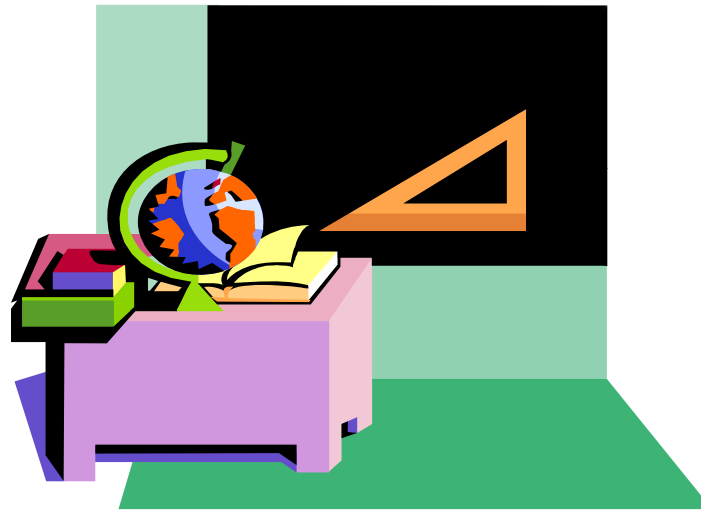


# Willis I.S.D.

## 2007-2008 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 and revised effective with the 2006-2007 data.

The current rating system has 24 indicators. The first 7 are based on Yes-No answers with the desired answer to each indicator being Yes. The remaining 17 are based on a point system.

For the seventh consecutive year, Willis I.S.D. has received a Superior Achievement FIRST rating.

# FIRST

## **FIRST Changes that became Effective with the 2006-2007 Data**

### **3 New Indicators:**

- Indicator #2: Was the Total Unrestricted Net Asset Balance in the Governmental Activities Column in the Statement of Net Assets Greater than Zero?
- Indicator #7: Did the District's Academic Rating Exceed Academically Unacceptable?
- Indicator #14: Was the percent of Operating Expenditures Expended for Instruction More Than or Equal to 65%? (Functions 11, 12, 13, 33, 36, 93, 95)

# FIRST

## Indicator #1

**Was total Fund Balance less Reserved Fund Balance greater than Zero in the General Fund?**

**Yes**

*School districts must legally have a fund balance to ensure adequate funding for operations. This indicator is designed to ensure that our district has a positive amount of fund balance cash (savings) that is not designated or “reserved” for a specific purpose. In other words, “Does our district have funds set aside for a rainy day?”*

# FIRST

## Indicator #2

**Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest for Capital Appreciation Bonds) in the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's Five-Year Percent Change in Students was a 10% Increase or More then Answer Yes)**

**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.*

# FIRST

## Indicator #3

**Were there NO disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?**

**Yes**

*This indicator seeks to make certain that our district has paid our bills / obligations on bonds issued to pay for school construction, etc.*

**FIRST**

## **Indicator #4**

**Was the Annual Financial Report filed within one month after November 27<sup>th</sup> or January 28<sup>th</sup> deadline depending upon the district's Fiscal Year end date (June 30<sup>th</sup> or August 31<sup>st</sup>)?**

**Yes**

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

# FIRST

## Indicator #5

**Was there an Unqualified Opinion in the Annual Financial Report?**

**Yes**

*A “qualification” on our financial report means that we need to correct some of our reporting or financial controls. A district’s goal, therefore, is to receive an “unqualified opinion” on its Annual Financial Report. This is a simple “Yes” or “No” indicator.*



# FIRST

## Indicator #6

**Did the Annual Financial Report NOT disclose any instance(s) of material weaknesses in internal controls?**

**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.*

# FIRST

## **Indicator #7**

**Did the district's academic rating exceed academically unacceptable?**

**Yes**

*This indicator simply asks whether the district's accreditation status is in good standing.*

# FIRST

## Indicator #8

**Was the three-year average percent of total tax collections (Including Delinquent) greater than 98%? (Point scale 0-5)**

**SCORE:**

**5 points**

*This indicator measures our district's success in collecting the taxes owed to us by our community's businesses and homeowners, placing a 98 percent minimum collections standard. We must collect more than 98 percent of our taxes, **including** any delinquent taxes owed from past years. A district earns up to five points under this indicator based upon its relative performance.*

**FIRST**

## **Indicator #9**

**Did the comparisons of PEIMS data to like information in Annual Financial Report result in an aggregate variance of less than 3 percent of expenditures per fund type (Data Quality Measure)?  
(Point Scale 0-5)**

**SCORE:**

**5 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 fund type is 3 percent or more, our district “fails” this measure.*

**FIRST**

## **Indicator #10**

**Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) less than \$250.00 per student? (If The District's Five-Year Percent change in students was a 7 percent increase or more, or if property taxes collected per penny of tax effort were more than \$200,000, then the district receives 5 points.) (Point scale 0-5)**

**SCORE:**

**5 points**

*This indicator shows the Legislature's intent for school districts to spend money on education, rather than fancy buildings, by limiting the amount of money district's can spend on debt to \$250 per student. Fortunately, the Legislature did allow for fast-growth schools to exceed this cap. A district earns up to five points under this indicator based upon its relative performance.*

**FIRST**

**Indicator #11**

**Was there NO disclosure in the Annual Audit Report Of Material Noncompliance? (Point scale – Yes=5 points No=0 points)**

**SCORE:**

**5 points**

*NO disclosure means the Annual Audit Report includes no disclosure indicating that the school district failed to comply with laws, rules and regulations for a government entity.*

**FIRST**

## **Indicator #12**

**Did the district have full accreditation status in relation to financial management practices? (e.g. No Conservator Or Monitor Assigned)  
(Point scale – Yes=5 points No=0 points)**

**SCORE:**

**5 Points**

*Did TEA take over control of our district due to financial issues such as fraud or having a negative fund balance? If not, we pass this indicator.*

# FIRST

## Indicator #13

**Was the percent of operating expenditures expended for instruction more than or equal to 65%? (Functions 11, 36, 93 and 95) (Phased in over three years: 55% for 2006-2007, 60% for 2007-2008, 65% for 2008-2009) (Point scale 0-3)**

**SCORE:**

**3 points**

*This indicator shows our district's ability to focus the majority of its funding so that it directly pays for student instruction. Student instructional costs only include expenditure categories in the reporting format followed by the NCES (National Center for Educational Statistics), which include function code 11, instruction; function code 36, extracurricular activities; function code 93, payments to cooperatives; and function code 95, payments to juvenile justice alternative education programs.*



# FIRST

## **Indicator #14**

**Was the percent of operating expenditures expended for instruction more than or equal to 65%? (Functions 11, 12, 31, 33, 36, 93 and 95)  
(Point scale 0-3)**

**SCORE:**

**3 points**

*This indicator provides another perspective on our district's ability to focus the majority of its funding so that it directly pays for student instruction. Student instructional costs include expenditure categories in the reporting format followed by the NCES (National Center for Educational Statistics) plus costs reported under function code 12, libraries and media services; function code 31, guidance, counseling and evaluation services; and function code 33, medical services. A district earns up to three point under this indicator based upon its relative performance.*

**FIRST**

**Indicator #15**

**Was the aggregate Of Budgeted Expenditures and other uses LESS THAN the aggregate of Total Revenues, Other Resources and Fund Balance in General Fund? (Point scale – Yes=5 points – No=0 points)**

**SCORE:**

**5 points**

*Did we overspend our budget? Our district will receive a negative rating on this measure if our total expenditures and other uses for the fiscal year exceeded our total funds available.*

# FIRST

## Indicator #16

**If the district's Aggregate Fund Balance in the General Fund and Capital Projects Fund was LESS THAN zero, were construction projects adequately financed? (Were construction projects adequately financed or adjusted by change orders or other legal means to avoid creating or adding to the fund balance deficit situation?)**

**(Point scale – Yes=5 points – No=0 points)**

**SCORE:**

**5 points**

*Did we over-spend on school buildings or other capital projects? This indicator measures our district's ability to construct facilities without damaging our Fund Balance.*

**FIRST**

## **Indicator #17**

**Was the ratio of Cash and Investments to Deferred Revenues (excluding amount equal to net Delinquent Taxes Receivable) in the General Fund greater than or equal to 1:1? (If Deferred Revenues are less than Net Delinquent Taxes Receivable, then the district receives 5 points) (Point scale 0-5)**

**SCORE:**

**5 points**

*This indicator measures whether or not our district has sufficient cash and investments to balance Fund Balance monies such as TEA overpayments (deferred revenues). In other words, our District should have fund balance monies of its own that are at least equal to those dollars that are there due to overpayments from TEA, and we should not be spending “next year’s” monies this year. A district earns up to five points under this indicator based upon its relative performance.*

# FIRST

## Indicator #18

**Was the Administrative Cost Ratio less than the Threshold Ratio?  
(Point scale – Yes=5 points – No=0 points)**

**SCORE:**

**5 points**

*This indicator measures the percentage of their budget that Texas school districts spent on administration. Did we exceed the cap in School FIRST for districts of our size?*

**FIRST**

## **Indicator #19**

**Was the Ratio of Students to Teachers within the ranges shown below according to district size? (Point scale 0-5)**

**SCORE:**

**5 points**

*This indicator measures our pupil-teacher ratio to ensure that it is within TEA recommended ranges for district's of our student population range. For example, districts with a student population between 5,000 and 9,999 should have no more than 22 students per teacher and no fewer than 11.5 students per teacher. A district earns up to five points under this indicator based upon its relative performance.*

**FIRST**

## **Indicator #20**

**Was the Ratio of Students to Total Staff within the ranges shown below according to district size? (Point scale 0-5)**

**SCORE:**

**5 points**

*This indicator measures our pupil-staff ratio to ensure that it is within TEA-recommended ranges for district's of our student population range. For example, districts with a student population between 5,000 and 9,999 should have no more than 14 students per staff member and no fewer than 6.8 students per district employee. A district earns up to five points under this indicator based upon its relative performance.*

**FIRST**

**Indicator #21**

**Was the Total Fund Balance in the General Fund more than 50% and less than 150 percent of Optimum according to the Fund Balance and Cash Flow Calculation Worksheet in the Annual Financial Report?  
(Point scale 0-5)**

**SCORE:**

**5 points**

*Our district's audit provides an optimum General Fund "Fund Balance" for our district. Our district should have no less than one-half and no more than one and one-half times this amount in our Fund Balance, counting both reserved and unreserved fund balances.*



# FIRST

## Indicator #22

**Was the decrease in Undesignated Unreserved Fund Balance less than 20 percent over two Fiscal Years? (If 1.5 times Optimum Fund Balance is less than total Fund Balance in General Fund or if Total Revenues the General exceeded Operating Expenditures in Fund, then the district receives 5 points) (Point scale 0-5)**

**SCORE:**

**5 points**

*Are we “feeding off of your Fund Balance” to pay for salaries or other district operating expenses? This indicator notes rapid decreases in our undesignated Fund Balance.*

**FIRST**

**Indicator #23**

**Was the Aggregate Total of Cash and Investments in the General Fund more than \$0? (Point scale Yes=5points – No=0 points)**

**SCORE:**

**5 points**

*Does our district have cash in the bank, and / or investments?*

**FIRST**

**Indicator #24**

**Were Investment Earnings in all funds (excluding Debt Service Fund and Capital Projects Fund) more than \$20 per student?**

**(Point scale 0-4)**

**SCORE:**

**4 points**

*Are we using our cash or reserve fund (Fund Balance) monies wisely? A district earns up to five points under this indicator based upon its relative performance.*

# Schools **FIRST** Ratings:

Superior Achievement – 907 Districts

Above-Standard Achievement – 100 Districts

Standard Achievement – 10 Districts

Substandard Achievement – 13 Districts

## **Additional Rating:**

Suspended Due to Data Quality – 1 District

# Willis I.S.D.

## 2007-2008 District Status

**Rating:** **Superior Achievement**

**Indicators Answered YES:** **7 out of 7**

**Indicators Scored on  
Point system:** **85 out of 85 points**

**FIRST**

Financial Integrity Rating System of Texas