



Midland
INDEPENDENT SCHOOL DISTRICT
Educating the Future!



Financial Integrity Rating System of Texas

**Annual Financial Management Report
2015-2016 Rating Year**

Midland Independent School District

School FIRST

Notice of Public Meeting

NOTICE OF PUBLIC MEETING

TO DISCUSS

MIDLAND INDEPENDENT SCHOOL DISTRICT
STATE FINANCIAL ACCOUNTABILITY RATING

The Board of Trustees of the Midland Independent
School District will hold a public meeting at 5:30 p.m.

Monday, October 9, 2017 in the auditorium of the
James Bowie Fine Arts Academy, 2805 Elk Avenue, Midland, Texas.

The purpose of this meeting is to discuss Midland ISD's rating through the state Financial
Accountability System (FIRST) - Financial Integrity Rating System of Texas.

2015-2016 District Data Summary



Financial Integrity Rating System of Texas

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

Name: MIDLAND ISD(165901)	Publication Level 1: 8/8/2017 2:29:29 PM
Status: Passed	Publication Level 2: 8/8/2017 2:29:29 PM
Rating: C = Meets Standard	Last Updated: 8/8/2017 2:29:29 PM
District Score: 72	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 12:06:12 PM	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 12:06:12 PM	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 12:06:12 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>	3/28/2017 12:06:12 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?</u>	3/28/2017 12:06:13 PM	Yes

ANNUAL FINANCIAL MANAGEMENT REPORT
2015-2016 RATING YEAR

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 12:06:13 PM	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 12:06:13 PM	4
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 12:06:14 PM	8
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 12:06:14 PM	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 12:06:14 PM	0
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	5/18/2017 12:32:20 PM	0
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 12:06:15 PM	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 8:26:40 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 12:06:16 PM	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 12:06:16 PM	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 12:06:16 PM	10

	72 Weighted Sum
	1 Multiplier
	72 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.

2015 -2016
School FIRST Indicators
District Detail



Financial Integrity Rating System of Texas

2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 1

Name:	MIDLAND ISD (165901)
Indicator:	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?
Status	Passed
Last Updated:	3/28/2017 12:06:12 PM

FORMULA

Field	Value
Date Received	2017/02/01
<= Due Date (Fiscal Year End + Deadline in Days After Fiscal Year End)	2017/02/28

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the audit report was on time or filed within 30 days of the deadline.

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Financial Integrity Rating System of Texas

2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 2.A

Name:	MIDLAND ISD (165901)
Indicator:	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.)
Status	Passed
Last Updated:	3/28/2017 12:06:12 PM

FORMULA

Field	Value
Unmodified Opinion	true

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the district received an unmodified opinion in the AFR.

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2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 2.B

Name:	MIDLAND ISD (165901)
Indicator:	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.)
Status	Passed
Last Updated:	3/28/2017 12:06:12 PM

FORMULA

Field	Value
Not Weak Internal Controls	false

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the external auditor reported no material weaknesses in the audit report.

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2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 3

Name:	MIDLAND ISD (165901)
Indicator:	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.)
Status	Passed
Last Updated:	3/28/2017 12:06:12 PM

FORMULA

Field	Value
Not Default Disclosures	false

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if there were no disclosures in the annual financial report and/or other sources of information concerning default on debt agreements.

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2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 4

Name:	MIDLAND ISD (165901)
Indicator:	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?
Status	Passed
Last Updated:	3/28/2017 12:06:13 PM

FORMULA

Field	Value
Timely Payments to Government Agencies	true

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the district made timely payments to the TRS, TWC, IRS, and other government agencies.

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2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 5

Name:	MIDLAND ISD (165901)
Indicator:	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.)
Status	Passed
Last Updated:	3/28/2017 12:06:13 PM

FORMULA

Field	Value
(
(
2015-2016 Total Membership	24,518
- 2011-2012 Total Membership	22,501
)	
/ 2011-2012 Total Membership	22,501
>= Threshold for Five-Year Percent Change in Students	0.1
)	
Or	
(
(
Total Unrestricted Net Position Balance	3,785,768
+ Accretion of Interest for Capital Appreciation Bonds	0
+ Net Pension Liability	56,179,710
)	
> 0	
)	
Mathematical Breakdown: 0.0896 >= 0.1 Or 59,965,478 > 0	

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if EITHER of the following CONDITIONS is TRUE:

1. The District's Five-Year Percent Change in Students was 10% or MORE.
---- OR ----
2. The sum of Total Unrestricted Net Asset Balance in the governmental activities column in the Statement of Net Assets, Accretion of Interest for Capital Appreciation Bonds, and Net Pension Liability, as applicable, was GREATER THAN ZERO.

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2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 6

Name:	MIDLAND ISD (165901)
Indicator:	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.)
Result/Points	4
Last Updated:	3/28/2017 12:06:13 PM

FORMULA

Field	Value
(
(
Cash and Equivalents	9,100,086
+ Current Investments	20,755,308
)	
/	
(
Total Expenditures	239,588,458
- Facilities Acquisition and Construction	0
)	
)	
* 365	
Mathematical Breakdown: 45.4831	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
>=90	<90 >=75	<74 >=60	<60 >=45	<45 >=30	<30

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

Name:	MIDLAND ISD (165901)
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	8
Last Updated:	3/28/2017 12:06:14 PM

FORMULA

Field	Value
Current Assets	67,159,519
/ Current Liabilities	23,822,068
Mathematical Breakdown: 2.8192	

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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2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 8

Name:	MIDLAND ISD (165901)
Indicator:	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.)
Result/Points	10
Last Updated:	3/28/2017 12:06:14 PM

FORMULA

Field	Value
(
(
Long Term Liabilities	244,003,216
- Net Pension Liability	56,179,710
)	
/ Total Assets	387,291,719
<= 1	
)	
Or	
(
(
2016 Total Students	24,518
- 2012 Total Students	22,501
)	
/ 2012 Total Students	22,501
>= Threshold for Five-Year Percent Change in Students	0.1
)	

Mathematical Breakdown: 0.485 <= 1 Or 0.0896 >= 0.1

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
<=0.60	>0.60 <=0.70	>0.70 <=0.80	>0.80 <=0.90	>0.90 <=1.00	>1.00

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2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 9

Name:	MIDLAND ISD (165901)
Indicator:	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?
Result/Points	0
Last Updated:	3/28/2017 12:06:14 PM

FORMULA

Field	Value
(
Total Revenue	227,474,368
/	
(
Total Expenditures	239,588,458
- Facilities Acquisition and Construction	0
)	
- 1	
)	
>= 0	
Or	
(
(
Cash and Equivalents	9,100,086
+ Current Investments	20,755,308
)	
/	
(
Total Expenditures	239,588,458
- Facilities Acquisition and Construction	0
)	
)	
* 365	
>= Acceptable Days Cash on Hand	60

Mathematical Breakdown: $-0.0506 \geq 0$ Or $45.4831 \geq 60$

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
>=0%	<0%

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

Name:	MIDLAND ISD (165901)
Indicator:	Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)
Result/Points	0
Last Updated:	5/18/2017 12:32:20 PM

FORMULA

Field	Value
(
Total Revenues (in the General Fund and Debt Service Fund)	247,413,209
- Total Expenditures (in the General Fund and Debt Service Fund)	260,094,660
+ Debt Service function codes 71, 72, and 73 (in the General Fund and Debt Service Fund)	20,506,202
+ Fund Code 599 (Ending Debt Service fund balance)	4,190,832
+ Function Code 81	0
)	
/ Debt Service function codes 71, 72, and 73 (in the General Fund and Debt Service Fund)	20,506,202
Mathematical Breakdown: 0.5859	

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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2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 11

Name:	MIDLAND ISD (165901)
Indicator:	Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)
Result/Points	10
Last Updated:	3/28/2017 12:06:15 PM

FORMULA

Field	Value
District Administrative Cost Ratio	0.0746
And	
ADA	22,708.239
Or	
Sparse	false

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS						
ADA Size	10	8	6	4	2	0
10,000 and Above	<= 0.0855	> 0.0855 <= 0.1105	> 0.1105 <= 0.1355	> 0.1355 <= 0.1605	> 0.1605 <= 0.1855	> 0.1855
5,000 to 9,999	<= 0.1000	> 0.1000 <= 0.1250	> 0.1250 <= 0.1500	> 0.1500 <= 0.1750	> 0.1750 <= 0.2000	> 0.2000
1,000 to 4,999	<= 0.1151	> 0.1151 <= 0.1401	> 0.1401 <= 0.1651	> 0.1651 <= 0.1901	> 0.1901 <= 0.2151	> 0.2151
500 to 999	<= 0.1311	> 0.1311 <= 0.1561	> 0.1561 <= 0.1811	> 0.1811 <= 0.2061	> 0.2061 <= 0.2311	> 0.2311
Less than 500	<= 0.2404	> 0.2404 <= 0.2654	> 0.2654 <= 0.2904	> 0.2904 <= 0.3154	> 0.3154 <= 0.3404	> 0.3404
Sparse	<= 0.3364	> 0.3364 <= 0.3614	> 0.3614 <= 0.3864	> 0.3864 <= 0.4114	> 0.4114 <= 0.4364	> 0.4364

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Financial Integrity Rating System of Texas

2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 12

Name:	MIDLAND ISD (165901)
Indicator:	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.)
Result/Points	10
Last Updated:	6/21/2017 8:26:40 PM

FORMULA

Field	Value
(
2015-2016 Total Enrollment	24,555
/	
2015-2016 Number of FTE Staff	2,844.4952
)	
/	
(
2013-2014 Total Enrollment	23,560
/	
2013-2014 Number of FTE Staff	2,776.767
)	
-	1
>	Threshold for Three-Year Percent Change in Ratio
	-0.15
Or	
2015-2016 Total Enrollment	24,555
-	2013-2014 Total Enrollment
	23,560
>	0

Mathematical Breakdown: 0.0174 > -0.15 Or 995 > 0

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No

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2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 13

Name:	MIDLAND ISD (165901)
Indicator:	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?
Result/Points	10
Last Updated:	3/28/2017 12:06:16 PM

FORMULA

Field	Value
Sum of Differences	257
/ Denominator	239,588,201
< Acceptable Level of Variance	.03

Mathematical Breakdown: $0 < 0.03$

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
< 3%	>= 3%

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Financial Integrity Rating System of Texas

2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 14

Name:	MIDLAND ISD (165901)
Indicator:	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.)
Result/Points	10
Last Updated:	3/28/2017 12:06:16 PM

FORMULA

Field	Value
Not Material Non-Compliance	false

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No

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2016-2017 RATINGS BASED ON 2015-2016 SCHOOL YEAR DATA INDICATOR TEST 15

Name:	MIDLAND ISD (165901)
Indicator:	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?
Result/Points	10
Last Updated:	3/28/2017 12:06:16 PM

FORMULA

Field	Value
No Adjusted Repayment Schedule	true

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No

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2015 – 2016 State-Wide Data Summary



Financial Integrity Rating System of Texas

**OVERALL STATISTICS
2015-2016 STATUS COUNTS**

Status	Count	% Total	Enrollment	% Total Enrollment
Passed	1,017	99.51 %	5,022,222	99.88 %
Failed	5	0.49 %	6,205	0.12 %
Total	1,022	100.00 %	5,028,427	100.00 %

2015-2016 RATING COUNTS

Ratings	Count	% Total	Enrollment	% Total Enrollment
A = Superior	853	83.46 %	4,457,010	88.64 %
B = Above Standard	121	11.84 %	445,407	8.86 %
C = Meets Standard	43	4.21 %	119,805	2.38 %
F = Substandard Achievement	5	0.49 %	6,205	0.12 %
Total	1,022	100.00 %	5,028,427	100.00 %

2015-2016 ALL RESULTS BY INDICATOR

Indicator	Result	Count	% of Districts	Enrollment	% Total Enrollment
1	Yes	1022	100.00 %	5028427	100.00 %
	No	0	0.00 %	0	0.00 %
2.A	Yes	1021	99.90 %	5026985	99.97 %
	No	1	0.10 %	1442	0.03 %
2.B	Yes	992	97.06 %	4926793	97.98 %
	No	30	2.94 %	101634	2.02 %

3	Yes	1022	100.00 %	5028427	100.00 %
	No	0	0.00 %	0	0.00 %
4	Yes	1021	99.90 %	5027891	99.99 %
	No	1	0.10 %	536	0.01 %
5	Yes	1021	99.90 %	5026365	99.96 %
	No	1	0.10 %	2062	0.04 %
6	10	824	80.63 %	3860878	76.78 %
	8	67	6.56 %	514904	10.24 %
	6	52	5.09 %	274170	5.45 %
	4	37	3.62 %	183137	3.64 %
	2	25	2.45 %	104333	2.07 %
	0	17	1.66 %	91005	1.81 %
7	10	840	82.19 %	3602756	71.65 %
	8	79	7.73 %	686833	13.66 %
	6	62	6.07 %	399088	7.94 %
	4	32	3.13 %	333304	6.63 %
	2	9	0.88 %	6446	0.13 %
8	10	887	86.79 %	3748025	74.54 %
	8	78	7.63 %	502002	9.98 %
	6	37	3.62 %	516875	10.28 %
	4	13	1.27 %	216040	4.30 %
	2	4	0.39 %	17645	0.35 %
	0	3	0.29 %	27840	0.55 %
9	10	985	96.38 %	4914101	97.73 %

	0	37	3.62 %	114326	2.27 %
10	10	808	79.06 %	4177927	83.09 %
	8	25	2.45 %	80261	1.60 %
	6	20	1.96 %	83975	1.67 %
	4	13	1.27 %	81764	1.63 %
	2	17	1.66 %	89944	1.79 %
	0	139	13.60 %	514556	10.23 %
11	10	826	80.82 %	4327916	86.07 %
	8	132	12.92 %	603272	12.00 %
	6	31	3.03 %	76653	1.52 %
	4	20	1.96 %	17346	0.34 %
	2	4	0.39 %	1579	0.03 %
	0	9	0.88 %	1661	0.03 %
12	10	997	97.55 %	5015235	99.74 %
	0	25	2.45 %	13192	0.26 %
13	10	1017	99.51 %	5025539	99.94 %
	0	5	0.49 %	2888	0.06 %
14	10	987	96.58 %	4942392	98.29 %
	0	35	3.42 %	86035	1.71 %
15	10	1022	100.00 %	5028427	100.00 %

2015-2016 ANSWERS BY INDICATOR

Indicator	Yes	No	10	8	6	4	2	0	Total
1	1022	x	x	x	x	x	x	x	1022
2.A	1021	1	x	x	x	x	x	x	1022
2.B	992	30	x	x	x	x	x	x	1022
3	1022	x	x	x	x	x	x	x	1022
4	1021	1	x	x	x	x	x	x	1022
5	1021	1	x	x	x	x	x	x	1022
6	x	x	824	67	52	37	25	17	1022
7	x	x	840	79	62	32	9	x	1022
8	x	x	887	78	37	13	4	3	1022
9	x	x	985	x	x	x	x	37	1022
10	x	x	808	25	20	13	17	139	1022
11	x	x	826	132	31	20	4	9	1022
12	x	x	997	x	x	x	x	25	1022
13	x	x	1017	x	x	x	x	5	1022
14	x	x	987	x	x	x	x	35	1022
15	x	x	1022	x	x	x	x	x	1022

Last Updated: Friday, July 21, 2017 11:36:33 AM

2014 – 2015 District Data Summary



Financial Integrity Rating System of Texas

2015-2016 RATINGS BASED ON SCHOOL YEAR 2014-2015 DATA - DISTRICT STATUS DETAIL

Name: MIDLAND ISD(165901)	Publication Level 1: 8/8/2016 6:20:16 PM
Status: Passed	Publication Level 2: 8/8/2016 6:20:16 PM
Rating: A = Superior	Last Updated: 8/8/2016 6:20:16 PM
District Score: 98	Passing Score: 31

#	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>	3/16/2016 4:16:28 PM	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>	3/16/2016 4:16:29 PM	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>	3/16/2016 4:16:29 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>	3/16/2016 4:16:29 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?</u>	3/16/2016 4:16:29 PM	Yes

ANNUAL FINANCIAL MANAGEMENT REPORT
2015-2016 RATING YEAR

5	<u>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? (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>	3/16/2016 4:16:30 PM	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>	8/4/2016 1:53:12 PM	8
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>	6/30/2016 1:35:08 PM	10
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>	8/4/2016 1:53:13 PM	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>	8/4/2016 1:53:13 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	8/4/2016 1:53:13 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/16/2016 4:16:32 PM	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>	3/16/2016 4:16:32 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>	3/16/2016 4:16:33 PM	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>	3/25/2016 2:09:41 PM	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>	3/24/2016 4:36:42 PM	10
			98 Weighted Sum

1 Multiplier
 Sum

98 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	70-100
B = Above Standard	50-69
C = Meets Standard	31-49
F = Substandard Achievement	<31

Superintendent's Contract

Per Texas Administrative Code Title 19 Part 2 Chapter 109 Subchapter AA Division 1 Rule 109.1005, a copy of the Superintendent's current employment contract at the time of the School FIRST hearing is to be provided in the Financial Management report.

In lieu of publication in the report, the school district may post the Superintendent's employment contract on the school district's internet website. If published on the website, the contract must remain accessible for twelve months.

Midland Independent School District has posted the current Superintendent employment contact on the District's website and it will remain accessible for a least twelve months. The contract can be found on the Superintendent's page under the following links: <https://www.midlandisd.net/Page/97>

Reimbursements to Board Members and Superintendent

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2016

For the Twelve-Month Period Ending August 31, 2016

Member Name	Meals	Lodging	Transportation	Mileage/Fuel	Membership/ Registrations	Other	TOTAL
James Fuller	569.46	1,959.32	1,948.55	13.80	1,585.00	296.74	\$6,372.87
Angel Hernandez	219.56	313.94	664.23	11.20	860.00	70.34	\$2,139.27
Tommy Bishop	325.26	908.46	427.49	353.94	700.00	48.72	\$2,763.87
Jay Isaacs	161.86	480.96	523.18		700.00		\$1,866.00
Karen Nicholson	318.97	1,372.17	857.16		700.00		\$3,248.30
Rick Davis	402.74	1,184.38	1,260.94	14.06	700.00	267.38	\$3,829.50
Jeff Robnett	68.51				512.50		\$581.01
Ryder Warren	1992.08	3592.91	4639.64	205.02	9860.00	4862.90	\$25,152.55
Grand Total	\$4058.44	\$9812.14	\$10,321.19	\$803.04	\$15,617.50	\$5546.08	\$45,953.37

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) to the superintendent and board member not defined above.

Gifts received by the Executive Officer(s) and Board Members (and First Degree relatives, if any) in Fiscal Year 2016

For the twelve-month period ending August 31, 2016									
	Jay Isaacs	Angel Hernandez	Rick Davis	Tommy Bishop	James Fuller	Karen Nicholson	Jeff Robnett	Ryder Warren	Rod Schroder
Summary Accounts	\$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. (Any gifts received by their immediate family as described in Government Code, Chapter 573, Subchapter B, Relationships by Consanguinity or by Affinity will be reported under the applicable school official.)

**Business Transactions between School District and Board Members for Fiscal
Year 2016**

For the twelve-month period ending August 31, 2016									
	Jay Isaacs	Angel Hernandez	Rick Davis	Tommy Bishop	James Fuller	Karen Nicholson	Jeff Robnett	Ryder Warren	Rod Schroder
Summary Accounts	\$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. (Any gifts received by their immediate family as described in Government Code, Chapter 573, Subchapter B, Relationships by Consanguinity or by Affinity will be reported under the applicable school official.)

Glossary

Accounting: A standard school fiscal accounting system must be adopted and installed by the board of trustees of each school district. The accounting system must conform to generally accepted accounting principles. This accounting system must also meet at least the minimum requirements prescribed by the state board of education, subject to review and comment by the state auditor.

Ad Valorem Property Tax: Literally the term means “according to value.” Ad valorem taxes are based on a fixed proportion of the value of the property with respect to which the tax is assessed. They require an appraisal of the taxable subject matter’s worth. General property taxes are almost invariably of this type. Ad valorem property taxes are based on ownership of the property, and are payable regardless of whether the property is used or not and whether it generates income for the owner (although these factors may affect the assessed value).

Adopted Tax Rate: The tax rate set by the school district to meet its legally adopted budget for a specific calendar year.

All Funds: A school district’s accounting system is organized and operated on a fund basis where each fund is a separate fiscal entity in the school district much the same as various corporate subsidiaries are fiscally separate in private enterprise. All Funds refers to the combined total of all the funds listed below:

- The General Fund
- Special Revenue Funds (Federal Programs, Federally Funded Shared Services, State Programs, Shared State/Local Services, Local Programs)
- Debt Service Funds
- Capital Projects Funds
- Enterprise Funds for the National School Breakfast and Lunch Program

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Assigned Fund Balance: The assigned fund balance represents tentative plans for the future use of financial resources. Assignments require executive management (per board policy to assign this responsibility to executive management prior to end of fiscal year) action to earmark fund balance for bona fide purposes that will be fulfilled within a reasonable period of time. The assignment and dollar amount for the assignment may be determined after the end of the fiscal year when final fund balance is known.

Auditing: Accounting documents and records must be audited annually by an independent auditor. Texas Education Agency (TEA) is charged with review of the independent audit of the local education agencies.

Beginning Fund Balance: The General Fund balance on the first day of a new fiscal year. For most school districts this is equivalent to the fund balance at the end of the previous fiscal year.

Budget: The projected financial data for the current school year. Budget data are collected for the general fund, food service fund, and debt service fund.

Budgeting: Not later than August 20 of each year, the superintendent (or designee) must prepare a budget for the school district if the fiscal year begins on September 1. (For those districts with fiscal years beginning July 1, this date would be June 20.) The legal requirements for funds to be budgeted are included in the Budgeting module of the TEA Resource Guide. The budget must be adopted before expenditures can be made, and this adoption must be prior to the setting of the tax rate for the budget year. The budget must be itemized in detail according to classification and purpose of expenditure, and must be prepared according to the rules and regulations established by the state board of education. The adopted budget, as necessarily amended, shall be filed with TEA through the Public Education Information Management System (PEIMS) as of the date prescribed by TEA.

Capital Outlay: This term is used as both a Function and an Object. Expenditures for land, buildings, and equipment are covered under Object 6600. The amount spent on acquisitions, construction, or major renovation of school district facilities are reported under Function 80.

Capital Project Funds: Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Cash: The term, as used in connection with cash flows reporting, includes not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

Chapter 41: A key “equity” chapter in the Texas Education Code (TEC) is Chapter 41. This chapter is devoted to wealth equalization through the mechanism of recapture, the recovery of financial resources from districts defined by the state as high property wealth. Resources are recovered for the purpose of sharing them with low-wealth districts. Districts that are subject to the provisions of Chapter 41 must make a choice among several options in order to reduce their property wealth and share financial resources.

Committed Fund Balance: The committed fund balance represents constraints made by the board of trustees for planned future use of financial resources through a resolution by the board, for various specified purposes including commitments of fund balance earned through campus activity fund activities. Commitments are to be made as to purpose prior to the end of the fiscal year. The dollar amount for the commitment may be determined after the end of the fiscal year when final fund balance is known.

Comptroller Certified Property Value: The district’s total taxable property value as certified by the Comptroller’s Property Tax Division (Comptroller Valuation).

Debt Service Fund: Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Services: Two function areas (70 and 71) and one Object (6500) are identified using this terminology “debt services.” Function 70 is a major functional area that is used for expenditures that are used for the payment of debt principal and interest including Function 71. Expenditures that are for the retirement of recurring bond, capital lease principal, and other debt, related debt service fees, and for all debt interest fall under Function 71. Object 6500 covers all expenditures for debt service.

Deferred Revenue: Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

Effective Tax Rate: Provides the unit with approximately the same amount of revenue it had the year before on properties taxes in both years. A comparison of the effective tax rate to the taxing unit’s proposed tax rate shows if there will be a tax increase.

Ending Fund Balance: The amount of unencumbered surplus fund balance reported by the district at the end of the specified fiscal year. For most school districts this will be equivalent to the fund balance at the beginning of the next fiscal year.

Excess (Deficiency): Represents receivables due (excess) or owed (deficiency) at the end of the school year. This amount is recorded as Asset Object 1200.

Existing Debt Allotment (EDA): Is the amount of state funds to be allocated to the district for assistance with existing debt.

Federal Revenues: Revenues paid either directly to the district or indirectly through a local or state government entity for Federally-subsidized programs including the School Breakfast Program, National School Lunch Program, and School Health and Related Services Program. This amount is recorded as Revenue Object 5900.

Fiscal Year: A period of 12 consecutive months legislatively selected as a basis for annual financial reporting, planning, and budgeting. The fiscal year may run September 1 through August 31 or July 1 through June 30.

Foundation School Program (FSP) Status: The Foundation School Program (FSP) is the shared financial arrangement between the state and the school district, where property taxes are blended with revenues from the state to cover the cost

of basic and mandated programs. The nature of this arrangement falls in one of the following status categories: Regular, Special Statutory, State Administered, Education Service Center, or Open Enrollment Charter School District.

FTE: Full-Time Equivalent measures the extent to which one individual or student occupies a fulltime position or provides instruction, e.g., a person who works four hours a day or a student that attends a half of a day represents a .5 FTE.

Function: Function codes identify the expenditures of an operational area or a group of related activities. For example, in order to provide the appropriate atmosphere for learning, school districts transport students to school, teach students, feed students and provide health services. Each of these activities is a function. The major functional areas are:

- Instruction and Instructional-Related Services
- Instructional and School Leadership
- Support Services - Student
- Administrative Support Services
- Support Services; Non-Student Based
- Ancillary Services
- Debt Service
- Capital Outlay
- Intergovernmental Charges

Fund Balance: The difference between assets and liabilities reported in a governmental fund.

General Administration: The amount spent on managing or governing the school district as an overall entity. Expenditures associated with this functional area are reported under Function 41.

General Fund: This fund finances the fundamental operations of the district in partnership with the community. All revenues and expenditures not accounted for by other funds are included. This is a budgeted fund and any fund balances are considered resources available for current operations.

I&S Tax Rate: The tax rate calculated to provide the revenues needed to cover Interest and Sinking (I&S) (also referred to as Debt Service). I&S includes the interest and principal on bonds and other debt secured by property tax revenues.

Incremental Costs: The amount spent by a school district with excess wealth per WADA on the purchase of attendance credits either from the state or from other school district(s). Expenditures associated with this functional area are reported under Function 92.

Instruction: The amount spent on direct classroom instruction and other activities that deliver, enhance or direct the delivery of learning situations to students regardless of location or medium. Expenditures associated with this functional area are reported under Function 11.

Instructional Facilities Allotment (IFA): (State Aid) Provides assistance to school districts in making debt service payments on qualifying bonds and lease-purchase agreements. Proceeds must be used for the construction or renovation of an instructional facility.

Intergovernmental Charges: "Intergovernmental" is a classification used when one governmental unit transfers resources to another. In particular, when a Revenue Sharing District purchases WADA or where one school district pays another school district to educate transfer students. Expenditures associated with this functional area are reported under Function 90.

Investments in Capital Assets, Net of Related Debt: One of three components of net assets that must be reported in both government-wide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the government.

Local & Intermediate Revenues: All revenues from local taxes and other local and intermediate revenues. For specifics, see the definitions for Local Tax and Other Local & Intermediate Revenues. This amount is recorded under Object 5700.

Local Tax: This is all revenues from local real and personal property taxes, including recaptured funds from 1) Contracted Instructional Services Between Public Schools (Function 91) and 2) Incremental Costs associated with Chapter 41 of the Texas Education Code (Function 92).

M&O Tax Rate: The tax rate calculated to provide the revenues needed to cover Maintenance & Operations (M&O). M&O includes such things as salaries, utilities, and day-to-day operations.

Modified Opinion: Term used in connection with financial auditing. A modification of the independent auditor's report means there exists one or more specific exceptions to the auditor's general assertion that the district's financial statements present fairly the financial information contained therein according to generally accepted accounting principles.

Nonspendable Fund Balance: The portion of fund balance that is in non-liquid form, including inventories, prepaid items deferred expenditures, long-term receivables and encumbrances (if significant). Nonspendable fund balance may also be in the form of an endowment fund balance that is required to remain intact.

Object: An object is the highest level of accounting classification used to identify either the transaction posted or the source to which the associated monies are related. Each object is assigned a code that identifies in which of the following eight major object groupings it belongs:

- 1000 Assets
- 2000 Liabilities
- 3000 Fund Balances
- 5000 Revenue
- 6000 Expenditures/Expenses
- 7000 Other Resources/NonOperating Revenue/Residual Equity Transfers In
- 8000 Other Uses/NonOperating Revenue/Residual Equity Transfers Out

Operating Expenditures: A wide variety of expenditures necessary to a district's operations fall into this category with the largest portion going to payroll and related employee benefits and the purchase of goods and services.

Operating Expenditures/Student: Total Operating Expenditures divided by the total number of enrolled students.

Operating Revenues and Expenses:

Term used in connection with the proprietary fund statement of revenues, expenses, and changes in net assets. The term is not defined as such in the authoritative accounting and financial reporting standards, although financial statement preparers are advised to consider the definition of operating activities for cash flows reporting in establishing their own definition.

Other Local & Intermediate Revenues: All local and intermediate revenues NOT from local real and personal property taxes including:

- Revenues Realized as a Result of Services Rendered to Other School Districts
- Rental payments, interest, investment income
- Sale of food and revenues from athletic and extra/co-curricular activities
- Revenues from counties, municipalities, utility districts, etc.

Other Operating Costs: Expenditures necessary for the operation of the school district that are NOT covered by Payroll Costs, Professional and Contracted Services, Supplies and Materials, Debt Services, and Capital Outlay fall into this category and include travel, insurance and bonding costs, election costs, and depreciation. This amount is recorded as Expenditure/Expense Object 6400.

Other Resources: This amount is credited to total actual other resources or non-operating revenues received or residual equity transfers in. This amount is recorded under Object 7020.

Payments for Shared Services Arrangements: Payments made either from a member district to a fiscal agent or payments from a fiscal agent to a member district as part of a Shared Services Arrangement (SSA). The most common types of SSAs relate to special education services, adult education services, and activities funded by the Elementary and Secondary Education Act (ESEA). Expenditures associated with this functional area are reported under Function 93.

Payroll: Payroll costs include the gross salaries or wages and benefit costs for services or tasks performed by employees at the general direction of the school district. This amount is recorded as Expenditure/Expense Object 6100. *(NOTE: Payroll amounts do not include salaries for contract workers, e.g., for food service and maintenance. Therefore, this figure will vary significantly between districts and campuses that use contract workers and those that do not.)*

PEIMS: A state-wide data management system for public education information in the State of Texas. One of the basic goals of PEIMS, as adopted by the State Board of Education in 1986, is to improve education practices of local school districts. PEIMS is a major improvement over previous information sources gathered from aggregated data available on paper reports. School districts submit their data via standardized computer files. These are defined in a yearly publication, the PEIMS Data Standards.

Plant Maintenance & Operations: The amount spent on the maintenance and operation of the physical plant and grounds and for warehousing and receiving services. Expenditures associated with this functional area are reported under Function 51.

Property /Refined ADA: The district's Comptroller Certified Property Value divided by its total Refined ADA.

Property/WADA: The district's Comptroller Certified Property Value divided by its total WADA.

Refined ADA: Refined Average Daily Attendance (also called RADA) is based on the number of days of instruction in the school year. The aggregate eligible days attendance is divided by the number of days of instruction to compute the refined average daily attendance.

Restricted Fund Balance: This is that portion of fund balance that has externally enforceable constraints made by outside parties.

Reserve Fund Balance: This is that portion of fund equity which is not available for appropriation or has been legally separated for a specific purpose.

Revenues: Any increase in a school district's financial resources from property taxes, foundation fund entitlements, user charges, grants, and other sources. Revenues fall into the three broad sources of revenues: Local & Intermediate; State; and Federal.

Robin Hood Funds: See Wealth Equalization Transfer.

Rollback Tax Rate: Provides the unit with approximately the same amount of tax revenue it spent the previous year for day-to-day operations plus an extra 8 percent cushion, and sufficient funds to pay its debts in the coming year. For school districts, the cushion is six cents per \$100 of property value, not 8 percent. School districts calculate the rollback rate necessary to generate the same amount of state and local funds per weighted average daily attendance (WADA) as was available to the districts in the preceding school year, using estimated WADA for the upcoming year, plus six cents, plus the current year's debt rate. The rollback rate is the highest rate that the taxing unit may adopt before voters can petition for an election to roll back the adopted rate to the rollback rate. For school districts, no petition is required; it's an automatic election if the adopted rate exceeds the rollback rate.

School Year: The twelve months beginning September 1 of one year and ending August 31 of the following year or beginning July 1 and ending June 30. Districts now have two options.

Special Revenue Fund: A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.

State Revenues: Revenues realized from the Texas Education Agency, other state agencies, shared services

arrangements, or allocated on the basis of state laws relating to the Foundation School Program Act. This amount is recorded as Revenue Object 5800.

Unassigned Fund Balances: Available expendable financial resources in a governmental fund that are not the object of tentative management plans (i.e., committed or assigned). One primary criterion of rating agencies for school bonds is the relative amount of unassigned fund balance. Bond rating agencies view unassigned fund balances as a reflection of the financial strength of school districts and show concern when district fund balances decrease.

Unmodified Opinion: Term used in connection with financial auditing. An unmodified independent auditor's opinion means there are no stated exceptions to the auditor's general assertion that the district's financial statements present fairly the financial information contained according to generally accepted accounting principles.

Unrestricted Net Asset Balance: The term net asset refers to the amount of total assets less total liabilities. Unrestricted net asset balance refers to the portion of total net assets that is neither invested in capital assets nor restricted.

WADA: A Weighted Average Daily Attendance (WADA) is used to measure the extent students are participating in special programs. The concept of WADA in effect converts all of a school district's students with their different weights to a calculated number of regular students required to raise the same amount of revenue. The greater the number of students eligible for special entitlements, the greater a school district's WADA will be.

Wealth Equalization Transfer: The amount budgeted by districts for the cost of reducing their property wealth to the required equalized wealth level (Function 91). Sometimes referred to as Robin Hood Fund.

DISCLAIMER

All of the information provided is believed to be accurate and reliable; however, TASBO and TSPRA assume no responsibility for any errors, appearing in this information or otherwise. Further, TASBO and TSPRA assume no responsibility for the use of the information provided.