

Schools FIRST Public Hearing and Financial Management Report

# **Iraan – Sheffield ISD**

# Schools FIRST

- Financial
- Integrity
- Rating
- System of
- Texas

# Purpose

- The Texas Administrative Code (TAC), Title 19, § 109.1001, states that the purpose of the financial accountability rating system is to ensure that school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial resources.

# FIRST Report

- This report is for the 2010-2011 fiscal year.
- 20 indicators.
- District must hold a public meeting to discuss ratings and present the annual financial management report which include:
  - FIRST report
  - A comparison to prior year
  - Additional Information required by the Commissioner of Education

# District Ratings

RATING	SCORE 2010-2011	SCORE 2009-2010
Superior Achievement <b>2009-2010 (74)</b>	64 – 70	72 – 80 and Yes to Indicator 7
Above Standard Achievement	58 - 63	64 – 71 or $\geq 72$ and No to Indicator 7
Standard Achievement <b>2010-2011 (63)*</b>	52 - 57	56 – 63
Substandard Achievement	< 52 or No to Indicator 1, 2, 3, or 4 or 5 & 6	<56 or No to one default Indicator

# Indicator 1

- Was the total fund balance less nonspendable and restricted fund balance greater than zero in the general fund?
- 2010-2011 YES
- 2009-2010 YES

## Indicator 2

- Was the total unrestricted net asset balance (net of accretion of interest on capital appreciation bonds) in the governmental activities column in the statement of net assets greater than zero? (If the district's 5 year % change in students was 10% or more)
- 2010-2011 YES
- 2009-2010 YES

## Indicator 3

- Were there no disclosures in the annual financial report and/or other sources of information concerning default on bonded indebtedness obligations?
- 2010-2011 YES
- 2009-2010 YES



## Indicator 4

- Was the annual financial report filed within one month after November 27<sup>th</sup> or January 28<sup>th</sup> deadline depending upon the district's fiscal year end date (June 30<sup>th</sup> or August 31<sup>st</sup>)?
- 2010-2011 YES
- 2009-2010 YES

# Indicator 5

- Was there an unqualified opinion in annual financial report?
- 2010-2011 YES
- 2009-2010 YES

## Indicator 6

- Did the annual financial report not disclose any instance(s) of material weaknesses in internal controls?
- 2010-2011 YES
- 2009-2010 YES

# Indicator 7

- Was the three-year average percent of total tax collections (including delinquent) greater than 98%?
- 2010-2011    97.13%    4 points
- 2009-2010    97.09%    4 points

## Indicator 8

- Did the comparison of PEIMS data to like information in annual financial report result in an aggregate variance of less than 3 percent of expenditures per fund type (data quality measure)?
- 2010-2011 YES 5 points
- 2009-2010 YES 5 points

## Indicator 9

- Were debt related expenditures (net of IFA and/or EDA allotment) < \$350.00 per student? (If the district's five-year percent change in students = or > 7%, or if property taxes collected per penny of tax effort > \$200,000 per student)
- 2010-2011 NO 0 points
- 2009-2010 YES 5 points

# Indicator 10

- Was there no disclosure in the annual audit report of material noncompliance?
- 2010-2011 YES 5 points
- 2009-2010 YES 5 points

# Indicator 11

- Did the district have full accreditation status in relation to financial management practices? (e.g. no conservator or monitor assigned)
- 2010-2011 YES 5 points
- 2009-2010 YES 5 points



# Indicator 12

- Was the aggregate of budgeted expenditures and other uses less than the aggregate of total revenues, other resources and fund balance in general fund?
- 2010-2011 YES 5 points
- 2009-2010 YES 5 points

# Indicator 13

- If the district's aggregate fund balance in the general fund and capital projects fund was less than zero, were construction projects adequately financed? (to avoid creating or adding to the fund balance deficit situation)
- 2010-2011 YES 5 points
- 2009-2010 YES 5 points

## Indicator 14

- Was the ratio of cash and investments to deferred revenues (excluding amount equal to net delinquent taxes receivable) in the general fund greater than or equal to 1:1? (if deferred revenues are less than net delinquent taxes receivable)
- 2010-2011 YES 5 points
- 2009-2010 YES 5 points

# Indicator 15

- Was the administrative cost ratio less than the threshold ratio?
- 2010-2011    0.1521    5 points
- 2009-2010    0.1426    5 points

# Indicator 16

- Was the ratio of students to teachers within the ranges shown below according to district size?
- 2010-2011    9.4373    5 points
- 2009-2010    9.2377    3 points

# Indicator 17

- Was the ratio of students to total staff within the ranges shown below according to district size?
- 2010-2011    4.8104    4 points
- 2009-2010    5.1455    2 point

# Indicator 18

- Was the decrease in undesignated unreserved fund balance  $< 20\%$  over two fiscal years? (if total revenues  $>$  operating expenditures in the general fund, then district receives 5 points)
- 2010-2011 YES 5 points
- 2009-2010 YES 5 points

# Indicator 19

- Was the aggregate total of cash and investments in the general fund more than \$0?
- 2010-2011 YES 5 points
- 2009-2010 YES 5 points



## Indicator 20

- Were investment earnings in all funds (excluding debt service fund and capital projects fund) meet or exceed the 3-month treasury bill rate?
- 2011-2011 YES 5 points
- 2009-2010 YES 5 points

# Indicator from 2009-2010

- Did the district's academic rating exceed academically unacceptable?
- 2010-2011 Not an indicator this year
- 2009-2010 YES 5 points

## Indicator from 2009 - 2010

- Was the total fund balance in the general fund more than 50% and less than 150% of optimum according to the fund balance and cash flow calculation worksheet in the annual financial report?
- 2010-2011 not an indicator for this year
- 2009-2010 YES 5 points

# Total Score

- 2010-2011 63 points
- Standard Achievement
  
- 2009-2010 74 points
- Superior Achievement

# Questions?

- A copy of the FIRST report, this presentation, and all disclosures are available at the Iraan-Sheffield Administration Building or on the web at <http://isisd.net>
- Contact Michael Meek at 432-639-2512 ext. 224 or at [Michael.Meek@isisd.net](mailto:Michael.Meek@isisd.net)

# School FIRST Annual Financial Management Report

INDEPENDENT SCHOOL DISTRICT

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1005. Effective 2/3/11. The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing. The template may not be all inclusive.

## Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual School FIRST financial management report, the school district may choose to publish the superintendent's employment contract on the school district's Internet site. If published on the Internet, the contract is to remain accessible for twelve months.

## Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period  
Ended August 31, 2012

Description of Reimbursements	Kevin Allen	Jeffery McMahon	Steve Garlock	Basiliso Ramirez	Chico Banner	Lori Turk	Mickey Perry	Margaret Holmes	Joe Rivas
Meals	\$ 916	\$ -	\$ 132	\$ 594	\$ -	\$ 594	\$ -	\$ 689	\$ 594
Lodging	2,852	-	919	556	-	673	-	697	556
Transportation	1,095	-	261	673	-	556	-	608	673
Motor Fuel	-	-	-	-	-	-	-	-	-
Other	716	-	350	1,189	-	1,182	-	395	1,215
<b>Total</b>	<b>\$ 5,578</b>	<b>\$ -</b>	<b>\$ 1,662</b>	<b>\$ 3,011</b>	<b>\$ -</b>	<b>\$ 3,004</b>	<b>\$ -</b>	<b>\$ 2,389</b>	<b>\$ 3,037</b>

All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. Items to be reported per category include:  
 Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).  
 Lodging - Hotel charges.  
 Transportation - Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls).  
 Motor fuel – Gasoline.  
 Other: - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

## Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

For the Twelve-Month Period  
Ended August 31, 20XX

Name(s) of Entity(ies)	Amount Received
Total	\$0.00

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

## Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any) (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)

For the Twelve-Month Period  
Ended August 31, 2012

	Kevin Allen	Jeffery McMahon	Steve Garlock	Basiliso Ramirez	Chico Banner	Lori Turk	Mickey Perry	Margaret Holmes	Joe Rivas
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Note** – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials.

## Business Transactions Between School District and Board Members

For the Twelve-Month Period  
Ended August 31, 2012

Amounts	Jeffery McMahon	Steve Garlock	Basiliso Ramirez	Chico Banner	Lori Turk	Mickey Perry	Margaret Holmes	Joe Rivas
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 483	\$ 585

**Note** - The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.

**Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822**

General Fund - First-Quarter Expenditures By Object Code

Report 2011-2012 first-quarter (first three months of fiscal year 2011-2012) GENERAL FUND expenditures by object code using whole numbers.

<b>Payroll-</b>	Expenditures for payroll costs	object codes 6110-6149	1,587,982
<b>Contract Costs-</b>	Expenditures for services rendered by firms, individuals, and other organization	object code series 6200	<u>342,439</u>
<b>Supplies and Materials-</b>	Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6300	<u>160,167</u>
<b>Other Operating-</b>	Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	<u>234,544</u>
<b>Debt Service-</b>	Expenditures for debt service	object code series 6500	<u>-</u>
<b>Capital Outlay-</b>	Expenditures for land, buildings, and equipment	object code series 6600	<u>90,252</u>

Additional Financial Solvency Questions

- 1) Districts with a September 1- August 31 fiscal year:
- Within the last two years, did the school district
- |   |       |     |    |
|---|-------|-----|----|
| 1) draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and              | _____ | Yes | No |
| 2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61? | _____ |     | X  |
- Districts with a July 1- June 30 fiscal year:
- Within the last two years, did the school district
- |   |       |     |    |
|---|-------|-----|----|
| 1) draw funds from a short-term financing note (term less than 12 months) between the months of July and October, inclusive, and                    | _____ | Yes | No |
| 2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61? | _____ |     | X  |
- 2) Has the school district declared financial exigency within the past two years? \_\_\_\_\_ X

3) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district's financial solvency.

<u>Mean Enroll-to-Teacher Ratio</u>	<u>85% of Mean Enroll-to-Teacher Ratio</u>	<u>School District Size</u>
8.30	7.05	Under 100
9.54	8.11	100 to 249
10.80	9.18	250 to 499
11.54	9.81	500 to 999
12.65	10.75	1,000 to 1,599
13.65	11.60	1,600 to 2,999
14.43	12.26	3,000 to 4,999
14.97	12.73	5,000 to 9,999
15.12	12.86	10,000 to 24,999
15.27	12.98	25,000 to 49,999
15.44	13.12	50,000 and Over

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- 4) How many superintendents has your school district had in the last five years? \_\_\_\_\_ 1
- 5) How many business managers has your school district had in the last five years? \_\_\_\_\_ 1







