



Harris County  
Department of  
Education

# ANNUAL FINANCIAL MANAGEMENT REPORT

FISCAL YEAR ENDING AUGUST 31, 2024

VIEW THE ACFR AND  
OTHER HCDE FINANCIAL  
REPORTS ONLINE



6300 IRVINGTON BLVD. | HOUSTON, TX 77022 | 713-694-6300 | WWW.HCDE-TEXAS.ORG

# INTRODUCTION

Senate Bill (SB) 218 of the 77th Legislature (2001) authorized the implementation of a financial accountability rating system, officially referred to as Schools FIRST (Financial Integrity Rating System of Texas) for Texas public school districts. The primary goal of Schools FIRST is to improve the management of school districts' financial resources.

Beginning with fiscal years 2006-2007, the financial accountability rating of a school district was based on its overall performance on certain financial measurements, ratios and other indicators established by the commissioner of education in the financial accountability rating form provided in the subsection entitled School FIRST Rating.

Harris County Department of Education (HCDE) does not receive a Schools FIRST Rating; however, it has adopted the Annual Financial Management Report format mandated by Texas Administrative Code, Chapter 109, Budgeting, Accounting, and Auditing – in an effort to provide as much financial information as possible to tax payers, grantors and the educational community.

The disclosure worksheets used in this report were developed by representatives of the Texas Education Agency, the Texas Business & Education Coalition and the Texas Association of School Business Officials. Other information regarding the Department's financial accountability is also included.

Additional information was adopted from the TEA School First rating system and some indicators that are not applicable to HCDE due to the nature of the organization and the services provided. HCDE does not receive a rating from TEA; therefore, a rating is not included in this report.

HCDE continues to enhance its services and provide transparent financial information that can be used by the public.

The HCDE Business Office continues to meet the indicators and standards set by the Texas Education Agency in an effort to provide accountability and transparency of all public funds in the most efficient manner.

## CONTENTS

- 1 Introduction
- 2 Mission, Goals, Core Beliefs,  
*2023-24* Board of Trustees
- 3-5 Required Disclosures
- 6 Financial Indicators #1-16

# ANNUAL FINANCIAL MANAGEMENT REPORT

FISCAL YEAR 2023-24



## MISSION STATEMENT

Harris County Department of Education: Advancing Excellence in Partnership with the Educational Community

## GOALS

Harris County Department of Education will:

- Implement research initiatives assessing community educational needs.
- Partner with businesses to research career readiness.
- Develop effective programs securing/promoting educational success for every learner.
- Gather data informing the educational community of proven strategies.
- Create innovative delivery systems and models promoting learning.
- Inform, educate, and train educators.
- Leverage resources for the best outcomes.

## CORE BELIEFS

- We believe that ALL students can learn.
- We believe in promoting safe and caring environments where individuals and organizations can grow and succeed.
- We believe in equal educational opportunity.
- We believe in vision and innovation.
- We believe in collaborative community-based solutions.
- We believe in serving the educational community of Harris County with dignity and respect.
- We believe in meeting the needs and goals of our clients through trust and quality service.
- We believe in operating from a base of knowledge, expertise and resourcefulness.
- We believe in continually analyzing the effectiveness of services.
- We believe in optimizing all resources.

## BOARD OF TRUSTEES



Andrea Duhon  
President



Amy Hinojosa  
1st Vice President



David Brown  
2nd Vice President



Richard Cantu  
Board Member



Erica Davis  
Board Member



Eric Dick  
Board Member



Danyahel Norris  
Board Member



**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
Annual Financial Management Report – FISCAL YEAR 2023-2024

(A) Superintendent's contract-reproduced in full, beginning on page 9 (If Applicable).

(B) Reimbursements received by Superintendent & Board Members for HCDE business expenses:

DESCRIPTION	COLBERT	DUHON	HINOJOSA	BROWN	DAVIS	CANTU	DICK	NORRIS	McGee
MEALS	\$1,269.00	\$159.00	\$0.00	\$307.00	\$55.00	\$139.00	\$55.00	\$211.00	\$55.00
LODGING	7,928.00	983	236	2,233.00	947	1018	3	812.00	619.00
TRANSPORTATION	7,632.00	1,857.00	439	1,243.00	339	888	659	533.00	735.00
BOARD MEMBER COMPENSATION	0	72	72	30	54	72	72	0	54
OTHER *	157,884.00	114	13,334.00	1,384.00	1,084.00	1,184.00	1,084.00	0.00	599.00
<b>TOTAL:</b>	<b>\$174,713.00</b>	<b>\$3,185.00</b>	<b>\$14,081.00</b>	<b>\$5,197.00</b>	<b>\$2,479.00</b>	<b>\$3,301.00</b>	<b>\$1,873.00</b>	<b>\$1,556.00</b>	<b>\$2,062.00</b>

\*Other Includes registration fees, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above. The other category for the Superintendent includes expenses such as: \$72,833 in Benefits \$62,000 in Employee Allowance in addition to \$19,153 in lodging, transportation, registration fees, business meals, local mileage, workshop fees, and membership fees payments on behalf of the Superintendent.

(C) Outside compensation and/or fees received by Superintendent for professional consulting and/or other personal services:

NONE

(D) Gifts\* received by Superintendent, Board Members, or first-degree relatives, if any:

\*Gifts that had a value of \$250 or more in the aggregate in the fiscal year.

COLBERT	DUHON	HINOJOSA	BROWN	DAVIS	CANTU	DICK	NORRIS	MCGEE
NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE

(E) Business transactions between HCDE and Board Members:

DUHON	HINOJOSA	BROWN	DAVIS	CANTU	DICK	NORRIS	MCGEE
NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE

HARRIS COUNTY DEPARTMENT OF EDUCATION  
Annual Financial Management Report – FISCAL YEAR 2023-2024

(F) Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822:

Account Title	Description	Object Code Series	Amount
Payroll	Expenditures for payroll	6110-6149	\$11,792,760
Contract Costs	Expenditures for services rendered by firms, individuals, and other organizations	6200	\$420,041
Supplies and Materials	Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	6300	\$782,518
Other Operating	Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	6400	\$2,532,949
Debt Service	Expenditures for debt service	6500	-
Capital Outlay	Expenditures for land, buildings, and equipment	6600	-

**Note:** General Fund - First Three Months of **CURRENT** fiscal year 2024-2025

**ADDITIONAL FINANCIAL SOLVENCY QUESTIONS**

1) Districts with a September 1- August 31 fiscal year:

Within the last two years, did the school district	<u>Yes</u>	<u>No</u>
1) draw funds from a short-term financing note (term less than 12 months) between the months of September and December,		X
2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund		X

2) Has the school district declared financial exigency within the past two years? X

3) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district’s financial solvency.

Not Applicable. The District continues to move forward servicing HCDE student and community.

4) How many superintendents has your school district had in the last five years? 1

5) How many business managers has your school district had in the last five years? 1

**1. Was the Annual Financial Report completed in a timely manner?**

Pursuant to Texas Education Code, FISCAL MANAGEMENT-Chapter 44.008, ANNUAL AUDIT REPORT:”. The annual audit report must be approved by the board...not later than the 180th day after the end of the fiscal year for which the audit was made.”

YES. The Annual Financial Report for the fiscal year ended August 31, 2024, will be presented to the HCDE Board of Trustees for approval on January 15, 2025—within the timeframe mandated in law.

**2. Was there an unmodified opinion in the Annual Financial Report?**

An ‘unmodified opinion’ in the report would have meant that corrections were not needed in some of the reporting or financial controls. The Department’s goal, therefore, is to receive an ‘unmodified opinion’ on its report.

YES. The independent auditors expressed an UNMODIFIED opinion on the Annual Financial Report for the fiscal year ending August 31, 2024.

**3. Was the Department in compliance with the payment terms of all agreements at fiscal year end?**

YES, the Department was in compliance with all agreements.

**4. Did the Department make timely payments to the Teachers Retirement Systems (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?**

YES, payments were made on a timely basis as required.

**5. Was the total unrestricted net position balance in the statement of net position greater than \$0?**

NO, HCDE’s total unrestricted net position was (\$13,439,178) due to the implementation of GASB 75 net OPEB liability.

**6. Was the average change in (assigned & unassigned) fund balance over 3 years less than a 25 percent decrease or did the current year assigned and unassigned fund balance exceed 75 days of operational expenditures?**

YES, the change was 11%

**7. Was the number of days of cash on hand and current investments in the general fund for the Department sufficient to cover operating expenditures (excluding facilities acquisition and construction)?**

YES, HCDE had 176 days of cash on hand.

**8. Was the measure of current assets to current liabilities ratio for the Department sufficient to cover short-term debt?**

YES, the ratio was 6%

**9. Did the Department's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)?**

YES, HCDE had \$5M revenue over expenditures.

**10. Did the Department average less than a 10 percent variance when comparing budgeted revenues to actual revenues for the last 3 fiscal years?**

Yes, the average was -1%

**11. Was the ratio of long-term liabilities to total assets for the Department sufficient to support long-term solvency?**

YES, the ratio was 62%

**12. What is the correlation between future debt requirements and the Department's assessed property value?**

The indicator is 1.87%

**13. Did the Annual Financial Report not disclose any instance(s) of material weaknesses in internal controls?**

YES, Internal control weaknesses create a risk that the Department will not be able to properly account for its use of public funds and should be immediately addressed. An independent audit is required to state if the entity had material weaknesses.

**14. Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?**

YES, the audit report did not identify any instances of material noncompliance.

**15. Did the Department post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statues, laws and rules that were in effect at the Department’s fiscal year end?**

YES, financial information was posted to the website.

**16. Did the Department’s board members discuss property values at a board meeting within 120 days before the budget was adopted?**

YES, board members discussed property values on August 21, 2024, was adopted. The property values were discussed monthly during FY 23-24.





It is the policy of Harris County Department of Education not to discriminate on the basis of race, color, national origin, gender, limited English proficiency, or handicapping condition(s) in its programs.

The Harris County Department of Education (HCDE) is dedicated to providing high-quality, cost-effective educational services to school districts, educators, government and non-profit organizations in Harris County.

Through schools for students with profound special needs, Head Start early childhood education, school-based therapy services and afterschool programs, HCDE supports all area school districts in meeting the needs of uniquely challenged learners while saving them millions of dollars each year through shared services. The Department is an innovative leader of literacy and workforce development programming for adult learners across the county. HCDE also provides various other educational support services including professional development for educators, school safety programs, educator certification, records management, and a national purchasing cooperative.

HCDE impacts an average of 150,000 students and educators each year. Using fees for service, grants, and the purchasing cooperative, HCDE turns one dollar of property taxes into five dollars of services.

HCDE is separate and distinct from other agencies of Harris County. The Department's primary service area covers 1,788 square miles but also provides support to school districts, education service centers and other governmental agencies across Texas and the nation.

6300 Irvington Blvd.  
Houston, TX 77022  
713-694-6300  
[www.hcde-texas.org](http://www.hcde-texas.org)

For additional information, please contact:

**Jesus J. Amuezcua, RTSBA, CPA, Ph.D., CPFIM**  
Assistant Superintendent for Business Support Services  
Phone: 713-696-8249 | Email: [jamezcua@hcde-texas.org](mailto:jamezcua@hcde-texas.org)

**Marcia Leiva**  
Chief Accounting Officer  
Phone: 713-696-8251 | Email: [mleiva@hcde-texas.org](mailto:mleiva@hcde-texas.org)