



Texas Comptroller
Leadership Circle
Platinum Member

**HIGHLIGHTS
of
INTERIM FINANCIAL REPORT
October 31, 2014
and
BUDGET AMENDMENT REPORT
for the November 18, 2014 Board Meeting
(unaudited)**

Click below for a 1 minute Briefing

<http://www.showme.com/sh/?h=mfZ6flQ>

**Prepared by
Business Support Services Division**



Always Taking Care of Business!

Posted on our website at

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

Linked from State Comptroller's website

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



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Business Office Message

- Copy of the Business Office Newsletter is available at:



INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at October 31, 2014

	ACTUAL
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 25,066,585
Property Taxes-Delinquent at September 1, 2014	971,717
Less: Allowances for Uncollectible Taxes	(29,152)
Due from Federal Agencies	(57,080)
Other Receivables	3,405,504
Inventories	110,905
Deferred Expenditures	-
Other Prepaid Items	24,665
TOTAL ASSETS:	\$ 29,493,143
<u>LIABILITIES</u>	
Accounts Payable	27,034
Bond Interest Payable	-
Due to Other Funds	615,233
Accrued Wages	868
Payroll Deductions	39,083
Due to Other Governments	-
Deferred Revenue	982,895
TOTAL LIABILITIES:	\$ 1,665,114
<u>FUND EQUITY</u>	
Unassigned Fund Balance	13,918,124
Non-Spendable Fund Balance	146,918
Restricted Fund Balance	117,019
Committed Fund Balance	1,408,000
Assigned Fund Balance	8,689,183
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	235,547
TOTAL FUND EQUITY:	\$ 24,514,791
Fund Balance Appropriated Year-To-Date	3,313,238
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	\$ 29,493,143

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of October 31, 2014

The audited General Fund balance at 9/1/13 is \$24,815,013

Assigned: \$ 11,528,374

Unassigned: \$ 11,614,702

As of 10-31-2014, activity includes:

As year end adjustments are completed, a budget amendment will be submitted to the board for items assigned, restricted and committed that will roll forward into FY 2015.

Description	9/1/2013	Appropriated YTD	Estimated Balance
Non-Spendable	\$ 146,918	\$ -	\$ 146,918
Restricted	117,019	-	117,019
Committed	1,408,000	-	1,408,000
Assigned	11,528,374	(2,839,191)	8,689,183
Unassigned	11,614,702	(474,047)	11,140,655
Total Fund Balance	\$ 24,815,013	\$ (3,313,238)	\$21,501,775

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 October 31, 2014

Indicator of Financial Strength



Percent of Fund Balance to G/F Expenditures Ratio

What is the percent of rainy fund balance?

Unassigned Fund Balance
----- \$11,140,655
Total G/F Expenditures \$5,746,333

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

Working Capital Ratio

What is the cash flow availability for the organization?

Total Current Assets
Less Total Liabilities

29,493,143 – 1,665,113 = \$27,828,029

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

194% FY15

269% FY14

\$28M FY15

25\$M FY14

Details on Schedule 3

Details on Schedule 1

Budgeted
26%

Budgeted
\$18 M

INTERIM FINANCIAL REPORT (unaudited)

As of October 31, 2014

Indicator of Efficient Leverage Reserves



Unassigned Fund Balance Ratio How much is available in reserves?		Debt to Income Ratio What is the ability of HCDE to cover its debt payments?	
Unassigned Fund Balance	\$13,918,124	Annual Principal and Interest Payments on Term Debt and Capital Leases	\$0
-----		-----	
Total Fund Balances	\$27,828,029	G/F Revenue Less Facility Charges	\$5,981,879 – \$1,105,969
Goal :	>75%	Goal :	<25% of annual revenue
Benchmark:	50% to 75%	Benchmark :	25% to <49%
Danger:	<50%	Danger :	Under < 50%

50% FY15

64% FY14

0% FY15

0% FY14

Details on Schedule 1

Details on Schedule 5

Budgeted
52%

Budgeted
7%

INTERIM FINANCIAL REPORT (unaudited)

As of October 31, 2014

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?																								
<table><tr><td>Total Tax Revenue</td><td>\$718</td></tr><tr><td colspan="2">-----</td></tr><tr><td>Total Revenue</td><td>\$7,988,789</td></tr><tr><td>Goal :</td><td>< 20% of revenue</td></tr><tr><td>Benchmark:</td><td>20% to 30%</td></tr><tr><td>Danger:</td><td>More than 30%</td></tr></table>	Total Tax Revenue	\$718	-----		Total Revenue	\$7,988,789	Goal :	< 20% of revenue	Benchmark:	20% to 30%	Danger:	More than 30%	<table><tr><td>Indirect Cost General Fund</td><td>\$94,939</td></tr><tr><td colspan="2">-----</td></tr><tr><td>Total General Fund Revenues</td><td>\$5,981,879</td></tr><tr><td>Goal :</td><td>>5%</td></tr><tr><td>Benchmark :</td><td>2% to 5%</td></tr><tr><td>Danger :</td><td>Under < 2%</td></tr></table>	Indirect Cost General Fund	\$94,939	-----		Total General Fund Revenues	\$5,981,879	Goal :	>5%	Benchmark :	2% to 5%	Danger :	Under < 2%
Total Tax Revenue	\$718																								

Total Revenue	\$7,988,789																								
Goal :	< 20% of revenue																								
Benchmark:	20% to 30%																								
Danger:	More than 30%																								
Indirect Cost General Fund	\$94,939																								

Total General Fund Revenues	\$5,981,879																								
Goal :	>5%																								
Benchmark :	2% to 5%																								
Danger :	Under < 2%																								

0% FY15

0% FY14

Details on Schedule 2

1.6% FY15

1.3% FY14

Details on Schedule 3

Budgeted
22%

Budgeted
5%

INTERIM FINANCIAL REPORT (unaudited)

As of October 31, 2014

Indicator of revenue growth



Fee for Service Revenue Ratio

How are revenues spread across All Funds?

Total Fee for Service Revenues (G/F) \$5,671,154

Total Revenues \$7,988,789

Goal : > 30% of annual revenue
Benchmark: 10% to 29%
Danger: Under 10%

Fee for Service Revenue Growth Ratio

What is the market growth for fee for services?

Fee for Services Current Year Less Fee for Services Last Year

\$5,671,154 – 5,249,947

Fees for Service Last Year \$3,387,174

Goal : >3% + growth
Benchmark : 0% to 3%
Danger : Under < 0%

71% FY15

69% FY14

8% FY15

8% FY14

Details on Schedule 13-

Budgeted
25%

Details on Schedule 13-

Budgeted
6%

FY 2014-15 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	Sept 1, 2014 Beginning Unaudited	September	October			Est. F/Bal 8-31-15
Inventory	120,424					120,424
Asset Replace Schedule	1,500,000	(591,173)				908,827
Bldg & Vehicle Replacement Schedule	1,475,000	(186,650)				1,288,350
Carryover encumbrances	237,958					237,958
Deferred Revenue –HP Schools	103,300					103,300
Deferred revenues	26,494					26,494
Emp. Retire Leave Fund	1,250,000					1,250,000
PFC Construction	1,200,000					1,200,000
Early Childhood Intervention Funding	1,100,000					1,100,000
Insurance Deductibles	500,000					500,000
NEW Payroll System	295,000					295,000

FY 2014-15 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	Sept 1, 2014 Beginning Unaudited	September	October			Est. F/Bal 8-31-15
PFC Lease payment	807,915					807,915
Preschool Preparedness Initiative Program	1,500,000					1,500,000
Program start up	50,000					50,000
Local Construction Fund 170	1,776,368	(677,246)	(1,099,122)			0
QZAB Renovation Projects	117,019					117,019
QZAB bond payment	697,833					697,833
Safe & Secure Schools Project	285,000	(285,000)				0
Unemployment Liability	158,000					158,000
Total Reserves:	13,200,311	(1,740,069)	(1,099,122)			10,361,120
Unassigned:	11,614,702	(474,047)				11,140,655
Total Est. Fund Balance:	24,815,013	(2,214,116)	(1,099,122)			21,501,775

INTERIM FINANCIAL REPORT (unaudited)

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

Revenues

Budget to Actual at October 31, 2014

Fund	Budget	Received/Billed	%
General Fund	\$ 50,228,571	5,981,879	12%
October is the end of the 2nd month or approximately 16% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	36,605,469	1,700,944	5%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	2,534,231	-	0%
(3) This fund has activity in February (interest and principal payments) and August (interest only payment).			
PFC Fund	-	-	0%
Trust and Agency Fund	-	987	0%
Worker's Comp. Fund	464,082	104,150	22%
Internal Service Fund	5,779,058	200,829	3%
Total as of the end of the month	\$95,611,411	\$7,988,789	8%

INTERIM FINANCIAL REPORT (unaudited)

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

Expenditures

Budget to Actual at October 31, 2014

Fund	Budget	Encumbered/Spent	%
General Fund	\$53,541,809	\$5,746,333	17%
(1) Encumbrances as of the end of the month total. 3,306,905 Encumbrances October is the end of the 2nd month or approximately 16% of the fiscal year.			
Special Revenue Fund	36,605,469	3,360,803	21%
(2) Encumbrances as of the end of the month total. 4,280,287 Encumbrances Most grant periods differ from fiscal year.			
Debt Service Fund	2,534,231	-	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	-	2,918	0%
Worker's Comp. Fund	464,082	36,055	8%
Internal Service Fund	5,779,058	2,229,179	39%
Total as of the end of the month	\$98,924,649	\$18,962,480	19%

INTERIM FINANCIAL REPORT (unaudited)

FY 2014-15 Donations Report
All Funds as of October 31, 2014

MONTH	CASH	IN-KIND	TOTAL
September	\$665	\$475	\$1,140
October	\$400	\$108	\$508
November			
December			
January			
February			
March			
April			
May			
June			
July			
August			
Total:	\$1,065	\$583	\$1,648

INTERIM FINANCIAL REPORT (unaudited)

FY 2014-15 Donations Report All Funds as of October 31, 2014

		CENTER FOR GRANTS DEVELOPMENT ON BEHALF OF HCDE DIVISIONS						
		October 1st through October 31st, 2014						
<i>Donor Last Name</i>	<i>Donor First Name</i>	<i>Organization/Division</i>	<i>Site</i>	<i>Sponsored Division</i>	<i>Description of Donation</i>	<i>Cash Totals</i>	<i>In-kind Totals</i>	<i>Totals</i>
Donors								
		Shipley's Donuts	HCDE	Special Schools: ABC West	Merchandise		\$58.00	\$58.00
Sponsors								
Bowen	Maria	Alpha Foods	HCDE	Choice Partners Cooperative	American Express Gift Card	\$50.00		\$50.00
		Magnus Procurement	HCDE	Choice Partners Cooperative	American Express Gift Card	\$50.00		\$50.00
Odom	Jay	Kommerical Kitchen	HCDE	Choice Partners Cooperative	Glass Bowl Set of 3		\$50.00	\$50.00
		Smart Mouth Pizza	HCDE	Choice Partners Cooperative	Outback Steakhouse	\$50.00		\$50.00
Ford	Jonathan	American Food Group	HCDE	Choice Partners Cooperative	Best Buy Gift Card	\$50.00		\$50.00
Hakmiller	Chris	Los Cabos	HCDE	Choice Partners Cooperative	Pappa's Bro. Gift Card	\$50.00		\$50.00
Shivers	Joe	Borden	HCDE	Choice Partners Cooperative	Pappa's Bro. Gift Card	\$50.00		\$50.00
Burun	Caroline	Glazier Foods	HCDE	Choice Partners Cooperative	Birraporetti's Gift Card	\$50.00		\$50.00
Patterson	Eve	Schwan Food Service	HCDE	Choice Partners Cooperative	Macaroni Grill/On the Border Gift Card	\$50.00		\$50.00
TOTALS						\$400.00	\$108.00	\$508.00

Legend: ABC=Academic and Behavior Centers; HCDE=Harris County Department of Education

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal

Year-To-Date at October 31, 2014

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

	Certified	October
	ADOPTED	ADOPTED
	TAX RATE	TAX RATE
Proposed Collections Tax Year 2014	0.005999	0.005999
Certified Taxable Value per HCAD *	\$ 312,291,342,203	\$ 340,748,837,086
Values under protest or not certified	34,534,477,690	10,384,803,094
	346,825,819,893	351,133,640,180
/ Rate per Taxable \$100	3,468,258,199	3,511,336,402
X Tax Rate	20,806,081	21,064,507
X Estimated 98% collection rate →	20,389,959	20,643,217
+Delinquent Tax Collections	270,000	270,000
+Special Assessments	10,000	10,000
+ Penalty & Interest	130,500	130,500
Estimated Current Tax Available	\$ 20,800,459	\$ 21,053,717

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at October 31, 2014 (2nd month/12 month)

TAX YEAR 2014 COLLECTION SUMMARY					
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
REVENUES:					
Current Tax	\$21,243,775	0	0	\$21,243,775	0%
Delinquent Tax *	270,000	0	0	270,000	0%
Penalty & Interest	130,500	0	0	130,500	0%
Special Assessments and Miscellaneous*	10,000	0	0	10,000	0%
Subtotal Revenues:	\$21,654,275	0	0	\$21,654,275	0.0%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$155,000	\$0	\$0	\$155,000	0%
LESS: HCTO Fees	400,500	0	0	400,500	1%
Subtotal Expenditures:	\$555,500	\$0	\$0	\$555,500	0%
Net Tax Collections:	\$21,098,775	\$0	\$0	\$21,098,775	0.0%

- a) 2014 Tax Rate = $\$0.005999 / \100 Property Assessment/Appraisal - --> Annual Tax on a \$200,000 - \$40,000 = $\$160,000 / 100 \times .005999 =$ Residential Property = \$9.59 (net of 20% homestead exception.)
- b) $\$555,500 / \$21,654,275 = 2.5\%$ Collection and assessment costs

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at October 31, 2014 (2nd month/12 month)

	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	\$340,748,837,086	\$340,748,837,086	\$340,748,837,086
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	15,684,340,026	-	-
Scenario (2) Owner's value	-	14,782,223,209	-
Scenario (3) Estimated final value	-	-	10,384,803,094
Total taxable value, Certified and Uncertified:	<u>\$356,433,177,112</u> (A)	<u>\$355,531,060,295</u> (A)	<u>\$351,133,640,180</u> (A)
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$3,564,331,771 (B)	\$3,555,310,603 (B)	\$3,511,336,402 (B)
2) Current Tax Rate	<u>X 0.005999</u> (C)	<u>X 0.005999</u> (C)	<u>X 0.005999</u> (C)
3) 2014 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$21,382,426</u> (D)	<u>\$21,328,308</u> (D)	<u>\$21,064,507</u> (D)
4) Interim Tax Rev Estimate @ 98% Collection Rate:	<u>\$20,954,778</u> (E)	<u>\$20,901,742</u> (E)	<u>\$20,643,217</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)	\$21,168,602 (E)	\$21,115,025 (E)	\$20,853,862 (E)
LESS: Tax Revenue, Currently Budgeted	<u>\$21,243,775</u> (F)	<u>\$21,243,775</u> (F)	<u>\$21,243,775</u> (F)
Total Interim Current Tax Revenue Estimate Over/(Under)			
Current Tax Revenue, Currently Budgeted, (E) - (F):	<u>-\$75,173</u>	<u>-\$128,750</u>	<u>-\$389,913</u>
Total Current Tax Revenue Received, October 2014, 1995-571100**:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

October 2014

DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	541 Checks	\$1,891,300.85
P Card – September 2014	433 Transactions	\$65,407.42
Bank ACH - payroll liabilities	3 Transfers	\$1,170,953.24
	Total:	\$3,127,661.51

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 October 31, 2014

<u>BUDGET MANAGER TITLE</u>	<u>Revenues</u>	<u>Tax Subsidy</u>	<u>Expenditure and Encumbran</u>	<u>Includes Tax subsidy Variance</u>	<u>w/o Tax Profit Ratio</u>	<u>Profitability Variance</u>
Alternative Certification	\$ 58,316	\$ -	\$ 68,514	\$(10,199)	-17%	\$(10,199)
Choice Partners Cooperative	510,861	-	605,105	(94,243)	-18%	(94,243)
Records Management	383,934	-	228,783	155,151	40%	155,151
Special Education - Therapy Services	979,033	-	1,442,240	(463,206)	-47%	(463,206)

HIGHLIGHTS Of BUDGET AMENDMENT REPORT



Texas Comptroller
Leadership Circle
Platinum Member

**November 18, 2014
Board Meeting**

(unaudited)



Amendments

General Fund = \$ 659,183

Special Revenue Funds = \$ 504,586

INTERIM FINANCIAL REPORT (unaudited)

FY 2014-15 BUDGET AMENDMENT REPORT

November 18, 2014

General Fund

GENERAL FUND (199)	
Business Services	
Increase revenues and expenditures-Revised Revenue Projections Contract-Varnett Public Schools	21,120
Total CSSS	21,120
ECI Local	
Increase expenditures-Set Up Budget-ECI Program Closeout Retention-From Unassigned Fund Balance (Approved on Nov 12, 2014) \$630,816	630,816
Total Facilities Local	630,816
Department Wide (DW)	
Increase revenues and expenditures-Set up budget Ind Cost ACP Ohio State Univ-New Year (fund 204-5)	7,247
Total Department Wide	7,247
Total GENERAL FUND:	\$ 659,183

INTERIM FINANCIAL REPORT (unaudited)

FY 2014-15 BUDGET AMENDMENT REPORT

November 18, 2014

General Fund

SPECIAL REVENUE FUNDS	
Adult Education	
Increase revenues & expenditures-Adult Ed Federal Regular Adjust New Grant FY 15 Grant (Fund 230-5)	35,000
Decrease revenues & expenditures-Adult Ed State TANF Adjust Rollover Budget FY 14 (Fund 382-4)	(12,004)
Increase revenues & expenditures-Adult Ed Federal TANF Adjust Rollover Budget FY 14 (Fund 223-4)	12,004
Decrease revenues & expenditures-Adult Ed Federal Regular Adjust Rollover Budget FY 14 (Fund 230-4)	(74)
Decrease revenues & expenditures-Adult Ed State Regular Adjust Rollover Budget FY 14 (Fund 381-4)	(28,509)
Total Adult Education	6,417
Alternative Certification Program (ACP)	
Increase revenues & expenditures-ACP Budget FY 15 New Year Funds (Fund 204-5)	166,590
Total ACP	166,590
Head Start	
Increase revenues & expenditures-Federal Head Start Regular Adjust Rollover FY 14 (Fund 205-4)	331,579
Total Head Start	331,579
Total SPECIAL REVENUE FUNDS:	\$ 504,586

INTERIM FINANCIAL REPORT (unaudited)

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

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

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

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

/s/ Antonia Yvette Hamm, RTSBA, Accounting Manager

Q & A



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