



POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2018



Harris County
Department of
Education

**LEADING EDUCATION
IN HARRIS COUNTY
T E X A S**

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Supertinentend James Colbert, Jr.

Committed to financial transparency, Harris County Department of Education (HCDE) provides the taxpayers of Harris County with the Popular Annual Financial Report (PAFR) each year. It offers stakeholders a comprehensive snapshot of how we improve education across the most populous county in the state. It provides summary details of our systems that allow us to maximize your tax dollars. As a result of maximizing these tax dollars, we are able to better equip students, teachers, and families with cutting edge educational opportunities in our 25 Harris County school districts.

Our cost-effective programs and services help school districts save money as we administer local, state, and federal grants—allowing us to equalize educational opportunities. We are able to do this at a cost of roughly \$8.81 per taxpayer, based on the average valuation of \$169,843.

During this past fiscal year, we were able to maintain a tax rate below the effective rate. This has been the case for four consecutive years. We are pleased to report that we served over 162,000 students, both indirectly and directly. Moreover, we directly served over 47,000 educators.

I look forward to you taking time to read this year's report. As a whole, we are proud of our sincere commitment to transparency in financial operations. Our Business Services division ensures efficiency and accuracy in reporting, giving all stakeholders assurance that we wholly understand and execute our fiduciary responsibility.

For yet another year, I am pleased to report that HCDE has been the recipient of numerous commendations, including a variety of accolades relating to our accounting and financial practices. A summary of these recognitions is included in this PAFR.

As always, the PAFR offers a detailed analysis of our tremendous scope in education. Most importantly, it illustrates our undying dedication to all learners, with an emphasis on unique populations.

We will continue to serve our client school districts and meet the evolving needs of the students of Harris County—maintaining our commitment to financial transparency, fiscal responsibility, and high quality services and programs.

I thank you again for your continued support of public education in Harris County. Great things are happening at HCDE! We are leading education in Harris County.

Sincerely,

A handwritten signature in black ink that reads "James Colbert". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

James Colbert, Jr.,
County School Superintendent



Jesus J. Amezcua,
Assistant Superintendent,
Business Services

The Harris County Department of Education (“Department”) mission is to advance excellence in the delivery of education in Harris County in partnership with the educational community. Our Department utilizes a positive business model to strike a balance between resources and services and allow our staff to deliver value-added services.

In fiscal year 2018, HCDE leveraged funds at a rate of 4.86 to 1, and delivered over \$109.3 million in services to school districts. The Department was also able to maintain a low tax burden using entrepreneurial and effective use of resources. The adopted 2018 tax rate was lowered below the effective tax rate for the fourth consecutive year, while increasing direct services to 112,925 students and 47,269 educators, and indirect services to 50,397 students. The average tax on a \$169,843 home was \$8.81 for the year,

and it was \$1.59 lower, due to resources from our purchasing cooperative and indirect federal resources, while leveraging another \$11.60 per average homeowner from federal and state entities.

We encourage you to view our documents and performance results on our Transparency Website at www.hcde-texas.org which has earned three stars from the Texas Comptroller’s Office for providing data to the public on traditional finances, debt obligations, and procurement and contracts.

With dedication,

A stylized, handwritten signature in black ink, appearing to read 'J. Amezcua'.

Jesus J. Amezcua, PhD, CPA, RTSBA

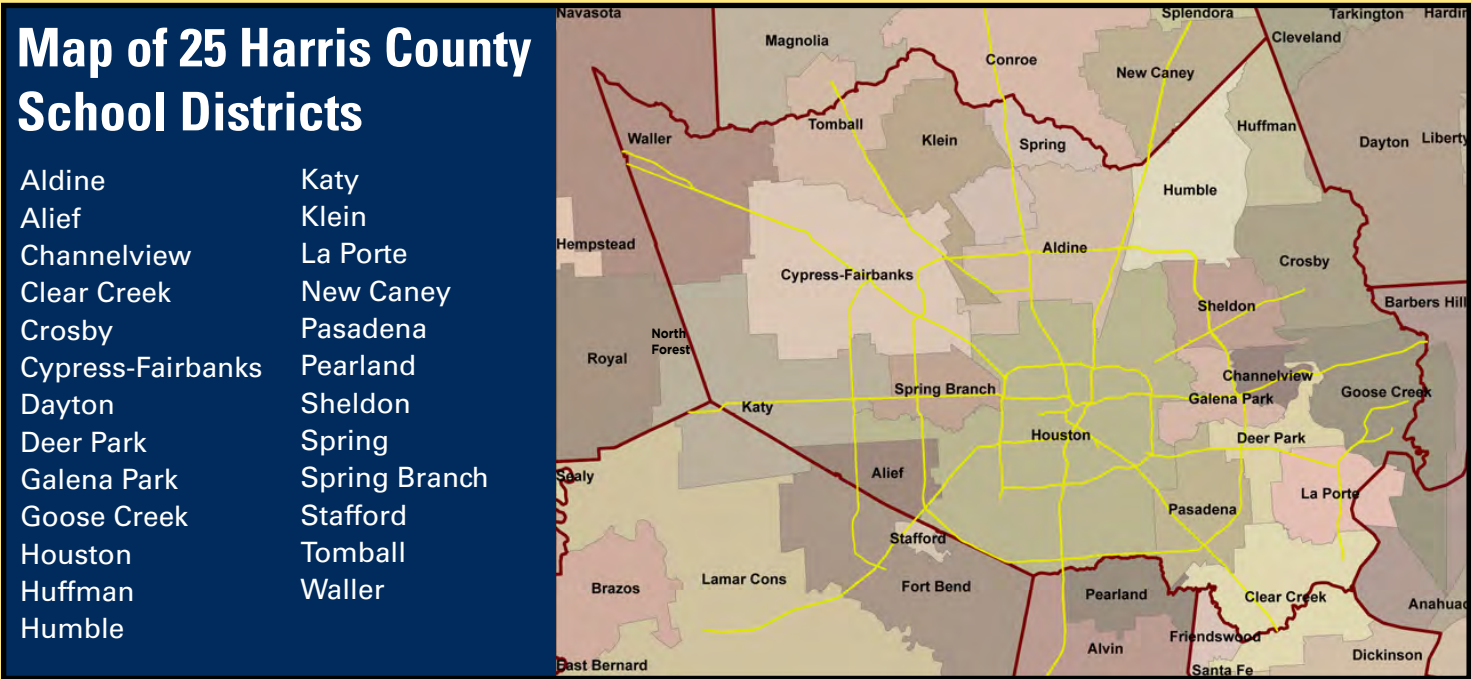
HCDE is located in Harris County in the upper Gulf Coast region of Texas, approximately 50 miles from the Gulf of Mexico. Harris County, with 4.65 million people, is the largest county in Texas and remains the third most populous in the United States. Ranked as one of the top ten fastest-growing counties in the nation, Harris County is exceptionally diverse.



Harris County and the Houston metropolitan area are among leaders in business development nationwide. Houston is a leader in aerospace technology, industrial engineering, and medical research, while a diversified profile fuels the local economy. The county’s major hospitals, many concentrated just south of downtown Houston in the Texas Medical Center, offer world-class facilities for general and specialized medical needs.

Houston is the fourth largest city in the nation, and, has added more jobs than any other metropolitan area in the country since 2000. Ninety percent of new jobs are in non-energy dependent sectors, allowing profitable diversity to the overall Houston economy. These economic indicators positively affect the Department’s tax base.

In fiscal year 2018, there were 25 public school districts, as well as charter, private, and parochial schools, located either entirely or partially within Harris County. The county is also home to many colleges, universities, institutes, and technical schools.



OUR MISSION

Harris County Department of Education supports Harris County by enriching educational opportunities and providing value through services.

GOALS

HCDE will:

- Impact education by responding to the evolving needs of Harris County;
- Deliver value to Harris County by utilizing resources in an ethical, transparent, and fiscally responsible manner;
- Advocate for all learners by using innovative methods to maximize students’ potential;
- Provide cost-savings to school districts by leveraging tax dollars; and
- Recruit and maintain a high-quality professional staff.

ORGANIZATIONAL AUTHORITY AND GOVERNANCE

Harris County Department of Education (HCDE or the Department), a political subdivision of the state of Texas, is located in Houston. The Harris County Board of Education (the Board), elected by the voters of Harris County, has governance over all activities and operations of the Department. The Board consists of seven members who serve overlapping, six-year terms.

The Department is a primary governmental unit and is not included in any other governmental “reporting entity.” The Harris County Department of Education Public Facility Corporation (PFC) has been included as a blended component unit in the financial statements of the Department. The PFC, a legally separate entity, is reported as a capital projects fund that is part of the Department’s operations, and its purpose is to finance the Department’s construction and building acquisition needs. The Education Foundation of Harris County (EFHC) is included as a discretely-presented component in the financial statements of the Department. The EFHC, a non-profit entity, was set up to raise money to support the Department. A financial statement may be obtained from the office of the EFHC. No other organizations meet the criteria specified by GASB 39 to be included as a component unit within the reporting entity.

2017-2018 BOARD OF TRUSTEES



LOUIS
EVANS, III
President



ERIC
DICK
Vice President



ERICA LEE
CARTER
Trustee



GEORGE
MOORE
Trustee



DON
SUMNERS
Trustee



DIANE
TRAUTMAN
Trustee



MICHAEL
WOLFE
Trustee

JAMES COLBERT, JR.

County School Superintendent

JESUS J. AMEZCUA, Ph.D., CPA, RTSBA

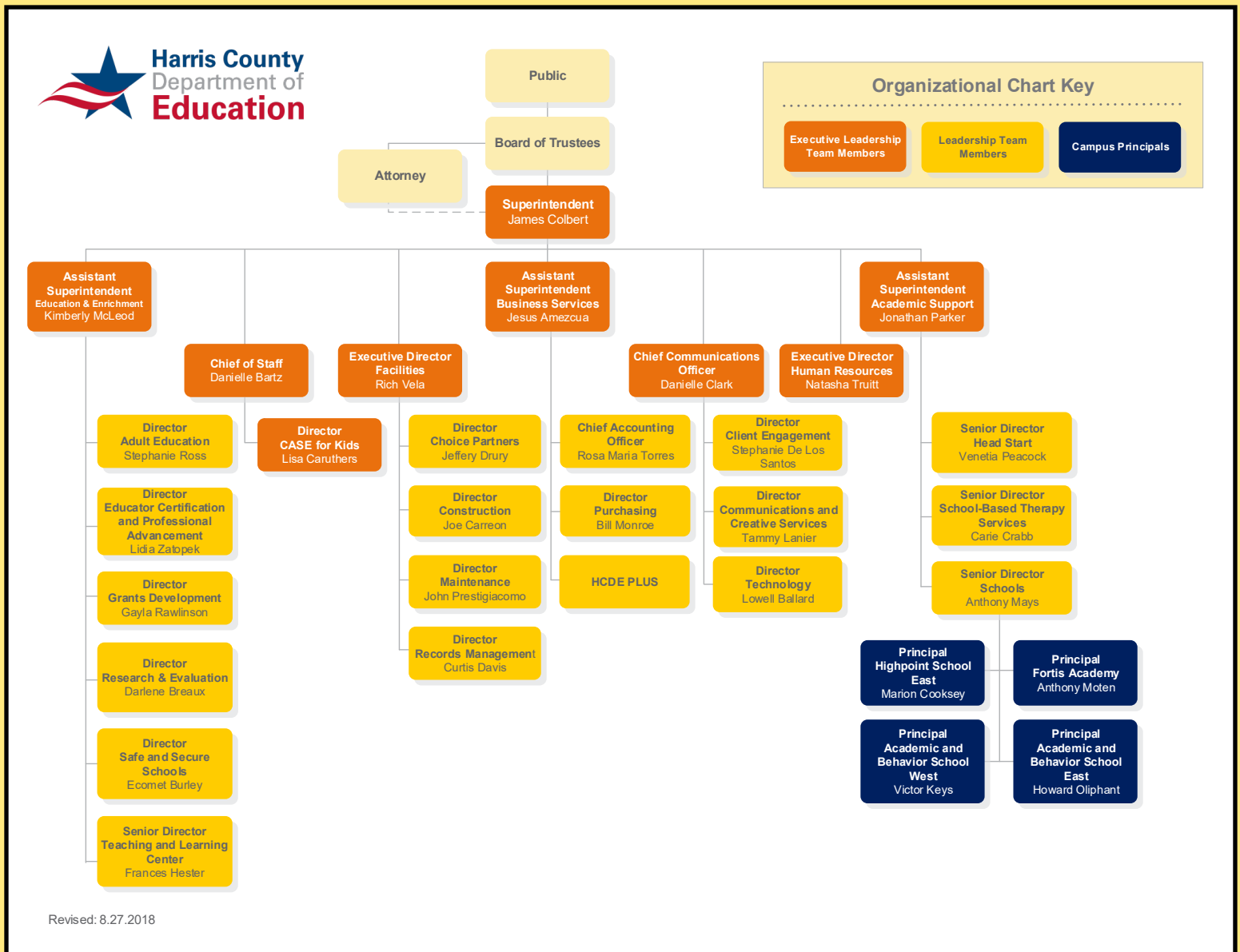
Assistant Superintendent for Business Services

JONATHAN PARKER

Assistant Superintendent for Academic Support Services

KIMBERLY McLEOD, Ed.D.

Assistant Superintendent for Education and Enrichment



PROFILE OF THE DEPARTMENT

HCDE is an entity separate and distinct from county agencies of Harris County, Texas. The Department's primary service area, geographically, covers 1,788 square miles. The Department offers services to 25 rural, suburban, and urban school districts, located either entirely or partially within Harris County, to neighboring school districts and governmental agencies in surrounding counties, as well as to schools, education service centers, and other governmental agencies statewide.

PROGRAMS AND SERVICES

Adult Education: Offers classes to educationally-disadvantaged adults beyond compulsory school age in the Houston/Harris County metropolitan area.

Call 713-692-6216.

Educator Certification and Professional Advancement:

Trains and supports degreed professionals to become teachers and administrators. Candidates attend teacher training and teach in a public school with the guidance of an assigned teacher/mentor. **Call 713-696-0775.**



Business Services: Through the School Finance Council, HCDE's Business Services division serves school district business managers and CFOs. HCDE's School Finance Council provides training and pertinent information relative to school finance and business operations. **Call 713-696-8249.**

Center for Safe and Secure Schools: Advances safe and secure environments in schools, including emergency operations plan assistance. **Call 713-696-3142.**

Choice Partners Cooperative: Provides best-value, shared-services solutions, direct facilities consulting, and legal, competitively-bid contracts to schools, institutions of higher education, municipalities, counties, and other governmental and nonprofit organizations. No member fee; sign an interlocal contract to join.

Call 1-877-696-2122.

Center for After-School, Summer and Expanded Learning:

Mobilizes the community to work together to ensure that every child in Harris County has access to an after-school program. **Call 713-696-1331.**



Head Start/Early Head Start Area I: Empowers preschool children, ages six weeks through five years, and their families, with school readiness skills. Head Start is a federally-funded program for low-income families, administered locally by HCDE. **Call 713-672-9343.**

Teaching and Learning Center: Provides professional development and instructional support to administrators, teachers, support personnel, students, parents, and the community. **Call 713-696-8200.**

Records Management: Provides low-cost, high-tech solutions to store records for governmental entities. Develops records control schedules and provides training, consulting, electronic imaging, microfilming, and commercial record center services. **Call 713-694-9022.**

Research and Evaluation: Provides quality, scientific-based evaluation services that meet the needs of HCDE, school districts, and other community groups. **Call 713-696-8291.**

Resource Development/Texas Center for Grants Development: Supports efforts to locate and obtain funds which forward new programs, program enhancement, and expansion needs. **Call 713-696-8293.**

HCDE Schools: Assists area school districts by providing special and alternative schools. HCDE's Schools division meets the needs of students with disabilities as well as those who have been expelled and/or are adjudicated youth. **Call 713-696-8218.**

School-Based Therapy Services: Provides assessment, intervention, consultation, training, and direct service to children with disabilities and to their families. **Call 713-696-8232.**



How is HCDE funded?

HCDE generates approximately 71% of its funding to serve children and adult students through grants and by charging reasonable fees for the services it provides. Approximately 29% (or 1/4) of HCDE's funding is generated from a local property tax rate that may never exceed ONE cent. The average homeowner in Harris County pays an estimated \$8.81 per year to HCDE based on a \$200,000 home, and an adopted tax rate of 0.005195 per \$100 valuation.

Do school districts pay the full cost of services provided by HCDE?

HCDE has a below-market fee structure that reduces cost to districts. The current two-thirds of the 1-cent property tax rate collected by HCDE creates the organizational infrastructure of management and accountability that allows the services that HCDE provides to be developed.

Does HCDE have services that can be accessed by out-of-county entities?

Service to out-of-county entities generate additional revenue that HCDE uses to support services to Harris County students, teachers, and districts at no cost to Harris County taxpayers. This is another way in which HCDE maximizes its resources for taxpayers.



ABOUT PROPERTY TAXES

The Department's tax year runs concurrently with the calendar year, January 1 through December 31. Property taxes are levied by October 1 in conformity with Subtitle E., Texas Property Tax Code, on the appraised value listed as of the prior January 1, for all real and business personal property located within Harris County Department of Education's taxing jurisdiction of Harris County, Texas. Taxes are due upon receipt of the tax bill in October. On February 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Taxes become delinquent if not paid before February 1. On July 1, additional penalties and interest are imposed on unpaid taxes.

Appraised values are established by the Harris County Appraisal District of Harris County, Texas. The Department's property tax rate is established in accordance with state law. The Department's County Board of Education (the Board) sets the equalization tax rate. Currently, the Department does not have a debt service rate. Billing and collection of tax levies are performed by the Harris County Tax Assessor-Collector's Office. Tax revenues received are used in financing the Department's general government expenditures, in accordance with applicable law.



TAX RATES AND VALUES

The Department's tax rate for the 2017 tax year was \$.00519 per \$100 assessed property valuation. The assessed property valuation for the same period was \$417 billion, resulting in an adjusted tax levy of \$22.2 million. The assessed valuation increased 4 percent, from \$417 billion in tax year 2016 to \$434 billion in tax year 2017.

The 'current tax' collection rate for fiscal year 2017-18 was 98.68 percent, a decrease of .09 percent from the fiscal year 2016-17 'current tax' collection rate of 98.77 percent. The average (homeowner) taxpayer paid \$8.81 per year based on a \$200,000 home and an adopted tax rate of 0.005195 per \$100 valuation.

Tax values are assessed as of January of each calendar year. The tax assessments for tax year 2018 will be collected in fiscal year 2018-2019.

Consistent with statutory requirements, equalization tax funds are expended to equalize educational opportunities and advance public free schools in Harris County. HCDE follows the Texas Comptroller's Truth in Taxation - A Guide to Setting Tax Rates for Taxing Units Other than Schools.



FISCAL YEAR	TAX YEAR	TAX RATE PER \$100	ACTIVITY-ALL TAX YEARS			ASSESSED- APPRAISED VALUES	UNCOLLECTED AT 8/31/2018
			CURRENT TAX LEVY	AMOUNT COLLECTED	PERCENT COLLECTED		
2018	2017	0.005195	\$22,230,714	\$21,937,173	98.68%	\$434,078,173,795	\$293,541
2017	2016	0.005200	\$21,678,009	\$21,412,201	98.77%	\$416,884,796,154	110,783
2016	2015	0.005422	21,040,325	20,736,926	98.56%	\$388,054,684,618	80,982
2015	2014	0.005999	20,933,936	20,660,459	98.69%	\$348,957,092,849	61,309
2014	2013	0.006358	20,064,263	19,805,270	98.71%	\$315,575,070,777	43,138
2013	2012	0.006617	19,167,433	18,882,728	98.51%	\$289,669,533,021	40,780
2012	2011	0.006581	18,141,665	17,894,045	98.64%	\$275,667,298,681	38,376
2011	2010	0.006581	17,889,672	17,625,587	98.52%	\$271,838,192,122	37,299
2010	2009	0.006050	17,176,403	16,782,324	97.71%	\$283,907,489,994	37,752
2009 & PRIOR	2008 & PRIOR	VARIOUS	VARIOUS	VARIOUS	VARIOUS	VARIOUS	99,610
						TOTALS:	\$843,570

PRINCIPAL TAXPAYERS IN HARRIS COUNTY, TEXAS FOR TAX YEAR 2017

RANK	TAXPAYERS	TAXABLE VALUE ^(a)	PERCENT OF TOTAL ASSESSED VALUE ^(b)
1	Exxon Mobil Corporation	\$3,693,799	0.85%
2	Chevron Chemical Company	\$3,248,248	0.75%
3	Centerpoint Energy, Inc.	\$2,489,362	0.57%
4	Equistar Chemicals LP (d)	\$1,454,782	0.33%
5	Shell Oil Company	\$1,404,531	0.32%
6	Palmetto Transoceanic LLC	\$1,195,026	0.27%
7	PKY East 1-2, West 3-4, POC, San Felipe Plaza (e)	\$852,336	0.20%
8	United Airlines	\$815,740	0.19%
9	BSREP 1HC-4HC	\$797,863	0.18%
10	One Two Three Allen Center	\$785,888	0.18%
	TOTAL:	\$16,737,575	3.84%

(a) Taxable value equals appraised value less exemptions

(b) Total assessed value: \$434.08 (expressed in billions)

Source: Harris County (Texas) Appraisal District

Table 1: Number of Districts, Schools, and Other Organizations Served by HCDE Divisions 2017-18

DIVISIONS	HARRIS COUNTY ISDS	OUT OF COUNTY ISDS AND ESCS	IN COUNTY CHARTER SCHOOLS	OUT OF COUNTY CHARTER SCHOOLS	OTHER EDUCATIONAL ENTITIES	PRIVATE NON-PROFITS	GOVERNMENT ENTITIES	OTHER ENTITIES/ UNAFFILIATED
Overall Agency	25	494	49	32	318	487	449	449
Adult Education	12	2	0	0	0	0	0	0
Business Services	21	24	1	0	4	1	5	1
CASE for Kids	17	3	4	1	16	108	7	45
Center for Grants Development (CGD)	25	42	31	2	109	282	37	389
Center for Safe and Secure Schools (CSSS)	20	7	8	0	1	0	5	0
Choice Partners	23	461	33	30	200	128	406	12
Digital Education & Innovation	1	0	0	0	0	0	0	0
Educator Certification & Advancement (ECA)	19	23	9	2	22	3	3	6
Head Start	9	0	0	0	0	0	0	0
Records Management	20	7	2	1	3	0	8	0
Research & Evaluation Institute (REI)	1	0	0	0	2	2	0	0
School-Based Therapy Services	19	12	2	0	4	0	0	0
Schools: AB	21	14	2	0	0	0	0	0
Schools: Highpoint	11	1	1	0	0	0	0	0
Teaching and Learning Center	25	48	7	2	9	4	1	1

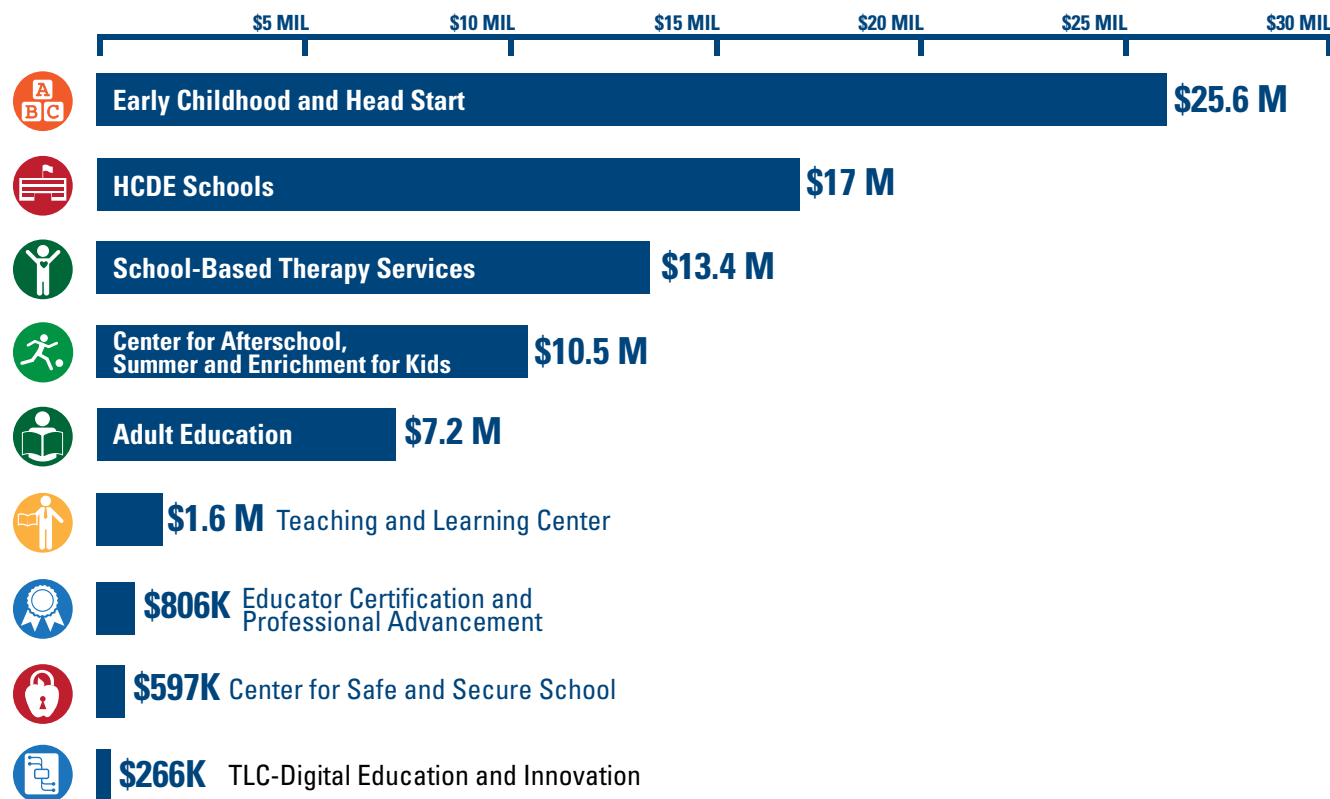
*The Overall Agency numbers on the top row are not a total of the numbers in the column. Those figures reflect the number of unique organizations served by all divisions for that category. Within division counts reflect the number of unique organizations for that division.

During 2017-2018, external serving divisions of Harris County Department of Education (HCDE) served 2,303 different entities including 25 school districts in Harris County, as documented in the Service Delivery database on the HCDE portal from August 15th – September 15th. During the year the number of school districts in Harris County served by external serving divisions ranged from 1 to all 25 with HCDE divisions serving an average of 10 districts. HCDE also served 494 out-of-county school districts and Educational Service Centers, 49 in county Charter Schools, 32 out of county Charter Schools, 318 other educational entities (i.e. faith-based schools and colleges and universities), 487 private non-profit organizations and schools, 449 governmental entities and 449 other entities and unaffiliated. Of the total entities, 7% were faith-based. Of the individuals served within the entities, divisions served a total of 111,925 students directly; 50,397 indirectly; 38,078 teachers & educators; and 9,191 support clients. These numbers combined result in an overall total of 209,591 individuals served. Additionally, the Facilities division prepared room set-up for 89,000 plus visitors to the main building located at 6300 Irvington Boulevard.

HCDE Services Provided to All Harris County School Districts 2017 - 2018



Direct Support



Support Services to Districts

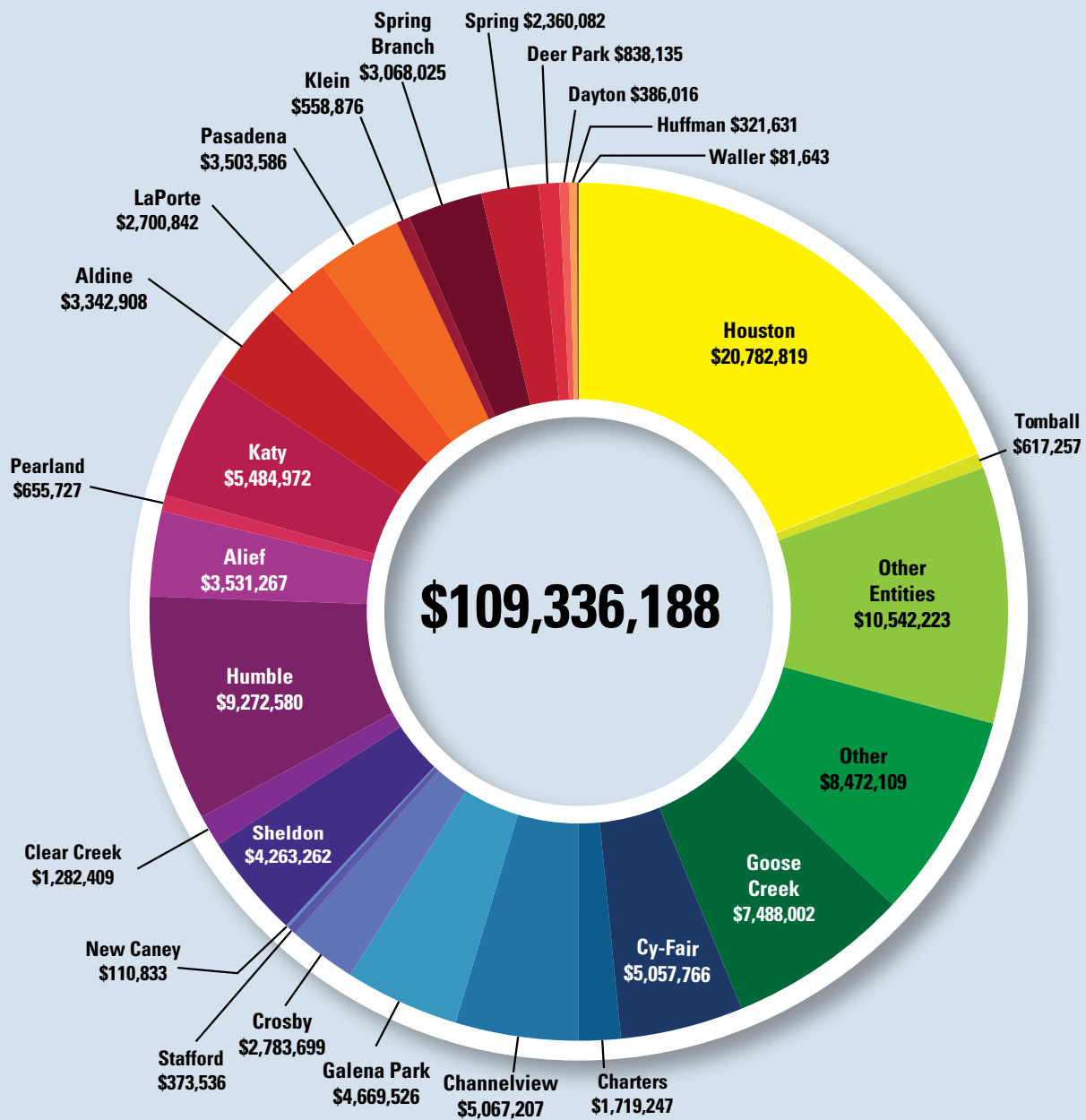
- Records Management: \$3.3 M**
- Choice Partners Cooperative: \$27.9 M**
Choice Partners provides contract procurement and management services, saving Harris County school districts time and money when they access legal, competitively bid contracts already awarded by HCDE's governing board.

162,322
STUDENTS SERVED

47,269
TEACHERS AND EDUCATORS SERVED

Dollar amounts represent unaudited financial data for the 2017/18 fiscal year. Due to the delivery of services between fiscal years, numbers do not total.

Harris County Department of Education
6300 Irvington Boulevard | Houston, Texas 77022 | Tel. 713.694.6300 | www.hcde-texas.org



All HCDE Services are highlighted in HCDE's Popular Annual Financial Report (PAFR) and Service Catalog. Note: Other entities include cities, counties, MUDs, not for profit entities, the state, colleges and universities, and other governmental entities.

**Note: Other entities include municipalities, county governments, not-for-profit organizations, and institutions of faith.*

HCDE maximizes tax resources to provide an economic impact to ISDs at a ratio of \$4.86 to \$1. Absent HCDE's investment of resources, Harris County school districts would be required to generate more than \$109.3 M to replace the services at an average local tax rate of 1 to 15 cents on their maintenance and operation rate. (ISDs may not have the ability to increase their rate due to statutory limitations.)

Center for After-School, Summer and Expanded Learning 713-696-1331

14,627 students served in FY 2017-2018

HCDE's CASE program provides quality after-school programming in 42 after-school sites across greater Harris County, serving over 17,000 students in elementary grades through high school.

Did you know?

Over the past 10 years, CASE has raised over \$86 million from funding sources including the Texas Education Agency (TEA), Texas Workforce Commission (TWC), Houston Endowment, and the Education Foundation of Harris County. Most of these dollars are then passed on to community partners who operate the programs in our neighborhood schools.

- CASE has been providing quality after-school programming to the youth of Harris County since 1999.
- CASE's mission is to strengthen, support, and sustain quality after-school programming for all children.



Adult Education

713-692-6216

9,121 students served in FY 2017-2018

HCDE's Adult Education division provides exceptional adult education services to all adults desiring to improve their basic skills in order to obtain a job or advance a career. Obtaining such skills usually leads to the students' active participation in their communities as well as the ability to help educate their children.

Adult Education services include but are not limited to:

- Preparation for the Texas High School Equivalency Exams
- Adult Basic Education (Grade equivalent 1-8)
- Adult Secondary Education (Grade Equivalent 9-12)
- Workforce development programs and opportunities



English as a Second Language (ESL) is another essential program offering and is delivered in the following sections:

- Levels 1-6 (Beginning Literacy ESL to Advanced ESL)
- English Language Civics
- Citizenship
- Workplace ESL

Did you know?

- HCDE provides Adult Education services in 15 school districts: Alief, Channelview, Cleveland, Cy-Fair, Deer Park, Galena Park, Goose Creek, Houston, Katy, Klein, Liberty, Pasadena, Sheldon, Spring Branch, and Dayton.
- HCDE's Adult Education division operates two learning centers, one in Houston and the other in Baytown.
- We teach over 600 classes a year and we employ 260 employees (mostly part-time staff) to provide these services.
- Plus, we offer services in 51 other sites around Harris County in schools, churches, and in other community-based venues.



HCDE Schools**713-698-8218****729 students served in FY 2017-2018**

HCDE Schools currently serve 25 school districts in Harris and surrounding counties. The four campuses provide highly-specialized programs for students from ages 5-22. Our campuses provide alternative pathways for student success.

The two Academic and Behavior (AB) schools serve special education students placed by the Admission, Review and Dismissal (ARD) committees from their home districts. The students have been identified with intellectual or developmental disabilities or are labeled Emotionally Disturbed. Each classroom is staffed with a highly qualified, certified teacher and an educational aide who work with up to six students. Small class sizes offer students individualized or small group instruction to develop their academic and social skills to their full potential.



A Highpoint school serves students who have been placed by their home districts for violations of the district's Student Code of Conduct or Chapter 37 of the Texas Education Code. The Highpoint school serve students in grades six through twelve. Each classroom is staffed with a highly qualified, certified teacher who works with up to 15 students in each class. Academics, credit recovery, and social skills are the emphasis in the curriculum provided to the Highpoint students.

The Highpoint campus provide students the opportunity, through alternative pathways, to return to their home campuses and districts to be successful. With dedicated staff, caring environments, structured programming, and a strong transition program, our students are able to successfully re-integrate into their home districts.

The Department created the Fortis Academy, which serves students with substance abuse problems and those seeking recovery assistance. A development plan was prepared to identify the program need, feasibility and financing. Information on recovery schools was collected for the study.

***Did you know?***

- Our curriculum is aligned with the Texas Essential Knowledge and Skills (TEKS).
- High school students are able to recover or accelerate the acquisition of credits to graduate.
- A strong social skills program teaches self-discipline, decision-making skills, and personal responsibility for students to own and solve their own problems.
- A transition program, with targeted goals, provides support for the student, parents, and home campus staff upon the student's return to ensure success at the home campus.

School-Based Therapy Services**713-696-8232****7,426 students served in FY 2017-2018**

Our School-Based Therapy Services division has a staff of over 150 occupational therapists, occupational therapist assistants, physical therapists, physical therapist assistants and music therapists who serve school-aged children who are challenged by autism, intellectual disabilities, orthopedic impairments, learning disabilities, attention deficit disorder, and/or auditory or visual impairments.



Our staff also provide training to parents, volunteers, educators, and community healthcare professionals. We partner with colleges and universities to assist in creating a new generation of specialists to serve children with disabilities. We provided training and assistance to 6,391 teachers/educators in 2017-2018.

Our services include evaluation, intervention, problem-solving, and training. We also offer management consulting, program evaluation and staff development/training to our school districts and charter schools.

Did you know?

- Division therapists provided 19,041 days of service to students in and around Harris County who needed occupational therapy, physical therapy, and/or music therapy.
- Our services are paid for primarily through contracts from districts and programs on a fee-for service basis.
- Our staff travel to schools, homes, jobsites, or wherever students are receiving their education.

Our School-Based Therapy staff:

- Problem-solves to remove barriers so that children with disabilities can achieve and participate alongside their peers;
- Fosters social/emotional health through play-based activities and curriculum;
- Assists with transition planning and helps students acquire the skill set needed to succeed after graduation;
- Supports teachers by helping them understand how a student's disability affects their participation and success in the classroom; and
- Works with students and trains teachers to help students improve their mobility, self-help, behavior, attention, and other skills needed to be successful at school.

Center for Safe and Secure Schools**713.696.2127**

Our Center for Safe and Secure Schools division offers a wide array of services to ensure that students in Harris County are as safe as can be. The division works with districts and campuses by providing safety audits, emergency operations plan assistance, training on a broad spectrum of topics related to school safety and security, as well as certification assistance.

Head Start**713-694-6300****1,545 students served in FY 2017-2018**

Head Start is a federally-funded program for preschool children from low-income families, and HCDE operates 15 Head Start locations. Children who attend Head Start participate in a variety of educational activities. They also receive free vision, hearing, nutrition, and developmental screenings; eat healthy meals and snacks; and enjoy age-appropriate play, both indoors and outdoors in wholesome settings.



Head Start helps all children succeed. Services are offered to meet the special needs of children with disabilities. Children in Head Start are between the ages of three and five years.

Did you know?

- Our Head Start division provides services to children and families in at least 43 zip codes in east Harris County.

Teaching and Learning Center

713-696-8200

100,419 students served in FY 2017-2018

The Teaching and Learning Center (TLC) simply improves student achievement by assisting teachers, principals, and support personnel with their professional development needs. Our TLC staff advances teaching and learning through customized curriculum development, course implementation and alignment assistance, as well as through a wide array of other proven programs, services, and techniques that help students achieve.

We offer support to schools in the following core areas:

- English/Language Arts
- Mathematics
- Science
- Social Studies

Other areas include:

- Elementary Art
- Behavior Management
- Bilingual/ESL
- Digital Learning
- Early Childhood
- Gifted and Talented
- The Scholastic Art and Writing Awards



Cooperative Programs

Choice Partners Cooperative offers quality, legal procurement and contract solutions to meet government purchasing requirements.

Choice Partners includes:

- Facilities planning and facility contracts to meet needs for remediation, renovation, and remodeling;
- Supplies and service contracts, including a comprehensive school supply catalog;
- Food contracts for bread, dairy, grocery, produce, and cleaning products and equipment;
- Technology products, cloud services, software, consulting and resources for today's electronic demands; and
- Energy contractors that help governmental entities exercise power over energy costs



FY2017-18 WAS A SUCCESSFUL YEAR FOR HCDE.

Key Financial Indicators:

- 98.68% current tax collection rate
- Administered over \$32M in local, state, and federal grants including indirect cost
- Provided \$109.3M in economic benefits through cooperatives, grants, and fees for services, including professional development
- “Unmodified” opinion expressed by the independent auditors—which is the best kind of auditors’ opinion
- No “Findings” or “Questioned Costs” in the annual financial report
- Maintained a credit rating of “AAA” from Standard & Poor’s and “AAA” from Moody’s



AWARDS AND RECOGNITION FOR EXCELLENCE IN FINANCIAL REPORTING:

Harris County Department of Education’s Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2017, was awarded the **Certificate of Achievement for Excellence in Financial Reporting** by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting our CAFR for the current year to the GFOA.

The Government Finance Officers Association of the United States and Canada (GFOA) has issued an **Award for Outstanding Achievement in Popular Annual Financial Reporting** to Harris County Department of Education for its Popular Annual Financial Report for the fiscal year ended August 31, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Harris County Department of Education has also received the **Meritorious Budget Award** from the Association of School Business Officials International (ASBO) of the United States and Canada (GFOA) for the fiscal year 2017-18 budget document based on the highest quality that reflects the guidelines established by the national Advisory Council on State and Local Budgeting and GFOA’s best practices on budgeting.

The **Distinguished Budget Preparation Award** is valid for a period of one year only. We believe our current budget presentation report continues to conform to the Distinguished Budget Presentation Award requirements, and we have submitted our fiscal year 2017-18 Budget Presentation to GFOA.



The Texas Comptroller's Transparency Star Program Award recognizes local governments across Texas that are striving to meet a high standard for online financial transparency by opening their books to the public, by providing clear, consistent pictures of spending, and by sharing information in a user-friendly format that helps taxpayers understand how their tax dollars are spent. HCDE has received the Platinum Member Leadership Circle award for six consecutive years.

In FY 2018, the Department continued participating in the Texas Comptroller's Office Transparency Star's Program, and it has earned three stars for Traditional Finances, Contracts and Procurement and Debt obligations.

The HCDE Purchasing Division received the **Texas Association of School Business Officials (TASBO) Recognized Award of Merit for Purchasing Operations** provided to school districts and Education Service Centers statewide that are committed to following professional standards in the acquisition of goods and services. This is HCDE's seventh consecutive year receiving this award.



In FY 2018, the Department received another award for purchasing policies and practices from the National Purchasing Institute. This award was graded by a panel who reviewed the internal purchasing procedures.

Government Treasurers' Organization of Texas has awarded the **Certificate of Distinction** on its Investment Policy Certification Program to HCDE.



FY2017-18 REVENUE SOURCES

HCDE accounts are organized on the basis of funds, including:

- The General Fund accounts for all revenues and expenditures not reported in another fund;
- The Special Revenue Funds account for specific revenue sources that are limited to being used for a particular purpose;
- The Debt Service Fund accounts for the payment of debt;
- The Capital Projects Fund (tracks the accumulation and use of resources for acquiring, constructing, and rehabilitating capital assets such as buildings);
- The Choice Partners Enterprise Fund - accounts for revenues and expenses dealing with the purchasing cooperative program; and
- The Internal Service Funds - accounts for revenues and expenses related to services provided to organizations inside the Department on a cost reimbursement basis. The Department's internal service funds include Workers' Compensation and Facility Charges.

Local Sources

Local sources of revenue generated \$48,556,786, or 62 percent of total revenues. Local revenue sources include charges for services, property taxes, local grants, and miscellaneous revenues.

Charges for services are a significant source of revenue for the Department, and in fiscal year 2018, these constituted 26 percent of total revenues. Property taxes (what you, as a citizen, pay for supporting education in Harris County) accounted for 29 percent of total revenues. Other sources, including local grants and miscellaneous income, represented 7 percent of total revenues.

State Sources

State sources of revenue totaled \$4,748,476, or 6 percent, of total revenues. State revenues increased this year by \$197,488, or four percent, over last year, mainly due to a increase in state funded grants and the last year of funding for Texas Virtual Schools.

Federal Sources

Revenues from federal sources constituted \$24,895,031, or 32 percent, of total revenues. These federal sources include grants for the Adult Education, Center for After-School, Summer and Extended Learning, and Head Start programs, and various non-major governmental funds. Federal revenues showed an increase of \$1,531,805, or 6 percent, from last year, mainly due to additional federal funding.

Other Governmental Sources

The \$1.2M difference between total revenues of \$78.2M on page 25 and total expenditures of \$79.4M on page 26, will decrease the Department's fund balance.

AS OF AUGUST 31, 2018

Financial Strength Ratio GF Fund Balance to Total Governmental Expenditures	Debt to Income Ratio What is the ability of HCDE to cover its debt payments?
<p>Unassigned Fund Balance: \$17,769,755</p> <hr/> <p>Total governmental Expenditures: \$79,368,338</p> <p>Goal: > 30% of G/F Exp. Benchmark: 10% to 29% Critical: Under 10%</p>	<p>Annual Principal and Interest Payments on Long Term Debt and Capital Leases: \$3,144,592</p> <hr/> <p>G/F Revenue Less Facility Charges: \$48,556,786</p> <p>Goal: <25% of annual revenue Benchmark: 25% to 49% Danger: Over > 50%</p>
22%	6%

G/F-General Fund

Unassigned Fund Balance – Funds not yet restricted, committed or assigned

Total Department Expenditures include G/Funds, Special Revenue Funds, and Other Governmental Funds

HCDE EFFICIENCY INDICATORS

Tax Revenue to Total Revenue Ratio How efficient is HCDE at leveraging local taxes?	Fee for Service Revenue Ratio How are revenues spread across All Funds?
<p>Total Tax Revenue: \$22,500,740</p> <hr/> <p>Total Revenue: \$89,699,099</p> <p>Goal: < 20% of revenue Benchmark: 20% to 30% Danger: More than 30%</p>	<p>Total Fee for Service Revenues (GF) and Choice Partners \$23,934,906</p> <hr/> <p>Total Revenues \$89,699,099</p> <p>Goal: > 30% of annual revenue Benchmark: 10% to 29% Danger: Under 10%</p>
25%	27%

Rounded

HCDE is a model for maximizing dollars by using non-duplicative infrastructure to attract administrative grants while maintaining a strong financial position as evidenced by strong bond ratings and reserves as well as transparent operations.

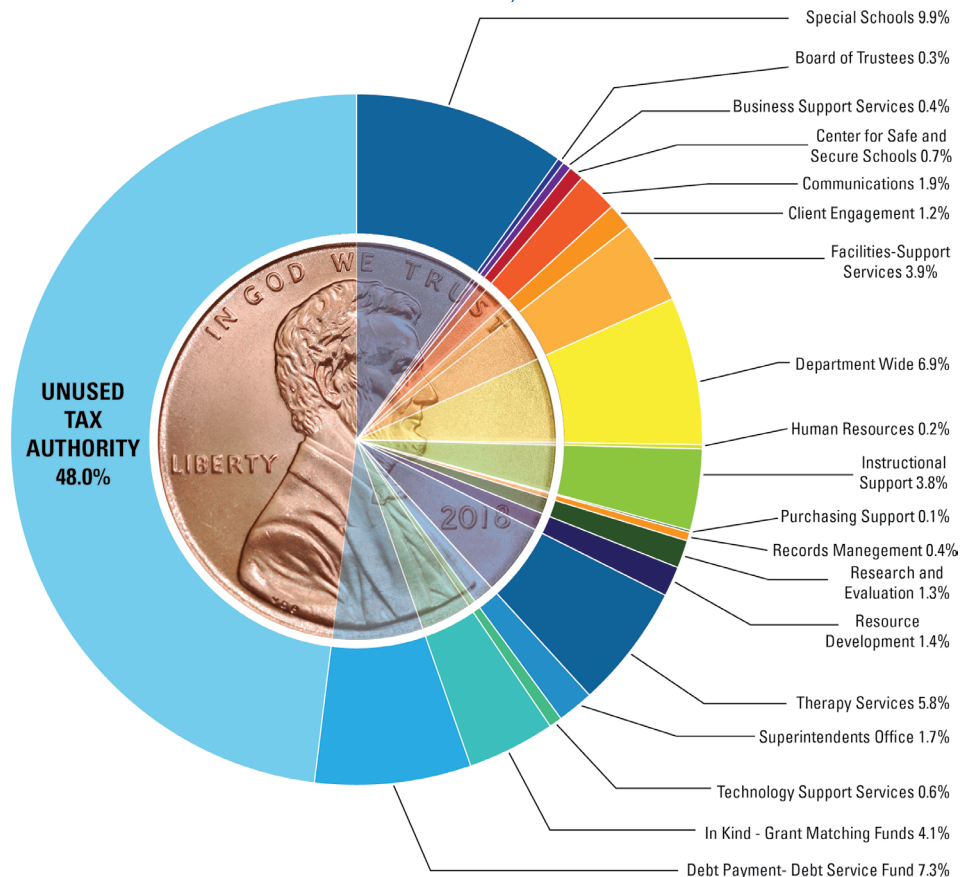
HCDE PROPERTY TAX USE - BY DIVISION

For the year ended
August 31, 2018
\$22,514,791

Note: Divisions generate fees and other revenues to offset program costs. The tax allocation for each division on this chart is for the property tax distributed to each division based on need in order to deliver the services to the school districts. In addition, grant funded programs also require administrative support from technology, facilities, business, and human resources in order to implement their mission.

HCDE Property Tax Use - By Division For the year ended August 31, 2018 **\$22,514,791**

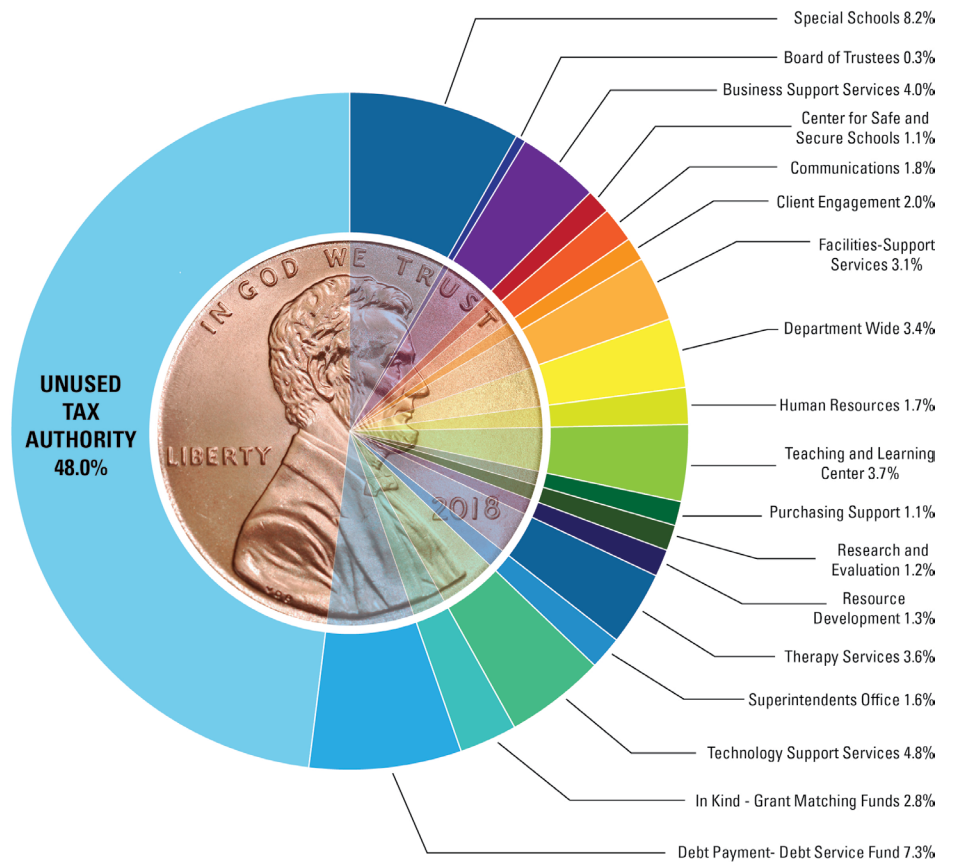
Without indirect cost subsidy allocation



HCDE Division	Amount	HCDE Division	Amount
AB East	\$915,545	Human Resources	91,668
AB West	362,600	The Teaching & Learning Center	770,022
Adult Education Program (Matching Funds)	12,099	Purchasing Support Services	44,849
Education Certification	443,831	Records Management Services	167,705
Assistant Superintendent - Academic Support	299,317	Research & Evaluation	565,424
Assistant Superintendent - Education & Enrichment	301,499	Resource Development	608,563
Board of Trustees	140,187	Retirement Leave Benefits	349,007
Business Support Services	159,173	Scholastic Arts Program	72,485
Center for Safe & Secure Schools (CSSS)	312,786	Special Education-Therapy Services	2,375,929
Digital Education/Digital Learning	78,024	Special Schools Administration	599,823
Communications	832,807	Superintendent's Office	484,183
Client Engagement	530,082	Technology Support Services	250,026
CASE After School Program (In Kind)	643,835	Technology Administration	12,713
Department Wide	2,632,689	Transfers out (pass through monies for programs):	
Special Assistant to Superintendent	261,418	In Kind- Matching Funds- CASE After School Program Fund	550,787
Facility Support Services	216,190	PFC Debt Payment- Debt Service Fund	2,458,963
Reserved Fund Balance for Future Projects & Debt		OZAB Debt payment - Debt Service Fund	685,629
Facility - Construction Services	1,455,208	In Kind Matching Funds Head Start	569,000
Head Start	4,977	Fortis Academy	1,264,407
Highpoint East	991,338	TOTAL ALL DIVISIONS	22,514,791

HCDE Property Tax Use - By Division For the year ended August 31, 2018 \$22,514,791

The property taxes distributed to the Business Services, Human Resources, Purchasing and Technology departments (\$4.6 million) were allocated to the other divisions as an indirect cost subsidy based on the percentage of total general fund expenditures.



HCDE Division	Amount	HCDE Division	Amount
AB East	\$575,753	Human Resources	753,546
AB West	71,249	The Teaching & Learning Center	656,596
Education Certification	387,209	Purchasing Support Services	488,358
Assistant Superintendent - Academic Support	274,141	Research & Evaluation	511,200
Assistant Superintendent - Education & Enrichment	276,140	Resource Development	557,303
Board of Trustees	128,396	Retirement Leave Benefits	117,488
Business Support Services	1,733,236	Scholastic Arts Program	63,308
Center for Safe & Secure Schools (CSSS)	458,509	Special Education-Therapy Services	1,428,440
Digital Education/Digital Learning	204,224	Special Schools Administration	549,205
Communications	762,759	Superintendent's Office	443,458
Client Engagement	485,496	Technology Support Services	1,924,408
CASE After School Program (In Kind)	672,106	Technology Administration	138,431
Department Wide	1,349,057	Transfers out (pass through monies for programs):	
Special Assistant to Superintendent	239,430	In Kind- Matching Funds- CASE After School Program Fund	550,787
Facility - Construction Services	1,332,809	PFC Debt Payment- Debt Service Fund	2,458,963
Highpoint East	731,157	OZAB Debt payment - Debt Service Fund	685,629
		Fortis Academy	1,506,000
TOTAL ALL DIVISIONS			\$22,514,791

	FY 2017-18	FY 2016-17	FY 2015-16
LOCAL SOURCES			
Charges for Services	\$20,383,705	\$20,044,178	\$19,213,400
Property Taxes, Levied for General Purposes	22,514,793	21,751,923	21,141,146
Local Grants	4,766,262	5,454,945	5,086,589
Miscellaneous	892,026	170,480	164,439
Total Local Sources:	48,556,786	47,421,526	45,605,574
STATE SOURCES			
Grants-Restricted to Specific Program	2,352,287	2,260,853	2,810,044
TRS On-Behalf Payments	2,396,189	2,290,135	2,215,370
Total State Sources:	4,748,476	4,550,988	5,025,414
FEDERAL SOURCES			
Grants-Restricted to Specific Program	24,895,031	23,363,226	22,622,562
TOTAL GOVERNMENTAL REVENUES:	\$78,200,293	\$75,335,740	\$73,253,550

*Governmental Funds include the General Fund, Special Revenues Funds, Capital Projects Fund and Debt Service Fund.

The revenues for FY2017-18 as compared to FY 2016-17 increased by \$1,135,260 or 2% mainly due to increase in fees for services resulting from increase in demand and increase in property tax collections derived from property value growth.

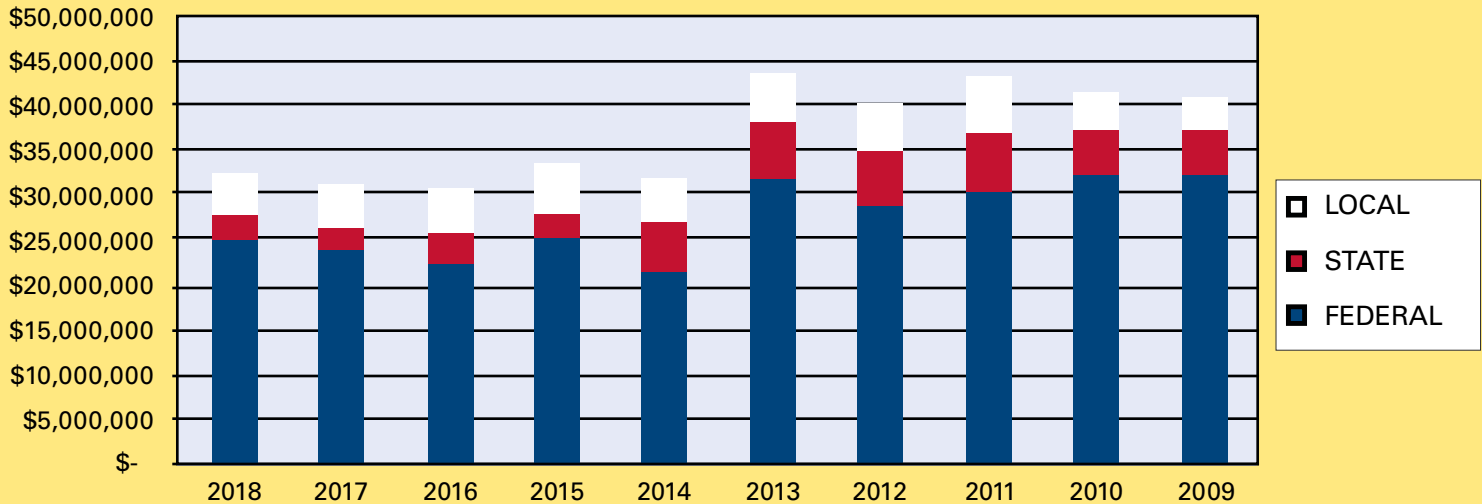
MAJOR FUNDS							
	GENERAL	HEAD START PROGRAM	EARLY HEAD START OPERATIONS	FEDERAL AFTER-SCHOOL PARTNERSHIP	PFC CAPITAL PROJECTS FUNDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Local Sources	\$43,633,488	\$0	\$0	\$0	\$157,731	\$4,765,567	\$48,556,786
State Program Revenues	3,290,314	-	-	-	-	1,458,162	4,748,476
Federal Program Revenues	1,535,290	12,084,273	2,319,945	1,582,663	0	7,372,860	24,895,031
TOTAL REVENUES	\$48,459,092	\$12,084,273	\$2,319,945	\$1,582,663	\$157,731	\$13,596,589	\$78,200,293

PROPRIETARY FUNDS				
	CHOICE PARTNERS	WORKERS COMPENSATION	FACILITY CHARGES	TOTAL PROPRIETARY FUNDS
Revenues-Local Sources	\$5,147,496	\$313,094	\$4,870,171	\$10,330,761

GOVERNMENTAL EXPENDITURES	FY 2017-18		FY 2016-17		FY 2015-16	
Adult Education Program	\$4,926,751	6.21%	\$3,897,009	5.07%	\$4,068,869	5.29%
Assistant Superintendents' Offices	550,282	0.69%	534,595	0.70%	533,135	0.69%
Board of Trustees	128,396	0.16%	138,343	0.18%	131,482	0.17%
Business Support Services	1,733,238	2.18%	1,711,576	2.23%	1,783,858	2.32%
Center for After-School, Summer and Expanded Learning	7,415,860	9.34%	7,320,521	9.52%	7,344,632	9.55%
Center for Safe & Secure Schools	458,510	0.58%	647,093	0.84%	473,676	0.62%
Center for Texas Grant Development (Resource Development)	558,169	0.70%	550,918	0.72%	540,539	0.70%
Client Development Services	-	0.00%	-	0.00%	449,700	0.58%
Communications & Client Engagement	1,248,256	1.57%	1,215,481	1.58%	874,333	1.14%
Department Wide	6,051,002	7.62%	6,862,146	8.93%	5,867,987	7.63%
Digital Learning	406,107	0.51%	1,345,415	1.75%	344,303	0.45%
Education Certification & Professional Advancement	616,559	0.78%	673,465	0.88%	625,469	0.81%
Education Foundation	-	0.00%	9,812	0.01%	199,603	0.26%
Facilities Support Services	1,332,808	1.68%	730,324	0.95%	449,188	0.58%
Head Start Program	18,963,042	23.89%	17,455,114	22.70%	16,439,375	21.38%
Human Resources	998,178	1.26%	986,813	1.28%	935,877	1.22%
Purchasing Support Services	488,359	0.62%	487,590	0.63%	472,964	0.62%
Qualified Zone Academy Bonds (QZAB)	-	0.00%	-	0.00%	6,281	0.01%
Records Management Services	1,826,139	2.30%	1,557,380	2.03%	1,519,616	1.98%
Research & Evaluation	590,450	0.74%	575,247	0.75%	512,665	0.67%
Retirement Leave Benefits	124,832	0.16%	358,964	0.47%	322,795	0.42%
Scholastic Arts & Writing Program	99,932	0.13%	101,187	0.13%	102,115	0.13%
School Based Therapy Services	10,317,233	13.00%	9,701,864	12.62%	9,292,131	12.09%
Special Assistant to Suprerintendent	239,431	0.30%	289,057	0.38%	187,574	0.24%
Special Schools Program	12,610,677	15.89%	11,657,915	15.16%	10,452,501	13.60%
Superintendent's Office	443,456	0.56%	445,967	0.58%	382,543	0.50%
Texas Virtual Schools Network	-	0.00%	-	0.00%	1,317,986	1.71%
Technology Support Services	2,860,974	3.60%	3,028,436	3.94%	3,686,311	4.79%
The Teaching & Learning Center	1,235,105	1.56%	1,229,426	1.60%	1,058,193	1.38%
Debt Service:						
Principal on Long-Term Debt	2,826,429	3.56%	2,781,428	3.62%	2,106,429	2.74%
Interest on Long-Term Debt	318,163	0.40%	352,303	0.46%	301,771	0.39%
Bond Issuance Costs	-	0.00%	234,162	0.30%	0	0.00%
Totals:	\$79,368,338	100.00%	\$76,879,551	100.00%	\$72,783,901	94.67%

The expenditures for FY 2017-18 as compared to FY 2016-17 increased by \$2,488,787 or 3% mainly due to additional funding in the Head Start and the Adult Education grants.

Grants are resources that are limited to being used for specific purposes by the grantor. During fiscal year 2017-18, HCDE received \$32,013,580 in revenues from local, state, and federal grants. This represents a three percent increase of \$1,033,880 over fiscal year 2016-17. Below is a chart presenting the last ten years in grants for the Department.

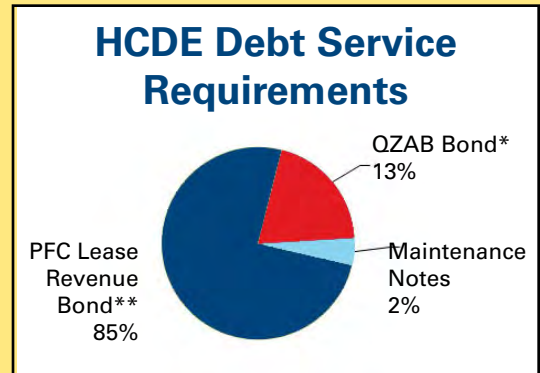


	2018	2017	2016	2015	2014
FEDERAL	\$24,895,031	\$23,363,226	\$22,622,562	\$25,028,005	\$22,547,986
STATE	2,352,287	2,260,853	2,810,044	3,182,302	4,710,852
LOCAL	4,766,262	5,355,621	5,086,589	5,049,186	4,653,717
	\$32,013,580	\$30,979,700	\$30,519,195	\$33,259,493	\$31,912,555

	2013	2012	2011	2010	2009
FEDERAL	\$32,855,796	\$28,329,457	\$30,146,813	\$31,919,181	\$32,870,856
STATE	5,713,001	6,841,825	7,253,451	5,034,166	4,144,134
LOCAL	4,417,941	4,966,634	6,693,136	5,124,748	4,416,313
	\$42,986,738	\$40,137,916	\$44,093,400	\$42,078,095	\$41,431,303

Harris County Department of Education debt service requirements of bonds and notes are payable from future revenues consisting of school contracts. These bonds and notes were issued as three through 17-year bonds and notes, with varying amounts of principal maturing each year. The Department is in compliance with all significant limitations and restrictions. Effective interest rates on currently outstanding lease revenue bonds range from 2.4 to 5.75 percent. The QZABs have a zero interest rate. The maintenance tax notes have effective interest rates of 3.0 to 4.0 percent. The Department has never defaulted on any principal or interest payments.

Years Ended August 31	Principal	Interest	Total Requirements
2019	2,886,429	263,067	3,149,496
2020	2,706,429	211,182	2,917,611
2021	2,756,428	162,614	2,919,042
2022	2,801,428	113,032	2,914,460
2023	2,846,428	62,479	2,908,907
2024-2026	2,200,000	55,776	2,255,776
TOTALS	\$16,197,142	\$868,150	\$17,065,292



Annual debt service requirements to maturity for lease revenue bonds, QZABs, and maintenance tax notes are as follows:

Debt principal at August 31, 2018 is comprised of the following individual issues:

PFC**	\$14,568,450
QZAB	2,257,142
Maintenance Notes	239,700
Total	\$17,065,292

Series	Bond Type	Original Issue	Interest Rates	Maturity Dates	Beginning Balance	Additions	Reductions	Amount Outstanding
2014	LEASE REVENUE REFUNDING	9,635,000	2.40%	2/15/2023	7,395,000	-	(1,115,000)	6,280,000
2015	LEASE REVENUE REFUNDING	4,255,000	4.13-5.75%	2/15/2023	2,110,000	-	(375,000)	1,735,000
2016	LEASE REVENUE BOND	7,000,000	1.68%	2/15/2026	6,350,000	-	(660,000)	5,690,000
2009A	QZAB *	6,320,000	0.00%	8/31/2023	2,708,571	-	(451,429)	2,257,142
2009B	TAX NOTES	2,000,000	3.00-4.00%	2/15/2019	460,000	-	(225,000)	235,000
Totals					19,023,571	-	(2,826,429)	16,197,142
Plus: Issuance amounts					30,053	-	(9,697)	20,356
Totals-Bonds Payable at Maturity Value					\$19,053,624	\$0	(\$2,836,126)	\$16,217,498

* QZAB = Qualified Zone Academy Bonds

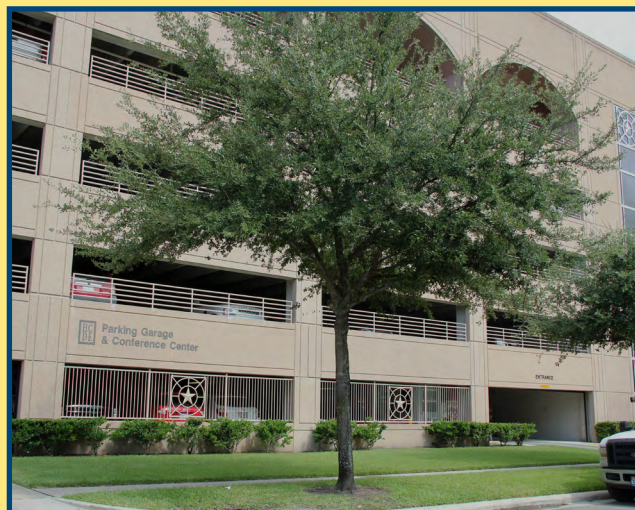
**PFC = Public Facility Corporation

CAPITAL PROJECTS FUND

The HCDE Capital Projects Fund account, on a project basis, is for projects financed by the proceeds of bond issues, QZAB bonds, and maintenance tax notes, or for capital projects otherwise mandated to be accounted in this fund.

LEASE REVENUE BONDS

In January 2006 the HCDE PFC issued lease revenue bonds-Series 2006A, 2006B, and 2006C. The bonds are earmarked for the purchase and renovation of a facility for administrative offices, meeting rooms warehouse, records storage, and printing; and the construction of new ABC and High Point schools. Bond money will also be spent on furnishing and equipping the new facilities. In February 2014, a portion of the 2006A Bond was refunded with series 2014 Refunding. In January 2015, the remaining portion of the 2006A Bond and the 2006B Bond were refunded with series 2015 Refunding.



HCDE Parking Garage and Conference Center

QUALIFIED ZONE ACADEMY BONDS (QZAB)

In May 2009, the HCDE PFC issued Qualified Zone Academy Bonds-Series 2009A. In 1997, the U.S. Congress enacted the Tax Payer Relief Act which authorized Qualified Zone Academy Bonds, allowing qualifying schools and communities to borrow at little or no interest cost. The bonds are earmarked for the energy renovation, furnishing, and equipping of HCDE schools.



Interior, HCDE Conference Center

MAINTENANCE TAX NOTES

In May 2009, the HCDE PFC issued maintenance tax notes-Series 2009B. The notes are earmarked for energy renovation of buildings used primarily for administrative purposes.

Photos depict structures financed by the HCDE Public Facility Corporation (PFC).



HCDE Adult Education Learning Center



Head Start
1,545 Students



**School-Based
Therapy Services**
7,426 Students



HCDE Schools
729 Students



Afterschool Programs
14,627 Students



Adult Education
9,121 Students

Numbers above reflect FY2018

Serving special populations in Texas' largest county

- **Head Start:** Teachers in our Head Start centers in east and northeast Harris County prepare low-income or developmentally delayed pre-school age children for kindergarten.
- **School-Based Therapy Services:** Students needing special learning accommodations are helped by our occupational therapy, physical therapy and music therapy specialists, who serve nearly 8,000 students annually at their home campuses.
- **Specialized Schools:** Districts contract with us to provide specialized environments and a low student-to-teacher ratio to educate students with unique needs. Teachers at our Academic and Behavior schools educate students with intellectual and developmental disabilities. Our Highpoint schools offer a safe and highly structured learning environment to adjudicated or expelled youth in grades 6–12.
- **Afterschool Programs:** CASE for Kids (the Center for Afterschool, Summer and Enrichment for Kids) provides quality support for out-of-school time programs (before and after school, weekends and summer), including grant funding, training and materials.
- **Adult Education:** HCDE offers adult learners the opportunity to learn English, earn their GEDs, and train for the workforce. Our classes are located in schools, churches, businesses and community centers across Harris County.



Harris County Department of Education helps school districts in the state's largest county meet the needs of uniquely challenged learners, directly serving students at their schools or one of four HCDE-operated campuses across the county.

For four consecutive years, HCDE has reduced its tax rate below the effective tax rate and now collects less than one-half of one penny—about \$8.81 a year for the average homeowner. This provides operational efficiencies for the 25 area school districts in Harris County at a lower cost to taxpayers than it would cost if the districts provided the services separately.



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

**Harris County
Department of Education
Texas**

For its Annual
Financial Report
for the Fiscal Year Ended

August 31, 2017

Christopher P. Morill

Executive Director/CEO



The information contained in this Popular Annual Financial Report is presented in conformity with GAAP was compiled by the Business Services division and produced by the Communications and Creative Services division. Individuals wishing to review the full disclosure financial statements and obtain a copy should refer to Harris County Department of Education's Comprehensive Annual Financial Report (CAFR), which is available online at the HCDE website at www.hcde-texas.org.

It is the policy of Harris County Department of Education not to discriminate on the basis of race, color, national origin, gender, limited English proficiency, or handicapping condition(s) in its programs.