

**HOUSTON-GALVESTON AREA COUNCIL
FINANCIAL STATUS REPORT
For the Nine Months Ended September 2018**

	Budget Year to date	Actual Year to date	Variance Dollar	%
Combined Revenues and Expenditures				
Revenues	\$ 263,759,058	\$ 236,349,911	\$ (27,409,147)	-10%
Expenditures	-263,313,269	-234,621,444	28,691,825	-11%
Change in Combined Fund Balance	\$ 445,789	\$ 1,728,466	\$ 1,282,678	
Change in Fund Balance by Fund Type				
Change in fund balance - General Fund	\$ 118,547	\$ 192,661	\$ 74,114	
Change in fund balance - Gulf Coast Regional 911	1,007,662	805,105	-202,557	
Change in fund balance - Enterprise Fund	343,992	730,700	386,708	
Total Change in Fund Balances	\$ 1,470,201	\$ 1,728,466	\$ 258,265	

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 \$ 680,303 increase toward the Enterprise fund balance YTD, and the Energy Purchasing Corporation is reflecting a \$ 50,397 increase to the Enterprise fund balance.

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For the Nine Months Ended September 2018**

	Annual Budget	Budget Year to Date	Actual Year to Date	Variance Dollar	%
Revenues					
General and Enterprise Fund					
Membership dues	\$ 395,538	\$ 395,538	\$ 389,958	\$ (5,580)	-1%
HGAC Energy Purchasing Corporation	132,000	99,000	108,915	9,915	10%
Cooperative Purchasing fees	4,500,000	3,375,000	3,247,669	(127,331)	-4%
Gulf Coast Regional 911 fees (a)	3,291,717	2,468,788	2,684,261	215,473	9%
Interest Income	115,000	86,250	105,148	18,898	22%
Other (b)	2,869,913	2,152,435	1,733,665	(418,769)	-19%
Total General and Enterprise Fund revenues	\$ 11,304,168	\$ 8,577,011	\$ 8,269,616	\$ (307,394)	-4%
Special Revenue Fund					
Federal Grants	\$ 1,019,450	\$ 764,588	\$ 556,531	\$ (208,057)	-27%
State Grants (c)	339,223,280	254,417,460	227,523,764	(26,893,696)	-11%
Total Special Revenue Fund revenues	\$ 340,242,730	\$ 255,182,048	\$ 228,080,295	\$ (27,101,753)	-11%
Total Revenues	\$ 351,546,898	\$ 263,759,058	\$ 236,349,911	\$ (27,409,147)	-10%
Expenditures					
Personnel (d)	\$ 23,847,850	\$ 17,885,888	\$ 17,026,040	\$ (859,847)	-5%
Pass-through funds - grant	310,397,769	232,798,327	207,527,392	(25,270,935)	-11%
Consultant and contract services	9,820,602	7,365,452	5,994,636	(1,370,816)	-19%
Lease of office space	1,645,731	1,234,298	1,219,143	(15,155)	-1%
Equipment	484,924	363,693	340,783	(22,910)	-6%
Travel (e)	635,597	476,698	238,347	(238,350)	-50%
Other expense (f)	4,251,886	3,188,915	2,275,104	(913,811)	-29%
Total Expenditures	\$ 351,084,359	\$ 263,313,269	\$ 234,621,444	\$ (28,691,825)	-11%
Excess of Revenues over(under) Expenditures	\$ 462,539	\$ 445,789	\$ 1,728,466	\$ 1,282,678	

Variances:

- a) The Gulf Coast 9-1-1 fees appear high; however, this is a timing issue on funds received from the State. The annual projection continues to be reflective of anticipated revenues.
- b) Other income includes a variety of revenue including Local Development Corporation and GIS related services, both of which are slower in realizing their revenue than originally estimated.
- c) The Workforce and Aging programs received significant increases in funding at mid-year. Contracts have been awarded for these funds to be spent and we believe there will be funds remaining in these programs at the end of the grant cycle.
- d) Personnel expenses are less than anticipated. H-GAC has 26 pay periods in a year which means that two months in the year there is an additional payroll expensed in them. October will have three payrolls instead of the standard two payrolls.
- e) Travel expense is anticipated to increase during the fall months in anticipation of the legislative session.
- f) Other expenses include items from office supplies to telephone service. H-GAC staff have been renegotiating agreements for many of these expenses to reduce the cost. The variance indicates, to some degree, the success of these negotiations.