

Hitchcock Independent School District

Barbara Derrick, Ed.D., Superintendent

Jennifer Donovan, Finance Director

**FIRST
FINANCIAL INTEGRITY RATING
SYSTEM OF TEXAS**

**Annual Financial
Accountability
Management Report**
For the Year Ending August 31, 2012



Hitchcock

INDEPENDENT SCHOOL DISTRICT

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FINANCIAL ACCOUNTABILITY MANAGEMENT REPORT

(For the Reporting Period 09/01/2011-08/31/2012)

Introduction

Senate Bill 218 of the 77th Legislature (2001) authorized the implementation of a financial accountability rating system, which is officially referred to as School FIRST. The School FIRST rating is based upon an analysis of staff and student data reported for the 2011-12 school year, and budgetary and actual financial data for the 2012 fiscal year.

The primary goal of School FIRST is to improve the management of school districts' financial resources. HISD's School FIRST rating was received on August 31, 2013. Within two months after receipt of the final School FIRST rating, each school district must announce and hold a public meeting to distribute a financial management report that explains the district's performance under each of the 22 indicators and the district's rating. HISD's public meeting will be held on October 15, 2013, at 6:30 PM., HISD Board Room, 8004 N. Railroad, Hitchcock, Texas.

The School FIRST worksheet consists of 20 indicators. A score of 64 to 70 with a positive response to indicator 7 results in a Superior Rating. A score between 58 to 63 results in an Above Standard Achievement Rating. A score of 52 to 57 results in a Standard Achievement Rating. A score less than 52 will result in a Substandard Rating. A negative response to any indicator 1 - 4 or both 5 - 6 will result in a substandard achievement rating.

Hitchcock ISD received a rating of "**Superior Achievement**", scoring 70 out of a possible 70 on the financial accountability worksheet.

FIRST RATING FOR FISCAL YEAR 2011-2012 ▾ Select An Option



Financial Integrity Rating System of Texas

2011-2012 DISTRICT STATUS DETAIL

Name: HITCHCOCK ISD(084908)	Publication Level 1: 6/21/2013 3:05:18 PM
Status: Passed	Publication Level 2: 9/12/2013 6:29:59 PM
Rating: Superior Achievement	Last Updated: 9/12/2013 6:29:59 PM
District Score: 70	Passing Score: 52

#	Indicator Description	Updated	Score
1	<u>Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?</u>	4/26/2013 5:00:32 PM	Yes
2	<u>Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)</u>	4/26/2013 5:00:33 PM	Yes
3	<u>Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?</u>	4/26/2013 5:00:33 PM	Yes
4	<u>Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?</u>	4/26/2013 5:00:33 PM	Yes
5	<u>Was There An Unqualified Opinion in Annual Financial Report?</u>	4/26/2013 5:00:34 PM	Yes

6	<u>Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?</u>	4/26/2013 5:00:34 PM	Yes
			1 Multiplier Sum
7	<u>Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?</u>	4/26/2013 5:00:34 PM	5
8	<u>Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?</u>	4/26/2013 5:00:35 PM	5
9	<u>Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)</u>	4/26/2013 5:00:35 PM	5
10	<u>Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?</u>	4/26/2013 5:00:35 PM	5
11	<u>Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)</u>	4/26/2013 5:00:35 PM	5
12	<u>Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?</u>	4/26/2013 5:00:36 PM	5
13	<u>If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)</u>	4/26/2013 5:00:36 PM	5
14	<u>Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than</u>	4/26/2013 5:00:36 PM	5

	<u>Net Delinquent Taxes Receivable)</u>		
15	<u>Was The Administrative Cost Ratio Less Than The Threshold Ratio?</u>	4/26/2013 5:00:36 PM	5
16	<u>Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?</u>	4/26/2013 5:00:37 PM	5
17	<u>Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?</u>	4/26/2013 5:00:37 PM	5
18	<u>Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If Total Revenues > Operating Expenditures In The General Fund,Then District Receives 5 Points)</u>	4/26/2013 5:00:37 PM	5
19	<u>Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?</u>	4/26/2013 5:00:38 PM	5
20	<u>Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?</u>	4/26/2013 5:00:38 PM	5
			70 Weighted Sum
			1 Multiplier Sum
			70 Score

DETERMINATION OF RATING

A.	Did The District Answer 'No' To Indicators 1, 2, 3 Or 4? OR Did The District Answer 'No' To Both 5 and 6? If So, The District's Rating Is Substandard Achievement.
B.	Determine Rating By Applicable Range For summation of the indicator scores (Indicators 7-20)
	Superior Achievement
	64-70

Above Standard Achievement	58-63
Standard Achievement	52-57
Substandard Achievement	<52

INDICATOR 16 & 17 RATIOS

Indicator 16	Ranges for Ratios		Indicator 17	Ranges for Ratios	
	Low	High		Low	High
District Size - Number of Students Between			District Size - Number of Students Between		
< 500	7	22	< 500	5	14
500-999	10	22	500-999	5.8	14
1000-4999	11.5	22	1000-4999	6.3	14
5000-9999	13	22	5000-9999	6.8	14
=> 10000	13.5	22	=> 10000	7.0	14

Audit Home Page: [School Financial Audits](#) | Send comments or suggestions to schoolaudits@tea.state.tx.us

THE TEXAS EDUCATION AGENCY
 1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734

School FIRST Annual Financial Management Report

Hitchcock 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 109.1005. Effective 2/3/11.

The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing. The template may not be all inclusive.

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 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.

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended August 31, 2012

Description of Reimbursements	Dr. Barbara Derrick, Superintendent		Leroy Knapp Interim Superintendent		Estelle Holmes Member 1		Tony Combs Member 1		Shirley Price Member 1		Pat Turner Member 2		Edward Wilson Member 3		Ted Robinson Member 4		Dianne James Member 5		Monica Cantrell Member 6		Tom Ivey Member 7		
	\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		
Meals	\$195.00	\$739.50	\$743.25	\$0.00	\$195.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$596.35	\$558.00	\$216.20	\$0.00	\$0.00	
Lodging	\$706.11	\$2,113.30	\$1,407.19	\$0.00	\$706.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,681.66	\$1,681.66	\$706.11	\$0.00	\$0.00	
Transportation	\$0.00	\$136.00	\$136.00	\$0.00	\$42.18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$461.70	\$154.05	\$0.00	\$0.00	\$0.00	
Motor Fuel	\$400.29	\$804.16	\$654.85	\$0.00	\$272.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$374.53	\$308.97	\$411.78	\$0.00	\$0.00	
Registration/Memberships	\$0.00	\$0.00	\$985.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$870.00	\$870.00	\$0.00	\$0.00	\$0.00	
Other	\$0.00	\$1,344.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$303.32	\$0.00	\$0.00	\$0.00	\$0.00	
Total	\$1,301.40	\$5,137.75	\$3,936.29	\$0.00	\$1,215.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9.01	\$4,287.56	\$3,572.68	\$1,334.09	\$0.00	\$0.00	\$0.00	\$0.00

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/call phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

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, 2012
 Name(s) of Entity(ies)

Amount Received
 \$0

\$0.00

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 August 31, 2012

Dr. Barbara Derrick Superintendent	Leroy Knapp Interim- Superintendent	Board Estelle Holmes Member 1	Board Tony Combs Member 1	Board Shirley Price Member 1	Board Edward Wilson Member 3	Board Pat Turner Member 3	Board Ted Robinson Member 4	Board Dianne James Member 5	Board Monica Cantrell Member 6	Board Tom Ivey Member 7
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total										
<u>\$0.00</u>										

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 August 31, 2012

Estelle Holmes Member 1	Board Tony Combs Member 1	Board Shirley Price Member 2	Board Pat Turner Member 3	Board Edward Wilson Member 3	Board Ted Robinson Member 4	Board Dianne James Member 5	Board Monica Cantrell Member 6	Board Tom Ivey Member 7
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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.

Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822

General Fund - First-Quarter Expenditures By Object Code

Report 2011-2012 first-quarter (first three months of fiscal year 2011-2012) GENERAL FUND expenditures by object code using whole numbers.

Payroll- Expenditures for payroll costs	object codes 6110-6140	\$ 1,873,986.00
Contract Costs- Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	\$ 365,809.00
Supplies and Materials- Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6300	\$ 80,493.00
Other Operating- Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	\$ 228,964.00
Debt Service- Expenditures for debt service	object code series 6500	\$ -
Capital Outlay- Expenditures for land, buildings, and equipment	object code series 6600	\$ -

Additional Financial Solvency Questions

- 1) Districts with a September 1- August 31 fiscal year:
 Within the last two years, did the school district
- | | | |
|---|-------|----|
| 1) draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and | Yes | No |
| 2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61? | _____ | X |
- Districts with a July 1- June 30 fiscal year:
 Within the last two years, did the school district
- | | | |
|---|-------|-------|
| 1) draw funds from a short-term financing note (term less than 12 months) between the months of July and October, inclusive, and | _____ | _____ |
| 2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61? | _____ | _____ |
- 2) Has the school district declared financial exigency within the past two years?
- | | | |
|--|-------|---|
| | _____ | X |
|--|-------|---|

3) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district's financial solvency.

<u>Mean Enroll-to-Teacher Ratio</u>	<u>85% of Mean Enroll-to-Teacher Ratio</u>	<u>School District Size</u>
8.30	7.05	Under 100
9.54	8.11	100 to 249
10.80	9.18	250 to 499
11.54	9.81	500 to 999
12.65	10.75	1,000 to 1,599
13.65	11.60	1,600 to 2,999
14.43	12.26	3,000 to 4,999
14.97	12.73	5,000 to 9,999
15.12	12.86	10,000 to 24,999
15.27	12.98	25,000 to 49,999
15.44	13.12	50,000 and Over

4) How many superintendents has your school district had in the last five years? _____ 3

5) How many business managers has your school district had in the last five years? _____ 2