

Financial Highlights

As of November 30, 2020



Harris County
Department of
Education

HIGHLIGHTS of INTERIM FINANCIAL REPORT (unaudited)



November 30, 2020

BUDGET AMENDMENT REPORT for the December 16, 2020 Board Meeting

Click below for a 1-minute Briefing:

<https://www.showme.com/sh?h=Eo5EynI>

Prepared by: Business Support Services Division

Posted On our Website

<https://hcde-texas.org/transparency/monthly-reports/>

Linked from State Comptroller's website

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



HARRIS COUNTY DEPARTMENT OF EDUCATION
 INTERIM FINANCIAL REPORTS (Unaudited)
 GENERAL FUNDS 100-199 BALANCE SHEET
 Fiscal year to date: November 30, 2020

Schedule 1



INTERIM FINANCIAL
 REPORT
 (unaudited)
 GENERAL FUND

Balance Sheet as of November 30, 2020

	<u>ACTUAL</u>
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 29,693,695
Property Taxes-Delinquent at September 1, 2020	817,041
Less: Allowances for Uncollectible Taxes	(16,341)
Due from Federal Agencies	7,680
Other Receivables	2,806,972
Inventories	129,019
Deferred Expenditures	12,075
Other Prepaid Items	34,606
TOTAL ASSETS:	<u>\$ 33,484,747</u>
<u>LIABILITIES</u>	
Accounts Payable	10,729
Bond Interest Payable	-
Due to Other Funds	(352)
Accrued Wages	-
Payroll Deductions	1,665,821
Due to Other Governments	5,546
Deferred Revenue	810,046
TOTAL LIABILITIES:	<u>\$ 2,491,790</u>
<u>FUND EQUITY</u>	
Unassigned Fund Balance	10,792,853
Non-Spendable Fund Balance	169,805
Restricted Fund Balance	-
Committed Fund Balance	2,014,976
Assigned Fund Balance	9,499,397
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	(3,198,042)
TOTAL FUND EQUITY:	<u>\$ 19,278,989</u>
Fund Balance Appropriated Year-To-Date	11,713,968
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	<u>\$ 33,484,747</u>

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of November 30, 2020

The ESTIMATED General Fund balance at 11/30/2020 is \$19,278,989 after current appropriations.

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 2021.

Description	Unaudited 9/1/2020	Appropriated YTD	Estimated Balance at Month End	Estimated Balance at Month End
Non-Spendable	\$ 169,805	\$ -	\$ 169,805	\$ 169,805
Restricted	-	-	-	-
Committed	2,014,976	-	2,014,976	2,014,976
Assigned	9,499,397	-	9,499,397	9,499,397
Unassigned	9,746,080	125,204	9,620,876	9,620,876
Total Fund Balance	\$ 21,430,258	\$ 125,204	\$21,305,054	\$ 21,305,054

Excess (Deficiency) of CURRENT Revenues and Other Resources (From 9/1/2019 to Date)

\$ (2,026,065)

This Excess represents the cash flow received YTD resulting from the Difference in INFLOWS and OUTFLOWS

Fund Equity - Per Estimated Balance Sheet as of the end of the Month to Date

\$ 19,278,989



INTERIM FINANCIAL REPORT (unaudited)

As of November 30, 2020

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 November 30, 2020
Indicators 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 border="0"> <tr> <td>Unassigned Fund Balance</td> <td>\$ 10,792,853</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Total G/F Expenditures</td> <td>\$ 11,390,190</td> </tr> <tr> <td>Goal :</td> <td>> 30% of G/F Exp.</td> </tr> <tr> <td>Benchmark:</td> <td>10% to 29%</td> </tr> <tr> <td>Danger:</td> <td>Under 10%</td> </tr> </table>	Unassigned Fund Balance	\$ 10,792,853	<hr/>		Total G/F Expenditures	\$ 11,390,190	Goal :	> 30% of G/F Exp.	Benchmark:	10% to 29%	Danger:	Under 10%	<table border="0"> <tr> <td colspan="2">Total Current Assets Less Total Current Liabilities</td> </tr> <tr> <td colspan="2">\$33,484,747 – \$2,491,790 = \$30,992,957</td> </tr> <tr> <td>Goal :</td> <td>>\$15,000,000</td> </tr> <tr> <td>Benchmark :</td> <td>\$10M to \$15M</td> </tr> <tr> <td>Danger :</td> <td>Under < \$10M</td> </tr> </table>	Total Current Assets Less Total Current Liabilities		\$33,484,747 – \$2,491,790 = \$30,992,957		Goal :	>\$15,000,000	Benchmark :	\$10M to \$15M	Danger :	Under < \$10M
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Goal :	>\$15,000,000																						
Benchmark :	\$10M to \$15M																						
Danger :	Under < \$10M																						

95% FY21

194% FY20

Budgeted 30%

Details on Schedule 3

\$31M FY21

\$32M FY20

Budgeted \$33M

Details on Schedule 1

INTERIM FINANCIAL REPORT (unaudited)

As of November 30, 2020

Indicators 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	\$ 10,792,853	Annual Principal and Interest Payments on Term Debt and Capital Leases	\$ 0
Total Fund Balance	\$ 30,992,957	G/F Revenue Less Facility Charges	\$ 8,192,148 - \$ 1,588,964
Goal:	<75%	Goal:	<25% of annual revenue
Benchmark:	50% to 75%	Benchmark:	25% to <49%
Danger:	<50%	Danger:	Over > 50%

35% FY21

66% FY20

0% FY21

0% FY20

Budgeted 87%

Details on Schedule 1

Budgeted 6%

Details on Schedule 5

INTERIM FINANCIAL REPORT (unaudited)

As of November 30, 2020

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	\$ 39,146	Indirect Cost General Fund	\$ 321,294
Total Revenue	\$ 14,368,265	Total General Fund Revenues	\$ 8,192,148
Goal:	<20% of revenue	Goal:	> 5%
Benchmark:	20% to 30%	Benchmark:	2% to 5%
Danger:	Over > 30%	Danger:	Under < 2%

0% FY21

4% FY20

Budgeted 41%

Details on Schedule 2

4% FY21

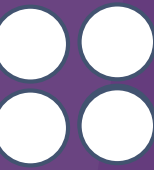
3% FY20

Budgeted 3%

Details on Schedule 3

INTERIM FINANCIAL REPORT (unaudited)

As of November 30, 2020
Indicators of Revenue Growth



Fee for Service Revenue Ratio

How are revenues spread across all Funds?

Total Fee for Service Revenues (G/F) \$ 6,448,241

Total Revenues \$ 14,368,265

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

45% FY21

41% FY20

Budgeted 44%

Details on Schedule 14

Fee for Service Revenue Growth Ratio

What is the market growth for fee on services?

Fee for Service Current Year Less Fee for Services Last Year

\$ 6,448,241 – \$ 7,211,159

Fees for Service Last Year \$ 7,211,159

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

-11% FY21

-2% FY20

Budgeted 4%

Details on Schedule 14

FUND BALANCE CATEGORY	Sept 1, 2020 Beginning Unaudited	September - December	January - May	July	
Inventory	131,949				131,949
Prepaid Items	37,856				37,856
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:	11,684,178				11,684,178
Unassigned	9,746,080	125,204			9,620,876
Total Est. Fund Balance:	21,430,258	125,204	-	-	21,305,054


FY 2020-2021
Fund Balance
-
Budgeted Activity

INTERIM FINANCIAL REPORT (unaudited)

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

REVENUES

Budget to Actual at November 30, 2020


Fund	Budget	Received/Billed	%
General Fund	\$57,623,191	\$8,192,148	14%
November is the end of the 3rd month or approximately 25% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	38,910,983	2,882,930	7%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	6,169,043	0	0%
(3) This fund has activity in February, May (interest and principal payments), and August (interest only payment).			
Capital Projects Fund	52,446,770	17	0%
Trust and Agency Fund	0	983	0%
Choice Partners Fund (Enterprise Fund)	5,228,380	1,614,798	31%
Worker's Comp. Fund (Internal Service Fund)	475,000	88,426	19%
Facilities Fund (Internal Service Fund)	5,792,422	1,588,962	27%
Total as of the end of the month	\$166,645,789	\$14,368,265	9%

INTERIM FINANCIAL REPORT (unaudited)

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

Expenditures

Budget to Actual at November 30, 2020

Fund	Budget	Encumbered/Spent	%
General Fund	\$69,337,158	\$11,390,190	19%
(1) Encumbrances as of the end of the month total.		\$ 2,093,795	Encumbrances
October is the end of the 3rd month or approximately 25% of the fiscal year.			
Special Revenue Funds	38,910,983	5,022,766	20%
(2) Encumbrances as of the end of the month total.		2,909,043	Encumbrances
Most grant periods differ from the fiscal year.			
Debt Service Fund	6,169,043	0	0%
(3) This fund has activity in February, May (interest and principal			
Capital Projects Fund	53,078,224	537,660	1%
Trust and Agency Fund	2,800.00	2,800	0%
Choice Partners Fund (Enterprise Fund)	5,728,380	1,728,841	30%
Worker's Comp. Fund (Internal Service Fund)	475,000	339,565	71%
Facilities Fund (Internal Service Fund)	5,806,832	2,137,571	37%
Total as of the end of the month	\$179,508,420	\$26,162,231	15%

INTERIM FINANCIAL REPORT (unaudited)
 FY 2020&21 COVID19 Expenditures
 as of November 30, 2020

COVID19 Fund Cumulative Disaster Relief				
Object Code	BUDGET	YTD Expenditures	Encumbrances Outstanding	Available Balance
61xx-xxxx Technology Allowances	\$ 74,152	\$ 74,152	\$ -	\$ 0
62xx-xxxx Prof. & Other Contracted Svcs	\$ 955,553	\$ -	\$ -	\$ 955,553
63xx-xxxx Supplies & Materials	\$ 311,354	\$ 204,962	\$ 106,392	\$ (0)
64xx-xxxx Misc. Operating Costs	\$ 158,941	\$ 101,661	\$ 57,280	\$ 0
Total General Fund:	\$ 1,500,000	\$ 380,775	\$ 163,672	\$ 955,553
Object Code	BUDGET	YTD Expenditures	Encumbrances Outstanding	Available Balance
61xx-xxxx Technology Allowances	\$ 87,155	\$ 62,339	\$ -	\$ 24,816
62xx-xxxx Prof. & Other Contracted Svcs	\$ 42,700	\$ 2,700	\$ 40,000	\$ -
63xx-xxxx Supplies & Materials	\$ 853,882	\$ 313,762	\$ 180,229	\$ 359,892
64xx-xxxx Misc. Operating Costs	\$ 146,844	\$ 39,987	\$ 106,858	\$ (0)
Total Head Start:	\$ 1,130,581	\$ 418,787	\$ 327,086	\$ 384,708
Total COVID19 Expenditures	\$ 2,630,581	\$ 799,562	\$ 490,758	\$ 1,340,260

INTERIM FINANCIAL REPORT (unaudited)

FY 2020-21 Donations Report

All Funds as of November 30, 2020

Month 2020-2021	CASH	IN-KIND	TOTAL
September	58.00	1,350.00	1,408.00
October	-	-	-
November			-
December			-
January			-
February			-
March			-
April			-
May			-
June			-
July			-
August			
2019 Total:			1,408.00
2020 YTD Total:	16,915.00	44,184.20	61,099.20

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS

Fiscal Year-To-Date at November 30, 2020

	Adopted	September	October	November
	ADOPTED TAX RATE	ADOPTED TAX RATE	ADOPTED TAX RATE	ADOPTED TAX RATE
Proposed Collections Tax Year 2019	0.004993	0.004993	0.004993	0.004993
Certified Taxable Value per HCAD (\$000)	392,595,710,238	478,763,407,047	493,351,970,696	502,389,166,676
Values under protest or not certified (\$000)	118,420,401,768	32,944,809,656	18,728,498,019	9,646,625,044
	511,016,112,006	511,708,216,703	512,080,468,715	512,035,791,720
/ Rate per Taxable \$100	5,110,161,120	5,117,082,167	5,120,804,687	5,120,357,917
X Tax Rate	25,515,034	25,549,591	25,568,178	25,565,947
Estimated collection rate	98.07%	98.07%	98.07%	98.07%
X Estimated Collection Rate	25,023,000	25,056,890	25,075,119	25,072,931
	-	-	-	-
+Delinquent Tax Collections	150,000	150,000	288,432	288,432
+Special Assessments	15,000	15,000	15,000	15,000
+ Penalty & Interest	-	-	-	-
Estimated Tax Available Operations:	\$ 25,188,000	\$ 25,221,890	\$ 25,378,551	\$ 25,376,363

Net Gain or Loss on values

\$ - \$ 33,890 \$ 156,660 \$ 188,363

See Tax Calculator at:
<https://hcde.texas.org/transparency/tax-rate/>

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at November 30, 2020 (3rd month / 12 months)

HARRIS COUNTY DEPARTMENT OF EDUCATION Tax Year 2020 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	\$502,389,166,676	\$502,389,166,676	\$502,389,166,676
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	13,377,713,115	-	-
Scenario (2) Owner's value	-	12,562,329,748	-
Scenario (3) Estimated final value	-	-	9,646,625,044
Total taxable value, Certified and Uncertified:	<u>\$515,766,879,791</u> (A)	<u>\$514,951,496,424</u> (A)	<u>\$512,035,791,720</u> (A)
 Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$5,157,668,798 (B)	\$5,149,514,964 (B)	\$5,120,357,917 (B)
2) Current Tax Rate	X 0.004993 (C)	X 0.004993 (C)	X 0.004993 (C)
3) 2020 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$25,752,240</u> (D)	<u>\$25,711,528</u> (D)	<u>\$25,565,947</u> (D)
4) Interim Tax Rev Estimate @ 98.07159% Collection Rate:	<u>\$25,255,632</u> (E)	<u>\$25,215,705</u> (E)	<u>\$25,072,931</u> (E)
 Comparison of Interim Tax Rev Estimate @ 98.07% 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)	\$25,255,632 (E)	\$25,215,705 (E)	\$25,072,931 (E)
LESS: Tax Revenue, Currently Budgeted	<u>\$25,023,000</u> (F)	<u>\$25,023,000</u> (F)	<u>\$25,023,000</u> (F)
Total Interim Current Tax Revenue Estimate Over/(Under) Current Tax Revenue, Currently Budgeted, (E) - (F):	<u>\$232,632</u>	<u>\$192,705</u>	<u>\$49,931</u>
 Total Current Tax Revenue Received, Accumulated from September 1 to November 30, 2020, 1990-571100*			
	<u>\$37,926</u>	<u>\$37,926</u>	<u>\$37,926</u>

INTERIM FINANCIAL REPORT (unaudited)
 TAX COLLECTIONS Fiscal Year-To-Date at November 30, 2020
 (3rd month / 12 month)

TAX YEAR 2020 COLLECTION SUMMARY

DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
REVENUES:					
Current Tax	\$ 25,023,000	\$ 37,926	\$ 37,926	\$24,985,074	0.2%
Delinquent Tax	288,432	(814)	(15,129)	303,561	-5%
Penalty & Interest	-	8,617	26,293	(26,293)	0%
Special Assessments and Miscellaneous	15,000	227	1,221	13,779	8%
Subtotal Revenues:	\$ 25,326,432	\$ 45,955	\$ 50,311	\$25,276,121	0.2%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$ 180,000	\$ -	\$ 44,228	\$ 135,772	25%
LESS: HCTO Fees	525,000	1,143	1,227	523,773	0%
Subtotal Expenditures:	\$ 705,000	\$ 1,143	\$ 45,455	\$ 659,545	6%
Net Tax Collections:	\$ 24,621,432	\$ 44,812	\$ 4,856	\$24,616,576	0.0%

- a) 2020 Tax Rate = \$0.004993/\$100 Property Assessment/Appraisal ---> Annual Tax on a \$249,978 - \$67,494 = \$182,484/100 x .004993 = Residential Property = \$9.11 (net of 27% homestead exception.)
- b) \$705,000/\$25,188,000 = 2.80% Collection and assessment costs

INTERIM FINANCIAL REPORT (unaudited)
 TAX COLLECTIONS Fiscal Year-To-Date at November 30, 2020
 (3rd month / 12 month)

	FY 21	FY 20
<u>CURRENT TAX REVENUES</u>		
Year-to-date (Y-T-D) Budgeted:	\$ 25,023,000	\$ 24,279,517
Year-to-date (Y-T-D) Collections:	37,926	777,830
Collections as a Percent of Budgeted:	0.2%	3.2%
<u>Y-T-D TAX APPRAISAL AND COLLECTIONS FEES</u>		
Appraisal fees paid to Harris County Appraisal District:	\$ 44,228	\$ 42,791
Tax collection fees paid to Harris County Tax Office:	1,227	18,715
<u>TOTAL TAX REVENUES</u>		
Budgeted:	\$ 25,326,432	\$ 24,444,517
Current Month's Collections:	\$ 45,955	\$ 698,928
Y-T-D Collections:	\$ 50,310	\$ 749,305
Y-T-D Collection Rate, Budgeted:	98.1%	98.4%
Y-T-D Collection Rate, Actual:	0.2%	3.1%



- a) 2020 Tax Rate = \$0.004993/\$100 Property Assessment/Appraisal - --> Annual Tax on a \$249,978 - \$67,494 = \$182,484/100 x .004993 = Residential Property = \$9.11 (net of 27% homestead exception.)
 b) \$705,000/\$25,188,000 = 2.80% Collection and assessment costs

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENT – ALL FUNDS

November 30, 2020

DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	341 Checks	\$2,034,577
P Card - October 2020	637 Transactions	\$92,000
Bank ACH	6 Transfers	\$1,761,250
	Total:	\$3,887,828

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 November 30, 2020

GENERAL FUND - Governmental

<u>Budget Manager Title</u>	<u>Revenues</u>	<u>Tax Subsidy</u>	<u>Expenditure and Encumbrances</u>	<u>Includes Tax Subsidy Variance</u>	<u>W/o tax Benefit Ratio</u>	<u>Benefit Variance</u>
			<i>Includes Encumbrances</i>			
Educator Certification and Prof Adv	171,275	-	199,696	(28,421)	-17%	(28,421)
Records Management	351,195	-	536,426	(185,231)	-53%	(185,231)
School Based Therapy Services	2,265,459	-	2,913,782	(648,324)	-29%	(648,323)
Schools	3,456,565	-	3,449,210	7,354	0%	7,354

ENTERPRISE FUND-CHOICE PARTNERS COOPERATIVE

<u>Budget Manager Title</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfer Out To General Fund</u>	<u>Benefit Ratio</u>	<u>Benefit Variance</u>
Choice Partners Cooperative (Enterprise)	1,614,828	1,614,828	1,153,628	71%	1,153,628

HIGHLIGHTS OF BUDGET AMENDMENT REPORT

December 16, 2020 Board Meeting
(unaudited)

Amendments

Capital Projects = \$17,683

INTERIM FINANCIAL REPORT (unaudited)

FY 2020-21 BUDGET AMENDMENT REPORT

December 16, 2020

Capital Projects Fund

Budget Rationale	Changes to Revenues	Changes to Appropriations	Changes Impacting F/Bal	Total Net Change
CAPITAL PROJECTS FUND				
INCREASES				
Increase expenditure budget within Capital Projects Fund (6951) ABS West, Budget Manager (087) Facilities- Local Construction by \$17,683. The purpose of this budget amendment is to increase expenditure budget to allow for additional furniture expenditures needed for ABS West Campus.	\$ -	\$ 17,683.00	17,683	- <1>
DECREASES				
Total CAPITAL PROJECTS FUND:	\$ -	\$ 17,683	\$ 17,683	-



Education Foundation Update

November 30, 2020

Education Foundation of Harris County
Statement of Financial Position
As of November 30, 2020



	<u>Nov 30, 20</u>	<u>Oct 31, 20</u>
ASSETS		
Current Assets		
Checking/Savings		
1005 · Chase Operating Fund-5717	4,299	4,309
1011 · Chase Restricted Fund-5709	905,526	905,526
1015 · Chase Operating Savings-3293	123	123
Total Checking/Savings	<u>909,948</u>	<u>909,958</u>
Accounts Receivable		
1100 · Accounts Receivable	-1,908	-1,908
Total Accounts Receivable	<u>-1,908</u>	<u>-1,908</u>
Total Current Assets	<u>908,040</u>	<u>908,050</u>
TOTAL ASSETS	<u><u>908,040</u></u>	<u><u>908,050</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
2100 · Payroll Liabilities	0	0
Total Other Current Liabilities	<u>0</u>	<u>0</u>
Total Current Liabilities	<u>0</u>	<u>0</u>
Total Liabilities	0	0
Equity		
3200 · Temp Restricted Net Asset	73,709	73,709
3900 · Unrestricted Net Asset	1,005,855	1,005,855
Net Income	-171,525	-171,515
Total Equity	<u>908,040</u>	<u>908,050</u>
TOTAL LIABILITIES & EQUITY	<u><u>908,040</u></u>	<u><u>908,050</u></u>

Statement of Financial Position

Statement of Activities Classified

Education Foundation of Harris County Statement of Activities Classified

September through November 2020

Accrual Basis

	HeadStart (Restricted)	Other (Restricted)	Total Restricted	Other (Unrestricted)	Total Unrestricted	Operating (Management)	Total Management	Unclassified	TOTAL
Income									
4000 - Contributed Support									
4200 - Corporate Contributions	7,020	0	7,020	8	8	0	0	0	7,028
Total 4000 - Contributed Support	7,020	0	7,020	8	8	0	0	0	7,028
Total Income	7,020	0	7,020	8	8	0	0	0	7,028
Gross Profit	7,020	0	7,020	8	8	0	0	0	7,028
Expense									
7000 - Grant & Contributions									
7010 - Program Contracts	0	178,475	178,475	0	0	0	0	0	178,475
Total 7000 - Grant & Contributions	0	178,475	178,475	0	0	0	0	0	178,475
8100 - Operating Expenses									
8170 - Other	0	0	0	0	0	78	78	0	78
Total 8100 - Operating Expenses	0	0	0	0	0	78	78	0	78
Total Expense	0	178,475	178,475	0	0	78	78	0	178,553
Net Income	7,020	-178,475	-171,455	8	8	-78	-78	0	-171,525

Transaction Detail by Account

Education Foundation of Harris County Transaction Detail by Account September through November 2020

Type	Date	Name	Memo	Class	Amount	Balance
4000 · Contributed Support						
4200 · Corporate Contributions						
Deposit	09/15/2020	Bank of Texas	Head Start Super...	Restricted:HeadStart	7,020.00	7,020.00
Deposit	11/10/2020	Amazon Smile	Amznc8PO7Gow	Unrestricted:Other	8.28	7,028.28
Total 4200 · Corporate Contributions					7,028.28	7,028.28
Total 4000 · Contributed Support					7,028.28	7,028.28
7000 · Grant & Contributions						
7010 · Program Contracts						
Check	09/25/2020	Houston Independe...	HCDE Partners in...	Restricted:Other	0.00	0.00
Check	09/25/2020	Crosby Education F...	HCDE Partners in...	Restricted:Other	-15,000.00	-15,000.00
Check	09/25/2020	La Porte Education ...	HCDE Partners in...	Restricted:Other	-4,950.00	-19,950.00
Check	09/25/2020	Stafford Municipal S...	HCDE Partners in...	Restricted:Other	-7,000.00	-26,950.00
Check	09/25/2020	Humble ISD Educati...	HCDE Partners in...	Restricted:Other	-15,000.00	-41,950.00
Check	09/25/2020	Goose Creek CISD ...	HCDE Partners in...	Restricted:Other	-14,000.00	-55,950.00
Check	09/25/2020	Spring Branch Educ...	HCDE Partners in...	Restricted:Other	-15,000.00	-70,950.00
Check	09/25/2020	Pasadena ISD Educ...	HCDE Partners in...	Restricted:Other	-15,000.00	-85,950.00
Check	09/25/2020	Spring ISD Educatio...	HCDE Partners in...	Restricted:Other	-15,000.00	-100,950.00
Check	09/25/2020	Houston Independe...	HCDE Partners in...	Restricted:Other	-15,000.00	-115,950.00
General Jo...	09/25/2020	Houston Independe...	For CHK 1547 voi...		-15,000.00	-130,950.00
General Jo...	09/25/2020	Houston Independe...	Reverse of GJE 2...		15,000.00	-115,950.00
Check	10/09/2020	Clear Creek ISD Ed...	HCDE Partners in...	Restricted:Other	0.00	-115,950.00
Check	10/09/2020	Clear Creek ISD Ed...	HCDE Partners in...	Restricted:Other	-7,690.00	-123,640.00
General Jo...	10/09/2020	Clear Creek ISD Ed...	For CHK 1557 voi...		-7,690.00	-131,330.00
General Jo...	10/09/2020	Clear Creek ISD Ed...	Reverse of GJE 2...		7,690.00	-123,640.00
Check	10/12/2020	Aldine ISD	HCDE Partners in...	Restricted:Other	-14,835.00	-138,475.00
Check	10/14/2020	Katy ISD Education ...	HCDE Partners in...	Restricted:Other	-10,000.00	-148,475.00
Check	10/23/2020	Channelview ISD	HCDE Partners in...	Restricted:Other	-15,000.00	-163,475.00
Check	10/23/2020	GalenaPark ISD	HCDE Partners in...	Restricted:Other	-15,000.00	-178,475.00
Total 7010 · Program Contracts					-178,475.00	-178,475.00
Total 7000 · Grant & Contributions					-178,475.00	-178,475.00
8100 · Operating Expenses						
8170 · Other						
Check	09/02/2020		Service Charge	Management:Operating	-30.00	-30.00
Check	10/05/2020		Service Charge	Management:Operating	-30.00	-60.00
Check	11/03/2020		Service Charge	Management:Operating	-18.24	-78.24
Total 8170 · Other					-78.24	-78.24
Total 8100 · Operating Expenses					-78.24	-78.24
TOTAL					-171,524.96	-171,524.96

Public Facilities Corporation Update

- ▶ The PFC is a component unit of Harris County Department of Education. In the next slides, you will find the status of previous Revenue Bonds and the projected 2020 Revenue Bond Series.

HCDE Public Facility Corporation
Cash Balance-Project Acquisition Account
As of November 30, 2020 (Unaudited)

**PFC Cash Balance –
 Project Acquisition Account
 As of November 30, 2020**

	<u>Amounts</u>
<u>Assets:</u>	
Cash/Bank of Texas 2016 Payment Account	\$ 918,056.61
Cash/Bank of Texas 2016 Redemption Account	12.47
Cash/Bank of Texas 2016 Project Account	-
Cash/Texpool Investment Pool-PFC	-
Total Assets	<u>918,069.08</u>
<u>Liabilities:</u>	
Current Payables	-
Bond Interest Payable	-
Retainage-Webber Construction Contract	-
Total Liabilities	<u>-</u>
Total Equity Balance @ 11-30-2020	<u>\$ 918,069.08</u>

** Note 1:

Total Assets from Cash BOK 2016	918,069.08
Total Assets from Cash BOK 2015	31,509.22
Total Assets from Cash BOK 2014	3,377.71
	<u>952,956.01</u>

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's assigns Aaa to Harris Co. Dept. of Ed., TX's Series 2020 Maintenance Tax Notes; Aa1 to lease revenue bonds; stable outlook assigned

05 Oct 2020

New York, October 05, 2020 -- Moody's Investors Service has assigned a Aaa rating to Harris County Department of Education, TX's \$13.7 million Maintenance Tax Notes, Series 2020. We have also assigned a Aa1 rating to the Harris County Department of Education Public Facilities Corporation's \$27.7 million Lease Revenue Bonds, Series 2020. Moody's has affirmed the outstanding Aaa issuer rating (general obligation unlimited tax equivalent). Moody's has also affirmed the outstanding Aaa limited tax rating affecting \$1.3 million of outstanding debt. A stable outlook has been assigned.

**Bond rating received from Moody's
Investor Service**

Capital Program Proposal from Aug 3, 2020

	Sq Footage	Amount		Adjust Contingency Reduction	Revised	For Calc.	Revised PFC	\$ 5,000,000 Cost from HCDE	2 yrs Interest Earnings	Maint Tax Notes
Highpoint East	13,750	7,916,645	15%		7,916,645	7,916,645	4,909,645	1,870,000	47,500	1,089,500
AB East Addition	43,605	17,705,875	34%	500,000	17,205,875	17,205,875	12,943,640	2,000,000	103,235	2,159,000
Adult Ed NEW Building	40,500	17,558,750	34%	700,000	16,858,750	16,858,750	12,728,598	1,870,000	101,153	2,159,000
Admin Bdlg - Renovation	60,000	8,365,500	16%		8,365,500	8,365,500				8,365,500
AB East Addition						600,000				600,000
PHASE One		51,546,770		1,200,000	50,346,770	50,946,770	30,581,882	5,740,000	251,888	14,373,000
		Per LAN Report			600,000					
					50,946,770		50,946,770			
Workforce Development	TB Funded	3,000,000			2,000,000	1,000,000				
Equine Therapy	TB Funded	1,500,000			1,500,000	1,000,000				
PHASE Two		4,500,000		-	3,500,000	2,000,000	-	5,740,000	251,888	14,373,000
TOTAL		56,046,770						HCDE Projections		

2020 Projected Capital Improvement Program

Project	Substantial Completion Date	Project Budget	Maintenance Notes Projected Proceeds	Revenue Bonds Projected Proceeds	General Funds Use of Fund Bal.	Interest Earnings Projection
Reagan Adm Bdlg.	Feb 9, 2023	\$8,365,500	\$ 8,365,500	N/A	N/A	
Adult Ed Building	Oct 25, 2022	\$16,858,750	\$ 2,159,000	\$12,728,598	\$1,870,000	\$101,153
HP East Middle	Oct 25, 2022	\$7,916,645	\$ 1,089,500	\$4,909,645	\$1,870,000	\$47,500
Ab East Campus	Aug 16, 2022	\$17,805,875	\$ 2,759,000	\$12,943,640	\$2,000,000	103,235
	Total	\$50,946,770	\$14,373,000	\$30,581,882	\$5,740,000	\$251,888
		Closed on 12-2-20	Invested in pools.			

Note: The Total Public Notice was \$54,000,000. (\$35,000,000 for Revenue bonds and \$19,000,000 for Maintenance Notes) on August 10, 2020. A transfer of \$1,350,000 plus \$50,000 in reimbursable expenditures was made from AB East to allocate Program Manager costs to establish the budgets.

Based on Pricing the principal amount will vary due to the premium projected in the bond sale. Revenues Bonds estimated at \$27,730,000 and Maintenance Notes for \$13,695,000

PRELIMINARY OFFICIAL STATEMENT

\$27,730,000*

HARRIS COUNTY DEPARTMENT OF EDUCATION PUBLIC FACILITIES CORPORATION (Harris County, Texas) LEASE REVENUE BONDS, SERIES 2020

[View Offering](#)

J.P. Morgan

Hilltop Securities

RBC Capital Markets

** Preliminary, subject to change.*

IMAGE MASTER

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PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 5, 2020

Rating: Moody's Investors Service: "___"
(See "OTHER INFORMATION-Rating" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Department, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

\$27,730,000*
HARRIS COUNTY DEPARTMENT OF EDUCATION PUBLIC FACILITIES CORPORATION
(Harris County, Texas)
LEASE REVENUE BONDS, SERIES 2020

Dated Date: November 1, 2020

Due: as shown on the inside cover page hereof

The Harris County Department of Education Public Facilities Corporation Lease Revenue Bonds, Series 2020 (the "Bonds") will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof, registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), acting as securities depository for the Bonds until DTC resigns or is discharged. No physical delivery of the Bonds will be made to the beneficial owners thereof. So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, the Bonds shall be payable to Cede & Co., which will, in turn, remit such amounts to DTC participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS-Book-Entry-Only System."

Interest on the Bonds will accrue from the Dated Date above and will be paid semiannually each February 15 and August 15 until maturity or prior redemption, commencing February 15, 2021. Principal of and interest on the Bonds will be payable to Cede & Co., as registered owner of the Bonds. The Bonds are being issued pursuant to a resolution adopted by the Board of Directors of the Harris County Department of Education Public Facility Corporation (the "Corporation") under the authority of and in full conformity with the laws of the State of Texas, particularly the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act") and a trust indenture dated as of November 1, 2020 (the "Trust Indenture"), between the Corporation and BOKF, NA, Houston, Texas, as trustee (the "Trustee"). The Bonds are being issued to finance the acquisition, construction, renovation, improvement, repair and equipment of land and buildings to be used for administration and expansion of Harris County Department of Education (the "Department") programs and offices, fund any necessary reserve funds and pay the costs of issuing the Bonds.

The principal of and interest on the Bonds are payable from lease payments to be made by the Department (the "2020 Rental Payments") to the Corporation pursuant to a Lease With an Option to Purchase Relating to Educational and Support Facilities, dated as of November 1, 2020 (the "Lease"), as authorized by Section 271.004, Texas Local Government Code, as amended. The 2020 Rental Payments are due at such times and in such amounts as will be sufficient to pay the principal of and interest on the Bonds, as and when the same become due. The Corporation will grant a leasehold mortgage lien on and first deed of trust title to the Project (as defined herein) to the Trustee on behalf of the owners of the related Bonds pursuant to a Deed of Trust, Security Agreement, Assignment of Rents and Leases and Financing Statement.

The obligation of the Department to make the 2020 Rental Payments is a current expense of the Department, payable solely from funds annually appropriated by the Department for such use from (i) any lawfully available funds received by the Department from normal operations of the Department, (ii) any unintended surplus equalization tax funds of the Department at the end of each fiscal year after payment of all maintenance and operating expenses for that year and (iii) any other lawfully available funds of the Department. The Lease may be terminated annually by the Department without any penalty. There can be no assurance that the Department will annually renew the Lease. If the Lease is terminated, the Department will have no further obligation to make the 2020 Rental Payments regardless of whether any of the Bonds remain outstanding. The Bonds shall rank on a basis of parity with certain outstanding obligations of the Corporation. The Corporation has previously issued its Lease Revenue Refunding Bonds, Series 2014, Lease Revenue Refunding Bonds, Series 2015 and Lease Revenue Bonds, Series 2016. The aggregate amount currently outstanding is \$9,250,000.

The Lease and the obligations of the Department thereunder do not constitute a pledge, a liability, or a charge upon the funds of the Department and do not constitute a debt or general, special or moral obligation of the State of Texas, the Corporation, Harris County, Texas, the Department, the Districts (as defined herein) or any other political subdivision of the State of Texas. Neither the faith and credit nor the taxing power of the State of Texas, Harris County, Texas, the Department, the Districts or any other political subdivision of the State of Texas has been pledged to the payment of the principal of or interest on the Bonds.

The Bonds maturing on February 15, ___ are subject to optional redemption in whole or in part on February 15, ___ or any date thereafter, at a price equal to the principal amount thereof, plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS—Optional Redemption" herein.

SEE MATURITY SCHEDULE ON THE INSIDE COVER PAGE

The Bonds are offered for delivery when, as and if issued and received by the underwriters named below (the "Underwriters") and will be subject to the approving opinion of the Attorney General of Texas and the approval of certain legal matters by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Bond Counsel (see "APPENDIX D - FORM OF BOND COUNSEL'S OPINION" attached hereto). The Bonds are expected to be available for delivery in Houston, Texas, on or about November 17, 2020. Certain legal matters will be passed upon for the Underwriters by their counsel, Holland & Knight LLP, Houston, Texas.

J.P. Morgan
Hilltop Securities

RBC Capital Markets, Inc.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 5, 2020

Rating: Moody's Investors Service: "A" (See "OTHER INFORMATION-Rating" here)

NEW ISSUE - Book-Entry-Only

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Department, based upon an analysis of existing laws, regulations, rules and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

\$13,695,000*
HARRIS COUNTY DEPARTMENT OF EDUCATION
(Harris County, Texas)
MAINTENANCE TAX NOTES
SERIES 2020

Dated Date: November 1, 2020

Due: as shown on the inside cover page here

The Harris County Department of Education (the "Department") Maintenance Tax Notes, Series 2020 (the "Notes"), are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Section 45.108, Texas Education Code, as amended. The Notes are payable as to principal and interest from the proceeds of a continuing, direct annual ad valorem tax levied for maintenance purposes by the Department, within the limits prescribed by law, against all taxable property located within the Department, as provided in the resolution ("Resolution") authorizing the issuance of the Notes.

The Notes are dated November 1, 2020 (the "Dated Date"). Interest on the Notes will accrue from the date of delivery to the Underwriter defined herein and will be payable on August 15 and February 15 of each year until maturity or prior redemption, commencing February 15, 2021. Principal of the Notes will be payable by the Paying Agent/Registrar, initially BOKF, N.A., Dallas, Texas (the "Paying Agent/Registrar") upon presentation and surrender of the Notes for payment. See "THE NOTES—Description" herein.

The definitive Notes will be initially registered and delivered to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Notes may be acquired in denominations of \$5,000 of principal or integral multiples thereof. No physical delivery of the Notes will be made to the beneficial owners thereof. Principal, premium, if any, and interest on the Notes will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amount so payable to the participating members of DTC for subsequent payment to the beneficial owners of the Notes. See "THE NOTES—Book-Entry-Only System" herein.

Proceeds from the sale of the Notes will be used to: (i) rehab, equip and repair existing school properties and (ii) pay the costs of issuance of the Notes. See "THE NOTES—Sources and Uses of Funds" and "—Use of Proceeds" herein.

The Notes maturing on February 15, 2021, are subject to optional redemption in whole or in part on February 15, 2021, or any date thereafter at the price equal to the principal amount thereof, plus accrued interest from the most recent interest payment date to the date of redemption. See "THE NOTES—Optional Redemption" herein.

SEE MATURITY SCHEDULE ON THE INSIDE COVER PAGE

The Notes are offered for delivery when, as and if issued and received by the underwriters listed below (the "Underwriters") and will be subject to the approving opinion of the Attorney General of Texas and the approval of certain legal matters by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Bond Counsel (see "APPENDIX C – FORM OF BOND COUNSEL'S OPINION" attached hereto). The Notes are expected to be available for delivery in Houston, Texas, on or about November 17, 2020. Certain legal matters will be passed upon for the Underwriters below (the "Underwriters") by their counsel, Holland & Knight LLP, Houston, Texas.

Estrada Hinojosa J.P. Morgan Hilltop Securities RBC Capital Markets,

* Preliminary, subject to change.

PRELIMINARY OFFICIAL STATEMENT

\$13,695,000*
HARRIS COUNTY DEPARTMENT OF EDUCATION
(Harris County, Texas)
MAINTENANCE TAX NOTES
SERIES 2020

View Offering

Estrada Hinojosa J.P. Morgan Hilltop Securities RBC Capital Markets

* Preliminary, subject to change.



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Other capital projects underway

- ▶ Coolwood Head Start Center to be funded by federal grant \$9.5M Est.
 - ▶ Funded through a series of HHS Grants
- ▶ La Porte Head Start Center to be funded by federal grant and 2020 Construction Funds. \$600,000 est.
- ▶ Pending Maintenance Projects pending:
 - ▶ NPO Elevator
 - ▶ Fortis HVAC and Fence
 - ▶ AB West Playground

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/ Stephanie Barnett, CPA, Chief Accounting Officer

/s/ Stephanie Ritchie, Senior Accountant