

**Belton Independent School District  
Belton, Texas**



**Annual Financial Management Report  
2019 School FIRST Rating**

(Audit data reported for the fiscal year ending August 31, 2018)



## *How Ratings are Assessed*

---

### Rating Worksheet

Preliminary ratings are released by Texas Education Agency every calendar year during the summer. The Commissioner's Rules for School FIRST are contained in Title 19, Texas Administrative Code, Chapter 109, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System.

The School FIRST Communications Kit was updated in September 2018 to include changes in the Commissioner's Rule for School FIRST that were finalized in August 2018. The most substantive changes in August 2018 will be implemented by the Texas Education Agency beginning with ratings year 2020-2021 based primarily on data from fiscal year 2020.

During the phase-in period, the new School FIRST system has separate worksheets for rating years 2017-2018, 2018-2019, and 2019-2020 as compared to subsequent years.

The questions a school district must address in completing the worksheet used to assess its financial management system can be confusing to non-accountants. The following is a layman's explanation of what the questions mean—and what your district's answers can mean to its rating.

**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?**

A simple indicator. Was your Annual Financial Report filed by the deadline?

**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. 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.)?**

A "modified" version of the auditor's opinion in your annual audit report means that you need to correct some of your reporting or financial controls. A district's goal, therefore, is to receive an "unmodified opinion" on its Annual Financial Report. 2.A. is a simple "Yes" or "No" indicator (see instructions under "2." for evaluating performance under "2.A" and "2.B." to arrive at the score for "2.").

**2.B. 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.)**

A clean audit of your Annual Financial



## *How Ratings are Assessed*

---

Report would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your District not being able to properly account for its use of public funds, and should be immediately addressed. 2.B. is a simple “Yes” or “No” indicator (see instructions under “2.” for evaluating performance under “2.A” and “2.B” to arrive at the score for “2.”).

**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.)**

This indicator seeks to make certain that your district has timely paid all bills/obligations, including financing arrangements to pay for school construction, school buses, photocopiers, etc.

**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?**

This indicator seeks to make sure the district fulfilled its obligation to the TRS, TWC and IRS to transfer payroll withholdings and to fulfill any additional payroll-related obligations required to be paid by the district.

**5. 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 Positions greater than zero? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)**

This indicator simply asks, “Did the district’s total assets exceed the total amount of liabilities (according to the very first financial statement in the annual audit report)?” Fortunately, this indicator recognizes that high-growth districts incur large amounts of debt to fund construction, and that total debt may exceed the total amount of assets under certain scenarios.

**6. 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)?**

This indicator measures how long in



## *How Ratings are Assessed*

---

days after the end of the fiscal the school district could have disbursed funds for its operating expenditures without receiving any new revenues. Did you meet or exceed the target amount in School FIRST?

### **7. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?**

This indicator measures whether the school district had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities. Did you meet or exceed the target amount in School FIRST?

### **8. 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 7 percent or more, then the school district passes this indicator.)**

This question is like asking someone if their mortgage exceeds the market value of their home. Were you below the cap for this ratio in School FIRST? Fortunately, this indicator recognizes that high-growth districts incur additional operating costs to open new instructional campuses.

### **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?**

This indicator simply asks, "Did you spend more than you earned?" (the

school district will automatically pass this indicator, if the school district had at least 60 days cash on hand.)

### **10. Was the debt service coverage ratio sufficient to meet the required debt service?**

This indicator asks about the school district's ability to make debt principal and interest payments that will become due during the year. Did you meet or exceed the target amount in School FIRST?

### **11. Was the school district's administrative cost ratio equal to or less than the threshold ratio?**

This indicator measures the percentage of their budget that Texas school districts spent on administration. Did you exceed the cap in School FIRST for districts of your size?

### **12. 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.)**

If the school district had a decline in students over 3 school years, this indicator asks if the school district decreased the number of the staff on the payroll in proportion to the decline in students. (The school district automatically passes this indicator if there was no decline in students.)

### **13. Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's**



## *How Ratings are Assessed*

---

**AFR result in a total variance of less than 3 percent of all expenditures by function?**

This indicator measures the quality of data reported to PEIMS and in your Annual Financial Report to make certain that the data reported in each case “matches up.” If the difference in numbers reported in any fund type is 3 percent or more, your district “fails” this measure.

**14. 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.)**

A clean audit of your Annual Financial Report would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your District not being able to properly account for its use of public funds and should be immediately addressed.

**15. Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an overallocation of Foundation School Program (FSP) funds as a result of a financial hardship?**

This indicator asks if the district had to ask for an easy payment plan to return monies to TEA after spending the overpayment from the Foundation School Program state aid.

RATING YEAR



DISTRICT NUMBER



Help

Home



Financial Integrity Rating System of Texas

## 2018-2019 RATINGS BASED ON SCHOOL YEAR 2017-2018 DATA - DISTRICT STATUS DETAIL

Name: <b>BELTON ISD(014903)</b>		Publication Level 1: 8/7/2019 3:33:27 PM	
Status: <b>Passed</b>		Publication Level 2: 8/8/2019 2:06:12 PM	
Rating: A = Superior		Last Updated: 8/8/2019 2:06:12 PM	
District Score: 100		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>	8/5/2019 10:42:05 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>	8/5/2019 10:42:05 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>	8/5/2019 10:42:05 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>	8/5/2019 10:42:06 PM	Yes
4			Yes

	<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>	8/5/2019 10:42:06 PM	
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>	8/5/2019 10:42:06 PM	10
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>	8/5/2019 10:42:07 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 7 percent or more, then the school district passes this indicator.) (See ranges below.)</u>	8/5/2019 10:42:07 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>	8/5/2019 10:42:08 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	8/5/2019 10:42:08 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	8/5/2019 10:42:09 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>	8/5/2019 10:42:10 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>	8/5/2019 10:42:10 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>	8/5/2019 10:42:11 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>	8/5/2019 10:42:11 PM	10
			100 Weighted Sum

		1 Multiplier Sum
		100 Score

## DETERMINATION OF RATING

<b>A.</b>	Did the district answer 'No' to Indicators 1, 3, 4, or 2.A? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.	
<b>B.</b>	Determine the rating by the applicable number of points. (Indicators 6-15)	
	<b>A = Superior</b>	90-100
	<b>B = Above Standard</b>	80-89
	<b>C = Meets Standard</b>	60-79
	<b>F = Substandard Achievement</b>	<60
<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>		

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

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

FIRST 5.7.1.0



## **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 School FIRST hearing in calendar year 2019. In lieu of publication in the 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.

## Interim Superintendent Contract

This Contract is entered into between the Board of Trustees (the "Board") of Belton Independent School District (the "District") and Robin Battershell (the "Interim Superintendent").

The Board and the Interim Superintendent, for and in consideration for the terms stated in this Contract, hereby agree as follows:

1. **Term.** The Board agrees to employ the Interim Superintendent, beginning August 26, 2019, for a six (6) month period or until the District enters into a contract with a Superintendent, whichever occurs first. The Board and the Interim Superintendent ("Parties") may extend the term of this Contract by agreement.
2. **Certification and Credentials.** The Interim Superintendent represents that any records or information provided in connection with her employment application are true and correct.
3. **Representations.** At the beginning of this Contract, and at any time during this Contract, the Interim Superintendent agrees to submit to a review of his or her national criminal history record information if required by the District, TEA, or SBEC. The Interim Superintendent also agrees to notify the Board, in writing, of any arrest or of any indictment, conviction, no contest or guilty plea, or other adjudication of the Interim Superintendent, before or during the term of this contract.
4. **Duties.** The Interim Superintendent agrees to perform the duties of superintendent for the duration of this agreement, acting in an interim status. The Interim Superintendent agrees to devote one hundred percent of her time, skill, labor, and attention to her duties as Interim Superintendent during the term of this Contract.
5. **Outside Employment.** The Interim Superintendent may, with advance approval of the Board, undertake consulting work, speaking engagements, writing, lecturing, or other outside professional duties and obligations that do not conflict or interfere with the Interim Superintendent's professional responsibilities to the District. For any such outside employment, the Interim Superintendent agrees to comply with applicable ethics rules, laws, and Board policy regarding reporting potential and actual conflicts of interest. In addition, the Interim Superintendent agrees to provide information regarding income from activities to the District as necessary for financial reporting requirements.
6. **Compensation.** The Board agrees to pay the Interim Superintendent a salary in the amount of One Hundred Seventy Thousand and no/100 (\$170,000.00) per year, prorated in accordance with the actual period of time the Interim Superintendent provides services under this Contract.

7. **Benefits.** The Board shall provide benefits to the Interim Superintendent as provided by state law and Board policies. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase these benefits, at the Board's sole discretion.

7.1 **Vacation, Holidays, and Leave.** The Interim Superintendent shall receive ten (10) days of annual vacation, prorated in accordance with the actual period of time the Interim Superintendent provides services under this Contract. The Interim Superintendent shall schedule vacation days with the President of the Board. The Interim Superintendent shall also receive all sick leave, holidays, and breaks observed by the District for administrators on 12-month contracts, for the period of time the Interim Superintendent provides services under this Contract.

8. **Termination or Suspension.** The Board may suspend the Interim Superintendent's employment, with or without pay, or terminate this Contract for good cause as determined by the Board. The Parties agree that "good cause" for termination of this Contract includes the District's entering into an employment contract with a superintendent. The Parties further agree that the Interim Superintendent is being retained on a temporary or substitute basis and that the Interim Superintendent's relationship with the Board and the District is not governed by Texas Education Code Chapter 21. In the event of termination or suspension without pay, the Interim Superintendent will be provided with an opportunity for hearing that comports with constitutional due process requirements.

9. **General Provisions.**

9.1 **Amendment.** This Contract may not be amended except by written agreement of the Parties.

9.2 **Severability.** If any provision in this Contract is, for any reason, held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of the Contract. This Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been a part of the Contract.

9.3 **Entire Agreement.** All existing agreements and contracts, both verbal and written, between the Parties regarding the employment of the Interim Superintendent are superseded by this Contract. This Contract, and any addenda, constitutes the entire agreement between the Parties.

9.4 **Applicable Law and Venue.** Texas law shall govern construction of this Contract. The Parties agree that venue for any litigation relating to the Interim Superintendent's employment with the District, including this Contract, shall be in Bell County, Texas. If litigation is brought in federal court, the Parties agree that venue shall be the Western District of Texas in Austin, Texas.

- 9.5 **Paragraph Headings.** The headings used at the beginning of each numbered paragraph in this Contract are not intended to have any legal effect; the headings do not limit or expand the meaning of the paragraphs that follow them.

**10. Notices.**

- 10.1 **To the Interim Superintendent.** The Interim Superintendent agrees to keep a current address on file with the District's Human Resources office and the Board President. The Interim Superintendent agrees that the Board may meet any legal obligation it has to give Superintendent written notice regarding this Contract or the Interim Superintendent's employment by hand-delivering the notice to the Interim Superintendent or by sending the notice by certified mail, regular mail, and/or express delivery service to the Interim Superintendent's address of record.
- 10.2 **To the Board.** The Board agrees that the Interim Superintendent may meet any legal obligation she has to give the Board written notice regarding this Contract or the Interim Superintendent's employment by providing one copy of the notice to the President of the Board and one copy to the Vice President of the Board. The Interim Superintendent may provide such notices by hand-delivery, or by certified mail, regular mail, and/or express delivery service, to the Board President and Vice President's addresses of record, as provided to the District.

I have read this Contract and agree to abide by its terms and conditions:

**Interim Superintendent**

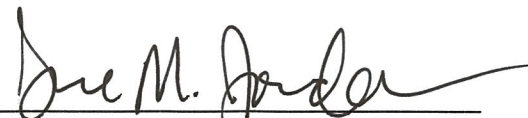


Robin Battershell, Ed.D.

Date Signed: \_\_\_\_\_

8/26/19

**Belton Independent School District**

By: 

Sue M. Jordan  
President, Board of Trustees

Date Signed: \_\_\_\_\_

8/26/19





## DISCLOSURES

### 2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2018

For the Twelve-month Period Ended June 30, or August 31, 2018									***
Description of Reimbursements	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7	Board Member 8
Meals	\$484.54	\$183.00	\$0	\$28.00	\$0	\$60.00	\$93.00	\$12.00	\$0
Lodging	2883.38	1345.13	453.00	644.58	429.72	644.58	0	404.64	644.58
Transportation	1805.80	772.62	285.73	290.62	244.07	258.38	370.32	323.63	206.18
Motor Fuel	0	0	0	0	0	0	0	0	0
Other	1380.00	825.00	450.00	395.00	395.00	450.00	0	425.00	395.00
Total	\$6553.72	\$3125.75	\$1188.73	\$1358.20	\$1068.79	\$1412.96	\$463.32	\$1165.27	\$1245.76

**Note** – The spirit of the rule is to capture all “reimbursements” for fiscal year 2018, 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 of) to the superintendent and board member not defined above.

\*\*\*Board transition had crossover of former and new members during this time period.



## DISCLOSURES

---

### 3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2018

For the Twelve-Month Period Ended June 30, or August 31, 2018	
Name(s) of Entity(ies)	
	\$
Total	\$0

**Note** – Compensation does not include business revenues from the superintendent's livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.



## DISCLOSURES

### 4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2018

For the Twelve-Month Period Ended June 30, or August 31, 2018								
	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Summary Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Note –** An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. Gifts received by first degree relatives, if any, will be reported under the applicable school official.



## DISCLOSURES

---

### 5. Business Transactions Between School District and Board Members for Fiscal Year 2018

For the Twelve-Month Period Ended June 30, or August 31, 2018	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Summary Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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





## ***DISCLOSURES***

---

6. **Any other information the board of trustees of the school district or open-enrollment charter school determines to be useful.**