



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

Agenda Item Summary

Meeting Date: January 23, 2019

Purpose: [X] Presentation/Report [] Recognition [] Discussion/ Possible Action

[] Closed/Executive Session [] Work Session [] Discussion Only [] Consent

From: Juan C Zamora, Chief Financial Officer

Item Title: Public Hearing to Discuss South San Antonio ISD 2018 School FIRST Rating and the Financial Management Report

Description:

As per Texas Education Code Sec. 39.081 and Texas Administrative Code Title 19 Part 2, Chapter 109, Subchapter AA, District 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 for each indicator for the current and previous years' financial accountability ratings is attached. The 2018 rating is based on an analysis of staff and student data reported for the 2016-2017 school year, as well as budgetary and actual financial data for the 2016-2017 Fiscal Year.

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

- 1. Superintendent's current employment contract
2. Reimbursement 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 promote and ensure a safe and secure learning environment for all students.

Funding Budget Code and Amount:

N/A

CFO Approval

APPROVED BY:

SIGNATURE

DATE

Chief Officer:

[Handwritten signature of Juan C Zamora]

1/7/19

Superintendent:

[Handwritten signature]

1/10/19



Financial Integrity Rating System of Texas 2017-2018



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 2016-2017 school year, and budgetary and actual financial data for the fiscal year ended August 31, 2017.

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

2016-2017	2017-2018
Name: South San Antonio ISD Status: Passed Rating: B = Above Standard District Score: 88	Name: South San Antonio ISD Status: Passed Rating: A = Superior District Score: 90

Determination of Rating

2016-2017	2017-2018
A: Superior (90-100) B: Above Standard (80-89) *88 C: Meets Standard (60-79) F: Substandard Achievement (<60)	A: Superior (90-100) *90 B: Above Standard (80-89) C: Meets Standard (60-79) F: Substandard Achievement (<60)

Indicator 1

Indicator Description	16-17	17-18
<p>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?</p> <p><i>Response: South San Antonio ISD's Annual Financial Report for fiscal year ended August 31, 2017 was filed with the Texas Education Agency before the deadline.</i></p>	Yes	Yes

Indicator 2A

Indicator Description	16-17	17-18
<p>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.</p>		
<p>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.)</p> <p><i>Response: Yes, the opinion expressed by our independent auditors on the August 31, 2017 audit report was an Unmodified Opinion.</i></p> <p><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></p>	<p>Yes</p>	<p>Yes</p>

Indicator 2B

Indicator Description	16-17	17-18
<p>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.)</p> <p><i>Response: Yes, our independent auditors reported that the August 31, 2017 AFR was free of any instance(s) of material weakness in internal controls.</i></p>	Yes	Yes

Indicator 3

Indicator Description	16-17	17-18
<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><i>Response: South San Antonio ISD had no instance of default on bonded indebtedness obligations for fiscal year ending 2017.</i></p> <p><i>This indicator seeks compliance with laws, rules, and regulations.</i></p>	Yes	Yes

Indicator 4

Indicator Description	16-17	17-18
<p>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?</p> <p><i>Response: South San Antonio ISD made timely payments to government agencies for the fiscal year ending 2017.</i></p> <p><i>This indicator will be considered PASSED if the district made timely payments to the TRS, TWC, IRS, and other governmental agencies.</i></p>	Yes	Yes

Indicator 5

Indicator Description	16-17	17-18
<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 2017 was \$37,158,108.</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	16-17	17-18
<p>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)?</p> <p><i>Response: South San Antonio ISD's number of days of cash on hand is 148.9678 days for fiscal year ended 2017.</i></p> <p><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></p>	10	10

Indicator 7

Indicator Description	16-17	17-18
<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 2.8443 for 2017.</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	8

Indicator 8

Indicator Description	16-17	17-18
<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 0.8021 for 2017.</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 0.60 being worth 10 points.</i></p>	6	4

Indicator 9

Indicator Description	16-17	17-18
<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 2017 school year was 3.9%.</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	16-17	17-18
<p>Was the debt service coverage ratio sufficient to meet the required debt service?</p> <p><i>Response: South San Antonio ISD's ratio for the 2017 school year was 1.5915.</i></p> <p><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></p>	10	10

Indicator 11

Indicator Description	16-17	17-18
<p>Was the school district's administrative cost ratio equal to or less than the threshold ratio?</p> <p><i>Response: South San Antonio ISD's administrative cost ratio was 10.62 for 2017.</i></p> <p><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 8.55 to be awarded the 10 points.</i></p>	8	8

Indicator 12

Indicator Description	16-17	17-18
<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 5.97% 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	16-17	17-18
<p data-bbox="100 605 1700 800">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 data-bbox="100 833 1700 935"><i>Response: South San Antonio ISD's data quality measure was 0.00% for 2017 far below the allowable three percent variation.</i></p> <p data-bbox="100 967 1700 1190"><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	16-17	17-18
<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 2017.</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	16-17	17-18
<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 2017.</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>	<p>10</p>	<p>10</p>
	<p>Total Score 88</p>	<p>Total Score 90</p>

Reimbursements Received by the Superintendent and Board Members

For the Twelve Month Period
Ended August 31, 2017

Description	Dr. Abelardo Saavedra Superintendent	Angelina Osteguín Board Member	Leticia Guerra Board Member	Louis Ybarra Jr Board Member	Helen Madla-Prather Board Member	Linda Longoria Board Member	Connie Prado Board Member	Elda Flores Board Member
Meals	\$ 621.39	\$ 403.11	\$ 386.00	\$ 96.00	\$ 44.52	\$ 175.75	\$	\$
Lodging	\$ 1,456.84	\$1,367.46	\$1,376.24	\$ 652.52	\$ 778.32	\$ 891.23	\$ 262.30	\$ 891.23
Transportation	\$ 3,301.84	\$ 723.68	\$ 423.62	\$ 103.27	\$ 459.03			
Motor Fuel					\$ 28.02			
Other	\$ 3,663.00	\$2,070.68	\$1,310.72	\$ 1,225.72	\$ 850.72	\$ 850.72	\$ 850.72	\$ 810.72
Total	\$ 9,043.07	\$4,564.93	\$3,496.58	\$ 2,077.51	\$2,160.61	\$1,917.70	\$1,113.02	\$1,701.95

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, 2017

Name(s) of Entity(ies)	
Westat	\$25,000
Total	\$25,000



Questions