

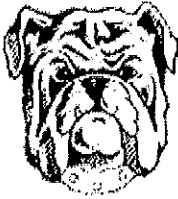
Hitchcock Independent School District
7801 Neville Ave., Building B
Hitchcock, Texas 77563
(409) 316-6545
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www.hitchcockisd.org
Carla Vickroy, Superintendent

FIRST
FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS



Annual Financial Accountability
Management Report

For the Year Ending August 31, 2016



Hitchcock

INDEPENDENT SCHOOL DISTRICT

7801 Neville Avenue, Building B., Hitchcock, TX 77563

(409) 316-6545 Office, 409-986-5141 fax

Carla Vickroy
Superintendent
cvickroy@hitchcockisd.org

Jennifer Donovan
Finance Director
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FINANCIAL ACCOUNTABILITY MANAGEMENT REPORT

(For the Reporting Period 09/01/2015-08/31/2016)

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 2015-16 school year, and budgetary and actual financial data for the 2016 fiscal year.

The primary goal of School FIRST is to improve the management of school districts' financial resources. HISD's Preliminary School FIRST rating was received on August 8, 2017. Within two months after receipt of the 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 indicator and the district's rating. HISD's public meeting will be held on November 14, 2017 at 6:30 PM., HISD Board Room, 7801 Neville Ave., Hitchcock, Texas.

The 2015-2016 School FIRST work-sheet consisted of 15 indicators. The phased in rating system is based on an A-F rating.

- A = Superior 90-100 points
- B = Above Standard 80-89 points
- C = Meets Standard 60-79 points
- F = Substandard Achievement below 60

If a "No" answer is generated on indicators 1, 3, 4, 5, or 2.A then an automatic F rating is assigned. The district's FIRST rating is considered when assigning an accreditation status, as required by the accreditation status rule in 19 TAC §97.1055.

This is the 15th year of School FIRST (Financial Accountability Rating System of Texas) for the financial accountability system developed by the Texas Education Agency for school districts in response to Senate Bill 875 of the 76th Texas Legislature in 1999. In August 2015, TEA implemented major changes to School FIRST in accordance with HB 5, Section 49, 83rd Texas Legislature, Regular Session, 2013. House Bill 5 amended Section 39.082, Texas Education Code to require TEA to combine the financial accountability rating system with the financial solvency system that had been administered separately to evaluate school districts and open-enrollment charter schools. The changes to the School FIRST system implemented by the Texas Education Agency in August 2015 are being phased-in over three years. During the phase-in period, the new School FIRST system has separate worksheets for rating years 2014-2015, 2015-2016, and 2016-2017 and subsequent years.

Hitchcock ISD received a rating of "A - Superior", scoring 92 out of a possible 100 on the financial accountability worksheet.

HITCHCOCK ISD
SCHOOL FIRST RATINGS

YEAR #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
SCHOOL YEAR	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
FOR FISCAL YEAR	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
RATING	ASA	ASA	SA	SA	SA	SA	ASA	ASA	ASA	S	S	S	P	S	S

LEGEND	
2002-2017	
SUPERIOR ACHIEVEMENT	S
ABOVE STANDARD ACHIEVEMENT	ASA
STANDARD ACHIEVEMENT	SA
SUBSTANDARD ACHIEVEMENT	SSA
2014	
PASS	P
FAIL	F

User: Jennifer Donovan
 User Role: District

RATING YEAR **2016-2017**



Financial Integrity Rating System of Texas

2016-2017 RATINGS BASED ON SCHOOL YEAR 2015-2016 DATA - DISTRICT STATUS DETAIL

Name: HITCHCOCK ISD(084908)	Publication Level 1: 8/8/2017 2:29:29 PM
Status: Passed	Publication Level 2: 8/8/2017 2:29:29 PM
Rating: A = Superior	Last Updated: 8/8/2017 2:29:29 PM
District Score: 92	Passing Score: 60

#	Indicator Description	Updated	Score
1	<u>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?</u>	3/28/2017 11:33:19 AM	Yes
2	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.		
2.A	<u>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.)</u>	3/28/2017 11:33:19 AM	Yes
2.B	<u>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</u>	3/28/2017 11:33:19 AM	Yes

	<u>material weakness.</u>)		
3	<u>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.)</u>	3/28/2017 11:33:19 AM	Yes
4	<u>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?</u>	3/28/2017 11:33:20 AM	Yes
5	<u>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.)</u>	3/28/2017 11:33:20 AM	Yes
			1 Multiplier Sum
6	<u>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)? (See ranges below.)</u>	3/28/2017 11:33:20 AM	6
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	3/28/2017 11:33:21 AM	8

8	<u>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.) (See ranges below.)</u>	3/28/2017 11:33:21 AM	10
9	<u>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?</u>	3/28/2017 11:33:21 AM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	5/18/2017 12:23:39 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/28/2017 11:33:22 AM	8
12	<u>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.)</u>	6/21/2017 8:18:33 PM	10
13	<u>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?</u>	3/28/2017 11:33:22 AM	10
14	<u>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.)</u>	3/28/2017 11:33:23 AM	10
15	<u>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?</u>	3/28/2017 11:33:23 AM	10
			92 Weighted

		Sum
		1 Multiplier Sum
		92 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, 5, or 2.A? If so, the school district's rating is F for Substandard Achievement regardless of points earned.	
B.	Determine the rating by the applicable number of points. (Indicators 6-15)	
	A = Superior	90-100
	B = Above Standard	80-89
	C = Meets Standard	60-79
	F = Substandard Achievement	<60
<p>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</p>		

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

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

FIRST 4.5.9.0

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, 2016	Carla Vickroy	Chad Allen	Monica Cantrell	Tony Combs	Tom Ivey	Shirley Price	Ted Robinson	Edward Wilson
<u>Description of Reimbursements</u>	Superintendent	Member 1	Member 2	Member 3	Member 4	Member 5	Member 6	Member 7
Meals	\$573.50	\$458.50	\$494.50	\$401.50	\$206.50	\$558.50	\$206.50	\$288.00
Lodging	\$1,704.37	\$1,704.36	\$1,704.36	\$1,371.36	\$747.56	\$1,704.36	\$747.56	\$856.80
Transportation	\$480.62	\$495.62	\$643.61	\$149.66	\$126.66	\$996.56	\$126.66	\$444.96
Motor Fuel	\$521.81	\$284.69	\$280.96	\$496.55	\$252.78	\$254.56	\$254.61	\$29.92
Registration/Memberships	\$1,115.00	\$1,115.00	\$1,115.00	\$700.00	\$375.00	\$1,115.00	\$375.00	\$740.00
Other								
Total	\$4,395.30	\$4,058.17	\$4,238.43	\$3,119.07	\$1,708.50	\$4,628.98	\$1,710.33	\$2,359.68

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/cell 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, 2016

Name(s) of Entity(ies)
 None

Amount Received
 \$

Total \$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, 2016

Carla Vickroy Superintendent	Chad Allen Board Member 1	Monica Cantrell Board Member 2	Tony Combs Board Member 3	Tom Ivey Board Member 4	Shirley Price Board Member 5	Ted Robinson Board Member 6	Edward Wilson Board Member 7
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Total \$0.00

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, 2016

Chad Allen Board Member 1	Monica Cantrell Board Member 2	Tony Combs Board Member 3	Tom Ivey Board Member 4	Shirley Price Board Member 5	Ted Robinson Board Member 6	Edward Wilson Board Member 7
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.