



Budget Book

For Fiscal Year
September 1, 2012 through August 31, 2013

**Prepared by
the Business Services Division**

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**6300 Irvington Blvd.,
Houston, Texas 77022**



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Harris County Department of Education
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For the Fiscal Year Beginning

September 1, 2011

Linda C. Dawson Jeffrey R. Egan

President

Executive Director

Association of School Business Officials International®



This Meritorious Budget Award is presented to

Harris County Department of Education

For excellence in the preparation and issuance
of its school system budget
for the Fiscal Year 2011-2012.

The budget is judged to conform
to the principles and standards of the
ASBO International® Meritorious Budget Awards
Program.

A handwritten signature in black ink, appearing to read "Bill Nee".

President

A handwritten signature in blue ink, appearing to read "John D. Muesse".

Executive Director

CITIZEN'S GUIDE TO OUR BUDGET

WHAT IS THE HCDE BUDGET?

The HCDE budget is an annually revised document that describes the financial performance and the detailed financial allocations made to maintain department operations for the proposed budget year.

WHAT IS THE PURPOSE OF A BUDGET?

The objective of the budget is to communicate the financial plan about operations to the public, the Harris County Department of Education (HCDE) Board of Trustees, and all members of the organization for each budget year.

WHAT ARE PROPERTY TAXES?

Property taxes are funds that are levied, assessed, and collected annually (ad valorem taxes) for the further maintenance of schools in the department and to pay bonds issued by HCDE.

WHAT IS A TAX RATE?

It is the amount of dollars levied per \$100 of taxable value (after exemptions). The resulting amount is called Ad Valorem Taxes.

WHAT IS AD VALOREM TAX?

Ad Valorem Tax is the Property Tax (after exemptions) that is placed on all the property within the department's jurisdiction. The appraised value is determined by the Harris County Appraisal District. HCDE has a maximum maintenance and operations tax of \$0.01 by law.

HOW ARE PROPERTY TAXES CALCULATED?

They are calculated by taking the taxable value (after exemptions) divided by 100 and multiplied by the tax rate:

Average Appraised Value	\$ 176,889
Less Homestead Exemption	<u>5,000</u>
Total Taxable Value	\$ 171,889

HCDE Tax Rate \$.006581

$$\frac{\$171,889}{\$100} = \$1,718 \times \$0.006581 = \$11.31 \text{ Total Property Tax Due Per Year}$$

WHAT IS THE EFFECT OF A ONE THOUSANDTH OF A PENNY INCREASE IN TAXES FOR A RESIDENTIAL OWNER?

The effect is \$1.72 per year. $(\$1,718 \times \$0.007581) = \$13.02$ minus $\$11.31 = \1.71

WHERE CAN I GET ADDITIONAL INFORMATION ABOUT HCDE AND THE DEPARTMENT BUDGET?

- HCDE Web Page: <http://www.hcde-texas.org>
- Contact by email: jamezcua@hcde-texas.org or tlanier@hcde-texas.org
- Write: Harris County Department of Education
C/O Communications Office
6300 Irvington Boulevard
Houston, Texas 77022

RECOGNITION

We would like to acknowledge and thank the following Business Support Services Division individuals who greatly contributed to the development of the Harris County Department of Education 2012-2013 Annual Budget:

Jesus Amezcua
Teresa Coronado
Rosa Maria Torres

Heather Weaver
John Weber

We would also like to thank Human Resources; they made available all information we requested.



Pictured from left to right, first row: Kedra Johnson , Jeanette Johnson, Lynette Adams, Rosa Maria Torres.
Second row: Yvette Hamm, Laurie Pruet, Kellsa Christophe, Deanna Garcia, Pam Vann, Iykeryia Smith, Jesus Amezcua.
Third row: Tom Nguyen, John Weber, Donee Moore, Heather Weaver, Teresa Coronado



May 15, 2012

John E. Sawyer, Ed. D.
Superintendent of Schools

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Angie Chesnut
President

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Members of the Board of Trustees
Harris County Department of Education
6300 Irvington Boulevard
Houston, Texas 77022

Dear Trustees:

We are pleased to present the Harris County Department of Education's Annual Budget for fiscal year 2012-2013. This budget presents the Department's finance and operations plan.

Introduction

In accordance with State requirements, we are presenting our projected budget to the Board of Trustees and to the Harris County community. We encourage you and our citizens to engage in positive dialogue in fine tuning our budget proposal for 2012-2013. Given the limited resources, our staff has developed a financial plan for the 2012-2013 General Fund, Debt Service Fund, and Internal Service Fund Budgets. The development, review and consideration of the 2012-2013 budget were completed with a detailed review of every revenue and expenditure item within the context of the department's mission, goals and financial policies. This document provides information on each of the fund budgets. In addition, we also provide information about our projected grants for 2012-2013, which we account as Special Revenue Funds.

The primary purpose of this document is to provide timely and useful information concerning the past, current, and projected financial status of the Department, in order to facilitate financial decisions that support the educational goals of the Department. This budget's main focus is the improvement of HCDE divisions with the fiscal resources available to the Department. This budget addresses the essential needs of the Department by directing resources to those areas that will assist our staff in carrying out the mission of HCDE.

With this budget, we are continuing to use our performance based budgeting model. The HCDE Accountability System has been used as the basis as for this transition towards the performance based budgeting model. This the fourth year using goals, objectives and performance measures to plan the budget.

This budget document is the first step towards achieving these goals. It includes sound, prudent fiscal policies that will ensure the continuity of the Department.

About Harris County Department of Education

Harris County Department of Education (HCDE), a highly successful educational resource in the Houston metroplex, is a nonprofit tax-assisted organization dedicated to the equalization of educational opportunity and to the advancement of public schools. HCDE has been serving the county's public schools for 123 years. The organization impacts the educational community through visionary leadership, shared resources and innovative programs.

The mission of HCDE, as an educational partner in Harris County and the larger global community, is to advance excellence in partnership with the educational community.

Department Goals:

1. Programs to improve achievement for learners
2. High positive visibility in the community that supports public education
3. Adequate resources to efficiently and effectively accomplish its missions;
4. Effective technology infrastructure and systems to ensure communication and service delivery;
5. Professional development programs to attract and maintain qualified staff necessary to provide education opportunities; and
6. A cohesive planning and evaluation process resulting in successful delivery of services.

Core Beliefs:

- We believe that ALL students can learn
- We believe in promoting safe and caring environments where individuals and organizations can grow and succeed
- We believe in equal educational opportunity
- We believe in vision and innovation
- We believe in collaborative community-based solutions
- We believe in serving the educational community of Harris County with dignity and respect
- We believe in meeting the needs and goals of our clients through trust and quality service
- We believe in operating from a base of knowledge, expertise and resourcefulness
- We believe in continually analyzing the effectiveness of services
- We believe in optimizing all resources

Budget Process and Significant Changes

Legal Requirements in Preparing the Budget

The Texas Education Code requires that a local education agency prepare a budget of anticipated expenditures and revenues on or before August 20. The Board is required to adopt a budget before August 31. The budget must be itemized in detail according to classification (object) and purpose of expenditure (function) and be prepared according to General Accepted Accounting Principles.

The budget must be legally adopted before the adoption of the tax rate. The president of the Board of Trustees must call a public meeting of the Board of Trustees giving ten days public notice in a newspaper for the adoption of the budget. Any taxpayer in the Department may be present and participate in the

meeting. The budget must be adopted by the Board of Trustees, inclusive of budget amendments no later than August 31.

Budget Development Process

The budget development process comprises three stages: planning, preparation, and evaluation. The first phase, planning, involves defining the mission, goals, and objectives of campuses, divisions, and the Department. Once these plans and programs have been established, the preparation phase of budgeting begins by allocating resources to support them. Evaluation is the last step of the Department's budget cycle, in which information is compiled and analyzed to assess the performance of each individual division and campus, as well as the Department as a whole.

The budgeting process for the HCDE was initiated in February 2012. Individual, as well as group training workshops, were held with division directors and principals to guide them in developing their budgets.

The Human Resources Department played an important role assisting the Business Support Services in the budget process as they developed salary budgets utilizing established staffing guidelines.

Following this initial development process, we present this annual budget to the Board of Trustees and the citizens of Harris County. On June 19th, the Board of Trustees will be presented a final proposal to be implemented on September 1, 2012.

Amending the Budget

A budget is an estimate of planned expenditures and expected revenues. Many changes can take place between estimating for the proposed budget in March and April and the start of the new fiscal year in September. Program and operational changes will mean budget changes. These changes to the budget are made in the form of budget amendments. Any increase or decrease in the budget requires board approval. Changes to revenues also require budget adjustments before the end of the year. All other changes are submitted by divisions and campuses to the Business Support Services for review and processing.

Significant Changes

The budget development process for the 2012-2013 continued to be a challenging one. Economic uncertainties continued to affect client school districts and divisions expect a decrease in revenues from customer fees. In anticipation of reduced revenues, appropriations were carefully reviewed and increased by only 2%. Estimates from the Harris County Appraisal Districts anticipate a 2% increase in property values. All construction projects and replacement assets were proposed to be funded from the General Fund as Fund Balance allocations. This budget includes a 1.5% salary increases and 6.75 positions were eliminated. Additionally, six positions are being recommended. A balanced budget was achieved even with these necessary changes.

Summary of Proposed Budgets

The Department utilizes Governmental, Proprietary, and Fiduciary fund types. The Department's Governmental fund type is comprised of General Funds, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The Proprietary Fund includes the Internal Service Fund. The Fiduciary fund type includes Agency Funds. It is important to note that the Department approves the annual budgets for the General Fund, Internal Service Fund and Debt Service Funds. Agency Funds and Special Revenue Funds adopt project-length budgets which do not correspond to the Department's fiscal year end and are not subject to Board approval; the information presented on these funds is for information purposes only.

The following table presents a comparison of the proposed expenditures for General Funds with a comparison of the estimated expenditures for fiscal year 2012-2013.

	A	B	C	D
	Adopted Budget 2011-2012	Amended Budget 2011-2012	Proposed Budget 2012-2013	Percent Change (1)
Beg. Fund Balance	\$ 19,225,734	\$ 19,225,732	\$ 17,181,690	
Est. Revenues	44,218,742	44,890,112	45,085,247	0.4%
Appropriations	40,219,532	42,934,946	42,803,340	-0.3%
Transfers Out	3,999,210	3,999,210	3,726,907	-6.8%
Total Expenditures	\$ 44,218,742	\$ 46,934,156	\$ 46,530,247	-0.9%
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	(2,044,044)	(1,445,000)	
Non-Spendable Fund Balance	119,633	119,633	119,633	
Restricted Fund Balance	1,218,921	-	-	
Committed Fund Balance	1,408,000	1,408,000	1,408,000	
Assigned Fund Balance	5,810,352	5,329,979	5,329,979	
Unassigned Fund Balance	10,668,826	10,324,078	10,668,826	
Ending Fund Balance	\$ 19,225,732	\$ 17,181,690	\$ 15,736,690	

PROPOSED BUDGET FUND BALANCE APPROPRIATIONS:

North Post Oak signage		25,000
North Post Oak roof repair		250,000
Irvington parking lot repair		295,000
School Alert Software		125,000
Technology Replacement Assets		500,000
Pentamation Release and Update		250,000
Carryover encumbrance	16,474	\$ 1,445,000
Retirement Leave	100,000	
Irvington Chiller	75,000	
QZAB	1,218,921	
Records Management	362,000	
Carryover encumbrance	101,899	
Local construction	169,750	
	<u>2,044,044</u>	

(1) % change between amended budget and proposed budget

The following table presents a comparison of the projected revenues, expenditures, other financing sources and uses, and beginning and ending fund balance of all governmental funds for fiscal year 2012-2013.

	Governmental			Proprietary	Total
	General Fund	Special Revenue Fund	Debt Service Fund	Internal Service Fund	
Est. Revenues	\$45,085,247	\$39,472,197	\$2,652,898	\$6,130,156	\$93,340,498
Appropriations	42,803,340	39,472,197	2,652,898	6,130,156	91,058,591
Transfers Out	3,726,907	-	-	-	3,726,907
Total Appropriations and Other Uses	\$ 46,530,247	\$ 39,472,197	\$ 2,652,898	\$ 6,130,156	\$ 94,785,498

The Department's Proprietary Fund consists of the Internal Service Fund. The Internal Service Fund consists of two funds: the Worker's Compensation Fund and the Facilities Support Charges. For the Worker's Compensation Fund, the Department continues to participate in a partially self-funded pool, originally approved by the Board in fiscal year 2005. Claims administration, loss control, and consultant services are provided for by a third-party administrator for run-off claims from a self-insurance plan.

The following table presents a comparison of the proposed expenditures for Workers Compensation Fund with a comparison of the estimated expenditures for fiscal year 2012-2013.

Workers Comp

	Adopted Budget 2011-2012	Amended Budget 2011-2012	Proposed Budget 2012-2013
Revenues	\$ 464,082	\$ 373,844	\$ 464,082
Appropriations	464,082	373,844	464,082
Transfers Out	-	-	-
Total Appropriations and Other Uses	\$ 464,082	\$ 373,844	\$ 464,082
Appropriations from Fund Balance:	\$ -	-	-

The Internal Service Fund also includes the Facilities Support Charges. The charges consists of facilities support charges that are divided amount the divisions based on square footage. The following table presents a comparison of the proposed expenditures for the Facilities Support Charges with a comparison of the estimated expenditures for fiscal year 2012-2013.

Internal Service Fund

	Adopted Budget 2011-2012	Amended Budget 2011-2012	Proposed Budget 2012-2013
Revenues	\$5,705,301	\$5,705,301	\$5,666,074
Appropriations	5,705,301	5,705,301	5,666,074
Transfers Out	-	-	-
Total Appropriations and Other Uses	\$ 5,705,301	\$ 5,705,301	\$ 5,666,074
Appropriations from Fund Balance:	\$ -	-	-

Balanced Budget

The operating budget of the Department shall be balanced, as prescribed in the Department's policy. This means that for each fund, expenditures are not to exceed revenues plus available fund balances. If the fund balance is used, this cost must be a one time cost and not recurring, for example, capital expenditures. As the summary below indicates, we are submitting a balanced budget for fiscal year 2012-2013. Our expenditures plus other financing uses totals \$46,530,247. Our revenues equal \$45,085,247. One time costs include construction projects totaling \$570,000, technology replacement and project costs totaling \$750,000 and School Alert software for a total of one time costs of \$1,445,000. We believe that our budget represents a fiscally responsible and conservative approach to the needs of the Department within the available funds. The chart below shows a historical summary of the general fund.

General Operating Fund Summary (Trend)

	2009-2010 Actual Budget	2010-2011 Actual Budget	2011-2012 Amended Budget	2012-2013 Proposed Budget
Fund Balance Beginning	\$ 23,053,362	\$ 21,729,927	\$ 19,225,734	\$ 17,181,690
Revenues	42,996,169	45,438,048	44,890,112	45,085,247
Appropriations	40,486,129	44,371,985	42,934,946	42,803,340
Total Other/Uses Net:	<u>3,833,475</u>	<u>3,570,256</u>	<u>3,999,210</u>	<u>3,726,907</u>
Total Appropriations and Other Uses:	<u>44,319,604</u>	<u>47,942,241</u>	<u>\$ 46,934,156</u>	<u>\$ 46,530,247</u>
Net Change in Fund Balance	<u>(1,323,435)</u>	<u>(2,504,193)</u>	<u>(2,044,044)</u>	<u>(1,445,000)</u>
Fund Balance Ending	<u>\$ 21,729,927</u>	<u>\$ 19,225,734</u>	<u>\$ 17,181,690</u>	<u>\$ 15,736,690</u>

Projected Fund Balance

We are projecting to end fiscal year 2012-2013 with a fund balance of \$15,736,690. This represents a change of \$2,044,044 from projected 2011-2012 ending fund balance. It is the policy of the Department to maintain an unassigned fund balance equivalent to a minimum of two months of operations costs. Currently, the Department projects the desired fund balance.

About the 2012-2013 Department Budget

Below are a few highlights of the Department that will provide you with a general overview of the basis of our assumptions and projections for the coming 2012-2013 fiscal year. In order to prepare the annual budget, HCDE develops projections for taxable value, collection rate, and expenditure levels.

Expenditure Levels

General Operating Fund –This is the second year that a balance budget is presented to the Board of Trustees. Thus in order to achieve a balanced budget, the 2012-2013 appropriation levels for the General Operating Fund are projected at \$45,085,247 and estimated other uses (transfers to other funds) at \$3,726,907, for a total of \$46,530,247; this represents a 0.9% or \$403,909 decrease from 2011-2012 amended budget.

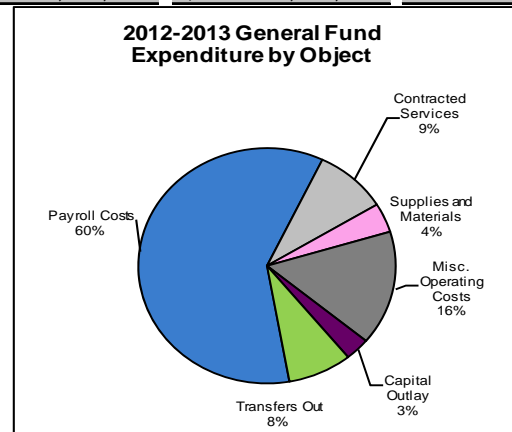
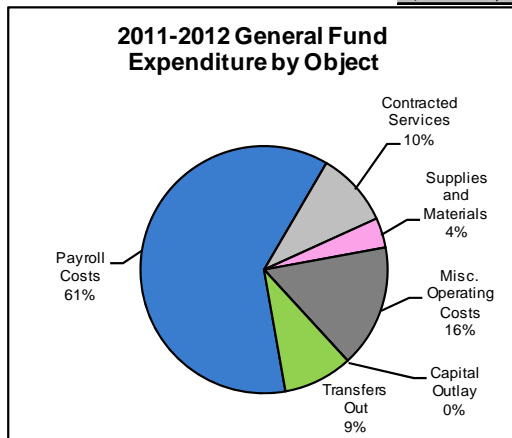
The 2012-2013 budget includes a 1.5% salary increases for Chapter 21 employees and all other employees. Total reductions of expenditures during the budget process total \$2,874,535. The budget process was representative of the economic environment and included tough decisions. A series of budget meetings and reviews were conducted by the Superintendent in order to achieve a balanced

budget. Transfers-out to other funds decreased by \$272,303 from FY13. Six new positions were added for the 2012-2013 school year, five Head Start substitute positions and one Technician for the Technology Division. There is one reclassification included in the budget for the Assistant Principals.

In addition, 6.75 General Fund positions were eliminated. These were: 1 position in Special Schools, 1 in Records Management and 3.75 positions in Therapy Services, and 1 position in the Center for Safe and Secure Schools.

Comparison of General Operating Fund Expenditures by Object

	Adopted Budget 2011-2012	Amended Budget 2011-2012	Proposed Budget 2012-2013	Percent Change
Payroll	\$ 27,062,669	\$ 27,220,397	\$ 27,832,421	2.2%
Contracted Services	4,328,156	4,629,551	4,275,660	-7.6%
Supplies & Materials	1,723,995	1,943,221	1,886,081	-2.9%
Misc Operating Cost	7,104,712	7,320,024	7,359,330	0.5%
Capital Outlay	-	1,821,753	1,449,848	-20.4%
Transfers Out	3,999,210	3,999,210	3,726,907	-6.8%
	\$ 44,218,742	\$ 46,934,156	\$ 46,530,247	-0.9%

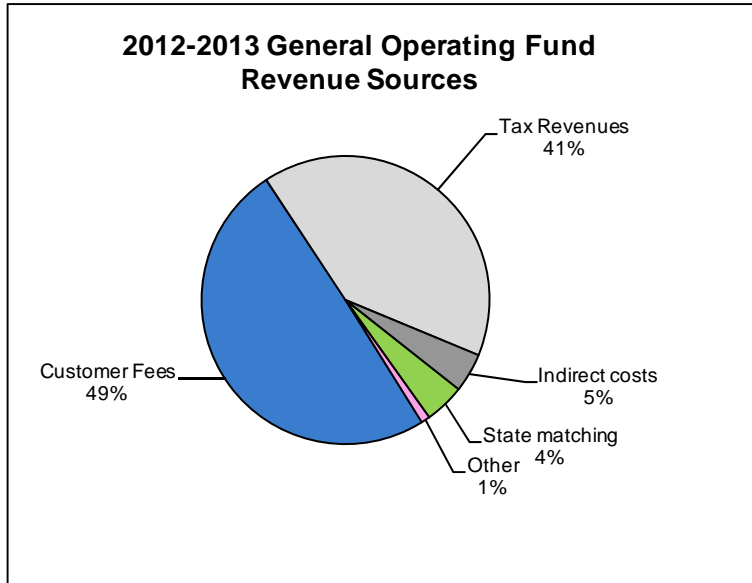


Debt Service Fund – The Department budgeted \$2,652,898 for 2012-2013. Resources in the Debt Service Fund must be used to pay for general long-term debt principal and interest for debt issues and other long-term debts for which a tax has been dedicated from the Maintenance and Operations Tax. A transfer is projected from the General Fund to the Debt Service fund.

Special Revenues Funds – Appropriations for these funds are restricted to, or designated for, specific purposes by a grantor. For 2012-2013, the Department’s appropriation is \$39,472,197. The Department provides information to the Board of Trustees on all Department grants, but they do not approve an annual budget for these funds.

Revenue Levels

Revenue estimates are based upon a variety of demographic and tax information. Estimating revenue from the two major sources, customer fees and local property taxes, are critical to the budget. The Department estimates total General Operating Fund revenues of \$45,085,247 for the 2012-2013 fiscal year. Customer fees are projected to be \$21,803,783 or 49% of the revenues, tax revenues are projected to be \$18,420,016 of 41% of the revenues. The remaining revenues are indirect costs at \$2,171,448; state matching \$2,508,000 and other at \$182,000. The chart below shows the percentage breakdown by revenue source.



Customer fees that support the General Operating Fund budget represent 49% of all available sources of funding. Tax revenues constitute 41% while state matching and indirect costs total 5%. The recommended budget includes an increase in revenues of 0.4% from the amended FY2011-2012 budget.

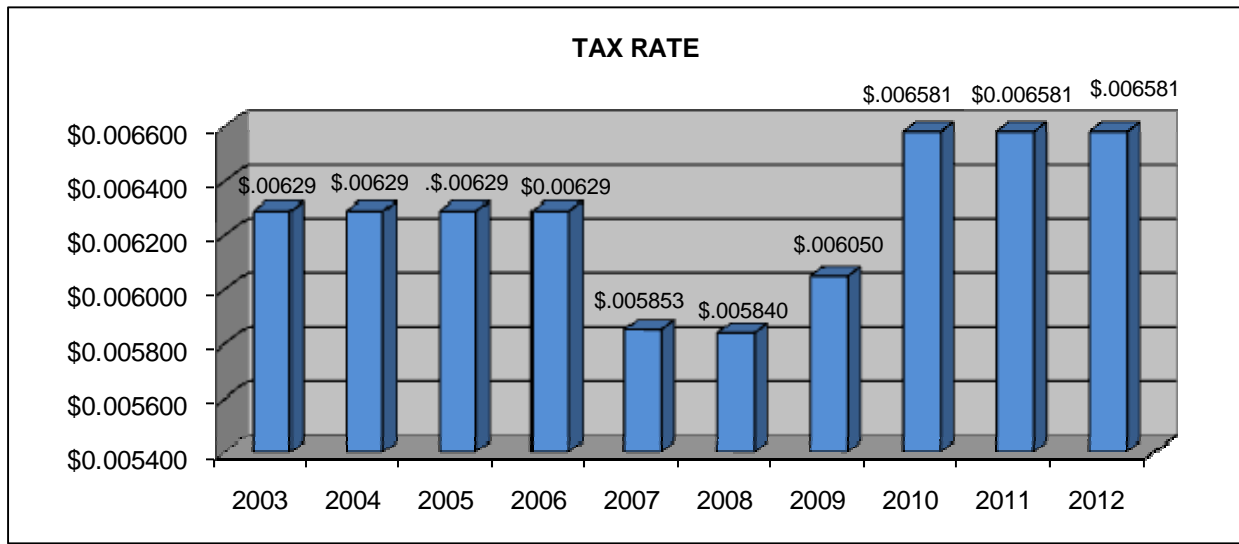
	Adopted Budget 2011-2012	Amended Budget 2011-2012	Proposed Budget 2012-2013	Percent Change (1)
Customer fees	\$ 21,935,221	\$ 21,599,002	\$ 21,803,783	0.9%
Tax revenues (2)	17,923,382	17,923,382	18,420,016	2.8%
Indirect costs	1,939,637	2,189,422	2,171,448	-0.8%
State matching	1,988,000	2,653,904	2,508,000	-5.5%
Other	432,502	524,402	182,000	-65.3%
	\$ 44,218,742	\$ 44,890,112	\$ 45,085,247	0.4%

Local Revenues

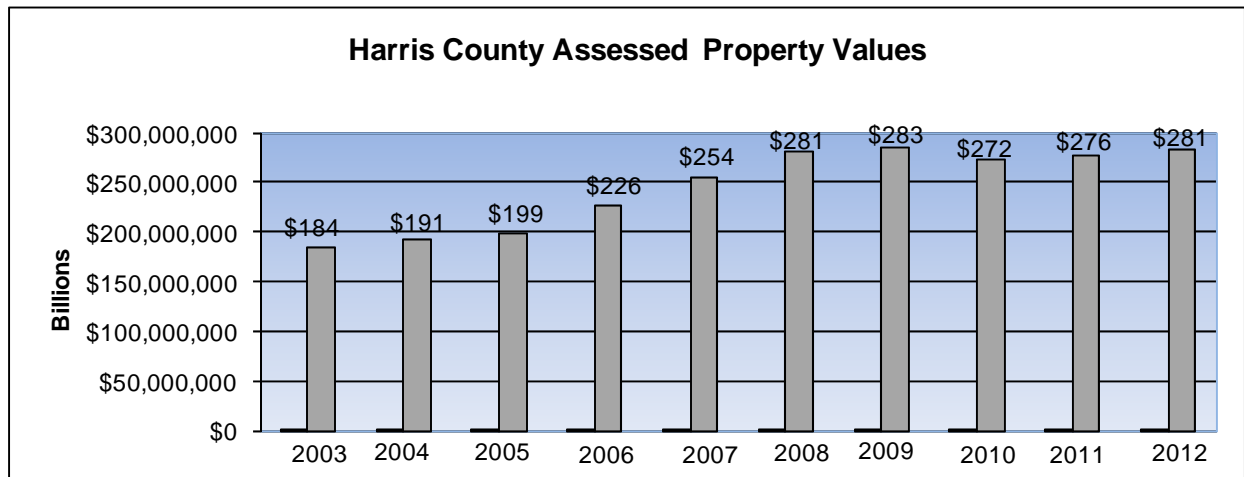
Local revenues are projected to increase by 0.4%. Revenues from current year customer fees are expected to decrease by 0.9% from an estimated \$21,599,002 in 2011-2012 to a projected \$21,803,783 for 2012-2013. In addition, the Department anticipates a 2.8% change in tax revenues from \$17,923,382 in 2011-2012 to \$18,420,016 in 2012-2013 based on HCAD taxable value estimates of a 2% growth. In FY2012, the department budgeted 97% collection and 97% actual is estimated to be realized. For FY2013 the same amount is budgeted and the collection rate remains at 97%.

Tax Rate – Based on the taxable value, the Department must project the level of taxation that will generate adequate funds to provide for funds to meet Department obligations while keeping in mind the ability of local tax payers to pay their taxes. For the 2012-2013 fiscal year, it is recommended to the Board to maintain the tax rate the same as FY12 at \$0.006581.

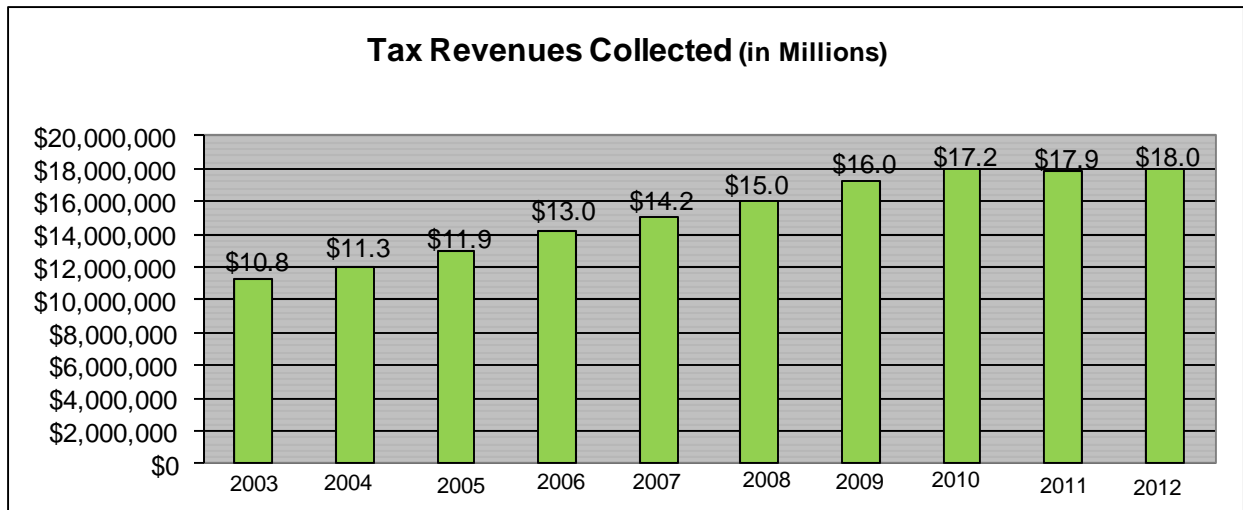
The chart below illustrates the tax rate history.



Taxable Value – The Harris County Appraisal District certifies the taxable value from which the Department begins to develop the estimates for local tax revenues. The Department estimates an increase in taxable values from last year of almost \$5B. The net taxable value *estimate* (certified value plus properties under protest and not certified) for the 2012-2013 fiscal year is \$281,905,401,158 (based on HCAD estimate report updated 4/26/12), an increase of \$5,196,911,273 or 2% over the 2011-2012 level. The adjacent chart illustrates the 10-year taxable value history of the Department. For fiscal year 2012-2013, the Department projected a 2% growth on appraised values due to the economic impact.



Tax Collections – The collections percentage used to estimate the tax revenues remains at 97%; the Department's tax collections goal is also 97%. This is a realistic approach given the history of the Department's collections effort and the projected tax increase.



Other 2012-2013 HCDE Budget Highlights

Salary Increases – The proposed budget includes 1.5% salary increase for General Fund employees.

Insurance- The proposed budget includes \$312 per (enrolled) employee per year for a total of \$280,800 to fund the health insurance increases. The increased health insurance costs range from \$132 to \$1,572.

Other Payroll Highlights – Six new positions were added for the 2012-2013 school year (5 teaching assistant positions for Head Start and a Technician for the Technology Division. Additionally, 6.75 positions were eliminated. These positions, by division are: 1 from Special Schools, 1 from Records Management, 3.75 from Therapy Services and 1 from Center for Safe and Secure Schools.

Education Foundation – The Ecobot project was changed to be managed and funded by the Foundation. An increase of \$90,000, or 90%, is being recommended to support the Education Foundation. The total amount of support for the Foundation for the FY12-13 is projected at \$190,000.

Workers Compensation Insurance – There was a 6% increase in the rate of worker's compensation insurance for 2012-2013. The rates increased from 0.28810% to 5.63330% in FY2011-2012 to 0.30540% to 5.97130% in FY2012-2013. The amount of \$464,082 was budgeted for 2012-2013.

Consolidation in Divisional Budgets - Research & Evaluation is being consolidated with Research Institute of Texas into one budget,

Transfers Out – The amount of transfers out decreased by \$270,778 for a total of \$3,726,907. Transfers out decreased due to the Head Start transfer out decreasing from \$470,000 to \$199,222.

In Fiscal Year 2011-2012, the Business Office earned the Distinguished Budget Presentation Award for Budgeting for the GFOA and ASBO. This was the third submission for HCDE in its history.

Final Comments

The preparation of the Department's budget is a coordination of many efforts from divisions, Research & Evaluation, Human Resources and Business Support Services. We are excited about the move towards performance based budgeting and look forward to FY 2012-2013. We thank the Budget Team that coordinated the wealth of information before you and we look forward to your input and feedback on our financial plan.

Respectfully,

John E. Sawyer, Ed. D.
Superintendent of Schools

Jesus J. Amezcua, CPA
Assistant Superintendent for Business Services

DEPARTMENT OFFICIALS, STAFF & CONSULTANTS

COUNTY BOARD OF TRUSTEES

NAME	TITLE	SERVICE DATE
Angela Chesnut	President	1993
Louise D. Evans III	Vice President	2007
John E. Sawyer, Ed. D.	Secretary	2002
Debra Kerner	Member	2009
Lt. Col. (RET) Roy Morales	Member	2007
Jim Henley	Member	2009
Marvin W. Morris	Member	2011
Michael Wolfe	Member	2007

ADMINISTRATIVE OFFICIALS

Name	Position
John E. Sawyer, Ed. D.	County School Superintendent
Jesus Amezcua, CPA	Assistant Superintendent
Celes Harris	Assistant Superintendent
Linda Pitre, Ed. D.	Assistant Superintendent
Jim Schul	Chief Information Officer
Natasha Truitt, MBA	Executive Director, Human Resources

CONSULTANTS & ADVISORS

Financial Advisor	Coastal Securities, Inc. Houston , Texas
Bond Counsel.....	Andrew Kurth LLP Houston, Texas
Certified Public Accountants	Whitley Penn, LLP Houston, Texas
General Counsel	Roger, Morris, Glover Houston, Texas

SUPERINTENDENT'S BIOGRAPHY



John E. Sawyer, Ed. D.

The Harris County Department of Education Board of Trustees selected John E. Sawyer as the Department's superintendent on October 1, 2002.

Dr. Sawyer is county school superintendent for Harris County Department of Education, a 123-year-old, tax-assisted, nonprofit organization dedicated to the equalization of educational opportunity and advancement of public schools. The organization administers 16 external divisions that serve 26 area school districts.

Dr. Sawyer has acquired a wealth of public school knowledge and experience, having served as an English teacher; assistant principal and principal; district business manager; and district superintendent.

With a proven record of improving student performance, he is also an adamant proponent for furthering services for students with special needs.

Dr. Sawyer was nominated for the 2005 College of Education Distinguished Educator of the Year award at Sam Houston State University. Past honors include Educator-of-the-Month and Texas School Business Officials appointee to the State Board of Education's Cost Education Committee. He has also served within the Lamar University and Columbia Teachers' College Superintendents' academies.

Dr. Sawyer attended the University of Texas at Austin and earned a Bachelor of Arts. He has a Master of Education from Sam Houston State University and a Doctorate of Education from the University of Houston.

ASSISTANT SUPERINTENDENT for BUSINESS SERVICES' BIOGRAPHY



Jesus J. Amezcua, CPA

Mr. Amezcua has been the Department's Assistant Superintendent for Business Services since 2008 and he oversees the financial management, investment management, debt management, procurement, compliance, tax collections, and safe and secure schools departments.

Under his leadership, the Department recently secured over \$8 million in Quality Zone (QZAB) credit contracts and over \$5.8 million in E-RATE technology funding. Mr. Amezcua also coordinated the creation of the School Finance Council to provide professional development opportunities, sharing of ideas and networking opportunities for business managers in Harris County.

After graduating from Martin High School, Mr. Amezcua attended Tarkio College in Missouri and earned three master's degrees, including an MBA from Texas A&M International University. Mr. Amezcua is a Certified Public Accountant and has taught since 1991 at Texas A&M International University. He is currently working on his doctorate in educational administration and human resources from Texas A&M University.

Previous to HCDE, Mr. Amezcua worked for Laredo Independent School District as the Chief Finance Officer for 11 years. Prior to Laredo ISD, Mr. Amezcua worked for the City of Laredo. During his tenure with the city, he served as the assistant director of finance, revenue manager, internal auditor, and staff accountant.

Mr. Amezcua is member of the Houston Rotary Club and is actively involved in numerous community events and organizations. Mr. Amezcua and his wife, Ramona, have three children.

BOARD OF TRUSTEES BIOGRAPHIES

Angie Chesnut

Position 2, Precinct 4, Board President



Ms. Angie Chesnut has served on the Board of Trustees for Harris County Department of Education since 1994. An entrepreneur, Ms. Chesnut is CEO of Chesnut & Associates, Inc., a curriculum development and consulting firm. She previously worked for IBM in a managerial capacity.

On the HCDE Board, Ms. Chesnut chairs the Policy/Planning Committee. She is also active on the Advisory Council for the Center for Safe and Secure Schools.

Past community involvement on her behalf includes work with the Houston Mayor's Committee for Employment of People with Disabilities, United Way's Loaned Executive Program and the Career Resource Center of Kingwood. Ms. Chesnut has served as an advocate for children with disabilities, having worked on their behalf alongside school administrators and parents. Ms. Chesnut currently volunteers in the Humble Independent School District and with other local and national community-based programs.

Louis D. Evans, III

Position 4, Precinct 3, Vice President



Mr. Evans was seated as a member of the Harris County Department of Education Board of Trustees in January 2007. A longtime public servant, Mr. Evans is currently working in the field of education serving as both an adjunct professor and Director of Advising at the University of Houston Downtown. Past professional experience in the education arena includes his work at Cy-Fair Community College where he worked as both an academic advisor and adjunct professor.

On the HCDE Board, Mr. Evans chairs the Local and State Community Initiatives Committee which provides oversight to the Adult Education, Cooperative for After-school Enrichment and Early Childhood Intervention programs.

Mr. Evans received a BS from the University of Houston and a MEd from Sam Houston State University. He is currently ABD (All But Dissertation) in the doctoral program at Sam Houston State University.

Jim Henley
Position 7, At Large



Mr. Jim Henley began his teaching career at Sidney Lanier Middle School (HISD) in 1987. For the next two decades, he taught history and coached Lanier's nationally ranked debate team. For nineteen years, Mr. Henley led his students on the Spring tour of Washington DC giving them an opportunity to experience the nation's history and meet national leaders.

Emphasizing volunteerism, Mr. Henley organized Lanier's Ecology Club, which involved hundreds of students in environmental projects. In 2006, his last year of teaching at Lanier, Jim Henley's campaign for Congress was led by his former debate students. Mr. Henley graduated from The University of The Ozarks with a Bachelor of Science Degree and from Southwestern Baptist Theological Seminary with a Masters of Religious Education Degree

Debra Kerner
Position 5, At Large



Ms. Debra Kerner was elected to the Harris County Department of Education Board of Trustees, At Large Position 5 in November, 2008. Since July, 2008, she has been serving on an HCDE committee examining ways to increase funding for Head Start.

Ms. Kerner is owner of Southwest Speech, a private practice in speech/language pathology. Through her practice, she worked in public and private schools and currently is serving as the speech/language pathologist at Avondale House, a private non-profit school for children with autism. She is active in the community having served as president of the Houston Association for Communication Disorders and vice-president of the Texas Speech-Language-Hearing Association.

Ms. Kerner received her Masters in Science degree from Columbia University and her Bachelors in Science degree from Syracuse University.

Roy Morales
Position 6, Precinct 1



Lt. Colonel Morales, U.S. Air Force (Ret.) was seated as a member of the Harris County Department of Education Board of Trustees in January 2007. A highly decorated military veteran and businessman, he has served as the Chief Technology Officer for the City of Houston Emergency Center and was also one of Houston's top Homeland Security officials.

On the HCDE Board, Mr. Morales chairs the Audit Committee and the Federal Community Initiatives Committee which provides oversight to Area 1 Head Start.

Past professional experience directly related to education includes his tenure at Chapman University where he served as an Adjunct Associate Professor in the area of Mathematics.

In the community, Lt. Colonel Morales is a member of the National Association for the Advancement of Colored People (NAACP) where he sits on the Technology Committee. He is a Board Member of the Ambassadors International Ballet Folklorico and is also a member of the Ripley House Boy Scout Committee, Houston Military Affairs Committee, Military Order of World Wars, Military Officers Association of America, American Legion, Acres Home Beautification Committee, and the Association of Public Safety Communications Officials.

Lt. Colonel Morales holds a BA from the University of Texas at Dallas and a BS from Chapman University. He received a MS from the Air Force Institute of Technology.

Marvin W. Morris
Position 1, Precinct 2



Mr. Marvin W. Morris was seated as a member of the Harris County Department of Education Board of Trustees in January 2011. Mr. Marvin Morris holds Position 1, representing Precinct 2. A successful businessman and a 40 year resident of Clear Lake area, he joined the HCDE Board of Trustees in 2011. Mr. Morris is the distinguished Vice-President of Automatic Protection Systems Corporation and is married to the former Dr. Priscilla Whorton, a longtime dentist in the Clear Lake area. Mr. and Dr. Morris are proud parents committed to advancing teaching and learning. Mr. Morris brings a wealth of entrepreneurial savvy and expertise to HCDE's governing body.

Michael Wolfe
Position 3, At-Large



Mr. Michael Wolfe was seated on the Board of Trustees for Harris County Department of Education in January 2007. A former teacher in the Houston Independent School District, he is currently employed as a Legal Aide with a local law firm.

On the HCDE Board, Mr. Wolfe is the alternate for the Federal Community Initiatives Committee which provides oversight to Area 1 Head Start. Mr. Wolfe received a BA in Political Science and Public Administration from The University of St. Thomas and a Master's Certificate in Health Administration from Houston Baptist University.



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HARRIS COUNTY DEPARTMENT OF EDUCATION PROFILE

DEPARTMENT'S MISSION, GOALS & BELIEFS

Harris County Department of Education (HCDE), a highly successful educational resource in the Houston metroplex, is a nonprofit tax-assisted organization dedicated to the equalization of educational opportunity and to the advancement of public schools. HCDE has been serving the county's public schools for 123 years. The organization impacts the educational community through visionary leadership, shared resources and innovative programs.



Mission

Harris County Department of Education: Advancing Excellence in Partnership with the Educational Community

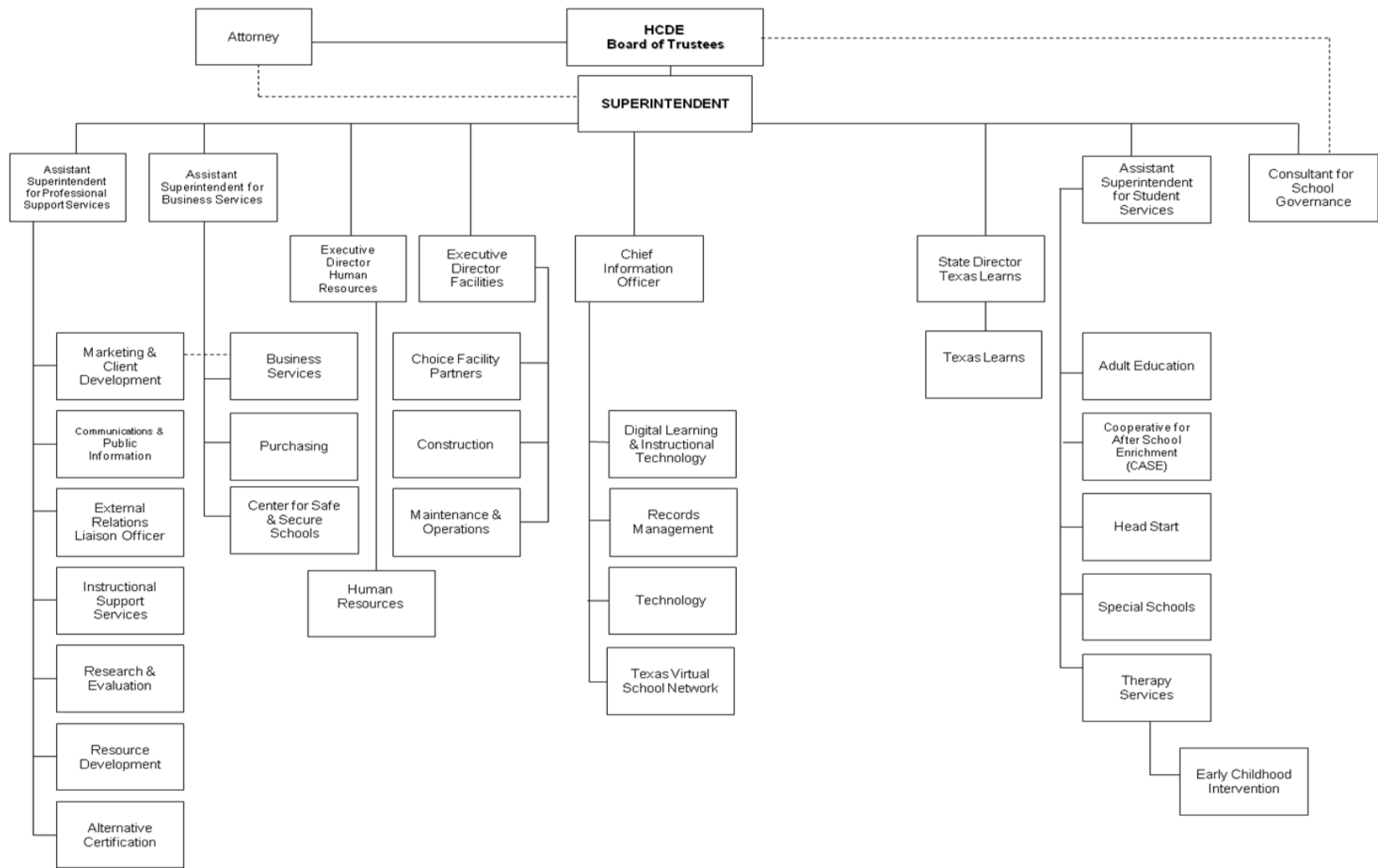
Goals

Harris County Department of Education will have

- Programs to improve achievement for learners
- High positive visibility in the community that supports public education
- Adequate resources to efficiently and effectively accomplish its mission
- Effective technology infrastructure and systems to ensure communication and service delivery
- Professional development programs to attract and maintain qualified staff necessary to provide educational opportunities
- A cohesive planning and evaluation process resulting in successful delivery of services

Core Beliefs

- We believe that ALL students can learn
- We believe in promoting safe and caring environments where individuals and organizations can grow and succeed
- We believe in equal educational opportunity
- We believe in vision and innovation
- We believe in collaborative community-based solutions
- We believe in serving the educational community of Harris County with dignity and respect
- We believe in meeting the needs and goals of our clients through trust and quality service
- We believe in operating from a base of knowledge, expertise and resourcefulness
- We believe in continually analyzing the effectiveness of services
- We believe in optimizing all resources



PROFILE OF THE DEPARTMENT

Harris County Department of Education, incorporated in 1889, is a political subdivision of the State of Texas. HCDE is located in Houston, Texas. Originally every county in Texas had its own department of education. Therefore, Harris County Department of Education was the first school district in Harris County, Texas.

While the name 'Harris County Department of Education' may cause some confusion from time to time for the public, it is important for the reader of this budget to know and understand that the Department is an entity separate and distinct from county agencies of Harris County, Texas. Also, today HCDE is not a school district but a governmental entity. It has evolved in response to educational and community needs to provide educational services to students (of all ages) and school districts primarily within but also outside of Harris County, Texas.

The Harris County Board of School Trustees (Board)-elected by voters of Harris County, Texas-has governance responsibilities 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. There is a blended component unit, the Harris County Department of Education Public Facilities Corporation (PFC), included within the reporting entity.

Organizational Philosophy

The core ideology of Harris County Department of Education outlines the direction of the Department and the expectation held for all employees. The mission defines what we are. Our core beliefs define our intent; and our goals define how we intend to achieve our mission.

Primary Services

The Department's primary service area geographically covers 1,788 square miles within Harris County, Texas in the upper Texas Gulf Coast region. Harris County's population base includes a wide variety of racial, ethnic, and socio-economic groups that gives the area a rich diversity and cosmopolitan feel. The Department offers services to 26 rural, suburban, and urban school districts entirely or partially within its primary service area of Harris County. It also serves school districts and governmental agencies in surrounding counties, as well as schools, education services centers, and other governmental agencies statewide.

Responding to and serving the needs of learners of all ages, socio-economic status, ethnic backgrounds, educational or development delays and at-risk behaviors requires the Department to be an institution of great flexibility as evidenced by the activities described below. Affordable and highly flexible programs and products are developed with clients in mind. Client population examples are:

Special Education-Related Services serves individuals ages 0-22 years of age with identified disability groups, diagnosed disabilities, developmental delays or at-risk for delays from diverse socio-economic families.

The Early Childhood Intervention Keep Pace Program serves children ages 0-3 with medical conditions with a high probability of delay, with atypical development, developmental delay, or at-risk for delay.

Head Start Program serves 3- to 5-year old economically disadvantaged children and their families, with over 10 percent of those having an identified disability requiring intervention.

Academic and Behavior Centers serve children, youth, and young adults ages 5-22 with severe emotional disturbances, mental retardation, pervasive developmental disorders, and other health impairments.

Highpoint Schools serve adjudicated youth by providing intensive counseling and a technology-driven curriculum in a strict disciplinary environment.

Adult Education Program prepares age 16-plus youths and adults to read and speak English, and/or to complete a high school General Equivalency Diploma education.

Cooperative for After School Enrichment serves elementary, middle, and high school students delivering quality after-school learning opportunities.

Records Management assists Houston-area school and governmental agencies to achieve and maintain compliance with State of Texas Local Governmental Records Act of 1989.

Purchasing Cooperatives offer many time-saving, value-added services as well as money-saving member benefits. With members purchasing as a collective body, all members benefit by the Cooperative's volume purchasing. Purchasing Cooperatives include the Gulf Coast Food Co-Op, Purchasing Co-Op, and Choice Facility Partners.

Instructional Support Services (ISS) provides professional development and instructional support to administrators, teachers, support personnel, students, parents and the community.

Center for Safe and Secure Schools provides a wide variety of services pertaining to best practices in the fields of Emergency Preparedness and School Safety.

BUDGET ADMINISTRATION & FINANCIAL POLICIES

Legal Requirement for Budgets

Legal requirements for school district budgets are formulated by the state, the Texas Education Agency (TEA), and the local district. In addition to these requirements, individual school districts also may have their own legal requirements for budget preparation. Additional legal requirements also may be imposed by state and federal grants; however, this section deals only with state legal mandates, TEA legal requirements and local district requirements for basic budget development and submission.

HCDE follows the legal budget requirements for school districts in accordance with the education code and the tax adoption requirements for counties in accordance with the Government code.

Statement of Texas Law

Sections 44.002 through 44.006 of the Texas Education Code establish the legal basis for budget development in school districts. The following six items summarize the legal requirements from the code:

- The superintendent is the budget officer for the district and prepares or causes the budget to be prepared.
- The district budget must be prepared by a date set by the state board of education, currently August 20.
- The president of the board of trustees must call a public meeting of the board of trustees, giving ten days public notice in a newspaper, for the adoption of the district budget. Any taxpayer in the district may be present and participate in the meeting.
- No funds may be expended in any manner other than as provided for in the adopted budget. The board does have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.
- The budget must be prepared in accordance with GAAP (generally accepted accounting principles) and state guidelines.
- The budget must be legally adopted before the adoption of the tax rate.

Texas Education Agency (TEA) Legal Requirements

TEA has developed additional requirements for school district budget preparation as follows:

- The budget must be adopted by the board of trustees, inclusive of amendments, no later than August 31.
- Minutes from district board meetings will be used by TEA to record adoption of and amendments to the budget.
- Budgets for the General Fund, the Food Service Fund (whether accounted for in the General Fund, a Special Revenue Fund or Enterprise Fund) and the Debt Service Fund must be included in the official district budget (legal or fiscal year basis). These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.

Code of Ethics

All Business Services and Purchasing Division employees are required to read and sign the HCDE Code of Ethics for Business Support Services and Purchasing Division Employees on an annual basis. The management of the Business Support Services and Purchasing Division is dedicated to making ethical and lawful choices by providing a structured code of ethics for its personnel to follow. Business Support Services and Purchasing Division employees shall model and promote ethical behavior to all HCDE employees through their behavior.

Risk Awareness

An organization wide process to address internal control and risk-based standards in an audit requirement, per Statement of Auditing Standards No. 115 Communicating Internal Control Related Matters, issued by the American

Institute of Certified Public Accountants (AICPA). The finished product, the packet of completed forms, is provided to the independent auditors for their review during the audit process.

Each Division is given a Risk Awareness packet early in the budget process. This packet is completed and returned to the Compliance Officer. Compliance Officer review each packet and looks for high risk items and discuss the reasons why the division manager considers the item a high risk. The information is documented and placed in folders for additional review. There is a Mid Year review and assessment during the budget process in February and then there is a Year End Review by the Executive Team member for that division.

Fraud Prevention

The HCDE Fraud Prevention Model and Awareness Program supports SAS #99 by communicating to management and others an awareness and understanding of FRAUD, and educating management about FRAUD and the types of controls that will deter and detect FRAUD. The Business Office alone cannot prevent and/or detect all the types of FRAUD that may be perpetrated within the Department. It takes all HCDE employees being aware and being knowledgeable that FRAUD could occur to possibly prevent FRAUD from occurring or even detecting a FRAUD that has occurred.

HCDE Financial Policies

In addition to state legal requirements, HCDE has established its own requirements for annual budget preparation. The HCDE recognizes the importance of maintaining its financial integrity; therefore, it has developed this policy to support its mission and its goals and objectives. HCDE's fiscal policies dictate budgetary requirements that go beyond those required by the Texas Education Code and TEA. These policies are delineated below.

Fiscal Policy & Objectives

Financial Stability

In seeking to fulfill its mission, the HCDE shall maintain a high level of financial stability and shall not compromise the long term financial integrity to achieve short term benefits.

- In an effort to provide adequate cash flow for its operations, HCDE shall maintain a fund balance with five categories to meet the GASB 54 requirements:
 1. Non-Spendable fund balance
 2. Restricted fund balance
 3. Committed fund balance
 4. Assigned fund balance
 5. Unassigned fund balance
- As of August 31, 2011, HCDE had a fund balance of approximately 2 months of operating costs. To achieve this goal, the Superintendent and CFO are instructed to implement the following financial plan:
 1. Develop and submit for Board approval a balanced budget with input from Division Managers the Budget Committee (a balanced budget means that for each fund, expenditures are not to exceed revenues plus available fund balances; if the fund balance is to be used, than this must be for a one time cost and not reoccurring costs.
 2. Restrict any surplus funds towards unassigned fund balance.

Funds from Operations

Funds from operations should provide adequate funds to support its:

1. Special schools and alternative schools
2. Instructional programs

3. Capital programs
4. Debt service programs

Revenue

Revenue levels shall be evaluated with staff recommendations yearly in consideration of:

1. Student growth assumptions
2. The projected level of expenditures
3. Facility and construction requirements
4. Current business conditions (local economy)
5. Economic projections (state economy, legislative issues, etc.)
6. Bond ratings

General Operating Fund Expenditures

General fund expenditures shall maintain the following priorities of obligation:

1. Payments of all legal and reasonable expenditures relating to maintenance and operations of the HCDE operating fund.
2. Payments to meet all debt service requirements of outstanding bond indebtedness including the interest and sinking fund.
3. Payments to special revenue funds that require a matching for federal or state grants, including the CASE fund, the ECI fund, the Head Start fund and others.
4. All net surpluses after payment of items 1 to 3 above may be used to fund necessary capital equipment purchases, facility expansion, and renovation. All remaining funds will go toward maintaining a budgeted ending cash balance (unreserved undesignated fund balance) which equates to at least two months of operating costs. This amount would be determined by first adding budgeted operations and maintenance costs plus debt service requirements. This total would be divided by 12 and then multiplied by two to calculate the two months operating costs requirements.

Long Term Financing

In the absence of surplus funds in item 4 above, the HCDE will utilize long term financing for capital projects and equipment funded through the maintenance and operations tax rate. Available mechanisms include the following:

1. Public Property Finance Contractual Obligations (PPFCO)
2. Time Warrants
3. Delinquent Tax Notes
4. Any other legal mechanism
5. Public Facilities Corporation (PFC)

Short Term Financing

HCDE will strive to minimize its short term financing by maintaining a two month undesignated fund balance. Based on cash flow projections, the CFO may recommend to the Board to utilize short term financing to satisfy the cash flow requirements of the HCDE. Available mechanisms include the following:

1. Tax anticipation notes
2. Tax warrants
3. Delinquent tax notes

Reporting –Department and Public Facilities Corporation (PFC)

HCDE will prepare reports of financial operations as follows:

1. A monthly operating and financial report, requiring review by the Audit Committee and/or the Board as the Board deems necessary.
2. An annual financial plan (budget) detailing revenues, expenditures, and capital additions presented for approval prior to September 1 of each year. Midyear analysis and review shall be presented to the Board for approval.
3. An annual audit by an outside professional auditing firm that would include all necessary details in reconciling all of the year's financial operation. The audit report will be submitted for review and approval to the Board after the end of the fiscal year. A copy of the audit report will be submitted to Harris County and other respective oversight agencies.

Investments

Investment Authority

Department depository and investment authority is established within the office of the Superintendent. By the authority of the Board, the Assistant Superintendent-Business Services, the Chief Accounting Officer, the Reporting & Compliance Officer, and the Business Analyst are designated as the HCDE's investment officers. The investment officers are responsible for depositing funds, investing such funds, assuring that each investment has the proper authorized collateral, monitoring investments, assuring the security of HCDE's principal and interest, receiving and reporting principal and interest at the maturity of each investment, and providing the proper documentation and reports on such investments to the Superintendent and the Board in accordance with the HCDE's written investment policy and generally accepted accounting procedures.

The investment officers shall be bonded or shall be covered under a fidelity insurance policy. All investment transactions except investment pool funds and mutual funds shall be executed on a delivery-versus-payment basis.

Approved Investment Instruments

From those investments authorized by law and described further in CDA (LEGAL), the Board shall permit investment of Department funds in only the following investment types, consistent with the strategies and maturities defined in this policy:

1. Obligations of or guarantees by, governmental entities as permitted by Government Code 2256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. A securities lending program as permitted by Government Code 2256.0115.
5. Banker's acceptances as permitted by Government Code 2256.012.
6. Commercial paper as permitted by Government Code 2256.013.
7. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014.
8. A guaranteed investment contract as an investment vehicle for bond proceeds provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
9. Public funds investment pools as permitted by Government Code 2256.016.

Safety and Investment Management

The main goal of the investment program is to ensure its safety and maximize financial returns within current market conditions in accordance with this policy. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

Liquidity and Maturity

Any internally created pool fund group of HCDE shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by HCDE shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits. HCDE's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.

Diversity

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Monitoring Market Prices

The investment officer shall monitor the investment portfolio and shall keep the Board informed of significant declines in the market value of HCDE's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisors, and representatives/advisors of investment pools or money market funds. Monitoring shall be done monthly or more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.

Funds/Strategies

Investments of the following fund categories shall be consistent with this policy and in accordance with the strategy defined below.

- Operating Funds – Investment strategies for operating funds (including any co-mingled pools containing operating funds) shall have as their primary objectives safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
- Agency Funds – Investment strategies for agency funds shall have as their objectives safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
- Debt Service Funds – Investment strategies for debt service funds shall have as their objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.
- Capital Projects – Investment strategies for capital project funds shall have as their objective sufficient investment liquidity to timely meet capital project obligations. Maturities longer than one year are authorized provided legal limits are not exceeded.

Safekeeping and Custody

HCDE shall retain clearly marked receipts providing proof of HCDE's ownership. HCDE may delegate, however, to an investment pool the authority to hold legal title as custodian of investments purchased with HCDE funds by the investment pool.

Brokers/Dealers

Prior to handling investments on behalf of HCDE, brokers/dealers must submit required written documents in accordance with law. Representatives of brokers/dealers shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC), and be in good standing with the National Association of Securities Dealers.

Soliciting Bids for CD's

In order to get the best return on its investments, HCDE may solicit bids for certificates of deposit in writing, by telephone, or electronically, or by a combination of these methods.

Internal Controls

A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to protect against losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of HCDE. Controls deemed most important shall include:

1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds.
2. Avoidance of collusion.
3. Custodial safekeeping.
4. Clear delegation of authority.
5. Written confirmation of telephone transactions.
6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale.
7. Avoidance of bearer-form securities.

These controls shall be reviewed by HCDE's independent auditing firm.

Portfolio Report

In addition to the quarterly report required by law and signed by HCDE's investment officer, a comprehensive report on the investment program and investment activity shall be presented annually to the Board. This report shall include a performance evaluation that may include, but not be limited to, comparisons to 91-day U.S. Treasury Bills, six-month U.S. Treasury Bills, the Fed Fund rate, the Lehman bond index, and rates from investment pools. The annual report shall include a review of the activities and total yield for the preceding 12 months, suggest policies, strategies, and improvements that might enhance the investment program, and propose an investment plan for the ensuing year. The Government Treasurers' Association of Texas (GTOT) has certified our policy.

Ad-Valorem Taxes

Discounts

Discount options shall not be provided for the early payment of property taxes in HCDE.

Split Payments

Split payment of taxes shall be allowed in accordance with statutory provisions.

Purchasing & Acquisition

Purchasing Authority

The Board delegates to the Superintendent or designee the authority to determine the method of purchasing, in accordance with CH (LEGAL), and to make budgeted purchases. However, any purchase that costs or aggregates to a cost of \$50,000 or more shall require Board approval before a transaction is culminated according to CH (LOCAL).

A competitive bid and a competitive proposal are both purchasing methods that may be used when making formal purchases valued at \$50,000.00 or greater. The key difference between the two methods is that the competitive bid does not allow for negotiation and the competitive proposal does allow for negotiations

Competitive Bidding

Competitive Bids, or Invitation to Bid (ITB), are used when you are able to clearly define what goods or services you need. If competitive bidding is chosen as the purchasing method, the Superintendent or designee shall prepare bid specifications. All bids shall be submitted in sealed envelopes, plainly marked with the name of the bidder and the time of opening. All bidders shall be invited to attend the bid opening. Any bid may be withdrawn prior to the scheduled time for opening. Bids received after the specified time shall not be considered. The Department may reject any and all bids.

Competitive Sealed Proposals

Competitive Proposals and Request for Proposal (RFP), are used when the user has a good idea of what he/she wants but there might be different ways of arriving at the same goal. Competitive proposals may be the preferred method of acquisition when the need exists to generate a spectrum of alternative responses to the need proposed and to retain the ability to refine these responses through negotiation. The competitive proposal will have a scope of work that describes the goods or services being purchased and the application, but HCDE is going to leave it up to the company as to how to best accomplish the end result.

CSB is used on generic goods or services that normally are awarded to low bidder meeting specifications. RFP is used on more complicated purchases that require an evaluation to take place along with possible negotiations

If competitive sealed proposals are chosen as the purchasing method, the Superintendent or designee shall prepare the request for proposals and/or specifications for items to be purchased. All proposals shall be submitted in sealed envelopes, plainly marked with the name of the proposer and the time of opening. Proposals received after the specified time shall not be considered. Proposals shall be opened at the time specified, and all proposers shall be invited to attend the proposal opening. Proposals may be withdrawn prior to the scheduled time of opening. Changes in the content of a proposal, and in prices, may be negotiated after proposals are opened. HCDE may reject any and all proposals.

Responsibility for Debts

The Board shall assume responsibility for debts incurred in the name of the Department so long as those debts are for purchases made in accordance with adopted Board policy and current administrative procedures regarding purchases and expenditures. The Board shall not be responsible for debts incurred by unauthorized persons or organizations not directly under Board control or who were acting outside their departmental authority. Full responsibility for payment of unauthorized purchases shall be assumed by persons making such purchases.

Purchase Commitments

Purchase commitments shall be made by the Superintendent or the Superintendent's designee on properly drawn and issued Departmental documents.

Personnel

New Positions

Any new positions of employment shall be prominently described and set out in the budget for the fiscal year in which the position is created and shall be approved by the Board at the time that the budget is approved. Notice of vacancies shall be posted at campuses but not be limited to campuses.

New positions created after approval of the budget shall be approved by the Board at public meeting before the positions can be advertised, offered, or funded. For FY2013, there are six new positions added to the budget. A total of 6.75 positions were eliminated for FY2013.

Annual Operating Budget

Fiscal Year

HCDE operates on a fiscal year beginning September 1 and ending August 31.

Budget Planning

Budget planning is an integral part of overall program planning so that the budget effectively reflects the HCDE's programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered, as well as input from the HCDE Administration, division managers, and campus-level planning. Budget planning and evaluation are continuous processes and are part of each month's activities.

Availability of Proposed Budget

After it is presented to the Board and prior to adoption, a copy of the proposed budget shall be available upon request from the business office or Superintendent. The Superintendent or designee shall be available to answer questions arising from inspection of the budget.

Budget Meeting

The annual public meeting to discuss the proposed budget and tax rate shall be conducted as follows:

1. The Board President shall request at the beginning of the meeting that all persons who desire to speak on the proposed budget and/or tax rate sign up on the sheet provided.
2. Prior to the beginning of the meeting, the Board may establish time limits for speakers.
3. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget and/or the tax rate.
4. No Trustee, officer, or employee of HCDE shall be required to respond to questions during the meeting from speakers or the public.

Authorized Expenditures

The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and HCDE's approved purchasing procedures. The expenditure of funds shall be under the direction of the Superintendent, Assistant Superintendent-Business Services, or appropriate designee who shall ensure that funds are expended in accordance with the adopted budget.

Budget Amendments

The budget shall be amended when a change in expenditures is made between or among divisions, or increasing/decreasing revenue object accounts and other resources.

Budget Amendments/ Transfers

Budget amendments/transfers must be aligned with modifications to division plans. Every time that a significant change is made to a budget, the change must be reflected in their division plan. In the processing of the budget amendment/transfer, the division must include required documentation. Budget amendments/transfers will not be approved if the required documentation is not included with the amendment or transfer form.

Budget Transfers & Amendments Signature Authority

Administration is authorized to move funds between line items. If the overall budget amount increases or decreases, then Board approval is required. For Special Revenue Funds, intra-function budget transfers are approved subject to the approval by the granting agency. A summary of all transfers is presented to the Board of Trustees. Interdepartmental transfers and any increase or decrease or operating appropriations must be approved by the Board of Trustees and the Superintendent. All departments are required to operate within their budgetary constraints. The operating budgets are amended prior to expenditure, and the accounting system provides a strong budgetary control over expenditures.

Capital Expenditures Policies

Capital Expenditures are funds committed for improving facilities or for the construction of new facilities. Capital expenditures also include costs of maintenance and operations on facilities and are financed through various funds depending on available funding. The Budget Process includes a review of capital expenditures to be undertaken with general funds (if any) or the need for additional bonds. The funds utilized for capital expenditures include the following:

PFC Fund – capital expenditures are funded through this fund when a new bond is issued and committed for capital expenditures

Local Construction Fund – capital expenditures are funded on a pay as you go basis and funded from excess general funds. These projects and capital expenditures are appropriated annually.

Facilities Fund – capital expenditures are funded on a pay as you go basis and funded from facilities charges allocated to all divisions. These projects and capital expenditures are appropriate annually.

QZAB Fund – capital expenditures are funded on QZAB bonds issued for equipment and renovation. These projects are initiated depending on available revenues to pay back the bonds issued.

BUDGETARY CONTROL & BASIS OF ACCOUNTING

Reporting Entity

The County School Board ("Board"), a seven member group, has governance responsibilities over all departmental activities within the jurisdiction of the Department. The Board is elected and has the exclusive power and duty to govern and oversee the management of the Department. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those power and duties by the Board. The Department receives funding from local, state, and federal government sources and must comply with the requirements of those funding entities. The Department is considered an independent entity for financial reporting purposes and is considered a primary government.

Accounting System Structure

The Business Support Services division is responsible for providing all Department financial services including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management budgeting, fixed assets, tax office collections, and special financial and policy analyses to Department management. The Assistant Superintendent for Business Services, appointed by the Superintendent, has oversight responsibility of the division's operations.

The Department's hardware includes an IBM server as well as numerous personal computers and system terminals. The Department utilizes the Pentamation software application and computerized financial accounting system, which includes a system of internal accounting controls. Such controls have been designed and are continually being reevaluated to provide reasonable, but not absolute assurance for the safeguarding of assets against loss from unauthorized use of disposition and the reliability of financial records for preparing financial statement and maintaining accountability of the Department's assets.

The concept of reasonable assurances recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework and are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Basis of Accounting

Accounting records for governmental fund types are maintained on a modified accrual basis with revenues recorded when services or goods are received and the liabilities are incurred.

The modified accrual basis of accounting is used for the governmental fund types. The basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e., both measurable and available), and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for certain compensated absences, which are recognized when obligations are expected to be liquidated with expendable, available financial resources.

Federal grant funds are generally considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

Basis of Budgeting

Harris County Department of Education accounting policies substantially comply with the rules prescribed in the Texas Education Agency's Financial Accountability System Resource Guide and conforms to generally accepted accounting principles applicable to governmental units. The Board of Trustees requires that annual budget be adopted for the General Fund. Budgets are prepared using the same accounting basis (modified accrual) as for financial statements. The modified accrual basis of accounting recognizes revenues in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due.

The Special Revenue Funds and Capital Projects Funds adopt project-length budgets which do not correspond with the Department’s fiscal year and are not subject to Board approval. Following is a description of the Department’s funds. The basis of budget and the basis of accounting are shown in the chart below.”

<u>Governmental Funds</u>	<u>Operating Budget</u>	<u>Audited Financial Statements</u>
General Fund	Modified Accrual	Modified Accrual
Special Revenue Funds	Modified Accrual	Modified Accrual
Debt Service Funds	Modified Accrual	Modified Accrual
Capital Projects Fund	Modified Accrual	Modified Accrual
<u>Proprietary Funds</u>		
Internal Service Funds	Accrual	Accrual
<u>Fiduciary Funds</u>		
Agency Funds	Accrual	Accrual

Funds and Fund Types

The Department’s accounting system is organized and operated on a fund basis and account groups. In addition, the department budgets on an organizational unit basis within each fund. Each fund is considered a separate accounting entity. The operations of each fund are accounted for through a separate set of self-balancing accounts that are comprised of its assets, liabilities, fund equity, revenue and expenditures and/or expenses. Governmental resources are allocated and accounted in individual funds based upon the purposes for which spending activities are controlled. The Department utilizes the following fund types:

Governmental fund types:

General Fund (appropriated) – used to account for financial resources used for general operations. Any fund balances are considered resources available for current operations. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. Included in this fund is the QZAB, Local Construction and the Retirement Fund. The Department issued Qualified Zone Academy Bonds (QZAB) Notes, Series 2009A in the aggregate principal amount of \$6,320,000. Proceeds of the Notes will be used to renovate, repair and equip schools operated by the Department, each of which qualifies as a qualified zone academy.

Special Revenue Funds (not appropriated) – used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal, state, and local grants are accounted for in a separate special revenue fund.

Debt Service Fund (appropriated) – used to pay interest and related costs and to retire long-term debt. A transfer from the General Fund is made to fund for debt issued by using the maintenance and operations taxes.

Capital Projects Fund (not appropriated) – accounts for the proceeds of general obligation bond sales. Revenues from sale of bonds are used for acquiring sites, constructing, and equipping new facilities and renovating existing facilities. The Harris County Department of Education Public Facility Corporation (PFC) issues bonds to provide for the acquisition of and the construction and renovation of educational facilities in accordance with the Public Facility Corporation Act. In January 2006, the PFC issued bonds to fund construction of the new Highpoint school and the acquisition, renovation, and equipping of the records management warehouse/administrative North Post Oak facility.

Proprietary fund types:

Internal Services Fund – used to account for revenues and expenses related to services provided by one division within the Department to other divisions. This fund facilitates distribution of facility support costs to the users of support services and workers compensation costs through a modified self insurance program.

Fiduciary fund types:

Agency Funds – used to account for clearing accounts and campus activities funds, and are not budgeted.

Accounting Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund Types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund Types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which is recognized when due and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues from local sources consist primarily of contract fees from local school districts and property tax revenues. Contract revenues and property tax revenues are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Any excess revenues at fiscal year-end are recorded as deferred revenue or due to grantor, as necessary.

Proprietary Fund Types, the Internal Service Fund, uses the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable

Property Taxes

Property taxes are levied on the assessed value listed as of the prior January 1 for all real and business personal property located in the Department's taxing are of Harris County, Texas in conformity with Subtitle E. Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. Uncollectible personal property taxes receivable are written off after ten years and real property taxes receivable are written off after twenty years.

Fund Balance

Order of Expenditure

Fund balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet. The fund balance of the general fund, one of the governmental fund types, is of primary significance because the general fund is the fund which finances most functions of the Department.

The five classifications of fund balance of the general fund include:

1. **Nonspendable fund balance** shall mean that portion of the gross fund balance that is not expendable (such as inventories) or is legally earmarked for a specific use such as the self funded reserves program.

Example of fund balance reserves for which fund balance is not available for financing general operating expenditures are:

- A. Inventories

- B. Prepaid items
- C. Deferred expenditures
- D. Self funded risk management programs
- E. Long term receivables
- F. Outstanding encumbrances

2. **Restricted fund balance** includes amounts constrained to a specific purpose by the provider, such as grantor.

- A. Federal or state granting agency (i.e. CASE, Adult Education, ECI, Head Start)
- B. Construction funds (QZAB, PFC)
- C. Retirement of long term debt

3. **Committed fund balance** shall mean that portion of the fund balance that is constrained to a specific purpose by the Board of Trustees.

4. **Assigned fund balance** shall mean that portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Board of Trustees and/or the Superintendent.

In current practice, such plans or intent may change and never be budgeted or result in expenditures in future periods of time. Examples of assigned fund balances which the department may have tentative plans for expenditures in future period include:

- A. Capital replacement (expenditures for equipment, furniture, software)
- B. Building construction, repair and renovation
- C. Insurance deductibles
- D. Claims and judgments
- E. Employee retirement leave reserves
- F. Expansion and moving costs
- G. Program start up costs
- H. Debt service reduction
- I. Other legal uses

5. **Unassigned fund balance** includes amounts available for any legal purpose. This portion of the total fund balance in the general fund is available to finance operating expenditures.

Unassigned fund balance shall mean the difference between the total fund balance and the total of the nonspendable fund balance restricted fund balance, committed fund balance and assigned fund balance.

Credit rating agencies carefully monitor levels of fund balance and unreserved fund balance in a government's general fund to evaluate the government's continued creditworthiness. Historically, HCDE enjoyed a Moody's A2 Rating on Education Lease Revenue Bonds, Series 1999, released to raise revenue for construction purposes. When HCDE borrowed from the Qualified Zone Academy Bonds and Maintenance Notes in 2009, HCDE's credit rating was A2. HCDE's credit rating on Education Lease Revenue Bonds, Series 2006 is also A2, and these bonds were issued to raise revenue for construction purposes.

The Government Finance Officers Association and the Texas Association of School Business Officials recommends that general-purpose governments maintain unassigned fund balance in their general fund of no less than five to 15 percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operating expenditures. Local budget policy is to maintain an unassigned fund balance equal to a minimum of two months of operations costs

This amount would be determined by first adding budgeted operations and maintenance costs plus debt service requirements. This total would be divided by 12 and then multiplied by two to calculate the two months operating costs requirements.

Expenditure Functions

A function represents a general operational area and groups together related activities. Most school districts use all of the functions in the process of educating students or organizing the resources to educate students. Each of these activities is a function as required by the Texas Education Agency (TEA) Financial Accountability System Resource Guide (FASRG).

Function 11 – Instruction – is used for transactions that deal directly with the interaction between teachers and students. This function includes expenditures for direct classroom instruction and other activities that enhance the delivery of learning opportunities to students. Teaching may be provided in the classroom, at home, in the hospital, and other learning situations, including television, radio, telephone, telecommunications, multimedia and/or correspondence. Expenditures include salaries and fringe benefits for teachers, teacher assistants, substitutes, special education speech and occupational instructional services, and physical therapy. It includes purchase of instructional equipment, supplies, and materials.

Function 12 - Instructional Resources and Media Services - is used for expenditures that are directly used for resource centers, establishing and maintaining libraries and other facilities dealing with educational resources and media. It includes expenditures for salaries and fringe benefits of librarians, library assistants, media center personnel and other staff related to media services, expenditures for supplies and materials associated with media center and resource centers such as library books, films, video cassettes, CD-ROM disks, equipment purchases, and upkeep of the equipment.

Function 13 - Curriculum Development and Instructional Staff Development – is used for expenditures directly used to aid instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. It includes research personnel salaries and fringe benefits for research personnel and training personnel. Includes expenditures associated with staff development, in-service training and development of curriculum.

Function 21 - Instructional Leadership – is used for expenditures directly used for managing, directing, supervising, and leadership to staff who provide general and specific instructional services. It includes salaries and fringe benefits for instructional supervisors, educational program coordinators or directors, and related support staff. It includes expenditures for supplies and materials associated with the upkeep of the instructional support area.

Function 23 - School Leadership – is used for expenditures used to direct and manage a school campus. They include activities performed by the principal, assistant principals, and other assistants while they supervise campus operations, evaluate campus staff, and assign duties to staff maintaining the records of the students on campus. It includes expenditures for salaries and fringe benefits for the above named groups and any supplies and materials needed to maintain campus administration.

Function 31 - Guidance, Counseling and Evaluation Services – is used for expenditures directly and exclusively used for assessing and testing students' abilities, aptitudes, and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals. It includes costs of psychological services, identification of individual characteristics, testing, educational counseling, and student evaluation. It includes expenditures for salaries and fringe benefits for counselors and related staff, psychologists, psychiatrists, and diagnosticians. It includes expenditures for testing materials, student appraisal services, and supplies and materials needed to test students outside of the classroom.

Function 32 - Social Work Services – is used for expenditures that are directly used for investigating and diagnosing student social needs, case work and group work services for the child and/or parent, interpreting the social needs of the student for other staff members and promoting modification of the circumstances surrounding the student which relate to his/her social needs. It includes expenditures for salaries and fringe benefits of attendance officers, social workers, and other related staff and expenditures for equipment, supplies and materials.

Function 33 - Health Services – is used for expenditures that provide physical health services for students, including medical, dental and nursing services. Includes expenditures for salaries and fringe benefits of school physicians, dentists, nurses and nurses' aides, contracted medical services, medical and health supplies, and expenditures needed to maintain the health services function.

Function 35 - Food Services - is used for expenditures for a food service operation. It includes salaries and fringe benefits for food service supervisors, cooks, snack bar staff and other related staff, expenditures for food, non-food and commodities purchases, storage and transportation, and related expenditures.

Function 41- General Administration – is used for expenditures for the purposes of managing and governing the entire organization, not applicable to a specific function. Expenditures included in this function are salaries and fringe benefits for the Superintendent’s Office, Board of Trustees, Business Services, Purchasing, Communications & Public Information, and Human Resources.

Function 51- Plant Maintenance and Operations – is used for expenditures to keep the building and grounds operational, clean, comfortable, and in effective working condition and state of repair, and insured. It includes salaries and fringe benefits for custodial staff, building maintenance staff, and warehouse staff. It includes expenditures for utilities, insurance premiums for buildings, property and equipment, and expenditures needed to maintain the physical plant.

Function 52- Security and Monitoring Services – is used for expenditures to keep student and staff safe at school, to and from school, or at campus-sponsored events. Includes expenditures for salaries and fringe benefits of security guards and campus police, hand held communication devices, and related supplies and materials.

Function 53 - Data Processing Services – is used for expenditures for data processing services, whether in-house or contracted. It includes computer facility management, computer processing, and systems development, analysis and design. Including salaries and fringe benefits of chief information officer, network managers, PC network managers, and other related staff. It includes expenditures for maintaining networks, software, and services to the end user.

Function 61 - Community Services – is used for expenditures that are for activities other than regular public education and adult basic education services. It includes providing resources to non-public schools, higher education institutions and proprietary types of services incurred for outside entities in the community. Expenditures include related parenting programs, parental involvement programs, and parental and educational services to adults other than adult basic education. Includes expenditures for staff providing child care for teen parents attending school, staff providing child care for teachers or working parents, baby-sitting after hours and after school daycare and other related expenditures needed to maintain the programs. HCDE uses this function for expenditures for Center for Safe and Secure Schools, Education Foundation, and Scholastic Arts and Writing Program.

Function 62 - School District Administrative Support Services – is used for expenditures relating to performing certain administrative support services including indirect instructional services such as guidance and counseling, social work, and health and food services as well as general administrative services such as budgeting, accounting, tax administration, and joint purchasing. HCDE uses this function for expenditures for School Governance and Fiscal Accountability, Food Co-ops, Purchasing Co-ops, Choice Facility Partners, and Records Management Services.

Function 71 - Debt Service – is used for expenditures to retire recurring bond, capital lease principal, other debt related services, debt service fees and debt interest. Expenditures include bond, capital lease, and long-term debt principal and interest payments, and interest on short-term notes.

Function 81 - Facilities Acquisition and Construction – is used for expenditures to acquire, equip, and/or make additions to real property and sites, including lease and capital lease transactions. Include acquisition or purchase of land and buildings, remodeling or construction of buildings, major site improvements, and capital outlay to equip new facilities.

Function 93 - Payments to Fiscal Agent/Member Districts of Shared Services Arrangements – is used for payments from a member district to a fiscal agent of a shared services arrangement; or payments from a fiscal agent to a member district of a shared services arrangement.

Function 99 - Other Intergovernmental Charges – is used to record intergovernmental charges not defined above, including amounts paid to county appraisal districts for costs relating to the appraisal of property, and salaries and related expenditures to obtain instructional services from another school district for grade levels not provided by the sending school district.

BUDGET RESPONSIBILITIES

Budget Requirements

The official budget is prepared for all funds. The General Fund and Debt Service Fund are mandated to be an annual budget. HCDE utilizes budgets in the other funds to facilitate monitoring by budget managers and for control purposes. The following procedures are followed: Prior to August 20 of the preceding fiscal year, the Department prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them. A duly-posted meeting of the Board is called for the purpose of adopting the proposed budget. **Once a budget is approved, it can be amended at the budget level (increases or decreases to the total individual budget) only by approval of a majority of the members of the Board.**

Amendments are presented to the Board of Trustees at its regular meetings. Such amendments are made prior to expenditures, are reflected in the official minutes of the Board, and are not made after fiscal year end as required by law. Increases and decreases to accounts (individual line items) within a budget may be made without Board approval. Amendments affecting Employee Wages/Benefits must be approved by the Director of Human Resources before transfers may be made.

Each budget is controlled by the budget manager at the revenue and expenditure class-object level. General Fund budget appropriations lapse at fiscal year end, August 31. During the fiscal year, the budget was amended as necessary.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

Budget Responsibilities

The development of division and Department annual budgets should be part of the ongoing budget process. The budget preparation process and guidelines are established through interaction between the board budget committee, the superintendent, and the Department budget committee. The following individuals and groups are involved in budget development:

- Division Level
 - Division/Budget directors
- Department Level: HCDE Budget Committee
 - Superintendent
 - Assistant Superintendent-Business
 - Chief Accounting Officer
 - Compliance Officer
 - Assistant Superintendents
 - Consultant for School Governance
 - Executive Director of Human Resources
 - Executive Director of Facilities
 - Chief Information Officer
 - Director of Resource Development
- Board Level:
 - Board Budget Committee

Annual Budget Responsibilities and Guidelines

HCDE is organized as a department with multiple divisions which report to the various Executive Team members. The Executive Team is composed of the following individuals: Superintendent, Assistant Superintendents, Chief Information Officer, Executive Director for Human Resources, Executive Director of Facilities, Executive Director of Tx Learns, Executive Director of the HCDE Foundation, and the Director of Center of School Governance. The levels of responsibility include:

Division: Includes division managers who have fiscal oversight over their individual budgets.

Department: Includes the executive team members who have oversight of divisions within their responsibility.

The following table shows the interaction necessary between individuals and groups at different levels of the Department to produce the annual budget:

PARTICIPANTS	ROLES & RESPONSIBILITIES	LEVEL
Division/Budget directors	<ul style="list-style-type: none"> ▪ Coordinates preparation of division level program budgets, performance measures and 2012-2013 objectives 	Division
HCDE Budget Committee	<ul style="list-style-type: none"> ▪ Reviews for appropriateness division- level budgets and reviews/prioritizes allocated requests submitted by division directors 	Department
Superintendent	<ul style="list-style-type: none"> ▪ Discusses budget recommendations for superintendent review 	Department
Superintendent	<ul style="list-style-type: none"> ▪ Communicates budget process guidelines to division/budget directors and HCDE budget committee 	Department
Superintendent	<ul style="list-style-type: none"> ▪ Serves as lead member of HCDE Budget Committee to review division budget requests and to analyze budget components 	Department
Assistant Superintendent-Business	<ul style="list-style-type: none"> ▪ Serves as chair of HCDE Budget Committee 	Department
Assistant Superintendent-Business	<ul style="list-style-type: none"> ▪ Serves as Department budget officer 	Department
Assistant Superintendent-Business	<ul style="list-style-type: none"> ▪ Develops and communicates budget calendar 	Department
Assistant Superintendent-Business	<ul style="list-style-type: none"> ▪ Develops division revenue estimates 	Department
Assistant Superintendent-Business	<ul style="list-style-type: none"> ▪ Develops fund balance estimates 	Department
Assistant Superintendent-Business	<ul style="list-style-type: none"> ▪ Conducts final review of proposed budget to board budget committee 	Department
	-Continued –	

PARTICIPANTS	ROLES & RESPONSIBILITIES	LEVEL
Chief Accounting Officer	<ul style="list-style-type: none"> ▪ Updates proposed budget drafts subsequent to superintendent and HCDE Budget Committee review 	Department
Budget Analyst	<ul style="list-style-type: none"> ▪ Provides requested forecasts and analyses to Asst Superintendent-Business, HCDE Budget Committee, and Superintendent ▪ Compiles division budgets into proposed Department budget. ▪ Communicates any revisions to appropriate divisions 	Department Department Department
Assistant Superintendents	<ul style="list-style-type: none"> ▪ Serves as member of HCDE Budget Committee ▪ Reviews and approves all division budgets under their immediate supervision prior to submission to Asst Superintendent-Business 	Department Division
Executive Director of Human Resources (“HR”)	<ul style="list-style-type: none"> ▪ Compiles and reviews personnel staffing needs submitted by budget directors and any necessary revisions ▪ Serves as member of HCDE Budget Committee to ascertain personnel use changes and requirements 	Division Department
Executive Director of Facilities	<ul style="list-style-type: none"> ▪ Develops schedules of facilities and facility and vehicle maintenance for budget planning ▪ Serves as member of HCDE Budget Committee to ascertain facility support responsibilities 	Division Department
Chief Information Officer	<ul style="list-style-type: none"> ▪ Serves as member of HCDE Budget Committee to ascertain technology support responsibilities <p style="text-align: center;">- Continued –</p>	Department

PARTICIPANTS	ROLES & RESPONSIBILITIES	LEVEL
Director of Resource Development	<ul style="list-style-type: none"> ▪ Serves as member of HCDE Budget Committee to ascertain any funding opportunities, including grants 	Department
Board Budget Committee	<ul style="list-style-type: none"> ▪ Reviews/prioritizes/revises proposed budget submitted by superintendent and Asst Superintendent-Business 	Board
Board of Trustees	<ul style="list-style-type: none"> ▪ Recommends a final version of the proposed budget for adoption by the full Board of Trustees ▪ Conducts public hearings for budget consideration ▪ Adopts official budget and tax rate 	Board Board

Budget Guidelines

Budget preparation guidelines are prepared by the Asst Superintendent-Business with input from the Superintendent and other Department administrators. The budget preparation guidelines, which are distributed to division/budget directors in the Budget Planning Workbook, include the following elements:

- A *budget transmittal letter* from the superintendent which provides the overall context for budget development at the division/program levels.
- A *budget overview* which explains the department budgeting philosophy and approach; outlines the budget development process to include the *development of budget requests, performance objectives and division objectives for the year*; and references *major assumptions and changes in the budgetary process* from the previous year.
- *Fiscal limitations* to be observed department-wide such as maintenance of service levels, specific percentage increases/decreases in resource allocations, and personnel hiring guidance.
- A *budget calendar* of critical dates for budget development, submission and review.
- Instructions concerning level of detail required for budget submission.
- A copy of standard budget *preparation worksheets* and submission forms.
- A list of the *account codes* necessary for the preparation of campus budgets. This list normally will include fund, function, object, sub-object and program intent codes.
- *Instructions* for the submission of budgets to the business office including the number of copies required, due dates and personnel to contact for assistance.
- *Guidelines* for estimating the costs of salaries and benefits are provided by the Human Resources division.

Budget Calendar

The budget calendar is the responsibility of the Asst Superintendent-Business and presented to the Board of Trustees at the January board meeting. Updates may be made with approval from the superintendent and are communicated to the HCDE budget committee and division/budget directors.

The calendar identifies all the activities which must be included in the proposed budget process and is arranged in chronological order. It contains a column showing the individual or group responsible for each activity listed. This column is helpful to users since a quick scan of the calendar allows each of them to identify those activities in the budget development process for which he/she is responsible.

HARRIS COUNTY DEPARTMENT OF EDUCATION

FY 2012-13 Budget Planning Calendar

Process	Date	Activity	Location	Participants
Budget Planning		Budget Planning with Budget Analyst and Accounting Staff		
		Strategic Planning Process Begins		Divisions
	Tuesday, December 13, 2011	<u>Board Meeting, 1 PM</u> Approve calendar for FY 2012-13 Proposed Budget		Board
	Friday, January 13, 2012	Budget Information & Instructions Available on the HCDE portal		Business Svcs
	Wednesday, January 11, 2012	Accountability Steering Committee		Divisions
<hr/>				
Needs Assessment	Thursday, February 2, 2012	Budget Prep Training	9 AM Room 501	Business Svcs-Budget Mgrs
and	Wednesday, February 15, 2012	Needs Assessment to be conducted		Divisions
Budget	Thursday, February 16, 2012	Budget Entry Training	9 AM Lab 504	Business Svcs-Budget Entry
Development	Friday, February 17, 2012	Budget Entry Training	9 AM Lab 504	Business Svcs-Budget Entry
DUE	Friday, February 24, 2012	DUE: Proposed Budgets to Business Analyst		Budget Mgrs
DUE	Friday, March 30, 2012	DUE: Risk Assessment DUE		Budget Mgrs
<hr/>				
	<i>March 12-16, 2012</i>	<i>Spring Break</i>		<i>Department Closed</i>
Budget	<i>April, 2012</i>	<i>HCDE Goals & Strategic Plan Integration</i>		Board, Superintendent
Analysis	Monday, April 2, 2012	Budget Committee Planning Workbook to Budget Committee 2 Hr. Budget Committee Planning Meeting		Business Analyst HCDE Budget Committee
DUE	Tuesday, April 3, 2012	SWOT Analysis for Divisions		Budget Mgrs
DUE	Thursday, April 5, 2012	Final FY12-13 Accountability Objectives to be sent to Research & Evaluation		
	April 2-20, 2012	Division Budget Presentations		HCDE Budget Committee

HARRIS COUNTY DEPARTMENT OF EDUCATION

FY 2012-13 Budget Planning Calendar

Process	Date	Activity	Location	Participants
Supt' Review	Wednesday, May 2, 2012	Supt. Budget Review Session: Draft 1 Proposed Budget		Assistant Superintendents Superintendent, Bus.Svcs
	Tuesday, May 9, 2012	Supt. Budget Review Session: Draft 2 Proposed Budget		Superintendent, Bus. Svcs
Board Workshops	Tuesday, May 15, 2012	Budget Work Session # 1		Board Budget Committee Superintendent, Bus. Svcs
	Monday, May 21, 2012	Supt. Budget Review Session: Draft 3 Proposed Budget		Superintendent, Bus. Svcs
	Tuesday, May 29, 2012	Budget Work Session # 2		Board Budget Committee Superintendent, Bus. Svcs
	<i>Monday, May 28, 2012</i>	<i>Memorial Day</i>		<i>Department Closed</i>
	Wednesday, June 6, 2012	3 rd Budget Work Session, 9 AM (As needed)		Board Budget Committee Superintendent, Bus. Svcs
Budget Approval	May 31- June 3, 2012	Post <u>Budget Notice</u> in the <u>Houston Chronicle</u> Post Budget on the web		Business Svcs
	Friday, May 31, 2012	Agenda Items Due-Including <u>Budget Book</u>		Business Svcs
	<i>Tuesday, June 19, 2012</i>	<i>Final Accountability Objectives presented to Board</i>		
	Tuesday, June 19, 2012	(1) Board Budget Committee, 12 PM Present Finalized Budget and Approve Recommendation (2) Public Hearing on the Budget, 12:45 PM (3) <u>Board Meeting, 1 PM</u> Adopt the budget		Board Budget Committee Superintendent, Bus. Svcs Board Board
	Friday, August 31, 2012	Risk Assessment Review is due		
	Saturday, September 1, 2012	FY13 Budget is effective		Divisions
<p>Board Budget Committee: Morris, Morales, Sawyer HCDE Budget Committee: Sawyer, Harris, Pitre, Griffin, Hooper, Schul, Truitt, Amezcua, Coronado, Rawlinson, Torres updated 1/24/12</p>				

HCDE Tax Calendar 2012

7-25-2012 Certification of appraisal values
Certification of anticipated collection rate by collector

8-16-2012 Agenda Item to approve HCTO to calculate rates

9-7-2012 Calculation of effective and roll back tax rates

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9-14-12 Publication of effective and roll back rates and submission to the governing body, statement and schedules; submission to governing body.

9-14-12 72 hour meeting notice

9-18-12 Meeting of governing body to discuss tax rate; if proposed tax rate will exceed the rollback or the effective tax rate (whichever is lower), take record vote and schedule public hearing.

9-18-12 **Notice of Public Hearing on Tax Increase**
(1st Quarter page ad and other web) at least 7 days prior to Public Hearing

9-21-12 72 hour meeting notice

9-25-12 **Public Hearing**

9-27-12 **Notice of Public Hearing on Tax Increase** (1st Quarter page ad and other web) at least 7 days prior to Public Hearing

10-5-12 72 hour meeting notice

10-9-12 **Second Public Hearing** (may not be earlier than 3 days after first public hearing); schedule and announce meeting to adopt tax rate 3-14 days from this date.

10-9-12 **Notice of Tax Revenue Increase** published before meeting to adopt tax rate is the (second quarter page notice in newspaper) before meeting and published on the web site 7 days before the meeting.

10-13-12 72 hour meeting notice

10-16-12 **Meeting to Adopt Tax Rate** Meeting is 3 to 14 days after second public hearing. Taxing unit must adopt tax rate by Sept. 29 or 60 days after receiving certified appraisal roll, whichever is later.

BUDGET DEVELOPMENT PROCESS

The annual Budget Development Process and the annual Planning Process are overlapping and augment one another, although the focus of each is different. The Budget Development Process is comprised of three major phases: planning, implementation, and evaluation.

The budgetary process begins with sound planning. Planning defines the goals and objectives and develops strategies to attain those goals and objectives. Once these plans have been established, budgetary resource allocations are made to support them. Budgetary resource allocation is the implementation phase of budgeting. The allocations cannot be made, however, until plans have been established.

Finally, the budget is evaluated for its effectiveness in attaining goals and objectives. Evaluation typically involves an examination of: how funds were expended, what outcomes resulted from the expenditure of funds, and to what degree these outcomes achieved the objectives stated during the planning phase. This evaluation phase is important in determining the following year's budgetary allocations. Budget preparation is not a one-time exercise to determine how funds are allocated rather, it is part of a continuous cycle of planning and evaluation to achieve department goals.

The development of division annual budgets should be part of ongoing planning processes and those levels. Beyond the budgetary requirements for federal and state programs, the HCDE board and the Superintendent largely will determine the budget preparation process and related budget responsibilities.

PLANNING PHASE

The first phase of the Budget Development Process is planning. Planning involves defining the mission, goals and objectives of divisions and the department. Importance is placed upon sound budget planning for the following reasons:

- In implementing the type, quantity, and quality of divisional services, the budget becomes the limiting force.
- Providing quality education and services is very important to the public interest.
- The scope and diversity of the department's operations make comprehensive planning necessary for good decision-making.

Since strategies to attain the goals and objectives need to be developed before starting the actual budget calculation process, it is important that each division prepare statements in the "Goals and Objectives" and "Performance Evaluation" forms as the initial exercise in planning the annual division budget. This exercise comprises developing narrative and quantitative statements. These statements must be consistent with the HCDE Accountability System. This information will be used to analyze and justify the department's programs and operational request, as well as to ensure that individual division goals and objectives are consistent with the department's overall mission and goals. Line item budgeting remains the primary fiscal tool; thus completion of the "Goals and Objectives" and "Performance Evaluation" forms is an important step in summarizing and evaluating each division and its budget.

Listed below are standardized definitions to be used in the development of these statements and completion of the appropriate forms. It is recommended that strict adherence to these definition parameters be kept in order to insure consistency throughout the department:

- *Division Function:* A statement of specific overall mission.
- *Division Goals:* "Broad" statements of desired results; ultimate accomplishments; overall end results.
- *Division Objectives:* "Specific" statements of desired program accomplishments; usually measurable; shows progress toward a goal; desired results of activities. Clearly stated measurable objectives should represent a concise summary of the principal work activities in which progress can be monitored and evaluated periodically throughout the fiscal year. Objectives should be stated in common "action-oriented phrases such as "to maintain," "to increase," "to reduce," "to facilitate," "to continue," etc. These are the same as the Accountability Objectives.
- *Performance Measures:* Specific quantitative and qualitative measures of work performed by division must be included in this section. Quantitative measures are defined as observable and in narrative format. These are the measures that Research & Evaluation analyze for the Accountability system.

With the Budget Development Process, divisions are allowed time to integrate the Department goals into their specific budget requests. During division budget hearings the Business Services Division will review revenue projections and refined budget requests to develop a preliminary department budget. As a result of this collaborated process, the Business Services Division will be able to present a preview of the proposed 2012-2013 budget to the Board of Trustees before the May Workshop. This preview will enable the Board of Trustees and the Superintendent to review and discuss the direction of the budget before the July 17th public hearing.

IMPLEMENTATION PHASE

Revenue Projections

In order to meet the future needs of the Department, directors should forecast the source and amount of resources or revenue available. Therefore, projections of revenue from the three major sources should be made. These revenue sources include Local, State, and Federal aid.

- **Local Revenues** typically consists of monies generated by the local tax efforts and fees for service. Factors that need to be taken into account include such things as assessed property values, property value growth/decline rates, applicable tax rates, historical collection rates. Factors for fees for service are market value for services, demand for service, and current market conditions.
- **State Revenues** traditionally consists of monies received as a result of state funding. The tool that plays a major part in the estimation of this type of resources is the state provided "Summary of Finances" which takes into account several components.
- **Federal Revenues** involve a variety of amounts and sources. These sources generally are federally distributed funds, which can flow through the department, Region Education Centers, Texas Education Agency, or directly from the federal source. Methods of allocations can vary from payment of indirect costs to applications for specific grants.

Expenditure Projections

In order to support the mission, goals and objectives of the department, directors should forecast the operating costs for all funds necessary to achieve those intents. Expenditures/expenses should be classified by the major object classes according to the types of items purchased or services obtained. These budgetary allocations should project costs for the major expenditure categories (objects), which include:

- Payroll Costs (6100) are the costs of employee salaries and benefits. These costs make up 60% or more of annual operating expenditures and should be based primarily upon FTE projections. When appropriating this area, it is important that the division director conduct a full analysis of the personnel situation as well as submit recommendations addressing the findings. The "Position Listing" form is the management tool that can assist to address this issue. Therefore, this form needs to be completed and submitted to the Business Services Division by the Budget Request deadline.
- Professional and Contracted Services (6200), Supplies and Materials (6300) and Other Operating Costs (6400) are typically variable and miscellaneous expenditures. The completion of expenditure estimates for these costs should be directly related to service levels.
- Capital Outlay Costs (6600) includes items that are inventoried and become part of the department's fixed assets group such as furniture, audio-visual equipment, computer equipment, and other equipment. These costs should be forecasted and budgeted based on an overall department Replacement Asset Schedule rather than on an division basis, the proper "Capital Outlay Justification" form needs to be submitted as well.

Implementation, the second phase of the Budget Development Process, is the process of allocating resources to the prioritized needs of the department in support of its planned mission, goals, and objectives. Although budget formats and policies are by no means uniform in the public arena, formal budgets play a far more important role in the planning, control and evaluation of public entities than in those of privately owned organizations. In educational settings, the adoption of a budget implies that a set of decisions have been made by school board members and administrators which culminate in matching resources with its needs. As such, the budget is a product of the planning process. The budget also provides an important tool for the control and evaluation of sources and uses of resources. With the assistance of the accounting system, directors are able to execute and control the activities that have been authorized by the budget and evaluate performance based upon comparisons between budgeted and actual operations.

The link between planning and budget preparation in educational entities gives budgets a unique role in these organizations. Budgets in the public arena are often considered the ultimate policy document since they are the financial plan used to achieve its goals and objectives reflecting:

- Public choices about what goods and services will and will not be produced.
- The department's priorities among the wide range of activities in which they are involved.
- How a public entity has acquired and used its resources.

The budget, itself, then becomes intrinsically a political document reflecting administrators' accountability for fiduciary responsibility to citizens.

The annual operating budget or financial plan is proposed by the Superintendent and enacted by the Board of Trustees after public discussion.

Directors, principals, and other staff of the department under the direction of the Superintendent, will develop the budget. Budget Preparation Training was held February 2, 2012. The budget deadline set for divisions is February 24, 2012, and the Business Services Division will compile the budget requests. During the months of April and May, various budget meetings were scheduled with the Superintendent, the Executive Team and Division Directors.

The Superintendent's Budget Review Team will review various budget options for personnel and financing. This entails maintaining competitive salaries and benefits for our employees, providing adequate funding for services, providing for construction and repairs to facilities, and other miscellaneous projects.

Budget workshops will be held on May 15, May 29, and June 6 to review the preliminary budget estimates. The citizens of Harris County and Department employees will be invited to attend the budget workshops. On July 17, the Board of Trustees will be asked to approve the final budget which was implemented on September 1st, 2012.

EVALUATION PHASE

Evaluation is the last step of the department's budget cycle. Information is compiled and analyzed to assess the performance of each individual division and campus, as well as the Department as a whole. This information is a fundamental part of the planning phase for the following budget year.

In the educational context, budgeting is a valuable tool in both planning and evaluation processes. Budgeting provides a vehicle for translating educational goals and programs into financial resource plans. Thus, operational planning (to attain divisional goals) should determine budgetary allocations. This link between operations and financial planning is critical to effective budgeting. In addition, such a budgeting practice may enhance the evaluation of budgetary and educational performance since resource allocations are closely associated with instructional plans.



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HCDE'S FUNDS STRUCTURE & FUND TYPES

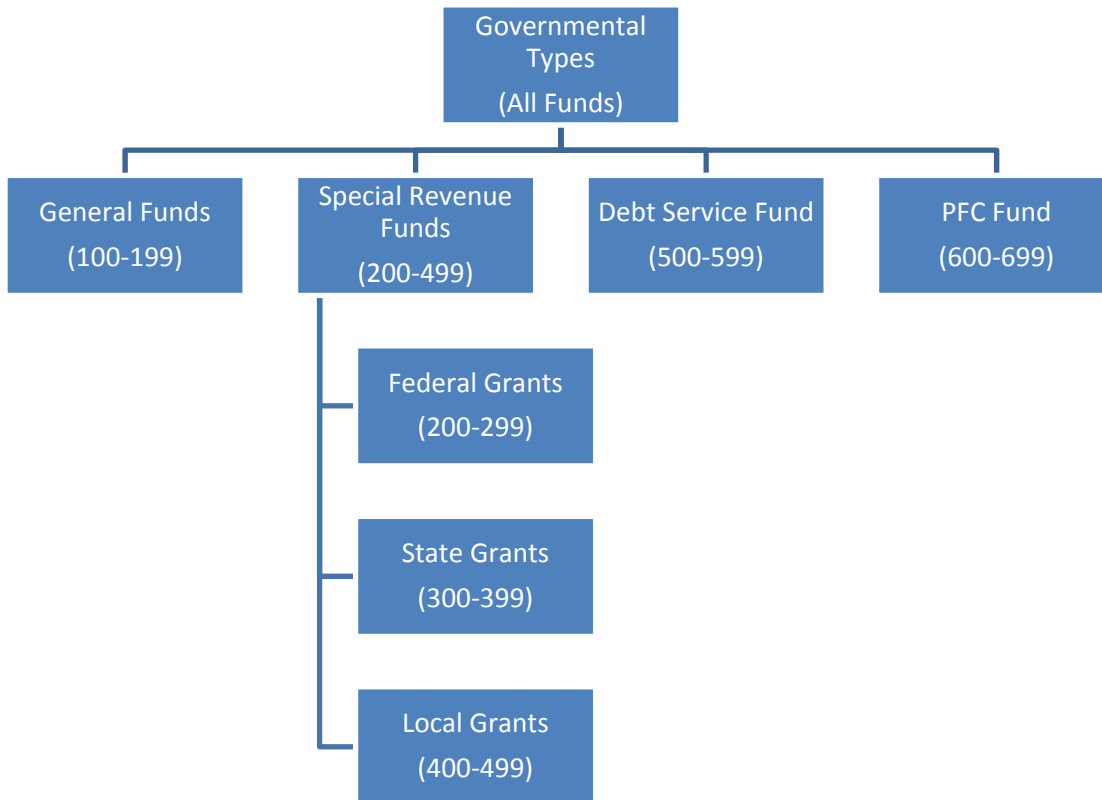
GOVERNMENTAL FUND TYPES

Governmental fund types for Texas school districts consist of four governmental fund groups (General, Special Revenue, Debt Service and Capital Projects) that account for the acquisition, use and balances of expendable financial resources and related liabilities as required by law or rule.

These funds follow the modified accrual basis of accounting method. Under this method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred.

The following are the District's governmental funds:

- General Fund – The general fund typically serves as the chief operating fund of a government. The general fund is used to account for all financial resources except those required to be accounted for in another fund. This fund is considered a major fund under OMB Circular A-133.
- Special Revenue Fund – A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.
- Debt Service Fund – Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- Public Facility Corporation Projects Fund – PFC Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds) funded through the Maintenance and Operations tax rate.



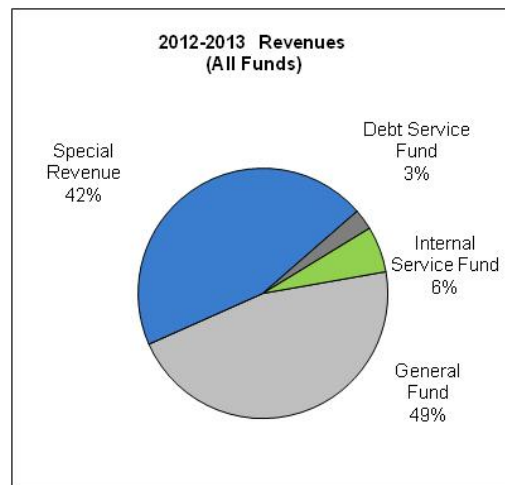
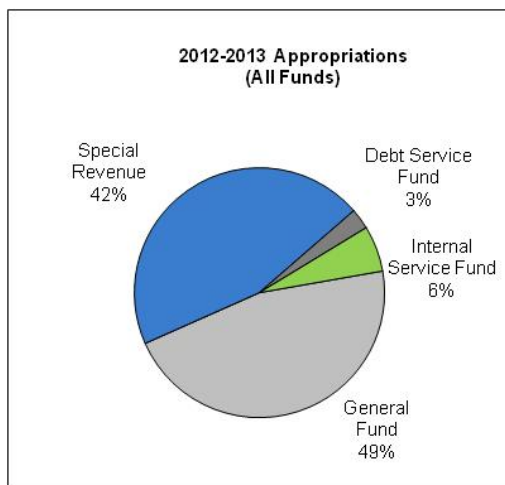
PROPRIETARY FUND TYPES

The Department’s Proprietary Fund consists of the Internal Service Fund. The Internal Service Fund consists of two funds: the Worker’s Compensation Fund and the Facilities Support Charges. For the Worker’s Compensation Fund, the Department continues to participate in a partially self-funded pool, originally approved by the Board in fiscal year 2005. Claims administration, loss control, and consultant services are provided for by a third-party administrator for run-off claims from a self-insurance plan.

FIDUCIARY FUND TYPES

In addition to Governmental Funds, the Department has one Fiduciary Fund which is not budgeted and is a non-major fund. It is classified as an Agency Fund and is used to account for assets held by the Department in a trustee capacity, or as an agent for individuals, private organizations, other government units, and/or other funds. Examples of these funds are endowments received from individuals and/or organizations for specific purposes for which the principal and interest earned or revenue may be used. These are accounted for on the modified accrual basis. The following table shows presents the proposed budgeted expenditures for FY13 for Governmental Fund Types (General Fund, Special Revenues Fund, Debt Service Fund); the Proprietary Fund Type; and Internal Services Fund.

	Governmental			Proprietary	Total
	General Fund	Special Revenue Fund	Debt Service Fund	Internal Service Fund	
Est. Revenues	\$45,085,247	\$39,472,197	\$2,652,898	\$6,130,156	\$93,340,498
Appropriations	42,803,340	39,472,197	2,652,898	6,130,156	91,058,591
Transfers Out	3,726,907	-	-	-	3,726,907
Total Appropriations and Other Uses	\$ 46,530,247	\$ 39,472,197	\$ 2,652,898	\$ 6,130,156	\$ 94,785,498
Appropriations from Fund Balance:	\$ (1,445,000)	-	-	-	(1,445,000)
Projected Fund Balance Beg.	15,736,690	-	-	-	15,736,690
Projected Fund Balance End.	15,736,690	-	-	-	15,736,690



The following pages will show the Budget Summary detail of all General Fund, Special Revenues Funds, Debt Service Fund and the Internal Service Fund.

Harris County Department of Education
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Funds
 For The Fiscal Year Ended August 31, 2013

	(1) Governmental Funds			Proprietary Funds	Total
	General Funds	Special Revenue Funds	Debt Service Funds	Internal Services Funds	
REVENUES & OTHER RESOURCES					
Revenues					
Customer Fees & Charges	21,614,319	\$ -	\$ -	\$ -	\$ 21,614,319
Property Tax Rev-Current	18,029,516	-	-	-	18,029,516
Property Tax Rev-Delinquent & P&I	390,500	-	-	-	390,500
HCTO Tax Collection Fees	-	-	-	-	-
Investment Earnings-HCDE	20,000	-	-	-	20,000
Other Local Revenues	170,794	-	-	-	170,794
Local Grants	18,670	2,944,263	-	-	2,962,933
Total Local Revenues:	40,243,799	2,944,263	-	-	43,188,062
Facility Support Services	-	-	-	5,666,074	5,666,074
Workers Compensation	-	-	-	464,082	464,082
Total Inter-Departmental Revenues:	-	-	-	6,130,156	6,130,156
State TEA Supplemental Compensation	320,000	-	-	-	320,000
State TEA Employee Portion Health Ins	588,000	-	-	-	588,000
State TRS On Behalf Payments	1,600,000	-	-	-	1,600,000
State Grants-Lease Revenues	162,000	5,764,627	-	-	5,926,627
Total State Revenues:	2,670,000	5,764,627	-	-	8,434,627
Federal Grants	-	29,689,298	-	-	29,689,298
Indirect Cost-Federal Grants	2,171,448	-	-	-	2,171,448
Total Federal Revenues:	2,171,448	29,689,298	-	-	31,860,746
Total Revenues:	45,085,247	38,398,188	-	6,130,156	89,613,591
Other Resources					
Transfers In-					
Fund 288-CASE After School Partnershi	-	550,787	-	-	550,787
Fund 481-ECI-Keep Pace	-	324,000	-	-	324,000
Fund 206-Head Start	-	199,222	-	-	199,222
Fund 599-Debt Service Payment (PFC)	-	-	691,729	-	691,729
Fund 599-Debt Service Payment (QZAB)	-	-	1,961,169	-	1,961,169
Total Other Resources:	-	1,074,009	2,652,898	-	3,726,907
Total Revenues & Other Resources:	\$ 45,085,247	\$39,472,197	\$ 2,652,898	\$ 6,130,156	\$ 93,340,498
EXPENDITURES & OTHER USES					
Expenditures					
Adult Ed. Local & (Funds 230, 234, & 381)	34,578	4,289,922	-	-	4,324,500
Alternative Teacher Certification	201,676	-	-	-	201,676
Assistant Supt-Harris	221,379	-	-	-	221,379
Assistant Supt-Pitre	245,911	-	-	-	245,911
Board of Trustees	89,534	-	-	-	89,534
Business Services	1,499,575	-	-	-	1,499,575
Center for Safe & Secure Schools	681,162	-	-	-	681,162
Center for Schl Governance & Fiscal Ac	187,965	-	-	-	187,965
CASE Local & (Funds 267, 282 & 288)	171,620	7,710,399	-	-	7,882,019

Harris County Department of Education
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Funds
 For The Fiscal Year Ended August 31, 2013

	(1) Governmental Funds			Proprietary Funds	Total
	General Funds	Special Revenue Funds	Debt Service Funds	Internal Services Funds	
EXPENDITURES & OTHER USES					
Communications & Public Information	\$ 488,887	\$ -	\$ -	\$ -	\$ 488,887
Client Development & Marketing	413,352	-	-	-	413,352
Debt Services (Fund 599)	-	-	2,652,898	-	2,652,898
Department Wide	2,603,320	-	-	-	2,603,320
Education Foundation	190,000	-	-	-	190,000
External Relations Officer	113,141	-	-	-	113,141
Facility Support Services-					
Choice Facility Partners	1,470,139	-	-	-	1,470,139
Facilities-Asset Replacement Schedules	-	-	-	-	-
Facilities-Construction Services	124,306	-	-	-	124,306
Facilities-Internal Service (Fund 799)	5,666,074	-	-	5,666,074	11,332,148
Head Start Grant (Funds 205-209)	-	13,918,157	-	-	13,918,157
Human Resources	863,394	-	-	-	863,394
Instructional Support Services-					
ISS-Bilingual Education	209,964	-	-	-	209,964
ISS-Division Wide	144,507	-	-	-	144,507
ISS-EC Winter Conference	245,445	-	-	-	245,445
ISS-English Language Arts	147,659	-	-	-	147,659
ISS-Math	126,550	-	-	-	126,550
ISS-Professional Development	29,000	-	-	-	29,000
ISS-Science	155,913	-	-	-	155,913
ISS-Social Studies	114,743	-	-	-	114,743
ISS-Speaker Series	28,865	-	-	-	28,865
ISS-Special Education	42,946	-	-	-	42,946
Purchasing Division-					
Purchasing-Gulf Coast (Food) Co-op	313,796	-	-	-	313,796
Purchasing Cooperative	255,984	-	-	-	255,984
Purchasing Support	386,641	-	-	-	386,641
Research & Evaluation	454,242	-	-	-	454,242
Research Institute of Texas	-	-	-	-	-
Resource Development-					
Internal Grant Services	330,061	-	-	-	330,061
RD-Texas Center for Grant Development	223,015	-	-	-	223,015
Retirement Leave Benefits	50,000	-	-	-	50,000
Scholastic Arts Program	89,720	-	-	-	89,720

Harris County Department of Education
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Funds
 For The Fiscal Year Ended August 31, 2013

	(1) Governmental Funds			Proprietary Funds	Total
	General Funds	Special Revenue Funds	Debt Service Funds	Internal Services Funds	
EXPENDITURES & OTHER USES					
Special Schools & Services-					
ABC-East	\$ 2,569,278	\$ -	\$ -	\$ -	\$ 2,569,278
ABC-West	2,408,971	-	-	-	2,408,971
Early Childhood Intervention-Local	89,389	-	-	-	89,389
Highpoint-East	1,988,773	-	-	-	1,988,773
Highpoint-North	1,565,118	-	-	-	1,565,118
Special Schools Administration	508,830	-	-	-	508,830
Therapy Services (Funds 289, 389 & 481)	7,766,836	7,879,884	-	-	15,646,720
Superintendent's Office	363,714	-	-	-	363,714
State TEA Employee Health Insurance	588,000	-	-	-	588,000
State TEA On Behalf Payments	1,600,000	-	-	-	1,600,000
Technology Services-					
Chief Information Officer	174,331	-	-	-	174,331
Digital Learning & Instr Tech. (Fund 293)	180,950	-	-	-	180,950
Records Management Services	939,872	-	-	-	939,872
Technology Services	3,444,214	-	-	-	3,444,214
Texas Virtual Schools Network	-	2,410,000	-	-	2,410,000
Texas-Learns Contract & Local	-	3,263,835	-	-	3,263,835
Workers Compensation (Fund 753)	-	-	-	464,082	464,082
Total Expenditures:	42,803,340	39,472,197	2,652,898	6,130,156	91,058,591
Other Uses					
Transfers Out-					
Fund 288-CASE	550,787	-	-	-	550,787
Fund 491-ECI Maintenance of Effort	324,000	-	-	-	324,000
Fund 206-Head Start	199,222	-	-	-	199,222
Fund 599-Debt Service-PFC	1,961,169	-	-	-	1,961,169
Fund 599-Debt Service-QZAB	691,729	-	-	-	691,729
Total Other Uses:	3,726,907	-	-	-	3,726,907
Total Expenditures & Other Uses:	46,530,247	39,472,197	2,652,898	6,130,156	94,785,498
Expenditures from Fund Balance:					
Projected Fund Balance Beginning:	17,256,690	-	-	-	17,256,690
Uses of Fund Balance	1,445,000	-	-	-	1,445,000
Projected Fund Balance Ending:	\$ 15,811,690	\$ -	\$ -	\$ -	\$ 15,811,690

*Note 1: The Harris County Department of Education Public Facility Corporation (PFC) meets the criteria set out by GASB 39 and has been included as a blended component unit in the financial statements of the Department. The PFC, a legally separate entity, is, in substance, part of the Department's operations and its purpose is to finance the Department's construction and building acquisition needs. Therefore, the PFC is reported as a capital projects fund, a governmental fund type. For Fiscal Year 2012-2013, the Department did not budget any expenditures for the PFC fund. The projects are completed and the remaining fund balance is restricted for the final debt service payments.

GENERAL FUND

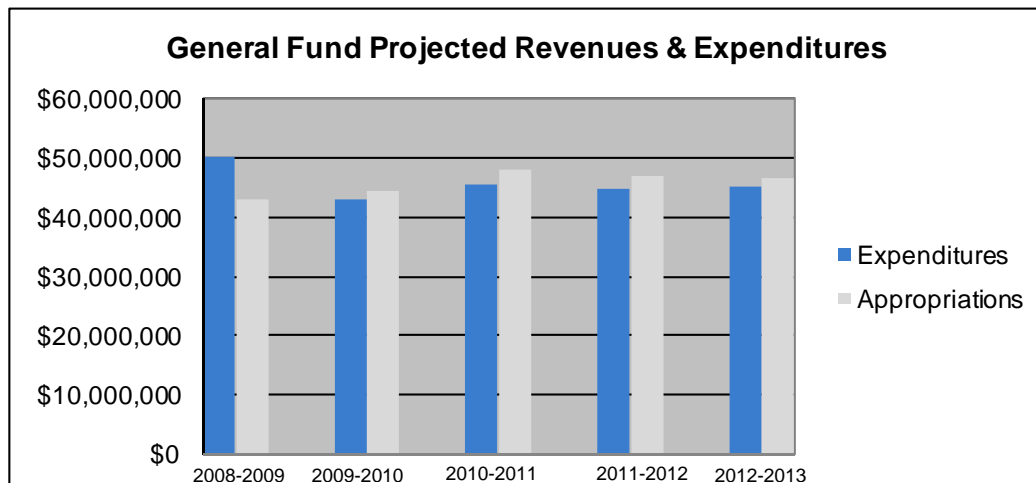
The General Fund is a governmental fund with budgetary control which is used to show transactions resulting from operations of on-going organizations and activities from a variety of revenue sources for which fund balance is controlled by and retained for the use of the local education agency. The General Fund utilizes the modified accrual basis of accounting.

The General Fund is the primary operating fund of the Department. The Department accounts for financial resources used for general operations in this fund. It is a budgeted fund, and any fund balances are considered resources available for current operations. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. The three major revenue sources include: customer fees, property tax revenues in indirect costs from federal grants.

General Operating Fund (199) is the dept primary fund and is used to account for all financial transactions not properly includable in other funds. All of the following General Fund sub-funds have been combined into General Fund for fiscal year 2013:

- **Local Construction Fund (170)** was a separate fund used to account for minor maintenance and repair costs for general fund departments.
- **Choice Facility Partners (171)** was a separate fund used to account for a purchasing cooperative operated by HCDE.
- **QZAB Fund (172)** was a separate fund used to account for renovations and equipment for the Special Schools Division which is part of the General Fund.
- **Retirement Leave (190)** was a sub fund used to account for leave expenditures associated with employees retiring during the fiscal year.

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Amended	2012-2013 Proposed
Appropriations	39,582,204	40,486,129	44,371,985	42,934,946	42,803,340
Total Other Uses:	3,243,104	3,833,475	3,570,256	3,999,210	3,726,907
Total Appr. and Other Uses:	42,825,308	44,319,604	47,942,241	46,934,156	46,530,247
Net Change in Fund Balance	7,243,534	(1,323,435)	(2,504,193)	(2,044,044)	(1,445,000)
Fund Balance Beginning	15,809,828	\$ 23,053,362	\$ 21,729,927	\$ 19,225,734	\$ 17,181,690
Fund Balance Ending	\$ 23,053,362	\$ 21,729,927	\$ 19,225,734	\$ 17,181,690	\$ 15,736,690



**Harris County Department of Education
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balance -All General Funds
 For the Fiscal Year August 31, 2013**

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Revenues					
Customer Fees/Charges	\$ 19,306,732	\$ 20,690,182	\$ 21,866,639	\$ 21,599,002	\$ 21,785,113
Property Tax Revenue-Current	16,565,959	16,908,445	17,150,614	17,542,882	18,029,516
Tax Revenue-Del, P&I, HCTO Fees	-	240,716	893,570	380,500	390,500
Investment Earnings	169,860	43,586	29,841	30,000	20,000
Local Grants	87	36,250	43,836	28,000	18,670
Indirect Cost from Local Grants	657,114	29,103	41,045	-	-
Other Local Revenues	15,066	124,843	296,429	466,402	162,000
State TEA Supplemental Compensation	682,231	326,950	337,438	320,000	320,000
State TEA Employee Portion Health Ins	383,952	542,640	544,383	648,508	588,000
State TRS On Behalf Matching	1,715,411	1,747,097	1,957,430	1,650,000	1,600,000
Indirect Cost from Federal Grants	2,134,164	2,256,357	2,276,822	2,224,818	2,171,448
Total Revenues	\$ 41,630,576	\$ 42,946,169	\$ 45,438,048	\$ 44,890,112	\$ 45,085,247
Expenditures					
Adult Education Local	124,599	281,168	144,467	181,535	180,525
Alternative Teacher Certification	117,165	102,752	86,709	192,696	202,989
Assistant Superintendent-Harris	207,191	233,717	217,428	224,550	227,691
Assistant Superintendent-Pitre	224,637	221,096	237,512	239,073	253,901
Board of Trustees	115,862	120,431	139,736	96,878	111,937
Business Support Services	1,475,413	1,635,352	1,573,952	1,596,199	1,583,294
Center for Safe & Secure Schools (CSSS)	416,430	415,569	623,732	917,314	708,317
Center for School Governance & Fiscal Accountability	205,637	184,855	182,784	202,646	191,039
Communications & Public Information	637,003	498,632	574,193	403,816	528,621
Client Development & Marketing	-	178,321	356,950	536,072	415,322
Cooperative for After School Enrich. (CASE)	231,848	185,892	221,652	185,598	171,620
CASE Ecobot	-	-	148,886	-	-
Department Wide	2,674,455	3,294,970	3,151,306	3,474,573	3,610,773
Education Foundation	108,743	165,344	150,782	201,611	201,356
External Relations Officer	70,648	77,220	76,259	114,885	114,236

**Harris County Department of Education
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balance -All General Funds
 For the Fiscal Year August 31, 2013**

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Expenditures (Continued)					
Facilities Support Services-					
Building Replacement Schedule	\$ -	\$ 49,825	\$ 49,017	\$ -	\$ -
Construction Services	192,663	174,891	149,153	163,793	127,590
Facility Support	55,958	2,342	10,253	-	-
Choice Facility Partners	693,790	1,072,172	1,171,149	1,451,133	1,544,509
Local Construction Fund 170	787,753	195,539	1,667,141	186,224	-
QZAB & Maintenance Notes	3,337,765	796,984	3,101,860	1,218,921	-
Warehouse	145,549	-	-	-	-
Human Resources	1,012,280	913,737	934,284	962,630	921,654
Instructional Support Services-					
Bilingual Education	97,393	109,265	133,874	210,625	209,964
Division Wide	100,018	112,056	116,070	238,110	223,957
Early Childhood	-	-	-	-	-
Early Childhood Winter Conference	243,669	212,916	189,815	244,288	245,445
English Language Arts	72,341	115,302	161,877	154,964	147,659
Math	122,275	49,810	118,494	127,924	126,550
Professional Development	7,466	6,985	9,016	32,576	29,000
Science	88,837	125,937	120,019	155,519	155,913
Social Studies	88,408	82,973	80,689	111,666	114,743
Speaker Series	22,004	127,552	18,430	28,865	28,865
Special Education	29,844	19,832	30,058	43,917	42,946
Principal Certification	41,984	68,664	96,667	-	-
Printing & Visual Communications	-	-	-	-	-
Purchasing Division-					
Gulf Coast Food Co-op	254,719	283,220	252,286	316,059	316,231
HCDE Purchasing Co-op	185,685	259,193	167,261	203,894	264,713
Purchasing Support Services	348,397	327,510	373,428	406,810	395,370
Research & Evaluation	337,233	369,389	441,394	453,106	476,683
Research Insititute of Texas	-	56,049	15,391	14,289	-
Resource Development-					
Internal Grant Services	302,557	280,086	326,334	346,582	349,590
Texas Center for Grants Development	189,236	267,525	241,356	252,102	242,544
Retirement Leave Benefits Fund 190	183,530	65,515	261,983	100,000	50,000
Scholastic Arts	63,163	77,328	78,239	80,108	95,001
Special Schools & Services-					
ABC-East	2,839,948	3,019,115	3,158,462	3,247,380	2,989,076
ABC-West	1,870,100	2,242,829	2,669,693	2,715,668	2,616,945
Career Center	-	-	29,638	-	-
ECI-Keep Pace Program	29,976	6,633	64,658	106,194	89,389
Highpoint-East	2,264,372	2,694,881	2,591,466	2,621,805	2,530,819
Highpoint-North	1,808,901	1,728,539	1,353,006	1,621,042	1,748,710
Special Schools Administration	614,828	518,555	497,701	537,342	536,450

Harris County Department of Education
Combined Schedule of Revenues, Expenditures, and Changes in Fund Balance-All General Funds
For the Fiscal Year August 31, 2013

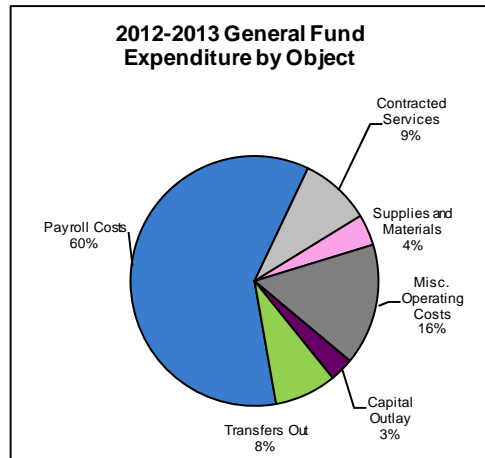
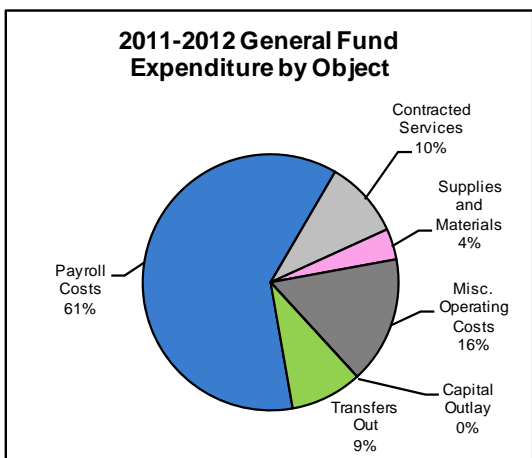
	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Expenditures (Continued)					
Therapy Services	\$ 7,014,364	\$ 7,979,677	\$ 7,663,305	\$ 7,480,674	\$ 7,833,881
Zenith-Waller	116,805	93,236	-	-	-
Superintendent's Office	342,709	342,740	353,242	373,426	380,689
State TEA Employee Portion Health Ins	502,685	542,640	579,614	648,508	588,000
State TEA Supplemental Compensation	327,979	326,950	322,953	-	-
State TRS On Behalf Matching	1,715,411	1,747,097	1,957,430	1,650,000	1,600,000
Technology Services-					
Chief Information Officer	238,485	177,687	119,219	170,895	177,907
Digital Learning & Instructional Technology	195,336	216,549	160,571	217,966	183,139
Records Management Services	1,247,855	1,525,365	1,402,283	1,792,622	1,708,260
Technology Support Services	2,839,094	3,505,672	3,246,774	3,357,609	3,596,554
Texas LEARNS Local	(792)	48	84	2,264	-
Additional adjustments pending					1,612,973
Total Expenditures	\$ 39,582,204	\$ 40,486,129	\$ 44,371,985	\$ 42,614,946	\$ 42,803,340
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	2,048,372	2,460,040	1,066,063	2,030,166	2,281,907
Other Financing Sources (Uses)					
Transfers In-					
Fund 190, Retirement Leave Benefits	-	50,000	50,000	-	-
Maintenance Tax Notes Proceeds	2,000,000	-	-	-	-
Sale of Property	940	-	-	-	-
QZAB Bond Proceeds	6,437,326	-	-	-	-
Transfers Out-					
Sale of Equipment	-	-	-	-	-
Fund 190, Retirement Leave Benefits	-	-	-	-	-
Fund 250, CASE After School Partnership	(550,787)	(857,348)	(50,000)	(550,787)	(550,787)
Fund 481, ECI-Keep Pace	(324,000)	(324,000)	(550,787)	(324,000)	(324,000)
Fund 205, Head Start	(309,234)	-	(324,000)	(470,000)	(199,222)
Fund 599, PFC Lease Payment	(1,932,601)	(1,954,294)	(348,168)	(1,962,069)	(1,961,169)
Fund 699, PFC Debt	(126,482)	-	(1,961,169)	-	-
Fund 599, QZAB Payment	-	(697,833)	(692,693)	(692,354)	(691,729)
Total Other Financing Sources (Uses)	5,195,162	(3,783,475)	(3,570,256)	(3,999,210)	(3,726,907)
Net Change in Fund Balances	7,243,534	(1,323,435)	(2,504,193)	(1,969,044)	(1,445,000)
Fund Balance-September 1	15,809,828	23,053,362	21,729,927	19,225,734	17,256,690
Fund Balance-August 31	\$ 23,053,362	\$ 21,729,927	\$ 19,225,734	\$ 17,256,690	\$ 15,811,690

The expenditures, listed below, present a cross-classification of the total General Fund Budget as shown on the previous page. Object code classification (salaries, employee benefits, material, equipment, etc.) are used to describe the service or commodity as a result of a specific expenditure.

**Expenditures by Object Code and Function-All General Funds
For the Fiscal Year Ended August 31, 2013**

Required TEA (FASRG) Object Code	Object	Adopted Budget 2011-2012	Proposed Budget 2012-2013	Increase (Decrease) Amount	Percent Change
6100	Payroll Costs	\$ 27,062,669	\$ 27,832,421	769,752	3%
6200	Contracted Services	4,328,156	4,275,660	(52,496)	-1%
6300	Supplies and Materials	1,723,995	1,886,081	162,086	9%
6400	Misc. Operating Costs	7,104,712	7,359,330	254,618	4%
6600	Capital Outlay	-	1,449,848	1,449,848	0%
8900	Transfers Out	3,999,210	3,726,907	(272,303)	-7%
Total		\$ 44,218,742	\$ 46,530,247	\$ 2,311,505	5%

Function Code	Function Description	Amount	%
11	Instruction	\$ 6,714,573	14%
13	Staff Development	2,272,318	5%
21	Instructional Leadership	9,430,746	20%
23	School Leadership	1,374,498	3%
31	Guidance & Counseling	807,588	2%
32	Social Work	3,815	0%
33	Health Services	200,018	0%
41	General Administration	10,411,176	22%
51	Plant Maintenance	5,874,089	13%
52	Security & Monitoring	467,200	1%
53	Data Processing	3,442,815	7%
61	Community Services	887,762	2%
62	School District Admin Support	3,198,649	7%
81	Acquisition & Construction	1,445,000	3%
Total FY 2013 Expenditures by Function:		\$ 46,530,247	100%



Harris County Department of Education
Expenditures by Function-General Operating Fund (199)
For the Fiscal Year August 31, 2013

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Revenues					
Local Sources	\$ 36,699,753	\$ 38,309,185	\$ 40,280,929	\$ 39,801,786	\$ 40,243,799
State Sources	2,796,661	2,380,627	2,880,297	2,653,904	2,670,000
Federal Sources	2,134,164	2,256,357	2,276,822	2,189,422	2,171,448
Total Revenues	\$ 41,630,578	\$ 42,946,169	\$ 45,438,048	\$ 44,645,112	\$ 45,085,247
Expenditures by Function					
Instruction	5,841,993	6,287,954	6,795,807	6,800,594	6,714,573
Staff Development	1,633,664	1,834,220	1,856,677	2,275,868	2,272,318
Instructional Leadership	8,654,859	9,386,416	9,427,806	8,991,374	9,430,746
School Leadership	1,319,903	1,551,999	1,493,019	1,556,840	1,374,495
Guidance & Counseling	602,508	614,404	637,073	453,396	807,588
Social Work	-	(1,120)	712	3,894	3,815
Health Services	237,923	127,909	173,642	220,257	200,018
General Administration	6,105,837	6,665,321	6,491,304	6,110,418	10,246,180
Plant Maintenance	4,772,561	5,227,547	5,134,180	5,922,010	5,874,089
Security & Monitoring	433,158	458,218	372,478	619,600	467,200
Data Processing	2,735,288	3,282,069	3,196,661	3,299,617	3,442,815
Community Services	532,587	558,624	746,369	1,102,623	887,762
School District Admin Support	1,571,260	1,891,399	1,695,969	2,109,894	3,198,648
Debt Service	-	-	-	-	-
Acquisition & Construction	4,402	331,239	-	205,283	1,445,000
Other Govt Charges	133,422	139,719	148,155	155,000	165,000
Total Expenditures	\$ 34,579,365	\$ 38,355,918	\$ 38,169,852	\$ 39,826,668	\$ 46,530,247
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	7,051,213	4,590,251	7,268,196	4,818,444	(1,445,000)
Other Financing Sources (Uses)					
Sale of Equipment	940	-	-	-	-
Transfers In	-	-	306,561	-	-
Transfers Out	(3,293,104)	(3,883,475)	(3,876,817)	(3,999,210)	(3,726,907)
Total Other Financing Sources (Uses)	(3,292,164)	(3,883,475)	(3,570,256)	(3,999,210)	(3,726,907)
Net Change in Fund Balances	3,759,049	706,776	(2,504,193)	819,234	(5,171,907)
Fund Balance, Beginning	15,809,828	16,178,801	21,729,927	19,225,734	17,256,690
Adjustment to Fund Balance	(100,284)	(858,761)	611,029	-819,234	0
Fund Balance, Ending	\$ 19,468,593	\$ 16,026,816	\$ 19,836,763	\$ 19,225,734	\$ 15,811,690

Harris County Department of Education
Expenditures by Function -Local Construction (170)
For the Fiscal Year August 31, 2012

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Revenues					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures by Function					
Instruction	-	-	-	-	-
Staff Development	-	-	-	-	-
Instructional Leadership	-	-	-	-	-
School Leadership	-	-	-	-	-
Guidance & Counseling	-	-	-	-	-
Social Work	-	-	-	-	-
Health Services	-	-	-	-	-
General Administration	-	-	-	-	-
Plant Maintenance	65,563	5,880	6,564	1,750	-
Security & Monitoring	-	-	-	-	-
Data Processing	-	-	-	-	-
Community Services	-	-	-	-	-
School District Admin Support	-	-	-	-	-
Debt Service	-	-	-	-	-
Acquisition & Construction	722,191	189,659	1,660,577	16,474	-
Other Govt Charges	-	-	-	-	-
Total Expenditures	\$ 787,754	\$ 195,539	\$ 1,667,141	\$ 18,224	\$ -
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(787,754)	(195,539)	(1,667,141)	(18,224)	-
Other Financing Sources (Uses)					
Sale of Equipment	-	-	-	-	-
Sale of Bonds	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(787,754)	(195,539)	(1,667,141)	(18,224)	-
Fund Balance, Beginning	901,091	525,000	1,605,449	-	-
Adjustment to Fund Balance	411,663	1,275,988	61,692	18,224	-
Fund Balance, Ending	\$ 525,000	\$ 1,605,449	\$ -	\$ -	\$ -

Note: This fund has been combined with fund 199 for FY13.

Harris County Department of Education
Expenditures by Function -Choice Facility Partners (171)
For the Fiscal Year August 31, 2013

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Revenues					
Local Sources	\$ 1,171,573	\$ 1,493,465	\$ 2,104,297	\$ 2,200,000	\$ -
State Sources	-	-	-	-	-
Federal Sources	-	-	-	-	-
Total Revenues	\$ 1,171,573	\$ 1,493,465	\$ 2,104,297	\$ 2,200,000	\$ -
Expenditures by Function					
Instruction	-	-	-	-	-
Staff Development	-	-	-	-	-
Instructional Leadership	-	-	-	-	-
School Leadership	-	-	-	-	-
Guidance & Counseling	-	-	-	-	-
Social Work	-	-	-	-	-
Health Services	-	-	-	-	-
General Administration	-	-	-	-	-
Plant Maintenance	-	-	16,195	-	-
Security & Monitoring	-	-	-	-	-
Data Processing	-	-	-	-	-
Community Services	-	-	-	-	-
School District Admin Support	693,790	1,072,172	1,154,954	1,451,133	-
Debt Service	-	-	-	-	-
Acquisition & Construction	-	-	-	-	-
Other Govt Charges	-	-	-	-	-
Total Expenditures	\$ 693,790	\$ 1,072,172	\$ 1,171,149	\$ 1,451,133	\$ -
Excess/(Deficiency) of Revenues Over/(Under)	\$ 477,783	\$ 421,293	\$ 933,148	\$ 748,867	\$ -
Other Financing Sources (Uses)					
Sale of Equipment	-	-	-	-	-
Sale of Bonds	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	477,783	421,293	933,148	748,867	-
Fund Balance, Beginning	-	-	-	-	-
Adjustment to Fund Balance	(477,783)	(421,293)	(933,148)	(748,867)	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -	\$ -

Note: This fund has been combined with fund 199 for FY13.

Harris County Department of Education
Expenditures by Function-Qualified Zone Academy Bonds (172)
For the Fiscal Year August 31, 2013

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Revenues					
Local Sources	\$ -	\$ -	\$ 7,109.00	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ 7,109	\$ -	\$ -
Expenditures by Function					
Instruction	358,125	340,399	-	-	-
Staff Development	-	-	-	-	-
Instructional Leadership	-	-	-	-	-
School Leadership	-	-	-	-	-
Guidance & Counseling	-	-	-	-	-
Social Work	-	-	-	-	-
Health Services	-	-	-	-	-
General Administration	-	500	-	-	-
Plant Maintenance	-	279,299	-	-	-
Security & Monitoring	-	-	-	-	-
Data Processing	-	-	-	-	-
Community Services	-	-	-	-	-
School District Admin Support	-	-	-	-	-
Debt Service	151,385	-	-	-	-
Acquisition & Construction	2,828,255	176,786	3,101,860	1,218,921	-
Other Govt Charges	-	-	-	-	-
Total Expenditures	\$ 3,337,765	\$ 796,984	\$ 3,101,860	\$ 1,218,921	\$ -
Excess/(Deficiency) of Revenues Over/(Under)	(3,337,765)	(796,984)	(3,094,751)	(1,218,921)	-
Other Financing Sources (Uses)					
Sale of Equipment	-	-	-	-	-
Sale of Bonds	8,437,326	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
(Uses)	8,437,326	-	-	-	-
Net Change in Fund Balances	5,099,561	(796,984)	(3,094,751)	(1,218,921)	-
Fund Balance, Beginning	-	5,099,561	4,302,577	1,207,826	-
Adjustment to Fund Balance	-	-	-	11,095	-
Fund Balance, Ending	\$ 5,099,561	\$ 4,302,577	\$ 1,207,826	-	-

Note:

1. These expenditures are QZAB bond funds that are pending utilization as of 8/31/11.
2. There are no new funds for FY2012.
3. This fund has been combined with fund 199 for FY13.

Harris County Department of Education
 Expenditures by Function-Retirement Leave Fund (190)
 For the Fiscal Year August 31, 2013

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Revenues					
Local Sources	\$ 17,126	\$ 17,126	\$ 1,556	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	-	-	-	-	-
Total Revenues	\$ 17,126	\$ 17,126	\$ 1,556	\$ -	\$ -
Expenditures by Function					
Instruction	-	-	-	-	-
Staff Development	-	-	-	-	-
Instructional Leadership	-	-	-	-	-
School Leadership	-	-	-	-	-
Guidance & Counseling	-	-	-	-	-
Social Work	-	-	-	-	-
Health Services	-	-	-	-	-
General Administration	183,530	65,515	261,983	100,000	-
Plant Maintenance	-	-	-	-	-
Security & Monitoring	-	-	-	-	-
Data Processing	-	-	-	-	-
Community Services	-	-	-	-	-
School District Admin Support	-	-	-	-	-
Debt Service	-	-	-	-	-
Acquisition & Construction	-	-	-	-	-
Other Govt Charges	-	-	-	-	-
Total Expenditures	\$ 183,530	\$ 65,515	\$ 261,983	\$ 100,000	\$ -
Excess/(Deficiency) of Revenues Over/(Under)	(166,404)	(48,389)	(260,427)	(100,000)	-
Other Financing Sources (Uses)					
Sale of Equipment	-	-	-	-	-
Sale of Bonds	-	-	-	-	-
Transfers In	50,000	50,000	-	-	-
Transfers Out	-	-	-	-	-
(Uses)	50,000	50,000	-	-	-
Net Change in Fund Balances	(116,404)	1,611	(260,427)	(100,000)	-
Fund Balance, Beginning	1,200,000	1,250,000	1,250,000	1,250,000	1,150,000
Adjustment to Fund Balance	166,404	(1,611)	260,427	-	-
Fund Balance, Ending	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,150,000	\$ 1,150,000

Note:

This fund has been combined with fund 199 for FY13.

**Harris County Department of Education
Statement of Revenues by Source, Expenditures by Classification All General Funds (100-199)**

	2011-2012 Projected	2012-2013 Proposed	Increase/ (Decrease)	% Change
REVENUES & OTHER RESOURCES				
Revenues				
Customer Fees/Charges	\$ 21,599,002	\$ 21,614,319	\$ 15,317	0%
Property Tax Revenues-Current	17,542,882	18,029,516	486,634	3%
Tax Revenues-Delinquent, P&I	380,500	390,500	10,000	3%
Investment Earnings	30,000	20,000	(10,000)	-50%
Local Grants	28,000	18,670	(9,330)	-50%
Other Local Revenues	466,402	170,794	(295,608)	-173%
Foundation Schools Program Compensation	320,000	320,000	-	0%
TEA State Health Insurance	648,508	588,000	(60,508)	-100%
TRS State Matching	1,650,000	1,600,000	(50,000)	-3%
Federal Indirect Cost from Grants	2,224,818	2,333,448	108,630	5%
Total Revenues:	\$ 44,890,112	\$ 45,085,247	\$ 195,135	0.43%
EXPENDITURES & OTHER USES				
Expenditures				
6100-Payroll Costs	\$ 27,220,407	\$ 27,832,421	\$ 612,014	2%
6200-Professional & Contracted Services	4,384,551	4,275,660	(108,891)	-3%
6300-Materials & Supplies	1,943,221	1,886,081	(57,140)	-3%
6400-Other Operating Costs	7,320,014	7,359,330	39,316	1%
6600 & 6800-Capital Purchases	2,066,753	1,449,848	(616,905)	-100%
Total Expenditures	\$ 42,934,946	\$ 42,803,340	\$ (131,606)	0%
Excess /(Deficiency) of Revenues Over /(Under) Expenditures	1,955,166	2,281,907	326,741	-100%
Other Financing Sources (Uses)				
Transfer In-Retirement Leave Fund 190	-	-	-	0%
Transfers Out-8900	(3,999,210)	(3,726,907)	272,303	<1%
Total Other Financing Sources (Uses)	(3,999,210)	(3,726,907)	272,303	-7%
Net Change in Fund Balance	(2,044,044)	(1,445,000)	599,044	
Projected Fund Balance Beginning	19,225,734	17,181,690		
Projected Fund Balance Ending	\$ 17,181,690	\$ 15,736,690		

Harris County Department of Education
Statement of Revenues-All General Funds (100-199)
For the Fiscal Year August 31, 2013, with Comparative Data for Prior Years

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Revenues					
Customer Fees/Charges	\$ 19,306,732	\$ 20,690,182	\$ 21,866,639	\$ 21,599,002	\$ 21,614,319
Property Tax Revenue-Current	16,565,959	16,908,445	17,150,614	17,542,882	18,029,516
Tax Revenue-Delinquent, P&I	-	240,716	893,570	380,500	390,500
Investment Earnings	169,860	43,586	29,842	30,000	20,000
Local Grants	87	36,250	43,836	28,000	18,670
Indirect Cost from Local Grants	657,114	29,103	41,045	-	-
Other Local Revenues	15,066	124,843	296,429	466,402	170,794
Total Local Sources	\$ 36,714,818	\$ 38,073,125	\$ 40,321,975	\$ 40,046,786	\$ 40,243,799
State TEA Supplemental Compensation	682,231	326,950	337,438	320,000	320,000
State TEA Employee Portion Health Ins	383,952	542,640	544,383	648,508	588,000
State TRS On Behalf Matching	1,715,411	1,747,097	1,957,430	1,650,000	1,600,000
Total State Sources	\$ 2,781,594	\$ 2,616,687	\$ 2,839,251	\$ 2,618,508	\$ 2,508,000
Indirect Cost from Federal Grants	2,134,164	2,256,357	2,276,822	2,224,818	2,333,448
Total Federal Sources	\$ 2,134,164	\$ 2,256,357	\$ 2,276,822	\$ 2,224,818	\$ 2,333,448
Other Financing Sources (Uses)					
Transfer In-Retirement	-	50,000	-	-	-
Insurance Claim Recovery	-	-	-	-	-
Transfer In-Agency Fund	940	-	-	-	-
Maintenance Tax Notes Proceeds	2,000,000	-	-	-	-
QZAB Bond Proceeds	6,437,326	-	-	-	-
Total Other Financing Sources (Uses)	8,438,266	50,000	-	-	-
Total Revenues	\$ 50,068,842	\$ 42,996,169	\$ 45,438,048	\$ 44,890,112	\$ 45,085,247

DEBT SERVICE FUND

The Debt Service Fund is a governmental fund type, with budgetary control, that must be used to account for general long-term debt principal and interest for debt issues and other long-term debts for which a tax has been dedicated. A separate bank account must be kept for this fund. Principal and interest payments for operating indebtedness, including warrants, notes, and short-term lease-purchase agreements, are to be made from the fund for which the debt was incurred. This fund utilizes the modified accrual basis of accounting.

DEBT MANAGEMENT POLICIES

Harris County Department of Education has managed its debt by maintaining a conservative approach to financing and refunding of debt instruments. All previous bonds have been financed and savings in interest have realized. The Department via policy has maintained a debt service fund balance equal to 0% of the average principal and interest because there is no long term debt payable by the interest and sinking tax rate. All current debt is paid from the maintenance and operations taxes and annual revenue contracts.

Type of Debt

- Public Facility Corporation Bonds (PFC): Contractual obligations are issued to finance the capital requirements of the department. Contractual obligations are issued at parity with general obligation bonds, but carry a secondary revenue stream pledge. This debt can be issued without a vote of the citizens.
- Qualified Zone Academy Bond (QZAB): The QZAB is for the purpose of paying all or a portion of the Department's costs incurred in connection with the repair, rehabilitation, renovation, and replacement of school facilities at the Qualified Zone Academies.

Method of Sale

The Department uses a combination of competitive bidding process and a negotiation process in the sale of bonds. The notice of sale is carefully constructed to ensure the best possible value for the Department, considering the existing market conditions and other prevailing factors. Parameters to be examined include:

- Limits between lowest and highest coupons
- Coupon requirements relative to the yield curve
- Method of underwriter compensation, discount or premium coupons
- Use of bond insurance
- Deep discount bonds
- Variable rate bonds
- Call provisions

Currently, the District has approximately \$29.5 million in debt of which \$21,452,348 is mid term debt in the form of Public Finance Corporation (PFC) and \$8,001,225 Qualified Zone Academy Bonds (QZAB). All of these debt payments are paid from maintenance and operations taxes in general fund and revenue contracts.

Federal Requirements

The District complies with arbitrage rebate and other federal requirements.

Bond Ratings

Bond ratings directly affect the cost of debt. The Department's fiscal policies call for the maintenance of high bond ratings in order to minimize the cost of debt. HCDE's bonds currently have the following rating:

Moody's

QZAB Maintenance Tax Notes	Aa1
PFC Maintenance Tax Notes	Aa1

LEGAL DEBT MARGIN

Debt margin, sometimes referred to as borrowing power, is the difference between the amount of debt limit calculated as prescribed by law and the net amount of outstanding indebtedness subject to limitation. The computation of the District's legal debt margin, as established by State Statutes, as of August 31, 2011, is as follows:

Assessed Valuation of 2012 Tax Roll (3)	\$281,905,401,158
Debt Limit- 10 Percent of Assessed Valuation (1)	28,190,540,116
Less:	
General Obligation Bonds Outstanding at Aug. 31, 2011	\$0
Amount Available in Debt Service Fund Bal. at Aug. 31, 2011	<u>0</u>
Applicable Debt	<u>\$0</u>
Legal Debt Margin at Aug. 31, 2011	<u><u>\$28,190,540,116</u></u>

Note:

- (1) This percentage is in accordance with the recommendation of the Texas Education Agency as stated in FASRG version 14.0.
- (2) Harris County Department of Education does not have a tax rate for debt service. A transfer is made from the maintenance & operations tax reserve to fund the required debt service payment.
- (3) Using estimate of taxable value received from Harris County Appraisal District on 4/26/12.

LONG TERM DEBT PAYMENT REQUIREMENTS

In January 2006, Harris County Department of Education Public Facility Corporation issued lease revenue bonds, Series 2006A, 2006B, and 2006C. Debt Service requirements of general obligation bonds are payable solely from future revenues consisting of school contracts. Effective interest rates range from 3.50% to 5.75%.

Public Facility Corporation			
Years Ended	Totals		
August 31	Principal	Interest	Requirements
2013	1,170,000	791,169	1,961,169
2014-2018	6,630,000	3,128,061	9,758,061
2019-2023	8,525,000	1,208,118	9,733,118
Totals:	<u>\$16,325,000</u>	<u>\$5,127,348</u>	<u>\$21,452,348</u>

In April 2009, Harris County Department of Education issued Qualified Zone Academy Bonds,

series 2009A and 2009B. The QZAB program allows school districts to obtain interest-free financing for the purpose of establishing ‘qualified zone academies’. The QZAB are set up to deposit annual payments in the amount of \$451,429 in order to pay the debt by FY2023. Below are the payment requirements for the QZAB bonds.

Maintenance Tax Notes, Taxable Series 2009A

Years Ended	Totals		
August 31	Principal	Interest	Requirements
2010-2022	\$ -	\$ -	\$ -
2023	6,320,000	-	6,320,000
Totals:	<u>\$6,320,000</u>	<u>\$ -</u>	<u>\$6,320,000</u>

Maintenance Tax Notes, Taxable Series 2009B

Years Ended	Totals		
August 31	Principal	Interest	Requirements
2013	190,000	50,300	240,300
2014	195,000	44,525	239,525
2015	200,000	38,600	238,600
2016	210,000	31,400	241,400
2017	220,000	22,800	242,800
2018	225,000	13,900	238,900
2019	235,000	4,700	239,700
Totals:	<u>\$1,475,000</u>	<u>\$206,225</u>	<u>\$1,681,225</u>

For Fiscal Year 2012-2013 and beyond, HCDE does not have plans to issue any long term debt or bonds.

HARRIS COUNTY DEPARTMENT OF EDUCATION
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES-BY TYPE-
TO GENERAL GOVERNMENTAL FUNDS EXPENDITURES
LAST TEN FISCAL YEARS
(UNAUDITED)

Year Ended August 31	Principal and Interest			Total Debt Expenditures	Governmental Funds (a) Expenditures	Ratio of Bonded Debt Expenditures to Governmental Funds Expenditures
	Lease Revenue Bond Indebtedness	Loans	Capital Acquisition Program			
2013	\$ 2,652,898	\$ -	\$ -	\$2,652,898	\$93,340,498	2.84%
2012	2,654,423	-	-	2,654,423	94,046,373	2.82%
2011	2,653,998	-	-	2,653,998	88,746,749	2.99%
2010	2,652,474	-	-	2,652,474	84,895,196	3.12%
2009	2,119,339	-	-	2,119,339	86,031,097	2.46%
2008	1,963,599	-	-	1,963,599	76,529,396	2.57%
2007	1,965,764	-	-	1,965,764	82,038,757	2.40%
2006	701,870	-	1,144,648	1,846,518	86,148,498	2.14%
2005	803,462	-	1,141,264	1,944,726	71,553,825	2.72%
2004	800,475	-	1,135,277	1,935,752	67,705,405	2.86%

CAPITAL PROJECTS FUND (PFC)

The capital projects fund is a governmental fund type, with budgetary control, that must be used to account, on a project basis, for projects financed by the proceeds from the bond issues, or for capital projects otherwise mandated to be accounted for in this fund. The capital projects fund utilizes the modified accrual basis of accounting.

FUNDING SOURCES OF CAPITAL PROJECTS

PFC – Public Facilities Corporation In January 2006, the Harris County Department of Education Public Facility Corporation issued \$22.6 million in lease revenue bonds (Series 2006A, 2006B, 2006C) to fund the purchase and renovation of a facility for administrative offices, meeting rooms, a warehouse, records storage, and printing; and the construction of new Academic and Behavior Center and Highpoint schools. Bond money will also be spent on furnishing and equipping the new facilities. The Harris County Department of Education Public Facility Corporation (PFC) meets the criteria set out by GASB 39 and has been included as a blended component unit in the financial statements of Harris County Department of Education. The PFC, although a legally separate entity, is, in substance, part of the Department's operations and its purpose is to finance the Department's construction and building acquisition needs, therefore, the PFC is reported as a capital projects fund. Debt Service requirements of lease bonds are payable solely from future revenues consisting of school contracts. These bonds are issued as 3 through 17 year lease revenue bonds with various amounts of principal maturing each year.

Capital Expenditures are funds committed for improving facilities or for the construction of new facilities. Capital expenditures also include costs of maintenance and operations on facilities and are financed through various funds depending on available funding. Among the funds include the following:

- PFC Fund – capital expenditures are funded through this fund when a new bond is issued and committed for make capital expenditures
- Local Construction Fund – capital expenditures are funded on a pay as you go basis and funded from excess general funds. These projects and capital expenditures are appropriated annually.
- Facilities Fund – capital expenditures are funded on a pay as you go basis and funded from facilities charges allocated to all divisions. These projects and capital expenditures are appropriate annually.
- QZAB Fund – capital expenditures are funded on QZAB bonds issued for equipment and renovation. These projects are initiated depending on available revenues to pay back the bonds issued.

Capital Expenditures in the PFC Fund (699 – not appropriated) Capital expenditures for HCDE have been included in the PFC fund for prior years. For Fiscal year 2012-2013, no capital expenditures are projected in the PFC Fund since bonds are not expected to be sold in this year.

Impact of capital expenditures to general fund for completed projects from PFC Fund from FY 2012-2013.

In the past, the PFC has funded various projects through the PFC Fund using Maintenance Tax Notes supported by maintenance and operations taxes of the General Fund. For FY13, there are not planned projects for the PFC.

Harris County Department of Education
 Combined Statement of Revenues and Expenditures-PFC
 For the Fiscal Year August 31, 2013

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Revenues					
Local Sources	\$ 7,389	\$ 478	\$ 143	\$ 173	\$ 173
State Sources	-	-	-	-	-
Federal Sources	-	-	-	-	-
Total Revenues	\$ 7,389	\$ 478	\$ 143	\$ 173	\$ 173
Expenditures by Function					
Construction	\$ 3,848,481	\$ 465,929	\$ -	\$ -	\$ -
Total Expenditures	\$ 3,848,481	\$ 465,929	\$ -	\$ -	\$ -
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3,841,092)	(465,451)	143	173	173
Other Financing Sources (Uses)					
Transfers In	126,482	-	2,788	-	-
Donated Property	-	-	-	-	-
Transfers Out	(186,738)	(347)	(2,924)	(166)	(166)
(Uses)	(60,256)	(347)	(136)	(166)	(166)
Net Change to Fund Balance	(3,901,348)	(465,798)	7	7	7
Projected Fund Balance-Beginning	5,415,717	1,514,369	1,048,571	1,048,578	1,048,585
Prior Period Adjustment	-	-	-	-	173
Projected Fund Balance-Ending	\$ 1,514,369	\$ 1,048,571	\$ 1,048,578	\$ 1,048,585	\$ 1,048,765

(1) HCDE does not have a tax rate for debt service. A transfer is made from the Maintenance & Operations tax reserve to fund the required debt service payment.

(2) Remaining funds in the PFC are in reserve for the repayment of PFC outstanding bonds.

INTERNAL SERVICE FUND

The Department's Proprietary Fund consists of the Internal Service Fund. The Internal Service Fund consists of two funds: the Worker's Compensation Fund and the Facilities Support Charges.

For the Worker's Compensation Fund, the Department continues to participate in a partially self-funded pool, originally approved by the Board in fiscal year 2005. Claims administration, loss control, and consultant services are provided for by a third-party administrator for run-off claims from a self-insurance plan. The Department established an internal service fund, (Workers' Compensation Fund), to account for the claims. The pool obtained stop loss insurance which limits annual claims paid liability to \$250,000 for any individual claim before the stop loss coverage begins, and aggregate fiscal year limit of \$1,000,000.

The Internal Service Fund also includes the Facilities Support Charges (799). The charges consist of facilities support charges that are that are divided among the divisions based on square footage. The charges include the costs of maintaining the facilities, to include, but not limited to maintenance payroll, utilities, contracted services, and supplies associated with the upkeep of the buildings and grounds.

Harris County Department of Education

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Fund
For the Fiscal Year August 31, 2013

Workers Compensation Fund

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Operating Revenues					
Inter-Departmental Revenues	\$ 454,597	\$ 464,082	\$ 314,079	\$ 464,082	\$ 464,082
Total Operating Revenues	\$ 454,597	\$ 464,082	\$ 314,079	\$ 464,082	\$ 464,082
Operating Expenses					
Payroll	\$ 354,804	\$ 299,210	\$ 213,053	\$ 410,000	\$ 410,000
Contracted Services	60,468	58,259	41,468	54,082	54,082
Supplies and Materials	-	-	-	-	-
Miscellaneous Operating Costs	-	-	-	-	-
Total Operating Expenses	\$ 415,272	\$ 357,469	\$ 254,521	\$ 464,082	\$ 464,082
Change in Net Assets	39,325	106,613	59,558	-	-
(1) Fund Balance Beginning	526,495	565,821	672,434	731,992	731,992
Prior Period Adjustment	-	-	-	-	-
Fund Balance Ending	\$ 565,820	\$ 672,434	\$ 731,992	\$ 731,992	\$ 731,992

(1) The fund balance for the Worker's Compensation Fund is categorized as assigned in accordance with GASB 54.

Harris County Department of Education

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets -Internal Service Fund
For the Fiscal Year August 31, 2013

Facilities Support Services Fund

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Operating Revenues					
Inter-Departmental Revenues	\$ 5,411,468	\$ 5,111,154	\$ 5,035,763	\$ 5,705,301	\$ 5,666,074
Total Operating Revenues	\$ 5,411,468	\$ 5,111,154	\$ 5,035,763	\$ 5,705,301	\$ 5,666,074
Operating Expenses					
Payroll	\$ 2,057,768	\$ 2,103,572	\$ 2,154,049	\$ 2,426,876	\$ 2,323,928
Contracted Services	2,223,000	1,900,366	1,839,957	2,210,672	2,205,512
Supplies and Materials	420,013	384,219	369,497	454,653	469,034
Miscellaneous Operating Costs	620,965	605,983	564,824	613,100	667,600
Capital Outlay	89,722	117,014	107,436	-	-
Total Operating Expenses	\$ 5,411,468	\$ 5,111,154	\$ 5,035,763	\$ 5,705,301	\$ 5,666,074
Change in Net Assets	-	-	-	-	-
Total Net Assets -Beginning	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-
Projected Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -	\$ -

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal financial assistance often is accounted for in a Special Revenue Fund. In most Special Revenue Funds, unused balances are recorded as deferred revenue and carried forward to the succeeding fiscal year, provided the amount carried forward is within the limits established by the grantor. In some cases, the unused balances are returned to the grantor at the close of specified project periods. The District budgets for Special Revenue Funds and uses project accounting for them in order to maintain integrity for the various sources of funds. These funds utilize the modified accrual basis of accounting and budgeting.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources which are legally restricted to expenditures for specific purposes. Listed in Alphabetical Order:

21st Century Community Learning Centers (CLC)

Accounts, on a project basis, for federal funds granted to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related educational development for families of students. This is a shared services arrangement program.

Adult Basic Education (ABE) Program

Accounts, on a project basis, for state and federal funds granted to provide or support programs for adult education and literacy services to adults who are beyond compulsory school age attendance and do not have a high school diploma, or lack sufficient mastery of basic educational skills to function effectively in society, or are unable to speak, read or write the English language; and are not enrolled in school. Separate accountability must be maintained for each section listed below:

- Federal ABE Regular
- State ABE Regular
- Federal ABE Institutional
- Federal English Literacy & Civics Education
- Federal ABE Adult Technical Training
- Federal Temporary Assistance for Needy Families (TANF)
- State Temporary Assistance for Needy Families (TANF)

AmeriCorps

Accounts for federal funds from the OneStar foundation to fund volunteers working with the CASE After School Program teaching the Kid's Day curriculum.

Early Childhood Intervention (ECI) Keep Pace

Accounts for special education-related grant that serves children aged 0-3 with medical conditions with a high probability of delay, with atypical development, developmental delay or at-risk for delay. These combined federal and state funds that flow through the State of Texas Department of Assistive and Rehabilitative Services. Separate accountability must be maintained for the sections listed below:

- State/Federal ECI Keep Pace
- Local ECI Maintenance of Effort

Head Start (HS) Program

Accounts, on a project basis, for federal funds from the U. S. Department of Health and Human Services, in addition to other grant sources listed below, for which separate accountability is required:

- Head Start Grant
- USDA Child and Adult Care Food Program
- HS Teacher Training and Technical Assistance
- Local In-Kind Funds for local matching funds accountability

Houston Endowment

Accounts for local funds from the Houston Endowment for the after school partnership program (CASE).

Science

Accounts for local grant from the Education Foundation of Harris County.

Texas LEARNS

Accounts for an administrative services contract with the Texas Education Agency for leadership and professional and curriculum development for the State-wide adult education program. HCDE must maintain separate accountability for the sections listed below:

- Adult Education Program Administration
- Program Improvement
- Even Start-Program Improvement

Texas Virtual School Network (TxVSN)

Accounts for a contract with Education Service Center (ESC) Region 10 to provide online courses for Texas students. TxVSN Harris County Department of Education was awarded Central Operations of the TxVSN to establish communication efforts to facilitate the delivery of online courses and provide information to stakeholders.

Harris County Department of Education

Combined Schedule of Revenues, Expenditures, and Changes in Fund Balance -Special Revenue Funds

For the Fiscal Year August 31, 2013

	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Projected	2012-2013 Proposed
Revenues					
Local Sources	\$ 5,830,451	\$ 4,362,550	\$ 4,264,378	\$ 4,488,345	\$ 2,944,263
State Sources	4,090,242	4,010,025	2,940,919	4,974,354	5,764,627
Federal Sources	34,515,996	31,383,500	36,660,949	30,096,339	29,689,298
Total Revenues	\$ 44,436,689	\$ 39,756,075	\$ 43,866,246	\$ 39,559,038	\$ 38,398,188
Expenditures					
Adult Education	3,986,148	3,916,868	3,962,148	4,261,000	4,289,922
Center for Safe & Secure Schools (CSSS)	-	-	-	-	-
Cooperative for After School Enrichment (CASE)	11,901,657	6,627,640	7,914,111	8,885,320	7,710,399
Digital Learning & Instructional Support	700,000	-	1,230,420	42,381	2,410,000
Head Start (HS) (1)	18,731,206	18,746,306	20,077,515	14,290,855	13,918,157
Instructional Support Services	131,748	-	-	-	-
Special Education Related Services	8,488,385	9,623,481	9,641,233	9,608,663	7,879,884
Texas LEARNS	1,716,567	1,716,567	1,915,606	1,915,606	3,263,835
Texas Virtual Schools Network (TxVSN)				2,000,000	-
Total Expenditures:	\$ 45,655,711	\$ 40,630,862	\$ 44,741,033	\$ 41,003,825	\$ 39,472,197
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(1,219,022)	(874,787)	(874,787)	(1,444,787)	(1,074,009)
Other Financing Sources					
Transfers In	1,219,022	874,787	874,787	1,444,787	1,074,009
Total Other Financing Sources (Uses):	1,219,022	874,787	874,787	1,444,787	1,074,009
Net Change in Fund Balance	-	-	-	-	-
Fund Balance-Beginning	-	-	-	-	-
Fund Balance-Ending	-	-	-	-	-

(1) There is an overlap in grant years and the Head Start Fund includes a total of both grant awards. The 12 month calendar year HS grant is approximately \$12 million.

Harris County Department of Education

Combined Schedule of Revenues, Expenditures, and Changes in Fund Balance -Special Revenue Funds

For the Fiscal Year August 31, 2013

	Federal ABE Regular	Federal ESL/Civics	State ABE Regular	Federal TANF	Federal Citizenship
Revenues					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	715,531	-	-
Federal Sources	3,220,000	93,867	-	129,245	27,982
Total Revenues:	\$ 3,220,000	\$ 93,867	\$ 715,531	\$ 129,245	\$ 27,982
Expenditures					
Adult Education (ABE)	\$ 3,220,000	\$ 93,867	\$ 715,531	\$ 129,245	\$ 27,982
Center for Safe & Secure Schools (CSSS)	-	-	-	-	-
Cooperative for After School Enrichment (CASE)	-	-	-	-	-
Digital Learning & Instructional Support	-	-	-	-	-
Head Start (HS)	-	-	-	-	-
Instructional Support Services	-	-	-	-	-
Special Education Related Services	-	-	-	-	-
Texas LEARNS	-	-	-	-	-
Debt Service	-	-	-	-	-
Total Expenditures:	3,220,000	93,867	715,531	129,245	27,982
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	-	-	-	-
Other Financing Sources					
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-	-
Net Change in Fund Balance	-	-	-	-	-
Fund Balance-Beginning	-	-	-	-	-
Fund Balance-Ending	\$ -	\$ -	\$ -	\$ -	\$ -

Texas Workforce Commission	State TANF	Partnership After School	Americorps	Federal 21st Century-Cycle 5
\$ -	\$ -	\$ -	\$ -	\$ -
-	65,810	-	-	-
37,487	-	1,923,130	396,150	1,384,506
\$ 37,487	\$ 65,810	\$ 1,923,130	\$ 396,150	\$ 1,384,506
\$ 37,487	\$ 65,810	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	2,473,917	396,150	1,384,506
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
37,487	65,810	2,473,917	396,150	1,384,506
-	-	(550,787)	-	-
-	-	550,787	-	-
-	-	550,787	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

Harris County Department of Education

Combined Schedule of Revenues, Expenditures, and Changes in Fund Balance -Special Revenue Funds

For the Fiscal Year August 31, 2013

	Federal 21st Century-Cycle 6	Federal 21st Century-Cycle 7	Digital Learning	Federal ECI
Revenues				
Local Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	1,015,225
Federal Sources	1,325,161	2,130,665	-	2,521,658
Total Revenues	\$ 1,325,161	\$ 2,130,665	\$ -	\$ 3,536,883
Expenditures				
Adult Education (ABE)	\$ -	\$ -	\$ -	\$ -
Center for Safe & Secure Schools (CSSS)	-	-	-	-
Cooperative for After School Enrichment (CASE)	1,325,161	2,130,665	-	-
Digital Learning & Instructional Support	-	-	-	-
Head Start (HS)	-	-	-	-
Instructional Support Services	-	-	-	-
Special Education Related Services	-	-	-	3,536,883
Texas LEARNS	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures:	1,325,161	2,130,665	-	3,536,883
Excess (Deficiency) of Revenues				
Over/(Under) Expenditures	-	-	-	-
Other Financing Sources				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance-Beginning	-	-	-	-
Fund Balance-Ending	\$ -	\$ -	\$ -	\$ -

Local ECI	Federal Head Start	Federal Head Start Training Funds	Federal Head Start Healthy Living	Federal Head Start ARRP
\$ 116,009	\$ -	\$ -	\$ -	\$ -
1,558,061	-	-	-	-
2,344,931	10,795,205	95,476	-	-
\$ 4,019,001	\$ 10,795,205	\$ 95,476	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	10,994,427	95,476	-	-
-	-	-	-	-
4,343,001	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,343,001	10,994,427	95,476	-	-
(324,000)	(199,222)	-	-	-
324,000	199,222	-	-	-
324,000	199,222	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

Harris County Department of Education

Combined Schedule of Revenues, Expenditures, and Changes in Fund Balance -Special Revenue Funds

For the Fiscal Year August 31, 2013

	Local Head Start	State Texas Virtual Schools Network	Texas Learns	Total Special Revenue Funds
Revenues				
Local Sources	\$ 2,828,254	\$ -	\$ -	\$ 2,944,263
State Sources	-	2,410,000	-	5,764,627
Federal Sources	-		3,263,835	29,689,298
Total Revenues	\$ 2,828,254	\$ 2,410,000	\$ 3,263,835	\$ 38,398,188
Expenditures				
Adult Education	\$ -	\$ -	\$ -	\$ 4,289,922
Center for Safe & Secure Schools (CSSS)	-	-	-	-
Cooperative for After School Enrichment (CASE)	-	-	-	7,710,399
Digital Learning & Instructional Support	-	2,410,000	-	2,410,000
Head Start	2,828,254	-	-	13,918,157
Instructional Support Services	-	-	-	-
Special Education Related Services	-	-	-	7,879,884
Texas LEARNS	-	-	3,263,835	3,263,835
Debt Service	-	-	-	-
Total Expenditures:	2,828,254	2,410,000	3,263,835	39,472,197
Excess (Deficiency) of Revenues				
Over/(Under) Expenditures	-	-	-	(1,074,009)
Other Financing Sources				
Transfers In	-	-	-	1,074,009
Total Other Financing Sources (Uses):	-	-	-	1,074,009
Net Change in Fund Balance	-	-	-	-
Fund Balance-Beginning	-	-	-	-
Fund Balance-Ending	\$ -	\$ -	\$ -	\$ -

MAJOR REVENUE ASSUMPTIONS

A variety of demographic, economic and tax information impact assumptions made during the budget process. Business Support Services prepares annual budgets to forecast the financial status of the department. It is imperative that assumptions be made to accurately forecast our financial position. The chart below shows the percentage breakdown by revenue source.

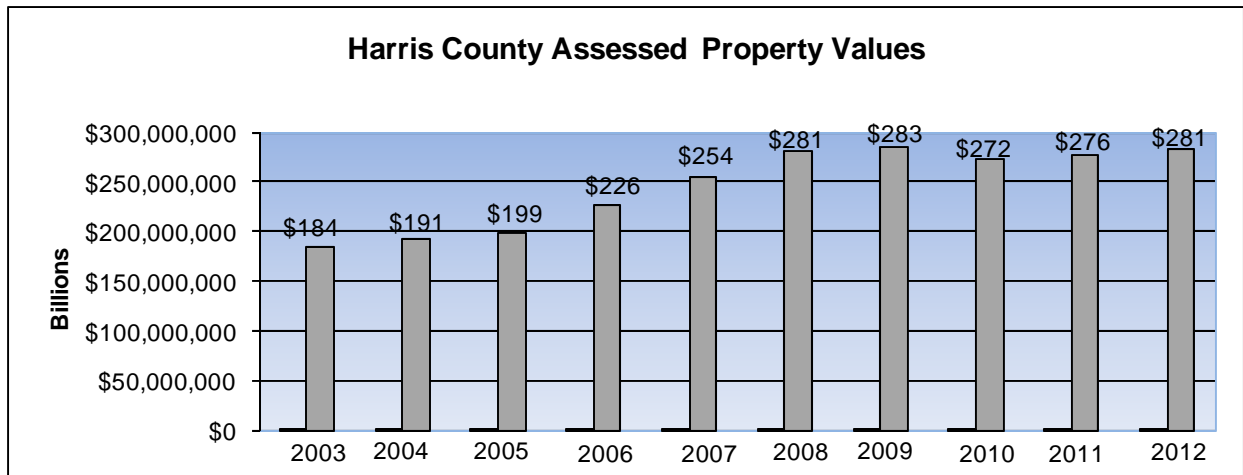
	A	C	D	E
	Adopted Budget 2011-2012	Amended Budget 2011-2012	Proposed Budget 2012-2013	Percent Change (1)
Customer fees	\$ 21,935,221	\$ 21,599,002	\$ 21,803,783	0.9%
Tax revenues (2)	17,923,382	17,923,382	18,420,016	2.8%
Indirect costs	1,939,637	2,189,422	2,171,448	-0.8%
State matching	1,988,000	2,653,904	2,508,000	-5.5%
Other	432,502	524,402	182,000	-65.3%

Customer Fees/Charges

The Department has assumed a 0.9% decrease of \$131,438 in customer fees from \$21,599,002 in 2011-2012 in the Amended Budget to \$21,803,783 for FY2012-2013. The customer fees are received from school districts that use HCDE services. Since the Department contracts with school districts, the current economy will have an effect on the revenues. Each division had contract talks or negotiations with their customers and made conservative, but achievable customer fee revenue assumptions.

Taxable Value

The Department has chosen to make a conservative assumption regarding the taxable value of property in Harris County. Current appraisal district values were used in the early stages of the planning process. During the budget process we received updated information that for fiscal year 2012-2013, the projected property values increased by 2% including values under protest; the tax revenues were updated to reflect the 2% growth. The graph below shows the fluctuations in taxable values for the last ten years.



Tax Rate

The tax rate for 2012-2013 is proposed to be \$0.006581 per \$100 valuation. The Effective Tax Rate (same as proposed) is calculated by the Harris County Appraisal District (HCAD) and validated by HCDE. The tax collections ratio also remains constant at 97%.

TRENDS AND FORECASTS

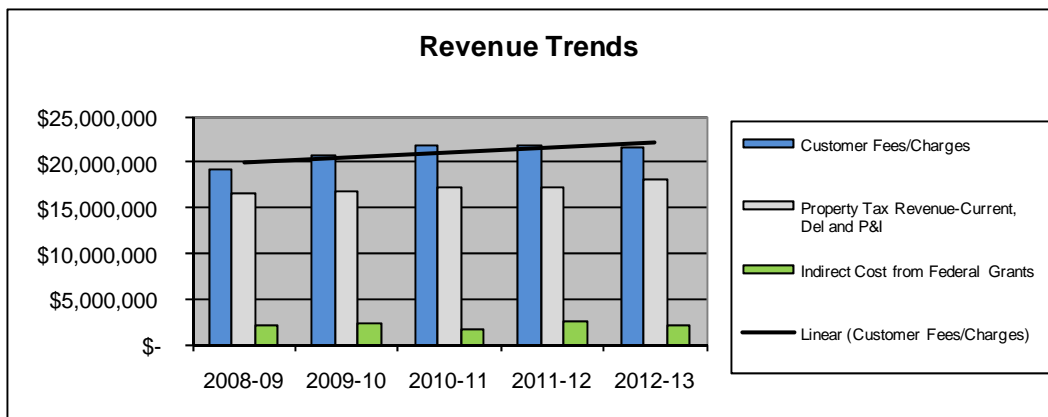
Business Support Services prepares annual budgets to forecast the financial position of the department. Monthly updates are prepared in the format of unaudited financial statements to monitor the department's financial position. These monthly updates include the following:

- Revenue Updates
 - General Funds
 - Special Revenue Funds
 - Debt Service Fund
 - Tax Collections & Property Values
- Expenditure Updates
 - Fund Balance Status
 - Health Insurance and other Benefits
 - Payroll
- Operational Reports
 - Workers Compensation Self Insurance Fund
 - Local Construction Fund
 - General Funds Budget Detail
 - Internal Service Fund
 - Trust & Agency Fund

The Department's top three revenue sources are:

1. Customer Fees/Charges,
2. Property Tax Revenues and
3. Indirect Costs from federal grants.

The chart below shows that the Department has sustained its top three revenue sources even in the economic downturn. A slight drop in Customer Fees was experienced in FY2012.



2013 Property Tax Revenue Estimate

- Process used to calculate the estimated tax revenues
- Revenues used to prepare the FY 2012-13 Budget

(1) CALCULATE ESTIMATED CURRENT TAX REVENUE:

HCAD 2012 Interim Tax Estimate (using report dated 4-26-12):	\$ 281,905,401,158	
a) Estimated no change in appraised values:	281,905,401,158	
b) Divide (a) by 100	2,819,054,012	
c) Multiply (b) by tax rate \$0.006581	18,553,604	
d) Adjust (c) for historical collection rate of 97%	17,996,996	
FY 2012-13 Estimated Current Tax Revenues:		\$ 18,029,516

(2) TOTAL ESTIMATED TAX REVENUE, ADD:

a) FY 2012-13 Estimated Current Tax Revenues:	\$ 18,029,516
b) Estimated Delinquent Tax collections:	250,000
c) Estimated Penalty & Interest collections:	130,500
d) Estimated Special Assessments collections:	10,000
Total Estimated Tax Collection for FY 2012-13:	\$ 18,420,016

ASSUMPTIONS:

- (1) 97% is the historical average for Current Tax collections; in addition, Delinquent and P&I collections combine to make total tax collections >100% budgeted.
- (2) In preparing the budget, HCDE used total estimate of \$390,500 for Delinquent Tax, P&I and Special Tax Assessments collections.
- (3) The Harris County Tax Office (HCTO) collects tax revenues for HCDE. A 2.75% fee is deducted by HCTO before the net revenue is sent to HCDE. Collection fees are estimated at \$365,000. An offsetting amount is recognized in an expenditure account in Department Wide budget.
- (4) The Harris County Appraisal District (HCAD) appraises property and hears appraisal protests on behalf of HCDE. For these services, HCAD charges HCDE a quarterly fee based on HCDE percentage of the total appraisals for Harris County. Appraisal fees are estimated at \$155,000.

**HARRIS COUNTY DEPARTMENT OF EDUCATION
Revenue Analysis FY 2013**

	1	2	3	4	5	6
REVENUES-CUSTOMER FEES	<u>FY2013 Budget</u>	<u>FY2012 Original Budget</u>	<u>FY2012 Amended Budget</u>	AMOUNT FY2013 OVER/UNDER FY2012 Approved	(b) ACTUAL through 2/28/12	% REALIZED (a) / (b)
Alternative Teacher Certification	212,000	147,000	147,000	65,000	84,543	58%
* Business Support Services	2,200	2,200	-	-	1,300	100%
* Center for Safe & Secure Schools	631,500	832,400	948,844	(200,900)	269,022	28%
Center for School Governance & Fiscal A	12,500	12,500	12,500	-	11,800	94%
* CASE Local	47,420	37,500	37,500	9,920	8,433	22%
Client Development	-	-	-	-	160	0%
ECI Keep Pace Local	-	2,500	2,500	(2,500)	-	0%
Facilities-Choice Facility Partners	2,300,000	2,200,000	2,200,000	100,000	627,437	29%
Instructional Support Services:	-					
Bilingual Education	144,500	144,500	144,500	-	35,975	25%
Digital Learning	170,000	186,000	186,000	(16,000)	29,155	16%
Division Wide	134,000	60,000	148,400	74,000	33,921	23%
* EC Winter Conference	195,000	218,000	218,000	(23,000)	87,740	40%
English Language Arts	87,000	82,000	82,000	5,000	53,502	65%
Math	48,000	36,000	36,000	12,000	47,226	131%
* Prof Development	29,000	33,000	33,000	(4,000)	100	0%
Science	86,000	86,000	66,000	-	19,055	29%
Social Studies	76,000	55,000	55,000	21,000	29,800	54%
Speaker Series	30,000	30,000	30,000	-	(6,987)	-23%
Special Education	30,000	30,000	30,000	-	21,460	72%
Purchasing Gulf Coast Food Cooperative	650,000	650,000	650,000	-	590,438	91%
* Purchasing Cooperative	550,500	444,000	444,000	106,500	244,394	55%
Research Institute of Texas	46,500	22,100	22,100	24,400	17,000	77%
* Resource Development-Texas Ctr Grant	96,000	71,000	71,000	25,000	78,235	110%
* Scholastic Arts & Writing Program	14,000	8,000	8,000	6,000	11,915	149%
ABC-East	1,835,500	1,858,500	1,858,500	(23,000)	1,696,850	91%
ABC-West	1,867,300	1,943,100	1,943,100	(75,800)	1,760,300	91%
Highpoint-East	1,969,500	2,150,000	2,150,000	(180,500)	1,932,760	90%
Highpoint-North	1,286,300	1,152,000	1,152,000	134,300	1,107,720	96%
* Technology-Records Management Serv	1,486,450	1,370,762	1,370,762	115,688	668,410	49%
Technology Support Services	122,100	16,000	16,000	106,100	825	5%
Therapy Services	7,644,513	8,057,359	7,291,296	(412,846)	3,402,281	47%
Total Customer Fees :	\$ 21,803,783	\$ 21,937,421	\$ 21,354,002	\$ (133,638)	\$ 12,864,770	60%

*These divisions include FY13 customer fees from school districts, customer fees from other than school districts and other local revenues.

572*	\$	21,482,319
573*	\$	132,000
574*	\$	352,794
579*	\$	18,670
	\$	21,985,783

**HARRIS COUNTY DEPARTMENT OF EDUCATION
Revenue Analysis FY 2013**

	1	2	3	4	5	6
REVENUES-OTHER	<u>FY2013 Budget</u>	<u>FY2012 Original Budget</u>	<u>FY2012 Amended Budget</u>	AMOUNT FY2013 OVER/UNDER FY2012 Approved	(b) ACTUAL through 2/28/12	% REALIZED (a) / (b)
Tax Revenues						
Property Tax Revenues-Current	18,029,516	17,167,882	17,542,882	861,634	16,899,456	96%
Property Tax Revenues-Delinquent & P&G	390,500	390,500	380,500	-	366,667	96%
HCTO Tax Collection Fees	-	365,000	-	(365,000)	356,562	0%
Total Tax Revenues	18,420,016	17,923,382	17,923,382	496,634	17,622,685	98%
Indirect Costs-State and Federal Grants	2,171,448	2,139,637	2,224,818	31,811	1,402,713	63%
State Matching						
FSP-Compensation	320,000	320,000	320,000	-	236,168	74%
TEA Health Ins-Employees	588,000	-	648,508	588,000	391,111	60%
TRS Matching	1,600,000	1,400,000	1,650,000	200,000	1,461,076	89%
Total State Matching	2,508,000	1,720,000	2,618,508	788,000	2,088,355	80%
Other						
Investment Earnings	20,000	30,000	30,000	(10,000)	24,776	83%
Other Local Revenues (inc in fees)	170,794	135,630	141,730	35,164	87,202	62%
Local Grants (included in cust fees)	18,670	8,000	28,000	10,670	43,835	157%
ECI Lease	162,000	324,672	324,672	(162,672)	-	0%
Transfers In	-	-	-	-	50,000	0%
Total Other Revenues	182,000	498,302	524,402	(126,838)	205,813	39%
Total Estimated Revenues	\$ 23,281,464	\$ 22,281,321	\$ 23,291,110	\$ 1,189,607	\$ 21,319,566	92%
Total Customer Fees	21,803,783	21,937,421	21,354,002	(133,638)	12,864,770	
Total Est. Rev. & Other Resources:	\$ 45,085,247	\$ 44,218,742	\$ 44,645,112	\$ 1,055,969	\$ 34,184,336	

The HCDE Strategic Planning Process

The Board of Trustees of Harris County is required to govern and oversee the management of the schools and programs of the department, monitor the progress toward HCDE comprehensive goals, establish performance goals and objectives of HCDE concerning its programs, and to develop a planning process to establish department wide and division level planning decision making process.

To this end, HCDE develops a strategic planning process that includes the development of a mission statement, goals and objectives and the development of core beliefs and values through a series of processes.

Annually, the Board of Trustees through the Center for School Governance oversees the strategic planning process and conducts an assessment of environmental factors that will provide the Board and the Superintendent with data to evaluate its goals, objectives and strategies. The Center for School Governance coordinates the process and reports to the Superintendent. The strategic planning process links to the budget process by providing its results prior to the annual development of the budget and by linking to the accountability system aimed at utilizing a systems approach to objective setting, monitoring and evaluation to include fiscal and compliance matters.

Two processes link to the strategic plan:

Accountability System Process

The first process is the Accountability System which is made up of 5 constructs: (1) service delivery, (2) client satisfaction, (3) compliance, (4) outcomes and (5) financial effectiveness. The Board of Trustees receives a Formative Mid-Year Report and a Summative End of the Year Report. This process is coordinated by the Research and Evaluation Division which reports to the Assistant Superintendent for Professional Support Services.

Twenty-six HCDE divisions and programs participated in this effort, with each having at least three objectives and most having an objective for all five constructs.

The Accountability System requires that divisions develop their objectives prior to the beginning of the fiscal year based on the strategic planning results and the environmental needs assessment. The objectives are monitored via reports at mid-year via a formative evaluation process and the end of the year via a summative evaluation process

Each report begins with a balanced scorecard that graphs the progress of the division's five basic objectives. A narrative follows that typically includes a brief program description and a separate section for each accountability objective.

Each section begins with a statement of the objective and the conclusion of the test for the achievement of the objective followed by additional information or analysis details. This may include characteristics of respondents, an item analysis, and/or the results of other statistical analyses.

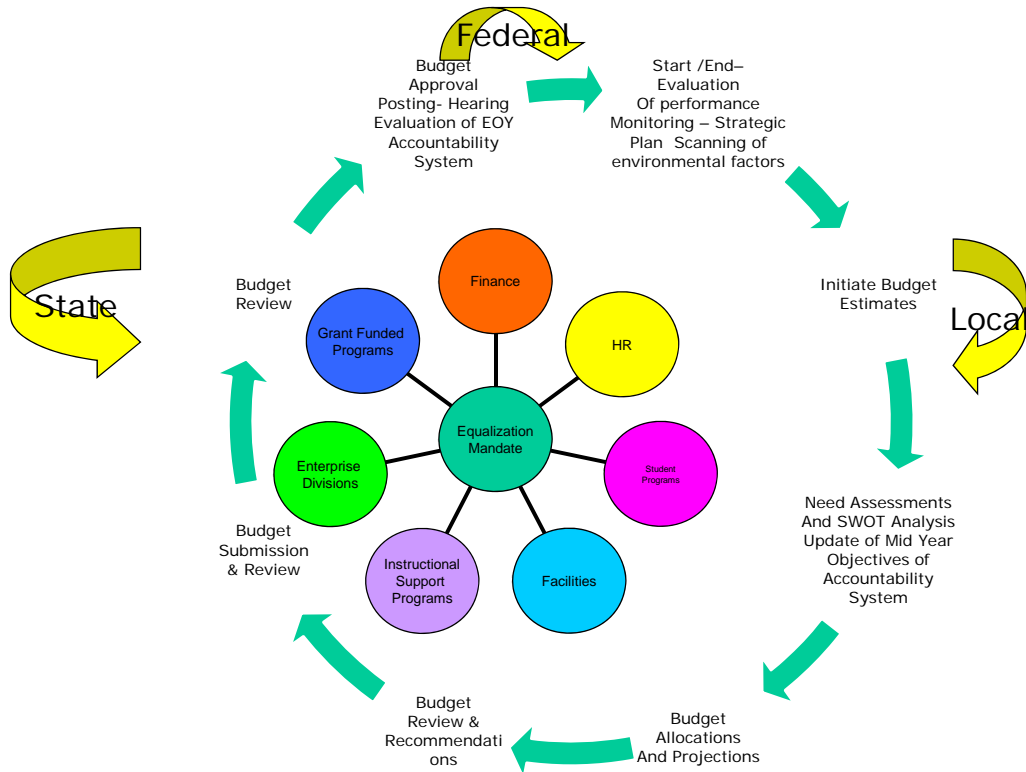
Divisions or programs are classified as either those that provide program services to school districts and the community at large or internal support services to HCDE. However, some support divisions are beginning to have revenue producing "arms."

The Budget Development Process

The budget process is linked to the accountability system in that all of the performance objectives and financial measures are made part of the annual budget process. Furthermore, during the budget process objectives are reviewed and each division is required to develop a SWOT Analysis for their division prior to projecting and requesting funding. The budget development process includes planning, development, monitoring and evaluation. The budget process is coordinated by the Assistant Superintendent for Business Services.

The Board of Trustees reviews and approves the annual budget process. The link of the budget process, the accountability process and the strategic planning process can be seen below.

Strategic Planning link to Budgeting and Accountability Processes



Five Constructs of the HCDE Accountability System

1. Service Delivery

Program Services

Four different types of measures were reported by fifteen programs/divisions. These include two types of unduplicated count objectives (counts of individuals and counts of district, schools, or other organizations), response (or cycle) time objectives, and coverage objectives.

Types of Service Delivery Objectives for Program Services

Measurement	Definition	Divisions
Unduplicated counts of individual clients	Each individual client is counted only once no matter how often he/she is served	Head Start
Unduplicated counts of client districts, schools, or organizations	Each served district is counted only once no matter how often it is served. Some objectives state a desired amount of increase in districts served.	Center for Safe & Secure Schools Purchasing Cooperative Food Cooperative Peer Mediation Records Management
Coverage	The unduplicated number of clients served divided by the total number of clients eligible for service. The service in question may include all services, or a specific service may be named in the objective. Client may be defined as an individual or a district.	Adult Education CASE Instructional Support Services ABC Schools Highpoint Schools
Service units	The number of service units provided or units received. The service unit may be expressed as visits, classes, money, days, hours, participants, etc. May be duplicated.	Early Childhood Intervention Therapy Services Digital Learning & Instructional Technology Texas LEARNS

Support Services

Five different types of measures were selected by the eleven divisions/groups providing services to HCDE own internal clients. Each type necessitates a different type of tracking. The table below displays the types of service delivery objectives written for the year, their definitions and the support divisions that use them.

Types of Service Delivery Objectives

Measure	Definition	Divisions
Response time	The amount of time it takes between when a service request is made and filled or in a manner that reduces response time	Maintenance Human Resources Technology Services
Unduplicated counts of clients	Each served client is counted only once no matter how often he/she is served. In each case, however, "client" is defined as an HCDE division or program.	Business Services Internal Purchasing
Service Units	Number of times services were delivered or number of service hours delivered	C. Harris CPI

Service Units	Number of times services were delivered or number of service hours delivered	C. Harris CPI R & E
Coverage	The unduplicated number of clients served divided by the total number of clients eligible for service	Resource Development
Accuracy rate	The number of correctly completed services divided by the total number of service events. Accuracy rate (i.e. 1-error rate) is being utilized in this instance to follow the same direction as other divisions	Facilities- Operations/Ancillary Services

2. Client Satisfaction

To assess the level of satisfaction HCDE clients have with the services they receive, divisions gathered empirical data from those they served using survey instruments that were customized for each division or program. An agency wide Composite Survey continued to be used to assess employee satisfaction with Support services. Either paper surveys on scannable forms or web surveys were used as appropriate by online capacity. Depending upon the program, clients may have responded about services their district/ organization received or about services they personally received.

The criterion for “satisfied” remains at the third point of a 4 point scale, though this year the scale was 1 - 4 with 3.00 as “satisfied” (conforms to industry standard).

3. Compliance

Compliance objectives are written with two or three tiers. Tier 1 represents the division/program compliance with their standard operating procedures (SOP). Tier 2 represents the HCDE level whereby each division/program is reviewed for its compliance with timely agenda submissions for the Board meetings. Tier 3, used only by certain divisions, represents compliance with externally mandated procedures from funders or regulatory agencies. HCDE has a mandated standard achievement of 100% for this category of objectives.

Reviews for Tier 1 and Tier 3 were done at division/program sites by R & E staff. A member of the division/program was present at the review to answer questions and provide access. Tier 1 compliance assumes that written procedures are in place in each division/program. The review for Tier 2 consisted of R & E staff examining logs of Board agenda submissions from the Superintendent’s office, Purchasing, and Contracts.

Some divisions may have more than one program in the accountability system but share compliance measurements. For example, a division may have two service delivery objectives for its programs but only one compliance objective.

4. Outcomes

Outcomes are the core of any program evaluation. Programs exist for the benefit or effect they generate for clients and/or the HCDE organization.

With the diversity of services provided by HCDE, the specific outcome assessed varies greatly, as does the method and measure. The ideal method to assess program effects is the experimental (or quasi) method, whereby there are pre-and post-tests given to a treatment group and to a comparison

In lieu of rigorous experimentation, objectives are written to be compatible with one of three general types of designs.

Change Designs 1: A pretest-posttest design to estimate the amount of change that has occurred over a given period. Some divisions specified that the amount of change should reach a certain average level; others specified a statistically significant amount of change. Note that conclusions cannot be drawn about the *cause* of the change, just that change did occur.¹

Static Designs: A post-test only or end of year measure or level of attainment is applied with a specified standard desired and stated in the objective. This design does not measure a starting point—only a desired end point.

Financial Designs: For the “business cooperatives” (i.e. Records Management) the financial benefit to HCDE is the outcome objective. To minimize redundancy, the financial objective was shifted to one measuring cash flow.

5. Financial Effectiveness

Program services are considered revenue-generating. That is, these divisions are not expected to rely solely upon HCDE tax revenues for support. Rather, they are expected to receive funds from external sources for at least part of their operations. The source of revenues may be from fee-for-services, grants, and/or contracts.

Financial data are supplied by Business Services following the independent audit for each fiscal year. The revenues reported are those billed and received. Revenues from grants do not include indirect costs. For the tests of objectives, allocated facilities costs are subtracted out of the total expenditures. Some divisions which are divided into programs for other accountability objectives are considered as one division for the financial effectiveness construct because the structure of the budget does not isolate program costs.

¹ A change can occur for many reasons in addition to a possible effect of the program; history, maturation, regression, testing effects are all technical terms for the alternative causes for an observed change.

**Harris County Department of Education
General Fund Revenues and Expenditures
Five Year Forecast**

	A	B	C	D	E	F	G
Description	Actual 2010-11	Projected 2011-12		Recommended 2012-13	Estimated 2013-14	Estimated 2014-15	Estimated 2015-16
Beginning Fund Balance	\$21,729,927	\$19,225,734		\$17,256,690	\$15,811,690	\$13,578,426	\$10,876,551
Estimated Revenues	45,438,048	44,048,992		45,085,247	44,006,452	43,736,683	43,526,325
Appropriations (Exp.)	47,942,241	46,018,036		46,530,247	46,239,716	46,438,558	46,646,931
Difference	(2,504,193)	(1,969,044)		(1,445,000)	(2,233,264)	(2,701,875)	(3,120,606)
Projected Ending Fund Balance	\$19,225,734	\$17,256,690		\$15,811,690	\$13,578,426	\$10,876,551	\$7,755,945
Uses of fund balance -QZAB							
Committed Fund Balance	1,408,000	3,656,992		6,857,612	6,857,612	6,857,612	6,857,612
Un-Assigned Fund Balance	\$17,817,734	\$13,599,698		\$9,223,827	\$6,720,814	\$4,018,939	\$898,333
Minimum Cash Flow Required by CE Local	7,990,374	7,507,886		7,755,041	7,706,619	7,739,760	7,774,488
				CE Local			
Total Required Cash Flow	7,739,711	7,412,694		7,166,870	7,431,167	7,447,738	7,465,102
Cash Flow- Needed for Special Revs Funds	3,744,524	3,577,858		3,289,350	3,577,858	3,577,858	3,577,858
Cash Flow- Needed from General Fund	3,995,187	3,834,836		3,877,521	3,853,310	3,869,880	3,887,244
Cash Flow Calculations:							
Special Revenue Funds - Grants (*)	44,934,292	42,934,292		39,472,197	42,934,292	42,934,292	42,934,292
1/12 of Total Grant is	3,744,524	3,577,858		3,289,350	3,577,858	3,577,858	3,577,858
General Fund - Appropriations	47,942,241	46,018,036		46,530,247	46,239,716	46,438,558	46,646,931
1/12 of General Fund for Cash Flow	3,995,187	3,834,836		3,877,521	3,853,310	3,869,880	3,887,244

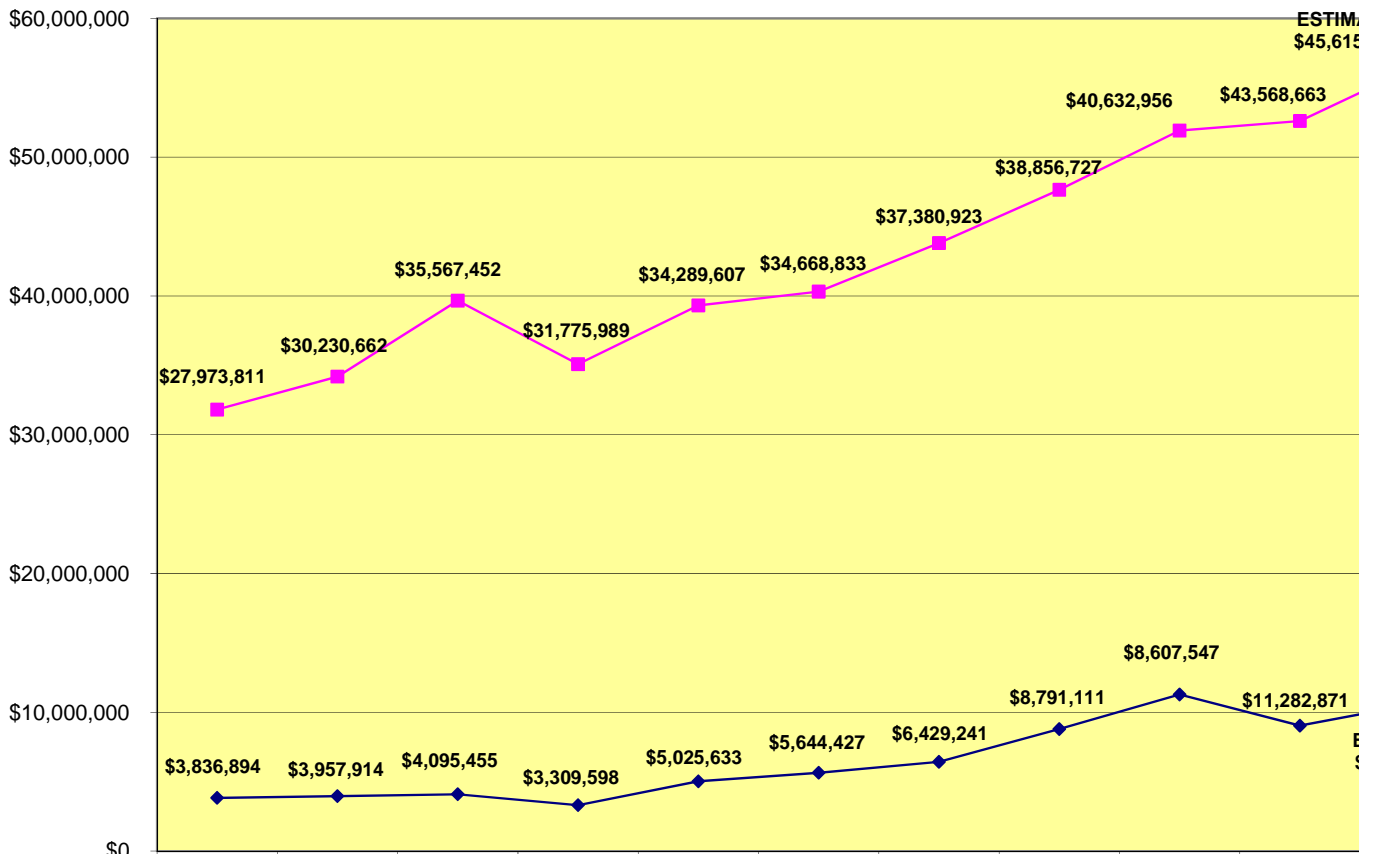
.Notes:

- 1) CE Local requires a two month budget as operating fund balances.
- 2) TAN-It is possible that a Tax Anticipation Note may be needed in FY2015-2016.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL EXPENDITURES**

Year Ended August 31	Principal and Interest			Governmental Funds Expenditures	Ratio of Bonded Debt Expenditures to Governmental Funds Expenditures
	Bonds & Notes Payable Indebtedness	Capital Acquisition Program	Total Debt Expenditures		
2012	\$ 2,652,898	\$ -	\$ 2,652,898	\$ 86,287,924	3.07%
2011	2,653,998	-	2,653,998	88,746,749	2.99%
2010	2,652,474	-	2,652,474	84,895,196	3.12%
2009	2,119,339	-	2,119,339	86,031,097	2.46%
2008	1,963,599	-	1,963,599	76,529,396	2.57%
2007	1,965,764	-	1,965,764	82,038,757	2.40%
2006	701,870	1,144,648	1,846,518	86,148,498	2.14%
2005	803,462	1,141,264	1,944,726	71,553,825	2.72%
2004	800,475	1,135,277	1,935,752	67,705,405	2.86%
2003	796,406	-	796,406	68,173,259	1.17%

Comparison of General Fund Unreserved Fund Balance and
 Subsequent Year's Budgeted Expenditures
 Actual FY 2001-2009 and Estimated FY 2011 & FY 2012



**Changes in Fund Balances – Governmental Funds
(Modified accrual basis of accounting)
(UNAUDITED)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total revenues	\$ 83,105,963	\$ 83,105,963	\$ 83,105,963	\$ 80,935,017	\$ 77,698,421
Total expenditures	85,075,007	88,746,749	84,895,196	86,031,096	76,529,396
Excess (deficiency) of revenues over(under) expenditures:	<u>(1,969,044)</u>	<u>(5,640,786)</u>	<u>(1,789,233)</u>	<u>(5,096,079)</u>	<u>1,169,025</u>
Other Financing Sources (Uses)					
QZAB Bond sale proceeds	-	-	-	6,320,000	-
Capital acquisition program funds	-	-	-	-	-
Donated property	-	-	-	-	-
Insurance claims refund	-	-	-	-	-
Insurance recovery	-	-	-	-	100,393
Maintenance tax note proceeds	-	-	-	2,000,000	-
Premium on QZAB Bond Sales	-	-	-	117,326	-
Sale of equipment	-	-	-	940	2,580
Transfers in	3,999,210	3,963,785	3,833,822	3,429,842	3,029,639
Transfers out	<u>(3,999,210)</u>	<u>(3,963,785)</u>	<u>(3,833,822)</u>	<u>(3,429,842)</u>	<u>(3,029,639)</u>
Total other financing sources(uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,438,266</u>	<u>102,973</u>
Net change in fund balances:	<u><u>\$ (1,969,044)</u></u>	<u><u>\$ (5,640,786)</u></u>	<u><u>\$ (1,789,233)</u></u>	<u><u>\$ 3,342,187</u></u>	<u><u>\$ 1,271,998</u></u>

Source: HCDE records.
2012 is estimated

2007	2006	2005	2004	2003
\$ 78,780,237	\$ 75,426,183	\$ 70,395,195	\$ 65,723,565	\$ 62,498,323
82,038,756	87,080,482	71,553,824	67,705,404	68,173,258
(3,258,519)	(11,654,299)	(1,158,629)	(1,981,839)	(5,674,935)
-	23,485,301	-	-	-
-	-	-	3,350,000	-
-	6,350,000	-	-	-
98,174	-	28,433	-	-
-	-	-	-	-
-	-	-	-	-
-	-	126,115	-	-
2,909,831	1,576,062	2,973,882	2,826,981	1,751,381
(2,890,551)	(1,576,062)	(2,973,883)	(2,826,981)	(1,751,381)
117,454	29,835,301	154,547	3,350,000	-
\$ (3,141,065)	\$ 18,181,002	\$ (1,004,082)	\$ 1,368,161	\$ (5,674,935)

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Reserved	\$ -	\$ -	\$ 12,691,734	\$11,770,491	\$7,018,717
Unreserved	-	-	9,038,193	11,282,871	8,791,111
Nonspendable	119,634	119,634			
Restricted	-	1,218,921			
Committed	1,408,000	1,408,000			
Assigned	5,329,979	5,810,352			
Unassigned	10,668,826	10,668,827			
Total General Fund	<u>\$ 17,526,439</u>	<u>\$ 19,225,734</u>	<u>\$ 21,729,927</u>	<u>\$23,053,362</u>	<u>\$15,809,828</u>
All Other Governmental Funds:					
Reserved, reported in:					
PFC Capital Projects Fund	\$ 1,048,578	\$ 1,048,578	\$ 1,048,571	\$1,514,369	\$5,415,717
Total All Other Governmental Funds	<u>\$ 1,048,578</u>	<u>\$ 1,048,578</u>	<u>\$ 1,048,571</u>	<u>\$1,514,369</u>	<u>\$5,415,717</u>

Source: HCDE records.

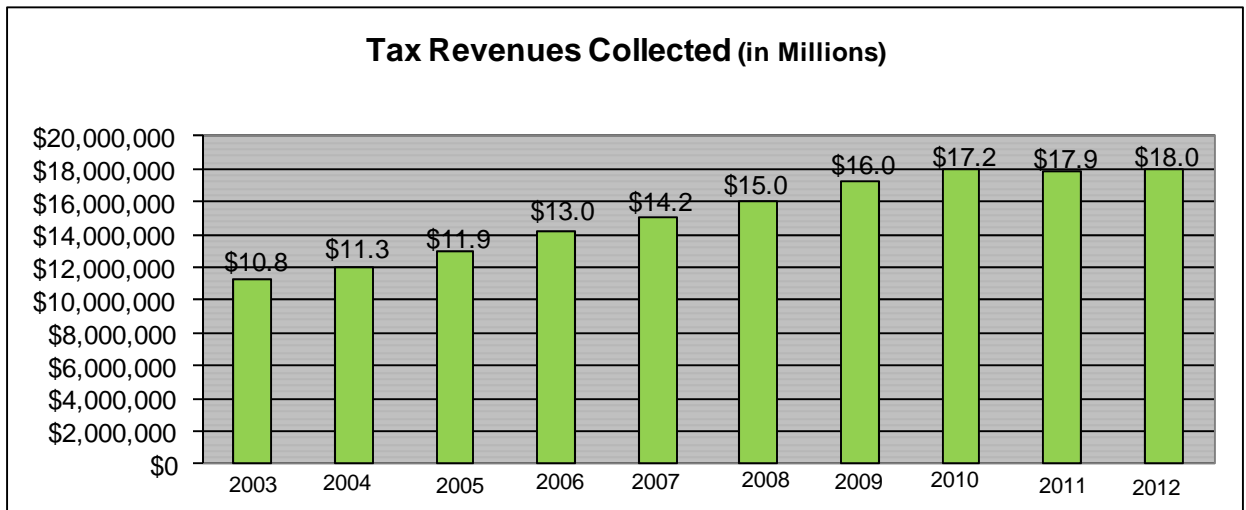
2012 is estimated

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$7,064,197	\$6,106,778	\$4,574,086	\$7,282,627	\$5,008,845
6,429,241	5,644,427	5,025,633	3,309,598	4,095,455
<u>\$13,493,438</u>	<u>\$11,751,205</u>	<u>\$9,599,719</u>	<u>\$10,592,225</u>	<u>\$9,104,300</u>

HCDE PROPERTY TAX LEVIES & COLLECTIONS

Fiscal Year Ended August 31	Net Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Net Tax Levy		Amount	Percent of Total Tax Collections to Net Tax Levy
2012	\$ 18,029,516	\$ 17,625,587	97.76%	\$ -	\$17,625,587	97.76%
2011	17,889,672	17,625,587	98.52%	-	17,625,587	98.52%
2010	17,176,403	16,782,324	97.71%	242,372	17,024,696	99.12%
2009	16,424,565	16,029,681	97.60%	220,016	16,249,697	98.94%
2008	15,021,841	14,862,017	98.94%	52,346	14,914,363	99.28%
2007	14,421,398	14,309,733	99.23%	24,909	14,334,642	99.40%
2006	13,204,424	12,894,080	97.65%	234,818	13,128,898	99.43%
2005	12,068,653	11,769,222	97.52%	225,159	11,994,381	99.38%
2004	11,633,337	11,328,288	97.38%	240,603	11,568,891	99.45%
2003	11,052,346	10,632,562	96.20%	356,881	10,989,443	99.43%
2002	10,550,438	10,234,992	97.01%	260,012	10,495,004	99.47%
2001	9,635,310	9,262,126	96.13%	236,789	9,498,915	98.58%

Note: 2012 is estimated.



**HARRIS COUNTY DEPARTMENT OF EDUCATION
2011 TEN HIGHEST TAXPAYERS**

RANK	NAME	APPRAISED VALUE	TAXABLE VALUE
1	EXXON MOBIL CORP	3,876,527,488	2,835,689,612
2	CENTERPOINT ENERGY INC	2,394,594,881	2,393,466,620
3	SHELL OIL CO	2,940,827,189	2,319,116,454
4	CHEVRON CHEMICAL CO	1,552,875,977	1,531,504,686
5	HINES INTERESTS LTD PTNRSP	1,180,204,863	1,180,204,863
6	HEWLETT PACKARD	1,118,453,868	1,118,453,868
7	CRESCENT REAL ESTATE	1,076,211,910	1,076,211,910
8	NATIONAL OILWELL INC	1,230,009,137	1,053,525,240
9	EQUISTAR CHEMICALS LP	1,020,607,604	984,725,728
10	HOUSTON REFINING	1,228,795,712	948,896,104
		\$17,619,108,629	\$15,441,795,085



Values provided by Harris County Appraisal District

Prepared by Harris County Tax Office

9/28/2011



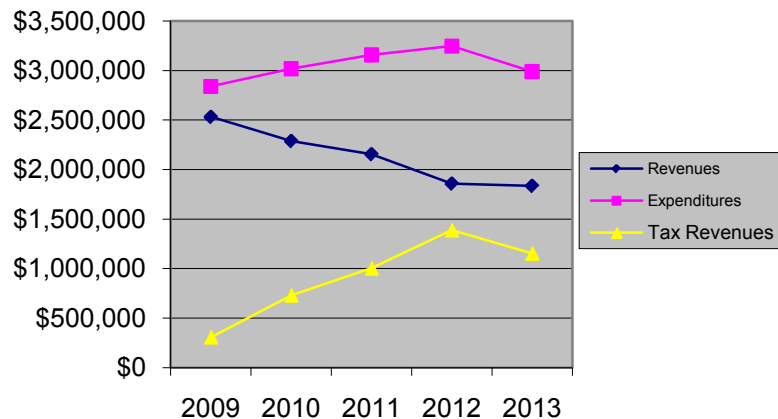
Note: HCDE receives the Ten Highest Taxpayers from the Harris County Appraisal District in September. The recent list was not yet available at the time of this publication.



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Trend Analysis of Revenues & Expenditures
Division: Special Schools
Program: ABC East
BM: 131

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 2,362,600	\$ 2,289,200	\$ 2,155,750	\$ 1,858,500	\$ 1,835,500
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	170,075	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 2,532,675	\$ 2,289,200	\$ 2,155,750	\$ 1,858,500	\$ 1,835,500
Function Totals					
6100-Payroll Costs	\$ 2,310,371	\$ 2,461,640	\$ 2,688,853	\$ 2,645,564	\$ 2,431,978
6200-Contracted Services	110,960	109,633	60,635	115,995	80,200
6300-Supplies & Materials	57,037	38,667	25,138	43,338	39,800
6400-Other Operating Costs	31,451	18,608	11,179	19,780	17,300
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	2,509,819	2,628,548	2,785,805	2,824,677	2,569,278
6487- Facilities	330,129	390,567	372,656	422,703	419,797
Total Expenditures including Facilities	\$ 2,839,948	\$ 3,019,115	\$ 3,158,461	\$ 3,247,380	\$ 2,989,075
Profit or Deficit Before Tax Revenues	(307,273)	(729,915)	(1,002,711)	(1,388,880)	(1,153,575)
Required Tax Revenues					
5710-Tax Revenues	\$ 307,251	\$ 729,915	\$ 1,002,711	\$ 1,388,880	\$ 1,153,575
Performance Ratio:	89%	76%	68%	57%	61%
Revenues/Expenditures					
Ratio w/o facilities charges:	101%	87%	77%	66%	71%
FTEs	54.6	54.6	54.6	45.1	44.1



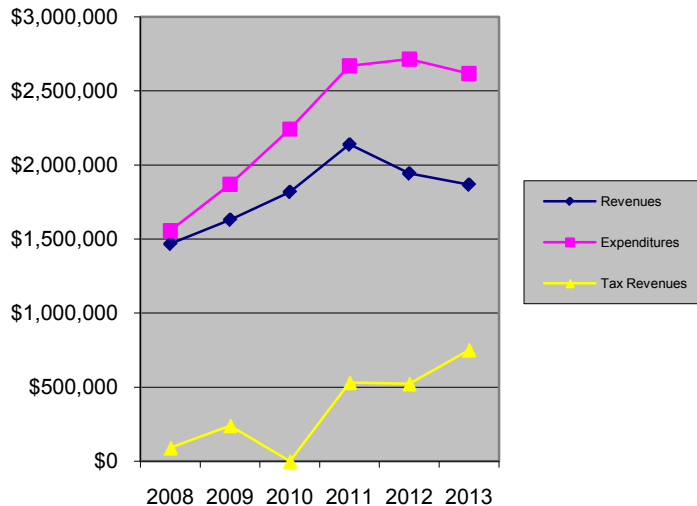
Trend Analysis of Revenues & Expenditures

Division: ABC West

Program: Special Schools

BM: 132

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 1,546,200	\$ 1,817,800	\$ 2,139,000	\$ 1,943,100	\$ 1,867,300
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	83,768	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 1,629,968	\$ 1,817,800	\$ 2,139,000	\$ 1,943,100	\$ 1,867,300
Function Totals					
6100-Payroll Costs	\$ 1,536,723	\$ 1,914,144	\$ 2,359,453	\$ 2,373,680	\$ 2,277,919
6200-Contracted Services	69,400	70,963	74,150	83,834	81,812
6300-Supplies & Materials	71,086	32,000	21,715	27,064	28,564
6400-Other Operating Costs	34,963	38,881	29,753	21,676	20,676
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	1,712,171	2,055,988	2,485,071	2,506,254	2,408,971
6487- Facilities	157,928	186,841	184,620	209,414	207,974
Total Expenditures including Facilities	\$ 1,870,100	\$ 2,242,829	\$ 2,669,691	\$ 2,715,668	\$ 2,616,945
Profit or Deficit Before Tax Revenues	(240,131)	(425,029)	(530,691)	(772,568)	(749,645)
Required Tax Revenues					
5710-Tax Revenues	\$ 240,109	\$ 423,764	\$ 530,691	\$ 772,568	\$ 749,645
Performance Ratio:	87%	81%	80%	72%	71%
Revenues/Expenditures					
Ratio w/o facility charges:	95%	88%	86%	78%	78%
FTEs	33.4	34.4	46.4	42.9	39.9



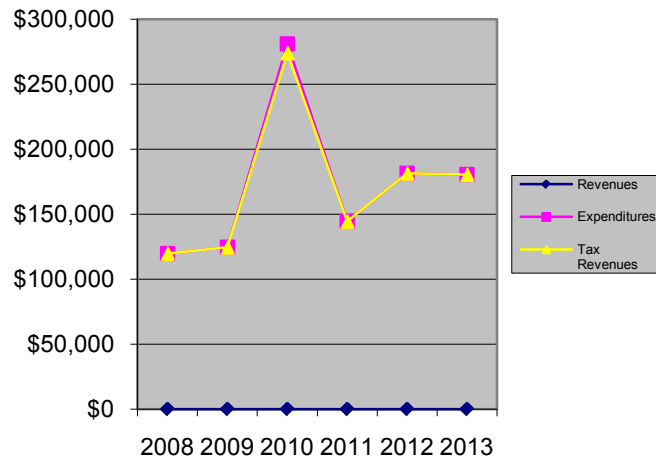
Trend Analysis of Revenues & Expenditures
Division: Adult Education
Program: Local
BM: 201

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ -	\$ 129,004	\$ 199	\$ 10,050	\$ 10,050
6200-Contracted Services	2,462	4,902	5,283	5,565	5,565
6300-Supplies & Materials	1,803	7,159	1,605	5,838	5,838
6400-Other Operating Costs	7,949	7,144	3,763	13,125	13,125
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	12,215	148,209	10,850	34,578	34,578
6487- Facilities	112,384	132,959	133,616	146,957	145,947
Total Expenditures including Facilities	\$ 124,599	\$ 281,168	\$ 144,466	\$ 181,535	\$ 180,525
Profit or Deficit Before Tax Revenues	(124,599)	(281,168)	(144,466)	(181,535)	(180,525)
Required Tax Revenues					
5710-Tax Revenues	\$ 124,504	\$ 274,290	\$ 144,466	\$ 181,535	\$ 180,525

Performance Ratio: Revenues/Expenditures 0% 0% 0% 0% 0%

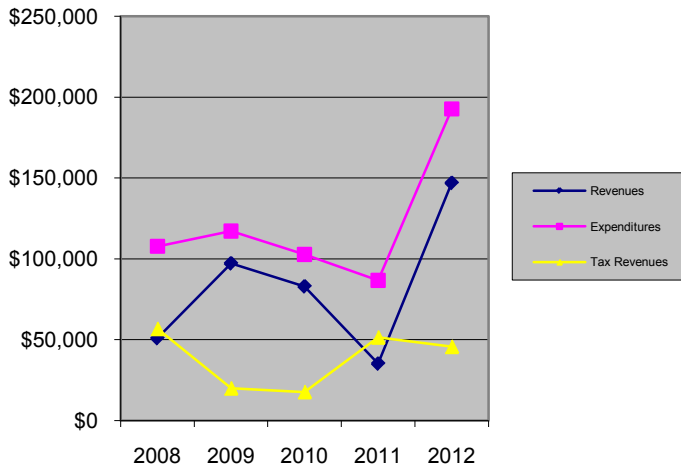
FTEs: 77 83.5 87.25 78

*Positions are funded by grants.



Trend Analysis of Revenues & Expenditures
Division: Alternative Certification
Program:
BM: 014

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 97,231	\$ 82,984	\$ 35,210	\$ 147,000	\$ 212,000
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 97,231	\$ 82,984	\$ 35,210	\$ 147,000	\$ 212,000
Function Totals					
6100-Payroll Costs	\$ -	\$ 7,209	\$ 7,407	\$ 164,350	\$ 139,026
6200-Contracted Services	104,974	82,495	75,253	10,250	36,100
6300-Supplies & Materials	7,789	8,131	3,618	5,346	12,600
6400-Other Operating Costs	4,402	4,917	431	12,750	13,950
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	117,165	102,752	86,709	192,696	201,676
6487- Facilities	-	-	-	-	1,314
Total Expenditures including Facilities	\$ 117,165	\$ 102,752	\$ 86,709	\$ 192,696	\$ 202,990
Profit or Deficit Before Tax Revenues	(19,933)	(19,768)	(51,499)	(45,696)	9,010
Required Tax Revenues					
5710-Tax Revenues	\$ 19,933	\$ 17,648	\$ 51,499	\$ 45,696	\$ (9,010)
Performance Ratio:	83%	81%	41%	76%	104%
Revenues/Expenditures					
FTEs	0	2.5	1.2	1.7	1.5



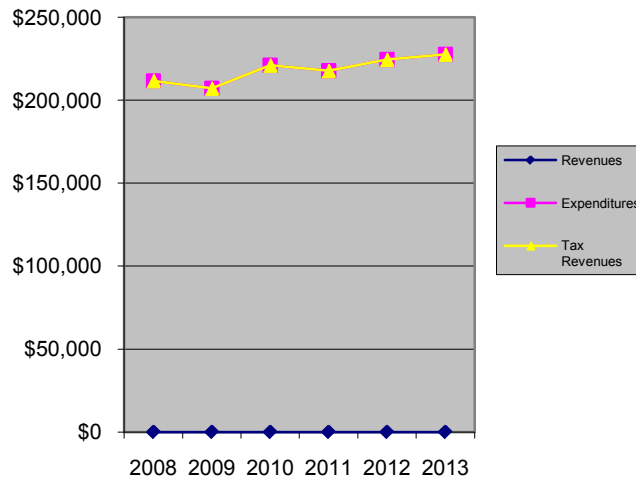
Trend Analysis of Revenues & Expenditures
Division: Administration
Program: Asst Superintendent for Student Services
BM: 011

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 190,824	\$ 201,254	\$ 199,608	\$ 202,828	\$ 206,013
6200-Contracted Services	280	-	302	1,350	1,350
6300-Supplies & Materials	2,270	5,101	2,433	2,942	2,792
6400-Other Operating Costs	8,961	8,994	9,485	11,074	11,224
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	202,335	215,349	211,828	218,194	221,379
6487- Facilities	4,857	5,747	5,984	6,356	6,312
Total Expenditures including Facilities	\$ 207,191	\$ 221,096	\$ 217,812	\$ 224,550	\$ 227,691
Profit or Deficit Before Tax Revenues	(207,191)	(221,096)	(217,812)	(224,550)	(227,691)
Required Tax Revenues					
5710-Tax Revenues	\$ 207,192	\$ 221,096	\$ 217,812	\$ 224,550	\$ 227,691

Performance Ratio: 0% 0% 0% 0% 0%
 Revenues/Expenditures

FTEs: 1.5 1.5 1.5 1.5 1.5

NOTE: This is a support division, thus 100% is tax supported.



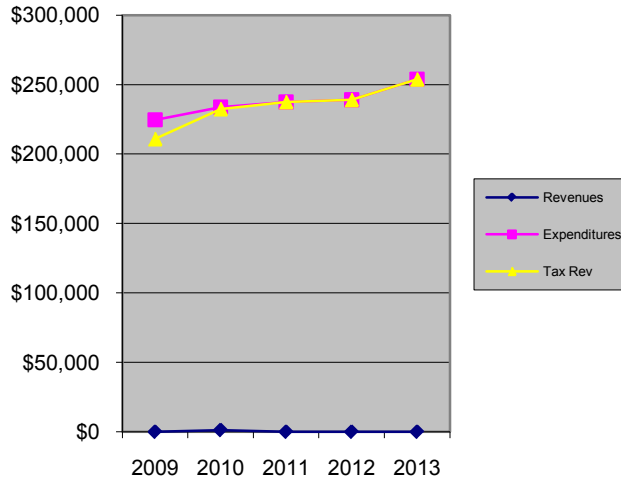
Trend Analysis of Revenues & Expenditures
Division: Administration
Program: Asst Superintendent for Professional Support Services
BM: 012

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	1,250	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ 1,250	\$ -	\$ -	\$ -

Function Totals					
6100-Payroll Costs	\$ 205,306	\$ 215,825	\$ 219,644	\$ 221,054	\$ 235,938
6200-Contracted Services	154	(600)	304	400	400
6300-Supplies & Materials	3,937	3,535	2,338	2,130	2,130
6400-Other Operating Costs	9,087	7,678	8,133	7,443	7,443
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	\$ 218,485	\$ 226,438	\$ 230,419	\$ 231,027	\$ 245,911
6487- Facilities	6,152	7,279	7,092	8,046	7,991
Total Expenditures including Facilities	\$ 224,637	\$ 233,717	\$ 237,511	\$ 239,073	\$ 253,902
Profit or Deficit Before Tax Revenues	(224,637)	(232,467)	(237,511)	(239,073)	(253,902)
Required Tax Revenues					
5710-Tax Revenues	\$ 210,824	\$ 232,467	\$ 237,511	\$ 239,073	\$ 253,902

Performance Ratio:	0%	1%	0%	0%	0%
Revenues/Expenditures					
FTEs:	2	2	2	2	2

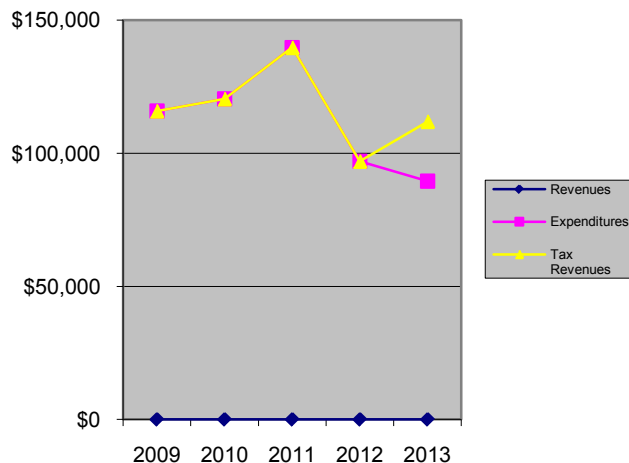
NOTE: This is a support division, thus 100% is tax supported.



Trend Analysis of Revenues & Expenditures
Division: Administration
Program: Board of Trustees
BM: 010

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 34,510	\$ 34,647	\$ 33,770	\$ 39,420	\$ 37,692
6200-Contracted Services	32,720	46,815	44,945	14,308	9,292
6300-Supplies & Materials	13,998	11,868	27,649	13,056	12,356
6400-Other Operating Costs	34,634	27,101	33,372	30,194	30,194
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	115,862	120,431	139,736	96,978	89,534
6487- Facilities	-	-	-	-	22,403
Total Expenditures including Facilities	\$ 115,862	\$ 120,431	\$ 139,736	\$ 96,978	\$ 111,937
Profit or Deficit Before Tax Revenues	(115,862)	(120,431)	(139,736)	(96,978)	(111,937)
Required Tax Revenues					
5710-Tax Revenues	\$ 115,862	\$ 120,431	\$ 139,736	\$ 96,978	\$ 111,937
Performance Ratio:	0%	0%	0%	0%	0%
Revenues/Expenditures					
FTEs:	0.5	0.5	0.5	0.5	0.5

NOTE: This is a support division, thus 100% is tax supported.



Trend Analysis of Revenues & Expenditures
Division: Business Services
Program: Business Services
BM: 050

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ 2,200	\$ 2,200	\$ 2,200
5730-Tuition & Fees-Other Entities	10,725	2,115	-	-	-
5740-Interest Earnings & Other Local Rev	13,651	3,530	-	-	-
Total Revenues	\$ 24,376	\$ 5,645	\$ 2,200	\$ 2,200	\$ 2,200
Function Totals					
6100-Payroll Costs	\$ 1,016,186	\$ 1,152,696	\$ 1,089,864	\$ 1,133,736	\$ 1,132,651
6200-Contracted Services	212,123	219,704	244,686	229,087	230,600
6300-Supplies & Materials	84,767	90,073	62,063	62,953	53,524
6400-Other Operating Costs	91,785	89,411	97,376	78,171	82,800
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	1,404,861	1,551,884	1,493,989	1,503,947	1,499,575
6487- Facilities	70,552	83,469	81,542	92,252	83,719
Total Expenditures including Facilities	\$ 1,475,413	\$ 1,635,353	\$ 1,575,531	\$ 1,596,199	\$ 1,583,294
Profit or Deficit Before Tax Revenues	(1,451,037)	(1,629,708)	(1,573,331)	(1,593,999)	(1,581,094)
Indirect Costs	-	985,126	1,088,970	1,088,970	1,088,970
Reserve Fund Allocation	-	-	200,000	-	-
Required Tax Revenues					
5710-Tax Revenues	\$ 586,548	\$ 644,542	\$ 593,500	\$ 593,500	\$ 593,500

Performance Ratio:	2%	0%	0%	0%	0%
Revenues/Expenditures					
FTEs:	15	16	16	15	15

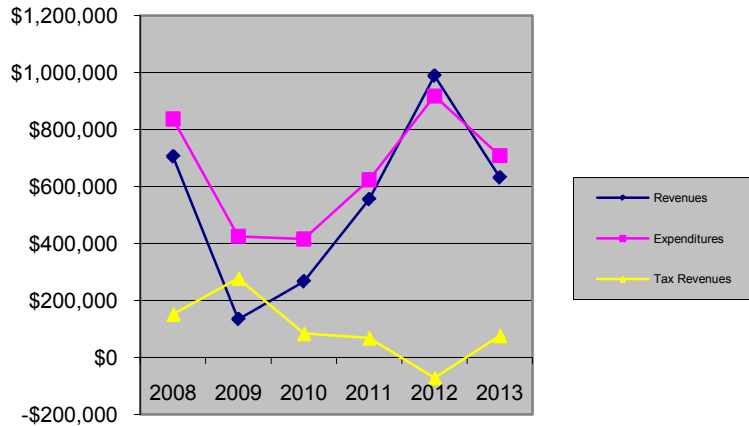
NOTE: This is a support division, thus 100% is tax supported.



Trend Analysis of Revenues & Expenditures
Division: Center Safe & Secure Schools
Program:
BM: 005

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 134,505	\$ 266,967	\$ 487,011	\$ 988,844	\$ 631,500
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 134,505	\$ 266,967	\$ 555,199	\$ 988,844	\$ 631,500
Function Totals					
6100-Payroll Costs	\$ 233,601	\$ 153,679	\$ 212,652	\$ 232,373	\$ 235,628
6200-Contracted Services	122,625	166,962	299,142	422,289	339,029
6300-Supplies & Materials	2,623	10,681	12,833	72,859	34,265
6400-Other Operating Costs	36,674	59,513	75,002	162,450	72,240
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	395,523	390,835	599,629	889,971	681,162
6487- Facilities	29,760	24,734	24,102	27,343	27,155
Total Expenditures including Facilities	\$ 425,283	\$ 415,569	\$ 623,731	\$ 917,314	\$ 708,317
Profit or Deficit Before Tax Revenues	(290,778)	(148,602)	(68,532)	71,530	(76,817)
Required Tax Revenues					
5710-Tax Revenues	\$ 278,267	\$ 84,055	\$ 68,532	\$ (71,530)	\$ 76,817

Performance Ratio:	32%	64%	89%	108%	89%
Revenues/Expenditures					
FTEs:	4	3	3	3	3



Trend Analysis of Revenues & Expenditures

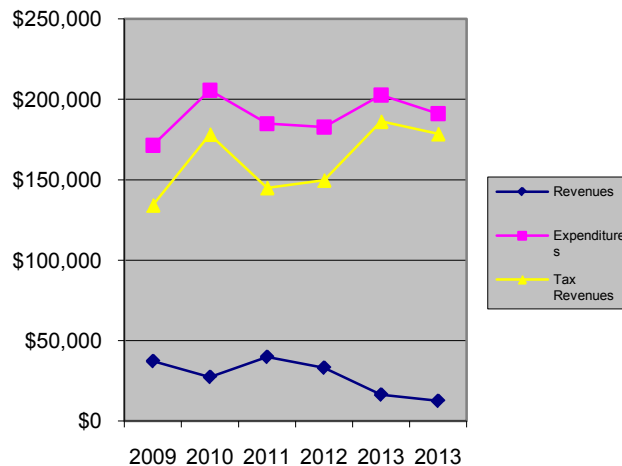
Division: Center for School of Governance, Executive Leadership and Fiscal Accountability

Program:

BM: 051

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 27,400	\$ 39,900	\$ 33,152	\$ 12,500	\$ 12,500
5730-Tuition & Fees-Other Entities	-	-	-	3,900	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 27,400	\$ 39,900	\$ 33,152	\$ 16,400	\$ 12,500
Function Totals					
6100-Payroll Costs	\$ 52,416	\$ 16,485	\$ 10,078	\$ 27,889	\$ 20,204
6200-Contracted Services	135,795	153,894	157,586	154,175	154,175
6300-Supplies & Materials	2,749	1,584	2,404	1,959	1,959
6400-Other Operating Costs	12,311	10,092	10,198	15,528	11,627
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	203,271	182,055	180,266	199,551	187,965
6487- Facilities	2,367	2,800	2,519	3,095	3,074
Total Expenditures including Facilities	\$ 205,638	\$ 184,855	\$ 182,785	\$ 202,646	\$ 191,039
Profit or Deficit Before Tax Revenues	(178,238)	(144,955)	(149,633)	(186,246)	(178,539)
Required Tax Revenues					
5710-Tax Revenues	\$ 178,238	\$ 144,955	\$ 149,633	\$ 186,246	\$ 178,539

Performance Ratio:	13%	22%	18%	8%	7%
Revenues/Expenditures					
FTEs:	1	1	0	0.5	0.5



Trend Analysis of Revenues & Expenditures

Division: Chief Information Officer

Program: Technology

BM: 093

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2011-2012
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 222,832	\$ 163,929	\$ 102,784	\$ 149,407	\$ 153,331
6200-Contracted Services	1,562	2,890	1,808	3,000	3,000
6300-Supplies & Materials	2,911	2,761	4,424	4,446	5,000
6400-Other Operating Costs	11,180	8,107	10,203	10,442	13,000
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	238,485	177,687	119,219	167,295	174,331
6487- Facilities	-	-	-	3,600	3,576
Total Expenditures including Facilities	\$ 238,485	\$ 177,687	\$ 119,219	\$ 170,895	\$ 177,907
Profit or Deficit Before Tax Revenues	(238,485)	(177,687)	(119,219)	(170,895)	(177,907)
Required Tax Revenues					
5710-Tax Revenues	\$ 238,485	\$ 177,687	\$ 119,219	\$ 170,895	\$ 177,907

Performance Ratio:

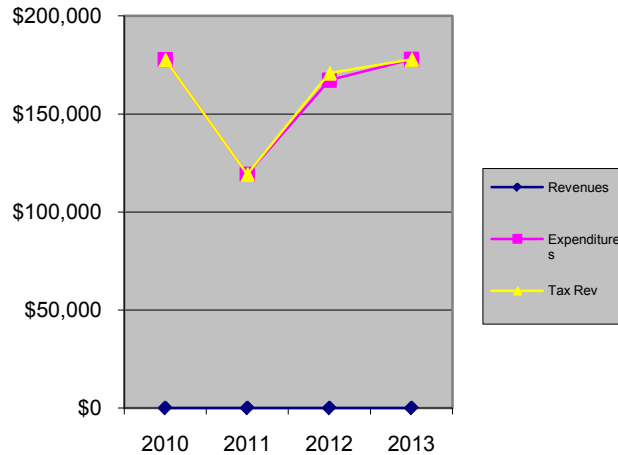
Revenues/Expenditures

0% 0% 0% 0% 0%

FTEs:

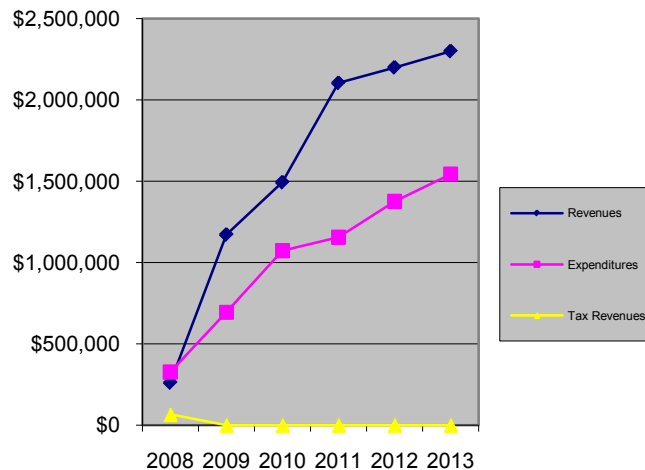
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100% Support Division



Trend Analysis of Revenues & Expenditures
Division: Choice Facility Partners
Program: Facility Support Services
BM: 089

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 1,171,573	\$ 1,493,465	\$ 2,104,297	\$ 2,200,000	\$ 2,300,000
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 1,171,573	\$ 1,493,465	2,104,297	2,200,000	2,300,000
Function Totals					
6100-Payroll Costs	\$ 256,908	\$ 614,240	\$ 801,020	\$ 739,208	\$ 766,240
6200-Contracted Services	341,716	321,112	163,092	323,200	412,600
6300-Supplies & Materials	37,705	35,967	59,137	98,932	80,500
6400-Other Operating Costs	57,461	100,853	106,918	214,909	210,800
6600-Capital Outlay	-	-	24,787	-	-
Total Expenditures before Facilities	693,790	1,072,172	1,154,954	1,376,249	1,470,140
6487- Facilities	-	-	16,195	74,884	74,369
Total Expenditures including Facilities	\$ 693,790	\$ 1,072,172	\$ 1,171,149	\$ 1,451,133	\$ 1,544,509
Profit or Deficit Before Tax Revenues	477,783	421,293	933,148	748,867	755,491
Required Tax Revenues					
5710-Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Performance Ratio:	169%	139%	180%	152%	149%
Revenues/Expenditures					
FTEs:	5	5	10	9	9



Trend Analysis of Revenues & Expenditures

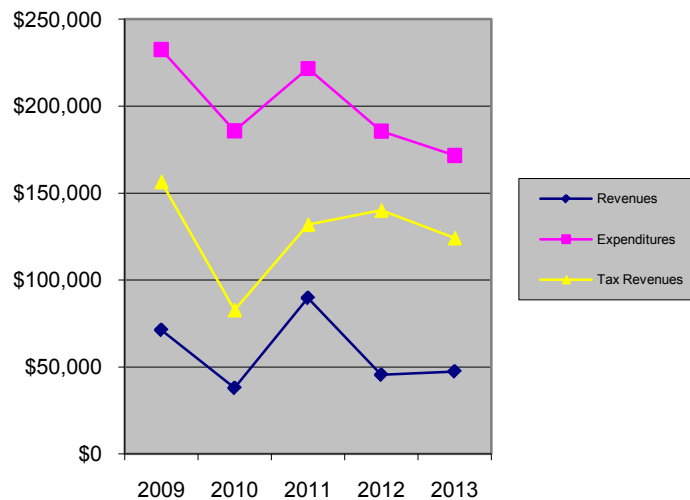
Division: Cooperative for After School Enrichment

Program: CASE-Local

BM: 922

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2010-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	67,974	37,920	87,876	30,000	21,250
5730-Tuition & Fees-Other Entities	-	-	-	7,500	7,500
5740-Interest Earnings & Other Local Rev	3,238	-	-	-	-
5790-Indirect Cost-Local	87	-	1,850	8,000	18,670
Total Revenues	\$ 71,299	\$ 37,920	\$ 89,726	\$ 45,500	\$ 47,420
Function Totals					
6100-Payroll Costs	141,585	143,800	93,462	128,663	119,200
6200-Contracted Services	37,813	21,741	54,556	19,000	27,420
6300-Supplies & Materials	16,033	9,972	37,118	21,155	17,500
6400-Other Operating Costs	37,156	10,378	36,516	16,780	7,500
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	\$ 232,588	\$ 185,891	\$ 221,652	\$ 185,598	\$ 171,620
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ 232,588	\$ 185,891	\$ 221,652	\$ 185,598	\$ 171,620
Profit or Deficit Before Tax Revenues	(161,290)	(147,971)	(131,926)	(140,098)	(124,200)
Required Tax Revenues					
5710-Tax Revenues	\$ 156,556	\$ 82,789	\$ 131,906	\$ 140,098	\$ 124,200
Performance Ratio:	31%	20%	40%	25%	28%
Revenues/Expenditures					
FTEs:	20	19	16	14	14

*Postions funded mostly by grants.

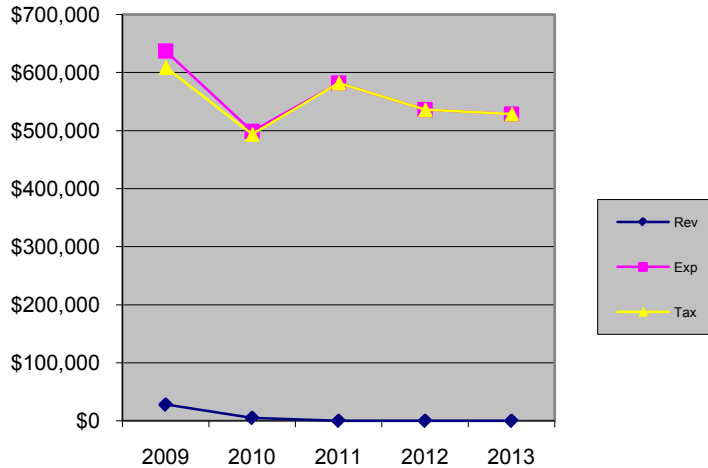


Trend Analysis of Revenues & Expenditures
Division: Communications & Public Information
Program:
BM: 925

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	28,067	5,000	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 28,067	\$ 5,000	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 475,458	\$ 346,578	\$ 393,292	\$ 352,094	\$ 353,955
6200-Contracted Services	25,513	23,027	62,092	79,337	84,116
6300-Supplies & Materials	73,591	85,459	60,123	38,713	34,253
6400-Other Operating Costs	41,676	19,002	31,232	25,919	16,563
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	616,238	474,066	546,739	496,063	488,887
6487- Facilities	20,765	24,566	35,273	40,009	39,734
Total Expenditures including Facilities	\$ 637,003	\$ 498,632	\$ 582,012	\$ 536,072	\$ 528,621
Profit or Deficit Before Tax Revenues	(608,936)	(493,632)	(582,012)	(536,072)	(528,621)
Required Tax Revenues					
5710-Tax Revenues	\$ 608,936	\$ 493,632	\$ 582,012	\$ 536,072	\$ 528,621

Performance Ratio:	4%	1%	0%	0%	0%
Revenues/Expenditures					
FTEs:	8	7	6	5	5

NOTE: This is a support division, thus 100% is tax supported.



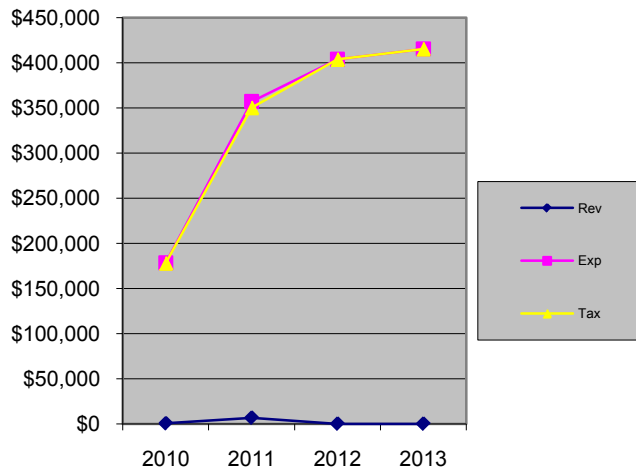
Trend Analysis of Revenues & Expenditures
Division: Marketing & Client Development
Program:
BM: 092

	A	B	C	D	E
	Actual	Actual	Budget	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 8,025	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	410	6,700	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 8,025	\$ 410	\$ 6,700	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 74,663	\$ 145,582	\$ 222,280	\$ 259,787	\$ 266,117
6200-Contracted Services	1,112	1,646	49,718	50,900	57,800
6300-Supplies & Materials	1,094	11,650	23,250	16,425	14,400
6400-Other Operating Costs	10,208	19,443	61,702	74,720	68,685
6600-Capital Outlay	-	-	-	-	6,350
Total Expenditures before Facilities	87,077	178,321	356,950	401,832	413,352
6487- Facilities	-	-	-	1,984	1,970
Total Expenditures including Facilities	\$ 87,077	\$ 178,321	\$ 356,950	\$ 403,816	\$ 415,322
Profit or Deficit Before Tax Revenues	(79,052)	(177,911)	(350,250)	(403,816)	(415,322)
Required Tax Revenues					
5710-Tax Revenues	\$ -	\$ 177,911	\$ 350,250	\$ 403,816	\$ 415,322

Performance Ratio: 9% 0% 2% 0% 0%
 Revenues/Expenditures

FTEs: 0 0 2 3 3

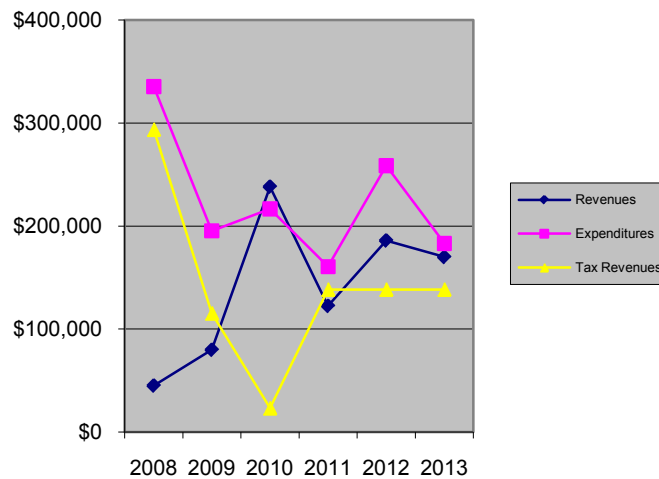
NOTE: This is a support division, thus 100% is tax supported.



Trend Analysis of Revenues & Expenditures
Division: Technology Services
Program: Digital Learning & Instructional Technology
BM: 109

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 78,846	\$ 238,203	\$ 122,523	\$ 186,000	\$ 170,000
5730-Tuition & Fees-Other Entities	1,109	-	335	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 79,955	\$ 238,203	\$ 122,858	\$ 186,000	\$ 170,000
Function Totals					
6100-Payroll Costs	\$ 163,657	\$ 164,748	\$ 122,540	\$ 178,324	\$ 160,290
6200-Contracted Services	3,092	18,975	15,877	42,298	3,000
6300-Supplies & Materials	8,014	15,232	7,497	22,064	8,500
6400-Other Operating Costs	14,056	9,884	7,144	12,438	9,160
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	188,819	208,839	153,058	255,124	180,950
6487- Facilities	6,517	7,710	7,512	3,527	2,189
Total Expenditures including Facilities	\$ 195,336	\$ 216,549	\$ 160,570	\$ 258,651	\$ 183,139
Profit or Deficit Before Tax Revenues	(115,381)	21,654	(37,712)	(72,651)	(13,139)
Required Tax Revenues					
5710-Tax Revenues	\$ 115,382	\$ 23,289	\$ 138,468	\$ 138,468	\$ 138,468

Performance Ratio: Revenues/Expenditures	41%	110%	77%	72%	93%
FTEs:	2	2	2	2	2



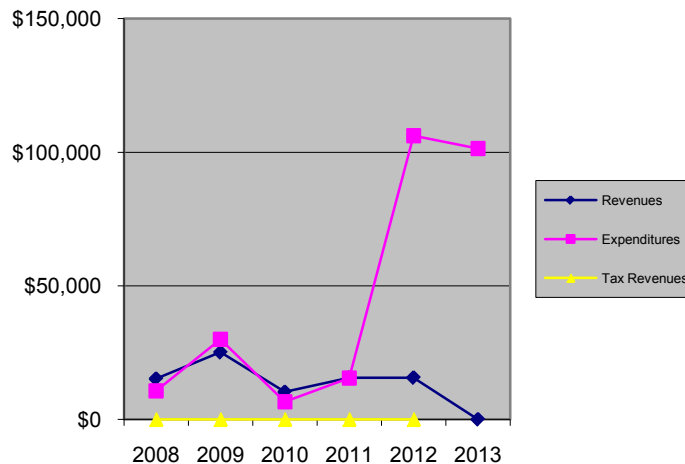
Trend Analysis of Revenues & Expenditures
Division: Special Schools & Services
Program: ECI Keep Pace-Local
BM: 112

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	2,250	2,500	2,500	-
5740-Interest Earnings & Other Local Rev	25,131	8,043	13,150	13,150	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 25,131	\$ 10,293	\$ 15,650	\$ 15,650	\$ -
Function Totals					
6100-Payroll Costs	\$ -	\$ -	\$ -	\$ 91,072	\$ 85,807
6200-Contracted Services	1,505	710	1,000	1,000	-
6300-Supplies & Materials	23,115	1,895	11,128	10,777	487
6400-Other Operating Costs	5,356	4,028	3,375	3,345	3,095
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	29,976	6,633	15,503	106,194	89,389
6487- Facilities	-	-	-	-	12,041
Total Expenditures including Facilities	\$ 29,976	\$ 6,633	\$ 15,503	\$ 106,194	\$ 101,430
Profit or Deficit Before Tax Revenues	(4,845)	3,660	147	(90,544)	(101,430)
Required Tax Revenues					
5710-Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -

Performance Ratio: 84% 155% 101% 15% 0%
 Revenues/Expenditures

FTEs: 109.8 131.5 134 96.6 96.6

***Positions funded by grants.**



Trend Analysis of Revenues & Expenditures

Division: Education Foundation

Program:

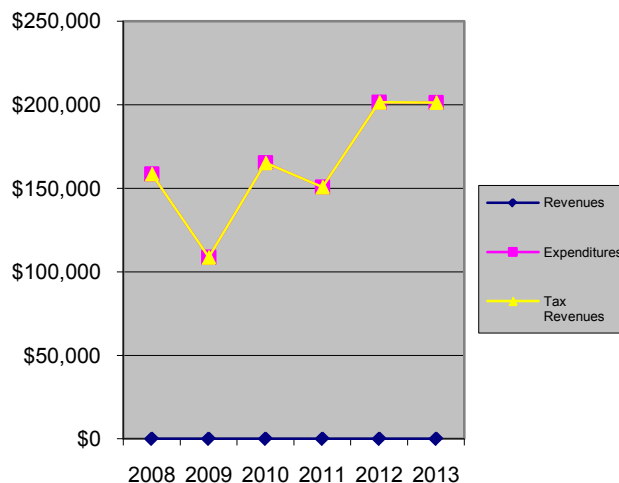
BM: 920

	A	B	C	D	E
	Actual	Actual	Budget	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ -	\$ -	\$ -	\$ -	\$ -
6200-Contracted Services	100,000	155,000	140,000	190,000	190,000
6300-Supplies & Materials	-	-	-	-	-
6400-Other Operating Costs	-	-	-	-	-
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	100,000	155,000	140,000	190,000	190,000
6487- Facilities	8,743	10,344	10,771	11,435	11,356
Total Expenditures including Facilities	\$ 108,743	\$ 165,344	\$ 150,771	\$ 201,435	\$ 201,356
Profit or Deficit Before Tax Revenues	(108,743)	(165,344)	(150,771)	(201,435)	(201,356)
Required Tax Revenues					
5710-Tax Revenues	\$ 108,743	\$ 165,259	\$ 150,771	\$ 201,435	\$ 201,356

Performance Ratio: Revenues/Expenditures 0% 0% 0% 0% 0%

FTEs: 0 0 0 0 0

Note: This is a support division, thus 100% is tax supported.



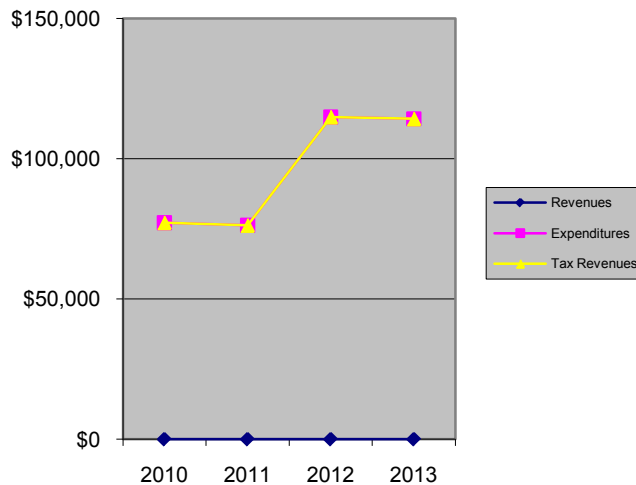
Trend Analysis of Revenues & Expenditures
Division: External Relations
Program:
BM: 094

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 57,048	\$ 66,145	\$ 68,965	\$ 87,267	\$ 85,523
6200-Contracted Services	-	5,079	-	1,000	1,000
6300-Supplies & Materials	4,000	1,804	3,360	10,933	10,933
6400-Other Operating Costs	9,599	4,192	3,934	15,685	15,685
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	70,648	77,220	76,259	114,885	113,141
6487- Facilities	-	-	-	-	1,095
Total Expenditures including Facilities	\$ 70,648	\$ 77,220	\$ 76,259	\$ 114,885	\$ 114,236
Profit or Deficit Before Tax Revenues	(70,648)	(77,220)	(76,259)	(114,885)	(114,236)
Required Tax Revenues					
5710-Tax Revenues	\$ -	\$ 77,220	\$ 76,259	\$ 114,885	\$ 114,236

Performance Ratio:

Revenues/Expenditures	0%	0%	0%	0%	0%
FTEs:	1	1	1	1	1

NOTE: This is a support division, thus 100% is tax supported.



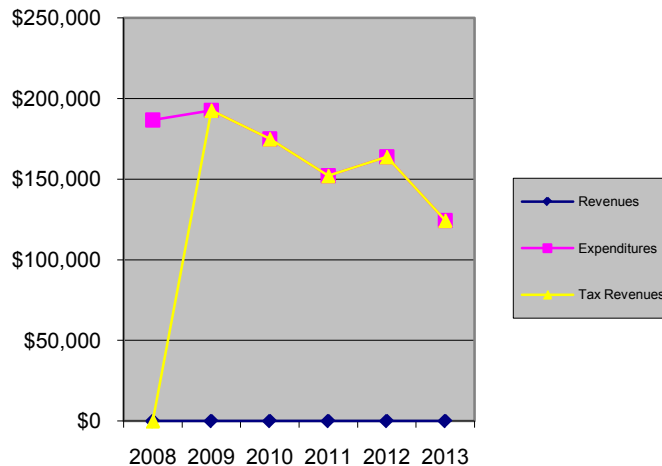
Trend Analysis of Revenues & Expenditures
Division: Facility Support Services
Program: Construction Services
BM: 086

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 178,681	\$ 168,447	\$ 144,131	\$ 150,506	\$ 111,156
6200-Contracted Services	598	-	-	1,000	1,000
6300-Supplies & Materials	5,995	3,081	2,744	4,973	3,900
6400-Other Operating Costs	7,390	3,363	2,278	7,314	8,250
6600-Capital Outlay	-	-	2,924	-	-
Total Expenditures before Facilities	192,664	174,891	152,077	163,793	124,306
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ 192,664	\$ 174,891	\$ 152,077	\$ 163,793	\$ 124,306
Profit or Deficit Before Tax Revenues	(192,664)	(174,891)	(152,077)	(163,793)	(124,306)
Required Tax Revenues					
Revenues	\$ 192,663	\$ 174,891	\$ 152,077	\$ 163,793	\$ 124,306

Performance Ratio:
 Revenues/Expenditures

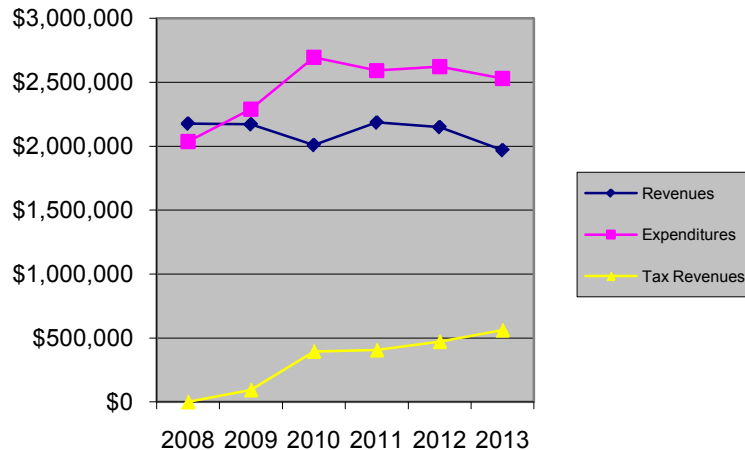
FTEs: 3 3 2 2 1

NOTE: This is a support division, thus 100% is tax supported.



Trend Analysis of Revenues & Expenditures
Division: Special Schools
Program: Highpoint East
BM: 970

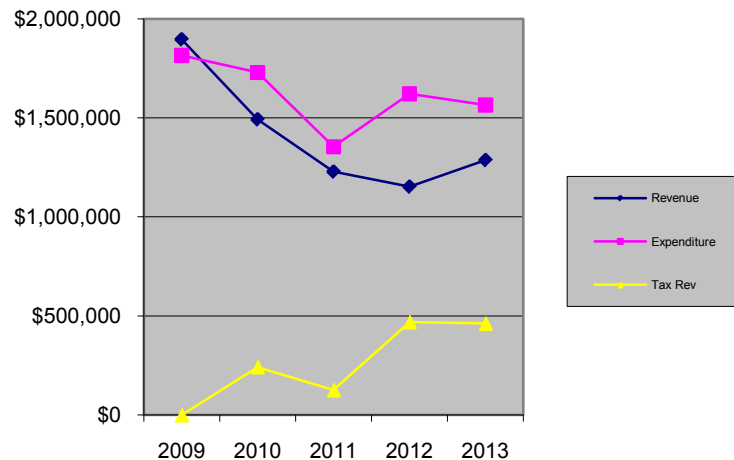
	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 2,170,600	\$ 2,005,200	\$ 2,184,920	\$ 2,150,000	\$ 1,969,500
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	1,255	4,548	930	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 2,171,855	\$ 2,009,748	\$ 2,185,850	\$ 2,150,000	\$ 1,969,500
Function Totals					
6100-Payroll Costs	\$ 1,608,096	\$ 1,743,525	\$ 1,837,451	\$ 1,699,498	1,707,423
6200-Contracted Services	259,349	228,543	241,091	317,557	216,300
6300-Supplies & Materials	150,420	336,045	24,154	52,472	60,500
6400-Other Operating Costs	16,726	13,205	7,842	6,480	4,550
6600-Capital Outlay	-	71,235	-	-	-
Total Expenditures before Facilities	2,034,591	2,392,553	2,110,538	2,076,007	1,988,773
6487- Facilities	255,548	302,328	481,177	545,798	542,046
Total Expenditures including Facilities	\$ 2,290,139	\$ 2,694,881	\$ 2,591,715	\$ 2,621,805	\$ 2,530,819
Profit or Deficit Before Tax Revenues	(118,284)	(685,133)	(405,865)	(471,805)	(561,319)
Required Tax Revenues					
5710-Tax Revenues	\$ 93,750	\$ 394,990	\$ 405,865	\$ 471,805	\$ 561,319
Performance Ratio:	95%	75%	84%	82%	78%
Revenues/Expenditures					
Ratio w/o facility charges:	107%	84%	104%	104%	99%
FTEs:	29	32	32	32	28.5



Trend Analysis of Revenues & Expenditures
Division: Special Schools
Program: Highpoint North
BM: 971

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 1,888,320	\$ 1,486,388	\$ 1,223,870	\$ 1,152,000	\$ 1,286,300
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	7,386	5,342	4,027	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 1,895,706	\$ 1,491,730	\$ 1,227,897	\$ 1,152,000	\$ 1,286,300
Function Totals					
6100-Payroll Costs	\$ 1,453,137	\$ 1,322,407	\$ 1,074,234	\$ 1,184,242	\$ 1,302,718
6200-Contracted Services	129,053	145,792	72,987	190,000	163,500
6300-Supplies & Materials	36,482	41,804	38,524	52,787	93,500
6400-Other Operating Costs	24,091	15,136	5,115	9,150	5,400
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	1,642,765	1,525,139	1,190,860	1,436,179	1,565,118
6487- Facilities	172,187	203,710	162,975	184,863	183,592
Total Expenditures including Facilities	\$ 1,814,952	\$ 1,728,849	\$ 1,353,835	\$ 1,621,042	\$ 1,748,710
Profit or Deficit Before Tax Revenues	80,755	(237,119)	(125,938)	(469,042)	(462,410)
Required Tax Revenues					
5710-Tax Revenues	\$ -	\$ 242,151	\$ 125,938	\$ 469,042	\$ 462,410

Performance Ratio:	104%	86%	91%	71%	74%
Revenues/Expenditures					
Ratio w/o facility charges:	115%	98%	103%	80%	82%
FTEs:	25	30	18	18	22



Trend Analysis of Revenues & Expenditures
Division: Human Resources
Program:
BM: 030

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	800	800	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ 800	\$ 800	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 651,307	\$ 672,246	\$ 696,208	\$ 715,008	\$ 711,024
6200-Contracted Services	140,034	54,075	57,832	62,904	60,948
6300-Supplies & Materials	54,220	65,888	55,668	35,781	22,706
6400-Other Operating Costs	105,630	50,027	56,068	67,716	68,716
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	951,191	842,236	865,776	881,409	863,394
6487- Facilities	62,113	73,483	71,604	81,221	58,260
Total Expenditures including Facilities	\$ 1,013,304	\$ 915,719	\$ 937,380	\$ 962,630	\$ 921,654
Profit or Deficit Before Tax Revenues	(1,013,304)	(914,919)	(936,580)	(962,630)	(921,654)
Indirect Costs	422,218	579,533	808,989	948,574	948,574
Required Tax Revenues					
5710-Tax Revenues	\$ 285,543	\$ 333,403	\$ 130,369	\$ 9,100	\$ 9,100

Performance Ratio:
Revenues/Expenditures

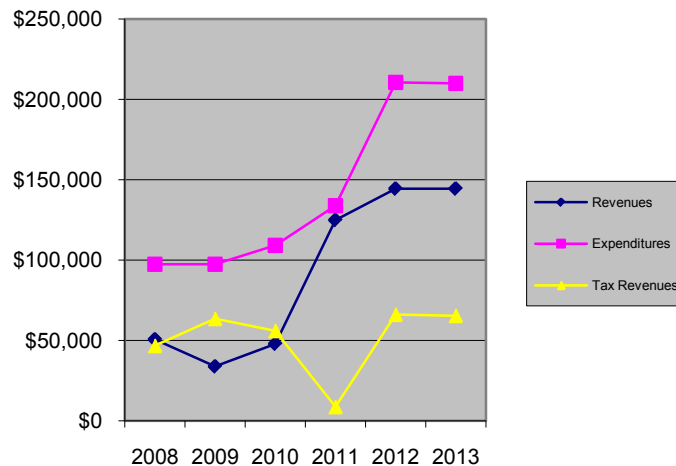
FTEs: 10 10 10 10 10

NOTE: This is a support division, thus 100% is tax supported.



Trend Analysis of Revenues & Expenditures
Division: Instructional Support Services
Program: Bilingual
BM: 304

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 33,840	\$ 47,916	\$ 124,967	\$ 144,500	\$ 144,500
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 33,840	\$ 47,916	\$ 124,967	\$ 144,500	\$ 144,500
Function Totals					
6100-Payroll Costs	\$ 77,207	\$ 79,543	\$ 84,537	\$ 89,006	\$ 88,345
6200-Contracted Services	1,226	11,672	31,889	50,976	50,976
6300-Supplies & Materials	11,561	11,079	9,237	49,619	49,619
6400-Other Operating Costs	7,400	6,972	8,211	21,024	21,024
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	97,393	109,266	133,874	210,625	209,964
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ 97,393	\$ 109,266	\$ 133,874	\$ 210,625	\$ 209,964
Profit or Deficit Before Tax Revenues	(63,553)	(61,350)	(8,907)	(66,125)	(65,464)
Required Tax Revenues					
5710-Tax Revenues	\$ 63,553	\$ 56,079	\$ 8,907	\$ 66,125	\$ 65,464
Performance Ratio:	35%	44%	93%	69%	69%
Revenues/Expenditures					
FTEs:	1.34	1.34	1.34	1.34	1.34



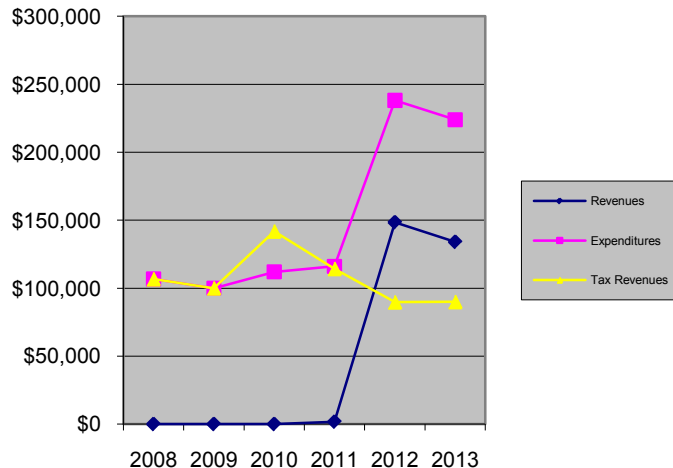
Trend Analysis of Revenues & Expenditures
Division: Instructional Support Services
Program: Division Wide
BM: 301

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ 1,736	\$ 148,400	\$ 134,000
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ 1,736	\$ 148,400	\$ 134,000
Function Totals					
6100-Payroll Costs	\$ 35,200	\$ 36,493	\$ 37,246	\$ 37,899	\$ 37,678
6200-Contracted Services	1,800	(1,500)	215	105,882	100,000
6300-Supplies & Materials	1,833	4,672	7,888	5,979	5,979
6400-Other Operating Costs	4	8	190	8,350	850
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	38,837	39,673	45,539	158,110	144,507
6487- Facilities	61,182	72,383	70,531	80,000	79,450
Total Expenditures including Facilities	\$ 100,018	\$ 112,056	\$ 116,070	\$ 238,110	\$ 223,957
Profit or Deficit Before Tax Revenues	(100,018)	(112,056)	(114,334)	(89,710)	(89,957)
Required Tax Revenues					
5710-Tax Revenues	\$ 100,018	\$ 141,922	\$ 114,334	\$ 89,710	\$ 89,957

Performance Ratio: 0% 0% 2% 62% 60%
 Revenues/Expenditures

FTEs: 1 1 1 1 1

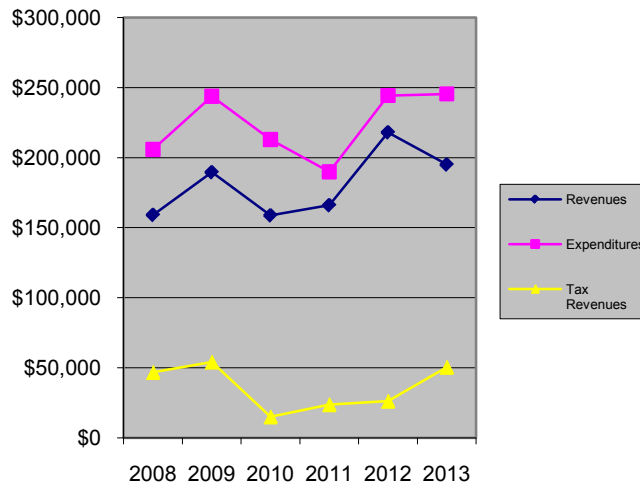
NOTE: This is a support division, thus 100% is tax supported.



Trend Analysis of Revenues & Expenditures
Division: Instructional Support Services
Program: Early Childhood Winter Conference
BM: 309

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 171,315	\$ 158,730	\$ 151,955	\$ 202,000	\$ 175,000
5730-Tuition & Fees-Other Entities	18,205		12,675	16,000	20,000
5740-Interest Earnings & Other Local Rev	-	-	1,350	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 189,520	\$ 158,730	\$ 165,980	\$ 218,000	\$ 195,000
Function Totals					
6100-Payroll Costs	\$ 36,943	\$ 29,848	\$ 20,235	\$ 77,259	\$ 78,416
6200-Contracted Services	92,444	86,369	104,400	77,926	71,800
6300-Supplies & Materials	25,910	19,606	34,692	31,753	34,229
6400-Other Operating Costs	88,371	77,093	30,488	57,350	61,000
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	243,669	212,916	189,815	244,288	245,445
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ 243,669	\$ 212,916	\$ 189,815	\$ 244,288	\$ 245,445
Profit or Deficit Before Tax Revenues	(54,149)	(54,186)	(23,835)	(26,288)	(50,445)
Required Tax Revenues					
5710-Tax Revenues	\$ 54,149	\$ 15,171	\$ 23,835	\$ 26,288	\$ 50,445

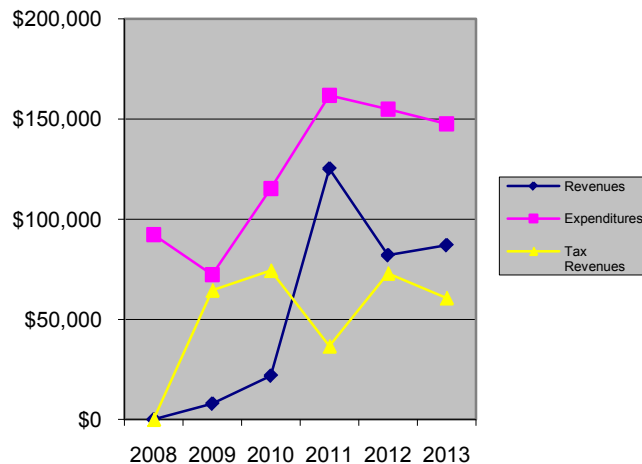
Performance Ratio:	78%	75%	87%	89%	79%
Revenues/Expenditures					
FTEs:	1	1	0.5	1.25	1.25



Trend Analysis of Revenues & Expenditures
Division: Instructional Support Services
Program: English Language Arts
BM: 307

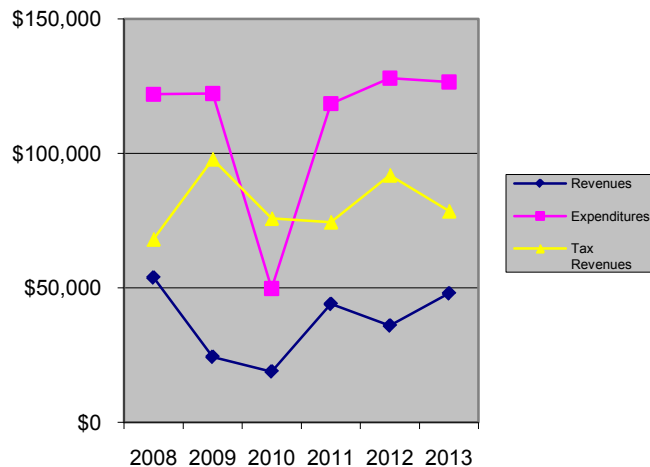
	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 7,843	\$ 21,828	\$ 125,276	\$ 82,000	\$ 87,000
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 7,843	\$ 21,828	\$ 125,276	\$ 82,000	\$ 87,000
Function Totals					
6100-Payroll Costs	\$ 59,774	\$ 87,337	\$ 104,421	\$ 76,212	\$ 70,359
6200-Contracted Services	4,770	6,420	35,653	48,170	45,800
6300-Supplies & Materials	3,822	10,605	9,463	11,463	9,500
6400-Other Operating Costs	3,975	10,940	12,341	19,119	22,000
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	72,341	115,302	161,878	154,964	147,659
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ 72,341	\$ 115,302	\$ 161,878	\$ 154,964	\$ 147,659
Profit or Deficit Before Tax Revenues	(64,499)	(93,474)	(36,602)	(72,964)	(60,659)
Required Tax Revenues					
5710-Tax Revenues	\$ 64,499	\$ 74,378	\$ 36,602	\$ 72,964	\$ 60,659

Performance Ratio:	11%	19%	77%	53%	59%
Revenues/Expenditures					
FTEs:	0.96	1.33	1.5	1.17	1.17



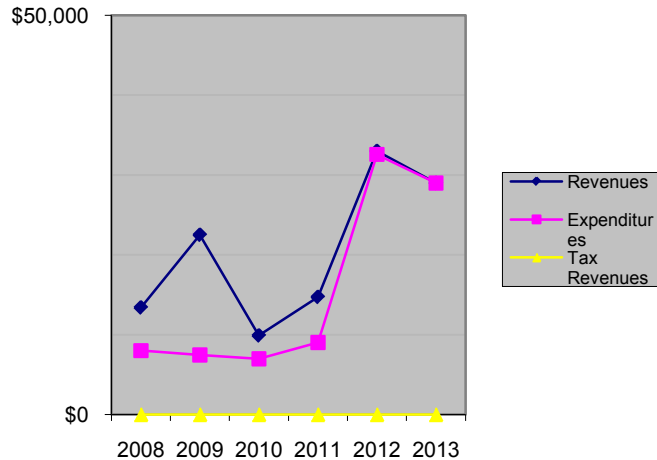
Trend Analysis of Revenues & Expenditures
Division: Instructional Support Services
Program: Math
BM: 302

	A	B	C	D	E
	Actual	Actual	Budget	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 24,359	\$ 18,772	\$ 42,766	\$ 36,000	\$ 48,000
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	133	1,286	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 24,359	\$ 18,905	\$ 44,052	\$ 36,000	\$ 48,000
Function Totals					
6100-Payroll Costs	\$ 105,614	\$ 15,719	\$ 94,212	\$ 98,768	\$ 97,394
6200-Contracted Services	(1,025)	17,476	15,101	14,880	15,000
6300-Supplies & Materials	6,452	7,297	5,357	3,687	3,687
6400-Other Operating Costs	11,234	9,318	3,825	10,589	10,469
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	122,275	49,810	118,495	127,924	126,550
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ 122,275	\$ 49,810	\$ 118,495	\$ 127,924	\$ 126,550
Profit or Deficit Before Tax Revenues	(97,916)	(30,905)	(74,443)	(91,924)	(78,550)
Required Tax Revenues					
5710-Tax Revenues	\$ 97,916	\$ 75,802	\$ 74,443	\$ 91,924	\$ 78,550
Performance Ratio:	20%	38%	37%	28%	38%
Revenues/Expenditures					
FTEs:	1.33	1.33	1.33	1.33	1.33



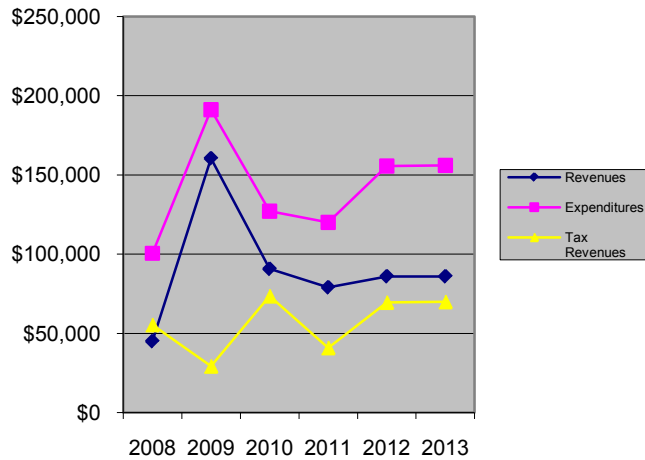
Trend Analysis of Revenues & Expenditures
Division: Instructional Support Services
Program: Professional Development
BM: 315

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 21,755	\$ 9,900	\$ 14,725	\$ 28,000	\$ 28,000
5730-Tuition & Fees-Other Entities	750	-	-	5,000	1,000
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 22,505	\$ 9,900	\$ 14,725	\$ 33,000	\$ 29,000
Function Totals					
6100-Payroll Costs	\$ -	\$ -	\$ 458	\$ -	\$ -
6200-Contracted Services	2,450	5,455	5,500	17,000	15,500
6300-Supplies & Materials	2,391	819	1,161	10,076	10,000
6400-Other Operating Costs	2,625	711	1,896	5,500	3,500
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	7,466	6,985	9,015	32,576	29,000
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ 7,466	\$ 6,985	\$ 9,015	\$ 32,576	\$ 29,000
Profit or Deficit Before Tax Revenues	15,039	2,915	5,710	424	-
Required Tax Revenues					
5710-Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Performance Ratio:	301%	142%	163%	101%	100%
Revenues/Expenditures					
FTEs:	0	0	0	0	0



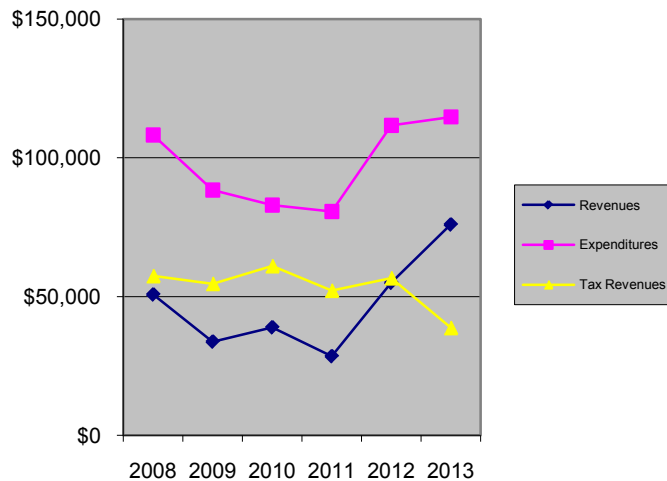
Trend Analysis of Revenues & Expenditures
Division: Instructional Support Services
Program: Science
BM: 303

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 58,066	\$ 53,219	\$ 79,065	\$ 86,000	\$ 86,000
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	102,321	37,484	-	-	-
Total Revenues	\$ 160,388	\$ 90,703	\$ 79,065	\$ 86,000	\$ 86,000
Function Totals					
6100-Payroll Costs	\$ 99,715	\$ 91,679	\$ 86,734	\$ 95,328	\$ 95,722
6200-Contracted Services	19,522	16,674	6,617	6,731	6,731
6300-Supplies & Materials	60,571	11,028	16,405	34,281	34,281
6400-Other Operating Costs	11,350	7,790	10,263	19,179	19,179
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	191,158	127,171	120,019	155,519	155,913
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ 191,158	\$ 127,171	\$ 120,019	\$ 155,519	\$ 155,913
Profit or Deficit Before Tax Revenues	(30,770)	(36,468)	(40,954)	(69,519)	(69,913)
Required Tax Revenues					
5710-Tax Revenues	\$ 29,366	\$ 73,549	\$ 40,954	\$ 69,519	\$ 69,913
Performance Ratio:	84%	71%	66%	55%	55%
Revenues/Expenditures					
FTEs:	1.33	1.33	1.33	1.33	1.33



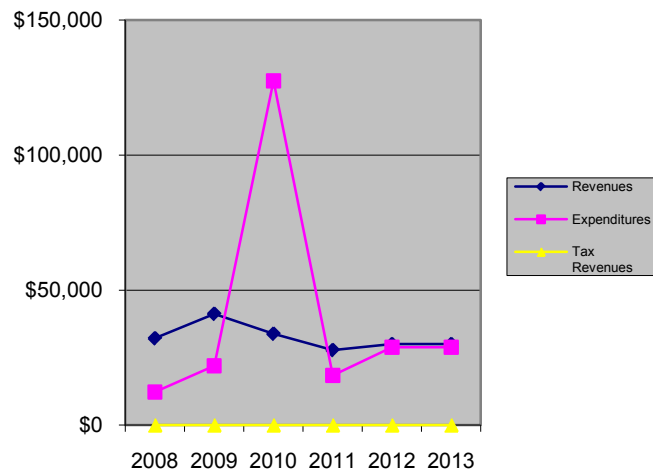
Trend Analysis of Revenues & Expenditures
Division: Instructional Support Services
Program: Social Studies
BM: 308

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 33,767	\$ 38,927	\$ 28,511	\$ 55,000	\$ 76,000
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 33,767	\$ 38,927	\$ 28,511	\$ 55,000	\$ 76,000
Function Totals					
6100-Payroll Costs	\$ 12,458	\$ 9,987	\$ 18,219	\$ 69,470	\$ 75,097
6200-Contracted Services	68,542	62,663	49,349	25,100	26,050
6300-Supplies & Materials	2,326	5,420	7,337	6,546	5,546
6400-Other Operating Costs	5,081	4,902	5,783	10,550	8,050
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	88,408	82,972	80,688	111,666	114,743
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ 88,408	\$ 82,972	\$ 80,688	\$ 111,666	\$ 114,743
Profit or Deficit Before Tax Revenues	(54,641)	(44,045)	(52,177)	(56,666)	(38,743)
Required Tax Revenues					
5710-Tax Revenues	\$ 54,641	\$ 61,032	\$ 52,177	\$ 56,666	\$ 38,743
Performance Ratio:	38%	47%	35%	49%	66%
Revenues/Expenditures					
FTEs:	0.33	0.33	0.5	1.5	1.5



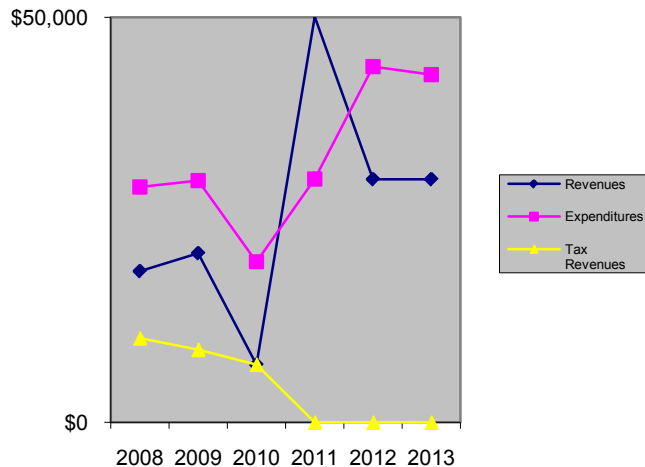
Trend Analysis of Revenues & Expenditures
Division: Instructional Support Services
Program: Speaker Series
BM: 314

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 32,240	\$ 33,844	\$ 27,784	\$ 30,000	\$ 30,000
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	9,000	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 41,240	\$ 33,844	\$ 27,784	\$ 30,000	\$ 30,000
Function Totals					
6100-Payroll Costs	\$ -	\$ -	\$ -	\$ -	\$ -
6200-Contracted Services	19,000	123,790	13,319	17,000	17,000
6300-Supplies & Materials	466	1,096	2,136	6,865	6,865
6400-Other Operating Costs	2,537	2,666	2,976	5,000	5,000
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	22,003	127,552	18,431	28,865	28,865
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ 22,003	\$ 127,552	\$ 18,431	\$ 28,865	\$ 28,865
Profit or Deficit Before Tax Revenues	19,237	(93,708)	9,353	1,135	1,135
Required Tax Revenues					
5710-Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Performance Ratio:	187%	27%	151%	104%	104%
Revenues/Expenditures					
FTEs:	0	0	0	0	0



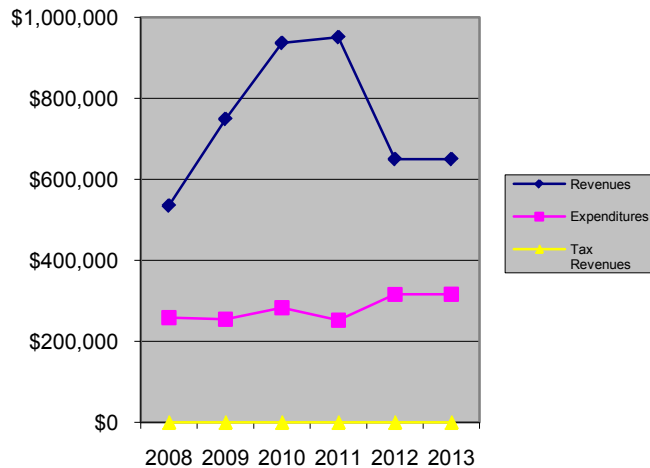
Trend Analysis of Revenues & Expenditures
Division: Instructional Support Services
Program: Special Education
BM: 313

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 20,870	\$ 7,110	\$ 50,107	\$ 30,000	\$ 30,000
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 20,870	\$ 7,110	\$ 50,107	\$ 30,000	\$ 30,000
Function Totals					
6100-Payroll Costs	\$ 12,458	\$ 9,987	\$ 11,110	\$ 31,161	\$ 30,190
6200-Contracted Services	15,492	7,193	13,337	8,575	8,575
6300-Supplies & Materials	1,096	2,011	3,269	1,657	1,477
6400-Other Operating Costs	798	641	2,341	2,524	2,704
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	29,844	19,832	30,057	43,917	42,946
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ 29,844	\$ 19,832	\$ 30,057	\$ 43,917	\$ 42,946
Profit or Deficit Before Tax Revenues	(8,974)	(12,722)	20,050	(13,917)	(12,946)
Required Tax Revenues					
5710-Tax Revenues	\$ 8,974	\$ 7,143	\$ -	\$ -	\$ -
Performance Ratio:	70%	36%	167%	68%	70%
Revenues/Expenditures					
FTEs:	0.34	0.34	0.34	0.55	0.55



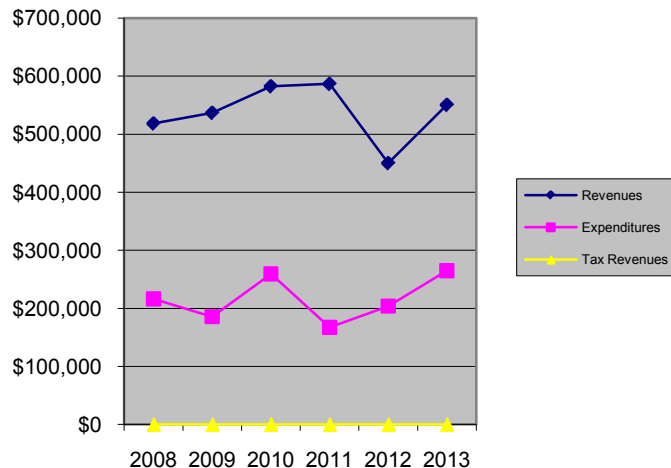
Trend Analysis of Revenues & Expenditures
Division: Purchasing Services
Program: Food Cooperative
BM: 955

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 749,031	\$ 936,643	\$ 951,010	\$ 650,000	\$ 650,000
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 749,031	\$ 936,643	\$ 951,010	\$ 650,000	\$ 650,000
Function Totals					
6100-Payroll Costs	\$ 190,364	\$ 222,397	\$ 215,167	\$ 237,352	\$ 236,196
6200-Contracted Services	14,445	14,863	16,492	28,600	28,600
6300-Supplies & Materials	13,947	10,552	7,525	21,544	21,500
6400-Other Operating Costs	16,779	17,281	10,940	26,111	27,500
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	235,536	265,093	250,124	313,607	313,796
6487- Facilities	19,183	18,126	2,162	2,452	2,435
Total Expenditures including Facilities	\$ 254,719	\$ 283,219	\$ 252,286	\$ 316,059	\$ 316,231
Profit or Deficit Before Tax Revenues	494,313	653,424	698,724	333,941	333,769
Required Tax Revenues					
5710-Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Performance Ratio:	294%	331%	377%	206%	206%
Revenues/Expenditures					
FTEs:	3.83	3.83	3.83	3.83	3.83



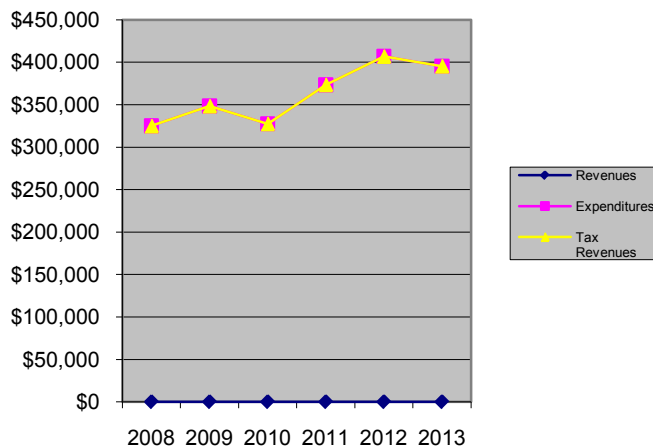
Trend Analysis of Revenues & Expenditures
Division: Purchasing Services
Program: Purchasing Cooperative
BM: 951

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 527,079	\$ 532,907	\$ 560,921	\$ 444,000	\$ 525,000
5730-Tuition & Fees-Other Entities	3,295	39,267	17,011	-	15,500
5740-Interest Earnings & Other Local Rev	6,373	10,354	8,690	6,000	10,000
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 536,747	\$ 582,528	\$ 586,622	\$ 450,000	\$ 550,500
Function Totals					
6100-Payroll Costs	\$ 89,318	\$ 111,752	\$ 108,779	\$ 118,922	\$ 174,084
6200-Contracted Services	51,819	4,966	26,854	28,000	27,000
6300-Supplies & Materials	21,977	111,880	13,805	29,937	30,000
6400-Other Operating Costs	3,388	12,469	10,074	18,245	24,900
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	166,502	241,067	159,512	195,104	255,984
6487- Facilities	19,183	18,126	7,749	8,790	8,729
Total Expenditures including Facilities	\$ 185,685	\$ 259,193	\$ 167,261	\$ 203,894	\$ 264,713
Profit or Deficit Before Tax Revenues	351,061	323,335	419,361	246,106	285,787
Required Tax Revenues					
5710-Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Performance Ratio:	289%	225%	351%	221%	208%
Revenues/Expenditures					
FTEs:	1.83	1.83	1.83	1.83	2.83



Trend Analysis of Revenues & Expenditures
Division: Purchasing Services
Program: Internal Purchasing Support
BM: 950

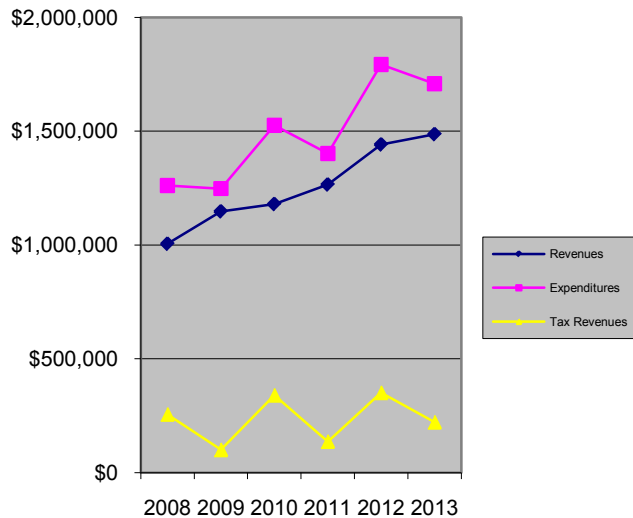
	A	C	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 252,146	\$ 269,293	\$ 333,798	\$ 347,873	\$ 338,341
6200-Contracted Services	72,332	49,443	10,985	17,143	8,900
6300-Supplies & Materials	(9,254)	(22,364)	5,977	15,576	17,000
6400-Other Operating Costs	17,853	13,013	14,917	17,428	22,400
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	333,076	309,385	365,677	398,020	386,641
6487- Facilities	15,321	18,126	7,749	8,790	8,729
Total Expenditures including Facilities	\$ 348,397	\$ 327,511	\$ 373,426	\$ 406,810	\$ 395,370
Profit or Deficit Before Tax Revenues	(348,397)	(327,511)	(373,426)	(406,810)	(395,370)
Required Tax Revenues					
5710-Tax Revenues	\$ 348,397	\$ 327,510	\$ 373,426	\$ 406,810	\$ 395,370
Performance Ratio:	0%	0%	0%	0%	0%
Revenues/Expenditures					
100% Support Division					
FTEs:	4.34	5.34	5.34	5.34	5.34



Trend Analysis of Revenues & Expenditures
Division: Technology Services
Program: Records Management
BM: 954

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 1,063,999	\$ 1,101,418	\$ 1,193,505	\$ 1,370,762	\$ 1,413,856
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	83,189	78,070	71,705	70,480	72,594
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 1,147,188	\$ 1,179,488	\$ 1,265,210	\$ 1,441,242	\$ 1,486,450
Function Totals					
6100-Payroll Costs	\$ 530,797	\$ 763,855	\$ 723,730	\$ 729,344	\$ 699,592
6200-Contracted Services	186,283	165,235	59,214	59,111	66,500
6300-Supplies & Materials	119,221	81,403	130,413	154,068	163,640
6400-Other Operating Costs	3,877	9,611	3,165	10,140	10,140
6600-Capital Outlay	42,160	72,830	64,391	362,000	-
Total Expenditures before Facilities	882,338	1,092,934	980,913	1,314,663	939,872
6487- Facilities	365,516	432,432	421,370	477,959	768,389
Total Expenditures including Facilities	\$ 1,247,855	\$ 1,525,366	\$ 1,402,283	\$ 1,792,622	\$ 1,708,261
Profit or Deficit Before Tax Revenues	(100,667)	(345,878)	(137,073)	(351,380)	(221,811)
Required Tax Revenues					
5710-Tax Revenues	\$ 100,667	\$ 340,413	\$ 137,073	\$ 351,380	\$ 221,811

Performance Ratio:	92%	77%	90%	80%	87%
Revenues/Expenditures					
FTEs:	12	15	16	14	14

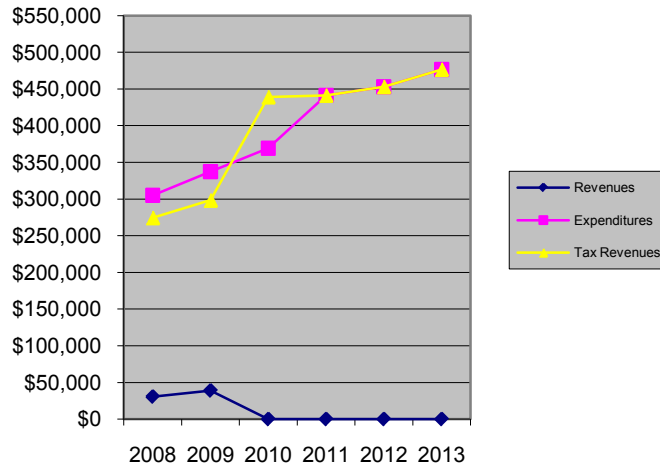


Trend Analysis of Revenues & Expenditures
Division: Research & Evaluation
Program:
BM: 924

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Budget 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 38,841	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 38,841	\$ -	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 295,556	\$ 329,054	\$ 400,142	\$ 406,809	\$ 413,212
6200-Contracted Services	17,266	8,860	4,557	3,000	13,300
6300-Supplies & Materials	4,439	10,380	14,562	17,316	23,845
6400-Other Operating Costs	4,679	3,003	2,214	3,386	3,885
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	321,940	351,297	421,475	430,511	454,242
6487- Facilities	15,293	18,092	19,919	22,595	22,440
Total Expenditures including Facilities	\$ 337,233	\$ 369,389	\$ 441,394	\$ 453,106	\$ 476,682
Profit or Deficit Before Tax Revenues	(298,392)	(369,389)	(441,394)	(453,106)	(476,682)
Required Tax Revenues					
5710-Tax Revenues	\$ 298,392	\$ 439,218	\$ 441,394	\$ 453,106	\$ 476,682

Performance Ratio: 12% 0% 0% 0% 0%
Revenues/Expenditures
100% Support Division

FTEs: 5 6 6 6 6



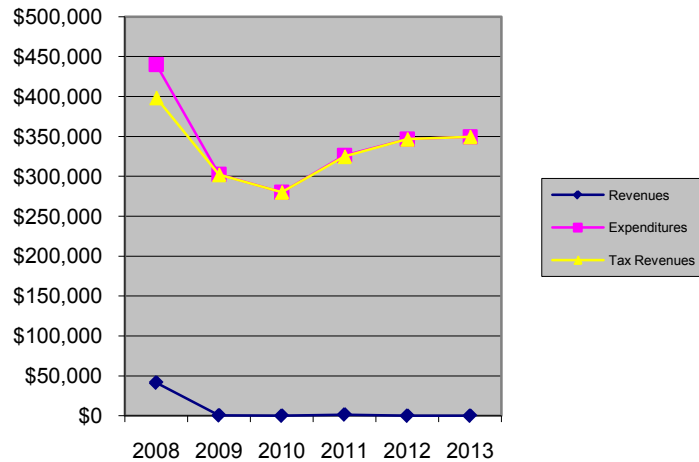
Trend Analysis of Revenues & Expenditures
Division: Resource Development
Program: Internal Grant Services
BM: 923

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	458	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	1,500	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 458	\$ -	\$ 1,500	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 244,804	\$ 224,937	\$ 266,417	\$ 277,165	\$ 298,893
6200-Contracted Services	5,740	1,981	2,918	4,200	4,200
6300-Supplies & Materials	15,889	13,368	8,910	13,853	14,933
6400-Other Operating Costs	13,488	13,022	13,416	12,035	12,035
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	279,922	253,308	291,661	307,253	330,061
6487- Facilities	22,635	26,779	34,673	39,329	19,529
Total Expenditures including Facilities	\$ 302,557	\$ 280,087	\$ 326,334	\$ 346,582	\$ 349,590
Profit or Deficit Before Tax Revenues	(302,099)	(280,087)	(324,834)	(346,582)	(349,590)
Required Tax Revenues					
5710-Tax Revenues	\$ 302,099	\$ 280,086	\$ 324,834	\$ 346,582	\$ 349,590

Performance Ratio:
Revenues/Expenditures

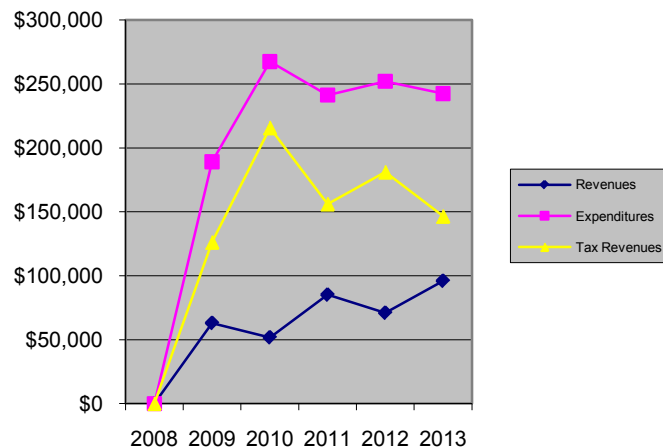
FTEs: 3.75 3.75 3.75 3.75 4.25

100% Support Division



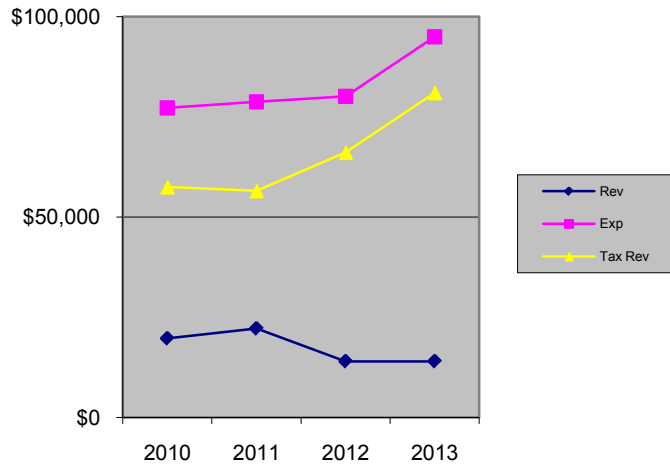
Trend Analysis of Revenues & Expenditures
Division: Resource Development
Program: Texas Center for Grants Development
BM: 926

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 9,975	\$ 15,675	\$ 20,525	\$ 16,000	\$ 16,000
5730-Tuition & Fees-Other Entities	53,066	36,096	64,648	55,000	80,000
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 63,041	\$ 51,771	\$ 85,173	\$ 71,000	\$ 96,000
Function Totals					
6100-Payroll Costs	\$ 171,597	\$ 241,663	\$ 217,640	\$ 222,537	\$ 193,450
6200-Contracted Services	1,525	2,208	1,370	4,600	4,350
6300-Supplies & Materials	9,231	13,896	11,142	16,065	14,565
6400-Other Operating Costs	6,883	9,758	11,204	8,900	10,650
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	189,236	267,525	241,356	252,102	223,015
6487- Facilities	-	-	-	-	19,529
Total Expenditures including Facilities	\$ 189,236	\$ 267,525	\$ 241,356	\$ 252,102	\$ 242,544
Profit or Deficit Before Tax Revenues	(126,195)	(215,754)	(156,183)	(181,102)	(146,544)
Required Tax Revenues					
5710-Tax Revenues	\$ 126,195	\$ 215,754	\$ 156,183	\$ 181,102	\$ 146,544
Performance Ratio:	33%	19%	35%	28%	40%
Revenues/Expenditures					
FTEs:	3.25	3.25	3.25	3.25	2.75



Trend Analysis of Revenues & Expenditures
Division: Scholastic Arts
Program:
BM: 312

	A	B	C	D	E
	Actual	Actual	Budget	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	17,010	14,214	14,611	8,000	8,000
5740-Interest Earnings & Other Local Rev	1,080	5,500	7,581	6,000	6,000
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 18,090	\$ 19,714	\$ 22,192	\$ 14,000	\$ 14,000
Function Totals					
6100-Payroll Costs	\$ 28,853	\$ -	\$ -	\$ 29,740	\$ 42,470
6200-Contracted Services	8,437	46,098	46,310	11,800	14,000
6300-Supplies & Materials	7,009	9,167	6,602	8,160	6,700
6400-Other Operating Costs	15,297	17,159	21,137	25,090	26,550
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	59,595	72,424	74,049	74,790	89,720
6487- Facilities	4,068	4,813	4,690	5,318	5,281
Total Expenditures including Facilities	\$ 63,663	\$ 77,237	\$ 78,739	\$ 80,108	\$ 95,001
Profit or Deficit Before Tax Revenues	(45,573)	(57,523)	(56,547)	(66,108)	(81,001)
Required Tax Revenues					
5710-Tax Revenues	\$ 45,453	\$ 57,518	\$ 56,547	\$ 66,108	\$ 81,001
Performance Ratio:	28%	26%	28%	17%	15%
Revenues/Expenditures					
FTEs:	0.38	0.54	0	0.33	0.33



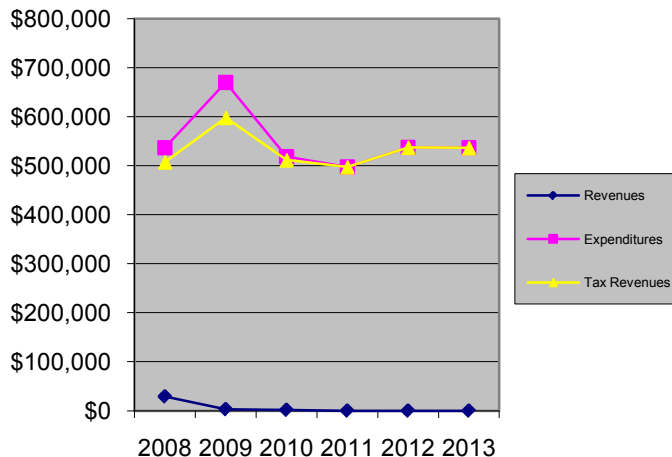
Trend Analysis of Revenues & Expenditures
Division: Special Schools
Program: Administration
BM: 501

	A	B	C	D	F
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 3,000	\$ 1,650	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 3,000	\$ 1,650	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 474,534	\$ 357,989	\$ 387,327	\$ 374,081	\$ 387,680
6200-Contracted Services	105,153	61,895	37,969	41,500	36,550
6300-Supplies & Materials	42,128	36,642	26,609	74,289	67,800
6400-Other Operating Costs	26,942	36,865	21,275	19,660	16,800
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	648,757	493,391	473,180	509,530	508,830
6487- Facilities	21,271	25,165	24,521	27,812	27,620
Total Expenditures including Facilities	\$ 670,028	\$ 518,556	\$ 497,701	\$ 537,342	\$ 536,450
Profit or Deficit Before Tax Revenues	(667,028)	(516,906)	(497,701)	(537,342)	(536,450)
Required Tax Revenues					
5710-Tax Revenues	\$ 598,293	\$ 511,815	\$ 497,701	\$ 537,342	\$ 536,450

Performance Ratio: 0% 0% 0% 0% 0%
Revenues/Expenditures

FTEs: 6 6 6 4 4

100% Support Division



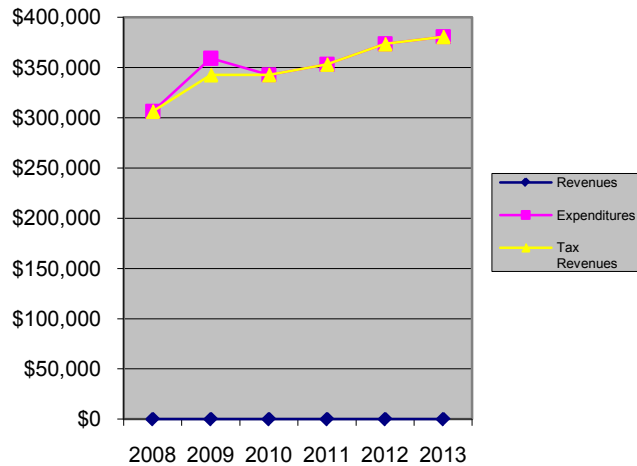
Trend Analysis of Revenues & Expenditures
Division: Administration
Program: Superintendent
BM: 001

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ 294,125	\$ 300,184	\$ 304,550	\$ 314,049	\$ 321,430
6200-Contracted Services	1,447	2,645	5,042	3,750	3,700
6300-Supplies & Materials	2,499	4,338	3,393	13,736	13,736
6400-Other Operating Costs	44,638	20,105	25,185	24,798	24,848
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	342,709	327,272	338,170	356,333	363,714
6487- Facilities	16,370	15,468	15,073	17,093	16,975
Total Expenditures including Facilities	\$ 359,079	\$ 342,740	\$ 353,243	\$ 373,426	\$ 380,689
Profit or Deficit Before Tax Revenues	(359,079)	(342,740)	(353,243)	(373,426)	(380,689)
Required Tax Revenues					
5710-Tax Revenues	\$ 342,709	\$ 342,740	\$ 353,243	\$ 373,426	\$ 380,689

Performance Ratio: - - - -
Revenues/Expenditures

FTEs: 2 2 2 2 2

100% Support Division



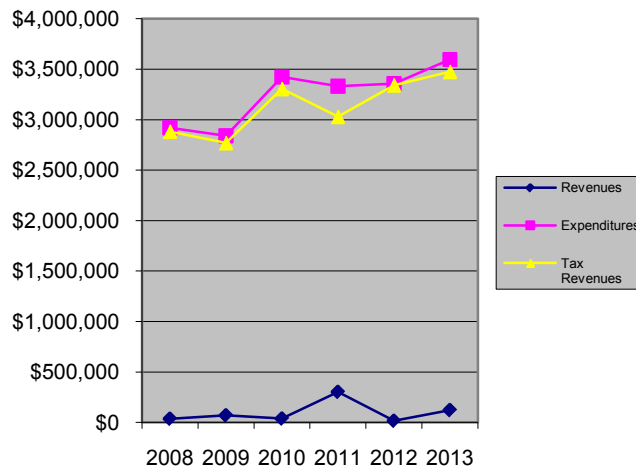
Trend Analysis of Revenues & Expenditures
Division: Technology Services
Program: Support
BM: 090

	A	B	C	D	E
	Actual	Actual	Actual	Budget	Budget
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 70,205	\$ 38,250	\$ 302,732	\$ 16,000	\$ 122,100
5730-Tuition & Fees-Other Entities	-	-	86	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 70,205	\$ 38,250	\$ 302,818	\$ 16,000	\$ 122,100
Function Totals					
6100-Payroll Costs	\$ 1,174,083	\$ 1,255,396	\$ 1,349,579	\$ 1,739,042	\$ 1,775,953
6200-Contracted Services	868,886	889,369	819,957	831,078	936,182
6300-Supplies & Materials	346,945	479,871	473,190	555,426	639,829
6400-Other Operating Costs	65,002	87,885	63,725	78,667	92,250
6600-Capital Outlay	272,560	578,027	490,808	-	-
Total Expenditures before Facilities	2,727,476	3,290,548	3,197,259	3,204,213	3,444,214
6487- Facilities	111,618	132,052	135,234	153,396	152,341
Total Expenditures including Facilities	\$ 2,839,094	\$ 3,422,600	\$ 3,332,493	\$ 3,357,609	\$ 3,596,555
Profit or Deficit Before Tax Revenues	(2,768,888)	(3,384,350)	(3,029,675)	(3,341,609)	(3,474,455)
Required Tax Revenues					
5710-Tax Revenues	\$ 2,769,246	\$ 3,305,293	\$ 3,029,675	\$ 3,341,609	\$ 3,474,455

Performance Ratio: 2% 1% 0% 0% 0%
Revenues/Expenditures

FTEs: 19 21 21.5 23 23

100% Support Division

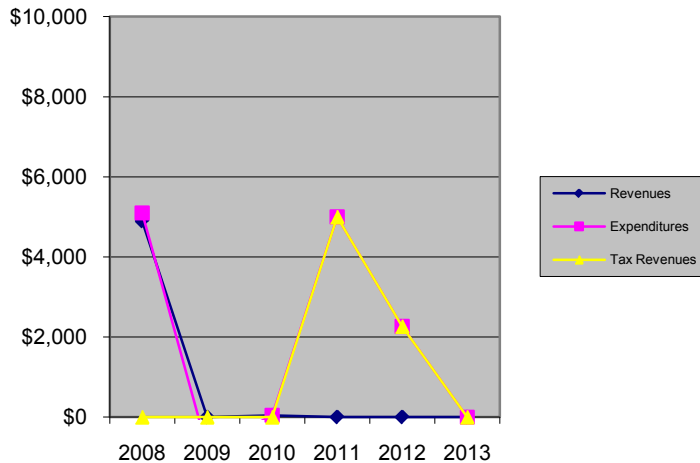


Trend Analysis of Revenues & Expenditures
Division: Texas Learns-Local
Program:
BM: 205

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ -	\$ -	\$ -	\$ -	\$ -
5730-Tuition & Fees-Other Entities	-	-	-	-	-
5740-Interest Earnings & Other Local Rev	-	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
5990-Indirect Cost-Federal	-	47	-	-	-
Total Revenues	\$ -	\$ 47	\$ -	\$ -	\$ -
Function Totals					
6100-Payroll Costs	\$ -	\$ -	\$ -	\$ -	\$ -
6200-Contracted Services	-	-	-	-	-
6300-Supplies & Materials	-	-	-	-	-
6400-Other Operating Costs	(792)	47	5,000	2,264	-
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	(792)	47	5,000	2,264	-
6487- Facilities	-	-	-	-	-
Total Expenditures including Facilities	\$ (792)	\$ 47	\$ 5,000	\$ 2,264	\$ -
Profit or Deficit Before Tax Revenues	792	-	(5,000)	(2,264)	-
Required Tax Revenues					
5710-Tax Revenues	\$ -	\$ -	\$ 5,000	\$ 2,264	\$ -

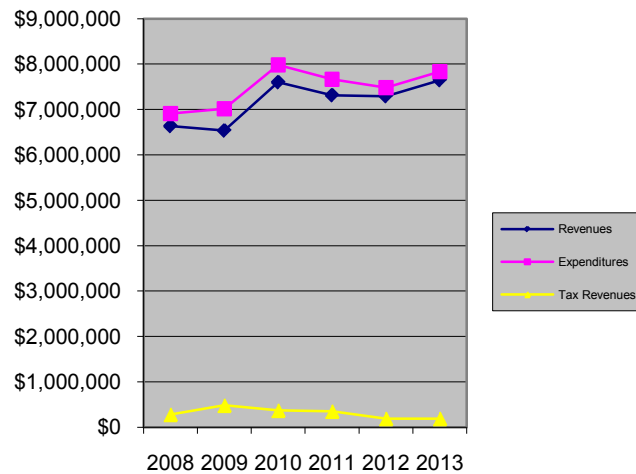
Performance Ratio: 0% 100% 0% 0% 0%
Revenues/Expenditures

FTEs: 15 15 15 14 14



Trend Analysis of Revenues & Expenditures
Division: Special Schools and Services
Program: Therapy Services
BM: 111

	A	B	C	D	E
	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Budget 2012-2013
Revenues-Local, State & Federal					
5720-Tuition & Fees-School Districts	\$ 6,532,334	\$ 7,600,003	\$ 7,312,995	\$ 7,291,296	\$ 7,644,513
5730-Tuition & Fees-Other Entities	-	-	55	-	-
5740-Interest Earnings & Other Local Rev	1,000	-	-	-	-
5790-Indirect Cost-Local	-	-	-	-	-
Total Revenues	\$ 6,533,334	\$ 7,600,003	\$ 7,313,050	\$ 7,291,296	\$ 7,644,513
Function Totals					
6100-Payroll Costs	\$ 6,661,066	\$ 7,668,945	\$ 7,394,476	\$ 7,049,702	\$ 7,426,987
6200-Contracted Services	40,778	10,921	10,807	46,305	44,900
6300-Supplies & Materials	90,930	64,527	52,444	112,071	77,652
6400-Other Operating Costs	169,963	174,205	146,064	205,073	217,298
6600-Capital Outlay	-	-	-	-	-
Total Expenditures before Facilities	6,962,737	7,918,598	7,603,791	7,413,151	7,766,837
6487- Facilities	51,627	61,079	59,516	67,508	67,044
Total Expenditures including Facilities	\$ 7,014,364	\$ 7,979,677	\$ 7,663,307	\$ 7,480,659	\$ 7,833,881
Profit or Deficit Before Tax Revenues	(481,030)	(379,674)	(350,257)	(189,363)	(189,368)
Required Tax Revenues					
5710-Tax Revenues	\$ 481,252	\$ 370,150	\$ 350,257	\$ 189,363	\$ 189,368
Performance Ratio:	93%	95%	95%	97%	98%
Revenues/Expenditures					
FTEs:	140	140	131	127	123.25



Harris County Department of Education

Glossary of Financial Terms

Account Code – This is the second part of the Pentamation Account Code. It is an eight digit numerical sequence consisting of the 4-digit object code and 4-digit sub-object code used to accounting purposes. Follows the Budget Code. See **Object Code** and **Sub-object Code**.

Account Number (Budget Number) – Consists of the **Budget Code** and the **Account Code**; the numerical sequence necessary to reflect budget operations and conditions, such as estimate revenues, appropriations, and encumbrances, the net balance, and other related information.

Accounting Period – A period at the end of which and for which financial statements are prepared; for example, September 1 through August 31.

Accrual Basis – Accrual accounting attempts to records the financial effects on an enterprise of transactions and other events and circumstances that have cash consequences for an enterprise in the periods in which those transactions, events, and circumstances occur rather than only in the periods in which cash is received or paid by the enterprise. Accrual accounting is concerned with the process by which cash expended on resources and activities is returned as more (or perhaps less) cash to the enterprise, not just with the beginning and end of that process. It recognizes that the buying, producing, selling, and other operations of an enterprise during a period, as well as other events that affect enterprise performance, often do not coincide with the cash receipts and payments of the period.

Adopted Tax Rate – The total adopted rate is composed of a maintenance and operation rate (M&O) and a debt service rate (sometimes referred to as the Interest and Sinking, or I&S, rate). Rates are expressed per \$100 of taxable value.

Allocation – A part of a lump-sum appropriation, which is designated for expenditure by specific organization units and/or for special purposes, activities, or objects.

Appraisal – (1) The act of appraising; (2) The estimated value resulting from such action.

Appraise – To make an estimate of value, particularly of the value of property. Note: if the property is valued for purpose of taxation, the less-inclusive term “assess” is usually used.

Appropriation – Budget dollars that have been set aside for a particular expenditure.

Appropriation Account – A budgetary account set up to record specific authorization to spend. The account is credited with original and any supplemental appropriations and is charged with expenditures and encumbrances.

Assess – To value property officially for the purpose of taxation. Note: the term is also sometimes used to denote the levy of taxes, but such usage is not correct because it fails to distinguish between the valuation process and the tax levy process.

Assessed Valuation – A valuation set upon real estate or other property by a government as a basis for levying taxes.

Assets/Personal Property – Property (fixed assets or capital assets) that is generally portable and owned by an entity (sometimes leased); which has a monetary value.

Assets/Real Property – Real estate or other property owned by an entity; which has a monetary value.

Balanced Budget – A budget with total expenditures not exceeding total revenues and monies available in the fund balance within an individual fund.

Bill – A term used to denote a law or statute passed by certain legislative bodies. A bill has greater legal formality and standing than a resolution.

Board of Education – The elected or appointed body that has been created according to State law and vested with responsibilities for educational activities in a given geographical area. These bodies are sometimes called school boards, governing boards, school trustees, etc.

Bond – A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality.

Bonded Debt – The part of debt which is covered by outstanding bonds. Sometimes called “Bonded Indebtedness.”

Bonds Issued – Bonds sold.

Bonds Payable – The face value of bonds issued and unpaid.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

Budget Code – This is the first part of the Pentamation Account Code. It is fourteen digit numerical sequence consisting of the 3-digit fund code, 1-digit year code, 2-digit function code, 3-digit location code, 2-digit program code, and the 3-digit budget manager code, used to accounting purposes; precedes the **Account Code**. See **Fund Code**, **Function Code**, **Location Code**, **Program Code**, and **Budget Manager Code**.

Budget Manager Code – Denotes a program, purpose, or division applicable to the revenue or expenditure; part of the **Budget Code**: XXX-X-XX-XXX-XX-XXX.

Capital Asset – Same as **Fixed Asset**. Usually depreciated in governmental accounting

Capital Budget – A plan of proposed capital outlays and the means of financing them for the fiscal period. It is usually a part of the current budget. A capital program is sometimes referred to as a capital budget.

Capital Outlay – Expenditures which result in the acquisition of or addition to fixed assets. A fixed asset is defined as a tangible item whose expected useful life is over one year and whose value is more than \$1,000 and less than \$5,000 per item. It is not depreciated. A capital asset is defined as a tangible item (fixed asset) whose expected useful life is over one year and whose value exceeds \$5,000 per item. It is depreciated if applicable.

Capital Expenditure – charges for the acquisition at the delivered price including transportation, costs of equipment, land, buildings, or improvements of land or buildings, fixtures and other permanent improvements of land or buildings, fixtures, and other permanent improvements with a value in excess of \$5,000 and a useful life expectancy of greater than 1 year.

Capital Project – A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long term work program. It sets forth each project or other contemplated expenditure in which the local education agency is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

CASE – Cooperative for After School Enrichment – A division of Harris County Department of Education formed in 1999, to mobilize the community to work together to ensure that every child in Harris County has access to an after-school program.

CDA – A HCDE investment policy that covers all financial assets under the direct control of the Department. Transactions involving the purchase, sale, and maintenance of all Department financial investments are included within the jurisdiction of this policy.

CH – A HCDE policy in which the Board delegates to the Superintendent or the Superintendent's designee the authority to determine the method of purchasing, in accordance with CH(LEGAL), and to make budgeted purchases. However, any purchase that costs or aggregates to a cost of \$50,000 or more shall require Board approval before a transaction is culminated.

Community Services – Those services, which are provided for the community as a whole, or some segment of the community and the activities are other than regular public education and adult basic education services.

Consultant – A resource person who provides assistance to the regular personnel through conference, demonstration, research, or other means.

Contracted Services – Labor, material, and other costs for services rendered by personnel who are not on the payroll of the local education agency.

Current – As used in this manual, the term has reference to the fiscal year in progress.

Current Budget – The annual budget prepared for and effective during the present fiscal year.

Current Year's Tax Levy – Taxes levied for the current fiscal period.

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, warrants, and notes, etc.

Debt Service Fund – A fund used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on all bonds.

Deficit – The excess of the expenditures of a fund over the fund's resources.

Delinquent Taxes – Taxes remaining unpaid on and after the date on which they become delinquent by statute.

Depreciate/Depreciation – [Verb] to consider something as having less value each year over a fixed period, for the calculation of income tax; [Noun] the amount or percentage by which something decreases in value over time, usually one year.

Designated Fund Balance – Management's intended use of available expendable financial resources in governmental funds reflecting actual plans approved by the Education Board.

Direct Debt – Debt that is to be repaid by the reporting government itself rather than by an overlapping or underlying government.

ECI – Early Childhood Intervention – Is one of 58 ECI programs in Texas, helps families with infants who are developing later than children their age in sitting, walking, talking or playing with toys

EFT – Electronic Funds Transfer – Electronic payments and collections.

Effective Tax Rate – tax rate would impose the same total taxes as last year if you compare properties taxed in both years

Encumbrance – Commitments related to unperformed contracts for goods or services.

FASRG – Financial Accountability System Resource Guide – Describes the rules for financial accounting for Charter Schools, Education Service Centers and School Districts. Texas Administrative Code (TAC) §109.41.

Final Amended Budget – Term used in connection with budgetary reporting. The original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Financial Resources – Resources that are or will become available for spending.

Fiscal Year (FY) – A twelve-month period of time to which the annual budget applies and at the end of which the entity determines its financial position and the results of its operations.

Fixed Asset – A permanently owned thing; an asset of a business that is central to its operation and is not traded. Usually not depreciated in governmental accounting.

Food Service – Function 35; those activities that have as their purpose the preparation and serving of regular and incidental meals, lunches, or snacks in connection with school activities.

Full-time Equivalent (FTE) – is a ratio that represents the number of hours that an employee works compared to 40 hours.

Function Code – As applied to expenditures, this term has reference to an activity or service aimed at accomplishing a certain purpose; for example, Instruction, Administration, etc.; part of the **Budget Code**: XXX-X-XX-XXX-XX-XXX.

Fund – A sum of money or other resources set-aside for specific activities of a school district. The fund accounts constitute a complete entity and all of the financial transactions for the

particular fund are recorded in them.

Fund Code – 3-digit code assigned to accounts for funds with separate purposes; part of the **Budget Code: XXX-X-XX-XXX-XX-XXX**.

Fund Balance – The difference between assets and liabilities reported in a governmental fund.

Fund Balance:

Assigned – Amounts constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Intent should be expressed by: the Texas Legislature, or a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed or assigned to specific purposes within the general fund

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Texas Legislature)

Restricted – constraints placed on the use of resources are either: Externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Non-Spendable – classification includes amounts that cannot be spent because they are either: Not in spendable form, or legally or contractually required to be maintained intact.

GASB – Governmental Accounting Standards Board – An independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.

General Fund – A fund used to finance the ordinary operations of the local education agency. It is available for a legally authorized purpose and consists of money not specifically designated for some other particular purpose.

GFOA – Government Finance Officers Association – An association that educates professionals about financial policy, best practices, education, training, networking, and leadership.

Governmental Funds – A generic classification used by the GASB to refer to all funds other than proprietary and fiduciary funds. The General Fund, special revenue funds, capital projects funds, debt service funds, and permanent funds are the types of funds referred to as *governmental funds*.

Grant – A contribution, either money or material goods, made by an outside entity or a governmental unit to another unit and for which the contributing unit expects no repayment. Grants may be for specific or general purposes.

HCAD – Harris County Appraisal District – Establishes the appraisal value of property within Harris County. This is done to allocate taxes fairly among all taxpayers.

HCOEM – Harris County Office of Emergency Management – Helps prepare the residents and property of Harris County for disasters with training, education, and preparedness.

HCTO – Harris County Tax Office – Manages automobile registration, titling, property tax services, and voter registration for Harris County.

I & S Tax – Interest and sinking is a term that is used interchangeably with debt service fund in discussing the components of the tax rate.

IGR – Internal Grant Resources – A program in HCDE’s Resource Development Division.

IRB – Institutional Review Board – A committee designated to review, monitor, and approve research involving humans.

ITB – Invitation to Bid – A request made by a purchaser to prospective suppliers for their competitive price quotations on goods or services.

Location Code – Denotes the physical address of the revenue or expenditure; part of the **Budget Code**: XXX-X-XX-XXX-XX-XXX.

Levy – [Verb] To impose taxes or special assessments. [Noun] The total of taxes or special assessments imposed by a governmental unit.

M & O Tax – Maintenance and operations is a term that is used interchangeably with general fund in discussing the components of the tax rate.

Modified Accrual Basis - Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

Nominal Rate – the rate that appears on the tax bills

Object Code – As applied to expenditures, this term has reference to an article or services received; for example, payroll costs, or purchased and contracted services; part of the **Account Code**: XXXX-XXXX.

Other Resources – An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends.

Other Uses – A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends.

Pentamotion Account Code – The Pentamotion Account Code is divided into two codes: The Budget Code (14 digit numerical sequence) and the Account Code (an 8 digit numerical sequence) These are both further described in this glossary.

Principal of Bonds – The face value of bonds.

Professional Staff – This is a full time equivalent count of teachers, professional support staff, campus administrators, and central administrators.

Program Code – The definition of an effort to accomplish a specific objective or objectives consistent with funds or resources available; part of the **Budget Code**: XXX-X-XX-XXX-XX-XXX.

Proprietary Fund - Sometimes referred to as *income-determination, business-like, or commercial-type* fund of state or local government. Examples are enterprise funds and internal service funds.

PFC – stands for Public Facility Corporation

QZAB – Qualified Zone Academy Bonds – A Federal Grant Program that provides funding for schools to renovate building and developing curricular.

Refunding – The issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time.

Reimbursement – Cash or other assets received as a repayment of the cost of work or services performed, or of other expenditures made for or on behalf of another governmental unit or department, or for an individual, firm, or corporation.

Reserve – An amount set aside for a specified purpose, or an account which records a portion of the fund balance that is to be segregated for some future use and, therefore, is not available for further appropriation and expenditure.

Rollback Rate – tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures

Sinking Fund – See Debt Service Fund

Special Education – This refers to the population served by programs for students with disabilities.

Special Revenue Fund – A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes.

Sub-object Code – A subdivision within an expenditure object classification.

TASB – Texas Association of School Boards – A nonprofit statewide educational association that serves and represents local Texas school districts.

TEA – Texas Education Agency.

TRS – The **T**eacher **R**etirement **S**ystem of Texas is a public employee retirement system that is a multiple employer defined benefit pension plan. Based on salary and wages, for FY 2005-06 State law provides for a

- State or Federal grant contribution rate of 6.0% and a
- member contribution rate of 6.4% for TRS retirement and 0.65% for TRS active care, and
- reporting entity contribution of 0.55%.

Tax Rate Components – See **I & S Tax** (Interest and sinking) **M & O** (Maintenance and Operations) **Tax**.

Taxes – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

Unreserved and Undesignated Fund Balance – Available expendable financial resources in a governmental fund that are not the object of tentative management plans.

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