

**HOUSTON-GALVESTON AREA COUNCIL  
FINANCIAL STATUS REPORT  
For the Eleven Months Ended November 2017**

	<b>Budget Year to date</b>	<b>Actual Year to date</b>	<b>Variance Dollar</b>	<b>%</b>
<b><u>Combined Revenues and Expenditures</u></b>				
Revenues	\$ 265,590,852	\$ 250,231,623	\$ -15,359,230	-6%
Expenditures	-264,951,582	-248,279,358	16,672,224	-6%
<b>Change in Combined Fund Balance</b>	<b>\$ 639,271</b>	<b>\$ 1,952,265</b>	<b>\$ 1,312,994</b>	
<b><u>Change in Fund Balance by Fund Type</u></b>				
Change in fund balance - General Fund	\$ 303,624	\$ 306,366	\$ 2,742	
Change in fund balance - SRF (grant programs)	0	0	0	
Change in fund balance - Enterprise Fund	238,033	1,645,899	1,407,866	
<b>Total Change in Fund Balances</b>	<b>\$ 541,657</b>	<b>\$ 1,952,265</b>	<b>\$ 1,410,608</b>	

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 \$1,614,951 increase toward the Enterprise fund balance YTD, and the Energy Purchasing Corporation is reflecting a \$30,948 increase to the Enterprise fund balance.

**HOUSTON-GALVESTON AREA COUNCIL  
FINANCIAL STATUS REPORT  
For the Eleven Months Ended November 2017**

	Annual Budget	Budget Year to Date	Actual Year to Date	Variance Dollar	%
<b><u>Revenues</u></b>					
<b>General and Enterprise Fund</b>					
Membership dues	\$ 395,538	\$ 395,538	\$ 389,204	\$ -6,334	-2%
HGAC Energy Purchasing Corporation	140,000	128,333	139,943	11,610	9%
Cooperative Purchasing fees (a)	4,500,000	4,125,000	4,626,069	501,069	12%
Interest Income (b)	25,000	22,917	61,967	39,051	170%
Other (c)	5,173,725	4,742,581	3,610,256	-1,132,326	-24%
<b>Total General and Enterprise Fund revenues</b>	<b>\$ 10,234,263</b>	<b>\$ 9,414,369</b>	<b>\$ 8,827,439</b>	<b>\$ -586,931</b>	<b>-6%</b>
<b>Special Revenue Fund</b>					
Federal Grants (d)	\$ 736,479	\$ 675,106	\$ 924,106	\$ 249,000	37%
State Grants	278,728,775	255,501,377	240,480,078	-15,021,299	-6%
<b>Total Special Revenue Fund revenues</b>	<b>\$ 279,465,254</b>	<b>\$ 256,176,483</b>	<b>\$ 241,404,184</b>	<b>\$ -14,772,299</b>	<b>-6%</b>
<b>Total Revenues</b>	<b>\$ 289,699,517</b>	<b>\$ 265,590,852</b>	<b>\$ 250,231,623</b>	<b>\$ -15,359,230</b>	<b>-6%</b>
<b><u>Expenditures</u></b>					
Personnel (e)	\$ 22,477,535	\$ 20,604,407	\$ 19,159,428	\$ -1,444,979	-7%
Pass-through funds - grant	253,729,694	232,585,553	219,107,975	-13,477,578	-6%
Consultant and contract services	6,212,599	5,694,882	5,031,476	-663,406	-12%
Lease of office space	1,570,965	1,440,051	1,475,319	35,268	2%
Equipment	260,036	238,366	258,843	20,476	9%
Travel	428,259	392,571	317,893	-74,678	-19%
Other expense	4,359,001	3,995,751	2,928,424	-1,067,327	-27%
<b>Total Expenditures</b>	<b>\$ 289,038,089</b>	<b>\$ 264,951,582</b>	<b>\$ 248,279,358</b>	<b>\$ -16,672,224</b>	<b>-6%</b>
<b>Excess of Revenues over(under) Expenditures</b>	<b>\$ 661,428</b>	<b>\$ 639,271</b>	<b>\$ 1,952,265</b>	<b>\$ 1,312,994</b>	

**Variances:**

- a) Cooperative Purchasing revenue is ahead of projections. Orders are higher due to multiple hurricanes and the need for products under contract. We are projecting strong orders through the end of the year and that our revenue projections in the budget will be exceeded by year end.
- b) Interest income has improved due to increased rates offered by financial institutions. As rates increased, H-GAC moved more funds into higher yielding instruments while still adhering to the investment policy adopted by the Board.
- c) This shortfall is largely attributable to underperformance in the Local Development Corporation..
- d) Federal revenues have exceeded our projections for this time of year. This is primarily a timing difference and not an actual increase in funding. While we may see some increase in federal dollars because of Hurricane Harvey this year, most of the revenue and expenses associated with the storm will be recognized next fiscal year.
- 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. Additionally, there are thirteen open positions, which is higher than normal.