

# Willis I.S.D.

## 2014-2015 District Status



**FIRST**

Financial Integrity Rating System of Texas

# FIRST

The FIRST (Financial Integrity Rating System of Texas) Rating, officially referred to as School FIRST, was established by TEA effective with the 2001-2002 School Year data. This rating system was developed by TEA in response to Senate Bill 875 of the 76<sup>th</sup> Texas Legislature in 1999.

In the rating system there are 15 indicators. The first 6 are based on Yes-No answers with the desired answer to each indicator being Yes. The remaining 10 are based on a point system.

For the **fourteenth** consecutive year, Willis I.S.D. has held the highest rating available on the FIRST rating.

# FIRST

## Indicator #1

*Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?*

**Yes**

*A simple indicator. Was our Annual Financial Report filed by the deadline?*

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## Indicator #2.A

*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).*

**Yes**

*A “modified” version of the auditor’s opinion in your annual audit report means that you need to correct some of your reporting or financial controls. A district’s goal, therefore, is to receive an “unmodified opinion” on its Annual Financial Report. 2.A. is a simple “Yes” or “No” indicator*

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## Indicator #2.B

*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)*

**Yes**

*A clean audit of our Annual Financial Report would state that our district has no material weaknesses in internal controls. Any internal weaknesses create a risk of our District not being able to properly account for its use of public funds, and should be immediately addressed. This is a simple “Yes” or “No” indicator.*

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## Indicator #3

*Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?*

**Yes**

*This indicator seeks to make certain that our district has paid our bills / obligations on bonds issued to pay for school construction, etc. This is a simple “Yes” or “No” indicator*

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## Indicator #4

*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?*

**Yes**

*This indicator simply asks, “Did the district make payments on time to government agencies”? This is a simple “Yes” or “No” indicator.*

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## Indicator #5

*Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero?*

**Yes**

*This indicator simply asks, “Did the district’s total assets exceed the total amount of liabilities (according to the very first financial statement in the annual audit report)?” Fortunately this indicator recognizes that high-growth districts incur large amounts of debt to fund construction, and that total debt may exceed the total amount of assets under certain scenarios. This is a simple “Yes” or “No” indicator*



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## Indicator #6

*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)?*

**SCORE:**

**10 points**

*This indicator measures how long in days after the end of the fiscal the school district could have disbursed funds for its operating expenditures without receiving any new revenues.*

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## Indicator #7

*Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?*

**SCORE:**

**8 points**

*This indicator measures whether the school district had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities.*

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## Indicator #8

*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.)*

**SCORE:**

**10 points**

*This question is like asking someone if their mortgage exceeds the market value of their home. Fortunately this indicator recognizes that high-growth districts incur additional operating costs to open new instructional campuses.*

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## Indicator #9

*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?*

**SCORE:**

**10 points**

*This indicator simply asks, "Did you spend more than you earned?" (the school district will automatically pass this indicator, if the school district had at least 60 days cash on hand.)*

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**Indicator #10**

*Was the debt service coverage ratio sufficient to meet the required debt service?*

**SCORE:**

**0 points**

*This indicator asks about the school district's ability to make debt principal and interest payments that will become due during the year.*

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## **Indicator #11**

*Was the school district's administrative cost ratio equal to or less than the threshold ratio?*

**SCORE:**

**10 points**

*This indicator measures the percentage of their budget that Texas school districts spent on administration.*

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## Indicator #12

*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.)*

**SCORE:**

**10 points**

*If the school district had a decline in students over 3 school years, this indicator asks if the school district decreased the number of the staff on the payroll in proportion to the decline in students. (The school district automatically passes this indicator if there was no decline in students.)*

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## Indicator #13

**Did the comparisons of PEIMS data to like information in Annual Financial Report result in total variance of less than 3% of all expenditures by function?**

**SCORE:**

**10 points**

*This indicator measures the quality of data reported to PEIMS and in our Annual Financial Report to make certain that the data reported in each case “matches up.” If the difference in numbers reported in any function type is 3 percent or more, our district “fails” this measure.*



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## Indicator #14

**Did the external independent auditor indicate the AFR was free of any instances(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?**

**SCORE:**

**10 points**

*A clean audit of our Annual Financial Report would state that our district has no material weaknesses in internal controls. Any internal weaknesses create a risk of our District not being able to properly account for its use of public funds, and should be immediately addressed.*

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## **Indicator #15**

**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?**

**SCORE:**

**10 points**

*This indicator asks if the district had to ask for an easy payment plan to return monies to TEA after spending the overpayment from the Foundation School Program state aid.*

# Schools Ratings:

2014-2015 Overall Statistics Counts

Pass – 1,019 Districts

Failed – 4 Districts

Superior – 1,003

Above Standard – 16

Substandard Achievement - 4

# Willis I.S.D.

## 2014-2015 District Status

|   |                             |
|---|-----------------------------|
| <b>Status:</b>                                | <b>Passed</b>               |
| <b>Rating:</b>                                | <b>Superior</b>             |
| <b>Indicators Answered YES:</b>               | <b>6 out of 6</b>           |
| <b>Indicators Scored on<br/>Point system:</b> | <b>88 out of 100 points</b> |

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