

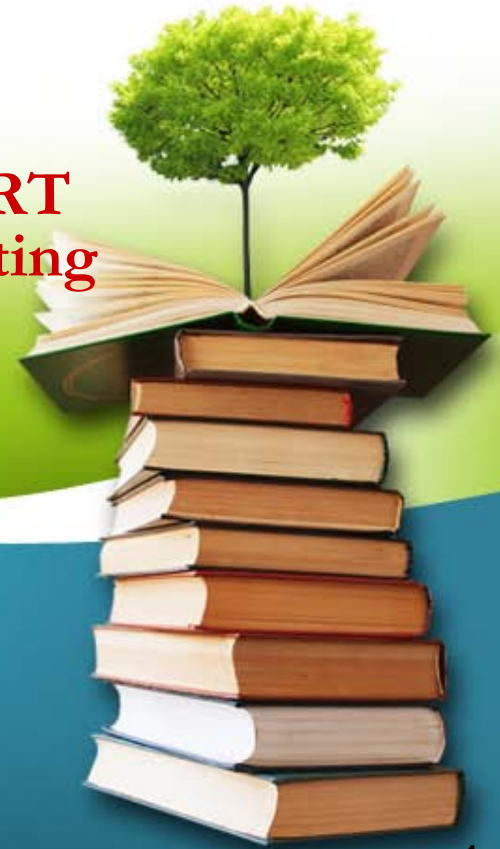


HIGHLIGHTS
of
INTERIM FINANCIAL REPORT
At January 31, 2014
and

BUDGET AMENDMENT REPORT
for the February 25, 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.texas Transparency.org/local/schools.php>



4
Fourth
Year
Award

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Leadership Circle
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INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at Jan. 31, 2014



	<u>ACTUAL</u>
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 26,558,908
Property Taxes-Delinquent at September 1, 2013	1,050,756
Less: Allowances for Uncollectible Taxes	(31,523)
Due from Federal Agencies	56,089
Other Receivables	4,727,295
Inventories	129,192
Deferred Expenditures	-
Other Prepaid Items	24,665
TOTAL ASSETS:	<u><u>\$ 32,515,382</u></u>
<u>LIABILITIES</u>	
Accounts Payable	24,965
Bond Interest Payable	-
Due to Other Funds	-
Accrued Wages	-
Payroll Deductions	416,355
Due to Other Governments	-
Deferred Revenue	1,046,390
TOTAL LIABILITIES:	<u><u>\$ 1,487,710</u></u>
<u>FUND EQUITY</u>	
Unassigned Fund Balance	13,305,111
Non-Spendable Fund Balance	146,918
Restricted Fund Balance	518
Committed Fund Balance	1,408,000
Assigned Fund Balance	8,247,031
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	6,210,863
TOTAL FUND EQUITY:	<u><u>\$ 29,318,441</u></u>
Fund Balance Appropriated Year-To-Date	1,709,231
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	<u><u>\$ 32,515,382</u></u>

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of Jan. 31, 2014



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

As of 1-31-2014, 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	9/1/2013	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	(1,147,200)	8,247,031
Unassigned	13,748,845	(445,530)	13,303,315
Total Fund Balance	\$ 24,815,013	\$ (1,709,231)	\$23,105,782

INTERIM FINANCIAL REPORT (unaudited)

As of Jan. 31, 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 Jan. 31, 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 **13,748,845**

 Total G/F Expenditures **17,566,767**

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

32,515,381 – 1,487,710 = 31,027,671

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

78% FY 14

67% FY 13

31 M FY 14

31 M FY 13

Details on Schedule 3

Details on Schedule 1

Budgeted
26%

Budgeted
\$18 M

INTERIM FINANCIAL REPORT (unaudited)

As of Jan. 31, 2014

Indicator of Efficient Leverage Reserves

- Unassigned Fund Balance Ratio**

How much is available in reserves?

Unassigned Fund Balance	13,305,111
<hr/>	
Total Fund Balances	31,027,672

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	\$1,603,884
<hr/>	
G/F Revenue Less Facility Charges	23,777,630 – 2,214,568

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

43% FY 14

48% FY 13

7% FY 14

0% FY 13

Details on Schedule 1

Budgeted
52%

Details on Schedule 5

Budgeted
7%

INTERIM FINANCIAL REPORT (unaudited)

As of Jan. 31, 2014

Indicators of efficiency



- Tax Revenue to Total Revenue Ratio**

How efficient is HCDE at leveraging local taxes?

Total Tax Revenue \$10,525,682

Total Revenue \$35,597,066

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 \$494,536

Total General Fund Revenues \$23,777,630

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

29% FY 14

29% FY 13

Details on Schedule 2

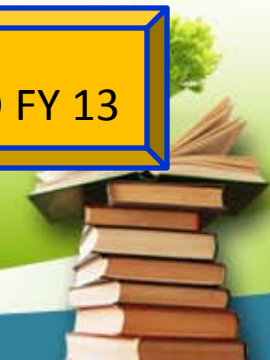
Budgeted
22%

2% FY 14

2.5% FY 13

Details on Schedule 3

Budgeted
5%



INTERIM FINANCIAL REPORT (unaudited)

As of Jan. 31, 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) \$12,005,404

Total Revenues \$35,597,066

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

Fee for Services Current Year Less Fee for Services Last Year

\$12,005,404 – 12,060,387

Fees for Service Last Year \$12,060,387

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

33% FY 14

32% FY 13

-.46% FY 14

4.40% FY 13

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			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				1,250,000
PFC Construction	1,200,000				1,200,000
Early Childhood Intervention Funding	1,100,000	(778,000)			322,000
Insurance Deductibles	500,000				500,000
NEW Payroll System	295,000				295,000

FY 2013-14 FUND BALANCE – BUDGETED ACTIVITY



FUND BALANCE CATEGORY	Sept 1, 2013 Beginning Unaudited	September- January 2014				Est. F/Bal 8-31-14
PFC Lease payment	807,915					807,915
Program start up	900,000					900,000
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	(1,147,200)				9,918,968
Unassigned:	13,748,845	(445,530)				13,303,315
Total Est. Fund Balance:	24,815,013	(1,709,231)				23,105,782

INTERIM FINANCIAL REPORT (unaudited)

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



Revenues

Budget to Actual at Jan. 31, 2014

Fund	Budget	Received/Billed	%
General Fund	\$ 47,693,676	23,777,630	50%
January is the end of the 5th month or approximately 42% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	37,836,313	7,808,244	21%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	2,653,751	1,603,884	60%
(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	-	2,371	0%
Worker's Comp. Fund	464,082	190,298	41%
Internal Service Fund	5,656,446	2,214,628	39%
Total as of the end of the month	\$93,304,268	\$35,597,066	38%

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



Expenditures

Budget to Actual at Jan. 31, 2014

Fund	Budget	Encumbered/Spent	%
General Fund	\$49,402,907	\$17,566,767	40%
(1) Encumbrances as of the end of the month total. 2,167,307 Encumbrances January is the end of the 5th month or approximately 42% of the fiscal year.			
Special Revenue Fund	37,836,313	10,293,173	38%
(2) Encumbrances as of the end of the month total. 3,997,857 Encumbrances Most grant periods differ from fiscal year.			
Debt Service Fund	2,653,751	1,603,884	60%
(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	-	2,276	0%
Worker's Comp. Fund	464,082	125,239	27%
Internal Service Fund	5,656,446	2,214,568	58%
Total as of the end of the month	\$ 96,013,499	\$31,805,919	41%

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report * All Funds as of Jan. 31, 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			
March			
April			
May			
June			
July			
August			
Total:	\$2,604.57	\$28,718.16	\$31,322.73

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report *



		CENTER FOR GRANTS DEVELOPMENT ON BEHALF OF HCDE DIVISIONS						
		January 1st through January 31st, 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>
Duke	Stacey	Butler Business	HCDE	Client Development Services	Ipad Case		\$49.00	\$49.00
Styron	Rhonda	Batteries Plus	HCDE	Client Development Services	Battery Lantern		\$35.00	\$35.00
Moran	Brian	Alonti	HCDE	Scholastic Art & Writing Awards	Food		\$500.40	\$500.40
		Anonymous		Early Childhood Winter Conference	Cash	500.00		\$500.00
Cruz	Midia		HCDE	Head Start	Pictures		\$340.00	\$340.00
Lestus	Laura		HCDE	Head Start	Toys		\$600.00	\$600.00
		Alliantgroup	HCDE	Head Start	Uniforms: Khaki Pants/White Polo		\$2,500.00	\$2,500.00
		Houston Fire Department	HCDE	Head Start	Toys		\$350.00	\$350.00
TOTALS						\$500.00	\$4,374.40	\$4,874.40

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal

Year-To-Date at January 31, 2014



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

	August	September	October	November	December	January
	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED
	TAX RATE	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	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	\$ 315,954,022,723
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
	303,138,252,679	314,568,844,252	316,309,458,390	317,241,467,279	317,320,839,361	317,413,634,217
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
< Tax Rate	19,273,530	20,000,287	20,110,955	20,170,212	20,175,259	20,181,159
< Estimated 99% collection rate	19,080,405	19,800,284	19,909,846	19,968,510	19,973,506	19,979,347
-Delinquent Tax Collections	270,000	260,000	260,000	250,000	250,000	260,000
-Special Assessments	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
Estimated Current Tax Available	\$ 19,490,905	\$ 20,200,784	\$ 20,310,346	\$ 20,359,010	\$ 20,364,006	\$ 20,379,847

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at January 31, 2014 (5th 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	\$3,824,784	\$14,283,026	\$4,797,379	75%
Delinquent Tax *	270,000	7,523	71,929	198,071	27%
Penalty & Interest	130,500	1,617	44,270	86,230	34%
Special Assessments and Miscellaneous*	10,000	6,472	73,913	(63,913)	739%
Subtotal Revenues:	\$19,490,905	\$3,840,397	\$14,473,138	\$5,017,767	74.3%
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	95,848	359,201	24,300	1%
Subtotal Expenditures:	\$538,500	\$95,848	\$438,480	\$100,021	3%
Net Tax Collections:	\$18,952,405	\$3,744,549	\$14,034,658	\$4,917,747	74.1%

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

January 31, 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	\$315,954,022,723	\$315,954,022,723	\$315,954,022,723
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	4,309,380,259	-	-
Scenario (2) Owner's value	-	3,832,644,418	-
Scenario (3) Estimated final value	-	-	1,459,611,494
Total taxable value, Certified and Uncertified:	<u>\$320,263,402,982 (A)</u>	<u>\$319,786,667,141 (A)</u>	<u>\$317,413,634,217 (A)</u>
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$3,202,634,030 (B)	\$3,197,866,671 (B)	\$3,174,136,342 (B)
2) Current Tax Rate	<u>X 0.006358 (C)</u>	<u>X 0.006358 (C)</u>	<u>X 0.006358 (C)</u>
3) 2014 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$20,362,347 (D)</u>	<u>\$20,332,036 (D)</u>	<u>\$20,181,159 (D)</u>
4) Interim Tax Rev Estimate @ 99% Collection Rate:	<u>\$20,158,724 (E)</u>	<u>\$20,128,716 (E)</u>	<u>\$19,979,347 (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)	\$20,158,724 (E)	\$20,128,716 (E)	\$19,979,347 (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>\$667,819</u>	<u>\$637,811</u>	<u>\$488,442</u>
Total Current Tax Revenue Received, January 2014, 1993-571100**:	<u>\$14,283,026</u>	<u>\$14,283,026</u>	<u>\$14,283,026</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

January 2014



DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	502 Checks	1,053,510.76
P Card – December 2013	242 Transactions	42,646.84
Bank ACH - payroll liabilities	3 Transfers	2,695,591.79
	Total:	3,791,749.39

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 January 31, 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	\$ 97,731	\$ -	\$ 158,865	\$(61,134)	-63%	\$(61,134)
Choice Partners Cooperative	953,043	-	905,682	47,360	5%	47,360
Records Management	523,576	-	725,129	(201,553)	-38%	(201,553)
Special Education - Therapy Services	3,180,008	131,803	3,316,748	(4,937)	-4%	(136,740)



**HIGHLIGHTS
Of
BUDGET AMENDMENT REPORT
February 25, 2014
Board Meeting**

(unaudited)

Amendments

General Fund = \$ 356,610

Special Revenue Funds = \$ 24,093



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INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

January 31, 2014

General Fund



GENERAL FUND (199)

Business Services

Increase revenues & expenditures-Revised Revenue Projections-Contract La Marque ISD	5,300
Increase revenues & expenditures-Revised Revenue Projections-Contract Houston ISD	69,300
	<hr/>
Total Business Services	74,600

Center for Safe & Secure Schools (CSSS)

Increase Revenues and expenditures-Revised Revenue Projections-Various School Districts	229,967
	<hr/>
Total Center for Safe & Secure Schools	229,967

Department Wide (DW) and Various Divisions

Increase Expenditures-Various Divisions- Distribute Legal Fees Budget to Cover Division Legal Fees	28,711
Decrease Expenditures-Department Wide- Distribute Legal Fees Budget to Cover Divison Legal Fees	(28,711)
	<hr/>
Total DW andf Various Divisions	0

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

January 31, 2014

General Fund



Department Wide (DW)

Increase revenues and expenditures-Indirect Cost USRA Lunar Institute (Fund 203-4-BM 927)	1,331
Increase revenues and expenditures-Indirect Cost USRA Lunar Institute (Fund 203-4-BM 303)	<u>712</u>
Total Department Wide	2,043

Preschool Early Childhood (EC) Initiative

Increase expenditures for Program Startup-Funds coming from Assigned Fund Balance-Program Startup	<u>50,000</u>
	50,000

Total GENERAL FUND:

\$ 356,610

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

January 31, 2014

Special Revenue Fund



SPECIAL REVENUE FUND

Head Start

Increase revenues & expenditures-Fed Head Start Training-Adjust to NOGA (Fund 206-4)

Total Head Start

3,076

3,076

Alternative Certification Program

Increase revenues & expenditures-Fed mNet Natl Ed Talent Grant Rollover Budget to Fund 204-4

Decrease revenues & expenditures-Fed mNet Natl Ed Talent Grant Rollover Budget from Fund 204-3

26,915

(26,915)

Total Alternative Certification Program

0

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

January 31, 2014

Special Revenue Fund



Research & Evaluation & ISS Science

Increase revenues & expenditures-Fed USRA Lunar Institute New Year Funding (Fund 203-4 BM 927)	14,159
Increase revenues & expenditures-Fed USRA Lunar Institute roll forward to Fund 203-4 BM 927	5,821
Decrease revenues & expenditures-Fed USRA Lunar Institute Rollforward from Fund 203-3 BM 927	(5,821)
Increase revenues & expenditures-Fed USRA Lunar Institute New Year Funding (Fund 203-4 BM 303)	6,858
Total Research & Evaluation & ISS Science	<u>21,017</u>

Total SPECIAL REVENUE FUNDS:

\$ 24,093

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

