



Horizon Montessori Public Schools  
"Tomorrow's Education Today"



## Annual Financial Accountability

### Management Report

Fiscal Year 2014 - 2015

#### Board of Trustees

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*Vice President*

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Horizon Montessori Public Schools has received a Superior rating under the Texas Charter School Finance Accountability Rating System for fiscal year 2014-2015.

The Charter School FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas Charter School developed by the Texas Education Agency in correspondence to Senate Bill 875 of the 76th Texas Legislature in 1999 and Senate Bill 218 of the 77th Legislature in 2001. The primary goal of FIRST is to achieve quality performance in the management of charter schools financial resources. This goal is now more significant due to the complexity of accounting associated with the Texas school finance system.

The Charter School FIRST accountability rating system assigns one of the four financial accountability ratings to Texas Charter schools, being the following: Superior, Above Standard, Meets Standard, Substandard Achievement, and Suspended on a scale of 0 to 100 total points possible.

## OVERVIEW

Senate Bill 875 of the 76th Legislature and Senate Bill 218 of the 77th Texas Legislature authorized the implementation of a financial accountability rating system, which is regarded as School FIRST. The primary goal of School FIRST is to improve the management of school districts' financial resources. School FIRST was developed in consultation with the Comptroller of Public Accounts. Its development also initiated from the many comments that were received from school districts and regional education service center personnel. Texas Charter Schools are also held to the same standard of rating the management of the schools' financial resources.

Senate Bill 218 also requires each charter school to prepare the Annual Financial Accountability Management Report. Many business related issues are covered in this report; however, its focus lies on the Charter School FIRST rating worksheet. This worksheet was developed by representatives from the Texas Education Agency, Texas Business & Educational Council, and the Texas Association of School Business Officials. The worksheet is used to rate the District in the seven identified indicators, based upon its relative performance, except for the first four critical indicators. A negative response to any of the first four critical indicators will result in the school receiving Substandard Achievement.

The following report is based on Horizon Montessori Public Schools Charter School FIRST analysis of staff and student data reported for the 2014-2015 school year, including financial data for the 2015 fiscal year (September 1, 2014 to August 31, 2015) and details the prior year's Charter School FIRST rating for the 2014 fiscal year for comparison.

Horizon Montessori Public Schools Charter School FIRST rating for the fiscal year ending August 31, 2015, is Superior. This report lists data used to calculate the rating and the assessment for each indicator. In addition, the Annual Financial Accountability Management Report includes the reimbursements made to the board members and to the superintendent for the 2014-2015 school year. The required superintendent's current contract is available online at the Horizon Montessori Public School website located at the following address. [www.hmcs.net](http://www.hmcs.net)

## MISSION STATEMENT

The mission of the South Texas Educational Technologies, Inc. is to provide the highest quality education possible to all students. To the full extent of their individual abilities, students will be provided the opportunity to develop the capability to think logically, independently, and creatively, and to communicate effectively.



Mr. Alim U. Ansari, Superintendent

## SCHOOLS GOALS

- I. Mission Possible, Everybody Can Learn
- II. School, Homes and Community Working Together
- III. Education through Space-Age Technology

## SCHOOLS VISION

The vision of South Texas Educational Technologies, Inc. is to maximize the education potential and the experience of continuous learning by every student within the school and community environment. It includes instruction in all forms of human potential: aesthetic, ethical, intellectual, physical and technological. With this concept of education in mind, STET assumes the responsibility for providing a well-organized, flexible and varied program of classroom and out-of-classroom activities. Since students differ in interests, attitude and abilities, and parents have various aspirations for their children; the learning process needs to allow for the personal growth of individuals and families.

## CAPITAL PROJECTS COMPLETED IN 2014-2015

Horizon Montessori Public Schools completed its Harlingen Campus during the 2014-2015 school year.



# RATING WORKSHEET COMPARISON FOR FY15 AND FY14

## 2014-2015 Data: Superior Achievement Rating 92/100 Points

Charter School Status Detail		Indicator Detail Summary	Determination of Ratings	Size-Dependent Indicators
<b>HORIZON MONTESSORI PUBLIC SCHOOLS(108802)</b>				
Status	Indicator Num	Indicator Description	Updated	Score
P	11 1	Was the complete annual financial report (AFR) and charter school financial data submitted to TEA within 30 days of the November 27 or January 28 deadline depending on the charter school's fiscal year end date of June 30 or August 31, respectively?	7/19/2016 12:12:03 PM	YES
P	11 2A	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.)	7/19/2016 12:12:03 PM	YES
	2B	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.)	7/19/2016 12:12:03 PM	-
P	11 3	Was the charter school in compliance with the payment terms of all debt agreements at fiscal year end? (If the charter school was in default in a prior fiscal year, an exemption applies in following years if the charter school 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.)	7/19/2016 12:12:03 PM	YES
P	11 4	Did the charter school make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	7/19/2016 12:12:03 PM	YES
P	11 5	Was the total net asset balance in the Statement of Financial Position for the charter school greater than zero? (If the charter school's change of students in membership over 5 years was 10 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have a 10 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 10 percent increase in 5 years.)	7/19/2016 12:12:03 PM	YES
	6	Was the number of days of cash on hand and current investments for the charter school sufficient to cover operating expenses? The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.	7/19/2016 12:12:03 PM	10
	7	Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?	7/19/2016 12:12:03 PM	10
	8	Was the ratio of long-term liabilities to total assets for the charter school sufficient to support long-term solvency? (If the charter school's change of students in membership over 5 years was 10 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have a 10 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 10 percent increase in 5 years.)	7/19/2016 12:12:03 PM	10
	9	Did the charter school's revenues equal or exceed expenses, excluding depreciation? If not, was the charter school's number of days of cash on hand greater than or equal to 40 days? The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.	7/19/2016 12:12:03 PM	10
	10	Was the debt service coverage ratio sufficient to meet the required debt service?	7/19/2016 12:12:03 PM	10
	11	Was the charter school's administrative cost ratio equal to or less than the threshold ratio?	7/19/2016 12:12:03 PM	2
	12	Did the charter school 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 charter school will automatically pass this indicator.)	7/19/2016 12:12:03 PM	10
	13	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the charter school's AFR result in a total variance of less than 3 percent of all expenses by function?	7/19/2016 12:12:03 PM	10
	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? (The AICPA defines material noncompliance.)	7/19/2016 12:12:03 PM	10
	15	Did the charter school 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?	7/19/2016 12:12:03 PM	10
				92 Weighted Sum
				1 Multiplier Sum
				92 Score

## 2013-2014 Data: Passed Rating 26/30 Points

### HORIZON MONTESSORI PUBLIC SCHOOLS(108802)

Status	Indicator Num	Indicator Description	Updated	Score
P	1 1	Was the complete annual financial and compliance report (AFR) and charter school financial data submitted to TEA on or before the November 27 or January 28 deadline depending on the charter school's fiscal year end date of June 30 or August 31, respectively?	8/4/2015 4:57:40 PM	YES
P	1 2	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, and the external independent auditor determines if there was an unmodified opinion.	8/4/2015 4:57:40 PM	YES
P	1 3	Was the charter school in compliance with the payment terms of all debt agreements at fiscal year end? If the charter school was in default in a prior fiscal year, an exemption applies in following years if the charter school 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.	8/4/2015 4:57:40 PM	YES
P	1 4	Was the total net asset balance in the statement of financial position for the charter school greater than zero? (If the charter school's five-year percent change in students was a 10 percent increase or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have a 10 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 10 percent increase in 5 years.)	8/4/2015 4:57:40 PM	YES
	5	Was the charter school's administrative cost ratio equal to or below the threshold ratio as specified by TEA?	8/4/2015 4:57:40 PM	6
	6	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the charter school's AFR result in an aggregate variance of less than 3 percent of all expenses?	8/4/2015 4:57:40 PM	10
	7	Was the AFR free of any instance(s) of material weaknesses in internal controls over financial reporting and compliances for local, state, or federal funds? The AICPA defines material weakness and the external independent auditor determines if there are any instances of material weakness.	8/4/2015 4:57:40 PM	10
				26 Weighted Sum
				1 Multiplier Sum
				26 Score



## RATING WORKSHEET OVERVIEW

Indicator 1: Was the complete annual financial and compliance report (AFR) and charter school financial data submitted to TEA within 30 days of the November 27 or January 28 deadline depending on the charter school's fiscal year end date of June 30 or August 31, respectively?

*Yes, the compliance report and financial data were submitted on 12/18/2015 for the year ended 8/31/2015.*

*Passed*

Indicator 2: 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, and the external independent auditor determines if there was an unmodified opinion.

*Yes, the audit received an unmodified opinion and had a clean audit for the year ended 8/31/2015.*

*Passed*

Indicator 3: Was the charter school in compliance with the payments terms of all debt agreements at fiscal year end? If the charter school was in default in a prior fiscal year, an exemption applies in following years if the charter school 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.

*There were no debt defaults for Horizon Montessori Public School.*

*Passed*

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

*Yes, the charter school made timely payments to all government agencies.*

*Passed*

Indicator 5: Was the total net asset balance in the statement of financial position for the charter school greater than zero? (If the charter school's five-year percent change in students was a 10 percent increase or more, then the charter school passes this indicator). (New charter schools that have a negative net asset balance will pass this indicator if they have a 10 percent growth in student's year over year until its fifth year of operations. After the fifth year of operations, the calculation changes to the 10 percent increase in 5 years).

*Horizon Montessori Public Schools had a net asset balance of \$3,769,895 in its Statement of Financial Position. The number of students in the base year totaled 767 while the numbers of students in year 5 were 1,125 meeting the threshold for the required 10 percent change.*

*Passed*

Indicator 6: Was the number of days of cash on hand and current investments for the charter school sufficient to cover operating expenses? The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.

*Yes, the charter schools number of days of cash on hand and current investments were sufficient to cover operating expenses.*

*Passed*

Indicator 7: Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?

*Yes, the charter schools measure of current assets to current liabilities ratio for the charter school were sufficient.*

*Passed*

Indicator 8: Was the ratio of long term liabilities to total assets for the charter school sufficient to support long-term solvency? (If the charter school's change of students in membership over 5 years was 10 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have a 10 percent increase in 5 years)

*The total long term liabilities of 6,432,560 divided by total assets 11,128,528 equaled .58 and gave Horizon Montessori Public Schools a ten out of ten points available.*

*Passed*

Indicator 9: Did the charter school's revenue equal or exceed expenses, excluding depreciation? If not, was the charter school's number of days of cash on hand greater than or equal to 40 days? The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.

*The total revenue 10,329,216 divided by total expenses of 9,943,070 less depreciation 254,280 equaled .07 and is greater than zero resulting in Horizon Montessori Public Schools scoring a ten out of a possible ten points available.*

*Passed*

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

*Yes, the debt service coverage ratio was sufficient enough to meet the required debt service. Horizon Montessori Public School scored a ten out of ten points available.*

Indicator 11: Was the charter school's administrative cost ratio equal to or below the threshold ratio as specified by TEA?

*The total administrative costs of 956,072 divided by other costs of 4,122,655 equaled to 0.24 and gave Horizon Montessori Public Schools a total of two out of ten points available due to having an Average Daily Attendance of 934.384 for the 2014-2015 school year.*

*Passed*

Indicator 12: Did the charter school not have a 15 percent decline in the students to staff ration over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the charter school will automatically pass this indicator.)

*Horizon Montessori Public Schools did not have a decline in the students to staff ratio therefore giving the charter school ten out of ten points available.*

*Passed*

Indicator 13: Did the comparison of Public Education Information Management System (PEIMS) data to like information in the charter school's AFR result in an aggregate variance of less than 3 percent of all expenses?

*The data variance of 96 divided by the total expenses of 9,943,070 met the threshold of 3 percent and received a total of ten points possible.*

*Passed*

Indicator 14: Did the external 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.)

*There were no material noncompliance indicated for the 2014-2015 school year. A total of ten points available were awarded.*

*Passed*

Indicator 15: Did the charter school 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?


*Horizon Montessori Public Schools did not receive an adjusted repayment schedule for the 2014-2015 school year. A total of ten out of ten available points were awarded.*



## REQUIRED DISCLOSURES


### Superintendent's Compensation

# Horizon Montessori Public Schools



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## SUPERINTENDENT SALARY




The total salary compensation for the superintendent is \$161,014 for 2016-17 school year.

The benefits compensation for 2016-2017 school year was \$19,164.

The charter school does not issue any contracts.

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Horizon Montessori Public Schools.

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The above information is available through the Horizon Montessori Public Schools website located at <http://www.hmps.net/>.

## REQUIRED DISCLOSURES

### Reimbursements Received by the Board Members

For the Twelve-Month Period Ended August 31, 2015

<b>Reimbursements Received by the Superintendent and Board Members</b>									
For the Twelve-Month Period Ended August 31, 2015									
Description of Reimbursements	Superintendent	James Hayes	Hassan Ahmad	Randall Summers	Juan Garcia	Aurora Saenz	Sofia Kamal	Syed Tirmizi	
	Meals	\$ 120	\$ 1,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lodging	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	\$ -	\$ 9,730	\$ 152	\$ 4	\$ 19	\$ 12	\$ 101	\$ 100	\$ -
Motor Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 120</b>	<b>\$ 10,963</b>	<b>\$ 152</b>	<b>\$ 4</b>	<b>\$ 19</b>	<b>\$ 12</b>	<b>\$ 101</b>	<b>\$ 100</b>	<b>\$ -</b>

### Reimbursements Received by the Board Members

For the Twelve-Month Period Ended August 31, 2014

Description of Reimbursements	Hassan Ahmad	Randall Summers	James Hayes	Juan Garcia	Aurora Saenz	Sofia Kamal	Syed Tirmizi
Meals			1,527.00				
Lodging							
Transportation	152.00	4.00	9,531.00		12.00	101.00	100.00
Motor Fuel							
Other							
<b>Total</b>	<b>152.00</b>	<b>4.00</b>	<b>11,058.00</b>	<b>-</b>	<b>12.00</b>	<b>101.00</b>	<b>100.00</b>

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

For the Twelve-Month Period Ended August 31, 2015

<b>Amount Received</b>
\$ -
\$ -

## 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, 2015

Superintendent	Hassan Ahmad	Randall Summers	James Hayes	Juan Garcia	Aurora Saenz	Sofia Kamal	Syed Tirmizi
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Business Transactions between Charter School and Board Members

For the Twelve-Month Period Ended August 31, 2015

<b>Business Transactions Between Charter School and Board Members</b>							
For the Twelve-Month Period Ended August 31, 2015	Alim Ansari	James Hayes	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Amounts	\$ 265,966	\$ 48,000	\$ -	\$ -	\$ -	\$ -	
<b>Note</b> – The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.							

**CONTACT INFORMATION**

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