

2016 Schools FIRST

**Financial Integrity Rating
System of Texas**

District Status for 2014-2015

Indicator #1

Was the complete Annual Financial Report (AFR) and data submitted to the TEA within thirty days of the November 27 or January 28 deadline depending upon the district's Fiscal Year end date (June 30 or August 31)?

14-15 YES

13-14 YES

The report was filed with the TEA on January 22nd.

Indicator #2A

Was there an unmodified Opinion in the Annual Financial Report on the financial statements as a whole? The external independent auditor determines if there was an unmodified opinion.

14-15 YES

13-14 YES

A “qualification” on a financial report means that you need to correct some of your reporting or financial controls. A district’s goal, therefore, is to receive an “unmodified opinion” on its Annual Financial Report which is a “clean audit”.

Indicator #2B

Did the external independent auditor report that the Annual Financial Report was free of any instance(s) of material weakness in internal controls over financial reporting and compliance for local, state, or federal funds??

14-15 YES

13-14 YES

(there were no material weaknesses in internal controls)

Any internal control weakness indicates a risk that our district may not be able to properly account for its use of public funds, and should be immediately addressed. There were no material weaknesses in our internal controls.

Indicator #3

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

14-15 YES

13-14 YES

(there were no defaults on bonded debt)

This indicator seeks to make certain that our district was able to make its bond payments.

Indicator #4

Did the school district make timely payments to the Teacher Retirement System, Texas Workforce Commission, Internal Revenue Service, and other government agencies?

14-15 YES

13-14 N/A

This indicator seeks to make certain that the District is current on all obligations to outside governmental agencies. This is a new indicator.

Indicator #5

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?

14-15	YES	\$ 8,866,076
13-14	YES	\$30,306,517

This indicator measures the solvency of the district as measured on the consolidated Statement of Net Assets, which includes ALL funds and includes fixed assets, depreciation, and debt.

Indicator #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)?

14-15 YES (101.85%)

13-14 N/A

10 POINTS

This is new indicator that measures the ability of the district to sufficiently operate with the cash on hand.

Indicator #7

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

14-15 YES (3.5 times)

13-14 N/A

10 POINTS

This is new indicator that measures the ability of the district to cover current liabilities with the cash and other current assets on hand.

Indicator #8

Was the ratio of long term liabilities to total assets for the school district sufficient to support long-term solvency?

14-15 YES (68.9%)

13-14 N/A

8 POINTS

This is new indicator measurement. In order to receive the full 10 points, the percentage has to be less than 60%.

Indicator #9

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

14-15 YES

13-14 N/A

10 POINTS

This is new indicator measurement.

Indicator #10

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

14-15 YES (1.39)

13-14 N/A

10 POINTS

This is new indicator measurement. The district had to be over 1.2 to receive the full 10 points.

Indicator #11

Was the Administrative Cost Ratio less than the threshold ratio?

14-15 YES TISD 7.04% STANDARD 8.55%

13-14 YES TISD 6.03% STANDARD 8.55%

10 POINTS

TEA and state law sets a cap on the percentage of their budget that Texas school districts can spend on administration. This indicator measures whether the district is within the cap for districts of its size. In order to receive the full 10 points, it had to be less than 8.55%.

Indicator #12

Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)?

14-15 YES

13-14 N/A

10 POINTS

This is a new indicator. The district had only a 2.88% decline in the students to staff ratio.

Indicator #13

Did the comparison of PEIMS data to like information in the Annual Financial Report result in an aggregate variance of less than 3 percent of expenditures per fund type (Data Quality Measure)?

14-15 YES

13-14 YES

10 POINTS

This indicator measures the quality of data reported to PEIMS and in the Annual Financial Report to make certain that the data reported in each case “matches up.”

Indicator #14

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

14-15 YES

13-14 N/A

(there was no material noncompliance)

10 points

This is a new indicator. It was not an indicator in 13-14; however, the answer would have been yes then also.

Indicator #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 funds as a result of financial hardship?

14-15 YES

13-14 N/A

10 points

This is a new indicator. It was not an indicator in 13-14; however, the answer would have been yes then also.

Tyler ISD RATING

- 14-15 - Met 10 of the 10 indicators with 98 of 100 possible points.
- 13-14 - Met 7 of the 7 indicators with 30 of 30 possible points.
- Rating: **Superior Achievement**
 - (Above 98 points and “Yes” to Indicators 1-5)

Superintendent's Contract

The current contract is posted on the TISD website as required under Texas Administrative Code, Title 19, Part 2, Chapter 109, Subchapter AA, Rule 109.1005(b)(2)(A).

Expense Reimbursements

- Under Texas Administrative Code, Title 19, Part 2, Chapter 109 AA, Rule 109.1005(b)(2)(B) a summary schedule must be provided for the fiscal year of total reimbursements received by the superintendent and each board member, including transactions resulting from the use of the school district's credit cards to cover expenses incurred by the superintendent and each board member. The required schedule is on the next slide.

Expense Reimbursements - 8/31/15

Member Name	Meals	Lodging	Transp.	Fuel	Other	Total
Barbara Smith	\$ 70.00	\$ 675.11	\$ 107.74	\$ -	\$ 560.00	\$ 1,412.85
Aaron Martinez		470.88			375.00	845.88
Patricia Nation	116.00	1,497.09	143.75		775.00	2,531.84
Orenthia Mason	650.00	1,306.44	595.20		775.00	3,326.64
Fritz Hager	34.00	470.88	230.33			735.21
Andy Bergfeld		462.02			375.00	837.02
Jean Washington	116.00	702.05	149.50		899.00	1,866.55
Marty Dunbar	80.00	468.84	107.74		325.00	981.58
Wade Washmon		1,652.08			700.00	2,352.08
Board Member Total:	1,066.00	7,705.39	1,334.26	-	4,784.00	14,889.65
Marty Crawford	221.21	1,280.81	1,316.10	65.65	1,220.00	4,103.77
Board Members & Superintendent Total	\$ 1,287.21	\$ 8,986.20	\$ 2,650.36	\$ 65.65	\$ 6,004.00	\$ 18,993.42

Other Compensation – Superintendent

- The superintendent received no additional fees or compensation from an outside entity for professional or personal services for the fiscal year ending 8/31/15.

Gifts Over \$250

- Under Texas Administrative Code, Title 19, Part 2, Chapter 109 AA, Rule 109.1005(b)(2)(D) a summary schedule must be provided for the fiscal year of the total dollar amount by the executive officers and board members (and their immediate family) of gifts that had an economic value of \$250 or more in the aggregate in the fiscal year from an outside entity that received any payments from the district or from a competing vendor who was not awarded a contract in the prior fiscal year.
- The superintendent and board members did not receive any gifts meeting this criteria for the fiscal year ending 8/31/15.

Business Transactions

- Under Texas Administrative Code, Title 19, Part 2, Chapter 109 AA, Rule 109.1005(b)(2)(E) a summary schedule must be provided for the fiscal year of the total dollar amount by board member for the aggregate amount of business transactions with the school district.
- None of the board members serving during the fiscal year ending 8/31/15 were the owner, partner, majority stockholder or an executive officer of a company who transacted business with the district nor did any board member receive any other business income from the district.

Financial Solvency Provisions of TEC Sec.
39.0822 – General Fund First Quarter
Expenditures – Sep-Nov 2015

■ Payroll	\$31,692,204
■ Contract Costs	\$ 2,968,980
■ Supplies & Materials	\$ 2,871,269
■ Other Operating Costs	\$ 1,315,397
■ Debt Service	\$ 157,956
■ Capital Outlay	<u>\$ 1,017,272</u>
■ Total First Quarter	\$40,023,078

Additional Financial Solvency Questions

- Within the last two years did the district draw funds from a short-term financing note between September and December? No
- For the prior fiscal year did the district have a total General Fund balance of less than 2% of total expenditures for General Fund function codes 11-61? No
- Has the district declared financial exigency within the past two years? No

Additional Financial Solvency Questions

- How many superintendents has your school district had in the last five years? Three
- How many business managers has your school district had in the last five years? One

Additional Financial Solvency Questions

- Provide comments for student-to-staff ratios significantly below the norm (more than 15%), rapid depletion of General Fund balances, or significant discrepancies between budget and actual projected revenues and expenditures, or any other information helpful in evaluating the district's financial solvency.
- Our student-to-staff ratios are within allowable parameters. We have not had rapid depletion of our General Fund balances. We do not have any significant discrepancies between budget and actual revenues and expenditures – we spend less than budgeted in expenditures and generally earn slightly more than projected in revenue because of conservative financial planning. The district is solvent and expects to remain so for the long-term.