

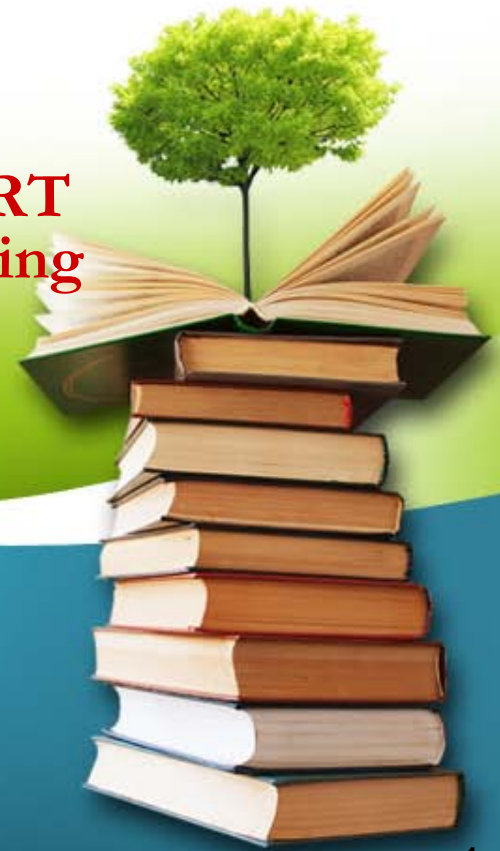


HIGHLIGHTS
of
INTERIM FINANCIAL REPORT
at September 30, 2013
and

BUDGET AMENDMENT REPORT
for the October 15, 2013 Board Meeting

(unaudited)
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>

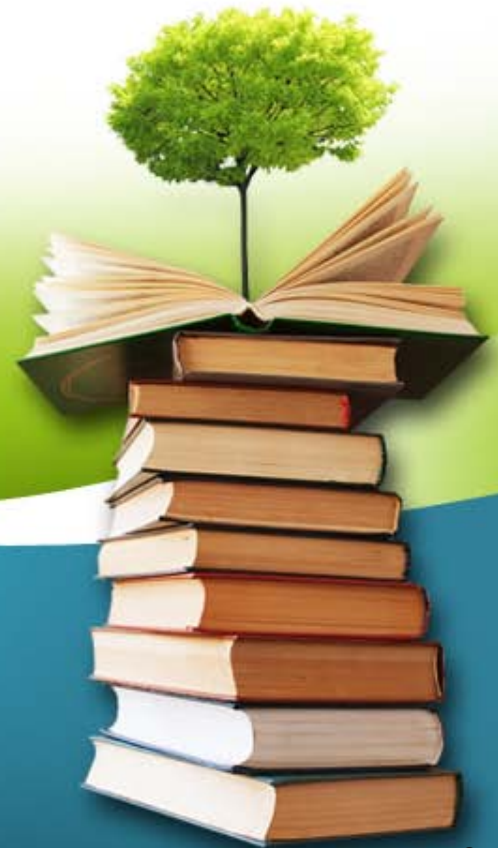
Linked from State Comptroller's website

<http://www.texas Transparency.org/local/schools.php>



4
Fourth
Year
Award

Texas Comptroller
Leadership Circle
Gold Member



INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at Sept. 30, 2013



	<u>ACTUAL</u>
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 21,316,400
Property Taxes-Delinquent at September 1, 2013	1,072,919
Less: Allowances for Uncollectible Taxes	(32,187)
Due from Federal Agencies	(59,728)
Other Receivables	4,554,043
Inventories	109,152
Deferred Expenditures	1,830
Other Prepaid Items	24,665
TOTAL ASSETS:	\$ 26,987,096
<u>LIABILITIES</u>	
Accounts Payable	90,321
Bond Interest Payable	-
Due to Other Funds	(28,529)
Accrued Wages	-
Payroll Deductions	325,952
Due to Other Governments	-
Deferred Revenue	1,063,652
TOTAL LIABILITIES:	\$ 1,451,397
<u>FUND EQUITY</u>	
Unassigned Fund Balance	15,403,469
Non-Spendable Fund Balance	111,719
Restricted Fund Balance	-
Committed Fund Balance	1,408,000
Assigned Fund Balance	6,381,041
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	1,084,270
TOTAL FUND EQUITY:	\$ 24,388,499
Fund Balance Appropriated Year-To-Date	1,147,200
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	\$ 26,987,096

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of Sept. 30, 2013



The audited projected General Fund balance at 9/1/12 is \$21,823,471

- Assigned \$ 7,528,241
- Unassigned \$ 12,775,511

As of 7-31-2013, 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	9/1/2012	Appropriated YTD	Estimated Balance
Non-Spendable	\$ 111,719	\$ -	\$ 111,719
Restricted	-	-	-
Committed	1,408,000	-	1,408,000
Assigned	7,528,241	(1,147,200)	6,381,041
Unassigned	12,775,511	-	12,775,511
Total Fund Balance	\$ 21,823,471	\$ (1,147,200)	\$20,676,271

INTERIM FINANCIAL REPORT (unaudited)

As of Sept 30, 2013

Financial Ratios

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 Sept. 30, 2013

Indicator of Financial Strength

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

What is the percent of rainy fund balance?

Unassigned Fund Balance	12,775,511

Total G/F Expenditures	2,486,576

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**

 26,987,095 - 1,451,397 = **25,535,699**

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

514%

Details on Schedule 3

Budgeted
26%

\$26 M

Details on Schedule 1

Budgeted
\$18 M



INTERIM FINANCIAL REPORT (unaudited)

As of Sept. 30, 2013

Indicator of Efficient Leverage Reserves

- Unassigned Fund Balance Ratio**

How much is available in reserves?

Unassigned Fund Balance 15,403,469

Total Fund Balances 25,535,699

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

60%

Details on Schedule 1

Budgeted
52%

- Debt to Income Ratio**

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

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

G/F Revenue Less Facility Charges 3,376,533

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

0%

Details on Schedule 5

Budgeted
7%



INTERIM FINANCIAL REPORT (unaudited)

As of Sept. 30, 2013

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 \$0

Total Revenue **3,904,538**

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

Indirect Cost General Fund \$0

Total General Fund Revenues **3,573,488**

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

0%

Details on Schedule 2

Budgeted
22%

0%

Details on Schedule 3

Budgeted
5%



INTERIM FINANCIAL REPORT (unaudited)

As of Sept. 30, 2013

Indicator of revenue growth



- Fee for Service Revenue Ratio**

How are revenues spread across All Funds?

Total Fee for Service Revenues (G/F) \$3,387,174

Total Revenues \$3,904,538

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

\$3,387,174-\$3,281,552

Fees for Service Last Year \$3,281,552

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

86%

Details on Schedule 13-

Budgeted
25%

3%

Details on Schedule 13-

Budgeted
6%



FY 2013-14 FUND BALANCE – BUDGETED ACTIVITY



FUND BALANCE CATEGORY	Sept 1, 2013 Beginning Unaudited	September			Est. F/Bal 8-31-14
Inventory	107,799				107,799
Asset Replace Schedule	1,200,000				1,200,000
Bldg & Vehicle Replacement Schedule	1,300,000	(369,200)			930,800
Carryover encumbrances	98,413				98,413
Deferred Revenue –HP Schools	103,300				103,300
Deferred revenues	3,920				3,920
Emp. Retire Leave Fund	1,250,000				1,250,000
PFC Construction	630,000				630,000
Early Childhood Intervention Funding	778,000	(778,000)			0
Insurance Deductibles	400,000				400,000
NEW Payroll System	250,000				250,000

FY 2013-14 FUND BALANCE – BUDGETED ACTIVITY



FUND BALANCE CATEGORY	Sept 1, 2013 Beginning Unaudited	September				Est. F/Bal 8-31-14
PFC Lease payment	807,915					807,915
Program start up	565,000					565,000
Local Construction Fund 170	572,780					572,780
QZAB Renovation Projects	0					0
QZAB bond payment	697,833					697,833
Safe & Secure Schools Project	125,000					125,000
Unemployment Liability	158,000					158,000
Total Reserves:	6,381,041	(1,147,200)				5,233,841
Unassigned:	12,775,511	0				12,775,511
Total Est. Fund Balance:	21,823,471	(1,147,200)				20,676,271

INTERIM FINANCIAL REPORT (unaudited)

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



Revenues

Budget to Actual at Sept. 30, 2013

Fund	Budget	Received/Billed	%
General Fund	\$ 47,252,631	3,573,488	8%
September is the end of the 1st month or approximately 8% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	33,210,456	122,737	0%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	2,653,751		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	-	259	0%
Worker's Comp. Fund	464,082	16,930	4%
Internal Service Fund	5,656,446	191,125	3%
Total as of the end of the month	\$89,237,366	\$3,904,538	4%

INTERIM FINANCIAL REPORT (unaudited) GENERAL, SPECIAL REVENUE, DEBT SERVICE FUNDS and INTERNAL SERVICE FUNDS



Expenditures

Budget to Actual at Sept. 30, 2013

Fund	Budget	Encumbered/Spent	%
General Fund	\$48,399,831	\$2,486,576	9%
(1) Encumbrances as of the end of the month total. 1,797,129 Encumbrances September is the end of the 1st month or approximately 8% of the fiscal year.			
Special Revenue Fund	33,210,455	1,350,104	8%
(2) Encumbrances as of the end of the month total. 1,153,822 Encumbrances Most grant periods differ from fiscal year.			
Debt Service Fund	2,653,751		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	-	-	0%
Worker's Comp. Fund	464,082	48,791	11%
Internal Service Fund	5,656,446	667,637	12%
Total as of the end of the month	\$ 90,384,565	\$7,504,059	8%

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report *

All Funds as of Sept. 30, 2013



MONTH	CASH	IN-KIND	TOTAL
September	\$230	\$602.50	\$832.50
October			
November			
December			
January			
February			
March			
April			
May			
June			
July			
August			
Total:	\$230	\$602.50	\$832.50

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 Donations Report *



CENTER FOR GRANTS DEVELOPMENT ON BEHALF OF HCDE DIVISIONS								
September 1st through September 30th, 2013								
<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>
Vasquez	Juan	GCA Services Group	HCDE	Business Services	Lunch-School Finance Council Meeting		\$482.50	\$482.50
Smallwood	Pamela	Spectra Energy	HCDE	Non Specified	Merchandise/Binder, Puncher/Paper Cutter		\$120.00	\$120.00
Employee Giving Fund Pledges								
Jones	Catherine	Center Manager/ Head Start	HCDE	Head Start	Each pay period at a rate of \$5.00	\$100.00		\$100.00
Garrett	Mary J.	Teacher/Humble	HCDE	Alternative Educator Certification	One payment at beginning of school year	\$10.00		\$10.00
Simmons	Yolanda P.	Asst. Center Manager/ Head Start	HCDE	Head Start	Each pay period at a rate of \$5.00	\$120.00		\$120.00
TOTALS						\$230.00	\$602.50	\$832.50

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal Year-To-Date at September 30, 2013



	August
	ADOPTED TAX RATE
Proposed Collections Tax Year 2012	0.006358
Certified Taxable Value per HCAD *	\$ 255,510,232,852
Values under protest or not certified	47,628,019,827
	303,138,252,679
/ Rate per Taxable \$100	3,031,382,527
X Tax Rate	19,273,530
X Estimated 99% collection rate	19,080,405
+Delinquent Tax Collections	270,000
+Special Assessments	10,000
+ Penalty & Interest	130,500
Estimated Current Tax Available	\$ 19,490,905

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at September 30, 2013



TAX YEAR 2013 COLLECTION SUMMARY

DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
REVENUES:					
Current Tax	\$19,080,405	\$0	\$0	\$19,080,405	0%
Delinquent Tax *	270,000	6,922	6,922	\$263,078	3%
Penalty & Interest	130,500	5,443	5,443	\$125,057	4%
Special Assessments and Miscellaneous*	10,000	0	0	\$10,000	0%
Subtotal Revenues:	\$19,490,905	\$12,365	\$12,365	\$19,478,540	0.1%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$155,000	\$35,863	\$35,863	\$119,137	23%
LESS: HCTO Fees	383,500	309	309	\$383,191	1%
Subtotal Expenditures:	\$538,500	\$36,172	\$36,172	\$502,328	-152%
Net Tax Collections:	\$18,952,405	-\$23,807	-\$23,807	\$18,976,212	-0.1%

2013 Tax Rate = \$0.006358/\$100 Property Assessment/Appraisal

Annual Tax on a \$200,000 Residential Property = \$12.72 (Without considering any eligible exemptions.)

\$538,500/\$19,490,905 = 2.8% Collection and assessment costs

INTERIM FINANCIAL REPORT (unaudited)

INTERIM CURRENT TAX REVENUE ESTIMATES REPORT

Dated September 30, 2013



	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	\$255,510,232,852	\$255,510,232,852	\$255,510,232,852
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	79,885,494,639	-	-
Scenario (2) Owner's value	-	68,885,150,282	-
Scenario (3) Estimated final value	-	-	53,792,658,490
Total taxable value, Certified and Uncertified:	<u>\$335,395,727,491 (A)</u>	<u>\$324,395,383,134 (A)</u>	<u>\$309,302,891,342 (A)</u>
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$3,353,957,275 (B)	\$3,243,953,831 (B)	\$3,093,028,913 (B)
2) Current Tax Rate	<u>X 0.006658 (C)</u>	<u>X 0.006658 (C)</u>	<u>X 0.006658 (C)</u>
3) 2014 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$22,330,648 (D)</u>	<u>\$21,598,245 (D)</u>	<u>\$20,593,387 (D)</u>
4) Interim Tax Rev Estimate @ 99% Collection Rate:	<u>\$22,107,341 (E)</u>	<u>\$21,382,262 (E)</u>	<u>\$20,387,453 (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)	\$22,107,341 (E)	\$21,382,262 (E)	\$20,387,453 (E)
LESS: Tax Revenue, Currently Budgeted	<u>\$19,490,905 (F)</u>	<u>\$19,490,905 (F)</u>	<u>\$19,490,905 (F)</u>
Total Interim Current Tax Revenue Estimate Over/(Under)			
Current Tax Revenue, Currently Budgeted, (E) - (F):	<u>\$2,616,436</u>	<u>\$1,891,357</u>	<u>\$896,548</u>
Total Current Tax Revenue Received, September 2013, 1993-571100**:	<u>\$12,365</u>	<u>\$12,365</u>	<u>\$12,365</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

September 2013



DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	574 Checks	3,851,871.73
P Card – August/Sept. 2013	442 Transactions	66,974.93
Bank ACH - payroll liabilities	3 Transfers	1,387,142.05
	Total:	5,305,988.71

- 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 September 30, 2013

<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	\$ 26,435	\$ -	\$ 15,731	\$ 10,704	40%	\$ 10,704
Choice Partners Cooperative	133,324	-	415,799	(282,474)	-212%	(282,474)
Records Management	537	-	211,573	(211,036)	39,321%	(211,036)
Special Education - Therapy Services	-	-	612,131	(612,131)	N/A	(612,131)





HARRIS COUNTY DEPARTMENT OF EDUCATION

**HIGHLIGHTS
Of
BUDGET AMENDMENT REPORT
October 15, 2013
Board Meeting**

(unaudited)

Amendments

General Fund = \$ 355,222

Special Revenue Funds = \$ 54,620



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INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

September 30, 2013

General Fund



GENERAL FUND (199)

Department Wide (DW)

Increase revenues and expenditures-Roll Over Budget for HISD Contract	189,301
Increase revenues and expenditures-Indirect Cost Adult Ed Fed EL/Civics NOGA (Fund 234-4)	536
Increase revenues and expenditures-Indirect Cost CASE Americorps-New year NOGA (Fund 255-4)	(3,324)
Increase revenues and expenditures-Indirect Cost Adult Ed Fed TANF NOGA (Fund 223-4)	1,634
Increase revenues and expenditures-Indirect Cost Adult Ed Fed ABE NOGA (Fund 230-4)	2,421
Increase revenues and expenditures-Indirect Cost Adult Ed State ABE NOGA (Fund 381-4)	5,344
Increase revenues and expenditures-Indirect Cost Adult Ed State TANF NOGA (Fund 382-4)	4,381
Total Department Wide	<u>200,293</u>

Center for Texas Grants Development

Increase expenditures-Addl Funds Needed to Cover Items from Reorganization-Unassigned Fund Balance	16,486
Total Center for Texas Grants Development	<u>16,486</u>

Center for Safe and Secure Schools

Increase revenues and expenditures-Revised Revenues projections	138,443
Total Center for Safe and Secure Schools	<u>138,443</u>

Total GENERAL FUND:

\$ 355,222

INTERIM FINANCIAL REPORT (unaudited)

FY 2013-14 BUDGET AMENDMENT REPORT

September 30, 2013

General Fund



SPECIAL REVENUE FUND

Adult Education

Increase revenues & expenditures-Fed Adult Ed TANF Adjust to NOGA (Fund 223-4)	35,250
Increase revenues & expenditures-Fed Adult Ed Regular Adjust to NOGA (Fund 230-4)	(14,003)
Increase revenues & expenditures-Fed Adult Ed EL/Civics Adjust to NOGA (Fund 234-4)	11,396
Increase revenues & expenditures-State Adult Ed Regular Adjust to NOGA (Fund 381-4)	74,060
Increase revenues & expenditures-State Adult Ed TANF Adjust to NOGA (Fund 382-4)	13,160
Total Adult Education	119,863

Cooperative for After School Enrichment (CASE) Local

Decrease revenues & expenditures-Fed Americorps One Star Adjust Rollover (Fund 255-4)	(6,648)
Increase revenues & expenditures-Local Houston Endowment Roll Over Budget (Fund 463-1)	26,405
Total CASE	19,757

Texas LEARNS

Increase revenues & expenditures-Fed Texas LEARNS Adjust to Original Budget (Fund 287-4)	(85,000)
Total Texas LEARNS	(85,000)

Total SPECIAL REVENUE FUNDS:

\$ 54,620

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



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Q & A

