

2011-12 FIRST Report

Financial Integrity Rating System Of Texas

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 1

Indicator: Was the Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?

Status: Passed

FORMULA

((Total Fund Balance	\$60,265,019
- Nonspendable and Restricted Fund Balance)	\$141,684
	<hr/>
	\$60,123,335

> (0)) Bankrupt Threshold

Mathematical Breakdown: \$60,123,335 > 0

Determination:

Financial distress avoidance is ascertained when the result of the formula is greater than zero.

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 2

Indicator: 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)

Status: Passed

FORMULA

((2012 Total Students	39,903
- 2008 Total Students)	27,256
	<hr/>
	12,647
/(2008 Total Students))	27,256
> = 0.1) Threshold for Five-Year % Change in Students	0.464

Or

((Total Unrestricted Net Asset Balance	\$47,511,053
+ Accretion of Interest for Capital Appreciation Bonds) > 0))	\$69,162,921
	<hr/>
	\$116,673,974

Mathematical Breakdown: $0.464 > 0$ or $\$116,673,974 > 0$

Determination:

This indicator will be considered PASSED if EITHER of the following conditions is TRUE:

1. The District's Five-Year Percent of Change in Students was 10% or more.
2. On the 'Statement of Net Assets', in the 'Government Activities Column', was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) greater than zero?

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 3

Indicator: Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?

Status: Passed

FORMULA

Disclosures

NO

Determination:

This indicator will be considered PASSED if there were no disclosures in the annual financial report and/or other sources of information concerning default on bonded indebtedness obligations.

The District was able to make all bond payments.

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 4

Indicator: Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon the District's Fiscal Year End Date (June 30th or August 31st)?

Status: Passed

FORMULA

Date Received	11/14/2012
Due Date (Fiscal Year End + Deadline in Days)	12/28/2012

Determination:

This indicator will be considered PASSED if the audit report was on time or filed within 30 days of the deadline.

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 5

Indicator: Was There An Unqualified Opinion in Annual Financial Report?

Status: Passed

FORMULA

Clean Audit

TRUE

Determination:

This indicator will be considered PASSED if the District received a "clean audit" (unqualified opinion).

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 6

Indicator: Did The Annual Financial Report Not Disclose Any Instances(s) Of Material Weaknesses In Internal Controls?

Status: Passed

FORMULA

Weak Internal Controls

FALSE

Determination:

This indicator will be considered PASSED if the external auditor reported no material weaknesses in the audit report.

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 7

Indicator: Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?

Status: 5

FORMULA

((2012 Tax Collections	\$	247,758,804
+ 2011 Tax Collections	\$	232,998,407
+ 2010 Tax Collections)	\$	235,365,542
	<hr/>	
	\$	716,122,753
/ (2012 Tax Levy	\$	244,363,689
+ 2011 Tax Levy	\$	231,555,173
+ 2010 Tax Levy) > 0.98))	\$	234,196,153
	<hr/>	
	\$	710,115,015
Three-Year Average Percent Collections		1.0085

Mathematical Breakdown: $1.0085 > 0.98$

Determination of Points:

- 5 if $> 98\%$
- 4 if $> 95\% \leq 98\%$
- 3 if $> 92\% \leq 95\%$
- 2 if $> 89\% \leq 92\%$
- 1 if $> 86\% \leq 89\%$
- 0 if $\leq 86\%$

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 8

Indicator: 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)?

Status: 5

FORMULA

$$\frac{\text{((Sum of Differences / Denominator) < 0.03) Acceptable Level of Variance}}{1007} = \frac{\$ 489,460,657}{0.000002}$$

Mathematical Breakdown: 0.000002 < 0.03

Determination of Points:

5 if < 3%

0 if > 3%

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 9

Indicator: 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)

Status: 5

FORMULA

IF 0.464 < 0.07 Threshold for 5 Year Student Growth

AND

((Total Tax Collections	\$ 247,758,804
/ (Tax Rate X 100) < \$200,00)) Threshold for Revenue Efficiency	142
Taxes Collected Per Penny of Tax Effort	<hr/>
	\$ 1,744,780

THEN

((Function 71 Expenditures	\$ 79,793,662
- IFA and EDA Allotments)	\$ -
/ (2012 Total Students) < \$350)	39,903
Debt Expenditures per Student	<hr/>
	\$ 1,999.69

Mathematical Breakdown:

If 0.464 < 0.07 and \$1744,780 < \$200,000 Then \$1999.69 < \$350

Determination of Points:

5 if < \$350

4 if > = \$350 < \$600

3 if > = \$600 < \$850

2 if > = \$850 < \$1,100

1 if > = \$1,100 < \$1,350

0 if > = \$1350

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 10

Indicator: Was There No Disclosure In The Annual Audit Report of Material Noncompliance?

Status: Passed

FORMULA

Material Non-Compliance

FALSE

Determination:

This indicator will be considered PASSED if the Audit Reported No Material Noncompliance.

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 11

Indicator: Did The District Have Full Accreditation Status in Relation To Financial Management Practices (e.g No Conservator or Monitor Assigned)?

Status: Passed

FORMULA

Full Accreditation

TRUE

Determination:

This indicator will be considered PASSED if the District had No Financial Conservator or Monitor assigned.

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 12

Indicator: Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources And Fund Balance In General Fund?

Status: PASSED

FORMULA

((Budgeted Appropriations in the General Fund	\$	293,156,168
+ Budgeted Other Uses)	\$	-
- (Budgeted Revenues in the General Fund	\$	299,358,900
+ Budgeted Other Resources in the General Fund	\$	-
+ Fund Balance In General Fund at July 1) < 0))	\$	43,070,395
Annual Budget Surplus/Margin	\$	(49,273,127)

Mathematical Breakdown: $\$(49,273,127) < 0$

TRUE

Determination:

This indicator will be considered PASSED if the District adopts a balanced budget.

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 13

Indicator: 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)

Status: PASSED

FORMULA

IF

((Fund Balance In General Fund at July 1	\$ 60,265,019
+ Fund Balance in Capital Projects Fund at July 1)	\$ 5,353,313
< 0)) Standard Capital Fund Margin	<u>\$ 65,618,332</u>

THEN

((Expenditures In Function 81 General Fund and Capital Projects Fund	\$ 97,792,347
- Other Resources for Real Property In General Fund and Capital Projects Fund)	\$ 50,002,412
- (Fund Balance in General Fund at July 1	\$ 43,070,395
+ Fund Balance in Capital Projects Fund At July 1)	\$ 52,951,695
< 0) Standard Construction Margin	<u>\$ (48,232,155)</u>

Mathematical Breakdown: If $\$65,618,332 < 0$ Then $\$(48,232,155) < 0$

Determination:

The District adequately budgeted construction projects.

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 14

Indicator: 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 Delinquent Taxes Receivable)

Status: 5

FORMULA

IF

((Deferred Revenue in General Fund	\$	2,135,125
- Property Tax Receivable Net of Uncollectible)	\$	2,033,145
> 0)) Standard Deferred Revenue Margin	\$	101,980

THEN

((Cash in the General Fund	\$	93,322,213
+ Investments in the General Fund)	\$	-
/ (Deferred Revenue in the General Fund	\$	2,135,125
- Property Tax Receivable Net of Uncollectible)	\$	2,033,145
		<u>915.1031</u>

Mathematical Breakdown: If $101,980 > 0$ then $915.1031 > 1.00$

Determination of Points:

5 if ≥ 1.00

4 if $> 0.95 < 1.00$

3 if $> 0.90 < 0.95$

2 if $> 0.85 < 0.90$

1 if $> 0.80 < 0.85$

0 if < 0.80

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 15

Indicator: Was The Administrative Cost Ratio Less Than The Threshold Ratio?

Status: 5

FORMULA

Acceptable Administrative Cost Ratio	0.1105
District Administrative Cost Ratio	0.0431

Determination of Points:

ADA Group	Standard
10,000 and Above	0.1105
5,000 to 9,999	0.1250
1,000 to 4,999	0.1401
500 to 999	0.1561
Less than 500	0.2654
Sparse	0.3614
5	0
Cost Ratio < Threshold	Cost Ratio >= Threshold

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 16

Indicator: Was The Ratio Of Students To Teachers Within The Ranges Shown Below According To District Size?

Status: 5

FORMULA

$$\begin{array}{r} \text{((Number of Students} \\ \text{/ Number of FTE Teachers)} \\ \text{=> 13.5 and <= 22.0))} \end{array} \qquad \begin{array}{r} 39,903 \\ 2,655.4517 \\ \hline 15.0268 \end{array}$$

Mathematical Breakdown:

$$15.0268 = 68.3\% \text{ of } 22.0 \text{ and } 15.0268 = 111.3\% \text{ of } 13.5$$

Determination of Points:

= > **10,000 Students**

Low 13.5

High 22

- 5** if $UL \leq 100\%$; $LL \Rightarrow 100\%$
- 4** if $UL > 100\% \leq 105\%$; $LL \Rightarrow 95\% < 100\%$
- 3** if $UL > 105\% \leq 110\%$; $LL \Rightarrow 90\% < 95\%$
- 2** if $UL > 110\% \leq 115\%$; $LL \Rightarrow 85\% < 90\%$
- 1** if $UL > 115\% \leq 120\%$; $LL \Rightarrow 80\% < 85\%$
- 0** if $UL > 120\%$; $LL < 80\%$

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 17

Indicator: Was The Ratio Of Students To Total Staff Within The Ranges Shown Below According To District Size?

Status: 5

FORMULA

$$\begin{array}{r} \text{(Number of Students} \\ \text{/ Number of FTE Staff)} \\ \text{= > 7.0 and < = 14.0)} \end{array} \begin{array}{r} 39,903 \\ 4,821.1895 \\ \hline 8.2776 \end{array}$$

Mathematical Breakdown:

$$8.2770 = 59.1\% \text{ of } 14.0 \text{ and } 8.2770 = 118.1\% \text{ of } 7.0$$

Determination of Points:

= > **10,000 Students**

Low 7.0

High 14

5 if $UL \leq 100\%$; $LL \Rightarrow 100\%$

4 if $UL > 100\% \leq 105\%$; $LL \Rightarrow 95\% < 100\%$

3 if $UL > 105\% \leq 110\%$; $LL \Rightarrow 90\% < 95\%$

2 if $UL > 110\% \leq 115\%$; $LL \Rightarrow 85\% < 90\%$

1 if $UL > 115\% \leq 120\%$; $LL \Rightarrow 80\% < 85\%$

0 if $UL > 120\%$; $LL < 80\%$

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 18

Indicator: Was The Decrease In Undesignagted Unreserved Fund Balance < 20% Over Two Fiscal Years? (If Total Revenues > Operating Expenditures In The General Fund, Then District Receives 5 Points)

Status: 5

FORMULA

IF

((Total Revenues in the General Fund	\$ 303,621,496
<i>-Expenditures in General Fund in Functions 11-61 Objects 6100-6400</i>	\$ 263,265,602
> 0)) Acceptable Expenditure:Revenue Gap	\$ 40,355,894

OR

((Unassigned Fund Balance in General Fund For The Last Fiscal Year	\$ 46,286,952
<i>X Maximum Allowable 2 Year Change in Fund)</i>	0.80
< 60,123,335)) Unassigned fund Balance in General Fund For Last Fiscal Year	\$ 37,029,562

OR

((Unassigned Fund Balance in General Fund For The Last Fiscal Year	\$ 60,123,335
- Undesignated, Unreserved Fund Balance in General Fund June 30, Two FY Prior)	\$ 46,286,952
/ Undesignated Unreserved Fund Balance in General Fund June 30, Two FY Prior)	\$ 46,286,952
> 0.20)	0.2989

Mathematical Breakdown:

If 40,355,894 > 0 Or \$37,029,561 < \$60,123,335 Or 0.2989 > 0.20

Determination of Points:

- 5 if < 20%
- 4 if = > 20% < 21%
- 3 if = > 21% < 22%
- 2 if = > 22% < 23%
- 1 if = > 23% < 24%
- 0 if => 24%

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 19

Indicator: Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?

Status: 5

FORMULA

((Cash in the General Fund	\$ 93,322,213
+ Investments in the General Fund)	\$ -
> 0)) Acceptable Lower Limit for Cash and Investments	<u>\$ 93,322,213</u>

Mathematical Breakdown: $93,322,213 > 0$

Determination of Points:

5 if > 0

0 if < 0

FIRST

Financial Integrity Rating System of Texas

2011-12 INDICATOR 20

Indicator: Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed 3-Month Treasury Bill Rate?

Status: 5

FORMULA

(((Investment Earnings In All Funds Except Debt Service Fund and Capital Projects Fund	\$	105,234
/ (Investment Earnings In All Funds Except Debt Service Fund and Capital '+ Projects Fund Current Fiscal Year End	\$	98,792,655
+ Cash and Investments in All Funds Except Debt Service and Capital Projects Fund Prior Fiscal Year End)	\$	<u>73,792,612</u>
/ 2) X 100)) > = .05917)))		0.122

Mathematical Breakdown: 0.122 > 0.05917

Determination of Points:

5 if > 0.05917 %

0 if < 0.05917%

**REIMBURSEMENTS RECEIVED BY THE SUPERINTENDENT AND BOARD MEMBERS FOR SCHOOL BUSINESS RELATED EXPENSES
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2012**

DESCRIPTION OF REIMBURSEMENTS	Reedy	Mossakowski	Ehmke	Polk	Beaver	Ellison	Hoxie	Minett	Gillespie	McCausland	Todd
MEALS	3,099.98	849.32	468.00	56.00	104.00	68.00	567.31	145.31	844.31	495.00	138.00
LODGING	2,999.33	2,411.65	1,097.59	-	666.25	448.14	2,069.91	-	2,639.58	1,085.64	-
TRANSPORTATION	2,786.95	1,646.60	970.00	227.48	254.10	300.40	650.60	-	2,055.48	814.48	-
MOTOR FUEL	-	-	-	-	-	-	-	-	-	-	-
OTHER	1,859.00	1,654.88	709.88	100.00	-	-	1,095.00	34.27	1,684.88	759.88	135.00
TOTAL	10,745.26	6,562.45	3,245.47	383.48	1,024.35	816.54	4,382.82	179.58	7,224.25	3,155.00	273.00

**OUTSIDE COMPENSATION AND/OR FEES RECEIVED BY THE SUPERINTENDENT FOR CONSULTING AND/OR PERSONAL SERVICES
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2012**

DESCRIPTION OF COMPENSATION/FEES	Reedy	Mossakowski	Ehmke	Polk	Beaver	Ellison	Hoxie	Minett	Gillespie	McCausland	Todd
COMPENSATION	NONE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PERSONAL SERVICES	NONE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	-	-	-	-	-	-	-	-	-	-	-

**GIFTS RECEIVED BY EXECUTIVE OFFICERS AND BOARD MEMBERS WITH AN ECONOMIC AGGREGATE VALUE OF \$250 OR MORE
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2012**

RECAP	Executives	Mossakowski	Ehmke	Polk	Beaver	Ellison	Hoxie	Minett	Gillespie	McCausland	Todd
GIFTS	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
TOTAL	-	-	-	-	-	-	-	-	-	-	-

**BUSINESS TRANSACTIONS BETWEEN THE SCHOOL DISTRICT AND BOARD MEMBERS
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2012**

RECAP	Reedy	Mossakowski	Ehmke	Polk	Beaver	Ellison	Hoxie	Minett	Gillespie	McCausland	Todd
BUSINESS TRANSACTIONS	N/A	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
TOTAL	-	-	-	-	-	-	-	-	-	-	-