

Notice of Public Meeting
To Discuss
Plemons-Stinnett-Phillips CISD's
Financial Integrity Rating
System of Texas
FIRST
7pm December 11, 2017
In the PSPCISD Board Room
Stinnett, Texas

FIRST

FIRST (Financial Accountability Rating System of Texas) was developed for Texas school districts by the Texas Education Agency in response to Senate Bill 876 of the 76th Texas Legislature in 1999.

The FIRST ratings are now based on 15 financial indicators, such as administrative cost expenditures, accuracy of a district's financial information submitted to TEA and any financial vulnerabilities or material weaknesses in internal controls as determined by an external auditor.

Based on the submitted information a school district is assigned one of four possible letter grades (A, B, C or F), as well as a coinciding financial management rating -----

Superior --- 90--100

Above Standard ---80--89

Meets Standard---60-79

Substandard Achievement ---<60

Plemons-Stinnett-Phillips CISD received a score of **92**, with a coinciding rating of **A=Superior**.

User: Bettye Stevens
User Role: District

RATING YEAR 2016-2017

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Financial Integrity Rating System of Texas

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

Name: PLEMONS-STINNETT-PHILLIPS CISD(117904)	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 11:50:24 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 11:50:24 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 material weakness.)</u>	3/28/2017 11:50:25 AM	Yes
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 11:50:25 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 11:50:25 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 11:50:25 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 11:50:26 AM	10
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 11:50:26 AM	4
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 11:50:27 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 11:50:27 AM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	5/18/2017 12:28:03 PM	8
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 11:50:28 AM	10
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 8:22:44 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 11:50:28 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 11:50:29 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 11:50:29 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

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.

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

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2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 7

Name:	PLEMONS-STINNETT-PHILLIPS CISD (117904)
Indicator:	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)
Result/Points	4
Last Updated:	3/28/2017 11:50:26 AM

FORMULA

Field	Value
Current Assets	4,989,132
/ Current Liabilities	3,312,640
Mathematical Breakdown: 1.5061	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
>=3.00	<3.00 >=2.50	<2.50 >=2.00	<2.00 >=1.50	<1.50 >=1.00	<1.00

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Financial Integrity Rating System of Texas

2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 10

Name:	PLEMONS-STINNETT-PHILLIPS CISD (117904)
Indicator:	Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)
Result/Points	8
Last Updated:	5/18/2017 12:28:03 PM

FORMULA

Field	Value
(
Total Revenues (in the General Fund and Debt Service Fund)	18,328,216
- Total Expenditures (in the General Fund and Debt Service Fund)	18,717,998
+ Debt Service function codes 71, 72, and 73 (in the General Fund and Debt Service Fund)	4,174,588
+ Fund Code 599 (Ending Debt Service fund balance)	163,278
+ Function Code 81	901,829
)	
/ Debt Service function codes 71, 72, and 73 (in the General Fund and Debt Service Fund)	4,174,588
Mathematical Breakdown: 1.1618	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
>=1.20	<1.20 >=1.15	<1.15 >=1.10	<1.10 >=1.05	<1.05 >=1.00	<1.00

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(\$111,375.00). This annual salary rate shall be paid to the Superintendent in installments, consistent with the Board's policies.

- (b) At any time during the term of this Agreement, the Board may, in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth in Section 5(a) of this Agreement.
- (c) Other Benefits.
 - a. *Expenses.* The District shall pay or reimburse the Superintendent for reasonable expenses directly incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Agreement. The District agrees to pay the actual and incidental costs incurred by the Superintendent for travel; such costs may include, but are not limited to, gasoline, hotels and accommodations, meals, rental cars, and other expenses incurred in the performance of the business of the District. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policy.
 - b. *Insurance.* The District shall pay the same premiums for hospitalization, major medical, and dental insurance coverage for the Superintendent pursuant to the group health care plan(s) provided by the District for its administrative employees.
 - c. *Automobile.* The District shall provide the Superintendent with an automobile allowance in the sum of six hundred and fifty (\$650.00) per month.
 - d. *Vacations, Holidays, Sick Leave.* The Superintendent may take, at the Superintendent's choice, the same number of days of vacation authorized by policies adopted by the Board for administrative employees on twelve-month contracts, the days to be in a single period or at different times. The vacation days taken by the Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Agreement. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts. The Superintendent is hereby granted the same number of illness benefits and leave as authorized by Board policies for administrative employees on twelve-month contracts.
 - e. *Professional Growth.* In its encouragement of the Superintendent to grow professionally, the District shall permit a reasonable amount of release time for the Superintendent, as the Board deems appropriate, to attend seminars, courses, or meetings as approved by the Board. Reasonable

expenses of such professional growth activities shall be borne by the District. The District shall pay the Superintendent's membership dues to the Texas Association of School Administrators, as well as other memberships necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable cost and expense for such attendance and membership.

- f. *Spousal Expense Reimbursement.* The District shall reimburse the Superintendent for reasonable travel, lodging, meals and other related expenses incurred incident to the Superintendent's spouse accompanying the Superintendent on District-related business.
- g. *Mobile Telephone - Allowance.* The District shall provide the Superintendent with a mobile telephone allowance in the sum of \$70.00 (Seventy dollars) per month for the expense incurred by the Superintendent in receiving or making calls directly related to District purposes and the execution of his duties as Superintendent. The Superintendent shall maintain a personal account for mobile telephone service and shall not open an account in the name of the District. The Superintendent shall have total responsibility related to such personal account and the District shall have no obligation or responsibility related to such personal account other than the monthly payment to the Superintendent of the mobile telephone allowance stated herein. This allowance shall be paid in addition to the salary and other compensation stated herein.
- h. *Legal Proceedings.* The District shall provide the Superintendent with a legal defense of the District's choice, and the costs and expenses related to that defense for any and all demands claims, suits, actions and legal proceedings brought against the Superintendent in his/her individual or official capacity as agent and employee of the District, provided that the Board in its reasonable discretion determines that the Superintendent was acting in good faith and within the course and scope of his employment and the legitimate interests of the District require a legal defense on behalf of the public interest. The Board may pay the premiums for Superintendent's TASA professional liability insurance coverage or other substantially similar coverage to extent available. Such payments shall satisfy all obligations to indemnify Superintendent as set out in this paragraph of the Agreement. The District's obligation to provide a legal defense under this paragraph shall survive the termination of this contract.

- 6. The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's consent.
- 7. The Board shall evaluate and assess in writing the Superintendent's performance at least once each year during the term of this Agreement. The evaluation format and procedure

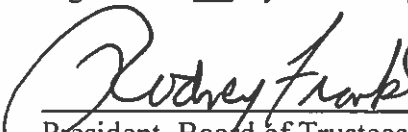
shall comply with this Agreement, Board policy and state law. The Board's evaluation and assessment of the Superintendent shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and shall be based on the District's progress towards accomplishing the district goals. Unless the Superintendent expressly requests otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in executive session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel. In the event the Board deems that the evaluation instrument, format and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

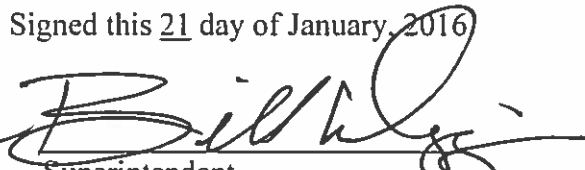
8. The Board may dismiss the Superintendent at any time for good cause in accordance with Texas Education Code Sections 21.211, 21.212(d), and Board policy. In the event that the Board terminates this Agreement for "good cause," the Superintendent shall be afforded all rights as set forth in the District's Board Policies and state and federal law.
9. This Agreement shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement under the Teacher Retirement System of Texas.
10. A determination by the board that a consolidation of the District with one or more other school districts requires that the Agreement be terminated during the term shall constitute good cause for dismissal.
11. The Superintendent and the Board may agree in writing to terminate this Agreement pursuant to any mutually agreed upon terms and conditions.
12. Renewal or nonrenewal of this Agreement shall be in accordance with Texas Education Code Chapter 21, Subchapter E, and Board policy. Notwithstanding anything to the contrary in Section 21.212(a) of the Texas Education Code, the Superintendent shall be entitled to written notice, not later than 45 days before the last day of the contract term, containing reasonable notice of the reason(s) for the proposed nonrenewal of the Superintendent's Contract with the District.
13. At any time during the contract term, the Board may, in its discretion, reissue the contract for an extended term. Failure to reissue the contract for an extended term shall not constitute nonrenewal under Board policy.
14. The Superintendent may leave the employment of the District at the end of a school year without penalty by filing a written resignation with the Board. The resignation must be addressed to the Board and filed not later than the 45th day before the first day of instruction of the following school year. The Superintendent may resign, with the consent of the Board, at any other time.

15. The Board has not adopted any policy, rule, regulation, law, or practice providing for tenure. No right of tenure is created by this Agreement. No property interest, express or implied, is created in continued employment beyond the contract term.
16. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent have been superseded by this Agreement, and this Agreement constitutes the entire agreement between the parties. This Agreement may not be amended except by written agreement of the parties.
17. In the event either the District or the Superintendent brings an action against the other under the terms and provisions of this Agreement, the losing party in that action shall pay the prevailing party's reasonable attorneys' fees and court costs, to be affixed by the Court.
18. In the event of any conflict between the terms, conditions, and provisions of this Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.

Signed this 21 day of January, 2016.

Signed this 21 day of January, 2016


President, Board of Trustees


Superintendent



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 **2016**. In lieu of publication in the Schools FIRST financial management report, the school district may chose 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.



Disclosures

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2015-16

For the Twelve-month Period Ended August 31, 2016 Description of Reimbursements	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
	Meals	\$1,221.67	\$145	\$0	\$0	\$0	\$145	\$0
Lodging	\$1,768.81	\$767.35	\$0	\$0	\$0	\$767.35	\$0	\$767.35
Transportation	\$794.96	\$444	\$0	\$0	\$0	\$444	\$0	\$444
Motor Fuel	\$351.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$878.81	\$546.84	\$0	\$0	\$0	\$546.85	\$0	\$546.85
Total	\$5,015.41	\$1903.19	\$0	\$0	\$0	\$1,903.20	\$0	\$1,903.20

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2016, 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.



Disclosures

3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2015-16

For the Twelve-Month Period Ended August 31, 2016	
Name(s) of Entity(ies)	
	\$
Total	\$0

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.



Disclosures

4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2015-16

For the Twelve-Month Period Ended August 31, 2016								
	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Summary Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. Gifts received by first degree relatives, if any, will be reported under the applicable school official.



Disclosures

5. Business Transactions Between School District and Board Members for Fiscal Year 2015-16

For the Twelve-Month Period Ended August 31, 2016	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Summary Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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.

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

General Fund - First-Quarter Expenditures By Object Code

Report 2015-16 first-quarter (first three months of fiscal year 2016-17) GENERAL FUND expenditures by object code using whole numbers.

Payroll- Expenditures for payroll costs	object codes 6110-6149	\$ 1,714,620
Contract Costs- Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	\$ 364,838
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	\$ 142,945
Other Operating- Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	\$ 230,215
Debt Service- Expenditures for debt service	object code series 6500	\$ 0
Capital Outlay- Expenditures for land, buildings, and equipment	object code series 6600	\$ 14,357

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 |
| | _____ | 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? | _____ | N/A |

- 2) Has the school district declared financial exigency within the past two years?
 _____ X
- 3) How many Superintendents has your school had in the past 5 years?
 _____ 1
- 4) How many Business Managers has your school had in the past 5 years?
 _____ 1