



**DRIPPING SPRINGS**  
Independent School District

**Annual Financial  
Accountability Management  
Report**

**2020-2021 Rating  
2019-2020 Fiscal Year Data**

**Rating: “A” – Superior**

# **Dripping Springs Independent School District Annual Financial Accountability Management Report**

## **Introduction**

The primary goal of Schools FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system. This is the 20<sup>th</sup> year of the School FIRST (Financial Accountability Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76<sup>th</sup> Texas Legislature in 1999. The Schools FIRST report underwent sweeping changes under HB 5, Section 49, of the 83<sup>rd</sup> Texas Legislature, Regular Session, 2013. Those changes require the commissioner of education to include processes in the financial accountability rating system for anticipating the future financial solvency of each school district and open enrollment charter school. The Commissioner's Rule for School FIRST changes under HB 5 were finalized in August 2015.

The changes to the School FIRST system implemented by the Texas Education Agency in August 2015 were phased-in over three years. During the phase-in period, the new School FIRST system had separate worksheets for rating years 2014-2015, 2015-2016, and 2016-2017 and subsequent years. The worksheet for rating year 2014-2015 contained only 7 indicators as opposed to the 20 indicators used in 2013-2014. The worksheets for rating years 2015-2016 and 2016-2017 increased to 15 indicators. The ratings for years 2017-2018 through 2019-2020 used the same 15 indicators. Also, the worksheets for rating years 2016-2017 and beyond require higher scores for select ratings compared to the worksheet for rating year 2015-2016.

Legislative rules require the district to present a FIRST management report, which covers any business-related issues. The district must advertise and hold a public meeting to discuss the report. The district's School FIRST rating is based upon an analysis of data reported for the 2019-2020 school year. This information is submitted through the district's annual PEIMS (Public Education Information Management System) submissions.

The financial accountability rating of the district is based on its overall performance on certain financial measurements, ratios, and other indicators established by the commissioner of education with the financial accountability rating worksheet.

For the first 14 years of the reporting system, Dripping Springs ISD received ratings of **"Superior Achievement"**. A significant change under HB 5 in 2013 was to move to a rating scale of simply **"Pass"** or **"Fail"**. For the 2014-2015 rating year, Dripping Springs ISD was rated as **"Pass"** and achieved a score of 30 out of 30 with positive responses to each of the 7 indicators

on the worksheet. For the current rating year, 2019-2020, the rating system assigns one of four financial accountability ratings to Texas school districts as follows:

- A = Superior Achievement
- B = Above Standard Achievement
- C = Standard Achievement
- F = Substandard achievement

The Dripping Springs Independent School District is once again rated as Superior with a score of 98 out of 100. This report briefly focuses on how this passing rating was achieved.

**Schools FIRST**  
**Financial Integrity Rating System of Texas**  
**Dripping Springs Independent School District**  
**2020-21 Rating Based on 2019-20 Data**

<b>Indicator</b>	<b>Indicator Description</b>	<b>Maximum Score</b>	<b>DSISD Score</b>
<b>1</b>	<i>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?</i>	<b>Yes</b>	<b>Yes</b>
<b>2</b>	<i>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.)</i>	<b>Yes</b>	<b>Yes</b>
<b>3</b>	<i>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.)</i>	<b>Yes</b>	<b>Yes</b>

**Schools FIRST**  
**Financial Integrity Rating System of Texas**  
**Dripping Springs Independent School District**  
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<b>4</b>	<p><i>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.)</i></p>	<b>Yes</b>	<b>Yes</b>
<b>5</b>	<p><i>This indicator is not being scored.</i></p>		

**Schools FIRST**  
**Financial Integrity Rating System of Texas**  
**Dripping Springs Independent School District**  
**2020-21 Rating Based on 2019-20 Data**

<b>6</b>	<i>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.)</i>	<b>Ceiling Passed</b>	<b>Ceiling Passed</b>
<b>7</b>	<i>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.</i>	<b>10</b>	<b>10</b>
<b>8</b>	<i>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.</i>	<b>10</b>	<b>10</b>
<b>9</b>	<i>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.</i>	<b>10</b>	<b>10</b>

**Schools FIRST**  
**Financial Integrity Rating System of Texas**  
**Dripping Springs Independent School District**  
**2020-21 Rating Based on 2019-20 Data**

<b>10</b>	<i>Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?</i>	<b>10</b>	<b>10</b>
<b>11</b>	<i>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.</i>	<b>10</b>	<b>10</b>
<b>12</b>	<i>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.</i>	<b>10</b>	<b>8</b>
<b>13</b>	<i>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.</i>	<b>10</b>	<b>10</b>

**Schools FIRST**  
**Financial Integrity Rating System of Texas**  
**Dripping Springs Independent School District**  
**2020-21 Rating Based on 2019-20 Data**

<b>14</b>	<i>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.</i>	<b>10</b>	<b>10</b>
<b>15</b>	<i>Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.</i>	<b>5</b>	<b>5</b>
<b>16</b>	<i>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.)</i>	<b>Ceiling Passed</b>	<b>Ceiling Passed</b>
<b>17</b>	<i>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.)</i>	<b>Ceiling Passed</b>	<b>Ceiling Passed</b>

**Schools FIRST**  
**Financial Integrity Rating System of Texas**  
**Dripping Springs Independent School District**  
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<b>18</b>	<i>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.)</i>	<b>10</b>	<b>10</b>
<b>19</b>	<i>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?</i>	<b>5</b>	<b>5</b>
<b>20</b>	<i>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.)</i>	<b>Ceiling Passed</b>	<b>Ceiling Passed</b>
	<i>Total</i>	<b>100</b>	<b>98</b>

**Required Disclosures for  
Dripping Springs Independent School District  
2019-2020 FIRST Rating  
October 25, 2021**

## Required Supplementary Information

The District's annual financial management report must include specific disclosures regarding the superintendent's contract, reimbursements received by the superintendent and board members and other compensation and gifts received. This information is being presented below to comply with the requirements.

### 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 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.

*A copy of the superintendent's current employment contract is published on the district's internet site.*

### Reimbursements Received by the Superintendent and Board Members

A summary schedule for the twelve-month period of total reimbursements received by the superintendent and each board member is to be included in the annual financial management report. All reimbursement expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. The summary schedule is to report separately items per category including:

**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.

*The disclosure of reimbursements received by the Superintendent and Board Members is provided at the end of this report.*

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

A summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services is to be reported.

*The disclosure of outside compensation received by the Superintendent for professional consulting and/or other personal services is provided at the end of this report.*

### Gifts Received by Executive Officers and Board Members

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. A summary schedule for the fiscal year of the total dollar amount of gifts that had an economic value of \$250 or more in the aggregate is to be reported for the executive officers and board members of the district. This reporting requirement only applies to gifts received by the school district's executive officers and board member from an outside entity that received payments from the school district in the prior fiscal year and gifts from competing vendors that were not awarded contracts in the prior fiscal year.

*The disclosure of gifts received by Executive Offices and Board Members is provided at the end of this report.*

#### Business Transactions between School District and Board Members

Finally, a summary schedule for the fiscal year of the dollar amount by board member for the aggregate amount of business transactions with the school district is to be included. This reporting requirement is not to duplicate the items disclosed in the schedule of reimbursements.

*The disclosure of business transactions between the school district and Board Members is provided at the end of this report.*

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2019-20  
For 12 Month Period Ended June 30, 2020

Description of Reimbursement	Supt Todd Washburn	Interim Supt Nola Wellman	Joanna Day	Marisa Grijalva	Mary Jane Hetrick	Ron Jones	Carrie Kroll	Shannon O'Connor	Barbara Stroud
Meals	\$83	\$86.02	\$27.32	\$52.41	\$55.87	0	0	0	0
Lodging	0	0	\$737.88	\$684.30	\$1,454.45	\$618.44	0	0	\$684.30
Transportation	0	\$219.33	\$251.72	0	\$307.96	\$295.96	0	0	0
Motor Fuel	\$84.10	0	0	0	0	0	0	0	0
Other – Registrations	0	0	\$425.00	\$425.00	\$425.00	\$1120.00	0	\$425.00	\$425.00
<i>Total</i>	<i>\$167.10</i>	<i>\$305.35</i>	<i>\$1441.92</i>	<i>\$1161.71</i>	<i>\$2,243.28</i>	<i>\$2034.40</i>	<i>0</i>	<i>\$425.00</i>	<i>\$1109.30</i>

Dripping Springs Independent School District

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2019-2020

For the Twelve-Month Period Ended June 30, 2020	Interim Superintendent	Superintendent
	Nola Wellman	Todd Washburn
	\$ -	\$ -
Total	\$ -	\$ -

Dripping Springs Independent School District

Gifts Received by the Executive Officer and Board Members (and first degree relatives, if any) in the Fiscal Year 2019-2020

For the Twelve-Month Period Ended June 30, 2020	Superintendent Todd Washburn	Interim Superintendent Nola Wellman	Joanna Day	Marisa Grijalva	Mary Jane Hetrick	Ron Jones	Carrie Kroll	Shannon O'Conner	Barbara Stroud
Summary Amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Dripping Springs Independent School District

Business Transactions Between School District and board Members for Fiscal Year 2019-2020

For the Twelve-Month Period Ended June 30, 2020	Superintendent Todd Washburn	Interim Superintendent Nola Wellman	Joanna Day	Marisa Grijalva	Mary Jane Hetrick	Ron Jones	Carrie Kroll	Shannon O'Conner	Barbara Stroud
Summary Amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -