



# FINANCIAL HIGHLIGHTS

July 31, 2017



**HIGHLIGHTS  
of  
INTERIM FINANCIAL REPORT  
JULY 31, 2017  
and  
BUDGET AMENDMENT REPORT  
for the AUGUST 16, 2017 Board Meeting**

**(unaudited)**

**Click below for a 1 minute Briefing**

**<http://www.showme.com/sh/?h=qh7oizA>**

**Prepared by  
Business Support Services Division**



**Value...Opportunity...Service**



**Texas Comptroller  
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**Posted on our website at**

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Texas Comptroller  
Leadership Circle

INTERIM FINANCIAL REPORT (unaudited)  
 GENERAL FUND Balance Sheet at  
 July 31, 2017

| <b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b>  |                      | Schedule 1    |
|---|----------------------|---------------|
| INTERIM FINANCIAL REPORTS (Unaudited)   |                      |               |
| GENERAL FUNDS 100-199 BALANCE SHEET   |                      |               |
| Fiscal year to date: July 31, 2017  |                      |               |
|   |                      | <u>ACTUAL</u> |
| <b><u>ASSETS</u></b>  |                      |               |
| Cash and Temporary Investments  | \$ 31,554,976        |               |
| Property Taxes-Delinquent at September 1, 2016  | 892,918              |               |
| Less: Allowances for Uncollectible Taxes  | (17,859)             |               |
| Due from Federal Agencies   | -                    |               |
| Other Receivables   | 1,158,225            |               |
| Inventories   | 133,246              |               |
| Deferred Expenditures   | -                    |               |
| Other Prepaid Items   | 34,606               |               |
| <b>TOTAL ASSETS:</b>  | <b>\$ 33,756,111</b> |               |
| <b><u>LIABILITIES</u></b>   |                      |               |
| Accounts Payable  | 86,655               |               |
| Bond Interest Payable   | -                    |               |
| Due to Other Funds  | -                    |               |
| Accrued Wages   | -                    |               |
| Payroll Deductions  | 661,541              |               |
| Due to Other Governments  | -                    |               |
| Deferred Revenue  | 888,880              |               |
| <b>TOTAL LIABILITIES:</b>   | <b>\$ 1,637,076</b>  |               |
| <b><u>FUND EQUITY</u></b>   |                      |               |
| Unassigned Fund Balance   | 14,374,187           |               |
| Non-Spendable Fund Balance  | 159,613              |               |
| Restricted Fund Balance   | -                    |               |
| Committed Fund Balance  | 6,200,000            |               |
| Assigned Fund Balance   | 7,538,285            |               |
| Excess(Deficiency) of Revenues & Other Resources<br>Over(Under) Expenditures & Other Uses | 1,198,794            |               |
| <b>TOTAL FUND EQUITY:</b>   | <b>\$ 29,470,879</b> |               |
| Fund Balance Appropriated Year-To-Date  | 2,648,156            |               |
| <b>TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:</b>             | <b>\$ 33,756,111</b> |               |

INTERIM FINANCIAL REPORT (unaudited)  
 ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE  
 As of July 31, 2017

**The General Fund balance at 9/1/16 is \$30,920,241**

As year end adjustments are completed, a budget amendment will be submitted to the board for items assigned, restricted and committed that will roll forward into FY 2018.

As of 07-31-2017, activity includes:

| Description        | 9/1/2016             | Appropriated YTD      | Estimated Balance   |
|--------------------|----------------------|-----------------------|---------------------|
| Non-Spendable      | <b>\$ 159,613</b>    | <b>\$ -</b>           | <b>\$ 159,613</b>   |
| Restricted         | -                    | -                     | -                   |
| Committed          | <b>6,200,000</b>     | <b>(150,000)</b>      | <b>6,050,000</b>    |
| Assigned           | <b>7,538,285</b>     | <b>(1,732,641)</b>    | <b>5,805,644</b>    |
| Unassigned         | <b>17,022,343</b>    | <b>(765,515)</b>      | <b>16,256,828</b>   |
| Total Fund Balance | <b>\$ 30,920,241</b> | <b>\$ (2,648,156)</b> | <b>\$28,272,085</b> |

INTERIM FINANCIAL REPORT (unaudited)  
As of July 31, 2017

## 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 July 31, 2017

### *Indicator of Financial Strength*

| <b>Percent of Fund Balance to G/F Expenditures Ratio</b><br>What is the percent of rainy fund balance? (*)Unadjusted   | <b>Working Capital Ratio</b><br>What is the cash flow availability for the organization?  |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
|--|---|---------------------|---|--|-------------------------------|---------------------|--------|-------------------|------------|------------|---------|-----------|---|-----------------------------|--|---------------------------------------|--|--|--|--------|---------------|-------------|----------------|----------|---------------|
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"><b>Unassigned Fund Balance</b></td> <td style="text-align: right;"><b>\$14,374,188</b></td> </tr> <tr> <td colspan="2"><hr style="border-top: 1px dashed black;"/></td> </tr> <tr> <td><b>Total G/F Expenditures</b></td> <td style="text-align: right;"><b>\$44,473,135</b></td> </tr> <tr> <td style="padding-top: 10px;">Goal :</td> <td style="padding-top: 10px;">&gt; 30% of G/F Exp.</td> </tr> <tr> <td>Benchmark:</td> <td>10% to 29%</td> </tr> <tr> <td>Danger:</td> <td>Under 10%</td> </tr> </table> | <b>Unassigned Fund Balance</b>  | <b>\$14,374,188</b> | <hr style="border-top: 1px dashed black;"/> |  | <b>Total G/F Expenditures</b> | <b>\$44,473,135</b> | Goal : | > 30% of G/F Exp. | Benchmark: | 10% to 29% | Danger: | Under 10% | <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;"><b>Total Current Assets</b></td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>Less Total Current Liabilities</b></td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>\$33,756,111 - \$1,637,076 = \$32,119,035</b></td> </tr> <tr> <td style="padding-top: 10px;">Goal :</td> <td style="padding-top: 10px;">&gt;\$15,000,000</td> </tr> <tr> <td>Benchmark :</td> <td>\$10M to \$15M</td> </tr> <tr> <td>Danger :</td> <td>Under &lt; \$10M</td> </tr> </table> | <b>Total Current Assets</b> |  | <b>Less Total Current Liabilities</b> |  | <b>\$33,756,111 - \$1,637,076 = \$32,119,035</b> |  | Goal : | >\$15,000,000 | Benchmark : | \$10M to \$15M | Danger : | Under < \$10M |
| <b>Unassigned Fund Balance</b>   | <b>\$14,374,188</b>   |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| <hr style="border-top: 1px dashed black;"/>  |   |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| <b>Total G/F Expenditures</b>  | <b>\$44,473,135</b>   |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| Goal :   | > 30% of G/F Exp.   |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| Benchmark:   | 10% to 29%  |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| Danger:  | Under 10%   |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| <b>Total Current Assets</b>  |   |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| <b>Less Total Current Liabilities</b>  |   |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| <b>\$33,756,111 - \$1,637,076 = \$32,119,035</b>   |   |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| Goal :   | >\$15,000,000   |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| Benchmark :  | \$10M to \$15M  |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| Danger :   | Under < \$10M   |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |
| <div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> <div style="border: 2px solid orange; padding: 5px; background-color: #f4a460;">32% FY17</div> <div style="border: 2px solid orange; padding: 5px; background-color: #f4a460;">46% FY16</div> </div> <p style="margin: 0;">Details on Schedule 3</p> <div style="border: 1px solid orange; border-radius: 50%; padding: 5px; background-color: #f4a460; width: fit-content; margin: 0 auto;">Budgeted 18%</div>  | <div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> <div style="border: 2px solid orange; padding: 5px; background-color: #f4a460;">32M FY17</div> <div style="border: 2px solid orange; padding: 5px; background-color: #f4a460;">35M FY16</div> </div> <p style="margin: 0;">Details on Schedule 1</p> <div style="border: 1px solid orange; border-radius: 50%; padding: 5px; background-color: #f4a460; width: fit-content; margin: 0 auto;">Budgeted \$15M</div> |                     |   |  |                               |                     |        |                   |            |            |         |           |   |                             |  |                                       |  |  |  |        |               |             |                |          |               |

# INTERIM FINANCIAL REPORT (unaudited)

## As of July 31, 2017

### *Indicator of Efficient Leverage Reserves*



| <b>Unassigned Fund Balance Ratio</b><br>How much is available in reserves?   | <b>Debt to Income Ratio</b><br>What is the ability of HCDE to cover its debt payments? |                     |   |  |                           |                     |  |   |  |                    |  |   |  |  |  |                               |  |
|--|--|---------------------|---|--|---------------------------|---------------------|--|---|--|--------------------|--|---|--|--|--|-------------------------------|--|
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"><b>Unassigned Fund Balance</b></td> <td style="text-align: right;"><b>\$14,374,188</b></td> </tr> <tr> <td colspan="2"><hr style="border-top: 1px dashed black;"/></td> </tr> <tr> <td><b>Total Fund Balance</b></td> <td style="text-align: right;"><b>\$32,119,035</b></td> </tr> </table> <p style="margin-top: 10px;">                     Goal : &gt; 75%<br/>                     Benchmark: 50% to 75%<br/>                     Danger: &lt;50%                 </p> | <b>Unassigned Fund Balance</b>   | <b>\$14,374,188</b> | <hr style="border-top: 1px dashed black;"/> |  | <b>Total Fund Balance</b> | <b>\$32,119,035</b> | <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2"><b>Annual Principal and Interest Payments on Term Debt and Capital Leases</b></td> </tr> <tr> <td style="text-align: right;"><b>\$3,124,531</b></td> <td></td> </tr> <tr> <td colspan="2"><hr style="border-top: 1px dashed black;"/></td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>G/F Revenue Less Facility Charges</b></td> </tr> <tr> <td colspan="2" style="text-align: right;"><b>\$45,671,929-4,177,563</b></td> </tr> </table> <p style="margin-top: 10px;">                     Goal : &lt;25% of annual revenue<br/>                     Benchmark : 25% to &lt;49%<br/>                     Danger : Over &gt; 50%                 </p> | <b>Annual Principal and Interest Payments on Term Debt and Capital Leases</b> |  | <b>\$3,124,531</b> |  | <hr style="border-top: 1px dashed black;"/> |  | <b>G/F Revenue Less Facility Charges</b> |  | <b>\$45,671,929-4,177,563</b> |  |
| <b>Unassigned Fund Balance</b>   | <b>\$14,374,188</b>  |                     |   |  |                           |                     |  |   |  |                    |  |   |  |  |  |                               |  |
| <hr style="border-top: 1px dashed black;"/>  |  |                     |   |  |                           |                     |  |   |  |                    |  |   |  |  |  |                               |  |
| <b>Total Fund Balance</b>  | <b>\$32,119,035</b>  |                     |   |  |                           |                     |  |   |  |                    |  |   |  |  |  |                               |  |
| <b>Annual Principal and Interest Payments on Term Debt and Capital Leases</b>  |  |                     |   |  |                           |                     |  |   |  |                    |  |   |  |  |  |                               |  |
| <b>\$3,124,531</b>   |  |                     |   |  |                           |                     |  |   |  |                    |  |   |  |  |  |                               |  |
| <hr style="border-top: 1px dashed black;"/>  |  |                     |   |  |                           |                     |  |   |  |                    |  |   |  |  |  |                               |  |
| <b>G/F Revenue Less Facility Charges</b>   |  |                     |   |  |                           |                     |  |   |  |                    |  |   |  |  |  |                               |  |
| <b>\$45,671,929-4,177,563</b>  |  |                     |   |  |                           |                     |  |   |  |                    |  |   |  |  |  |                               |  |

45% FY17

41% FY16

Details on Schedule 1

Budgeted  
64%

8% FY17

6% FY16

Details on Schedule 5

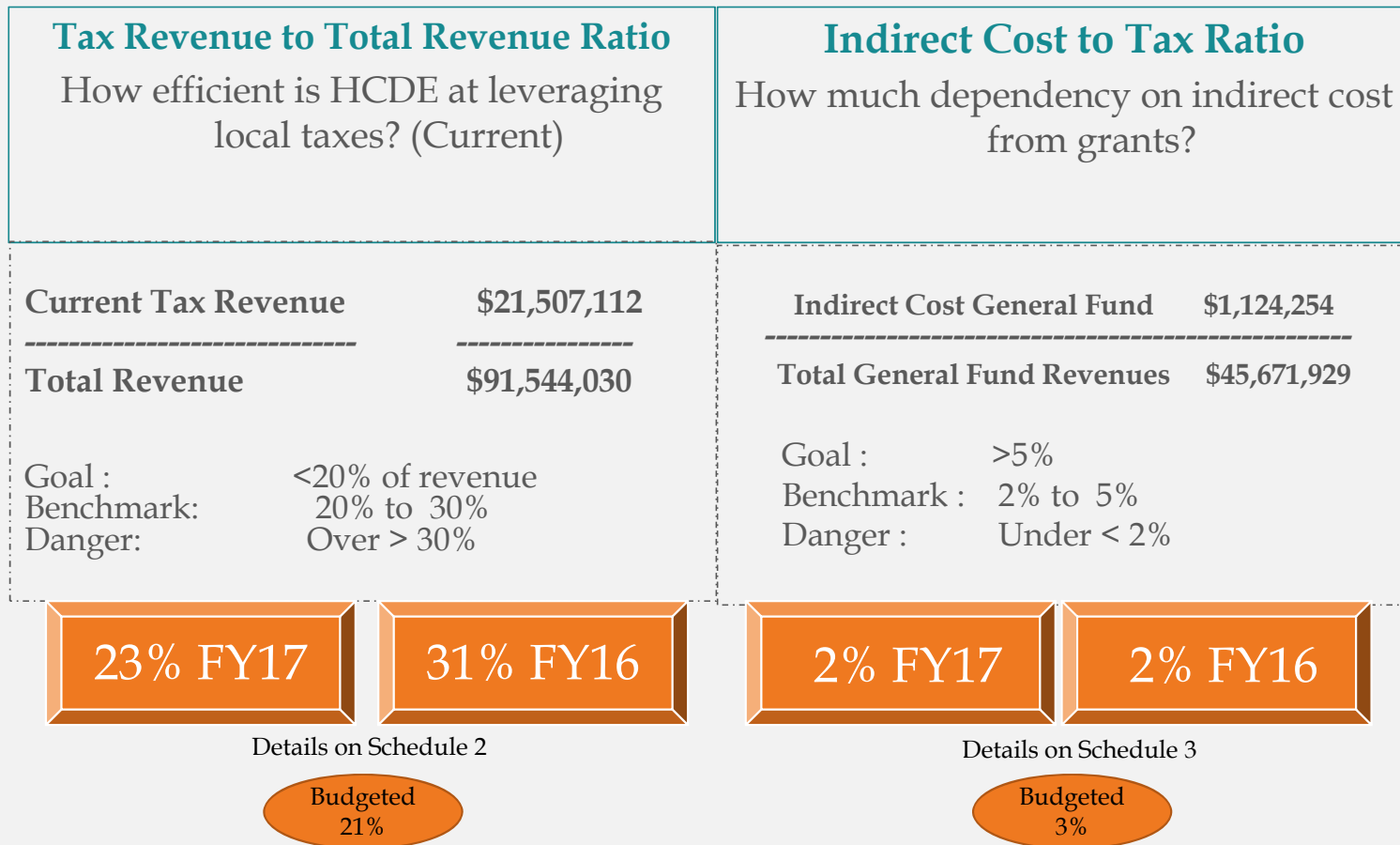
Budgeted  
6%



# INTERIM FINANCIAL REPORT (unaudited)

## As of July 31, 2017

### *Indicators of efficiency*



# INTERIM FINANCIAL REPORT (unaudited)

## As of July 31, 2017

### *Indicator of revenue growth*



| <b>Fee for Service Revenue Ratio</b><br>How are revenues spread across All Funds?   | <b>Fee for Service Revenue Growth Ratio</b><br>What is the market growth for fee for services?  |
|---|---|
| <p style="text-align: center;"> <b>Total Fee for Service Revenues (G/F) \$ 19,578,826</b><br/> <hr style="width: 20%; margin: auto;"/> <b>Total Revenues \$ 91,544,030</b> </p> <p>                     Goal : &gt;30% of annual revenue<br/>                     Benchmark: 10% to 29%<br/>                     Danger: Under 10%                 </p>   | <p style="text-align: center;"> <b>Fee for Services Current Year Less Fee for Services Last Year</b><br/>                     \$19,578,826 - 18,194,132<br/> <b>Fees for Service Last Year \$18,194,132</b> </p> <p>                     Goal : &gt;3% + growth<br/>                     Benchmark : 0% to 3%<br/>                     Danger : Under &lt; 0%                 </p>  |
| <div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> <div style="border: 1px solid black; padding: 5px; background-color: #f4a460; color: white; font-weight: bold;">21% FY17</div> <div style="border: 1px solid black; padding: 5px; background-color: #f4a460; color: white; font-weight: bold;">24% FY16</div> </div> <p style="margin: 0;">Details on Schedule 14</p> <div style="border: 1px solid black; border-radius: 50%; padding: 5px; background-color: #f4a460; color: white; font-weight: bold; width: 60px; margin: 0 auto;">                     Budgeted<br/>21%                 </div> | <div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> <div style="border: 1px solid black; padding: 5px; background-color: #f4a460; color: white; font-weight: bold;">8% FY17</div> <div style="border: 1px solid black; padding: 5px; background-color: #f4a460; color: white; font-weight: bold;">-3% FY16</div> </div> <p style="margin: 0;">Details on Schedule 14</p> <div style="border: 1px solid black; border-radius: 50%; padding: 5px; background-color: #f4a460; color: white; font-weight: bold; width: 60px; margin: 0 auto;">                     Budgeted<br/>5%                 </div> |

# FY 2016-17 FUND BALANCE – BUDGETED ACTIVITY

| FUND BALANCE CATEGORY            | Sept 1, 2016 Beginning Audited | September | October   | November  | December | Jan-March | April-July  | August | Est. F/Bal 8-31-17 |
|----------------------------------|--------------------------------|-----------|-----------|-----------|----------|-----------|-------------|--------|--------------------|
| Inventory                        | 128,702                        |           |           |           |          |           |             |        | 128,702            |
| Prepaid Items                    | 30,911                         |           |           |           |          |           |             |        | 30,911             |
| Emp Retirement Leave Fund        | 1,000,000                      |           |           |           |          | (150,000) |             |        | 850,000            |
| Unemployment Liability           | 200,000                        |           |           |           |          |           |             |        | 200,000            |
| Capital Projects                 | 5,000,000                      |           |           |           |          |           |             |        | 5,000,000          |
| Assets Replacement Schedule      | 597,000                        |           |           |           |          |           |             |        | 597,000            |
| Building and Vehicle Replacement | 900,000                        |           |           |           |          |           |             |        | 900,000            |
| Local Construction               | 1,250,000                      |           | (250,871) |           |          |           |             |        | 999,129            |
| PFC Lease Payment                | 1,697,056                      |           |           |           |          |           |             |        | 1,697,056          |
| QZAB bond payment                | 694,229                        |           |           |           |          |           |             |        | 694,229            |
| New Program Initiative           | 950,000                        |           |           |           |          |           | (531,770)   |        | 418,230            |
| Recovery High School             | 950,000                        |           |           |           |          |           | (950,000)   |        | -                  |
| Workforce Development            | 500,000                        |           |           |           |          |           |             |        | 500,000            |
| <b>Total Reserves:</b>           | <b>13,897,898</b>              |           |           |           |          |           |             |        | <b>12,015,257</b>  |
| <b>Unassigned</b>                | <b>17,022,343</b>              |           |           | (742,447) | (23,068) |           |             |        | <b>16,256,828</b>  |
| <b>Total Est. Fund Balance:</b>  | <b>30,920,241</b>              | -         | (250,871) | (742,447) | (23,068) | (150,000) | (1,481,770) | -      | <b>28,272,085</b>  |

# INTERIM FINANCIAL REPORT (unaudited)

## GENERAL, SPECIAL REVENUE, DEBT SERVICE FUNDS, CAPITAL PROJECTS, AND INTERNAL SERVICE FUNDS

### Revenues

#### Budget to Actual at July 31, 2017

| Fund   | Budget               | Received/Billed     | %          |
|--|----------------------|---------------------|------------|
| <b>General Fund</b>  | \$49,130,569         | \$45,671,929        | 93%        |
| July is the end of the 11th month or <b>approximately 92%</b> of the fiscal year.                            |                      |                     |            |
| (1) This amount includes accounts receivable billed.   |                      |                     |            |
| <b>Special Revenue Funds</b>   | 37,970,814           | 22,376,783          | 59%        |
| Most grant periods differ from fiscal year.  |                      |                     |            |
| (2) Grants are on monthly reimbursement basis; subsequently billed   |                      |                     |            |
| <b>Debt Service Fund</b>   | 3,133,732            | 3,124,531           | 100%       |
| (3) This fund has activity in February (interest and principal payments) and August (interest only payment). |                      |                     |            |
| <b>Capital Projects Fund</b>   | 12,000,000           | 12,016,745          | 100%       |
| <b>Trust and Agency Fund</b>   | 0                    | 3,948               | 100%       |
| <b>Choice Partners Fund (Enterprise Fund)</b>  | 3,766,995            | 3,915,394           | 104%       |
| <b>Worker's Comp. Fund (Internal Service Fund)</b>   | 464,082              | 257,135             | 55%        |
| <b>Facilities Fund (Internal Service Fund)</b>   | 6,000,035            | 4,177,563           | 70%        |
| <b>Total as of the end of the month</b>  | <b>\$112,466,227</b> | <b>\$91,544,030</b> | <b>81%</b> |

\*Federal funding is the main source for special revenue grants. The \$28,806,630 Federal Program Revenues includes \$4,000,363 for Adult Education, \$6,390,768 for CASE, \$18,298,460 for Head Start, and \$117,039 for various other divisions.

# Adopted Budget and Amendments

|           |                           | Revenues<br>Adopted<br>Budget | Appropriations<br>Adopted<br>Budget |
|-----------|---------------------------|-------------------------------|-------------------------------------|
|           | <b>Budget</b>             | 104,431,489                   | 111,278,489                         |
| September |                           | 429,242                       | 429,242                             |
|           | <b>Subtotal-September</b> | <b>104,860,731</b>            | <b>111,707,731</b>                  |
| October   |                           | 4,315,251                     | 4,616,122                           |
|           | <b>Subtotal October</b>   | <b>109,175,982</b>            | <b>116,323,853</b>                  |
| November  |                           | 1,011,049                     | 1,753,496                           |
|           | <b>Subtotal November</b>  | <b>110,187,031</b>            | <b>118,077,349</b>                  |
| December  |                           | 2,353                         | 975,421                             |
|           | <b>Subtotal December</b>  | <b>110,189,384</b>            | <b>119,052,770</b>                  |
| January   |                           | 521,500                       | (428,500)                           |
|           | <b>Subtotal January</b>   | <b>110,710,884</b>            | <b>118,624,270</b>                  |
| February  |                           | 92,865                        | 242,865                             |
|           | <b>Subtotal February</b>  | <b>110,803,749</b>            | <b>118,867,135</b>                  |
| April     |                           | 509,929                       | 1,991,699                           |
|           | <b>Subtotal April</b>     | <b>111,313,678</b>            | <b>120,858,834</b>                  |
| May       |                           | 131,538                       | 131,538                             |
|           | <b>Subtotal May</b>       | <b>111,445,216</b>            | <b>120,990,372</b>                  |
| June      |                           | 133,677                       | 133,677                             |
|           | <b>Subtotal June</b>      | <b>111,578,893</b>            | <b>121,124,049</b>                  |
| July      |                           | 887,334                       | 887,334                             |
|           | <b>Subtotal July</b>      | <b>112,466,227</b>            | <b>122,011,383</b>                  |

# INTERIM FINANCIAL REPORT (unaudited)

## GENERAL, SPECIAL REVENUE, DEBT SERVICE FUNDS, CAPITAL PROJECTS, AND INTERNAL SERVICE FUNDS

### Expenditures

Budget to Actual at July 31, 2017

| Fund   | Budget               | Encumbered/Spent    | %            |
|--|----------------------|---------------------|--------------|
| <b>General Fund</b>  | \$58,675,725         | \$44,473,135        | 78%          |
| (1) Encumbrances as of the end of the month total.   |                      | 1,051,348           | Encumbrances |
| July is the end of the 11th month or <b>approximately 92%</b> of the fiscal year.                            |                      |                     |              |
| <b>Special Revenue Funds</b>   | 37,970,814           | 24,756,342          | 73%          |
| (2) Encumbrances as of the end of the month total.   |                      | 2,813,964           | Encumbrances |
| Most grant periods differ from the fiscal year.  |                      |                     |              |
| <b>Debt Service Fund</b>   | 3,133,732            | 3,124,531           | 100%         |
| (3) This fund has activity in February (interest and principal payments) and August (interest only payment). |                      |                     |              |
| <b>Capital Projects Fund</b>   | 12,000,000           | 1,183,927           | 10%          |
| <b>Trust and Agency Fund</b>   | 0                    | 3,910               | 100%         |
| <b>Choice Partners Fund (Enterprise Fund)</b>  | 3,766,995            | 4,060,331           | 108%         |
| <b>Worker's Comp. Fund (Internal Service Fund)</b>   | 464,082              | 327,146             | 70%          |
| <b>Facilities Fund (Internal Service Fund)</b>   | 6,000,035            | 4,620,198           | 77%          |
| <b>Total as of the end of the month</b>  | <b>\$122,011,383</b> | <b>\$86,414,832</b> | <b>71%</b>   |

# INTERIM FINANCIAL REPORT (unaudited)

## FY 2016-17 Donations Report All Funds as of July 31, 2017

| Month 2016-2017    | CASH             | IN-KIND          | TOTAL            |
|--------------------|------------------|------------------|------------------|
| September          | 150.00           | 1,799.75         | 1,949.75         |
| October            | 2,223.00         | 15,100.75        | 17,323.75        |
| November           | 915.00           | 1,499.95         | 2,414.95         |
| December           | 0.00             | 0.00             | 0.00             |
| January            | 1,000.00         | -                | 1,000.00         |
| February           | -                | 2,647.77         | 2,647.77         |
| March              | -                | 845.00           | 845.00           |
| April              | -                | -                | -                |
| May                | 15.00            | 20,362.09        | 20,377.09        |
| June               |                  | 11,970.13        | 11,970.13        |
| July               | -                | 237.00           | 237.00           |
| August             |                  |                  | -                |
| <b>2017 Total:</b> | <b>4,303.00</b>  | <b>54,462.44</b> | <b>58,765.44</b> |
| <b>2016 Total:</b> | <b>20,322.00</b> | <b>45,282.00</b> | <b>65,604.00</b> |

# INTERIM FINANCIAL REPORT (unaudited)

## FY 2016-17 Donations Report All Funds as of July 31, 2017

| CENTER FOR GRANTS DEVELOPMENT ON BEHALF OF HCDE DIVISIONS |                                 |                         |             |                 |  |                    |                       |               |
|---|---------------------------------|-------------------------|-------------|-----------------|--|--------------------|-----------------------|---------------|
| July 1st through July 31st, 2017                          |                                 |                         |             |                 |  |                    |                       |               |
| <i>Donor/Sponsor Last Name</i>                            | <i>Donor/Sponsor First Name</i> | <i>Organization</i>     | <i>Site</i> | <i>Division</i> | <i>Description of Donation/Sponsorship</i> | <i>Cash Totals</i> | <i>In-kind Totals</i> | <i>Totals</i> |
|   |                                 | Texas Litho Printing    | HCDE        | CASE for Kids   | Poster                                     |                    | \$48.00               | \$48.00       |
| Pitcher   | Chris                           | SPROUTS                 | HCDE        | CASE for Kids   | 10 cases of bottled water                  |                    | \$39.00               | \$39.00       |
| Duke  | Stacy                           | Butler Business Product | HCDE        | CASE for Kids   | Sketch pads for Kids Day at Hobby Center   |                    | \$150.00              | \$150.00      |
|   |                                 |                         |             |                 |  | \$0.00             | \$237.00              | \$237.00      |

Legend: HCDE=Harris County Department of Education



# INTERIM FINANCIAL REPORT (unaudited) TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal Year-To-Date at July 31, 2017

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

|   | Adopted             | September           | October             | November            | December            | January             | February            | March               | April               | May                 | June                | July                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | ADOPTED<br>TAX RATE | ADOPTED<br>TAX RATE | ADOPTED<br>TAX RATE | ADOPTED<br>TAX RATE | ADOPTED<br>TAX RATE | ADOPTED<br>TAX RATE | ADOPTED<br>TAX RATE | ADOPTED<br>TAX RATE | ADOPTED<br>TAX RATE | ADOPTED<br>TAX RATE | ADOPTED<br>TAX RATE | ADOPTED<br>TAX RATE |
| Proposed Collections Tax Year 2016              | 0.005200            | 0.005200            | 0.005200            | 0.005200            | 0.005200            | 0.005200            | 0.005200            | 0.005200            | 0.005200            | 0.005200            | 0.005200            | 0.005200            |
| Certified Taxable Value per HCAD *              | \$ 380,379,454,270  | \$ 389,030,956,955  | \$ 412,426,872,186  | \$ 416,991,877,969  | \$ 419,764,560,279  | \$ 420,565,921,746  | \$ 421,047,522,328  | \$ 421,216,527,734  | \$ 420,792,375,676  | \$ 420,389,001,754  | \$ 419,727,759,203  | \$ 418,312,612,350  |
| Values under protest or not certified           | 38,689,734,822      | 271,153,418         | 3,625,471,797       | 6,429,680,843       | 3,557,245,866       | 2,633,145,857       | 1,712,115,242       | 1,252,422,142       | 815,606,396         | 687,114,964         | 411,030,884         | 352,008,455         |
|   | 419,069,189,092     | 389,302,110,373     | 416,052,343,983     | 423,421,558,812     | 423,321,806,145     | 423,199,067,603     | 422,759,637,570     | 422,468,949,876     | 421,607,982,072     | 421,076,116,718     | 420,138,790,087     | 418,664,620,805     |
| / Rate per Taxable \$100                        | 4,190,691,891       | 3,893,021,104       | 4,160,523,440       | 4,234,215,588       | 4,233,218,061       | 4,231,990,676       | 4,227,596,376       | 4,224,689,499       | 4,216,079,821       | 4,210,761,167       | 4,201,387,901       | 4,186,646,208       |
| X Tax Rate                                      | 21,791,598          | 20,243,710          | 21,634,722          | 22,017,921          | 22,012,734          | 22,006,352          | 21,983,501          | 21,968,385          | 21,923,615          | 21,895,958          | 21,847,217          | 21,770,560          |
| X Estimated 99.1% collection rate               | 21,595,473          | 20,061,516          | 21,440,009          | 21,819,760          | 21,814,619          | 21,808,294          | 21,785,650          | 21,770,670          | 21,726,303          | 21,698,894          | 21,650,592          | 21,574,625          |
| + Delinquent Tax Collections                    | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             |
| + Special Assessments                           | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              |
| + Penalty & Interest                            | 180,000             | 180,000             | 180,000             | 180,000             | 180,000             | 180,000             | 180,000             | 180,000             | 180,000             | 180,000             | 180,000             | 180,000             |
| Estimated Current Tax Available for Operations: | \$ 21,985,473       | \$ 20,451,516       | \$ 21,830,009       | \$ 22,209,760       | \$ 22,204,619       | \$ 22,198,294       | \$ 22,175,650       | \$ 22,160,670       | \$ 22,116,303       | \$ 22,088,894       | \$ 22,040,592       | \$ 21,964,625       |
| <b>Net Gain or Loss on values</b>               | \$ -                | \$ (1,533,957)      | \$ (155,464)        | \$ 224,286          | \$ 219,146          | \$ 212,821          | \$ 190,176          | \$ 175,196          | \$ 130,829          | \$ 103,421          | \$ 55,119           | \$ (20,848)         |

## INTERIM FINANCIAL REPORT (unaudited) TAX COLLECTIONS Fiscal Year-To-Date at July 31, 2017 (11th month / 12 month)

| HARRIS COUNTY DEPARTMENT OF EDUCATION<br>Tax Year 2016 Interim Current Tax Revenue Estimate Updates                    |   |  |  |
|--|---|--|--|
|  | SCENARIO (1)<br>APPRAISED VALUE<br>HCAD | SCENARIO (2)<br>OWNER'S VALUE<br>OWNER REQUESTED | SCENARIO (3)<br>EST FINAL VALUE<br>COMMITTEE RECOMMENDED       |
| <b>Property Use Category Recap-Certified To Date-Report:</b>   |   |  |  |
| Taxable value  | \$418,312,612,350                       | \$418,312,612,350                                | \$418,312,612,350  |
| <b>PLUS: Uncertified Roll Summary Report:</b>  |   |  |  |
| Scenario (1) Appraised value   | 1,653,025,533                           | -  | -  |
| Scenario (2) Owner's value   | -                                       | 1,282,796,086                                    | -  |
| Scenario (3) Estimated final value   | -                                       | -  | 352,008,455  |
| <b>Total taxable value, Certified and Uncertified:</b>   | <u>\$419,965,637,883</u> (A)            | <u>\$419,595,408,436</u> (A)                     | <u>\$418,664,620,805</u> (A)                                   |
| <b>Calculate Interim Current Tax Revenue Estimate:</b>   |   |  |  |
| 1) (A) divided by 100  | \$4,199,656,379 (B)                     | \$4,195,954,084 (B)                              | \$4,186,646,208 (B)  |
| 2) Current Tax Rate  | <u>X 0.0052</u> (C)                     | <u>X 0.0052</u> (C)                              | <u>X 0.0052</u> (C)  |
| 3) 2016 Interim Current Tax Revenue Estimate,<br>at 100% Collection Rate, (B) X (C)                                    | <u>\$21,838,213</u> (D)                 | <u>\$21,818,961</u> (D)                          | <u>\$21,770,560</u> (D)  |
| 4) Interim Tax Rev Estimate @ 98% Collection Rate:   | <u>\$21,401,449</u> (E)                 | <u>\$21,382,582</u> (E)                          | <u>\$21,335,149</u> (E)  |
| <b>Comparison of Interim Tax Rev Estimate @ 99% Collection Rate<br/>with Interim Current Tax Revenue Est:</b>          |   |  |  |
| Interim Current Tax Revenue Estimate Over/(Under)<br>Current Tax Revenue, Currently Budgeted:                          |   |  |  |
| Interim Current Tax Revenue Estimate (E)   | \$21,401,449 (E)                        | \$21,382,582 (E)                                 | <span style="border: 1px solid green;">\$21,335,149</span> (E) |
| LESS: Tax Revenue, Currently Budgeted  | <u>\$21,308,803</u> (F)                 | <u>\$21,308,803</u> (F)                          | <u>\$21,308,803</u> (F)  |
| <b>Total Interim Current Tax Revenue Estimate Over/(Under)<br/>Current Tax Revenue, Currently Budgeted, (E) - (F):</b> | <u>\$92,646</u>                         | <u>\$73,779</u>                                  | <u>\$26,346</u>  |
| <b>Total Current Tax Revenue Received,<br/>Accumulated from September 1 to Jul 31,2017, 1997-571100**:</b>             | <u>\$21,462,505</u>                     | <u>\$21,462,505</u>                              | <u>\$21,462,505</u>  |

**INTERIM FINANCIAL REPORT (unaudited)**  
**TAX COLLECTIONS Fiscal Year-To-Date at**  
**July 31, 2017 (11th month / 12 month)**

| TAX YEAR 2016 COLLECTION SUMMARY      |                     |                 |                     |                        |                   |
|---------------------------------------|---------------------|-----------------|---------------------|------------------------|-------------------|
| DESCRIPTION                           | BUDGET              | CURRENT MONTH   | Y-T-D               | BALANCE (OVER) / UNDER | Y-T-D % OF BUDGET |
| <b>REVENUES:</b>                      |                     |                 |                     |                        |                   |
| Current Tax                           | \$21,308,803        | 32,005          | 21,462,505          | (153,702)              | 100.7%            |
| Delinquent Tax                        | 200,000             | -1,253          | 32,378              | 167,622                | 16%               |
| Penalty & Interest                    | 180,000             | 14,392          | 187,302             | (7,302)                | 104%              |
| Special Assessments and Miscellaneous | 10,000              | 577             | 15,430              | (5,430)                | 154%              |
| <b>Subtotal Revenues:</b>             | <b>\$21,698,803</b> | <b>45,719</b>   | <b>21,697,615</b>   | <b>\$1,188</b>         | <b>99.99%</b>     |
| <b>EXPENDITURES:</b>                  |                     |                 |                     |                        |                   |
| LESS: HCAD Fees                       | \$180,000           | \$0             | \$120,274           | \$59,726               | 67%               |
| LESS: HCTO Fees                       | 420,000             | \$32            | \$458,501           | (38,501)               | 109%              |
| <b>Subtotal Expenditures:</b>         | <b>\$600,000</b>    | <b>\$32</b>     | <b>\$578,775</b>    | <b>\$21,225</b>        | <b>96%</b>        |
| <b>Net Tax Collections:</b>           | <b>\$21,098,803</b> | <b>\$45,688</b> | <b>\$21,118,840</b> | <b>(\$20,037)</b>      | <b>100.1%</b>     |

- a) 2016 Tax Rate =  $\$0.0052 / \$100$  Property Assessment/Appraisal - --> Annual Tax on a \$200,000 - \$40,000 =  $\$160,000 / 100 \times .0052 =$   
Residential Property = \$8.32 (net of 20% homestead exception.)
- b)  $\$600,000 / \$21,698,803 = 2.77\%$  Collection and assessment costs

**INTERIM FINANCIAL REPORT (unaudited)**  
**DISBURSEMENTS – ALL FUNDS**  
 July 2017

| DESCRIPTION        | DISBURSEMENTS    | AMOUNT      |
|--------------------|------------------|-------------|
| All Funds          | 454 Checks       | \$1,604,510 |
| P Card - June 2017 | 455 Transactions | \$66,584    |
| Bank ACH           | 7 Transfers      | \$2,331,072 |
|                    | Total:           | \$4,002,166 |

**(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 July 31, 2017

| <b>GENERAL FUND - Governmental</b>                 |           |                                    |                                    |                                     |                            |                           |  |
|--|-----------|------------------------------------|------------------------------------|-------------------------------------|----------------------------|---------------------------|--|
| Budget Manager Title                               | Revenues  | Tax Subsidy                        | Expenditure<br>and<br>Encumbrances | Includes<br>Tax Subsidy<br>Variance | W/o tax<br>Profit<br>Ratio | Profitability<br>Variance |  |
| Educator Certification and Prof Adv                | 202,420   | 337,978                            | 561,767                            | (21,369)                            | -178%                      | (359,347)                 |  |
| Records Management                                 | 1,348,729 | 30,251                             | 1,417,531                          | (38,551)                            | -5%                        | (68,802)                  |  |
| School Based Therapy Services                      | 8,348,908 | 559,737                            | 8,926,523                          | (17,878)                            | -7%                        | (577,615)                 |  |
| Schools  | 8,433,065 | 1,278,036                          | 9,881,948                          | (170,847)                           | -17%                       | (1,448,883)               |  |
|  |           |                                    |                                    |                                     |                            |                           |  |
|  |           |                                    |                                    |                                     |                            |                           |  |
| <b>ENTERPRISE FUND-CHOICE PARTNERS COOPERATIVE</b> |           |                                    |                                    |                                     |                            |                           |  |
| Budget Manager Title                               | Revenues  | Expenditure<br>and<br>Encumbrances | Transfer<br>Out<br>To General Fund | Profit<br>Ratio                     | Profitability<br>Variance  |                           |  |
| Choice Partners Cooperative (Enterprise)           | 3,915,394 | 1,753,100                          | 2,162,294                          | 55%                                 | 2,162,294                  |                           |  |



Texas Comptroller  
Leadership Circle

# HIGHLIGHTS Of BUDGET AMENDMENT REPORT



Texas Comptroller  
Leadership Circle

August 16, 2017  
Board Meeting

(unaudited)



## Amendments

General Fund = \$225,000

Special Revenue Funds= \$4,430,873

# INTERIM FINANCIAL REPORT (unaudited)

## FY 2016-17 BUDGET AMENDMENT REPORT

August 16, 2017

General Fund

Amendments that increase/decrease a program budget must be approved by the board.

| Budget Rationale   | Changes to Revenues | Changes to Appropriations | Changes Impacting F/Bal | Total Net Change |
|--|---------------------|---------------------------|-------------------------|------------------|
| <b>GENERAL FUND</b>  |                     |                           |                         |                  |
| <b>INCREASES</b>   |                     |                           |                         |                  |
| Increase revenues & expenditures in the General Fund (1997)-distribute legal fees budget to various budget managers from department wide (BM098).  | -                   | -                         | -                       | (1)              |
| Increase expenditures in the General Fund (1997) - Increase Retirement Leave Benefits budget for increase in retirement benefits. The funds will be deducted from the Committed Fund Balance for Retirement Leave. |                     | 125,000                   |                         | (3)              |
| Increase revenues & expenditures in the General Fund (1997) - Additional employee insurance cost and reimbursement from TEA.   | 100,000             | 100,000                   |                         | (4)              |
| <b>DECREASES</b>   |                     |                           |                         |                  |
| Decrease revenues & expenditures in the General Fund (1997)- distribute legal fees budget to various budget managers from department wide budget.  |                     |                           |                         | (1)              |
| <b>Total GENERAL FUND:</b>   | <b>100,000</b>      | <b>225,000</b>            | <b>\$</b>               | <b>(125,000)</b> |
| <b>SPECIAL REVENUE FUND</b>  |                     |                           |                         |                  |
| <b>INCREASES</b>   |                     |                           |                         |                  |
| Increase revenues & expenditures in the Special Revenue Fund (2668)-Set Up New 21st Century Cycle 8 Year 5 Grant   | 2,164,003           | 2,164,003                 |                         | (5)              |
| Increase revenues & expenditures in the Special Revenue Fund (4637)-Set Up New Houston Endowment Grant   | 125,000             | 125,000                   |                         | (6)              |
| Increase revenues & expenditures in the Special Revenue Fund (2678)-Set Up New 21st Century Cycle 9 Year 2 Grant   | 1,739,921           | 1,739,921                 |                         | (2)              |
| Increase revenues & expenditures in the Special Revenue Fund (4797)-Increase matching funds for Head Start Grant requirement   | 83,251              | 83,251                    |                         | (7)              |
| Increase revenues & expenditures in the Special Revenue Fund (2057)-Increase Head Start budget for COLA allocation and additional correction for estimate  | 318,698             | 318,698                   |                         | (8)              |
| <b>Total SPECIAL REVENUE FUND:</b>   | <b>4,430,873</b>    | <b>4,430,873</b>          | <b>\$</b>               | <b>-</b>         |



# Construction PFC Update July 2017





## Closing on 2016 PFC Bond Series

|  |                        |
|--|------------------------|
| Par Amount of Bonds (Purchase Price):  | \$ 7,000,000.00        |
| Less: Purchaser's Counsel and MAC Fees | <u>16,100.00</u>       |
| <b>Total Due from Purchaser:</b>       | <b>\$6,983,900.00</b>  |
| Issuer Contribution                    | 5,000,000.00           |
| Less Land Purchase Costs               | <u>954,766.00</u>      |
| <b>Total Available Funds</b>           | <b>\$11,029,134.00</b> |

### Invoices for Issuance Expenses

| Provider              | Role               |                               | Invoices             |
|-----------------------|--------------------|-------------------------------|----------------------|
| US Capital Advisors   | Financial Advisor  | FA Fee, Document Prep., Misc. | \$ 51,957.50         |
| Orrick Herrington     | Bond Counsel       | BC Fee, AG Fee, Misc.         | 89,500.00            |
| Bank of Texas         | Trustee/PAR        | Trustee Fees                  | 3,500.00             |
| Haynes and Boone, LLP | Trustee 's Counsel | Fees                          | 5,500.00             |
| Stewart Title         | Title Policy       | Fees/Expenses                 | <u>67,604.30</u>     |
| Total Invoices:       |                    |                               | <b>\$ 218,061.80</b> |

\$225,000  
Budgeted

|                                 |                         |
|---------------------------------|-------------------------|
| Total Available Funds           | \$ 11,029,134.00        |
| Bond Issuance Costs             | (218,061.80)            |
| Deposit in Project Fund Account | <b>\$ 10,811,072.20</b> |



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## Bond Payment Schedule

|   |           |                 |
|---|-----------|-----------------|
| Projected Principal   |           | \$ 7,000,000.00 |
| Projected Interest Cost   | Avg 1.68% | 594,122.67      |
| Revised Interest Cost due to<br>change in closing date to Nov 2nd |           | 582,670.67      |
| Reduced Cost to interest  |           | 11,452.00       |
| Payments in Fy 17   |           | 742,446.67      |

## Timeline of Upcoming Events

Timeline is pending review by the Development Plan Committee.

|        |   |  |       |
|--------|---|--|-------|
| Nov-16 | Approval of Pool of architects and engineers      |  | Board |
| Jan-17 | Review and presentation of architect concepts     |  | PFC   |
| Feb-17 | Approval of architect contract                    |  | PFC   |
| Apr-17 | Tentative review and approval of architect design |  | PFC   |
| Apr-17 | Approval of method of construction per Ch 2269    |  | PFC   |
| Jul-17 | Tentative Procurement of Construction Project     |  | PFC   |
| Aug-17 | Tentative Construction Award Date                 |  | PFC   |
| Dec-18 | Construction Period- 14 to 18 months              |  | PFC   |

# INTERIM FINANCIAL REPORT (unaudited)

I certify that the foregoing information is true and accurate to the best of my knowledge.

/s/ Jesus J. Amezcua, RTSBA, CPA, Ph.D., Asst. Supt. for Business Support Services

/s/ Rosa Maria Torres, RTSBA, Chief Accounting Officer

\*\*\*

Q & A



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