



HIGHLIGHTS
of
INTERIM FINANCIAL REPORT
May 31, 2014
and

BUDGET AMENDMENT REPORT
for the July 15, 2014 Board Meeting

(unaudited)
Prepared by
Business Support Services Division

Always Taking Care of Business!





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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>

Presentation Date Board Mtg. Date	Items presented will be	Budget Amendments	Disbursements Report	P Card Activity	Investment Report
July 15 2014 Today	Financials AS OF May 31	Items to be approved in July	Activity for the month of June	Activity AS OF May 31	Activity for the month of July
Aug 19, 2014	Financials AS OF June 30	Items to be approved in August	Activity for the month of July	Activity AS OF June 30	Activity for the month of July
	Current Financials posted by Board Mtg time				



INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at May 31, 2014



	<u>ACTUAL</u>
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 31,221,650
Property Taxes-Delinquent at September 1, 2013	1,050,756
Less: Allowances for Uncollectible Taxes	(31,523)
Due from Federal Agencies	182
Other Receivables	2,288,620
Inventories	151,518
Deferred Expenditures	-
Other Prepaid Items	24,665
TOTAL ASSETS:	\$ 34,705,868
<u>LIABILITIES</u>	
Accounts Payable	24,826
Bond Interest Payable	-
Due to Other Funds	274
Accrued Wages	-
Payroll Deductions	499,545
Due to Other Governments	-
Deferred Revenue	1,046,390
TOTAL LIABILITIES:	\$ 1,571,036
<u>FUND EQUITY</u>	
Unassigned Fund Balance	13,303,315
Non-Spendable Fund Balance	146,918
Restricted Fund Balance	518
Committed Fund Balance	1,108,000
Assigned Fund Balance	6,841,716
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	8,319,819
TOTAL FUND EQUITY:	\$ 29,720,286
Fund Balance Appropriated Year-To-Date	3,414,546
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	\$ 34,705,868

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of May 31, 2014



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

Assigned: \$ 9,394,231

Unassigned: \$ 13,748,845

As of 5-31-2014, 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	(300,000)	1,108,000
Assigned	9,394,231	(2,552,515)	6,841,716
Unassigned	13,748,845	(445,530)	13,303,315
Total Fund Balance	\$ 24,815,013	\$ (3,414,546)	\$ 21,400,467

INTERIM FINANCIAL REPORT (unaudited)

As of May 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 May 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	13,303,315

Total G/F Expenditures	32,049,192

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	

34,705,867.96 – 1,571,035.57	33,134,832

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

41% FY14

39% FY13

\$33M FY14

\$31M FY13

Details on Schedule 3

Budgeted
26%

Details on Schedule 1

Budgeted
\$18 M

INTERIM FINANCIAL REPORT (unaudited)

As of May 31, 2014

Indicators of efficiency



- Tax Revenue to Total Revenue Ratio**

How efficient is HCDE at leveraging local taxes?

Total Tax Revenue \$19,758,265

Total Revenue \$65,312,132

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 \$1,088,425

Total General Fund Revenues \$40,369,011

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

30% FY14

28% FY13

2.7% FY14

3% FY13

Details on Schedule 2

Details on Schedule 3

Budgeted
22%

Budgeted
5%

INTERIM FINANCIAL REPORT (unaudited)

As of May 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) \$18,353,419

Total Revenues \$65,312,132

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

Fee for Services Current Year Less Fee for Services Last Year

\$18,353,419 – 17,492,819

Fees for Service Last Year \$17,492,819

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

28% FY14

26% FY13

4.9% FY14

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			(155,315)		296,910
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)	(655,315)		8,097,152
Unassigned:	13,748,845	(445,530)				13,303,315
Total Est. Fund Balance:	24,815,013	(1,759,231)	(1,000,000)	(655,315)		21,400,467

INTERIM FINANCIAL REPORT (unaudited)

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



Revenues

Budget to Actual at May 31, 2014

Fund	Budget	Received/Billed	%
General Fund	\$ 48,191,059	40,369,011	84%
May is the end of the 9th month or approximately 75% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	38,870,628	18,732,487	48%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	2,653,751	2,274,038	86%
(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	295,197	64%
Internal Service Fund	5,656,446	3,638,455	64%
Total as of the end of the month	\$95,835,966	\$65,312,132	68%

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



Expenditures

Budget to Actual at May 31, 2014

Fund	Budget	Encumbered/Spent	%
General Fund	\$51,450,290	\$32,049,192	66%
(1) Encumbrances as of the end of the month total. 1,935,265 Encumbrances May is the end of the 9th month or approximately 75% of the fiscal year.			
Special Revenue Fund	38,870,628	21,821,361	64%
(2) Encumbrances as of the end of the month total. 2,878,792 Encumbrances Most grant periods differ from fiscal year.			
Debt Service Fund	2,653,751	2,274,038	86%
(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	170,342	37%
Internal Service Fund	5,656,446	4,245,348	75%
Total as of the end of the month	\$ 99,095,197	\$65,379,117	66%

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report *

All Funds as of May 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	0	\$2,645.00	\$2,645.00
March	0	0	0
April	\$530.27	\$3,262.90	\$3,793.17
May	\$90.00	\$23,250.00	\$23,340.00
June			
July			
August			
Total:	\$3,224.84	\$56,876.06	\$61,100.90

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report *

All Funds as of May 31, 2014



		CENTER FOR GRANTS DEVELOPMENT ON BEHALF OF HCDE DIVISIONS						
		May 1, 2014 through May 31, 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								
Chang	Sam	Subway Sandwiches	HCDE	Special Schools	Catering (50 Subway Sandwiches)		\$250.00	\$250.00
Deep	Joni	Avee Corporation Production	HCDE	Head Start	Sesame Street Live: 2/7, 2/8, 2/9		\$23,000.00	\$23,000.00
Sponsorships								
Kriticos	Michael	Bocca Deli	HCDE	Research & Evaluation	4 Gift Cards/\$10.00 each	\$40.00		\$40.00
	Jamie	Barbecue Inn	HCDE	Research & Evaluation	1 Gift Card/\$25.00	\$25.00		\$25.00
Kostic	Andrew	same as below						
Ferriman	John	Bonefish Grill/La Centerra at Cinco Ranch	HCDE	Research & Evaluation	1 Gift Card/\$25.00	\$25.00		\$25.00
TOTALS						\$90.00	\$23,250.00	\$23,340.00

Legend: HCDE=Harris County Department of Education

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal Year-To-Date at May 31, 2014



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

	August	September	October	March	April	May
	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	\$ 316,517,902,573	\$ 316,366,508,387	\$ 316,203,175,158
Values under protest or not certified	47,628,019,827	22,834,202,254	10,580,483,023	496,168,537	340,631,182	262,845,239
	303,138,252,679	314,568,844,252	316,309,458,390	317,014,071,110	316,707,139,569	316,466,020,397
/ Rate per Taxable \$100	3,031,382,527	3,145,688,443	3,163,094,584	3,170,140,711	3,167,071,396	3,164,660,204
X Tax Rate	19,273,530	20,000,287	20,110,955	20,155,755	20,136,240	20,120,910
X Estimated 99% collection rate	19,080,405	19,800,284	19,909,846	19,954,197	19,934,878	19,919,700
+Delinquent Tax Collections	270,000	260,000	260,000	260,000	260,000	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	\$ 20,354,697	\$ 20,335,378	\$ 20,320,200

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at May 31, 2014 (9th 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	\$41,382	\$19,617,623	(\$537,218)	103%
Delinquent Tax *	270,000	8,488	140,590	129,410	52%
Penalty & Interest	130,500	7,933	137,703	(7,203)	106%
Special Assessments and Miscellaneous*	10,000	1,173	183,196	(173,196)	1832%
Subtotal Revenues:	\$19,490,905	\$58,976	\$20,079,112	(\$588,207)	103.0%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$155,000	\$0	\$150,909	\$4,091	97%
LESS: HCTO Fees	383,500	0	369,899	13,601	1%
Subtotal Expenditures:	\$538,500	\$0	\$520,808	\$17,692	3%
Net Tax Collections:	\$18,952,405	\$58,976	\$19,558,304	(\$605,899)	103.2%

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

May 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	\$316,203,175,158	\$316,203,175,158	\$316,203,175,158
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	2,323,682,277	-	-
Scenario (2) Owner's value	-	2,053,312,064	-
Scenario (3) Estimated final value	-	-	262,845,239
Total taxable value, Certified and Uncertified:	<u>\$318,526,857,435</u> (A)	<u>\$318,256,487,222</u> (A)	<u>\$316,466,020,397</u> (A)
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$3,185,268,574 (B)	\$3,182,564,872 (B)	\$3,164,660,204 (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>\$20,251,938</u> (D)	<u>\$20,234,747</u> (D)	<u>\$20,120,910</u> (D)
4) Interim Tax Rev Estimate @ 99% Collection Rate:	<u>\$20,049,418</u> (E)	<u>\$20,032,400</u> (E)	<u>\$19,919,700</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)	\$20,049,418 (E)	\$20,032,400 (E)	\$19,919,700 (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>\$558,513</u>	<u>\$541,495</u>	<u>\$428,795</u>
Total Current Tax Revenue Received, May 2014, 1993-571100**:	<u>\$19,617,623</u>	<u>\$19,617,623</u>	<u>\$19,617,623</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

May 2014



DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	600 Checks	1,846,481.09
P Card – May 2014	389 Transactions	58,248.26
Bank ACH - payroll liabilities	3 Transfers	1,401,000.68
	Total:	3,305,730.03

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 May 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	\$ 166,347	\$ 66,049	\$ 259,981	\$(27,585)	-56%	\$(93,634)
Choice Partners Cooperative	1,846,960	-	1,321,138	525,822	28%	525,822
Records Management	897,925	217,973	1,166,651	(50,753)	-30%	(268,726)
Special Education - Therapy Services	6,370,771	-	6,074,014	296,757	5%	296,757





HARRIS COUNTY DEPARTMENT OF EDUCATION

**HIGHLIGHTS
Of
BUDGET AMENDMENT REPORT
July 15, 2014
Board Meeting**

(unaudited)

Amendments

General Fund = \$ 360,445

Special Revenue Funds = \$ (106,759)



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INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

May 31, 2014

General Fund



Department Wide

Increase revenues and expenditures-Additional Ind Cost-Head Start	65,103
Total Department Wide	65,103

Department Wide(DW) and Superintendent's Office

Decrease Expenditures-DW-Transfer funds to cover Superintendent's 457 Payment	(47,000)
Increase Superintendent's Office-Funds to cover 457 Payment	47,000
Total DW and Superintendent's Office	0

Superintendent's Office

Increase budget for Superintendent's retirement agreement (Funds from Unassigned Fund Balance)	230,342
Total Superintendent's Office	230,342

Special Schools-ABC West

Increase revenues and expenditures- Revised Revenue Projections	65,000
Total Special Schools-ABC West	65,000

Total GENERAL FUND:

\$ 360,445

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

May 31, 2014

Special Revenue Fund



SPECIAL REVENUE FUND

Adult Education

Increase revenues & expenditures-Dollar General Grant Fund 498-4) NEW

8,000

Total Adult Education

8,000

Early Childhood Intervention (ECI)

Decrease revenues and expenditures-Students Served Adjustment From ECI DARS
(Fund 289-4)

(317,451)

Decrease revenues and expenditures-Students Served Adjustment From ECI DARS
(Fund 389-4)

(136,050)

Decrease revenues and expenditures-Students Served Adjustment From ECI DARS
(Fund 481-4)

(362,574)

Total ECI

(816,075)

Head Start

Increase revenues & expenditures-revised NOGA for CY 2014 (Fund 205-4)

701,316

Total Head Start

701,316

Total SPECIAL REVENUE FUNDS:

\$ (106,759)

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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