



# SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

## Agenda Item Summary

Meeting Date: December 20, 2017

Purpose: ☒ Report Only ☐ Recognition ☐ Discussion/ Possible Action

From:

Juan C Zamora, Chief Financial Officer

Item Title: Public Hearing to Discuss South San Antonio ISD 2017 School FIRST Rating and the Financial Management Report

### Description:

Districts are required to hold a public hearing on the School FIRST (Financial Integrity Rating System of Texas) report which includes the district's financial management performance rating provided by the Texas Education Agency based on indicators established by the Commissioner of Education. As required, the District's financial management performance, under each indicator for the current and previous years' financial accountability ratings is attached. The 2017 rating is based on an analysis of staff and student data reported for the 2015-2016 school year as well as budgetary and actual financial data for the 2015-2016 Fiscal Year.

The district is also required to provide a Financial Management Report that discloses the following information:

1. Superintendent's current employment contract
2. Reimbursements received by the Superintendent and each Board Member
3. Outside compensation and/or fees received by the Superintendent for professional consulting and/or other personal services
4. Gifts received by the Executive Officer(s) and Board Members and immediate families
5. Business transactions between the District and Board Members

### Recommendation:

N/A

### District Goal/Strategy:

Strategy 5 We will prioritize district revenues to guide student future choices.

APPROVED BY:

SIGNATURE

DATE

Chief Officer:

Superintendent:

Handwritten signatures of the Chief Officer and Superintendent in blue ink.

11/27/17  
12-4-2017

Funding Budget Code and Amount:

CFO Approval

N/A

APPROVED BY:

SIGNATURE

DATE

Chief Officer:

  


11/27/17

Superintendent:

12-4-2017



# Financial Integrity Rating System of Texas

## 2016-2017





## Purpose of Financial Accountability Rating System

The primary goal of Schools FIRST is to improve the management of school district's financial resources.

The district's rating is based on upon an analysis of staff and student data reported for the 2015-2016 school year, and budgetary and actual financial data for the fiscal year ended August 31, 2016.

### **Ensures that districts will be:**

- Held accountable for the quality of their financial management practices and
- Achieve improved performance in the management of their financial resources

# Financial Management Rating

2015-2016	2016-2017
Name: South San Antonio ISD Status: <b>Passed</b> Rating: A = Superior District Score: 78	Name: South San Antonio ISD Status: <b>Passed</b> Rating: B = Above Standard District Score: 88

## Determination of Rating

2015-2016	2016-2017
<b>A: Superior (70-100) *78</b> B: Above Standard (50-69) C: Meets Standard (31-49) F: Substandard Achievement (<31)	A: Superior (90-100) <b>B: Above Standard (80-89) *88</b> C: Meets Standard (70-79) F: Substandard Achievement (<50)



# Indicator 1

Indicator Description	15-16	16-17
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?  <i>Response: South San Antonio ISD's Annual Financial Report for fiscal year ended August 31, 2016 was filed with the Texas Education Agency within one month of the January 28 deadline.</i>	Yes	Yes



## Indicator 2A

Indicator Description	15-16	16-17
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.		
Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) define unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)  <i>Response: Yes, the opinion expressed by our independent auditors on the August 31, 2016 audit report was an Unmodified Opinion.</i>  <i>A “qualification” on the financial report means that the District needs to correct some of the reporting data or financial controls. A District’s goal, therefore, is to receive an “unmodified” or “unqualified opinion” on its Annual Financial report.</i>	Yes	Yes



## Indicator 2B

Indicator Description	15-16	16-17
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.)  <i>Response: Yes, our independent auditors reported that the August 31, 2016 AFR was free of any instance(s) of material weakness in internal controls.</i>	Yes	Yes



## Indicator 3

Indicator Description	15-16	16-17
<p>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.)</p> <p><b><i>Response: South San Antonio ISD had no instance of default on bonded indebtedness obligations for fiscal year ending 2016.</i></b></p> <p><b><i>This indicator seeks compliance with laws, rules, and regulations.</i></b></p>	<b>Yes</b>	<b>Yes</b>



## Indicator 4

Indicator Description	15-16	16-17
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? <i>Response: South San Antonio ISD made timely payments to government agencies for the fiscal year ending 2016.</i> <i>This indicator will be considered PASSED if the district made timely payments to the TRS, TWC, IRS, and other governmental agencies.</i>	Yes	Yes



## Indicator 5

Indicator Description	15-16	16-17
<p>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 10 percent or more, then the school district passes this indicator.)</p> <p><i>Response: South San Antonio ISD's total unrestricted net asset balance (net of accretion of interest) in the Governmental Activities in the Statement of Net Assets was greater than zero. The net asset balance for 2016 was \$31,292,318.</i></p> <p><i>This indicator seeks to make certain that SSAISD paid bills/obligations on bonds issued to pay for school construction, etc.</i></p>	Yes	Yes



## Indicator 6

Indicator Description	15-16	16-17
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)?  <i>Response: South San Antonio ISD's number of days of cash on hand is 134.23 days for fiscal year ended 2016.</i>  <i>This indicator focuses on the solvency of the entity by calculating days cash on hand and assigns points based on greater than or equal to 90 days being worth 10 points.</i>	10	10



## Indicator 7

Indicator Description	15-16	16-17
<p>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?</p> <p><i>Response: South San Antonio ISD's measure of current assets to current liabilities ratio was 1.8524 for 2016.</i></p> <p><i>This indicator is a standard ratio used in commercial lending that calculates the district's current ratio and assigns points based on greater than or equal to 3 being worth 10 points.</i></p>	4	4

## Indicator 8

Indicator Description	15-16	16-17
<p>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 10 percent or more, then the school district passes this indicator.)</p> <p><i>Response: South San Antonio ISD's ratio of long-term liabilities to total assets was 0.7404 for 2016.</i></p> <p><i>This indicator calculates the district's ratio of long-term liabilities to total assets and assigns points based on less than or equal to 0.80 being worth 10 points.</i></p>	6	6



## Indicator 9

Indicator Description	15-16	16-17
<p>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?</p> <p><i>Response: South San Antonio ISD's ratio for the 2016 school year was 4.26%.</i></p> <p><i>This indicator seeks to prove that general fund revenue equal or exceed expenditures and assigns points based on greater or equal to 0.00% being worth 10 points.</i></p>	10	10

## Indicator 10

Indicator Description	15-16	16-17
Was the debt service coverage ratio sufficient to meet the required debt service? <i>Response: South San Antonio ISD's ratio for the 2016 school year was 1.7038.</i> <i>This indicator calculates the debt service coverage ratio and assigns points based on greater or equal to 1.20 being worth 10 points.</i>	10	10



## Indicator 11

Indicator Description	15-16	16-17
Was the school district's administrative cost ratio equal to or less than the threshold ratio?  <i>Response: South San Antonio ISD's administrative cost ratio was 11.63 for 2016.</i>  <i>TEA and state law sets a cap on the percentage of their budget that Texas school districts can spend on administration based on district size. For districts in South San Antonio ISD's category, the administrative cost ratio should fall below 10.00 to be awarded the 10 points.</i>	8	8

## Indicator 12

Indicator Description	15-16	16-17
<p>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.)</p> <p><i>Response: South San Antonio ISD had a 0.76% decline in students to staff ratio over 3 years.</i></p> <p><i>This indicator calculates the student to staff ratio over 3 year period and assigns 10 points if district has less than 15% decline.</i></p>	10	10



## Indicator 13

Indicator Description	15-16	16-17
<p>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?</p> <p><i>Response: South San Antonio ISD's data quality measure was 0.00% for 2016 far below the allowable three percent variation.</i></p> <p><i>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." If the difference in numbers reported in any funds type is more than three percent, the district fails this measure and receives zero points.</i></p>	10	10



## Indicator 14

Indicator Description	15-16	16-17
<p>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contract, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</p> <p><i>Response: South San Antonio ISD's external auditors indicated the AFR was free of material non-compliance for 2016.</i></p> <p><i>This indicator covers material noncompliance in local, state, and federal funds in the AFR and awards points based on free of any instances being worth 10 points.</i></p>	0	10



## Indicator 15

Indicator Description	15-16	16-17
<p>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?</p> <p><i>Response: South San Antonio ISD did 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 a financial hardship during 2016.</i></p> <p><i>This indicator identifies school districts that cannot repay FSP funds without requesting an adjustment to their current repayment plan of FSP funds with the TEA and awards 10 points for not receiving an adjusted repayment schedule.</i></p>	10	10
	Total Score 78	Total Score 88



## Reimbursements Received by the Superintendent and Board Members

For the Twelve Month Period

Ended August 31, 2016

Description	Dr. Abelardo Saavedra Superintendent	Stacy Estrada Board Member	Leticia Guerra Board Member	Carlos Longoria Board Member	Helen Madla-Prather Board Member	Trinidad Mata Board Member	Connie Prado Board Member	Angelina Osteguín Board Member
Meals	\$ 146.84	\$ -	\$ 150.00	\$ 121.26	\$ -	\$ 167.18	\$ 69.77	\$ 86.80
Lodging	1,734.44	1,039.06	1,109.75	1,089.47	656.64	1,219.41	1,100.33	721.05
Transportation	1,348.05	-	291.21	351.67	110.60	281.26	319.48	249.33
Motor Fuel	-	-	-	-	-	-	-	-
Other	1,129.37	835.68	885.68	265.00	485.68	835.68	835.68	635.68
<b>Total</b>	<b>\$ 4,358.70</b>	<b>\$ 1,874.74</b>	<b>\$ 2,436.64</b>	<b>\$ 1,827.40</b>	<b>\$1,252.92</b>	<b>\$ 2,503.53</b>	<b>\$ 2,325.26</b>	<b>\$ 1,692.86</b>



## Gifts Received by the Superintendent and Board Members

For the Twelve Month Period  
Ended August 31, 2016

Description	Dr. Abelardo Saavedra Superintendent	Stacy Estrada Board Member	Leticia Guerra Board Member	Carlos Longoria Board Member	Helen Madla-Prather Board Member	Trinidad Mata Board Member	Connie Prado Board Member	Angelina Osteguin Board Member
Summary of Amounts								

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

For the Twelve Month Period  
Ended August 31, 2016

Name(s) of Entity(ies)	
	\$ 25,156.00
<b>Total</b>	\$ 25,156.00



## Business Transactions Between School District and Board Members

For the Twelve Month Period  
Ended August 31, 2016

Description	Stacy Estrada Board Member	Leticia Guerra Board Member	Carlos Longoria Board Member	Helen Madla-Prather Board Member	Trinidad Mata Board Member	Connie Prado Board Member	Angelina Osteguín Board Member
Summary of Amounts	\$	\$	\$	\$	\$	\$	\$ 305.00



# Questions