

**HOUSTON-GALVESTON AREA COUNCIL
FINANCIAL STATUS REPORT
For the Six Months Ended June 2017**

	Budget Year to date	Actual Year to date	<u>Variance</u> Dollar	%
<u>Combined Revenues and Expenditures</u>				
Revenues	\$ 150,659,841	\$ 122,838,941	\$ -27,820,900	-18%
Expenditures	-150,194,891	-122,130,885	28,064,006	-19%
Change in Combined Fund Balance	\$ 464,950	\$ 708,056	\$ 243,106	
<u>Change in Fund Balance by Fund Type</u>				
Change in fund balance - General Fund	\$ 165,613	\$ 183,273	\$ 17,660	
Change in fund balance - SRF (grant programs)	0	0	0	
Change in fund balance - Enterprise Fund	129,836	524,783	394,947	
Total Change in Fund Balances	\$ 295,449	\$ 708,056	\$ 412,607	

Variance Analysis

The presentation of the change in fund balance by fund type is intended to highlight the effects of revenue and expenditure transactions by fund. The General Fund (GF) consists of those funds not associated with grant programs or enterprise activities. The Special Revenue Fund (SRF) consists of those funds that are restricted for a specific purpose. HGAC's grant programs are in this fund. The Enterprise Fund is used to track activities of the Cooperative Purchasing program and the Energy Purchasing Corporation. The variances of specific revenues and expenditures are explained on the second page of this report.

*** The Cooperative Purchasing program has contributed an \$518,754 increase toward the Enterprise fund balance YTD, and the Energy Purchasing Corporation is reflecting a \$6,029 increase to the Enterprise fund balance.

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	Annual Budget	Budget Year to Date	Actual Year to Date	Variance Dollar	%
<u>Revenues</u>					
General and Enterprise Fund					
Membership dues	\$ 395,538	\$ 395,538	\$ 389,204	\$ -6,334	-2%
HGAC Energy Purchasing Corporation	140,000	70,000	72,091	2,091	3%
Cooperative Purchasing fees (a)	4,500,000	2,250,000	2,193,518	-56,482	-3%
Interest Income	15,000	7,500	13,203	5,703	76%
Other (b)	4,789,730	2,394,865	1,967,006	-427,859	-18%
Total General and Enterprise Fund revenues	\$ 9,840,268	\$ 5,117,903	\$ 4,635,022	\$ -482,881	-9%
Special Revenue Fund					
Federal Grants	\$ 559,221	\$ 279,611	\$ 364,609	\$ 84,999	30%
State Grants (c)	290,524,655	145,262,328	117,839,310	-27,423,017	-19%
Total Special Revenue Fund revenues	\$ 291,083,876	\$ 145,541,938	\$ 118,203,919	\$ -27,338,019	-19%
Total Revenues	\$ 300,924,144	\$ 150,659,841	\$ 122,838,941	\$ -27,820,900	-18%
<u>Expenditures</u>					
Personnel (d)	\$ 23,430,867	\$ 11,715,434	\$ 10,447,844	\$ -1,267,589	-11%
Pass-through funds - grant	264,291,778	132,145,889	107,444,947	-24,700,942	-19%
Consultant and contract services	7,790,014	3,895,007	2,132,083	-1,762,924	-45%
Lease of office space	1,570,965	785,483	813,965	28,482	4%
Equipment	252,692	126,346	75,972	-50,374	-40%
Travel	439,185	219,593	163,581	-56,011	-26%
Other expense	2,614,281	1,307,141	1,052,493	-254,647	-19%
Total Expenditures	\$ 300,389,782	\$ 150,194,891	\$ 122,130,885	\$ -28,064,006	-19%
Excess of Revenues over(under) Expenditures	\$ 534,362	\$ 464,950	\$ 708,056	\$ 243,106	

Variances:

- a) Cooperative Purchasing revenues are improving and are projected to improve in the fall.
- b) The Local Development Corporation has undergone some reorganization and is starting to show increased loan activity. This program will need several months before these efforts materialize in the financial report.
- c) State grant revenue and the corresponding expenses are down in Workforce, Transportation, and Clean Rivers programs. Some of this is attributable to the delays in the federal budgetary process. Consultant and contractor billing delays also factor into revenue/expense not meeting projections.
- d) Due to consolidation of job responsibilities, some budgeted vacancies will not be refilled. Revision to the personnel budget is reflected in the revision.