



HIGHLIGHTS
of
INTERIM FINANCIAL REPORT
At March 31, 2014
and

BUDGET AMENDMENT REPORT
for the April 15, 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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Fifth
Year
Award

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INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at March 31, 2014



	<u>ACTUAL</u>
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 33,756,564
Property Taxes-Delinquent at September 1, 2013	1,050,756
Less: Allowances for Uncollectible Taxes	(31,523)
Due from Federal Agencies	7,939
Other Receivables	3,929,209
Inventories	132,989
Deferred Expenditures	-
Other Prepaid Items	24,665
	<u>24,665</u>
TOTAL ASSETS:	<u>\$ 38,870,598</u>
<u>LIABILITIES</u>	
Accounts Payable	21,681
Bond Interest Payable	-
Due to Other Funds	199,671
Accrued Wages	-
Payroll Deductions	514,063
Due to Other Governments	-
Deferred Revenue	1,046,390
	<u>1,046,390</u>
TOTAL LIABILITIES:	<u>\$ 1,781,805</u>
<u>FUND EQUITY</u>	
Unassigned Fund Balance	13,305,134
Non-Spendable Fund Balance	146,918
Restricted Fund Balance	518
Committed Fund Balance	1,408,000
Assigned Fund Balance	8,197,031
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	12,271,961
	<u>12,271,961</u>
TOTAL FUND EQUITY:	<u>\$ 35,329,562</u>
Fund Balance Appropriated Year-To-Date	1,759,231
	<u>1,759,231</u>
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	<u>\$ 38,870,598</u>

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of March 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 3-31-2014, 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	9/1/2011	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	(1,197,200)	8,197,031
Unassigned	13,748,845	(445,530)	13,303,315
Total Fund Balance	\$ 24,815,013	\$ (1,759,231)	\$ 23,055,782

INTERIM FINANCIAL REPORT (unaudited) As of March 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 March 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 23,901,164

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

 38,870,597.99 – 1,781,805.26 = 37,088,793

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

56% FY14

46% FY13

\$37M FY14

\$34M FY13

Details on Schedule 3

Budgeted
26%

Details on Schedule 1

Budgeted
\$18 M

INTERIM FINANCIAL REPORT (unaudited) As of March 31, 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	37,088,793

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
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G/F Revenue Less Facility Charges	36,173,126 – 2,926,925

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

36% FY14

38% FY13

5% FY14

5% FY13

Details on Schedule 1

Budgeted
52%

Details on Schedule 5

Budgeted
7%

INTERIM FINANCIAL REPORT (unaudited)

As of March 31, 2014

Indicators of efficiency



- Tax Revenue to Total Revenue Ratio**

How efficient is HCDE at leveraging local taxes?

Total Tax Revenue \$19,409,160

Total Revenue \$52,131,017

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 \$784,100

Total General Fund Revenues \$36,173,126

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

37% FY14

32% FY13

2% FY14

2.7% FY13

Details on Schedule 2

Details on Schedule 3

Budgeted
22%

Budgeted
5%

INTERIM FINANCIAL REPORT (unaudited)

As of March 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) \$15,004,655

Total Revenues \$52,131,017

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

Fee for Services Current Year Less Fee for Services Last Year

\$15,004,655 – 14,750,641

Fees for Service Last Year \$14,750,641

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

29% FY14

26% FY13

1% FY14

2.6% 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	March 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	March 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	(1,197,200)				9,918,968
Unassigned:	13,748,845	(445,530)				13,303,315
Total Est. Fund Balance:	24,815,013	(1,759,231)				23,055,782

INTERIM FINANCIAL REPORT (unaudited)

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



Revenues

Budget to Actual at March 31, 2014

Fund	Budget	Received/Billed	%
General Fund	\$ 48,000,286	36,173,126	75%
March is the end of the 7th month or approximately 58% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	37,860,406	11,338,793	30%
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	-	2,541	0%
Worker's Comp. Fund	464,082	225,869	49%
Internal Service Fund	5,656,446	2,568,068	45%
Total as of the end of the month	\$94,634,971	\$52,131,017	55%

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



Expenditures

Budget to Actual at March 31, 2014

Fund	Budget	Encumbered/Spent	%
General Fund	\$49,759,517	\$23,901,164	52%
(1) Encumbrances as of the end of the month total. 1,829,370 Encumbrances March is the end of the 7th month or approximately 58% of the fiscal year.			
Special Revenue Fund	37,860,406	14,835,464	53%
(2) Encumbrances as of the end of the month total. 5,102,543 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	150,795	32%
Internal Service Fund	5,656,446	3,787,992	67%
Total as of the end of the month	\$ 96,394,202	\$51,434,715	53%

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report * All Funds as of Mar. 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			
May			
June			
July			
August			
Total:	\$2,604.57	\$31,363.16	\$33,967.73

INTERIM FINANCIAL REPORT (unaudited)

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



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

	August	September	October	November	December	January	March
	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED
	TAX RATE	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	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	\$ 316,517,902,573
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
	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
/ 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
X Tax Rate	19,273,530	20,000,287	20,110,955	20,170,212	20,175,259	20,181,159	20,155,755
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
+ Delinquent Tax Collections	270,000	260,000	260,000	250,000	250,000	260,000	260,000
+ Special Assessments	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
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

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at

March 31, 2014 (7th month/12 month)



DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
REVENUES:					
Current Tax	\$19,080,405	\$443,518	\$19,251,878	(\$171,473)	101%
Delinquent Tax *	270,000	10,651	103,387	166,613	38%
Penalty & Interest	130,500	31,567	90,627	39,873	69%
Special Assessments and Miscellaneous*	10,000	58,941	157,283	(147,283)	1573%
Subtotal Revenues:	\$19,490,905	\$544,678	\$19,603,174	(\$112,269)	100.6%
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	3%
Net Tax Collections:	\$18,952,405	\$544,678	\$19,119,957	(\$167,552)	100.9%

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

March 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	\$316,517,902,573	\$316,517,902,573	\$316,517,902,573
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	2,682,796,011	-	-
Scenario (2) Owner's value	-	2,406,996,679	-
Scenario (3) Estimated final value	-	-	496,168,237
Total taxable value, Certified and Uncertified:	<u>\$319,200,698,584 (A)</u>	<u>\$318,924,899,252 (A)</u>	<u>\$317,014,070,810 (A)</u>
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$3,192,006,986 (B)	\$3,189,248,993 (B)	\$3,170,140,708 (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>\$20,294,780 (D)</u>	<u>\$20,277,245 (D)</u>	<u>\$20,155,755 (D)</u>
4) Interim Tax Rev Estimate @ 99% Collection Rate:	<u>\$20,091,833 (E)</u>	<u>\$20,074,473 (E)</u>	<u>\$19,954,197 (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)	\$20,091,833 (E)	\$20,074,473 (E)	\$19,954,197 (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>\$600,928</u>	<u>\$583,568</u>	<u>\$463,292</u>
Total Current Tax Revenue Received, March 2014, 1993-571100**:	<u>\$19,251,878</u>	<u>\$19,251,878</u>	<u>\$19,251,878</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

March 2014



DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	548 Checks	1,520,347.83
P Card – March 2014	486 Transactions	78,865.88
Bank ACH - payroll liabilities	3 Transfers	2,695,591.79
	Total:	4,294,805.50

- 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 March 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	\$ 143,894	\$ 48,060	\$ 207,848	\$(15,894)	-44%	\$(63,954)
Choice Partners Cooperative	1,378,507	-	1,094,733	283,774	21%	283,774
Records Management	713,629	110,309	885,045	(61,107)	-24%	(171,416)
Special Education - Therapy Services	4,738,850	-	4,676,445	62,405	1%	62,405





HARRIS COUNTY DEPARTMENT OF EDUCATION

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

(unaudited)

Amendments

General Fund = \$ 1,086,503

Special Revenue Funds = \$ 16,022



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INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

March 31, 2014

General Fund



GENERAL FUND (199)

Center for Safe & Secure Schools (CSSS)

Increase Revenues and expenditures-Revised Revenue Projections-Various School Districts	5,975
Total Center for Safe & Secure Schools	5,975

Center for Fiscal Accountability and School Governance

Increase Revenues and expenditures-Revised revenue projections	10,725
Total Center for Fiscal Accountability and School Governance	10,725

Department Wide (DW)

Increase revenues and expenditures-Indirect Cost Head Start NOGA FY 14	24,803
Total Department Wide	24,803

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

March 31, 2014

General Fund



Center for Grants Development

Increase revenues and expenditures-Revised revenue projections	3,000
Total Center for Grants Development	<u>3,000</u>

Facilities Support Services-Constuction Services

Increase expenditures for Highpoint North Campus Improvement (Funds come from Assigned Fund Balance)	1,000,000
	<u>1,000,000</u>

Research and Evaluation Institute

Increase revenues and expenditures-Contract with Alief ISD 21st Century Grant Evaluation	22,000
Increase revenues and expenditures-Contract with Spring Branch ISD 21st Century Grant Evaluation	20,000
Total Research & Evaluation Institute	<u>42,000</u>

Total GENERAL FUND:

\$1,086,503

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

March 31, 2014

Special Revenue Fund



SPECIAL REVENUE FUND

Head Start

Increase revenues & expenditures-Fed Head Start Regular-Adjust to NOGA (Fund 205-4)	153,637
Decrease revenues & expenditures-Fed Head Start In Kind-Adjust to NOGA (Fund 479-4)	(212,815)
Total Head Start	<u>(59,178)</u>

Texas Virtual Schools Network (TxVSN)

Increase revenues & expenditures-State-Revised Contract Amount (Fund 383-4)	75,200
Total TxVSN	<u>75,200</u>

Total SPECIAL REVENUE FUNDS:

\$ 16,022

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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