



HIGHLIGHTS
of
INTERIM FINANCIAL REPORT
At December 31, 2013
and

BUDGET AMENDMENT REPORT
for the January 23, 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>



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Fourth
Year
Award

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INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at Dec. 31, 2013



	<u>ACTUAL</u>
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 21,814,482
Property Taxes-Delinquent at September 1, 2013	1,050,756
Less: Allowances for Uncollectible Taxes	(31,523)
Due from Federal Agencies	13,022
Other Receivables	2,315,690
Inventories	139,829
Deferred Expenditures	-
Other Prepaid Items	24,665
	<u>24,665</u>
TOTAL ASSETS:	<u>\$ 25,326,921</u>
<u>LIABILITIES</u>	
Accounts Payable	24,808
Bond Interest Payable	-
Due to Other Funds	456
Accrued Wages	-
Payroll Deductions	522,877
Due to Other Governments	-
Deferred Revenue	1,046,390
	<u>1,046,390</u>
TOTAL LIABILITIES:	<u>\$ 1,594,531</u>
<u>FUND EQUITY</u>	
Unassigned Fund Balance	15,405,023
Non-Spendable Fund Balance	111,719
Restricted Fund Balance	-
Committed Fund Balance	1,408,000
Assigned Fund Balance	6,381,041
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	(1,082,624)
	<u>6,381,041</u>
TOTAL FUND EQUITY:	<u>\$ 22,223,159</u>
Fund Balance Appropriated Year-To-Date	1,509,231
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	<u>\$ 25,326,921</u>

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of Dec. 31, 2013



The audited projected General Fund balance at 9/1/13 is \$21,823,471

- Assigned \$ 7,528,241
- Unassigned \$ 12,659,010

As of 12-31-2013, 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

Description	9/1/2011	Appropriated YTD	Estimated Balance
Non-Spendable	\$ 111,719	\$ -	\$ 111,719
Restricted	116,501	(116,501)	-
Committed	1,408,000	-	1,408,000
Assigned	7,528,241	(1,147,200)	6,381,041
Unassigned	12,659,010	(245,530)	12,413,480
Total Fund Balance	\$ 21,823,471	\$ (1,509,231)	\$20,314,240

INTERIM FINANCIAL REPORT (unaudited)

As of Dec. 31, 2013

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 Dec. 31, 2013

Indicator of Financial Strength

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

What is the percent of rainy fund balance?

Unassigned Fund Balance	12,413,480

Total G/F Expenditures	12,824,804

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	

25,326,921 – (1,594,531) =	23,732,390

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

97%

Details on Schedule 3

Budgeted
26%

\$23 M

Details on Schedule 1

Budgeted
\$18 M



INTERIM FINANCIAL REPORT (unaudited)

As of Dec. 31, 2013

Indicator of Efficient Leverage Reserves

- Unassigned Fund Balance Ratio**

How much is available in reserves?

Unassigned Fund Balance 15,405,023

Total Fund Balances 23,732,390

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 \$0

**G/F Revenue Less Facility Charges
11,735,021 – 1,828,182**

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

65%

Details on Schedule 1

Budgeted
52%

0%

Details on Schedule 5

Budgeted
7%



INTERIM FINANCIAL REPORT (unaudited)

As of Dec. 31, 2013

Indicators of efficiency



- Tax Revenue to Total Revenue Ratio**

How efficient is HCDE at leveraging local taxes?

Total Tax Revenue \$2,875,693

Total Revenue \$19,181,085

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 \$358,270

Total General Fund Revenues \$11,742,180

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

15%

Details on Schedule 2

Budgeted
22%

3%

Details on Schedule 3

Budgeted
5%



INTERIM FINANCIAL REPORT (unaudited)

As of Dec. 31, 2013

Indicator of revenue growth



- Fee for Service Revenue Ratio**

How are revenues spread across All Funds?

Total Fee for Service Revenues (G/F) \$7,875,818

Total Revenues \$19,181,085

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

- Fee for Service Revenue Growth Ratio**

What is the market growth for fee for services?

Fee for Services Current Year Less Fee for Services Last Year

\$7,875,818 – \$7,790,824 = \$84,994

Fees for Service Last Year \$7,790,824

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

41%

Details on Schedule 13-

Budgeted
25%

1%

Details on Schedule 13-

Budgeted
6%



FY 2013-14 FUND BALANCE – BUDGETED ACTIVITY



FUND BALANCE CATEGORY	Sept 1, 2013 Beginning Unaudited	September- December 2013			Est. F/Bal 8-31-14
Inventory	107,799				107,799
Asset Replace Schedule	1,200,000				1,200,000
Bldg & Vehicle Replacement Schedule	1,300,000	(369,200)			930,800
Carryover encumbrances	98,413				98,413
Deferred Revenue –HP Schools	103,300				103,300
Deferred revenues	3,920				3,920
Emp. Retire Leave Fund	1,250,000				1,250,000
PFC Construction	630,000				630,000
Early Childhood Intervention Funding	778,000	(778,000)			0
Insurance Deductibles	400,000				400,000
NEW Payroll System	250,000				250,000

FY 2013-14 FUND BALANCE – BUDGETED ACTIVITY



FUND BALANCE CATEGORY	Sept 1, 2013 Beginning Unaudited	September- December 2013				Est. F/Bal 8-31-14
PFC Lease payment	807,915					807,915
Program start up	565,000					565,000
Local Construction Fund 170	572,780					572,780
QZAB Renovation Projects	116,501	(116,501)				0
QZAB bond payment	697,833					697,833
Safe & Secure Schools Project	125,000					125,000
Unemployment Liability	158,000					158,000
Total Reserves:	9,164,461	(1,263,701)				7,900,760
Unassigned:	12,659,010	(125,530)				12,533,480
Total Est. Fund Balance:	21,823,471	(1,389,231)				20,434,240

INTERIM FINANCIAL REPORT (unaudited)

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



Revenues

Budget to Actual at Dec. 31, 2013

Fund	Budget	Received/Billed	%
General Fund	\$ 47,674,965	11,742,180	25%
December is the end of the 4th month or approximately 33% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	37,843,020	5,481,532	14%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	2,653,751	0	0%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
PFC Fund	-	-	0%
Trust and Agency Fund	-	1,319	0%
Worker's Comp. Fund	464,082	127,872	28%
Internal Service Fund	5,656,446	1,828,182	32%
Total as of the end of the month	\$94,292,264	\$19,181,085	20%

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



Expenditures

Budget to Actual at Dec. 31, 2013

Fund	Budget	Encumbered/Spent	%
General Fund	\$49,184,198	\$12,824,804	31%
(1) Encumbrances as of the end of the month total. 2,213,603 Encumbrances December is the end of the 4th month or approximately 33% of the fiscal year.			
Special Revenue Fund	37,843,020	8,420,310	32%
(2) Encumbrances as of the end of the month total. 3,567,585 Encumbrances Most grant periods differ from fiscal year.			
Debt Service Fund	2,653,751	0	0%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
PFC Fund	-	-	0%
Trust and Agency Fund	-	3,827	0%
Worker's Comp. Fund	464,082	110,635	24%
Internal Service Fund	5,656,446	2,876,940	51%
Total as of the end of the month	\$ 95,801,497	\$30,017,704	31%

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report * All Funds as of Dec. 31, 2013



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			
February			
March			
April			
May			
June			
July			
August			
Total:	\$2,104.57	\$24,343.76	\$26,448.33

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report *



CENTER FOR GRANTS DEVELOPMENT ON BEHALF OF HCDE DIVISIONS								
December 1st through December 31st, 2013								
<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>
		Katy Visual/Performing Art Center	HCDE	Head Start	Book a live show		\$365.00	\$365.00
Parson	Mike		HCDE	Head Start	Coloring Books, Toothbrushes, Stuffed Animals, Stickers/Pencil		\$300.00	\$300.00
Olgin	Celia		HCDE	Head Start	Fruit Baskets		\$160.00	\$160.00
		Assistance League of Houston	HCDE	Head Start	Give a Dog a Bone (Book)		\$422.56	\$422.56
Dworkin	Roz		HCDE	Research & Evaluation	Books related to Research & Evaluation		\$200.00	\$200.00
		Phelps Insurance	HCDE	Head Start	Coloring Books & Crayons		\$250.00	\$250.00
Lopez	Josue		HCDE	Head Start	Kid Buffet Coupons & Teacher Appreciates Cards		\$443.08	\$443.08
Ledebur	John	Financial Benefit Services, LLC	HCDE	Business Services	School Finance Council Luncheon (11-8-2013)	\$874.57		\$874.57
TOTALS						\$874.57	\$2,140.64	\$3,015.21

Legend: HCDE=Harris County Department of Education

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal Year-To-Date at December 31, 2013



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

	August	September	October	November	December
	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED
	TAX RATE	TAX RATE	TAX RATE	TAX RATE	TAX RATE
Proposed Collections Tax Year 2012	0.006358	0.006358	0.006358	0.006358	0.006358
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
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
	303,138,252,679	314,568,844,252	316,309,458,390	317,241,467,279	317,320,839,361
/ Rate per Taxable \$100	3,031,382,527	3,145,688,443	3,163,094,584	3,172,414,673	3,173,208,394
X Tax Rate	19,273,530	20,000,287	20,110,955	20,170,212	20,175,259
X Estimated 99% collection rate	19,080,405	19,800,284	19,909,846	19,968,510	19,973,506
+Delinquent Tax Collections	270,000	260,000	260,000	250,000	250,000
+Special Assessments	10,000	10,000	10,000	10,000	10,000
+ Penalty & Interest	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

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at December 31, 2013 (4th 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	\$2,496,981	\$2,874,612	\$16,205,793	15%
Delinquent Tax *	270,000	10,027	46,611	223,389	17%
Penalty & Interest	130,500	6,930	35,233	95,267	27%
Special Assessments and Miscellaneous*	10,000	568	1,080	8,920	11%
Subtotal Revenues:	\$19,490,905	\$2,514,506	\$2,957,537	\$16,533,368	15.2%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$155,000	\$0	\$79,279	\$75,721	51%
LESS: HCTO Fees	383,500	62,848	10,294	310,368	1%
Subtotal Expenditures:	\$538,500	\$62,848	\$89,573	\$386,089	3%
Net Tax Collections:	\$18,952,405	\$2,451,658	\$2,867,964	\$16,147,279	15.1%

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

December 31, 2013



	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	\$314,801,526,552	\$314,801,526,552	\$314,801,526,552
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	6,034,624,251	-	-
Scenario (2) Owner's value	-	5,105,328,159	-
Scenario (3) Estimated final value	-	-	2,519,312,809
Total taxable value, Certified and Uncertified:	<u>\$320,836,150,803</u> (A)	<u>\$319,906,854,711</u> (A)	<u>\$317,320,839,361</u> (A)
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$3,208,361,508 (B)	\$3,199,068,547 (B)	\$3,173,208,394 (B)
2) Current Tax Rate	<u>X 0.006358</u> (C)	<u>X 0.006358</u> (C)	<u>X 0.006358</u> (C)
3) 2014 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$20,398,762</u> (D)	<u>\$20,339,678</u> (D)	<u>\$20,175,259</u> (D)
4) Interim Tax Rev Estimate @ 99% Collection Rate:	<u>\$20,194,775</u> (E)	<u>\$20,136,281</u> (E)	<u>\$19,973,506</u> (E)
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)	\$20,194,775 (E)	\$20,136,281 (E)	\$19,973,506 (E)
LESS: Tax Revenue, Currently Budgeted	<u>\$19,490,905</u> (F)	<u>\$19,490,905</u> (F)	<u>\$19,490,905</u> (F)
Total Interim Current Tax Revenue Estimate Over/(Under)			
Current Tax Revenue, Currently Budgeted, (E) - (F):	<u>\$703,870</u>	<u>\$645,376</u>	<u>\$482,601</u>
Total Current Tax Revenue Received, December 2013, 1993-571100**:	<u>\$2,874,612</u>	<u>\$2,874,612</u>	<u>\$2,874,612</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

December 2013



DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	518 Checks	1,386,516.94
P Card – November 2013	295 Transactions	49,086.04
Bank ACH - payroll liabilities	3 Transfers	1,054,151.47
	Total:	2,489,754.45

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 December 31, 2013

<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	\$ 87,595	\$ -	\$ 140,038	\$(52,444)	-60%	\$(52,444)
Choice Partners Cooperative	852,257	-	805,152	47,105	6%	47,105
Records Management	523,582	-	605,989	(82,407)	-16%	(82,407)
Special Education - Therapy Services	2,561,597	135,357	2,696,954	-	-5%	(135,357)



**HIGHLIGHTS
Of
BUDGET AMENDMENT REPORT
January 23, 2014
Board Meeting**

(unaudited)

Amendments

General Fund = \$ 218,701

Special Revenue Funds = \$ 5,738



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INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

December 31, 2013

General Fund



GENERAL FUND (199)

Center for Safe and Secure Schools

Increase expenditures-Purchase Digital Radios for CSSS Member ISD's-Funds from Unassigned Fund Balance	200,000
Total Center for Safe & Secure Schools	<u>200,000</u>

Special Schools- Highpoint North

Increase Revenues and expenditures-Revised Revenue Projections	18,711
Total Special Schools Highpoint North	<u>18,711</u>

Department Wide (DW)

Decrease revenues and expenditures-Correction of Indirect Cost ACP Grant Original Grant (Fund 204-4)	(10)
Total Department Wide	<u>(10)</u>

Total GENERAL FUND:

\$ 218,701

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

December 31, 2013

Special Revenue Fund



SPECIAL REVENUE FUND

Alternative Certification Program (ACP)

Decrease revenues & expenditures-Fed National Educator Grant Adjustment of Rollforward
(Fund 204-4)

(6,707)

Total ACP

(6,707)

Early Childhood Intervention (ECI)

Increase revenues & expenditures-Fed ECI Respite Set Up Budget (Fund 289-4)

12,445

Total ECI

12,445

Total SPECIAL REVENUE FUNDS:

\$ 5,738

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



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Q & A

