



Texas Comptroller
Leadership Circle
Gold Member



(unaudited)
Prepared by
Business Support Services Division

**HIGHLIGHTS
Of
INTERIM FINANCIAL REPORT
at September 30, 2012
and**

**BUDGET AMENDMENT REPORT
for the October 23, 2012 Board Meeting**

**(unaudited)
Prepared by
Business Support Services Division**

Always Taking Care of Business!



3 Third
Year
Award

Texas Comptroller
Leadership Circle
Gold Member

Posted on our website at

<http://www.hcde-texas.org/default.aspx?name=BusinessServicesHome>

Linked from State Comptroller's website

<http://www.texasransparency.org/local/schools.php>

Awards Update

1. HCDE has received the Transparency Page Gold Award from the Texas Comptroller's Office for the third year in a row.
 2. HCDE has received the ASBO – Award for the CAFR for the year ended 8-31-2011.
 3. HCDE has received the ASBO – Award for the Budget Document for the year ended 8-31-2011.
- HCDE has received the GFOA – Award for the Budget Document for the year ended 8-31-11

INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at September 30, 2012

	ACTUAL
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 20,072,729
Property Taxes-Delinquent at September 1, 2012	1,072,919
Less: Allowances for Uncollectible Taxes	(32,187)
Due from Federal Agencies	34,028
Other Receivables	3,595,979
Inventories	134,115
Deferred Expenditures	3,920
Other Prepaid Items	24,665
TOTAL ASSETS:	\$ 24,906,167
<u>LIABILITIES</u>	
Accounts Payable	19,048
Bond Interest Payable	-
Due to Other Funds	39,294
Payroll Deductions	682,119
Due to Other Governments	-
Deferred Revenue	1,088,834
TOTAL LIABILITIES:	\$ 1,829,295
<u>FUND EQUITY</u>	
Unassigned Fund Balance	14,485,563
Non-Spendable Fund Balance	119,633
Restricted Fund Balance	-
Committed Fund Balance	1,306,000
Assigned Fund Balance	4,579,989
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	1,140,687
TOTAL FUND EQUITY:	\$ 21,631,872
Fund Balance Appropriated Year-To-Date	1,445,000
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	\$ 24,906,167

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of September 30, 2012

The audited projected General Fund balance at 9/1/12 is \$18,006,812

- Assigned \$ 6,024,989
- Unassigned \$ 10,556,190

As of 9-30-2012, 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

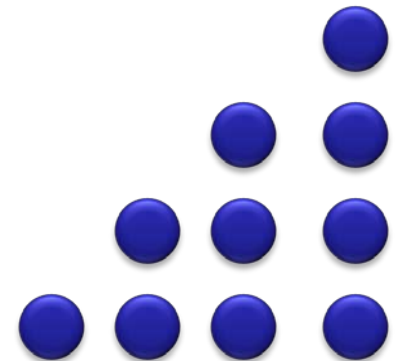
Description	9/1/2011	Appropriated YTD	Estimated Balance
Non-Spendable	\$ 119,633	\$ -	\$ 119,633
Restricted	-	-	-
Committed	1,306,000	-	1,306,000
Assigned	6,024,989	(1,445,000)	4,579,989
Unassigned	11,775,111	-	11,775,111
Total Fund Balance	19,225,733	\$ (1,445,000)	\$17,780,733

INTERIM FINANCIAL REPORT (unaudited)

As of September 30, 2012

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 September 30, 2012

Indicator of Financial Strength



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

What is the percent of rainy fund balance?

- Working Capital Ratio**

What is the cash flow availability for the organization?

Unassigned Fund Balance

Total G/F Expenditures

Goal : > 30% of G/F Exp.
 Benchmark: 10% to 29%
 Danger: Under 10%

Total Current Assets Less Total Liabilities

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

6%

Budgeted
31%

\$23 M

Details on Schedule 3-pending

Details on Schedule 1

INTERIM FINANCIAL REPORT (unaudited)

As of September 30, 2012

Indicator of Efficient Leverage Reserves



<ul style="list-style-type: none"> Unassigned Fund Balance Ratio <p>How much is available in reserves?</p>	<ul style="list-style-type: none"> Debt to Income Ratio <p>What is the ability of HCDE to cover its debt payments?</p>
<p style="text-align: center;">Unassigned Fund Balance ----- Total Fund Balances</p> <p>Goal : >75% Benchmark: 50% to 75% Danger: >50%</p>	<p style="text-align: center;">Annual Principal and Interest Payments on Term Debt and Capital Leases ----- G/F Revenue Leases Less Facility Charges</p> <p>Goal : <25% of annual revenue Benchmark : 25% to <49% Danger : Under < 50%</p>

67%

Details on Schedule 1

0%

Budgeted
7%

Debt Payment scheduled for February 2013
Details on Schedule 5- pending

INTERIM FINANCIAL REPORT (unaudited)

As of September 30, 2012

Indicators of efficiency



- Tax Revenue to Total Revenue Ratio**

How efficient is HCDE at leveraging local taxes?

- Indirect Cost to Tax Ratio**

How much dependency on indirect cost from grants?

Total Tax Revenue

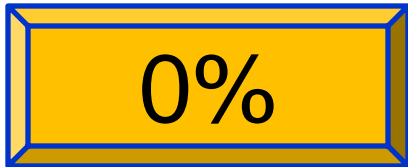
Total Revenue

Goal : < 20% of revenue
 Benchmark: 20% to 30%
 Danger: More than 30%

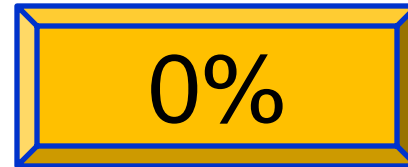
Indirect Cost General Fund

Total General Fund Revenues

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



Details on Schedule 2



Details on Schedule 3



INTERIM FINANCIAL REPORT (unaudited)

As of September 30, 2012

Indicator of revenue growth



<ul style="list-style-type: none"> Fee for Service Revenue Ratio How are revenues spread across All Funds? 	<ul style="list-style-type: none"> Fee for Service Revenue Growth Ratio What is the market growth for fee for services?
<p style="text-align: center;">Total Fee for Service Revenues (G/F) ----- Total Revenues</p> <p>Goal : > 30% of annual revenue Benchmark: 10% to 29% Danger: Under 10%</p>	<p style="text-align: center;">Fee for Services Current Year Less Fee for Services Last Year ----- Fees for Service Last Year</p> <p>Goal : >3% + growth Benchmark : 0% to 3% Danger : Under < 0%</p>

69%

Budgeted
21%

0%

Budgeted
-4%

Details on Schedule 13- pending

Details on Schedule 13- pending

FY 2012-13 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	9/1/12 Unaudited	Oct '12	Nov'12	Jan'13	Feb'13	Mar- Jun'13	Aug'13	Est. F/Bal 8-31-13
Inventory	\$112,865							
Asset Replace Schedule	864,500							
Bldg & Vehicle Replacement Schedule	711.441							
Carryover encumbrances	0							
Deferred Revenue – HP Schools	103,300							
Deferred revenues	6,768							
Emp. Retire Leave Fund	1,250,000							
PFC Construction	930,000							
Insurance Deductibles	400,000							
NEW Payroll System	250,000							

FY 2012-13 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	9/1/012 Unaudited	Oct'12	Nov'12	Jan'13	Feb'13	Mar-Apr'13	Aug 13	Est. F/Bal 8-31-13
PFC Lease payment	807,915							
Program start up	565,000							
Local Construction Fund 170	570,000							
QZAB Renovation Projects	0							
QZAB bond payment	697,833							
Safe & Secure Schools Project	125,000							
Unemployment Liability	56,000							
Total Reserves:	\$7,450,622							
Unassigned:	11,775,111							
Total Est. Fund Balance:	\$19,225,733							

INTERIM FINANCIAL REPORT (unaudited)

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

Revenues

Budget to Actual at September 30, 2012

Fund	Budget	Received/Billed	%
General Fund	\$ 45,844,859	\$ 3,459,423	8%
September is the end of the 1st month or approximately 8% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	45,837,769	1,070,032	2%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	2,652,898		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	-	2	0%
Worker's Comp. Fund	464,082	34,014	7%
Internal Service Fund	5,811,200	178,414	3%
Total as of the end of the month	100,610,808	\$ 4,741,885	5%

INTERIM FINANCIAL REPORT (unaudited)

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

Expenditures

Budget to Actual at September 30, 2012

Fund	Budget	Encumbered/Spent	%
General Fund	\$ 47,289,859	\$ 2,318,736	8%
(1) Encumbrances as of the end of the month total. September is the end of the 1st month or approximately 8% of the fiscal year.		1,485,850	Encumbrances
Special Revenue Fund	45,837,769	1,521,845	9%
(2) Encumbrances as of the end of the month total. Most grant periods differ from fiscal year.		2,408,722	Encumbrances
Debt Service Fund	2,652,898	-	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	-	369	0%
Worker's Comp. Fund	464,082	20,878	14%
Internal Service Fund	5,811,200	1,372,763	24%
Total as of the end of the month	\$ 102,055,808	\$9,173,950	9%

INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 Donations Report *

All Funds as of September 30, 2012

MONTH	CASH	IN-KIND	TOTAL
September	\$ 2,850.00	\$ 1 ,447.00	\$4,297.00
October			
November			
December			
January			
February			
March			
April			
May			
June			
July			
August			
Total:	\$ 2,850.00	\$ 1 ,447.00	\$4,297.00

INTERIM FINANCIAL REPORT (unaudited)

HCDE Donation Report

RESOURCE DEVELOPMENT ON BEHALF OF HCDE DIVISIONS								
September 1st through September 28th, 2012								
<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>
Marquez	Gilbert	Kaplan Early Learning	HCDE	ISS/ECWC	Silver Sponsorship for Conference	\$1,500.00		\$1,500.00
c/o Drouin	Wendy	J. Harding & Co.	HCDE	CASE	Service and Merchandise		\$ 1,222.00	\$1,222.00
Waymine	John	The Waymire Group	HCDE	ISS/ECWC	Gift Certificates		\$ 225.00	\$225.00
Pledges - Employee Giving Fund								
				Choice Facility Partners	\$10.00 for the current year	\$10.00		\$10.00
Simmons	Yolanda P.	Head Start	HCDE	Head Start	One payment of \$25.00	\$25.00		\$25.00
Rawlinson	Gayla	Resource Development	HCDE	Adult Education	\$10.00 per pay period	\$240.00		\$240.00
Rogers	Mallory	Resource Development	HCDE	Head Start	\$25.00 for the current year	\$25.00		\$25.00
Topacio	Virginia Nancy	Adult Education	HCDE	Adult Education	One payment of \$50.00	\$50.00		\$50.00
Eckford	Carolyn	ECI	HCDE	ECI	\$20.00 per pay period	\$100.00		\$100.00
Leal-Rodas	Vidala	ECI	HCDE	Adult Education/ECI	\$20.00 per pay period	\$200.00		\$200.00
Hendrix	Tracy L	Texas Leams	HCDE	Adult Education/GED	Test Fees	\$600.00		\$600.00
				Adult Education/ISS	One payment of \$100	\$100.00		\$100.00
								\$0.00
TOTALS						\$2,850.00	\$ 1,447.00	\$4,297.00

Legend: CASE=Cooperative for After-School Enrichment; ECI=Early Childhood Intervention; ECWC=Early Childhood Winter Conference; ISS=Instructional Support Services

Compiled by: Resource Development

Note: Reported donations are derived from work performed by HCDE divisions.

8/31/2012

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

September 2012

DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	759 Checks	\$2,362,729.61
P Card – August/September	402 Transactions	\$69,192.05
Bank ACH - payroll liabilities	3 Transfers	\$3,607,279.40
	Total:	\$6,039,201.06

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 September 30, 2012

<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	\$ 26,198	\$ -	\$ 15,888	\$ 10,310	39%	\$ 10,310
Center for Safe & Secure Schools	-	-	58,820	(58,820)	N/A	(58,820)
Choice Partners Cooperative	146,446	-	404,305	(257,858)	-176%	(257,858)
Records Management	309	-	191,517	(191,209)	61,960%	(191,209)
Special Education - Therapy Services	175	-	572,533	(572,358)	27,062%	(572,358)



**HIGHLIGHTS
Of
BUDGET AMENDMENT REPORT**

**October 23, 2012
Board Meeting**



(unaudited)

Amendments

General Fund = \$ 852,571

Special Revenue Funds = \$ (712,010)



Texas Comptroller
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INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 BUDGET AMENDMENT REPORT

October 23, 2012

General Fund

GENERAL FUND (199)

Center for Safe and Secure Schools

Increase revenues & expenditures-TEEN CERT Funding New Year	\$	100,000
Increase revenues & expenditures-TEEN CERT Roll Forward Funds		161,402
Total Center for Safe & Secure Schools		<u>261,402</u>

Department Wide and Purchasing Support Services

Increase expenditures-Purchasing Supp Svcs-Cover Furniture		3,098
Decrease Expenditures-Department Wide-Cover Furniture		(3,098)
Total Department Wide & Purchasing Support Services		<u>0</u>

Department Wide

Increase Revenues & expenditures Indirect Cost-ACP Grant		6,743
Increase Revenues & expenditures Indirect Cost-WIA Incentive Grant		41,116
Total Department Wide		<u>47,859</u>

Special Schools-Highpoint East

Increase Revenues & Expenditures-Revised revenue projections-Addl Contract		388,000
Total Special Schools-Highpoint East		<u>388,000</u>

Therapy Services

Increase Revenues & expenditures Contract Increase Revised Revenue		155,310
Total Therapy Services		<u>155,310</u>

Total GENERAL FUND:

\$ 852,571

INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 BUDGET AMENDMENT REPORT

September 12, 2012
Special Revenue Funds

SPECIAL REVENUE FUND

Alternative Certification Program

Increase revenues & expenditures-ACP Nat'l Ed Talent Grant-New Year Funding (204-3)	114,290
Decrease revenues & expenditures-ACP Nat'l Ed Talent Grant-Adjust Roll Forward Budget (204-2)	
	<u>(7,778)</u>
Total Alternative Certification Program	106,512

Cooperative for After School Enrichment (CASE)

Increase revenues & expenditures-Federal After School Partnership Rollover Budget (Fund 288-2)	40,925
Decrease revenues & expenditures-Federal 21st Century Cycle 5 Adjust to NOGA (Fund 282-3)	(9,339)
Decrease revenues & expenditures-Federal 21st Century Cycle 6 Adjust to NOGA (Fund 267-3)	(67,549)
Decrease revenues & expenditures-Federal 21st Century Cycle 7 Adjust to NOGA (Fund 265-3)	(9,339)
Increase revenues & expenditures-Local Houston Endowment Rollover Budget Adj (Fund 463-1)	(10,524)
Increase revenues & expenditures-Local Houston Endowment Rollover Budget Adj (Fund 463-2)	14,595
Increase revenues & expenditures-Local EFHC Frost Bank Rollover Budget Adj (Fund 498-2)	1,153
Increase revenues & expenditures-Local EFHC NW Mutual Rollover Budget Adj (Fund 498-2)	845
	<u>312</u>
Total CASE	(29,582)

INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 BUDGET AMENDMENT REPORT

September 12, 2012

Special Revenue Fund

Digital Learning

Decrease revenues & expenditures-Federal NASA Rollover Budget Adj (Fund 293-2)	(1,452)
Increase revenues & expenditures-EFHC Chevron Rollover Budget Adj (Fund 498-2)	4,930
Total Digital Learning	<u>3,478</u>

Research & Evaluation

Increase revenues & expenditures-Fed USRA Lunar Planet Inst Rollover Budget-Science (Fund 203)	
	4,372
Total Research & Evaluation-Science	<u>4,372</u>

Early Childhood Intervention (ECI)

Decrease revenues & expenditures-ECI Federal Adjust Budget to New Contract	(131,463)
Decrease revenues & expenditures-ECI State Adjust Budget to New Contract	(94,664)
Decrease revenues & expenditures-ECI MOE Adjust Budget to New Contract	(596,468)
Total ECI	<u>(822,595)</u>

Texas LEARNS

Increase revenues & expenditures-Fed Tx LEARNS WIA Incentive Proj Adjust to NOGA (Fund 295)	
	25,805
Total Texas LEARNS	<u>25,805</u>

Total SPECIAL REVENUE FUNDS:

\$ (712,010)

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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