



HIGHLIGHTS
of
INTERIM FINANCIAL REPORT
April 30, 2014
and

BUDGET AMENDMENT REPORT
for the June 17, 2014 Board Meeting

(unaudited)
Prepared by
Business Support Services Division

Always Taking Care of Business!



Posted on our website at

<http://www.hcde-texas.org/default.aspx?name=BusinessServicesHome>

Linked from State Comptroller's website

<http://www.texastransparency.org/local/schools.php>



5
Fifth
Year
Award

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INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at April 30, 2014



	<u>ACTUAL</u>
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 34,484,167
Property Taxes-Delinquent at September 1, 2013	1,050,756
Less: Allowances for Uncollectible Taxes	(31,523)
Due from Federal Agencies	44,814
Other Receivables	2,030,568
Inventories	138,710
Deferred Expenditures	-
Other Prepaid Items	24,665
TOTAL ASSETS:	<u>\$ 37,742,157</u>
<u>LIABILITIES</u>	
Accounts Payable	23,735
Bond Interest Payable	-
Due to Other Funds	952,688
Accrued Wages	-
Payroll Deductions	450,392
Due to Other Governments	-
Deferred Revenue	1,046,390
TOTAL LIABILITIES:	<u>\$ 2,473,185</u>
<u>FUND EQUITY</u>	
Unassigned Fund Balance	13,305,133
Non-Spendable Fund Balance	146,918
Restricted Fund Balance	518
Committed Fund Balance	1,408,000
Assigned Fund Balance	7,197,031
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	10,452,141
TOTAL FUND EQUITY:	<u>\$ 32,509,741</u>
Fund Balance Appropriated Year-To-Date	2,759,231
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	<u>\$ 37,742,157</u>

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of April 30, 2014



The audited General Fund balance at 9/1/13 is \$24,815,013

Assigned: \$ 9,394,231

Unassigned: \$ 13,748,845

As of 4-30-2014, the estimated activity is: As the end of the year close is completed, a budget amendment will be submitted to the board for items assigned, restricted and committed that will roll forward into FY 2014

Description	9/1/2011	Appropriated YTD	Estimated Balance
Non-Spendable	\$ 146,918	\$ -	\$ 146,918
Restricted	117,019	(116,501)	518
Committed	1,408,000	-	1,408,000
Assigned	9,394,231	(2,197,200)	7,197,031
Unassigned	13,748,845	(445,530)	13,303,315
Total Fund Balance	\$ 24,815,013	\$ (2,759,231)	\$22,055,782

INTERIM FINANCIAL REPORT (unaudited)

As of April 30, 2014

Financial Ratios

- *Level One - Indicator of financial strength*
- *Level Two - Indicator of efficient leverage*
- *Level Three - Indicators of efficiency*
- *Level Four - Indicator of revenue growth*



INTERIM FINANCIAL REPORT (unaudited)

As of April 30, 2014

Indicator of Financial Strength

- Percent of Fund Balance to G/F Expenditures Ratio**

What is the percent of rainy fund balance?

Unassigned Fund Balance **13,303,315**

 Total G/F Expenditures **27,606,922**

Goal : > 30% of G/F Exp.
 Benchmark: 10% to 29%
 Danger: Under 10%

- Working Capital Ratio**

What is the cash flow availability for the organization?

Total Current Assets
 Less Total Liabilities

37,742.156 – 2,473.184 = 35,268,972

Goal : >\$15,000,000
 Benchmark : \$10M to \$15M
 Danger : Under < \$10M

48% FY14

43% FY13

\$35M FY14

\$32M FY13

Details on Schedule 3

Budgeted
26%

Details on Schedule 1

Budgeted
\$18 M

INTERIM FINANCIAL REPORT (unaudited)

As of April 30, 2014

Indicator of Efficient Leverage Reserves

- Unassigned Fund Balance Ratio**

How much is available in reserves?

Unassigned Fund Balance 13,305,134

Total Fund Balances 35,268,972

Goal : >75%
Benchmark: 50% to 75%
Danger: <50%

- Debt to Income Ratio**

What is the ability of HCDE to cover its debt payments?

Annual Principal and Interest Payments on Term Debt and Capital Leases \$1,822,609

G/F Revenue Less Facility Charges
38,059,063 – 3,334,292

Goal : <25% of annual revenue
Benchmark : 25% to <49%
Danger : Under < 50%

38% FY14

42% FY13

5% FY14

5% FY13

Details on Schedule 1

Budgeted
52%

Details on Schedule 5

Budgeted
7%

INTERIM FINANCIAL REPORT (unaudited)

As of April 30, 2014

Indicators of efficiency



- Tax Revenue to Total Revenue Ratio**

How efficient is HCDE at leveraging local taxes?

Total Tax Revenue \$19,607,364

Total Revenue \$57,911,865

Goal : < 20% of revenue
 Benchmark: 20% to 30%
 Danger: More than 30%

- Indirect Cost to Tax Ratio**

How much dependency on indirect cost from grants?

Indirect Cost General Fund \$963,946

Total General Fund Revenues \$38,059,063

Goal : >5%
 Benchmark : 2% to 5%
 Danger : Under < 2%

34% FY14

30% FY13

2.5% FY14

3% FY13

Details on Schedule 2

Details on Schedule 3

Budgeted
22%

Budgeted
5%

INTERIM FINANCIAL REPORT (unaudited)

As of April 30, 2014

Indicator of revenue growth



- Fee for Service Revenue Ratio**

How are revenues spread across All Funds?

- Fee for Service Revenue Growth Ratio**

What is the market growth for fee for services?

Total Fee for Service Revenues (G/F) \$16,442,219

Total Revenues \$57,911,865

Goal : > 30% of annual revenue
Benchmark: 10% to 29%
Danger: Under 10%

Fee for Services Current Year Less Fee for Services Last Year

\$16,442,219 – 16,166,121

Fees for Service Last Year \$16,166,121

Goal : >3% + growth
Benchmark : 0% to 3%
Danger : Under < 0%

28% FY14

26% FY13

1.7% FY14

4.3% FY13

Details on Schedule 13-

Budgeted
25%

Details on Schedule 13-

Budgeted
6%



FY 2013-14 FUND BALANCE – BUDGETED ACTIVITY



FUND BALANCE CATEGORY	Sept 1, 2013 Beginning Unaudited	September- January 2014	April 2014	May 2014	Est. F/Bal 8-31-14
Inventory	120,424				120,424
Asset Replace Schedule	1,500,000				1,500,000
Bldg & Vehicle Replacement Schedule	1,475,000	(369,200)			1,105,800
Carryover encumbrances	237,958				237,958
Deferred Revenue –HP Schools	103,300				103,300
Deferred revenues	26,494				26,494
Emp. Retire Leave Fund	1,250,000			(300,000)	950,000
PFC Construction	1,200,000		(1,000,000)		200,000
Early Childhood Intervention Funding	1,100,000	(778,000)			322,000
Insurance Deductibles	500,000				500,000
NEW Payroll System	295,000			(200,000)	95,000

FY 2013-14 FUND BALANCE – BUDGETED ACTIVITY



FUND BALANCE CATEGORY	Sept 1, 2013 Beginning Unaudited	September-January 2014	April 2014	May 2014		Est. F/Bal 8-31-14
PFC Lease payment	807,915					807,915
Program start up	900,000	(50,000)				850,000
Local Construction Fund 170	452,225					452,225
QZAB Renovation Projects	117,019	(116,501)				518
QZAB bond payment	697,833					697,833
Safe & Secure Schools Project	125,000					125,000
Unemployment Liability	158,000					158,000
Total Reserves:	11,066,168	(1,313,701)	(1,000,000)	(500,000)		8,252,467
Unassigned:	13,748,845	(445,530)				13,303,315
Total Est. Fund Balance:	24,815,013	(1,759,231)	(1,000,000)	(500,000)		21,555,782

INTERIM FINANCIAL REPORT (unaudited)

GENERAL, SPECIAL REVENUE, DEBT SERVICE FUNDS AND INTERNAL SERVICE FUNDS



Revenues

Budget to Actual at April 30, 2014

Fund	Budget	Received/Billed	%
General Fund	\$ 48,086,789	38,059,063	79%
April is the end of the 8th month or approximately 67% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	38,866,428	14,415,526	37%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	2,653,751	1,822,609	69%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
PFC Fund	-	11	0%
Trust and Agency Fund	-	2,933	0%
Worker's Comp. Fund	464,082	277,431	60%
Internal Service Fund	5,656,446	3,334,292	59%
Total as of the end of the month	\$95,727,496	\$57,911,865	60%

INTERIM FINANCIAL REPORT (unaudited) GENERAL, SPECIAL REVENUE, DEBT SERVICE FUNDS and INTERNAL SERVICE FUNDS



Expenditures

Budget to Actual at April 30, 2014

Fund	Budget	Encumbered/Spent	%
General Fund	\$50,846,020	\$27,606,922	58%
(1) Encumbrances as of the end of the month total. 1,807,867 Encumbrances April is the end of the 8th month or approximately 67% of the fiscal year.			
Special Revenue Fund	38,866,428	19,259,356	59%
(2) Encumbrances as of the end of the month total. 3,692,288 Encumbrances Most grant periods differ from fiscal year.			
Debt Service Fund	2,653,751	1,822,609	69%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
PFC Fund	-	10	0%
Trust and Agency Fund	-	4,768	0%
Worker's Comp. Fund	464,082	159,358	34%
Internal Service Fund	5,656,446	4,032,353	71%
Total as of the end of the month	\$ 98,486,727	\$58,385,531	59%

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report *

All Funds as of April 30, 2014



MONTH	CASH	IN-KIND	TOTAL
September	\$230.00	\$602.50	\$832.50
October	0.00	\$19,100.62	\$19,600.62
November	\$1,000.00	\$2,500.00	\$3,500.00
December	\$874.57	\$2,140.64	\$3,015.21
January	\$500.00	\$4,374.40	\$4,874.40
February	0	\$2,645.00	\$2,645.00
March	0	0	0
April	\$530.27	\$3,262.90	\$3,793.17
May			
June			
July			
August			
Total:	\$3,134.84	\$34,626.06	\$37,760.90

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report *

All Funds as of April 30, 2014



		CENTER FOR GRANTS DEVELOPMENT ON BEHALF OF HCDE DIVISIONS						
		April 1, 2014 through April 30, 2014						
<i>Donor Last Name</i>	<i>Donor First Name</i>	<i>Organization/Division</i>	<i>Site</i>	<i>Sponsored Division</i>	<i>Description of Donation</i>	<i>Cash Totals</i>	<i>In-kind Totals</i>	<i>Totals</i>
Donations								
Kuslick	Lawrence		HCDE	Head Start	Advertisement		\$737.90	\$737.90
Collins	Samuel		HCDE	Head Start	Books		\$750.00	\$750.00
Hiterman	Kathi	Assistance League Houston	HCDE	Head Start	Children's Books		\$1,615.00	\$1,615.00
Jonas	Amanda		HCDE	Head Start	Ribbon, Helium, Napkins, Bugs, Beans		\$160.00	\$160.00
Sponsorships								
Wilks	Lewis	U.S. Capital Advisors LLC	HCDE	Business Services	Sponsored School Finance Council Lunch Meeting			
Holland	David	U.S. Capital Advisors LLC	HCDE	Business Services	Sponsored School Finance Council Lunch Meeting	\$530.27		\$530.27
TOTALS						\$530.27	\$3,262.90	\$3,793.17

Legend: HCDE=Harris County Department of Education; ISS=Instructional Support Services

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal

Year-To-Date at April 30, 2014



See Tax Calculator at → <http://www.hcde-texas.org/default.aspx?name=TaxCalculator>

	August	September	October	November	December	January	March	April
	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED
	TAX RATE	TAX RATE	TAX RATE	TAX RATE	TAX RATE	TAX RATE	TAX RATE	TAX RATE

	0.006358	0.006358	0.006358	0.006358	0.006358	0.006358	0.006358	0.006358
Proposed Collections Tax Year 2012								
Certified Taxable Value per HCAD *	\$ 255,510,232,852	\$ 291,734,641,998	\$ 305,728,975,367	\$ 312,983,297,141	\$ 314,801,526,552	\$ 315,954,022,723	\$ 316,517,902,573	\$ 316,366,508,387
Values under protest or not certified	47,628,019,827	22,834,202,254	10,580,483,023	4,258,170,138	2,519,312,809	1,459,611,494	496,168,537	340,631,182
	303,138,252,679	314,568,844,252	316,309,458,390	317,241,467,279	317,320,839,361	317,413,634,217	317,014,071,110	316,707,139,569
/ Rate per Taxable \$100	3,031,382,527	3,145,688,443	3,163,094,584	3,172,414,673	3,173,208,394	3,174,136,342	3,170,140,711	3,167,071,396
X Tax Rate	19,273,530	20,000,287	20,110,955	20,170,212	20,175,259	20,181,159	20,155,755	20,136,240
X Estimated 99% collection rate →	19,080,405	19,800,284	19,909,846	19,968,510	19,973,506	19,979,347	19,954,197	19,934,878
+ Delinquent Tax Collections	270,000	260,000	260,000	250,000	250,000	260,000	260,000	260,000
+ Special Assessments	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
+ Penalty & Interest	130,500	130,500	130,500	130,500	130,500	130,500	130,500	130,500
Estimated Current Tax Available	\$ 19,490,905	\$ 20,200,784	\$ 20,310,346	\$ 20,359,010	\$ 20,364,006	\$ 20,379,847	\$ 20,354,697	\$ 20,335,378

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at

April 30, 2014 (8th month/12 month)



TAX YEAR 2013 COLLECTION SUMMARY					
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
REVENUES:					
Current Tax	\$19,080,405	\$196,806	\$19,448,684	(\$368,279)	102%
Delinquent Tax *	270,000	12,961	116,347	153,653	43%
Penalty & Interest	130,500	18,835	109,462	21,038	84%
Special Assessments and Miscellaneous*	10,000	1,398	158,681	(148,681)	1587%
Subtotal Revenues:	\$19,490,905	\$230,000	\$19,833,174	(\$342,269)	101.8%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$155,000	\$0	\$113,318	\$41,682	73%
LESS: HCTO Fees	383,500	0	369,899	13,601	1%
Subtotal Expenditures:	\$538,500	\$0	\$483,217	\$55,283	2%
Net Tax Collections:	\$18,952,405	\$230,000	\$19,349,957	(\$397,552)	102.1%

a) 2013 Tax Rate = $\$0.006358 / \100 Property Assessment/Appraisal - --> Annual Tax on a $\$179,950 - \$35,990 = \$143,960 / 100 \times .006358 =$ Residential Property = $\$9.15$ (net of 20% homestead exception .)

b) $\$538,500 / \$19,490,905 = 2.8\%$ Collection and assessment costs

INTERIM FINANCIAL REPORT (unaudited)

INTERIM CURRENT TAX REVENUE ESTIMATES REPORT

April 30, 2014



	SCENARIO (1) APPRAISED VALUE HCAD	SCENARIO (2) OWNER'S VALUE OWNER REQUESTED	SCENARIO (3) EST FINAL VALUE COMMITTEE RECOMMENDED
Property Use Category Recap-Certified To Date -Report:			
Taxable value	\$316,366,508,387	\$316,366,508,387	\$316,366,508,387
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	2,421,299,343	-	-
Scenario (2) Owner's value	-	2,151,389,750	-
Scenario (3) Estimated final value	-	-	340,631,182
Total taxable value, Certified and Uncertified:	<u>\$318,787,807,730 (A)</u>	<u>\$318,517,898,137 (A)</u>	<u>\$316,707,139,569 (A)</u>
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$3,187,878,077 (B)	\$3,185,178,981 (B)	\$3,167,071,396 (B)
2) Current Tax Rate	X 0.006358 (C)	X 0.006358 (C)	X 0.006358 (C)
3) 2014 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$20,268,529 (D)</u>	<u>\$20,251,368 (D)</u>	<u>\$20,136,240 (D)</u>
4) Interim Tax Rev Estimate @ 99% Collection Rate:	<u>\$20,065,844 (E)</u>	<u>\$20,048,854 (E)</u>	<u>\$19,934,878 (E)</u>
Comparison of Interim Tax Rev Estimate @ 99% Collection Rate with Interim Current Tax Revenue Est:			
Interim Current Tax Revenue Estimate Over/(Under) Current Tax Revenue, Currently Budgeted:			
Interim Current Tax Revenue Estimate (E)	\$20,065,844 (E)	\$20,048,854 (E)	\$19,934,878 (E)
LESS: Tax Revenue, Currently Budgeted	<u>\$19,490,905 (F)</u>	<u>\$19,490,905 (F)</u>	<u>\$19,490,905 (F)</u>
Total Interim Current Tax Revenue Estimate Over/(Under) Current Tax Revenue, Currently Budgeted, (E) - (F):	<u>\$574,939</u>	<u>\$557,949</u>	<u>\$443,973</u>
Total Current Tax Revenue Received, April 2014, 1993-571100**:	<u>\$19,833,174</u>	<u>\$19,833,174</u>	<u>\$19,833,174</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

April 2014



DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	728 Checks	3,058,636.31
P Card – April 2014	320 Transactions	47,506.19
Bank ACH - payroll liabilities	3 Transfers	1,408,052.37
	Total:	4,514,194.87

Notes:

(A) All Purchase Orders and Payment Authorizations are reviewed before disbursement.

(B) All Procurement Card charges are reviewed by cardholder, supervisor, and business office staff each month.

(C) A report on CH Local expenditures is included in the monthly report.

INTERIM FINANCIAL REPORT (unaudited)

Segment Division Data

As of April 30, 2014

<u>BUDGET MANAGER TITLE</u>	<u>Revenues</u>	<u>Tax Subsidy</u>	<u>Expenditure and Encumbran</u>	<u>Includes Tax subsidy Variance</u>	<u>w/o Tax Profit Ratio</u>	<u>Profitability Variance</u>
Alternative Certification	\$ 152,939	\$ 50,155	\$ 240,370	\$(37,276)	-57%	\$(87,431)
Choice Partners Cooperative	1,551,374	-	1,214,397	336,978	22%	336,978
Records Management	799,044	92,663	1,071,120	(179,414)	-34%	(272,077)
Special Education - Therapy Services	5,428,942	-	5,357,613	71,330	1%	71,330





HARRIS COUNTY DEPARTMENT OF EDUCATION

**HIGHLIGHTS
Of
BUDGET AMENDMENT REPORT
June 17, 2014
Board Meeting**

(unaudited)

Amendments

General Fund = \$ 168,491

Special Revenue Funds = \$ 4,500



Texas Comptroller
Leadership Circle
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INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

April 30, 2014

General Fund



GENERAL FUND (199)

Facilities-Local Construction

Increase expenditures-Window Replacement and Sealing NPO-Funds are from Assigned Fund Balance

155,315

Total Facilities-Local Construction

155,315

Special Schools-ABC West

Increase revenues and expenditures- Revised Revenue Projections

13,176

Total Special Schools-ABC West

13,176

Total GENERAL FUND:

\$ 168,491

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

April 30, 2014

Special Revenue Fund



SPECIAL REVENUE FUND

Adult Education

Increase revenues & expenditures-IBM Grant through Education Foundation
Fund 498-4) NEW

	<u>4,500</u>
Total Adult Education	4,500

Total SPECIAL REVENUE FUNDS:

\$ 4,500

INTERIM FINANCIAL REPORT (unaudited)

I certify that the foregoing information is true and accurate to the best of my knowledge.

/s/ Jesus J. Amezcua, CPA, Asst. Supt. for Business Support Services

/s/ Rosa Maria Torres, Chief Accounting Officer

/s/ John Weber, MBA, RTSBA, Accounting and Reporting
Compliance Officer

/s/ Antonia Yvette Hamm, RTSBA, Accounting Manager

Q & A



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