

HASKELL CISD

2007 ANNUAL FINANCIAL ACCOUNTABILITY MANAGEMENT REPORT REPORTING ON THE 2005-06 TEXAS FIRST

2006 FIRST Report

District earns top rating

FIRST rating of "Superior Achievement"

The rating of Superior Achievement was for results of operations in the 2005-06 school year.

The Texas FIRST, or Financial Integrity Rating System of Texas, is a measurement instrument created by the Texas Legislature to monitor how school districts are performing from a management perspective. Based on a series of 21 indicators that measure everything from fund balance levels to student/ staff ratios, the FIRST gives a thorough assessment of how well a district is performing financially and operationally.

Once the TEA notifies districts of their ranking, each district must publish an annual financial report and hold a public meeting to distribute the report and explain the district's performance.

The following report lists each indicator, and gives a brief comment on how the district fared. In order to receive a rating of Superior Achievement, no more than 2 indicators can have a "No" answer. The District earned a "Yes" answer on 19 indicators.

History of the FIRST

The Financial Integrity Rating System of Texas, or FIRST, was created in response to the 76th Texas Legislature's call for a system by which Texas school district's financial management could be measured. In 2001, the Texas Legislature created a system that measures schools on 21 financial and management indicators. The first year of implementation was in 2001-02. In addition to earning an accountability rating that is made public, school districts are required to publish an annual report describing the results of the indicators and hold a public meeting to discuss the results. In 2006, changes to the FIRST were adopted including increasing the number of indicators by which school districts are measured. The changes take effect with the conclusion of the 2006-07 school year.

Indicator 1-Was the total fund balance less reserved fund balance greater than zero in the General Fund?

The District has continued to increase its General Fund fund balance. The district gets a "Yes" on this indicator.

Indicator 2-Was there no disclosures in the annual financial report and/or other sources of information concerning default on bonded indebtedness obligations?

In 2005-2006, the District was current on all outstanding debt. At no time has the District ever defaulted on debt. The district gets a "Yes" on this indicator.

Indicator 3-Was the annual financial report filed within one month after the January 28th deadline?

The District delivered its completed 2005-2006 annual financial audit to the TEA before the deadline. The district gets a "Yes" on this indicator.

Indicator 4-Was there an unqualified opinion in the annual financial report?

The District earned an unqualified opinion on the 2005-2006 audit. The district gets a “Yes” on this indicator.

Indicator 5-Did the annual financial report not disclose any instances of material weaknesses in internal controls?

The 2005-2006 audit indicated no material weaknesses in internal controls. The district gets a “Yes” on this indicator.

Indicator 6-Was the percent of total tax collections (including delinquent) greater than 96%?

The District’s tax collection percentage for 2005-2006 was approximately 98% after taking into account delinquent tax collections. The district gets a “Yes” on this indicator.

Indicator 7-Did the comparison of PEIMS data to like information in annual financial report result in an aggregate variance of less than 4 percent of expenditures per fund type?

This indicator measures whether what was reported to the TEA varied from what was reported in the annual financial audit. The district was below the 0.04 variance allowed by TEA. The district gets a “Yes” on this indicator.

Indicator 8-Were debt related expenditures less than \$770 per student or were property taxes collected per penny of effort more than \$100,000.

The District’s debt related expenditures were less than \$770.00 per student. The district spent \$73.35 per student on debt services. Therefore, the district gets a “Yes” on this indicator.

Indicator 9-Was there no disclosure in the annual audit report of material noncompliance?

The District's annual financial audit report disclosed one instance where the District failed to comply with laws, rules, or regulation required for a governmental entity. The district gets a "No" on this indicator

Indicator 10-Did the District have full accreditation status in relation to financial management practices?

This indicator asks in a cumbersome way whether the District had to have the TEA take over running the District because of management issues. Since it did not, the answer is "Yes."

Indicator 11-Was the percent of operating expenditures expended for instruction more than 54%?

Based on the TEA's definition of instructional expenditures, the District spent 54.00% of operating expenditures on instruction. The district gets a "Yes" on this indicator.

Indicator 12-Was the aggregate of budgeted expenditures and other uses less than the aggregate of total revenues, other resources and fund balance in the General Fund?

This indicator measures whether the District spent more than it had in reserves. The District did not spend in excess of revenues or use existing fund balance to fund operations. The district gets a "Yes" on this indicator.

Indicator 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?

The District had no fund with a negative fund balance. The district gets a "Yes" on this indicator.

Indicator 14- Was the ratio of cash and investments to deferred revenues in the General Fund equal to or greater than a 1:1 ratio?

This indicator measures whether the District had sufficient reserves to cover any overpayments made to the District by the TEA. The district gets a "Yes" on this indicator.

Indicator 15- Was the administrative cost ratio less than the standard in state law?

The administrative cost ratio is a measure of administrative costs in relation to instructional expenditures. The standard ratio for the District, based on its size, is 0.1561. The 2005-2006 administrative cost ratio was 0.1217. The district gets a "Yes" on this indicator.

Indicator 16- Was the ratio of students to teachers within the acceptable ranges according to district size?

The acceptable range for the District is 10 to 22. The district's ration was 10.4. The district gets a "Yes" on this indicator.

Indicator 17- Was the ratio of students to total staff within the acceptable ranges according to district size?

The acceptable range for the District is 5.5 to 14. In 2005-2006, the District's ratio of students to total staff was 5.3. The district received a "No" on this indicator.

Indicator 18-Was the total fund balance in the general fund more than 50% and less than 150% of optimum according to the fund balance and cash flow calculation worksheet in the annual financial report?

The District's 2005-2006 fund balance was within the prescribed range established by the optimal fund balance calculation. The district gets a "Yes" on this indicator.

Indicator 19-Was the decrease in undesignated unreserved fund balance less than 20% over two fiscal years?

This indicator measures whether the District is using fund balance to pay for operations. The district did not use fund balance to finance daily operations. The district gets a "Yes" on this indicator.

Indicator 20-Was the aggregate total of cash and investments in the general fund more than \$0?

This indicator measures whether the District had any cash in the bank. The district had \$4,538,001.00 on in cash and investments in 2005-2006. The district gets a "Yes" on this indicator.

Indicator 21-Were investment earnings in all funds more than \$15 per student?

Investment earnings in 2005-2006 were \$59.75 per student, well above the \$15 suggested by the indicator. The district gets a "Yes" on this indicator.