

Hillsboro ISD

Financial Management Report



2018-2019

(based on 2017-18 data)



Presented at 12/09/2019 Board Meeting

2017-2018 Schools FIRST Rating

The 2018-2019 Schools FIRST Rating is presented for your information. FIRST stands for "Financial Integrity Rating System of Texas" and is the annual rating performed by the Texas Education Agency to test the financial performance of school districts as required by Title 19, Texas Administrative Code, Section 109.

The District is required to hold a public meeting to issue a Financial Report and related disclosures and to explain the district's performance under each of sixteen different indicators and the resultant district rating. The current rating for 2018-19 was based upon analysis of staff and student data reported for the 2017-2018 school year, and the budgetary and actual financial data for the fiscal year ended August 31, 2018.

Hillsboro ISD earned a rating of Above Standard for 2018. Attached is a comparison of this year's results to the prior year's results on the 16 indicators evaluated by TEA.

Rating	Point Bands used for Ratings	HISD Rating 2019	HISD Rating 2018
A=Superior	90-100 points	94	
B=Above Standard	80-89 points		84
C=Meets Standard	60-79 points		
F=Substandard Achievement	0-59 points		

Attached is a copy of the 2019 and 2018 actual FIRST results that are published on the TEA website and an appendix which includes required financial disclosures. If there are any questions, please contact Dale Snyder, Chief Financial Officer, Hillsboro ISD, 254-582-8585.

Comparison of 2017-2018 and 2016-2017 Ratings

Indicator	Description	2018-2019 (Based on FY 2017-2018)	2017-2018 (Based on FY 2016-2017)
1	Was the annual audit submitted to TEA by the January 28 th deadline?	Yes	Yes
2A	Was there an unmodified opinion on the annual audit?	Yes	Yes
2B	Was the annual audit free of any instance of material weaknesses in internal controls over financial reporting and compliance?	Yes	Yes
3	Was the school district in compliance with payment terms of all debt agreements at fiscal year end?	Yes	Yes
4	Did the school district make timely payments to TRS, TWC, IRS and other government agencies?	Yes	Yes
5	Was the Net Asset Balance greater than \$0?	Yes	Yes
6	Was the number of days cash on hand in general fund sufficient to cover operating expenses?	8 points Maximum 10 points	6 points Maximum 10 points
7	Was the current assets to current liabilities ratio sufficient to cover short-term debt?	6 points Maximum 10 points	8 points Maximum 10 points
8	Was the ratio of long-term liabilities to total assets sufficient to support long-term solvency?	10 points Maximum 10 points	10 points Maximum 10 points
9	Did general fund revenues exceed expenditures (excluding facilities acquisition & construction)?	10 points Maximum 10 points	10 points Maximum 10 points
10	Was the debt service coverage ratio sufficient to meet the required debt service?	10 points Maximum 10 points	10 points Maximum 10 points
11	Was the district's administrative cost ratio equal to or less than the threshold ratio?	10 points Maximum 10 points	10 points Maximum 10 points
12	Did the district not have a 15% decline in student/staff ratio over 3 years?	10 points Maximum 10 points	10 points Maximum 10 points
13	Did the comparison of PEIMS data to the audit result in a variance of less than 3%?	10 points Maximum 10 points	10 points Maximum 10 points
14	Did the external auditor indicate the annual report was free of any instances of material noncompliance for grants, contracts, etc.?	10 points Maximum 10 points	0 points Maximum 10 points
15	Did the district <u>not</u> receive an adjusted repayment schedule from TEA for FSP funds as a result of financial hardship?	10 points Maximum 10 points	10 points Maximum 10 points



Disclosures

Reporting requirements for the financial management report for Schools FIRST public hearing are found in **Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System**. This rule describes requirements for the five (5) disclosures explained below that are to be presented as appendices in the Schools FIRST financial management report.

1. Superintendent's Employment Contract

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the Schools FIRST hearing in calendar year 2018. In lieu of publication in the Schools FIRST financial management report, the school district may choose 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.

Superintendent's Contract for 7/1/2018 through 6/30/2021 is published on our website.

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2018

For the Twelve-month Period Ended August 31, 2018								
Description of Reimbursements	Supt Vicki Adams	Place 1 Board Member Amanda Scarborough	Place 2 Board Member Geraldo Carbajal	Place 3 Board Member Earl Bibles	Place 4 Board Member Lupe Mancha	Place 5 Board Member John Sawyer	At Large Board Member Chris Teague	At Large Board Member Stephanie Johnson
Meals	\$ 537.00	\$ 85.00	\$ 242.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00
Lodging	2,877.00	417.00	1,003.00	417.00	1,006.00	417.00	417.00	417.00
Transportation	3,292.00	-0-	443.00	-0-	-0-	-0-	-0-	-0-
Motor Fuel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	335.00	-0-	395.00	-0-	-0-	-0-
Total	\$ 6,706.00	\$ 502.00	\$ 2,023.00	\$502.00	\$ 1,486.00	\$ 502.00	\$ 502.00	\$ 502.00

Note – The spirit of the rule is to capture all "reimbursements" for fiscal year 2018, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

Meals – Meals consumed off of the school district's premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

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.

3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2018

For the Twelve-Month Period Ended August 31, 2018	
Name(s) of Entity(ies)	Amount
<i>NONE</i>	\$
Total	\$

Note – Compensation does not include business revenues from the superintendent's livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.

4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2018

For the Twelve-month Period Ended August 31, 2018								
	Supt Vicki Adams	Place 1 Board Member Amanda Scarborough	Place 2 Board Member Geraldo Carbajal	Place 3 Board Member Norman Baker	Place 4 Board Member Lupe Mancha	Place 5 Board Member John Sawyer	At Large Board Member Chris Teague	At Large Board Member Stephanie Johnson
Summary Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

None noted

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. (Any gifts received by their immediate family as described in Government Code, Chapter 573, Subchapter B, Relationships by Consanguinity or by Affinity will be reported under the applicable school official.)

5. Business Transactions Between School District and Board Members for Fiscal Year 2018

For the Twelve-month Period Ended August 31, 2018								
	Supt Vicki Adams	Place 1 Board Member Amanda Scarborough	Place 2 Board Member Geraldo Carbajal	Place 3 Board Member Norman Baker	Place 4 Board Member Lupe Mancha	Place 5 Board Member John Sawyer	At Large Board Member Chris Teague	At Large Board Member Stephanie Johnson
Summary Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

None noted

Note - The summary amounts reported under this disclosure are not to duplicate the items reported in the summary schedule of reimbursements received by board members.

Item 6 Other Information.

6. Any other information the board of trustees of the school district or open-enrollment charter school determines to be useful.

None noted