

Financial Integrity Rating System of Texas

2019-2020 FIRST
Rating based on
2018-2019 Data

as required by Title 19, Texas Administrative Code,
Chapter 109 Subchapter AA,
Commissioner's Rules Concerning
Financial Accountability Rating System



Financial Integrity Rating System of Texas

**2019-2020 RATINGS BASED ON SCHOOL YEAR 2018-2019 DATA - DISTRICT STATUS
DETAIL**

Name: TAFT ISD(205907)	Publication Level 1: 8/6/2020 9:26:37 AM
Status: Passed	Publication Level 2: 8/6/2020 11:17:34 AM
Rating: C = Meets Standard	Last Updated: 8/6/2020 11:17:34 AM
District Score: 68	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>	3/30/2020 2:40:52 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>	3/30/2020 2:40:52 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>	3/30/2020 2:40:52 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>	3/30/2020 2:40:52 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>	3/30/2020 2:40:53 PM	Yes
5	This indicator is not being scored.		
			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>	3/30/2020 2:40:53 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>	3/30/2020 2:40:53 PM	6
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 increase of students in membership over 5 years was 7</u>	3/30/2020 2:40:54	8

	<u>percent or more, then the school district passes this indicator. See ranges below.</u>	PM	
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>	3/30/2020 2:40:54 PM	0
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	3/30/2020 2:40:56 PM	4
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/30/2020 2:40:56 PM	6
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>	3/30/2020 2:40:57 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>	3/30/2020 2:41:00 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>	3/30/2020 2:41:00 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>	3/30/2020 2:41:00 PM	10
			68 Weighted Sum
			1 Multiplier Sum
			68 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, 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.	

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

THE TEXAS EDUCATION AGENCY

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FIRST 5.9.1.0

**Taft Independent School District
School FIRST Annual Financial Management Report
November 17, 2020**

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1005. Amended to be effective 2/3/11. 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.

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.

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended August 31, 2019

<u>Description of Reimbursements</u>	Superintendent Joe Lopez	Board Member Jimmie Adame	Board Member Paul L. Trevino	Board Member Johnny Carvajal	Board Member Sylvia Montemayor	Board Member Pedro N Rodriguez	Board Member Ruben Lopez	Board Member Diana Buendia	Board Member Manuel Banda
Meals	1,243.00	55.00	125.00	216.00	233.00	108.00	322.00	269.00	125.00
Lodging	5,662.67	390.92	1,053.94	1,896.71	1,674.91	1,123.98	2,866.35	1,941.46	920.53
Transportation	5,149.97	0.00	175.16	414.96	414.96	239.80	696.93	726.76	175.16
Motor Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	2,777.17	0.00	395.00	770.00	850.00	580.00	770.00	1,305.00	395.00
Total	14,832.81	445.92	1,749.10	3,297.67	3,172.87	2,051.78	4,655.28	4,242.22	1,615.69

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

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reimbursements (or on-behalf of) to the superintendent and board member not defined above.

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

For the Twelve-Month Period
Ended August 31, 2019

Name(s) of Entity(ies)	Amount Received \$
Total	\$0.00

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 August 31, 2019

	Superintendent								
	Joe Lopez	Jimmie Adame	Paul L. Trevino	Johnny Carvajal	Sylvia Montemayor	Pedro N Rodriguez	Ruben Lopez	Diana Buendia	Manuel Banda
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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.

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Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended August 31, 2019

	Superintendent								
	Joe Lopez	Jimmie Adame	Paul L. Trevino	Johnny Carvajal	Sylvia Montemayor	Pedro N Rodriguez	Ruben Lopez	Diana Buendia	Manuel Banda
Amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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.

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

General Fund - First-Quarter Expenditures By Object Code

Report **2018-2019 first-quarter (first three months)** of fiscal year 2018-2019) GENERAL FUND expenditures by object code using whole numbers.

Payroll-	Expenditures for payroll costs	object codes 6110-6149	\$ 2,263,526
Contract Costs-	Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	\$ 663,314
Supplies and Materials-	Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6300	\$ 245,826
Other Operating-	Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	\$ 228,512
Debt Service-	Expenditures for debt service	object code series 6500	\$ 16,832
Capital Outlay-	Expenditures for land, buildings, and equipment	object code series 6600	\$ 100,254

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Additional Financial Solvency Questions

1) Districts with a September 1- August 31 fiscal year:

Within the last two years, did the school district

- 1) draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and
- 2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?

Yes	No
_____	___X__
_____	___X__

Districts with a July 1- June 30 fiscal year:

Within the last two years, did the school district

- 1) draw funds from a short-term financing note (term less than 12 months) between the months of July and October, inclusive, and
- 2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?

_____	_____
_____	_____

2) Has the school district declared financial exigency within the past two years?

_____	___X__
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3) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district's financial solvency.

<u>Mean Enroll-to-Teacher Ratio</u>	<u>85% of Mean Enroll-to-Teacher Ratio</u>	<u>School District Size</u>
8.39	7.13	Under 100
9.48	8.06	100 to 249
10.73	9.12	250 to 499
11.48	9.76	500 to 999

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12.45	10.58	1,000 to 1,599
13.52	11.50	1,600 to 2,999
14.29	12.15	3,000 to 4,999
14.80	12.58	5,000 to 9,999
14.88	12.65	10,000 to 24,999
15.01	12.76	25,000 to 49,999
15.06	12.80	50,000 and Over

FUND BALANCE AT 08-31-19 \$1,268,868

decrease of \$1,246,679

4) How many superintendents has your school district had in the last five years? 2

5) How many business managers has your school district had in the last five years? 2