

ROBINSON ISD

***FINANCIAL INTEGRITY RATING
SYSTEM OF TEXAS***

2011-2012

ROBINSON ISD'S FINANCIAL ACCOUNTABILITY RATING 2011-2012

Since the 2002-03 school year, schools have received a financial accountability rating based on a system called FIRST (Financial Integrity Rating System of Texas). The goal of FIRST is to achieve quality performance in the management of school districts' financial resources.

FIRST was developed by TEA as a result of Senate Bill 875 passed in 1999. There have been a few modifications to the ratings process since 2002-03. In prior years, the FIRST accountability rating system assigned the ruling based on "Yes" or "No" responses to twenty-one (21) indicators. For the 2011-12 report, the rating consists of 20 indicators and is based on a point system. For 2010-11, the District earned a score of 69 (out of a possible 70) and earned a "Superior Achievement" rating.

The 20 indicators looked at by TEA are:

- 1. Was the total Fund Balance less Reserved Fund Balance greater than zero in the General Fund?** School districts are legally required to have a fund balance to adequately fund operations. This indicator looks to see if we have funds for emergencies or if our fund balance is all reserved for specific purposes. Our 2011-12 ending fund balance was \$2,913,384.
- 2. 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? Or (Was the District's 5 year % Change in Students 10% or more?)** Our 5-year % change in students from 2008 to 2012 was a 1.47% increase, and our Total Unrestricted Net Asset Balance was \$3,231,435.

3. **Were there NO disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?** This indicator reflects whether our district has paid our bills on bonds issued to pay for school construction.
4. **Was the Annual Financial Report filed within one month after the January 28th deadline?** We are required to file our annual audit with TEA within a month of January 28th.
5. **Was there an Unqualified Opinion in the Annual Financial Report?** A “qualification” on the district’s annual financial report means that some of the reporting or financial controls need to be corrected. The district’s goal, therefore, is to receive an “unqualified opinion” on its Annual Financial Report.
6. **Did the Annual Financial Report NOT disclose any instance(s) of material weaknesses in internal controls?** Our audit indicates that there are no material weaknesses in internal control. A weakness creates a risk of the district not being able to properly account for use of public funds.
7. **Was the three-year average percent of total tax collections (including delinquent) greater than 98%?** This indicator tells how successful our district and our delinquent attorney have been in collecting property taxes, using a 98% minimum collection standard. Our collection rate from 2010-12 was 98.25%.
8. **Did the comparison of PEIMS data to like information in the Annual Financial Report result in an aggregate variance of less than 3% of**

expenditures per fund type (Data Quality Measure)? This indicator measures the quality of data reported to PEIMS (Public Education Information Management System) and in our Annual Financial Report to make certain that data reported in each case “matches up.” Any difference in numbers reported must be less than 3%.

9. **Were Debt-Related Expenditures (net of IFA and/or EDA allotment) less than \$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)?** The intent of this indicator is to see if school districts are spending money on education or extravagant facilities. Our district spent \$476.71 in debt-related expenditures per student in 2011-12, our percent change in students was .07%, and our property taxes collected per penny of tax effort was \$48,034. Debt-related expenditures of less than \$350 earn a District 5 points; 4 points are earned for debt-related expenditures between \$350 and \$600.

10. **Was there NO disclosure in the Annual Audit Report of Material Noncompliance?** NO disclosures means the Annual Audit Report includes nothing that would indicate that our district failed to comply with laws, rules and regulations for a governmental entity.

11. **Did the district have full accreditation status in relation to financial management practices?** If not, TEA would send a master or monitor to take control of our district due to financial issues such as fraud or having a negative fund balance.

12. **Was the aggregate of Budgeted Expenditures and Other Uses LESS than the aggregate of Total Revenue, Other Resources, and Fund Balance in the General Fund?** Our funds available exceeded our total expenditures.
13. **If the district's Aggregate Fund Balance in the General Fund and Capital Projects Fund was less than zero, were construction projects adequately financed?** Our aggregate fund balance was not less than zero. This indicator measures the district's ability to construct facilities without damaging the fund balance.
14. **Was the ratio of Cash and Investments to deferred revenues (excluding the amount equal to net Delinquent Taxes Receivable) in the General Fund greater than or equal to 1:1?** This indicator measures whether the district has sufficient cash and investments that are at least equal to the dollars that have been received due to overpayments from TEA. We should not be spending "next year" funds this year.
15. **Was the Administrative Cost ratio less than the Threshold Ratio?** TEA and state law set a cap on the percentage of our budget that can be spent on administration of the school district. The cap for our size is 14.01% and our administrative cost ratio was 8.93%.
16. **Was the Ratio of Students to Teachers within the ranges according to district size?** This indicator measures the pupil-teacher ratio to ensure it's within TEA recommended ranges for districts of our population range. Our district should have no more than 22 students per teacher and no fewer than 11.5. Our ratio was 13.23 students per teacher.

17. Was the **Ratio of Students to Total Staff within the ranges according to district size?** This measures the pupil-staff ratio to ensure it's within TEA's recommended ranges for districts our size. We should have no more than 14 students per staff member and no fewer than 6.3 students per district employee. Our ratio was 7.91 students per staff member.
18. Was the **decrease in Undesignated Unreserved Fund Balance less than 20% over two Fiscal Years?** This indicates we are not using our undesignated fund balance to pay salaries and other operating expenses.
19. Was the **Aggregate Total of Cash and Investments in the General Fund more than \$0?** We had money in the bank, as well as investments.
20. **Did investment earnings in all funds (excluding Debt Service fund and Capital Projects Fund) meet or exceed the 3-month treasury bill rate?**
This indicator measures whether the District's cash and investments are being invested in a prudent manner.

Because the District earned a score of 69 (out of 70) and answered "Yes" to indicators 1, 2, 3, and 4, the District earned a "Superior Achievement" rating.