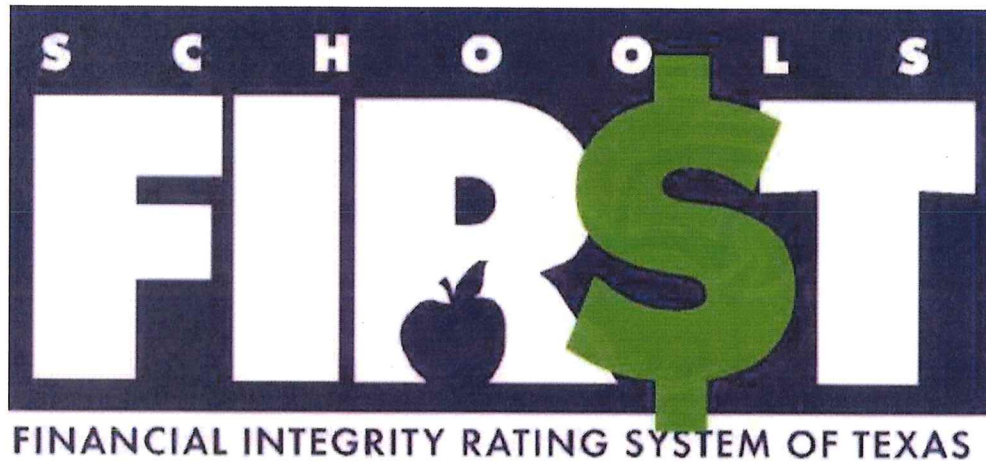




## NECHES INDEPENDENT SCHOOL DISTRICT



### Financial Management Performance Report 2021-2022

(Based on Fiscal Year 2020-2021 Data)

**Public Hearing**

**October 24, 2022**

## Neches ISD Financial Management Performance Report 2021-2022

FIRST is the acronym for Financial Integrity Rating System of Texas, the state's school financial accountability rating system. FIRST ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide maximum allocation possible for direct instructional purposes.

The primary goal of the rating is to achieve quality performance in the management of school districts financial resources. The FIRST system assigns a financial accountability rating to school districts from one of the following four scores:

A = Superior      B = Above Standard      C = Meets Standard      F = Substandard

The financial management report to be distributed at the public hearing, per Title 19 TAC Chapter 109, will include the following five disclosure items:

1. Superintendent's current contract (at the time of hearing)
2. Reimbursements, in any form, received by the superintendent and board members
3. Outside compensation and/or fees received by the superintendent for professional consulting
4. Gifts received by the executive officers and board members exceeding \$250
5. Business transactions between school board members and the school district

School districts are required to distribute the financial management report to parents and taxpayers. The board is required to hold this public hearing on the report at a district facility within two months of receiving the final financial accountability rating.

As required, we have provided notice of the hearing in the newspaper prior to holding the meeting. We will also have copies of the report ready to hand out at the hearing and will post the report on our website.

Neches ISD has been issued a "**Superior**" rating for 2021-2022 (based on the 2020-2021 fiscal year data), scoring 92 out of 100 possible points.

The School's FIRST rating is a district-wide financial report card. The Board of Trustees and staff have contributed to the financial success of the district by:

- Developing and adopting budgets that focus on student instruction and achievement
- Ensuring fiscal accountability through purchasing, staffing, cash management, and PEIMS data integrity

The Business Manager will be pleased to provide additional information as requested by the board.

RATING YEAR

2021-2022

DISTRICT NUMBER

district #

Select An Option

Help

Home



Financial Integrity Rating System of Texas

## 2021-2022 RATINGS BASED ON SCHOOL YEAR 2020-2021 DATA - DISTRICT STATUS DETAIL

Name: NECHES ISD(001906)	Publication Level 1: 8/2/2022 2:05:39 PM
Status: Passed	Publication Level 2: 8/4/2022 12:15:48 PM
Rating: A = Superior Achievement	Last Updated: 8/4/2022 12:15:48 PM
District Score: 92	Passing Score: 70

#	Indicator Description	Updated	Score
1	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?	7/12/2022 8:25:06 AM	Yes
2	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.)	5/13/2022 3:57:28 PM	Yes
3	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.)	5/13/2022 3:57:28 PM	Yes
4	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (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.)	5/13/2022 3:57:28 PM	Yes Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
6	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.)	5/17/2022 9:34:30 AM	Ceiling Passed
7	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.	5/13/2022 3:57:29 PM	10

8	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.	5/13/2022 3:57:30 PM	2
9	Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? See ranges below in the Determination of Points section.	5/13/2022 3:57:30 PM	10
10	This indicator is not being scored.		10
11	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, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.	5/13/2022 3:57:32 PM	10
12	Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.	5/13/2022 3:57:32 PM	10
13	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.	6/9/2022 10:44:32 AM	10
14	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.	5/13/2022 3:57:33 PM	10
15	This indicator is not being scored.		5
16	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.)	5/13/2022 3:57:33 PM	Ceiling Passed
17	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.) (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.)	5/13/2022 3:57:34 PM	Ceiling Passed
18	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.)	5/13/2022 3:57:34 PM	10
19	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?	5/13/2022 3:57:35 PM	5
20	Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)	5/13/2022 3:57:35 PM	Ceiling Passed
			92 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			92 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><b>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.</b></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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FIRST 5.14.2.0

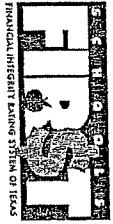


# *Disclosures*

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## **1. Superintendent's Employment Contract**

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the Schools FIRST hearing in calendar year 2022. In lieu of publication in the Schools FIRST financial management report, the school district may choose 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.



# Disclosures

## 2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2021.

For the Twelve-Month Period Ended August 31, 2021	Van Brown	Tommy Stewart	Garald Brown	Amanda Kincaide	Trish Davilla	Mark Owens	Blake Rogers	Lance Fredrickson	Randy Snider
Summary of:									
Meals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$393.73
Lodging	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transportation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Motor Fuel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total:</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$393.73</b>

Note: 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.



## Disclosures

### 3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services for Fiscal Year 2021.

For the Twelve-Month Period Ended August 31, 2021	Randy Snider Superintendent
Name(s) of Entity(ies)	
Amount	\$0.00
Total	\$0.00

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



## Disclosures

### 4. Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any) in Fiscal Year 2021. (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, 2021	Van Brown	Tommy Stewart	Gerald Brown	Amanda Kincaid	Trish Davilla	Mark Owens	Blake Rogers	Lance Fredrickson	Randy Snider
Amount	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$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.





# Disclosures

## 5. Business Transactions Between School District and Board Members for Fiscal Year 2021.

For the Twelve-Month Period Ended August 31, 2021	Van Brown	Tommy Stewart	Gerald Brown	Amanda Kincaide	Trish Davilla	Mark Owens	Blake Rogers	Lance Fredrickson	Randy Snider
Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member Resigned June 2021	Board Member Ended Nov. 2020	Board Member Began Nov 2020	Superintendent
Amounts	\$661.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total:</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

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.