



Texas Comptroller
Leadership Circle

HIGHLIGHTS
of
INTERIM FINANCIAL REPORT
DECEMBER 31, 2015
and
BUDGET AMENDMENT REPORT
for the JANUARY 21, 2016 Board Meeting
(unaudited)

Click below for a 1 minute Briefing

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Prepared by
Business Support Services Division



Value...Opportunity...Service

Posted on our website at

<http://www.hcde-texas.org/default.aspx?name=013.BusinessHome>

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



Texas Comptroller
Leadership Circle

INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at

December 31, 2015

	<u>ACTUAL</u>
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 24,792,843
Property Taxes-Delinquent at September 1, 2015	911,579
Less: Allowances for Uncollectible Taxes	(18,232)
Due from Federal Agencies	-
Other Receivables	2,124,786
Inventories	115,943
Deferred Expenditures	-
Other Prepaid Items	24,665
TOTAL ASSETS:	\$ 27,951,584
<u>LIABILITIES</u>	
Accounts Payable	213,001
Bond Interest Payable	-
Due to Other Funds	-
Accrued Wages	-
Payroll Deductions	543,780
Due to Other Governments	-
Deferred Revenue	923,977
TOTAL LIABILITIES:	\$ 1,680,758
<u>FUND EQUITY</u>	
Unassigned Fund Balance	10,012,017
Non-Spendable Fund Balance	148,911
Restricted Fund Balance	6,281
Committed Fund Balance	3,241,213
Assigned Fund Balance	2,631,225
Excess(Deficiency) of Revenues & Other Resources	1,832,408
Over(Under) Expenditures & Other Uses	-
TOTAL FUND EQUITY:	\$ 17,672,055
Fund Balance Appropriated Year-To-Date	8,598,771
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	\$ 27,951,584

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of December 31, 2015

The estimated General Fund balance at 9/1/15 is \$21,787,661

Assigned: \$ 2,631,225

Unassigned: \$ 12,429,798

As of 12-31-2015, 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 2016.

Description	Estimated 9/1/15	Appropriated YTD	Estimated Balance
Non-Spendable	\$ 148,911	\$ -	\$ 148,911
Restricted	6,281	-	6,281
Committed	6,571,446	(3,330,233)	3,241,213
Assigned	2,631,225	-	2,631,225
Unassigned	13,209,946	(1,235,148)	11,974,798
Total Fund Balance	\$ 22,567,809	\$ (4,565,381)	\$18,002,428

INTERIM FINANCIAL REPORT (unaudited)

As of December 31, 2015

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 December 31, 2015

Indicator of Financial Strength



Percent of Fund Balance to G/F Expenditures Ratio

What is the percent of rainy fund balance? (*)Unadjusted

Unassigned Fund Balance	\$10,012,017

Total G/F Expenditures	\$12,901,163

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 Current Liabilities

\$27,951,585 – \$1,680,758 = \$26,270,827

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

78%FY16

80%FY15

\$26M FY16

\$19M FY15

Details on Schedule 3

Details on Schedule 1

Budgeted
27%

Budgeted
\$29 M

INTERIM FINANCIAL REPORT (unaudited)

As of December 31, 2015

Indicator of Efficient Leverage Reserves



Unassigned Fund Balance Ratio

How much is available in reserves?
(adjusted for FY 15 year end)

Debt to Income Ratio

What is the ability of HCDE to cover
its debt payments?

Unassigned Fund Balance **\$10,012,017**

Annual Principal and Interest Payments on Term
Debt and Capital Leases **\$0**

Total Fund Balance **\$26,270,826**

G/F Revenue Less Facility Charges
\$11,268,755 – \$1,780,709

Goal : >75%
Benchmark: 50% to 75%
Danger: <50%

Goal : <25% of annual revenue
Benchmark : 25% to <49%
Danger : Over > 50%

38% FY16

51% FY15

0% FY16

0% FY15

Details on Schedule 1

Details on Schedule 5

Budgeted
64%

Budgeted
6%

INTERIM FINANCIAL REPORT (unaudited)

As of December 31, 2015

Indicators of efficiency



Tax Revenue to Total Revenue Ratio

How efficient is HCDE at leveraging local taxes? (Current)

Indirect Cost to Tax Ratio

How much dependency on indirect cost from grants?

Total Tax Revenue **\$2,442,072**

Total Revenue **\$18,953,655**

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

Indirect Cost General Fund **\$311,077**

Total General Fund Revenues **\$11,268,755**

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

13% FY16

22% FY15

Details on Schedule 2

2.8% FY16

2.7% FY15

Details on Schedule 3

Budgeted
25%

Budgeted
3%

INTERIM FINANCIAL REPORT (unaudited)

As of December 31, 2015

Indicator of revenue growth



Fee for Service Revenue Ratio

How are revenues spread across All Funds?

Total Fee for Service Revenues (G/F) **\$7,236,144**

Total Revenues **\$18,953,655**

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

38% FY16

39% FY15

Details on Schedule 14

Budgeted
24%

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

\$7,236,144-8,329,319

Fees for Service Last Year **8,329,319**

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

-13% FY16

6% FY15

Details on Schedule 14

Budgeted
-7%

FY 2015-16 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	Sept 1, 2015 Beginning Unaudited	September	October	November	December	Jan-March	April-July	August	Est. F/Bal 8-31-16
Inventory	118,266								118,266
Asset Replace Schedule	308,827								308,827
Bldg & Vehicle Replacement Schedule	713,350								713,350
Capital Projects	5,521,446				(3,330,233.00)				2,191,213
Deferred Revenue-HP Schools	103,300								103,300
Deferred Revenues	30,645								30,645
Emp. Retire Leave Fund	850,000								850,000
PFC Lease payment	807,915								807,915
QZAB Renovation Projects	6,281								6,281
QZAB bond payment	697,833								697,833
Unemployment Liability	200,000								200,000
Total Reserves:	9,357,863								6,027,630
Unassigned	13,209,946		(780,148.00)		(455,000.00)				11,974,798
Total Est. Fund Balance:	22,567,809								18,002,428

INTERIM FINANCIAL REPORT (unaudited)

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

Revenues

Budget to Actual at December 31, 2015

Fund	Budget	Received/Billed	%
General Fund	\$47,225,572	\$11,268,755	24%
December is the end of the 4th month or approximately 33% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	32,535,391	4,348,783	13%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	2,408,201	0	0%
(3) This fund has activity in February (interest and principal payments) and August (interest only payment).			
PFC Fund	10,567,059	0	0%
Trust and Agency Fund	0	1,043	100%
Choice Partners Fund (Enterprise Fund)	3,357,440	1,432,822	43%
Worker's Comp. Fund (Internal Service Fund)	464,082	98,952	21%
Facilities Fund (Internal Service Fund)	5,924,556	1,416,380	24%
Total as of the end of the month	\$102,482,301	\$18,566,735	18%

NOTE: Special revenue funds (grants) have a different fiscal year. Part of the \$32,535,391 includes federal grants: Federal funding is the main source for special revenue grants. The \$27,128,468 Federal Program Revenues includes \$3,516,640 for Adult Education, \$6,137,533 for CASE, \$14,761,697 for Head Start, \$2,521,148 for Early Head Start, and \$191,450 for various other divisions.

Adopted Budget and Amendments

		Revenues Adopted Budget	Appropriations Adopted Budget
	Budget	86,227,609	87,681,677
September		4,408,197	4,408,197
	Subtotal-September	90,635,806	92,089,874
October		(854,621)	(102,473)
	Subtotal October	89,781,185	91,987,401
November		2,134,057	2,134,057
	Subtotal November	91,915,242	94,121,458
December		10,567,059	14,352,292
	Subtotal December	102,482,301	108,473,750

INTERIM FINANCIAL REPORT (unaudited)

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

Expenditures

Budget to Actual at December 31, 2015

Fund	Budget	Encumbered/Spent	%
General Fund	\$53,217,021	\$12,901,163	28%
(1) Encumbrances as of the end of the month total.		\$2,068,085	Encumbrances
December is the end of the 4th month or approximately 33% of the fiscal year.			
Special Revenue Funds	32,535,391	6,610,362	30%
(2) Encumbrances as of the end of the month total.		\$3,126,989	Encumbrances
Most grant periods differ from the fiscal year.			
Debt Service Fund	2,408,201	0	0%
(3) This fund has activity in February (interest and principal payments) and August (interest only payment).			
PFC Fund	10,567,059	0	0%
Trust and Agency Fund	0	3,398	100%
Choice Partners Fund (Enterprise Fund)	3,357,440	1,710,930	51%
Worker's Comp. Fund (Internal Service Fund)	464,082	98,952	21%
Facilities Fund (Internal Service Fund)	5,924,556	2,664,445	45%
Total as of the end of the month	\$108,473,750	\$29,184,324	27%

NOTE: Special revenue funds (grants) have a different fiscal year. Part of the \$32,535,391 includes federal grants: Federal funding is the main source for special revenue grants. The \$27,128,468 Federal Program Revenues includes \$3,516,640 for Adult Education, \$6,137,533 for CASE, \$14,761,697 for Head Start, \$2,521,148 for Early Head Start, and \$191,450 for various other divisions.

INTERIM FINANCIAL REPORT (unaudited)

FY 2015-16 Donations Report All Funds as of December 31, 2015

MONTH 2015-2016	CASH	IN-KIND	TOTAL
September	\$7,100	\$500	\$7,600
October	\$3,427	0	\$3,427
November	\$8,025	\$475	\$8,500
December	\$0	\$4,250	\$4,250
January			
February			
March			
April			
May			
June			
July			
August			
2016 Total:	\$18,552	\$5,225	\$23,777
2015 Total:	\$5,775	\$5,483	\$11,258

INTERIM FINANCIAL REPORT (unaudited)

FY 2015-16 Donations Report All Funds as of December 31, 2015

CENTER FOR GRANTS DEVELOPMENT ON BEHALF OF HCDE DIVISIONS								
December 1st, 2015 through December 31st, 2015								
<i>Donor Last Name</i>	<i>Donor First Name</i>	<i>Organization</i>	<i>Site</i>	<i>Division</i>	<i>Description of Donation/Sponsorship</i>	<i>Cash Totals</i>	<i>In-kind Totals</i>	<i>Totals</i>
Donors								
Massey	Russ	Be An Angel Inc.	HCDE	Academic and Behavior School East	Holiday Gifts/Toys for Children		\$1,750.00	\$1,750.00
Massey	Russ	Be An Angel Inc.	HCDE	Academic and Behavior School East	Toys for Life Skills Students		\$2,000.00	\$2,000.00
Sofjan	Ino	Northwest Cyclery Center	HCDE	Academic and Behavior School West	Bicycle Helmets		\$500.00	\$500.00
								\$0.00
TOTALS						\$0.00	\$4,250.00	\$4,250.00

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal Year-To-Date at December 31, 2015

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

	Certified ADOPTED TAX RATE	September ADOPTED TAX RATE	October ADOPTED TAX RATE	November ADOPTED TAX RATE	December ADOPTED TAX RATE
Proposed Collections Tax Year 2015	0.005422	0.005422	0.005422	0.005422	0.005422
Certified Taxable Value per HCAD *	\$ 347,220,934,096	\$ 367,242,668,123	\$ 379,269,241,959	\$ 386,082,186,224	\$ 388,996,266,862
Values under protest or not certified	45,100,432,226	25,309,471,727	14,841,524,763	8,423,505,627	5,729,076,272
	392,321,366,322	392,552,139,850	394,110,766,722	394,505,691,851	394,725,343,134
/ Rate per Taxable \$100	3,923,213,663	3,925,521,399	3,941,107,667	3,945,056,919	3,947,253,431
X Tax Rate	21,271,664	21,284,177	21,368,686	21,390,099	21,402,008
X Estimated 98% collection rate →	20,846,231	20,858,493	20,941,312	20,962,297	20,973,968
+Delinquent Tax Collections	270,000	270,000	270,000	270,000	270,000
+Special Assessments	10,000	10,000	10,000	10,000	10,000
+ Penalty & Interest	130,500	130,500	130,500	130,500	130,500
Estimated Current Tax Available	\$ 21,256,731	\$ 21,268,993	\$ 21,351,812	\$ 21,372,797	\$ 21,384,468

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at December 31, 2015 (4th month/12 month)

TAX YEAR 2015 COLLECTION SUMMARY					
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
REVENUES:					
Current Tax	\$20,821,560	2,351,016	2,440,386	\$18,381,174	12%
Delinquent Tax	270,000	-27,554	-31,819	301,819	-12%
Penalty & Interest	130,500	6,839	33,482	97,018	26%
Special Assessments and Miscellaneous	10,000	995	1,607	8,393	16%
Subtotal Revenues:	\$21,232,060	2,331,297	2,443,657	\$18,788,403	12%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$155,000	\$43,415	\$84,591	\$70,409	55%
LESS: HCTO Fees	410,000	69,909	73,261	336,739	18%
Subtotal Expenditures:	\$565,000	\$113,324	\$157,852	\$407,148	28%
Net Tax Collections:	\$20,667,060	\$2,217,973	\$2,285,805	\$18,381,255	11%

- a) 2015 Tax Rate = $\$0.005422 / \100 Property Assessment/Appraisal - --> Annual Tax on a \$200,000 - \$40,000 = $\$160,000 / 100 \times .005422 =$
Residential Property = \$8.68 (net of 20% homestead exception.)
- b) $\$565,000 / \$21,232,060 = 2.66\%$ Collection and assessment costs

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at December 31, 2015 (4th 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	\$388,996,266,862	\$388,996,266,862	\$388,996,266,862
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	10,073,142,320	-	-
Scenario (2) Owner's value	-	9,755,100,685	-
Scenario (3) Estimated final value	-	-	5,729,076,272
Total taxable value, Certified and Uncertified:	<u>\$399,069,409,182 (A)</u>	<u>\$398,751,367,547 (A)</u>	<u>\$394,725,343,134 (A)</u>
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$3,990,694,092 (B)	\$3,987,513,675 (B)	\$3,947,253,431 (B)
2) Current Tax Rate	<u>X 0.005422 (C)</u>	<u>X 0.005422 (C)</u>	<u>X 0.005422 (C)</u>
3) 2015 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$21,637,543 (D)</u>	<u>\$21,620,299 (D)</u>	<u>\$21,402,008 (D)</u>
4) Interim Tax Rev Estimate @ 98% Collection Rate:	<u>\$21,204,792 (E)</u>	<u>\$21,187,893 (E)</u>	<u>\$20,973,968 (E)</u>
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)	\$21,204,792 (E)	\$21,187,893 (E)	\$20,973,968 (E)
LESS: Tax Revenue, Currently Budgeted	<u>\$20,821,560 (F)</u>	<u>\$20,821,560 (F)</u>	<u>\$20,821,560 (F)</u>
Total Interim Current Tax Revenue Estimate Over/(Under) Current Tax Revenue, Currently Budgeted, (E) - (F):	<u>\$383,232</u>	<u>\$366,333</u>	<u>\$152,408</u>
Total Current Tax Revenue Received, Dec 2015, 1996-571100**:	<u>\$2,351,016</u>	<u>\$2,351,016</u>	<u>\$2,351,016</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

December 2015

DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	530 Checks	\$1,454,311
P Card – Nov 2015	396 Transactions	\$54,098
Bank ACH	6 Transfers	\$1,500,457
	Total:	\$3,008,866

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 December 31, 2015

GENERAL FUND						
Budget Manager Title	Revenues	Tax Subsidy	Expenditure and Encumbrances	Includes Tax Subsidy Variance	W/o tax Profit Ratio	Profitability Variance
Educator Certification and Professional Advancement (Governmental)	122,243	-	162,243	(40,000)	-33%	(40,000)
Records Management (Governmental)	617,163	-	576,242	40,921	7%	40,921
School Based Therapy Services	2,817,211	298,420	3,157,456	(41,825)	-12%	(340,245)
ENTERPRISE FUND-CHOICE PARTNERS COOPERATIVE						
Budget Manager Title	Revenues	Expenditure and Encumbrances	Transfer Out To General Fund	Profit Ratio	Profitability Variance	
Choice Partners Cooperative (Enterprise)	1,432,822	853,504	579,318	40%	579,318	

Note: Effective FY 16 Choice Partners is reported as an Enterprise Fund (711) and is no longer part of General Fund.

Note: The difference between revenues & expenditures for Choice Partners is transferred out into General Fund, that transfer is not included above.

INTERIM FINANCIAL REPORT (unaudited)

FY 2015-16 BUDGET AMENDMENT REPORT

January 21, 2016

General Fund

Budget Rationale	Changes to Revenues	Changes to Appropriations	Changes Impacting F/Bal	Total
GENERAL FUND				
INCREASES				
Increase revenues & expenditures for additional interdepartmental contract between Research Institute and Digital Innovation.(BA #1516-01-2)	22,642	22,642		22,642 (2)
Total GENERAL FUND:			\$	22,642

INTERIM FINANCIAL REPORT (unaudited)

FY 2015-16 BUDGET AMENDMENT REPORT

January 21, 2016

Special Revenue Fund

Budget Rationale	Changes to Revenues	Changes to Appropriations	Changes Impacting F/Bal	Total
SPECIAL REVENUE FUND				
<u>INCREASES</u>				
Increase revenues and expenditures -Increase CASE fund (4636) by \$594,000 to setup the budget amount for 2016 Houston Endowment Grant. (BA #1516-01-1)	594,000	594,000		594,000 (1)
Total SPECIAL REVENUE FUND:				\$ 594,000

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/ Geri Griffin, Senior Accountant

Q & A



Texas Comptroller
Leadership Circle