

**HOUSTON-GALVESTON AREA COUNCIL
FINANCIAL STATUS REPORT
For the Nine Months Ended September 2017**

| | Budget Year to date | Actual Year to date | Variance Dollar | % |
|---|--------------------------------|--------------------------------|----------------------------|----------|
| <u>Combined Revenues and Expenditures</u> | | | | |
| Revenues | \$ 217,373,522 | \$ 201,980,589 | \$ -15,392,933 | -7% |
| Expenditures | -216,778,567 | -200,379,706 | 16,398,861 | -8% |
| Change in Combined Fund Balance | \$ 594,956 | \$ 1,600,884 | \$ 1,005,928 | |
| <u>Change in Fund Balance by Fund Type</u> | | | | |
| Change in fund balance - General Fund | \$ 248,420 | \$ 309,978 | \$ 61,558 | |
| Change in fund balance - SRF (grant programs) | 0 | 0 | 0 | |
| Change in fund balance - Enterprise Fund | 194,754 | 1,290,906 | 1,096,152 | |
| Total Change in Fund Balances | \$ 443,174 | \$ 1,600,884 | \$ 1,157,710 | |

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 \$1,269,571 increase toward the Enterprise fund balance YTD and the Energy Purchasing Corporation is reflecting a \$21,335 increase to the Enterprise fund balance.

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For the Nine Months Ended September 2017**

| | 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 | 105,000 | 111,102 | 6,102 | 6% |
| Cooperative Purchasing fees (a) | 4,500,000 | 3,375,000 | 3,721,264 | 346,264 | 10% |
| Interest Income (b) | 25,000 | 18,750 | 24,476 | 5,726 | 31% |
| Other (c) | 5,173,725 | 3,880,294 | 2,899,375 | -980,918 | -25% |
| Total General and Enterprise Fund revenues | \$ 10,234,263 | \$ 7,774,582 | \$ 7,145,420 | \$ -629,161 | -8% |
| Special Revenue Fund | | | | | |
| Federal Grants (d) | \$ 736,479 | \$ 552,359 | \$ 677,440 | \$ 125,081 | 23% |
| State Grants | 278,728,775 | 209,046,581 | 194,157,729 | -14,888,853 | -7% |
| Total Special Revenue Fund revenues | \$ 279,465,254 | \$ 209,598,941 | \$ 194,835,169 | \$ -14,763,772 | -7% |
| Total Revenues | \$ 289,699,517 | \$ 217,373,522 | \$ 201,980,589 | \$ -15,392,933 | -7% |
| <u>Expenditures (f)</u> | | | | | |
| Personnel (e) | \$ 22,477,535 | \$ 16,858,151 | \$ 16,062,589 | \$ -795,563 | -5% |
| Pass-through funds - grant | 253,729,694 | 190,297,271 | 176,699,510 | -13,597,760 | -7% |
| Consultant and contract services | 6,212,599 | 4,659,449 | 3,599,533 | -1,059,917 | -23% |
| Lease of office space | 1,570,965 | 1,178,224 | 1,209,462 | 31,238 | 3% |
| Equipment | 260,036 | 195,027 | 226,136 | 31,109 | 16% |
| Travel | 428,259 | 321,194 | 267,109 | -54,086 | -17% |
| Other expense | 4,359,001 | 3,269,251 | 2,315,367 | -953,884 | -29% |
| Total Expenditures | \$ 289,038,089 | \$ 216,778,567 | \$ 200,379,706 | \$ -16,398,861 | -8% |
| Excess of Revenues over(under) Expenditures | \$ 661,428 | \$ 594,956 | \$ 1,600,884 | \$ 1,005,928 | |

Variances:

- a) Cooperative Purchasing revenue is slightly ahead of projections. Orders are higher due to multiple hurricanes and the need for products under contract.
- b) Interest income has improved due to increased rates offered by financial institutions.
- c) Aerial imagery has begun and revenues and expenses will be reflected on financial reports by the end of the year.
- d) Federal revenues exceed projections due to an increase in activity in the Drayage Loan Program.
- e) Personnel costs are less than anticipated because of leave time attributed to Hurricane Harvey. This leave time was billed to the benefit pool and will be billed to the grants accordingly.
- f) Overall revenues and expenditures are slightly less than anticipated but will likely exceed the budget due to storm related activities by the end of the year.