County Hospital District	86,050,000	0.38%	326,990
Humble Independent School District	938,535,000	10.55%	99,015,443
Lone Star College System	542,290,000	0.97%	5,260,213
Port of Houston Authority	514,174,397	0.38%	1,953,863
<b>Total Net Overlapping Debt</b>			<u>124,172,367</u>
City of Humble	3,116,508	100.00%	<u>3,116,508</u>
<b>Total Direct and Overlapping Net Debt</b>			<u><u>\$ 127,288,875</u></u>
Ratio of total direct and overlapping net debt to assessed valuation (1)			<u><u>6.37%</u></u>
Direct and overlapping net debt per capita (2)			<u><u>\$ 8,411</u></u>

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for valuation data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

Source: First Southwest Company

**Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident - and therefore responsible for repaying the debt - of each overlapping government. The basic approach to estimating the applicable percentage of overlapping debt is to divide the value of the revenue base within the overlapping geographic area by the total revenue base of the overlapping government, and multiply this ratio by the overlapping government's outstanding debt.

**CITY OF HUMBLE, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Personal Income</b>	<b>Median Age (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2011	15,133	\$ 354,308,929	\$ 23,413	30.20	4,509	8.6%
2012	15,133	322,832,289	21,333	30.30	4,117	6.3%
2013	15,133	290,871,393	19,221	31.90	4,184	6.2%
2014	15,133	317,918,201	21,008	31.70	4,291	4.7%
2015	15,133	341,577,403	22,572	32.30	4,372	4.6%
2016	15,133	318,640,448	21,056	32.60	4,463	5.7%
2017	15,133	281,746,194	18,618	34.40	4,463	5.5%
2018	15,133	330,292,858	21,826	31.60	5,443	4.1%
2019	15,133	335,528,876	22,172	31.20	5,683	3.7%
2020	15,133	343,882,292	22,724	31.20	5,950	9.6%

Sources:

- (1) 2010 census data
- (2) Humble Chamber of Commerce
- (3) Humble Independent School District
- (4) Texas Workforce Commission

**CITY OF HUMBLE, TEXAS**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

<b>Employer</b>	<b>2020</b>			<b>2011</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage</b>
Memorial Hermann Northeast Hospital	1,169	1	34.0%	1,000	1	29.1%
Humble ISD	692	2	20.1%	641	2	18.7%
Lawler Foods	377	3	11.0%	389	3	11.3%
CDI Seals	290	4	8.4%			
Harris County Annex	283	5	8.2%			
Walmart	250-499	6	N/A	384	4	11.2%
City of Humble	222	7	6.5%	189	5	5.5%
Sam's Club	168	8	4.9%	185-200	6	N/A
Macy's	122	9	3.6%	180-190	7	N/A
Costco	113	10	3.3%			0.0%
Home Depot				137	9	4.0%
Dillard's				130	10	3.8%
Target				160	8	4.7%
<b>Total</b>	<b>3,436</b>			<b>3,030</b>		

**Source:** Human resources departments of all employers listed

N/A - information not available

**CITY OF HUMBLE, TEXAS***Page 1 of 2***FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General government					
Management services	4	3	2	2	2
Finance	4	4	5	4	4
Court	8	8	8	8	8
Building	5	5	5	5	5
Other	9	9	10	14	14
Police					
Officers	59	58	54	55	62
Civilians	20	18	18	20	24
Fire					
Fire/EMS	35	35	35	35	35
Administration	4	4	4	4	4
FMO	4	4	4	4	4
Other public works	14	15	15	16	16
Parks and recreation	7	7	7	7	7
Water	11	11	11	12	12
Wastewater	9	9	9	9	9
<b>Total</b>	<b>193</b>	<b>190</b>	<b>187</b>	<b>195</b>	<b>206</b>

Source: City finance department



**CITY OF HUMBLE, TEXAS***Page 2 of 2***FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General government					
Management services	3	3	1	1	1
Finance	3	3	4	4	4
Court	8	8	8	9	9
Building	5	5	5	5	5
Other	14	15	15	15	15
Police					
Officers	56	64	64	66	66
Civilians	24	22	20	22	19
Fire					
Fire/EMS	36	39	38	39	42
Administration	4	4	3	8	8
FMO	4	4	4	4	5
Other public works	17	17	18	18	18
Parks and recreation	7	7	7	7	7
Water	13	13	13	13	13
Wastewater	9	9	9	9	9
<b>Total</b>	<b>203</b>	<b>213</b>	<b>209</b>	<b>220</b>	<b>221</b>

Source: City finance department

**CITY OF HUMBLE, TEXAS**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

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<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General government					
Building permits issued	114	114	122	148	144
Building inspections conducted	539	450	498	536	568
Police					
Physical arrests	4,027	5,308	4,761	3,509	3,104
Parking violations	253	190	151	155	122
Traffic violations	16,864	17,700	18,886	15,121	9,396
All other violations	*N/A	*N/A	*N/A	*N/A	*N/A
Fire					
Emergency responses	3,358	3,482	3,647	3,924	4,014
Calls for Service	*N/A	*N/A	*N/A	*N/A	*N/A
EMS	*N/A	*N/A	*N/A	*N/A	*N/A
Non-EMS	*N/A	*N/A	*N/A	*N/A	*N/A
Fires	114	80	95	112	84
Inspections	942	573	660	1,299	1,785
Water					
Number of connections	7,397	7,379	7,412	7,345	7,623
Average daily consumption (thousands of gallons)	3,263	3,072	3,046	2,922	2,862
Peak daily consumption (thousands of gallons)	6,764	4,094	4,865	4,361	5,379
Wastewater					
Average daily sewage treatment (thousands of gallons)	2,077	2,103	1,931	2,024	2,095

Source: Various City departments

\*N/A - information not available

Note: Indicators are not available for the general government function outside of the Building Department. During 2018 all permits were presented to include building, electrical, mechanical, plumbing and sign permits. Previous years presented building permits only.

**CITY OF HUMBLE, TEXAS**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

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<b>Function</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General government					
Building permits issued	254	282	1,337	1,646	1,334
Building inspections conducted	1,016	1,140	2,824	2,334	1,998
Police					
Physical arrests	2,578	2,361	2,158	1,930	2,294
Parking violations	136	198	128	199	132
Traffic violations	9,328	10,434	13,468	12,467	9,223
All other violations	*N/A	*N/A	700	794	820
Fire					
Emergency responses	4,397	4,764	5,707	6,310	5,759
Calls for Service	*N/A	*N/A	3,756	3,950	3,387
EMS	*N/A	*N/A	2,807	2,945	2,526
Non-EMS	*N/A	*N/A	949	1,005	861
Fires	99	93	131	94	104
Inspections	1,388	2,070	1,689	2,153	1,997
Water					
Number of connections	7,746	7,827	7,834	7,720	7,840
Average daily consumption (thousands of gallons)	2,923	2,911	2,831	2,934	2,784
Peak daily consumption (thousands of gallons)	4,515	4,794	4,925	4,543	4,310
Wastewater					
Average daily sewage treatment (thousands of gallons)	2,077	2,425	2,214	2,104	1,917

Source: Various City departments

\*N/A - information not available

Note: Indicators are not available for the general government function outside of the Building Department. During 2018 all permits were presented to include building, electrical, mechanical, plumbing and sign permits. Previous years presented building permits only.

**CITY OF HUMBLE, TEXAS**  
**CAPITAL ASSETS STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

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<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Police					
Patrol units	31	31	31	29	29
Fire stations	2	2	2	2	2
Other public works					
Streets (miles)	50	50	50	50	50
Traffic signals	10	10	10	10	10
Parks and recreation					
Acreage	32	32	32	32	32
Playgrounds	5	5	5	5	5
Baseball/softball diamonds	-	-	-	-	-
Community centers	2	2	2	2	3
Water					
Water mains (miles)	82	82	82	82	82
Fire hydrants	809	809	809	809	809
Storage capacity (thousands of gallons)	5,010	5,010	5,010	5,010	5,010
Wastewater					
Sanitary sewers (miles)	69	69	68.6	69	68.6
Storm sewers (miles)	32	32	32	32	32
Treatment capacity (thousands of gallons)	4.9	4.9	4.9	4.9	4.9

Source: Various City departments

**CITY OF HUMBLE, TEXAS**  
**CAPITAL ASSETS STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

*Page 2 of 2*

<b>Function</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Police					
Patrol units	32	33	34	34	35
Fire stations	2	2	2	2	2
Other public works					
Streets (miles)	51	51	51	51	54
Traffic signals	11	11	11	11	11
Parks and recreation					
Acreage	32	32	32	32	32
Playgrounds	5	5	5	5	5
Baseball/softball diamonds	-	-	-	-	-
Community centers	3	3	3	3	3
Water					
Water mains (miles)	84	84	86	89	91
Fire hydrants	849	839	852	921	944
Storage capacity (thousands of gallons)	5,010	5,010	5,010	6,010	6,010
Wastewater					
Sanitary sewers (miles)	68.5	69	72	75	79
Storm sewers (miles)	43	40	42	48	53
Treatment capacity (thousands of gallons)	4.9	4.9	4.9	4.9	4.9

Source: Various City departments

