

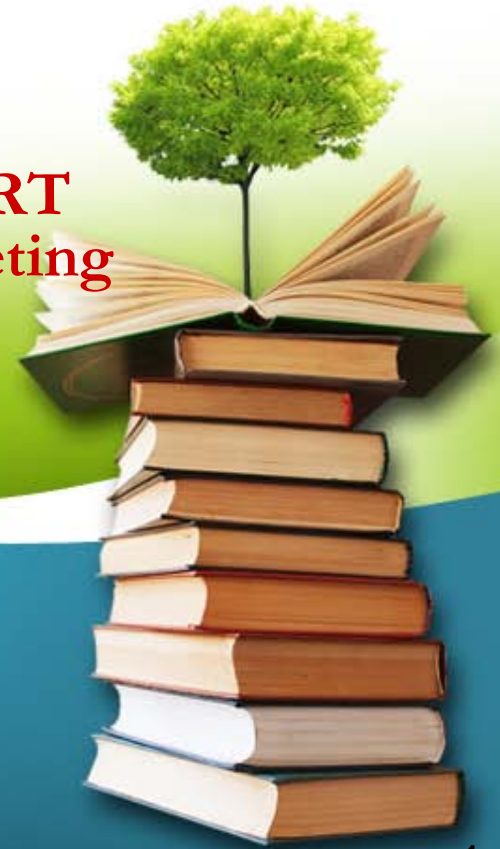


HIGHLIGHTS
of
INTERIM FINANCIAL REPORT
At November 30, 2013
and

BUDGET AMENDMENT REPORT
for the December 17, 2013 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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INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at Nov. 30, 2013



	<u>ACTUAL</u>
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 20,542,951
Property Taxes-Delinquent at September 1, 2013	1,050,756
Less: Allowances for Uncollectible Taxes	(31,523)
Due from Federal Agencies	(10,027)
Other Receivables	2,831,411
Inventories	96,472
Deferred Expenditures	-
Other Prepaid Items	24,665
	<u>24,665</u>
TOTAL ASSETS:	<u><u>\$ 24,504,705</u></u>
<u>LIABILITIES</u>	
Accounts Payable	23,560
Bond Interest Payable	-
Due to Other Funds	-
Accrued Wages	-
Payroll Deductions	452,813
Due to Other Governments	-
Deferred Revenue	1,046,390
	<u>1,046,390</u>
TOTAL LIABILITIES:	<u><u>\$ 1,522,763</u></u>
<u>FUND EQUITY</u>	
Unassigned Fund Balance	15,476,449
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	(1,784,498)
	<u>21,592,711</u>
TOTAL FUND EQUITY:	<u><u>\$ 21,592,711</u></u>
Fund Balance Appropriated Year-To-Date	1,389,231
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	<u><u>\$ 24,504,705</u></u>

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of Nov. 30, 2013



The audited projected General Fund balance at 9/1/12 is \$21,823,471

- Assigned \$ 7,528,241
- Unassigned \$ 12,775,511

As of 11-30-2013, 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	9/1/2012	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	(125,530)	12,533,480
Total Fund Balance	\$ 21,823,471	\$ (1,389,231)	\$20,434,240

INTERIM FINANCIAL REPORT (unaudited)

As of Nov. 30, 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 Nov. 30, 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	12,533,480

Total G/F Expenditures	9,734,447

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	

24,504,705 - 1,522,763 =	22,981,942

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

129%

Details on Schedule 3

Budgeted
26%

\$23 M

Details on Schedule 1

Budgeted
\$18 M



INTERIM FINANCIAL REPORT (unaudited)

As of Nov. 30, 2013

Indicator of Efficient Leverage Reserves

- Unassigned Fund Balance Ratio**

How much is available in reserves?

Unassigned Fund Balance 12,533,480

Total Fund Balances 22,981,942

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
7,949,949- 1,498,326**

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

55%

Details on Schedule 1

Budgeted
52%

0%

Details on Schedule 5

Budgeted
7%



INTERIM FINANCIAL REPORT (unaudited)

As of Nov. 30, 2013

Indicators of efficiency



- Tax Revenue to Total Revenue Ratio**

How efficient is HCDE at leveraging local taxes?

Total Tax Revenue **\$378,144**

Total Revenue **\$12,691,329**

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 **\$230,450**

Total General Fund Revenues **\$7,949,949**

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

3%

Details on Schedule 2

Budgeted
22%

3%

Details on Schedule 3

Budgeted
5%



INTERIM FINANCIAL REPORT (unaudited)

As of Nov. 30, 2013

Indicator of revenue growth



- Fee for Service Revenue Ratio**

How are revenues spread across All Funds?

Total Fee for Service Revenues (G/F) \$6,823,764

Total Revenues \$12,691,329

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

6,823,764 – 6,430,864 =

Fees for Service Last Year \$6,430,864

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

54%

Details on Schedule 13-

Budgeted
25%

6%

Details on Schedule 13-

Budgeted
6%



FY 2013-14 FUND BALANCE – BUDGETED ACTIVITY



FUND BALANCE CATEGORY	Sept 1, 2013 Beginning Unaudited	September- November 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- November 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 Nov. 30, 2013

Fund	Budget	Received/Billed	%
General Fund	\$ 47,657,764	7,949,949	17%
November is the end of the 3rd month or approximately 25% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	37,813,481	3,154,623	8%
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	-	945	0%
Worker's Comp. Fund	464,082	88,801	19%
Internal Service Fund	5,656,446	1,497,011	26%
Total as of the end of the month	\$94,245,524	\$12,691,329	13%

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



Expenditures

Budget to Actual at Nov. 30, 2013

Fund	Budget	Encumbered/Spent	%
General Fund	\$49,046,997	\$9,734,447	25%
(1) Encumbrances as of the end of the month total. 2,287,786 Encumbrances November is the end of the 3rd month or approximately 25% of the fiscal year.			
Special Revenue Fund	37,813,481	5,762,063	24%
(2) Encumbrances as of the end of the month total. 3,231,066 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	100,550	22%
Internal Service Fund	5,656,446	2,636,830	47%
Total as of the end of the month	\$ 95,634,757	\$23,756,570	25%

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report * All Funds as of Nov. 30, 2013



MONTH	CASH	IN-KIND	TOTAL
September	\$230	\$602.50	\$832.50
October	0	\$19,100.62	\$19,600.62
November	\$1,000	\$2,500.00	\$3,500.00
December			
January			
February			
March			
April			
May			
June			
July			
August			
Total:	\$1,230	\$22,203.12	\$23,433.12

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report *



HCDE Donation/Sponsor Report

CENTER FOR GRANTS DEVELOPMENT ON BEHALF OF HCDE DIVISIONS								
November 1st through November 30th, 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>
Clouse	Dick	Office Depot District Manager D63	HCDE	Special Schools	Merchandise, School and Office Supplies		\$1,000.00	\$1,000.00
Clouse	Dick	Office Depot District Manager D63	HCDE	Head Start	Merchandise, Backpacks		\$1,500.00	\$1,500.00
Sponsorships								
Gatlin	Glenda	Smart Financial Credit Union	HCDE	Instructional Support Services	Sponsorship - Early Childhood Winter Conference	\$1,000.00		\$1,000.00
TOTALS						\$1,000.00	\$2,500.00	\$3,500.00

Legend: HCDE=Harris County Department of Education

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal Year-To-Date at November 30, 2013



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

	August	September	October	November
	ADOPTED	ADOPTED	ADOPTED	ADOPTED
	TAX RATE	TAX RATE	TAX RATE	TAX RATE
Proposed Collections Tax Year 2012	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
Values under protest or not certified	47,628,019,827	22,834,202,254	10,580,483,023	4,258,170,138
	303,138,252,679	314,568,844,252	316,309,458,390	317,241,467,279
/ Rate per Taxable \$100	3,031,382,527	3,145,688,443	3,163,094,584	3,172,414,673
X Tax Rate	19,273,530	20,000,287	20,110,955	20,170,212
X Estimated 99% collection rate →	19,080,405	19,800,284	19,909,846	19,968,510
+Delinquent Tax Collections	270,000	260,000	260,000	250,000
+Special Assessments	10,000	10,000	10,000	10,000
+ Penalty & Interest	130,500	130,500	130,500	130,500
Estimated Current Tax Available	\$ 19,490,905	\$ 20,200,784	\$ 20,310,346	\$ 20,359,010

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at November 30, 2013



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	\$377,632	\$377,632	\$18,702,773	2%
Delinquent Tax *	270,000	19,766	36,585	\$233,415	14%
Penalty & Interest	130,500	14,387	28,302	\$102,198	22%
Special Assessments and Miscellaneous*	10,000	255	512	\$9,488	5%
Subtotal Revenues:	\$19,490,905	\$412,039	\$443,031	\$19,047,874	2.3%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$155,000	\$39,858	\$79,279	\$75,721	51%
LESS: HCTO Fees	383,500	10,294	10,294	\$373,206	1%
Subtotal Expenditures:	\$538,500	\$50,152	\$89,573	\$448,927	25%
Net Tax Collections:	\$18,952,405	\$361,887	\$353,458	\$18,598,947	1.9%

2013 Tax Rate = \$0.006358/\$100 Property Assessment/Appraisal

Annual Tax on a \$200,000 Residential Property = \$12.72 (Without considering any eligible exemptions.)

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

INTERIM FINANCIAL REPORT (unaudited)

INTERIM CURRENT TAX REVENUE ESTIMATES REPORT

November 30, 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	\$312,983,297,141	\$312,983,297,141	\$312,983,297,141
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	8,132,867,814	-	-
Scenario (2) Owner's value	-	7,124,530,441	-
Scenario (3) Estimated final value	-	-	4,258,170,138
Total taxable value, Certified and Uncertified:	<u>\$321,116,164,955 (A)</u>	<u>\$320,107,827,582 (A)</u>	<u>\$317,241,467,279 (A)</u>
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$3,211,161,650 (B)	\$3,201,078,276 (B)	\$3,172,414,673 (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>\$20,416,566 (D)</u>	<u>\$20,352,456 (D)</u>	<u>\$20,170,212 (D)</u>
4) Interim Tax Rev Estimate @ 99% Collection Rate:	<u>\$20,212,400 (E)</u>	<u>\$20,148,931 (E)</u>	<u>\$19,968,510 (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)	\$20,212,400 (E)	\$20,148,931 (E)	\$19,968,510 (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>\$721,495</u>	<u>\$658,026</u>	<u>\$477,605</u>
Total Current Tax Revenue Received, November 2013, 1993-571100**:	<u>\$377,632</u>	<u>\$377,632</u>	<u>\$377,632</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

November 2013



DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	580 Checks	1,718,806.94
P Card – November 2013	363 Transactions	55,775.35
Bank ACH - payroll liabilities	3 Transfers	1,130,450.38
	Total:	2,905,032.67

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 November 30, 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	\$ 62,114	\$ -	\$ 119,023	\$(56,909)	-92%	\$(56,909)
Choice Partners Cooperative	774,765	-	704,368	70,397	9%	70,397
Records Management	431,785	-	507,431	(75,646)	-18%	(75,646)
Special Education - Therapy Services	1,829,542	-	2,040,770	(211,229)	-12%	(211,229)





HARRIS COUNTY DEPARTMENT OF EDUCATION

**HIGHLIGHTS
Of
BUDGET AMENDMENT REPORT
December 17, 2013
Board Meeting**

(unaudited)

Amendments

General Fund = \$ 140,285

Special Revenue Funds = \$ 29,539



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INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

November 30, 2013

General Fund



GENERAL FUND (199)

Center for Safe and Secure Schools

Increase revenues and expenditures-Revised Revenue Projections-Additional Contracts	14,461
Total Center for Safe & Secure Schools	14,461

Client Development Services and Communications & Public Information (CPI)

Increase expenditures-Client Development Services-Fund Contracts for Spelling & Equity Center	11,000
Decrease expenditures-CPI-Fund Contracts for Spelling & Equity Center	(11,000)
Total Client Development Services & CPI	0

Department Wide (DW)

Increase expenditures-Increased credit card fee charges	120,000
Increase revenues and expenditures-Indirect Cost ACP Grant Original Grant (Fund 204-4)	3,074
Increase revenues and expenditures-Indirect Cost ACP Grant Addl Funding (Fund 204-4)	2,750
Total Department Wide	125,824

Total GENERAL FUND:

\$ 140,285

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

November 30, 2013

Special Revenue Fund



SPECIAL REVENUE FUND

Alternative Certification Program

Increase revenues & expenditures-Fed National Educator Grant Additional Funding
(Fund 204-4)

34,250

Total Adult Education

34,250

Head Start

Decrease revenues & expenditures-Fed Head Start Regular Adjust Carryover Budget
(Fund 205-3)

(4,711)

(4,711)

Total SPECIAL REVENUE FUNDS:

\$ 29,539

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

