



Public Hearing

2022-2023 School FIRST
Financial Management Report
Spring Branch Independent School District

Based on School Year 2021-2022 Data

School FIRST

- ★ A financial accountability rating system designed to encourage Texas public schools to better manage their financial resources
- ★ 20 financial indicators are used to rate the quality of financial management
- ★ Distribution of a prescribed financial report at a public meeting is required



Rating for Spring Branch ISD

- ★ A – Superior achievement, 96 out of 100 points
- ★ 22nd consecutive year in the top rating category



Rating System

- ★ A – Superior 90-100 points
- ★ B – Above Standard 80-89 points
- ★ C – Meets Standard 70-79 points
- ★ F – Substandard < 70 points
- ★ Critical Indicators, Solvency Indicators,
and Financial Competence Indicators



Critical Indicator

- ★ Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?

SBISD passed this indicator



Critical Indicator

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

SBISD passed this indicator



Critical Indicator

- ★ Did the school district make timely payments to the Teacher Retirement System, Texas Workforce Commission, Internal Revenue Service, and other government agencies?

SBISD passed this ceiling indicator



Competency Indicator

- ★ Did the comparison of PEIMS data to the district's Annual Financial Report result in a total variance of less than 3% of all expenditures by function?

SBISD passed this Ceiling Indicator



Competency Indicator

- ★ Did the external independent auditor report any instances of material weakness in internal controls over financial reporting and compliance?

SBISD passed this Ceiling Indicator



Ceiling Indicator

- ★ Was the 3-Year change in fund balance less than a 25% decline or did fund balance exceed 75 days of expenditure?

SBISD fund balance declined 4.6%

SBISD fund balance at \$123.2 million
versus 75 days expenditure \$80.7 million



Solvency Indicator

- ★ Did general fund revenues exceed expenditures? If not were days cash on hand $>$ or $=$ 60 days?

SBISD revenues exceeded expenditures

SBISD days cash on hand = 197

SBISD earned the full 10 points



Solvency Indicator

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

3 or more

10 points

1 or less

0 points

SBISD = 2.17

6 points



Solvency Indicator

★ Was the ratio of long-term liabilities to total assets sufficient to support long-term solvency?

0.60 or less 10 points

1.00 or more 0 points

0.53 = SBISD 10 points



Solvency Indicator

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

8.6% or less 10 points

18.6% or more 0 points

6.9% = SBISD 10 points



Required Disclosures

Superintendent's Current Employment Contract

- ★ The Superintendent's contract has been posted on the district website at <https://www.springbranchisd.com/about/superintendent-blaine/contract>
- ★ The contract will remain posted for the next twelve months



Reimbursements Received by the Superintendent & Board Members

| | Meals | Lodging | Transportation | Other | Total | Comments |
|-----------------|--------|---------|----------------|----------|----------|-----------------------------------|
| Blaine | \$ 100 | \$ 625 | \$ 1,139 | \$ 3,566 | \$ 5,430 | Memberships, conference, training |
| Alpe | - | 562 | - | 323 | 885 | Conference and training |
| Bennett | - | 562 | - | 123 | 685 | Conference and training |
| Breed | - | - | - | 2,165 | 2,165 | Conference and training |
| Caesar | - | 446 | 78 | 975 | 1,499 | Conference and training |
| Earnest | - | 469 | 93 | 90 | 652 | Conference and training |
| Gonzalez | 70 | 446 | 352 | 515 | 1,383 | Conference and training |
| Goodson | - | - | - | 515 | 515 | Conference and training |
| Klam | - | - | - | 90 | 90 | Training |
| Peck | - | 416 | 78 | 515 | 1,009 | Conference and training |
| Perez | - | - | - | 123 | 123 | Training |



Outside Compensation and/or Fees Received by the Superintendent For Professional Consulting and/or Other Personal Services

- ★ For the twelve months ended June 30, 2022
the Superintendent did not receive any
outside compensation.



Gifts Received by the Superintendent and Board Members

- ★ For the twelve months ended June 30, 2022 the Superintendent and board members did not receive gifts that totaled \$250 or more.



Business Transactions Between SBISD and Board Members

- ★ For the twelve months ended June 30, 2022
no business transactions occurred between
SBISD and board members.





Public Hearing

School FIRST 2022 - 2023

Financial Management Report

Spring Branch Independent School District

School FIRST Annual Financial Management Report

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

July 1st 2021- June 30th 2022

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA,
Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1001(q). Effective 8/1/2018.

The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing. The template may not be all inclusive.

<https://tea.texas.gov/finance-and-grants/financial-accountability/financial-integrity-rating-system-of-texas-first/financial-integrity-rating-system-of-texas>

FY 2022 DATA for the 2023 Report

Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided.

In lieu of publication in the annual School 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.

<https://www.springbranchisd.com/about/superintendent-blaine/contract>

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended June 30, 2022

| Description of Reimbursements | Dr. Jennifer Blaine | Lisa Alpe | Caroline Bennett | Carter Breed | Minda Caesar | Chris Earnest | Chris Gonzalez | Pam Goodson | Josef Klam | Karen Peck | John Perez |
|-------------------------------|---------------------|-----------|------------------|--------------|--------------|---------------|----------------|-------------|------------|------------|------------|
| Meals | \$ 100 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 70 | \$ - | \$ - | \$ - | \$ - |
| Lodging | 625 | 562 | 562 | - | 446 | 469 | 446 | - | - | 416 | - |
| Transportation | 1,139 | - | - | - | 78 | 93 | 352 | - | - | 78 | - |
| Motor Fuel | | - | - | - | - | - | - | - | - | - | - |
| Other | 3,566 | 323 | 123 | 2,165 | 975 | 90 | 515 | 515 | 90 | 515 | 123 |
| Total | \$ 5,430 | \$ 885 | \$ 685 | \$ 2,165 | \$ 1,499 | \$ 652 | \$ 1,383 | \$ 515 | \$ 90 | \$ 1,009 | \$ 123 |

All "reimbursements" expenses, regardless of the manner of payment, including direct pay,

credit card, cash, and purchase order are to be reported. Items to be reported per category include:

Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).

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.

School FIRST Annual Financial Management Report
SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

July 1st 2021- June 30th 2022

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

For the Twelve-Month Period

Ended June 30, 2022

Name of Entity

Amount Received

None

\$ -

Total

\$ -

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any)
(gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)

For the Twelve-Month Period

Ended June 30, 2022

| | Dr. Jennifer Blaine | Lisa Alpe | Caroline Bennett | Carter Breed | Minda Caesar | Chris Earnest | Chris Gonzalez | Pam Goodson | Josef Klam | Karen Peck | John Perez |
|-------|------------------------|--------------|---------------------|-----------------|-----------------|------------------|-------------------|----------------|---------------|---------------|---------------|
| Total | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials.

Business Transactions Between School District and Board Members

For the Twelve-Month Period

Ended June 30, 2022

| | Lisa Alpe | Caroline Bennett | Carter Breed | Minda Caesar | Chris Earnest | Chris Gonzalez | Pam Goodson | Josef Klam | Karen Peck | John Perez |
|---------|--------------|---------------------|-----------------|-----------------|------------------|-------------------|----------------|---------------|---------------|---------------|
| Amounts | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Note - The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.

RATING YEAR **2022-2023**DISTRICT NUMBER **district #****Select An Option****Help****Home****Financial Integrity Rating System of Texas**

2022-2023 RATINGS BASED ON SCHOOL YEAR 2021-2022 DATA - DISTRICT STATUS DETAIL

| Name: SPRING BRANCH ISD(101920) | | Publication Level 1: 8/4/2023 12:02:16 PM | |
|---|---|--|--------------------------|
| Status: Passed | | Publication Level 2: 8/7/2023 3:01:39 PM | |
| Rating: A = Superior Achievement | | Last Updated: 8/7/2023 3:01:39 PM | |
| District Score: 96 | | Passing Score: 70 | |
| # | 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> | 7/13/2023 6:19:09 PM | Yes |
| 2 | <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> | 7/13/2023 6:19:09 PM | 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> | 7/13/2023 6:19:10 PM | 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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u> | 7/13/2023 6:19:09 PM | Yes Ceiling Passed |
| 5 | This indicator is not being evaluated. | | |
| | | | 1 Multiplier Sum |
| 6 | <u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u> | 7/13/2023 6:19:10 PM | Ceiling Passed |

| | | | |
|----|---|-------------------------|------------------------|
| 7 | <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 in the Determination of Points section.</u> | 7/13/2023 6:19:09 PM | 10 |
| 8 | <u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u> | 7/13/2023 6:19:09 PM | 6 |
| 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? See ranges below in the Determination of Points section.</u> | 7/13/2023 6:19:09 PM | 10 |
| 10 | This indicator is not being evaluated. | | 10 |
| 11 | <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 increase of students in membership over 5 years was 7 percent or more or 1,000 or more students in membership, then the school district passes this indicator.)</u> | 7/13/2023 6:19:10 PM | 10 |
| 12 | <u>What is the correlation between future debt requirements and the district's assessed property value?</u> | 7/13/2023 6:19:09 PM | 10 |
| 13 | <u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u> | 7/13/2023 6:19:09 PM | 10 |
| 14 | This indicator is not being evaluated. | | 10 |
| 15 | This indicator is not being evaluated. | | 5 |
| 16 | <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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u> | 7/13/2023 6:19:10 PM | Ceiling Passed |
| 17 | <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 and free from substantial doubt about the school district's ability to continue as a going concern? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u> | 7/13/2023 6:19:09 PM | Ceiling Passed |
| 18 | <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> | 7/13/2023 6:19:09 PM | 10 |
| 19 | <u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u> | 7/13/2023 6:19:10 PM | 5 |
| 20 | <u>Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?</u> | 7/13/2023 6:19:09 PM | Ceiling Passed |
| | | | 96 Weighted Sum |
| | | | 1 Multiplier Sum |

| | | |
|--|--|---------------|
| | | (100 Ceiling) |
| | | 96 Score |

DETERMINATION OF RATING

| | | |
|--|---|--------|
| A. | Did the school district fail any of the critical indicators 1, 2, 3, or 4? 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. | |
| | A = Superior Achievement | 90-100 |
| | B = Above Standard Achievement | 80-89 |
| | C = Meets Standard Achievement | 70-79 |
| | F = Substandard Achievement | <70 |
| <p>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.</p> <p>The school district receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.</p> | | |

CEILING INDICATORS

| | | |
|--|-----------------------|--------------------------------|
| Did the school district meet the criteria for any of the following ceiling indicators 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator. | | |
| Determination of rating based on meeting ceiling criteria. | Maximum Points | Maximum Rating |
| Indicator 4 (Timely Payments) - School district was issued a warrant hold. | 95 | A = Superior Achievement |
| Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> . | 89 | B = Above Standard Achievement |
| Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> . | 89 | B = Above Standard Achievement |
| Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> . | 79 | C = Meets Standard Achievement |
| Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> . | 89 | B = Above Standard Achievement |

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

FIRST 5.14.3.3