



Texas Comptroller
Leadership Circle
Gold Member



(unaudited)
Prepared by
Business Support Services Division

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

**BUDGET AMENDMENT REPORT
for the December 18, 2012 Board Meeting**

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

Always Taking Care of Business!



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Posted on our website at
<http://www.hcde-texas.org/default.aspx?name=BusinessServicesHome>

Linked from State Comptroller's website
<http://www.texasransparency.org/local/schools.php>

7 Awards Update

1. HCDE has received the Transparency Page Gold Award from the Texas Comptroller's Office for the third year in a row. (1)
 2. HCDE has received the ASBO – Award for the CAFR and Budget Document for the year ended 8-31-2011. (2)
 3. HCDE has received the GFOA – Award for the CAFR, PAFR and Budget Document for the year ended 8-31-2011. (3)
- HCDE has received the Letter of Distinction for the Investment Policy for the 2 yr period. (1)

INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at November 30, 2012

	ACTUAL
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 18,184,042
Property Taxes-Delinquent at September 1, 2012	1,072,919
Less: Allowances for Uncollectible Taxes	(32,187)
Due from Federal Agencies	7,654
Other Receivables	3,101,540
Inventories	108,006
Deferred Expenditures	3,920
Other Prepaid Items	24,665
TOTAL ASSETS:	\$ 22,470,560
<u>LIABILITIES</u>	
Accounts Payable	17,002
Bond Interest Payable	-
Due to Other Funds	-
Accrued Wages	-
Payroll Deductions	697,750
Due to Other Governments	-
Deferred Revenue	1,232,401
TOTAL LIABILITIES:	\$ 1,947,153
<u>FUND EQUITY</u>	
Unassigned Fund Balance	14,218,225
Non-Spendable Fund Balance	119,633
Restricted Fund Balance	-
Committed Fund Balance	1,306,000
Assigned Fund Balance	4,579,989
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	(1,300,265)
TOTAL FUND EQUITY:	\$ 18,923,582
Fund Balance Appropriated Year-To-Date	1,599,825
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	\$ 22,470,560

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of November 30, 2012

The audited projected General Fund balance at 9/1/12 is \$19,225,733

- Assigned \$ 6,024,989
- Unassigned \$ 11,775,111

As of 11-30-2012, the estimated activity is: As the end of the year close is completed, a budget amendment will be submitted to the board for items assigned, restricted and

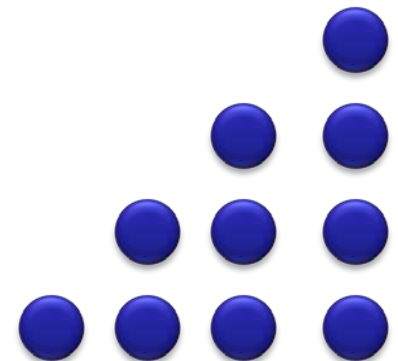
Description	9/1/2011	Appropriated YTD	Estimated Balance
Non-Spendable	\$119,633	\$ -	\$ 119,633
Restricted	-	-	-
Committed	\$1,306,000	-	1,306,000
Assigned	\$6,024,989	(1,445,000)	4,579,989
Unassigned	\$11,775,111	(154,925)	11,620,186
Total Fund Balance	\$ 19,225,733	\$ (1,599,925)	\$17,625,808

INTERIM FINANCIAL REPORT (unaudited)

As of November 30, 2012

Financial Ratios

- *Level One - Indicator of financial strength*
- *Level Two - Indicator of efficient leverage*
- *Level Three - Indicators of efficiency*
- *Level Four - Indicator of revenue growth*



INTERIM FINANCIAL REPORT (unaudited)

As of November 30, 2012

Indicator of Financial Strength



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

What is the percent of rainy fund balance?

- Working Capital Ratio**

What is the cash flow availability for the organization?

Unassigned Fund Balance 14,218,225

Total G/F Expenditures 9,099,359

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

Total Current Assets Less Total Liabilities 22,470,560.01

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

156%

Budgeted
31%

\$22 M

Details on Schedule 3

Details on Schedule 1

INTERIM FINANCIAL REPORT (unaudited)

As of November 30, 2012

Indicator of Efficient Leverage Reserves



<ul style="list-style-type: none"> • Unassigned Fund Balance Ratio <p>How much is available in reserves?</p>	<ul style="list-style-type: none"> • Debt to Income Ratio <p>What is the ability of HCDE to cover its debt payments?</p>												
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Unassigned Fund Balance</td> <td style="text-align: right;">14,218,225</td> </tr> <tr> <td colspan="2" style="text-align: center;">-----</td> </tr> <tr> <td>Total Fund Balances</td> <td style="text-align: right;">18,923,582</td> </tr> </table> <p>Goal : >75%</p> <p>Benchmark: 50% to 75%</p> <p>Danger: >50%</p>	Unassigned Fund Balance	14,218,225	-----		Total Fund Balances	18,923,582	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Annual Principal and Interest Payments on Term Debt and Capital Leases</td> <td style="text-align: right;">2,652,898</td> </tr> <tr> <td colspan="2" style="text-align: center;">-----</td> </tr> <tr> <td>G/F Revenue Leases Less Facility Charges</td> <td style="text-align: right;">47,240,547</td> </tr> </table> <p>Goal : <25% of annual revenue</p> <p>Benchmark : 25% to <49%</p> <p>Danger : Under < 50%</p>	Annual Principal and Interest Payments on Term Debt and Capital Leases	2,652,898	-----		G/F Revenue Leases Less Facility Charges	47,240,547
Unassigned Fund Balance	14,218,225												

Total Fund Balances	18,923,582												
Annual Principal and Interest Payments on Term Debt and Capital Leases	2,652,898												

G/F Revenue Leases Less Facility Charges	47,240,547												

75%

Details on Schedule 1

5.62%

Debt Payment scheduled for February 2013
Details on Schedule 5

INTERIM FINANCIAL REPORT (unaudited)

As of November 30, 2012

Indicators of efficiency



- Tax Revenue to Total Revenue Ratio**

How efficient is HCDE at leveraging local taxes?

- Indirect Cost to Tax Ratio**

How much dependency on indirect cost from grants?

Total Tax Revenue 280,182

Total Revenue 14,381,814

Indirect Cost General Fund 290,881

Total General Fund Revenues 7,799,094

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

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

1.9%

Budgeted
19%

3.7%

Budgeted
5%

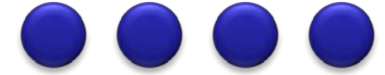
Details on Schedule 2

Details on Schedule 3

INTERIM FINANCIAL REPORT (unaudited)

As of November 30, 2012

Indicator of revenue growth



<ul style="list-style-type: none"> Fee for Service Revenue Ratio How are revenues spread across All Funds? 	<ul style="list-style-type: none"> Fee for Service Revenue Growth Ratio What is the market growth for fee for services?
<p>Total Fee for Service Revenues (G/F) \$6,430,864</p> <p>-----</p> <p>Total Revenues \$14,381,814</p> <p>Goal : > 30% of annual revenue Benchmark: 10% to 29% Danger: Under 10%</p>	<p>Fee for Services Current Year Less Fee for Services Last Year \$6,430,864-\$6,312,158</p> <p>-----</p> <p>Fees for Service Last Year \$6,312,158</p> <p>Goal : >3% + growth Benchmark : 0% to 3% Danger : Under < 0%</p>

45%

Budgeted
21%

Details on Schedule 13-

1.88%

Budgeted
-4%

Details on Schedule 13-

FY 2012-13 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	Sept 1, 2012-Oct'12 Unaudited	Nov'12	Jan'13	Feb'13	Mar- Jun'13	Aug'13	Est. F/Bal 8-31-13
Inventory	\$112,865						\$112,865
Asset Replace Schedule	864,500						864,500
Bldg & Vehicle Replacement Schedule	711,441						711,441
Carryover encumbrances	0						0
Deferred Revenue – HP Schools	103,300						103,300
Deferred revenues	6,768						6,768
Emp. Retire Leave Fund	1,250,000						1,250,000
PFC Construction	930,000						930,000
Insurance Deductibles	400,000						400,000
NEW Payroll System	250,000						250,000

FY 2012-13 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	Sept 1, 2012- Oct'12 Unaudited	Nov'12	Jan'13	Feb'13	Mar- Apr'13	Aug 13	Est. F/Bal 8-31-13
PFC Lease payment	807,915						807,915
Program start up	565,000						565,000
Local Construction Fund 170	570,000						570,000
QZAB Renovation Projects	0						0
QZAB bond payment	697,833						697,833
Safe & Secure Schools Project	125,000						125,000
Unemployment Liability	56,000						56,000
Total Reserves:	\$7,450,622						\$7,450,622
Unassigned:	11,775,111	(154,925)					11,620,186
Total Est. Fund Balance:	\$19,225,733	(154,925)					\$19,060,808

INTERIM FINANCIAL REPORT (unaudited)

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

Revenues

Budget to Actual at November 30, 2012

Fund	Budget	Received/Billed	%
General Fund	\$ 45,640,622	\$ 7,799,094	17%
October is the end of the 3rd month or approximately 25% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	44,211,694	5,019,135	11%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	2,652,898		0%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
PFC Fund	-	-	0%
Trust and Agency Fund	-	1,751	0%
Worker's Comp. Fund	464,082	105,858	23%
Internal Service Fund	5,811,200	1,455,975	25%
Total as of the end of the month	98,780,496	\$ 14,381,814	15%

INTERIM FINANCIAL REPORT (unaudited)

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

Expenditures

Budget to Actual at November 30, 2012

Fund	Budget	Encumbered/Spent	%
General Fund	\$47,240,547	\$9,099,359	23%
(1) Encumbrances as of the end of the month total. 1,854,460 Encumbrances September is the end of the 3rd month or approximately 25% of the fiscal year.			
Special Revenue Fund	44,211,694	6,934,664	29%
(2) Encumbrances as of the end of the month total. 5,849,076 Encumbrances Most grant periods differ from fiscal year.			
Debt Service Fund	2,652,898	-	0%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
PFC Fund	-	-	0%
Trust and Agency Fund	-	2,941	0%
Worker's Comp. Fund	464,082	118,532	26%
Internal Service Fund	5,811,200	2,467,806	42%
Total as of the end of the month	\$ 100,380,421	\$26,326,838	26%

INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 Donations Report *

All Funds as of November 30, 2012

MONTH	CASH	IN-KIND	TOTAL
September	\$ 2,850.00	\$ 1,447.00	\$4,297.00
October	\$1,186.39	\$3,844.00	\$5,030.39
November	\$1,819.40	\$8,170.74	\$9,990.14
December			
January			
February			
March			
April			
May			
June			
July			
August			
Total:	\$ 5,855.79	\$ 13,461.74	\$19,317.53

INTERIM FINANCIAL REPORT (unaudited)

RESOURCE DEVELOPMENT ON BEHALF OF HCDE DIVISIONS								
November 1st through November 30th, 2012								
Donor Last Name	Donor First Name	Organization/Division	Site	Sponsored Division	Description of Donation	Cash Totals	In-kind Totals	Totals
Bolanos	Karla		HCDE	Head Start	Glue stick, pencils, color pencil, crayons, paint, markers		\$70.75	\$70.75
Collins	Sam	Read for Houston	HCDE	Head Start	Gently used books		\$6,800.00	\$6,800.00
Burnett	Sharon	Frog Street Press	HCDE	ISS	Silver Sponsorship for RT Garcia ECWC Conference	\$1,500.00		\$1,500.00
Garms	Lance	Claims Administrative Services Inc.	HCDE	Special Schools	Hospital stretcher chair - Gurney		\$1,299.99	\$1,299.99
Norwood	Bruce	School Innovations & Achievement	HCDE	Business Services	Refreshments - School Finance Council Meeting	\$319.40		\$319.40
TOTALS						\$1,819.40	\$ 8,170.74	\$9,990.14

Legend: ECWC=Early Childhood Winter Conference; ISS=Instructional Support Services

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

11/30/2012

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal Year-To-Date at November 30, 2012

	August	September	October	November
	ADOPTED TAX RATE	ADOPTED TAX RATE	ADOPTED TAX RATE	ADOPTED TAX RATE
Proposed Collections Tax Year 2012	0.006617	0.006617	0.006617	0.006617
Certified Taxable Value per HCAD *	\$ 258,924,593,035	\$ 275,257,461,225	\$ 282,032,945,388	\$ 288,091,840,265
Values under protest or not certified	16,902,509,314	13,749,674,037	8,239,394,016	2,954,479,974
	275,827,102,349	289,007,135,262	290,272,339,404	291,046,320,239
Rate per Taxable \$100	2,758,271,023	2,890,071,353	2,902,723,394	2,910,463,202
< Tax Rate	18,251,479	19,123,602	19,207,321	19,258,535
< Estimated 99% collection rate	18,068,965	18,932,366	19,015,247	19,065,950
+ Delinquent Tax Collections	250,000	250,000	250,000	250,000
+ Special Assessments	10,000	10,000	10,000	10,000
+ Penalty & Interest	130,500	130,500	130,500	130,500
Estimated Current Tax Available	\$ 18,459,465	\$ 19,322,866	\$ 19,405,747	\$ 19,456,450

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at November 30, 2012

TAX YEAR 2012 COLLECTION SUMMARY					
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
REVENUES:					
Current Tax	\$18,258,628	\$271,280	\$271,280	\$17,987,348	1%
Delinquent Tax *	250,000	23,293	54,886	\$195,114	22%
Penalty & Interest	130,500	9,194	26,505	\$103,995	20%
Special Assessments and Miscellaneous*	10,000	462	8,901	\$1,099	89%
Subtotal Revenues:	\$18,649,128	\$304,229	\$361,573	\$18,287,555	1.9%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER)/UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$155,000	\$0	\$148,399	\$6,601	96%
LESS: HCTO Fees	365,000	7,594	8,816	\$356,184	1%
Subtotal Expenditures:	\$520,000	\$7,594	\$157,215	\$362,785	77%
Net Tax Collections:	\$18,129,128	\$296,635	\$204,357	\$18,650,340	1.1%

2012 Tax Rate = \$0.006617/\$100 Property Assessment/Appraisal

Tax on a \$200,000 Residential Property = \$13.23 (Without considering any eligible exemptions.)

INTERIM FINANCIAL REPORT (unaudited)

INTERIM CURRENT TAX REVENUE ESTIMATES REPORT

Dated November 30, 2012

	SCENARIO (1) APPRAISED VALUE HCAD	SCENARIO (2) OWNER'S VALUE OWNER REQUESTED	SCENARIO (3) EST FINAL VALUE COMMITTEE RECOMMENDED
Property Use Category Recap-Certified To Date -Report:			
Taxable value	\$288,091,840,265	\$288,091,840,265	\$288,091,840,265
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	5,835,814,951	-	-
Scenario (2) Owner's value	-	5,260,889,891	-
Scenario (3) Estimated final value	-	-	2,954,479,974
Total taxable value, Certified and Uncertified:	<u>\$293,927,655,216</u> (A)	<u>\$293,352,730,156</u> (A)	<u>\$291,046,320,239</u> (A)
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$2,939,276,552 (B)	\$2,933,527,302 (B)	\$2,910,463,202 (B)
2) Current Tax Rate	X 0.006617 (C)	X 0.006617 (C)	X 0.006617 (C)
3) 2013 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$19,449,193</u> (D)	<u>\$19,411,150</u> (D)	<u>\$19,258,535</u> (D)
4) Interim Tax Rev Estimate @ 99% Collection Rate:	<u>\$19,254,701</u> (E)	<u>\$19,217,039</u> (E)	<u>\$19,065,950</u> (E)
Comparison of Interim Tax Rev Estimate @ 99% Collection Rate with Interim Current Tax Revenue Est:			
Interim Current Tax Revenue Estimate Over/(Under)			
Current Tax Revenue, Currently Budgeted:			
Interim Current Tax Revenue Estimate (E)	\$19,254,701 (E)	\$19,217,039 (E)	\$19,065,950 (E)
LESS: Tax Revenue, Currently Budgeted	<u>\$19,258,628</u> (F)	<u>\$19,258,628</u> (F)	<u>\$19,258,628</u> (F)
Total Interim Current Tax Revenue Estimate Over/(Under)			
Current Tax Revenue, Currently Budgeted, (E) - (F):	<u>-\$3,927</u>	<u>-\$41,589</u>	<u>-\$192,678</u>
Total Current Tax Revenue Received, November, 2012, 1993-571100**:	<u>\$271,280</u>	<u>\$271,280</u>	<u>\$271,280</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

November 2012

DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	676 Checks	\$1,440,825.16
P Card – October 2012	463 Transactions	\$63,285.54
Bank ACH - payroll liabilities	3 Transfers	\$1,439,543.50
	Total:	\$2,943,654.20

Notes:

(A) All Purchase Orders and Payment Authorizations are reviewed before disbursement.

(B) All Procurement Card charges are reviewed by cardholder, supervisor, and business office staff each month.

(C) A report on CH Local expenditures is included in the monthly report.

INTERIM FINANCIAL REPORT (unaudited)

Segment Division Data

As of November 30, 2012

					<i>Without</i>	
					<i>Tax</i>	<i>Profitability</i>
	Revenues	Tax Subsidy	Expenditures	subsidy	Profitability	
Budget Manager Title			(Incl Encumbrances)	Variance	Ratio	Variance
Alternative Certification	44,277	-	43,979	298	1%	298
Choice Partners Cooperative	841,790	-	692,701	149,089	18%	149,089
Records Management	429,831	-	491,491	(61,660)	-14%	(61,660)
Special Education - Therapy Services	1,710,659	-	1,938,518	(227,859)	-13%	(227,859)



HIGHLIGHTS
Of
BUDGET AMENDMENT REPORT
December 18, 2012
Board Meeting



(unaudited)

Amendments

General Fund = \$ 428,228

Special Revenue Funds = \$ (475,493)



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INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 BUDGET AMENDMENT REPORT

November 20, 2012

General Fund

GENERAL FUND (199)

QZAB

Increase expenditures-Set Up Roll Forward Budget

Total QZAB

\$ 428,228

428,228

Total GENERAL FUND:

\$ 428,228

INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 BUDGET AMENDMENT REPORT

November 20, 2012

General Fund

SPECIAL REVENUE FUND

Cooperative for After School Enrichment (CASE)

Decrease revenues & expenditures-After School Partnership-Revised Projections (Fund 288)	(469,018)
Increase revenues & expenditures-Local Americorps Fees-Revised Revenues	10,000
	<hr/>
Total CASE	(459,018)

Texas LEARNS

Decrease revenues & expenditures-Adjust Budget for FY 12 Expenditures (Fund 295)	(16,475)
	<hr/>
Total Texas LEARNS	(16,475)

Total SPECIAL REVENUE FUNDS:

\$ (475,493)

INTERIM FINANCIAL REPORT (unaudited)



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

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

/s/ Rosa Maria Torres, Chief Accounting Officer

/s/ John Weber, MBA, RTSBA, Accounting and Reporting
Compliance Officer

/s/ Antonia Yvette Hamm, RTSBA, Accounting Manager

Q & A



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