

Inspiring minds.  
Shaping lives.



Spring  
Branch

Independent School District

# School FIRST

**Financial**

**Integrity**

**Rating**

**System of**

**Texas**

# Public Hearing

Inspiring minds.  
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## 2017 - 2018 School FIRST Financial Management Report

*Based on FY 2017 Data*



# School **FIRST**

- ★ A financial accountability rating system designed to encourage Texas public schools to better manage their financial resources
- ★ 15 financial indicators are used to rate the quality of financial management
- ★ Distribution of a prescribed financial report at a public meeting is required

# Rating System

- ★ A - Superior                      90-100 points
- ★ B - Above Standard      80-89 points
- ★ C - Meets Standard      60-79 points
- ★ F - Substandard              < 60 points
- ★ Rating criteria categorized as Critical Indicators, Solvency Indicators, and Financial Competence Indicators

# Rating for Spring Branch ISD

- ★ A – Superior rating, 94 out of 100 points
- ★ 17<sup>th</sup> consecutive year in the top rating category

# Critical Indicators

1. 5 Critical Indicators address the Annual Financial Report and external audit, timely payment on debt and to governments, and solvency.
2. Failure to meet any single Critical Indicator results in a FIRST rating of F-Substandard. SBISD met all the Critical Indicators.

# Solvency Indicators

1. 7 Solvency Indicators address a district's ability to meet financial obligations as they come due and continue as a going concern.
2. Specified financial ratios and benchmarks are measured.
3. Each indicator is scored from 0 to 10.

# Solvency Indicators

- ★ Was the administrative cost ratio equal to or less than a threshold?

8.6% or less                      10 points

18.6% or more                      0 points

7.3% = SBISD                      10 points

- ★ Was the ratio of current assets to current liabilities sufficient?

3.0 or more                      10 points

1.0 or less                      0 points

2.4 = SBISD                      6 points

# Solvency Indicators

★ Was the days cash on hand sufficient?

60 days or more      10 points

142 days = SBISD      10 points

★ Was the ratio of long term liabilities to total assets sufficient?

0.6 or less      10 points

1.0 or more      0 points

0.7 = SBISD      8 points

# Solvency Indicators

★ Was the debt service coverage ratio sufficient?

1.2 or more                      10 points

1.0 or less                      0 points

1.6 = SBISD                      10 points

# Financial Competence Indicators

1. 3 Financial Competence Indicators relate to accurate financial reporting and regulatory compliance.
2. Indicators are scored pass fail, 10 points or zero points.
3. SBISD passed all indicators.

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[www.springbranchisd.com](http://www.springbranchisd.com)

# Required Disclosures

# Superintendent's Current Employment Contract

- ★ The Superintendent's contract has been posted on the district website at [www.springbranchisd.com](http://www.springbranchisd.com)
- ★ The contract will remain posted for the next twelve months



## Reimbursements Received by the Superintendent and Board Members – FY 2017

	Meals	Lodging	Transportation	Motor Fuel	Other	Total	Comments
Muri	\$665	\$1,730	\$1,876		\$2,934	\$7,205	Travel expenditures for meetings in Austin, required trainings with new Board members, TASA, etc. "Other" includes registration and membership fees, paid by the District.
Goodson						\$0	
Vierra						\$0	
Klam		\$432			\$760	\$1,192	\$50 Region IV workshop, registration fees of \$325 for TASA and \$385 for Summer Leadership and associated lodging.
Gonzalez					\$325	\$325	Registration fees of \$325 for TASA.
Dawson		\$432	\$91		\$385	\$908	Registration fees of \$385 for Summer Leadership and associated lodging.
Breed					\$375	\$375	\$50 Region IV workshop and registration fees of \$325 for TASA.
Peck					\$325	\$325	Registration fees of \$325 for TASA.

# Outside Compensation and/or Fees Received by the Superintendent For Professional Consulting and/or Other Personal Service – FY 2017

- ★ The superintendent did not receive any outside compensation.

# Gifts Received by the Superintendent and Board Members (and First Degree Relatives, if any) in FY 2017 (Gifts that had an economic value of \$250 or more in the aggregate)

- ★ For the twelve months ended June 30, 2017 the Superintendent and board members did not receive gifts that totaled \$250 or more.

# Business Transactions Between SBISD and Board Members FY 2017

- ★ For the twelve months ended June 30, 2017 no business transactions occurred between SBISD and board members.

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# Public Hearing

## School FIRST 2018 Financial Management Report

Spring Branch ISD

## School FIRST Annual Financial Management Report

### SPRING BRANCH 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 109.1001(o). Effective 8/6/2015.

#### FY 2017 DATA for the 2018 Report

##### 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 chose 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.

<https://cms.springbranchisd.com/trustees/Resources/SBISDSuperintendent/ScottRMuri/tabid/32978/Default.aspx>

##### Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period  
Ended June 30,2017

Description of Reimbursements	Scott Muri	Pam Goodson	Chris Vierra	Josef Klam	Chris Gonzalez	Katherine Dawson	Carter Breed	Karen Peck
Meals	\$ 665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lodging	1,730	-	-	432	-	432	-	-
Transportation	1,876	-	-	-	-	91	-	-
Motor Fuel	-	-	-	-	-	-	-	-
Other	2,934	-	-	760	325	385	375	325
Total	<u>\$ 7,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,192</u>	<u>\$ 325</u>	<u>\$ 908</u>	<u>\$ 375</u>	<u>\$ 325</u>

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.

# School FIRST Annual Financial Management Report

## SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

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

For the Twelve-Month Period  
Ended June 30, 2017

<u>Name of Entity</u>	<u>Amount Received</u>
None	\$ -
Total	<u>\$0.00</u>

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 June 30, 2017

	Scott Muri	Pam Goodson	Chris Vierra	Josef Klam	Chris Gonzalez	Katherine Dawson	Carter Breed	Karen Peck
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**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 June 30, 2017

	Pam Goodson	Chris Vierra	Josef Klam	Chris Gonzalez	Katherine Dawson	Carter Breed	Karen Peck
Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**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.

2017-2018 RATINGS BASED ON SCHOOL YEAR 2016-2017 DATA - DISTRICT STATUS DETAIL

Name: <b>SPRING BRANCH ISD(101920)</b>	Publication Level 1: 8/6/2018 2:48:24 PM
Status: <b>Passed</b>	Publication Level 2: 8/8/2018 12:11:29 PM
Rating: A = Superior	Last Updated: 8/8/2018 12:11:29 PM
District Score: 94	Passing Score: 60

#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	4/20/2018 8:49:27 AM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	<u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u>	4/20/2018 8:49:27 AM	Yes
2.B	<u>Did the external independent 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? (The AICPA defines material weakness.)</u>	4/20/2018 8:49:28 AM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	4/20/2018 8:49:28 AM	Yes
4	<u>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?</u>	4/20/2018 8:49:28 AM	Yes
5	<u>Was the total unrestricted net position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Position greater than zero? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)</u>	4/20/2018 8:49:28 AM	Yes
			1 Multiplier Sum

6	<u>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)? (See ranges below.)</u>	4/20/2018 8:49:28 AM	10
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	4/20/2018 8:49:29 AM	6
8	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.) (See ranges below.)</u>	4/20/2018 8:49:29 AM	8
9	<u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?</u>	4/20/2018 8:49:29 AM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	4/20/2018 8:49:30 AM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	4/20/2018 8:49:30 AM	10
12	<u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)</u>	6/19/2018 11:13:20 AM	10
13	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?</u>	4/20/2018 8:49:31 AM	10
14	<u>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? (The AICPA defines material noncompliance.)</u>	4/20/2018 8:49:31 AM	10
15	<u>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?</u>	4/20/2018 8:49:31 AM	10
			94 Weighted Sum
			1 Multiplier Sum
			94 Score

DETERMINATION OF RATING

A.	Did the district answer ' <b>No</b> ' to Indicators 1, 3, 4, 5, or 2.A? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.	
B.	Determine the rating by the applicable number of points. (Indicators 6-15)	
	A = Superior	90-100
	B = Above Standard	80-89
	C = Meets Standard	60-79
	F = Substandard Achievement	<60
No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.		