

Financial Highlights

as of January, 2019



HIGHLIGHTS of INTERIM FINANCIAL
REPORT (unaudited)
January 31, 2019

and

BUDGET AMENDMENT REPORT
for the February 27, 2019 Board Meeting

Click below for a 1 minute Briefing:

<https://www.showme.com/sh/?h=e7EgSrA>
Prepared by: Business Support Services Division

Posted on our website at

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

Linked from State Comptroller's website

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



INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND

Balance Sheet as of January 31, 2019

HARRIS COUNTY DEPARTMENT OF EDUCATION		Schedule 1
INTERIM FINANCIAL REPORTS (Unaudited)		
GENERAL FUNDS 100-199 BALANCE SHEET		
Fiscal year to date: January 31, 2019		
		<u>ACTUAL</u>
<u>ASSETS</u>		
Cash and Temporary Investments		\$ 36,461,628
Property Taxes-Delinquent at September 1, 2018		843,570
Less: Allowances for Uncollectible Taxes		(16,871)
Due from Federal Agencies		48,516
Other Receivables		1,727,575
Inventories		112,209
Deferred Expenditures		-
Other Prepaid Items		34,606
	TOTAL ASSETS:	\$ 39,211,233
<u>LIABILITIES</u>		
Accounts Payable		8,070
Bond Interest Payable		-
Due to Other Funds		-
Accrued Wages		(22,622)
Payroll Deductions		890,874
Due to Other Governments		11,671
Deferred Revenue		835,370
	TOTAL LIABILITIES:	\$ 1,723,363
<u>FUND EQUITY</u>		
Unassigned Fund Balance		18,198,249
Non-Spendable Fund Balance		163,555
Restricted Fund Balance		-
Committed Fund Balance		1,575,000
Assigned Fund Balance		9,363,629
Excess(Deficiency) of Revenues & Other Resources		7,975,147
Over(Under) Expenditures & Other Uses		-
	TOTAL FUND EQUITY:	\$ 37,275,580
Fund Balance Appropriated Year-To-Date		212,290
	TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	\$ 39,211,233

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of January 31, 2019

The General Fund balance at 01/31/19 is \$28,990,649

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 2019.

As of January 31, 2019 activity includes:

Description	9/1/2018	Appropriated YTD	Estimated Balance
Non-Spendable	\$ 128,037	\$ -	\$ 128,037
Restricted	-	-	-
Committed	2,014,976	-	2,014,976
Assigned	9,499,397	-	9,499,397
Unassigned	17,560,529	212,290	17,348,239
Total Fund Balance	\$ 29,202,939	\$ 212,290	\$28,990,649

INTERIM FINANCIAL REPORT (unaudited)

As of January 31, 2019

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 January 31, 2019

Indicator of Financial Strength

Percent of Fund Balance to G/F Expenditures Ratio What is the percent of rainy fund balance? (*)Unadjusted	Working Capital Ratio What is the cash flow availability for the organization ?																								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Unassigned Fund Balance</td> <td style="text-align: right;">\$ 18,198,249</td> </tr> <tr> <td colspan="2" style="text-align: center;">-----</td> </tr> <tr> <td>Total G/F Expenditures</td> <td style="text-align: right;">\$ 19,685,138</td> </tr> <tr> <td>Goal :</td> <td style="text-align: right;">> 30% of G/F Exp.</td> </tr> <tr> <td>Benchmark:</td> <td style="text-align: right;">10% to 29%</td> </tr> <tr> <td>Danger:</td> <td style="text-align: right;">Under 10%</td> </tr> </table>	Unassigned Fund Balance	\$ 18,198,249	-----		Total G/F Expenditures	\$ 19,685,138	Goal :	> 30% of G/F Exp.	Benchmark:	10% to 29%	Danger:	Under 10%	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Total Current Assets</td> </tr> <tr> <td colspan="2" style="text-align: center;">Less Total Current Liabilities</td> </tr> <tr> <td colspan="2" style="text-align: center;">\$39,211,233 - \$1,723,363 = \$37,487,870</td> </tr> <tr> <td>Goal :</td> <td style="text-align: right;">>\$15,000,000</td> </tr> <tr> <td>Benchmark :</td> <td style="text-align: right;">\$10M to \$15M</td> </tr> <tr> <td>Danger :</td> <td style="text-align: right;">Under < \$10M</td> </tr> </table>	Total Current Assets		Less Total Current Liabilities		\$39,211,233 - \$1,723,363 = \$37,487,870		Goal :	>\$15,000,000	Benchmark :	\$10M to \$15M	Danger :	Under < \$10M
Unassigned Fund Balance	\$ 18,198,249																								

Total G/F Expenditures	\$ 19,685,138																								
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Goal :	>\$15,000,000																								
Benchmark :	\$10M to \$15M																								
Danger :	Under < \$10M																								

92% FY19

85% FY18

37M FY19

33M FY18

Details on Schedule 3

Budgeted
30%

Details on Schedule 1

Budgeted
\$30M

INTERIM FINANCIAL REPORT (unaudited)

As of January 31, 2019

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	\$ 18,198,249	Annual Principal and Interest Payments on Term Debt and Capital Leases	\$2,340,766
-----	-----		
Total Fund Balance	\$ 37,487,870	G/F Revenue Less Facility Charges	\$27,760,847 – 2,011,832
Goal :	> 75%	Goal :	<25% of annual revenue
Benchmark:	50% to 75%	Benchmark :	25% to <49%
Danger:	<50%	Danger :	Over > 50%

49% FY19

47% FY18

9% FY19

11% FY18

Details on Schedule 1

Budgeted
74%

Details on Schedule 5

Budgeted
7%

INTERIM FINANCIAL REPORT (unaudited)

As of January 31, 2019

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?	
Current Tax Revenue	\$ 13,282,945	Indirect Cost General Fund	\$ 501,728
-----	-----	-----	-----
Total Revenue	\$ 46,199,800	Total General Fund Revenue	\$ 27,760,847
Goal :	<20% of revenue	Goal :	> 5%
Benchmark:	20% to 30%	Benchmark:	2% to 5%
Danger:	Over > 30%	Danger:	Under < 2%

29% FY19

36% FY18

2% FY19

2% FY18

Details on Schedule 2

Budgeted
23%

Details on Schedule 3

Budgeted
3%

INTERIM FINANCIAL REPORT (unaudited)

As of January 31, 2019

Indicators of revenue growth

Fee for Service Revenue Ratio How are revenues spread across All Funds?	Fee for Service Revenue Growth Ratio What is the market growth for fee on services?
Total Fee for Service Revenues (G/F) \$9,017,371 ----- Total Revenues \$46,199,800 Goal : >30% of annual revenue Benchmark: 10% to 29% Danger: Under 10%	Fee for Services Current Year Less Fee for Services Last Year \$9,017,371 - \$8,239,535 ----- Fees for Service Last Year \$8,239,535 Goal : >3% + growth Benchmark : 0% to 3% Danger : Under < 0%

20% FY19

22% FY18

9% FY19

-34% FY18

Details on Schedule 14

Budgeted
21%

Details on Schedule 14

Budgeted
2%

FY 2018-19 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	Sept 1, 2018 Beginning Audited	September	October	November	December-January	February	March-August	
Inventory	93,431							93,431
Prepaid Items	34,606							34,606
Emp Retirement Leave Fund	500,000							500,000
Unemployment Liability	200,000							200,000
Capital Projects	1,314,976							1,314,976
Assets								
Replacement Schedule	1,000,000							1,000,000
Building and Vehicle Replacement	1,000,000							1,000,000
Local Construction	2,500,000							2,500,000
PFC Lease Payment	691,129							691,129
QZAB bond payment	2,458,268							2,458,268
New Program Initiative	-							-
Software and Program Development	-							-
Recovery High School	1,000,000							1,000,000
Workforce Development	850,000							850,000
Total Reserves:	11,642,410							11,642,410
Unassigned	17,560,529		72,290	140,000				17,348,239
Total Est. Fund Balance:	29,202,939	-	72,290	140,000	-	-	-	28,990,649

INTERIM FINANCIAL REPORT (unaudited)

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

REVENUES

Budget to Actual at January 31, 2019

Fund	Budget	Received/Billed	%
General Fund	\$53,258,191	\$27,760,847	52%
January is the end of the 5th month or approximately 42% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	36,354,534	8,865,933	24%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	3,149,497	2,340,766	74%
(3) This fund has activity in February, May (interest and principal payments), and August (interest only payment).			
Capital Projects Fund	2,000,000	99,908	5%
Trust and Agency Fund	0	1,847	0%
Choice Partners Fund (Enterprise Fund)	4,646,364	5,013,450	108%
Worker's Comp. Fund (Internal Service Fund)	300,000	105,216	35%
Facilities Fund (Internal Service Fund)	5,428,496	2,011,832	37%
Total as of the end of the month	\$105,137,082	\$46,199,800	44%

*Federal funding is the main source for special revenue grants. The \$29,127,104 Federal Program Revenues includes \$3,897,321 for Adult Education, \$5,895,209 for CASE, \$19,167,268 for Head Start, and \$167,306 for various other divisions.

ADOPTED BUDGETS AND AMENDMENTS 2018-2019

		Revenues Adopted Budget	Appropriations Adopted Budget
	Budget	102,910,372	117,335,372
September		316,758	316,758
	Subtotal-September	103,227,130	117,652,130
October		1,494,807	1,567,097
	Subtotal October	104,721,937	119,219,227
November		177,953	317,953
	Subtotal November	104,899,890	119,537,180
December		237,192	387,192
	Subtotal December	105,137,082	119,924,372

INTERIM FINANCIAL REPORT (unaudited)

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

EXPENDITURES

Budget to Actual at January 31, 2019

Fund	Budget	Encumbered/Spent	%
General Fund	\$57,395,481	\$19,685,138	38%
(1) Encumbrances as of the end of the month total.		\$ 1,911,722	Encumbrances
January is the end of the 5th month or approximately 42% of the fiscal year.			
Special Revenue Funds	36,354,534	10,493,708	43%
(2) Encumbrances as of the end of the month total.		4,969,890	Encumbrances
Most grant periods differ from the fiscal year.			
Debt Service Fund	3,149,497	2,340,766	74%
(3) This fund has activity in February, May (interest and principal			
Capital Projects Fund	12,500,000	520,669	4%
Trust and Agency Fund	0	470	0%
Choice Partners Fund (Enterprise Fund)	4,646,364	5,013,450	108%
Worker's Comp. Fund (Internal Service Fund)	450,000	310,697	69%
Facilities Fund (Internal Service Fund)	5,428,496	2,011,832	37%
Total as of the end of the month	\$119,924,372	\$47,258,342	39%

INTERIM FINANCIAL REPORT (unaudited)
FY 2018-19 Donations Report
All Funds as of January 31, 2019

Month 2018-2019	CASH	IN-KIND	TOTAL
September	1,113.00	-	1,113.00
October	5,065.00	-	5,065.00
November	-	2,564.95	2,564.95
December	-	13,551.89	13,551.89
January	-	-	-
February			-
March			-
April			-
May			-
June			-
July			-
August			-
2019 Total:	6,178.00	16,116.84	22,294.84
2018 YTD Total:	8,123.37	201,991.68	210,115.05

INTERIM FINANCIAL REPORT (unaudited) FY 2018-19 Donations Report All Funds as of January 31, 2019

		CENTER FOR GRANTS DEVELOPMENT ON BEHALF OF HCDE DIVISIONS						
		January 1 - January 31, 2019						
<i>Donor/Sponsor Last Name</i>	<i>Donor/Sponsor 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>
Totals						\$ -	\$ -	\$ -

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal

Year –To-Date at January 31, 2019

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

Harris County Department of Education Comparative Analysis of Property Values

	Adopted	September	October	November	December	January
	ADOPTED TAX RATE	ADOPTED TAX RATE	ADOPTED TAX RATE	ADOPTED TAX RATE	ADOPTED TAX RATE	ADOPTED TAX RATE
Proposed Collections Tax Year 2018	0.005190	0.005190	0.005190	0.005190	0.005190	0.005195
Certified Taxable Value per HCAD *	\$ 412,526,038,722	\$ 431,144,848,395	\$ 441,157,229,400	\$ 445,482,657,214	\$ 447,225,280,892	\$ 447,709,696,992
Values under protest or not certified	37,168,447,726	19,561,999,721	10,156,995,148	5,712,903,568	3,559,258,684	2,835,867,379
	449,694,486,448	450,706,848,116	451,314,224,548	451,195,560,782	450,784,539,576	450,545,564,371
/ Rate per Taxable \$100	4,496,944,864	4,507,068,481	4,513,142,245	4,511,955,608	4,507,845,396	4,505,455,644
X Tax Rate	23,339,144	23,391,685	23,423,208	23,417,050	23,395,718	23,383,315
Estimated collection rate	99.88%	99.88%	99.88%	99.88%	99.88%	99.88%
X Estimated Collection Rate	23,310,040	23,362,516	23,394,000	23,041,402	23,366,543	23,354,156
+Delinquent Tax Collections	150,000	150,000	150,000	150,000	150,000	155,000
+Special Assessments	15,000	15,000	15,000	15,000	15,000	15,000
+ Penalty & Interest	-	-	-	-	-	-
Estimated Current Tax Available for Operations:	\$ 23,475,040	\$ 23,527,516	\$ 23,559,000	\$ 23,206,402	\$ 23,531,543	\$ 23,519,156
Net Gain or Loss on values	\$ -	\$ 52,476	\$ 83,960	\$ (268,638)	\$ 56,503	\$ 44,116

\$451B

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at January 31, 2019 (5th month / 12 months)

HARRIS COUNTY DEPARTMENT OF EDUCATION Tax Year 2018 Interim Current Tax Revenue Estimate Updates			
	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	\$431,144,848,395	\$431,144,848,395	\$431,144,848,395
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	74,904,139,457	-	-
Scenario (2) Owner's value	-	73,697,295,207	-
Scenario (3) Estimated final value	-	-	19,561,999,721
Total taxable value, Certified and Uncertified:	<u>\$506,048,987,852</u> (A)	<u>\$504,842,143,602</u> (A)	<u>\$450,706,848,116</u> (A)
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$5,060,489,879 (B)	\$5,048,421,436 (B)	\$4,507,068,481 (B)
2) Current Tax Rate	X 0.00519 (C)	X 0.00519 (C)	X 0.00519 (C)
3) 2017 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$26,263,942</u> (D)	<u>\$26,201,307</u> (D)	<u>\$23,391,685</u> (D)
4) Interim Tax Rev Estimate @ 99.8753% Collection Rate:	<u>\$26,231,191</u> (E)	<u>\$26,168,634</u> (E)	<u>\$23,362,516</u> (E)
Comparison of Interim Tax Rev Estimate @ 98.40% 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)	\$26,231,191 (E)	\$26,168,634 (E)	\$23,362,516 (E)
LESS: Tax Revenue, Currently Budgeted	<u>\$23,310,040</u> (F)	<u>\$23,310,040</u> (F)	<u>\$23,310,040</u> (F)
Total Interim Current Tax Revenue Estimate Over/(Under) Current Tax Revenue, Currently Budgeted, (E) - (F):	<u>\$2,921,151</u>	<u>\$2,858,594</u>	<u>\$52,476</u>
Total Current Tax Revenue Received, Accumulated from September 1 to September 30, 2018, 1999-571100	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

INTERIM FINANCIAL REPORT (unaudited) TAX COLLECTIONS Fiscal Year-To-Date at January 31, 2019 (5th month / 12 month)

TAX YEAR 2018 COLLECTION SUMMARY					
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
REVENUES:					
Current Tax	\$ 23,310,040	\$ 8,297,727	\$ 13,280,936	\$ 10,029,104	57.0%
Delinquent Tax	150,000	(4,718)	(68,617)	218,617	-46%
Penalty & Interest	-	9,293	44,824	(44,824)	0%
Special Assessments and Miscellaneous	15,000	1,050	2,009	12,991	13%
Subtotal Revenues:	\$ 23,475,040	\$ 8,303,351	\$ 13,259,152	\$ 10,215,888	56.5%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$ 180,000	\$ -	\$ 84,583	\$ 95,417	47%
LESS: HCTO Fees	475,000	205,964	329,835	145,165	69%
Subtotal Expenditures:	\$ 655,000	\$ 205,964	\$ 414,418	\$ 240,582	63%
Net Tax Collections:	\$ 22,820,040	\$ 8,097,387	\$ 12,844,734	\$ 9,975,306	56.3%

a) 2018 Tax Rate = $\$0.005190 / \100 Property Assessment/Appraisal --> Annual Tax on a \$200,000 - \$40,000 = $\$160,000 / 100 \times .005190 =$
Residential Property = \$8.32 (net of 20% homestead exception.)

b) $\$655,000 / \$23,475,040 = 2.78\%$ Collection and assessment costs

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENT – ALL FUNDS

January 31, 2019

DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	524 Checks	\$1,402,250
P Card - December 2018	443 Transactions	\$65,188
Bank ACH	8 Transfers	\$3,951,131
	Total:	\$5,418,570

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 January 31, 2019

GENERAL FUND - Governmental						
Budget Manager Title	Revenues	Tax Subsidy	Expenditure and Encumbrances	Includes Tax Subsidy Variance	W/o tax Benefit Ratio	Benefit Variance
Educator Certification and Prof Adv	136,609	116,707	273,915	(20,599)	-101%	(137,306)
Records Management	688,758	27,633	790,768	(74,377)	-15%	(102,010)
School Based Therapy Services	3,636,378	714,268	4,355,080	(4,434)	-20%	(718,702)
Schools	3,906,009	1,079,675	5,181,839	(196,155)	-33%	(1,275,830)
ENTERPRISE FUND-CHOICE PARTNERS COOPERATIVE						
Budget Manager Title	Revenues	Expenditure and Encumbrances	Transfer Out To General Fund	Benefit Ratio	Benefit Variance	
Choice Partners Cooperative (Enterprise)	5,013,450	1,032,568	3,980,882	79%	3,980,882	

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 in the expenditure column above.

HIGHLIGHTS Of BUDGET AMENDMENT REPORT

February 27, 2019
Board Meeting
(unaudited)

Amendments

Special Revenue Fund= (\$783,248)

INTERIM FINANCIAL REPORT (unaudited)

FY 2018-19 BUDGET AMENDMENT REPORT

February 27, 2019

Special Revenue Fund

Budget Rationale	Changes to Revenues	Changes to Appropriations	Changes Impacting F/Bal	Total Net Change
INCREASES				
Increase revenues & expenditures in the Special Revenue Fund (4989) Case Ecobot (BM922) Local Grant Budget in the amount of \$5,000. The purpose of this budget amendment is to increase the temporary budget placeholder of \$6,880 by \$5,000 to reflect the total grant amount received from the Brown Foundation of \$11,880.	\$ 5,000.00	\$ 5,000.00		-
Increase revenues & expenditures in the Special Revenue Fund (2059) Head Start (BM901) Federal Grant Budget in the amount of \$700,000. The purpose of this budget amendment is to increase the temporary budget placeholder of \$0 by \$700,000 to reflect the total grant amount received from the US Department of Health and Human Services of \$700,000.	\$ 700,000.00	\$ 700,000.00		-
Increase revenues & expenditures in the Special Revenue Fund (4799) Head Start In-Kind (BM901) Grant Budget in the amount of \$135,624. The purpose of this budget amendment is to increase the temporary budget placeholder of \$3,072,040 by \$81,754 to match the Notice of Grant Award Amount. Additional donations were received necessitating an increase in revenue of \$53,870. The combined total of \$81,754 and \$53,870 make up the total requested increase of \$135,624.	\$ 135,624.00	\$ 135,624.00		-
Increase revenues & expenditures in the Special Revenue Fund (4969) Hogg Foundation (BM901) Local Grant Budget in the amount of \$21. The purpose of this budget amendment is to increase the current budgeted amount of \$5,087 by \$21 to reflect the revenue received from the annual conference.	\$ 21.00	\$ 21.00		-
Increase revenues & expenditures in the Special Revenue Fund (4989) Adult Education (BM201) Local Grant Budget in the amount of \$793. The purpose of this budget amendment is to increase the temporary budget placeholder of \$0 by \$793 to reflect the remaining portion of the original award of \$4,500. Of the \$4,500 original award, \$3,707 has been spent leaving a balance of \$793.	\$ 793.00	\$ 793.00		-
Increase revenues & expenditures in the Special Revenue Fund (4989) Adult Education (BM201) Local Grant Budget in the amount of \$315. The purpose of this budget amendment is to increase the temporary budget placeholder of \$0 by \$315 to accurately reflect the receipt of donation.	\$ 315.00	\$ 315.00		-

INTERIM FINANCIAL REPORT (unaudited)

FY 2018-19 BUDGET AMENDMENT REPORT

February 27, 2019

Special Revenue Fund Continued.....

Budget Rationale	Changes to Revenues	Changes to Appropriations	Changes Impacting F/Bal	Total Net Change
INCREASES				
Increase revenues & expenditures in the Special Revenue Fund (4989) ABS West (BM132) Local Grant Budget in the amount of \$4,564 . The purpose of this budget amendment is to increase the temporary budget placeholder of \$0 by \$4,564 to reflect the remaining portion of the original award of \$5,500.	\$ 4,564.00	\$ 4,564.00		-
Increase revenues & expenditures in the Special Revenue Fund (4989) ABS East (BM131) Local Grant Budget in the amount of \$2,829 . The purpose of this budget amendment is to increase the temporary budget placeholder of \$2,500 by \$2,829 to reflect the remaining portion of the original award of \$5,639. Of the \$5,064 original award, \$309.70 has been spent leaving a balance of \$5,329.	\$ 2,829.00	\$ 2,829.00		-
DECREASES				
Decrease revenues & expenditures in the Special Revenue Fund (4638) Case Houston Endowment (BM922) Local Grant Budget in the amount of \$50,000 . The purpose of this budget amendment is to decrease the temporary budget placeholder of \$50,000 to reflect the \$0 remaining from the Houston Endowment. All funds pertaining to the Houston Endowment Grant were spent during the 2017-2018 fiscal year.	\$ (50,000.00)	\$ (50,000.00)		-
Decrease revenues & expenditures in the Special Revenue Fund (4899) Teaching and Learning Center (BM303) Local Grant Budget in the amount of \$15,898 . The purpose of this budget amendment is to decrease the temporary budget placeholder of \$20,000 to reflect the \$4,102 remaining from the Kinder Morgan Foundation grant award.	\$ (15,898.00)	\$ (15,898.00)		-
Total SPECIAL REVENUE FUND:	783,248	783,248	-	\$ -

Construction PFC Update

February 27, 2019



Closing on 2016 PFC Bond Series

Par Amount of Bonds (Purchase Price):	\$ 7,000,000.00
Less: Purchaser's Counsel and MAC Fees	<u>16,100.00</u>
Total Due from Purchaser:	\$6,983,900.00
Issuer Contribution	5,000,000.00
Less Land Purchase Costs	<u>954,766.00</u>
Total Available Funds	\$11,029,134.00

Total Available Funds	\$ 11,029,134.00
Bond Issuance Costs	(218,061.80)
Deposit in Project Fund Account	\$ 10,811,072.20

Invoices for Issuance Expenses

Provider	Role		Invoices
US Capital Advisors	Financial Advisor	FA Fee, Document Prep., Misc.	\$ 51,957.50
Orrick Herrington	Bond Counsel	BC Fee, AG Fee, Misc.	89,500.00
Bank of Texas	Trustee/PAR	Trustee Fees	3,500.00
Haynes and Boone, LLP	Trustee 's Counsel	Fees	5,500.00
Stewart Title	Title Policy	Fees/Expenses	<u>67,604.30</u>
Total Invoices:			\$ 218,061.80

← \$225,000 Budgeted

Value...Opportunity...Service

Available January 2019 PFC Bond Series Funds

RECAP:	EXPENDITURES BY MONTH	EXPENDITURES BY TYPE																																																																								
	<table border="0"> <tr><td>July 14, 2016 Earnest Money Contract</td><td>\$</td><td>5,000.00</td></tr> <tr><td>October 24, 2016 Land Purchase</td><td></td><td>949,765.41</td></tr> <tr><td>November 2, 2016 Closing Costs</td><td></td><td>234,161.80</td></tr> <tr><td>February 14, 2018 CRE8, Inc. Payment</td><td></td><td>75,600.00</td></tr> <tr><td>March 7, 2018 Gradient Group Payment</td><td></td><td>600.00</td></tr> <tr><td>March 7, 2018 D&A Payment</td><td></td><td>18,650.00</td></tr> <tr><td>June 14, 2018 CRE8, Inc. Payment</td><td></td><td>201,857.74</td></tr> <tr><td>October 4, 2018 HCDE Legal Fees</td><td></td><td>8,360.00</td></tr> <tr><td>October 4, 2018 Wright National Flood</td><td></td><td>1,184.00</td></tr> <tr><td>October 24, 2018 HTS, Inc. Consultants</td><td></td><td>8,832.00</td></tr> <tr><td>October 26, 2018 Doucet and Associates</td><td></td><td>2,000.00</td></tr> <tr><td>December 19, 2018 CRE8, Inc. Payment</td><td></td><td>112,907.85</td></tr> <tr><td>December 19, 2018 Houston Chronicle Payment</td><td></td><td>631.82</td></tr> <tr><td>December 19, 2018 HCDE Legal Fees</td><td></td><td>829.38</td></tr> <tr><td>TOTAL As of January 31, 2019</td><td>\$</td><td>1,620,380.00</td></tr> </table>	July 14, 2016 Earnest Money Contract	\$	5,000.00	October 24, 2016 Land Purchase		949,765.41	November 2, 2016 Closing Costs		234,161.80	February 14, 2018 CRE8, Inc. Payment		75,600.00	March 7, 2018 Gradient Group Payment		600.00	March 7, 2018 D&A Payment		18,650.00	June 14, 2018 CRE8, Inc. Payment		201,857.74	October 4, 2018 HCDE Legal Fees		8,360.00	October 4, 2018 Wright National Flood		1,184.00	October 24, 2018 HTS, Inc. Consultants		8,832.00	October 26, 2018 Doucet and Associates		2,000.00	December 19, 2018 CRE8, Inc. Payment		112,907.85	December 19, 2018 Houston Chronicle Payment		631.82	December 19, 2018 HCDE Legal Fees		829.38	TOTAL As of January 31, 2019	\$	1,620,380.00	<table border="0"> <tr><td>Purchaser's Counsel and MAC Fees</td><td>\$</td><td>16,100.00</td></tr> <tr><td>Land Purchase Costs</td><td></td><td>954,765.41</td></tr> <tr><td>Bond issuance Costs</td><td></td><td>218,061.80</td></tr> <tr><td>Construction Expenditures (From Above)</td><td></td><td>231,939.74</td></tr> <tr><td>Architect Expenditures (From Above)</td><td></td><td>188,507.85</td></tr> <tr><td>Insurance Expenditures</td><td></td><td>1,184.00</td></tr> <tr><td>Legal Fees</td><td></td><td>9,189.38</td></tr> <tr><td>Notice Requirement</td><td></td><td>631.82</td></tr> <tr><td></td><td>\$</td><td>1,620,380.00</td></tr> </table>	Purchaser's Counsel and MAC Fees	\$	16,100.00	Land Purchase Costs		954,765.41	Bond issuance Costs		218,061.80	Construction Expenditures (From Above)		231,939.74	Architect Expenditures (From Above)		188,507.85	Insurance Expenditures		1,184.00	Legal Fees		9,189.38	Notice Requirement		631.82		\$	1,620,380.00
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A & E Services = architectural & engineering

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Total Available Funds	\$11,029,134.00

AVAILABLE PFC FUNDS	
Available Funds from Closing Date:	\$ 11,029,134.00
Closing Costs	(218,061.80)
Year to date Expenditures	<u>(1,402,318.20)</u>
Total	9,408,754.00
Sept 2018 Interest	17,567.71
Oct 2018 Interest	19,435.00
Nov 2018 Interest	19,352.59
Dec 2018 Interest	20,700.71
Jan 2019 Interest	21,535.77
Available funds as of January 2019	\$ 12,818,370.59
Debt Service Payment due Feb 2019	\$ (2,340,766.00)
Available funds from previous PFC Rev Bonds	220,664.06

Total Available funds -Invested **10,698,269**

Available funds and arbitrage

ABS West PFC Project

Available at 1-31-2019 **\$ 13,039,035**

Debt Serv Payment due Feb 2019 **\$ (2,340,766)**

Available at 1-31-2019 for Construction **\$ 10,698,269**

Drawdown		Contract Amount	Payments	Outstanding	Pending
Drawdown 1,4	Architect Contract (\$8.4M x 6%)	\$ 504,000	\$ 262,772		241,228
	Additional due to project size	60,000			60,000
Drawdown 1,4	Date of disbursement	Misc Architect Reimbursements	14,686	14,686	-
2	Gradient Group LLC	Traffic Engineering	11,440	600	10,840
3	Duscet and Associates	Surveying Services	18,650	18,650	-
5	HCDE Legal fees - architect contract- AIA	legal fees	8,360	8,360	-
6	Wright National Flood Insurance	flood insurance	1,184	1,184	-
7	HTS Geotechnical	geotechnical	8,838	8,832	6
8	Doucet Associates - elevation	elevation map	2,000	2,000	-
9	Cre8, Inc.	architect	112,908	112,908	
10	Houston Chronicle	public notice	632	632	
11	HCDE Legal fees	legal fees	829	829	
	HTS Testing	Testing Materials	66,322		66,322
	Rice and Garner Commissioning Services	MEP Services	12,189		12,189
	Phonoscope Lightwave	Wiring infrastructure	21,574		21,574
12	Muti Vista	Construction Documentatic	25,855	5,450	20,405
13	Duscet and Associates	Easement Descriptions	1,200	1,200	-
	Construction Contract	construction	\$ 8,916,000		\$ 8,916,000
			\$ 9,786,667	\$ 438,103	\$ -
					\$ 9,348,564

Amount available for furniture, equipment and contingency **\$ 1,349,704**

Available funds and arbitrage

Month	INV POOLS %	
	FY18	FY19
SEP	.99 - 1.04	1.97 - 2.0
OCT	1.02 - 1.05	-
NOV	1.04 - 1.06	-
DEC	1.17 - 1.25	-
JAN	1.25 - 1.32	-
FEB	1.33 - 1.35	-
MAR	1.5 - 1.57	-
APR	1.63 - 1.68	-
MAY	1.70 - 1.73	-
JUN	1.82 - 1.92	-
JUL	1.89 - 1.91	-
AUG	1.91 - 1.93	-

As it relates to a municipal bond market, arbitrage is the profit from borrowing funds in the tax exempt market and investing them in the taxable market. Unless an exception is available, the IRS requires a payment to the US Treasury equal to all interest earned on bond proceeds in excess of the bond yield. The PFC bond yield is 1.68%



Restricted interest by month	22,554.67
Arbitrage Calculation cost	10,000

interest earned by month

	Interest Earnings	,Under @1.68 rate	,@ current rate
till aug 31 2017	30,629.17	30,629.17	
Sep-17	9,117.61	9,117.61	
Oct-17	9,478.02	9,478.02	
Nov-17	9,349.25	9,349.25	
Dec-17	10,825.37	10,825.37	
Jan-18	11,968.62	11,968.62	
Feb-18	11,183.49	11,183.49	
Mar-18	14,056.08	14,056.08	
Apr-18	14,785.46	14,785.46	
May-18	15,756.53	15,301.14	455.39
Jun-18	16,017.00	14,014.88	2,002.13
Jul-18	17,132.35	15,069.29	2,063.06
Aug-18	17,443.42	15,183.91	2,259.51
Sep-18	17,567.71	14,756.88	2,810.83
Oct-18	19,435.00	16,325.40	3,109.60
Nov-18	19,352.00	16,255.68	3,096.32
Dec-18	20,700.71	17,388.60	3,312.11
Jan-19	21,535.77	18,090.05	3,445.72
Interest Earned	286,333.56	263,778.89	22,554.67

Timeline pending review by the Development Plan Committee

Nov-16	Approval of Pool of architects and engineers	Board
Jan-17	Review and presentation of architect concepts	PFC
Oct-17	Approval of architect contract	PFC
Jan -18	Review of Schematic Design	PFC
Apr-18	Tentative review and approval of architect design development	PFC
May-18	Approval of method of construction per Ch 2269	PFC
Oct-18	Tentative Procurement of Construction Project	PFC
Nov-18	Tentative Construction Award Date	PFC
Dec-18	Construction Contract was signed	PFC
Oct-19	Construction Period- 11 to 14 months est.	PFC

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



Value...Opportunity...Service