

Birdville Independent School District

2017 Schools FIRST Rating

Public Hearing

October 26, 2017- 7:00 p.m.

What is FIRST?

- ▶ Financial Integrity Rating System of Texas
- ▶ Created by Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999 to measure the performance of school districts' financial resources
- ▶ Rating calculations are based on data from the 2015-16 fiscal year

Objectives

- ▶ Assess the quality of financial management in Texas public schools.
- ▶ Measure and report the extent to which financial resources are allocated for direct instructional purposes.
- ▶ Fairly evaluate the quality of financial management decisions.
- ▶ Openly report results to the general public.

Determination of Rating

- ▶ The FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, as follows:
 - ▶ A for Superior Achievement (90-100)
 - ▶ B for Above Standard Achievement (80-89)
 - ▶ C for Meets Standard Achievement (60-79)
 - ▶ F for Substandard Achievement (<60)

Birdville ISD

Superior Achievement

- ▶ BISD received a score of 98 (out of 100).
- ▶ BISD has received the top rating since the inception of the rating system 16 years ago.

Indicators

1. Was the complete annual financial report (AFR) and data submitted to TEA within 30 days of the November 27th deadline based on the school district's fiscal year end date of June 30?

- ▶ YES - The 2015-16 annual financial report was filed with TEA on November 16, 2016. (2014-15 Yes)

Indicators (continued)

2.A. Was there an unmodified opinion in the AFR on the financial statements as a whole?

- ▶ YES - The District received an unmodified opinion on the 2015-16 annual financial report. This is the highest rating a district can receive. (2014-15 - Yes)

2.B. Did the external auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?

- ▶ YES - The District's AFR was free of any instances of material weaknesses in internal controls over financial reporting compliance for local, state, or federal funds. (2014-15 -Yes)

Indicators (continued)

3. Was the district in compliance with the payment terms of all debt agreements at fiscal year end?

- ▶ YES - The District was in compliance with the payment terms of all debt agreements at fiscal year end. (2014-15 Yes)

4. Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?

- ▶ YES - All TRS, TWC, IRS and other governmental agency payments were made in a timely manner. (2014-15 Yes)

Indicators (continued)

5. Was the total unrestricted net asset balance (net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the districts change of students in membership over 5 years was 10% or more, then the district passes this indicator.)

- ▶ YES - The District's total unrestricted net asset balance was greater than zero. (2014-15 Yes)

Indicators (continued)

6. Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?

- ▶ YES - The District's cash on hand and current investments was sufficient to cover operating expenditures. The District received a score of 10, the highest score for this indicator. (2014-15 Yes - 10 pts)

Indicators (continued)

7. Was the measure of current assets to current liabilities ratio for the district sufficient to cover short-term debt?

- ▶ YES - The District's ratio of current assets to current liabilities was sufficient to cover short-term debt. The District received a score of 8 of 10 for this indicator. (2014-15 Yes - 10 pts)

Indicators (continued)

8. Was the ratio of long-term liabilities to total assets for the district sufficient to support long-term solvency? (If the districts change in students in membership over 5 years was 10% or more, then the district passes the indicator.)

- ▶ YES - The District's ratio of long-term liabilities to total assets was sufficient to cover long-term solvency. The District received a score of 10, the highest score for this indicator. (2014-15 - 8 pts)

Indicators (continued)

9. Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the district's number of days of cash on hand greater than or equal to 60 days?

- ▶ YES - The District's general fund revenues exceeded general fund expenditures, and the days of cash on hand equaled 60 or more days. The District received a score of 10, the highest score for this indicator. (2014-15 - 10 pts)

Indicators (continued)

10. Was the debt service coverage ratio sufficient to meet the required debt service?

- ▶ YES - The District's debt service ratio is sufficient. The District received a score of 10, the highest score for this indicator. (2014-15 - 10 pts)

11. Was the districts administrative cost ratio equal to or less than the threshold ratio?

- ▶ YES - The District's administrative cost ratio was 6.11 percent. The District received a score of 10, the highest rating for this indicator (2014-15 Yes at 6.11 percent)

Indicators (continued)

12. Did the school district not have a 15 percent decline in students to staff ratio over 3 years?

- ▶ YES - The District did not have a 15 percent decline in students to staff ratio over 3 years. The District received a score of 10 out of 10 for this indicator. (2014-15 - Yes - 10 pts)

13. Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school districts AFR result in a total variance of less than 3 percent of all expenditures by function?

- ▶ YES - The District's variance was less than 3 percent. The District received a score of 10 out of 10 points for this indicator. (2014-15 Yes - 10 pts)

Indicators (continued)

14. Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?

- ▶ YES - The external independent auditor indicated the AFR was free of any instances of material non-compliance. The District received a score of 10 (10 pass / 0 fail). (2014-15 Yes)

Indicators (continued)

15. Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?

- ▶ YES - The district did not receive an adjusted repayment schedule for more than one fiscal year for overpayment of FSP as a result of financial hardship. The district received a score of 10 for this indicator. (pass/fail) (2014-15 - 10).

Five Additional Disclosures

1. Superintendent's Employment Contract in place during the public hearing
2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2016
3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services for Fiscal Year 2016
4. Gifts Received by the Executive Officer and Board Members (and First Degree Relatives, if any) in Fiscal Year 2016
5. Business Transactions Between School District and Board Members for Fiscal Year 2016

Disclosure No. 1

Superintendent's Current Employment Contract

A copy of the superintendent's current contract is available on the District's website, using the following path:

- ▶ *Departments / Business Department / Financial Reports / FIRST / Schools FIRST / Contract for Dr. Darrell Brown*
- ▶ Or at the following link:
<https://www.birdvilleschools.net/Page/16971>

Disclosure No. 2

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2016 (including amounts paid on-behalf of the Superintendent and Board members)

For the Twelve-Month Period Ended June 30, 2016									
Description of Reimbursements	Dr. Darrell G. Brown	Joe Tolbert	Dolores Webb	Brad Greene	Jack McCarty	Richard Davis	Ralph Kunkel	Taylor Anderson	Cary Hancock
Meals	\$ 467.77	\$ 161.00	\$ 437.00	\$ 379.50	\$ 10.04	\$ 310.50	\$ 356.50	\$ -	\$ 115.00
Lodging	2,129.33	716.13	1,746.21	1,746.21	-	1,030.08	1,488.69	-	716.13
Transportation	2,086.09	134.68	795.60	1,027.58	-	385.97	731.46	-	320.15
Motor Fuel	-	-	-	-	-	-	-	-	-
Other	2,020.00	775.00	1,565.00	1,565.00	310.00	915.00	1,595.00	712.00	325.00
Total	\$ 6,703.19	\$1,786.81	\$ 4,543.81	\$ 4,718.29	\$ 320.04	\$ 2,641.55	\$ 4,171.65	\$ 712.00	\$1,476.28

Note - The spirit of the rule is to capture all "reimbursements" for fiscal year 2016, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

Meals - Meals consumed off of the school district's premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

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.

Disclosure No. 3

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services for Fiscal Year 2016

- ▶ No outside compensation and/or fees for professional consulting and/or other personal services were received by the Superintendent during fiscal year 2016.

Disclosure No. 4

Gifts Received by the Executive Officer and Board Members (and First Degree Relatives, if any) in Fiscal Year 2016 (gifts with an economic value of \$250 or more in the aggregate)

- ▶ No gifts with an economic value of \$250 or more in the aggregate were received by any executive officer or board member (or first degree relatives) during fiscal year 2016.

Disclosure No. 5

Business Transactions Between School District and Board Members for Fiscal Year 2016

<u>Vendor</u>	<u>Board Member</u>	<u>Total Paid 2015-2016</u>
Brackett & Ellis PC	Joe Tolbert	\$2,343.20

QUESTIONS