

Stephenville ISD Receives Improved Marks in S&P Financial Management Assessment

**Organization Type:**

K-12 Public School

Enrollment:

3,682

Annual Operating Budget:

\$33,337,000

Stephenville ISD is home to approximately 3,600 students, and services over 232 square miles. Preparing students for an ever-changing world is a challenge that the school district takes very seriously. Dedicated teachers, along with amazing support staff, partner to help build the necessary skills students need for tomorrow.

THE SITUATION

Stephenville Independent School District empowers student success through a positive learning culture, and the support of the community and staff is what makes for a unique public education experience. Stephenville had already been using 5Sight when Teri Hodges, Executive Director for Finance and Operations, brought on 5Cast and 5Cast Plus in 2019. She did so with the knowledge that it was imperative to manage the financial stability of the district for the good of its staff, community, and students. The district's Standard & Poor's bond rating had been labeled as AA - Stable. These ratings help determine if the district is eligible for certain types of state funding. Hodges believed that the district could improve its fiscal management processes, and thereby also improve their bond rating. Her adoption of a formalized financial plan within 5Cast was a part of change she implemented in the district's Financial Management Assessment methodology.

THE SOLUTION

With the help of 5Sight, Forecast5's historical benchmarking tool, the district developed revenue and expenditure budget assumptions, taking into consideration a variety of variables, from the historical information. Then, the district used 5Cast to produce a five-year forecast for their school board. Additionally, they used 5Cast Plus to create monthly budget-to-actual updates.

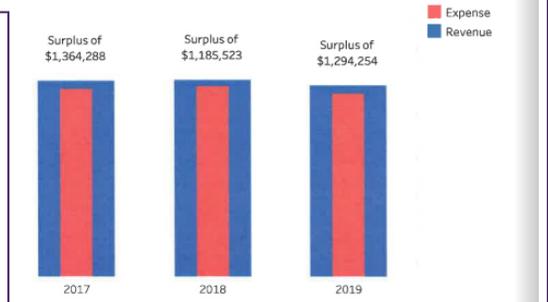
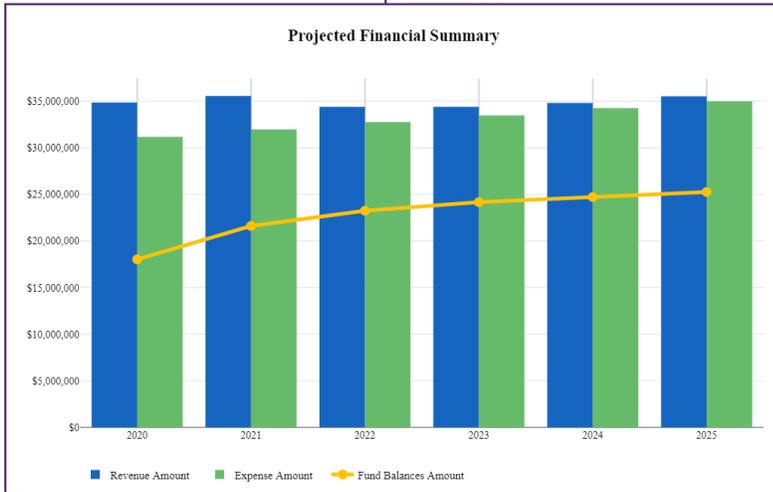
Hodges implemented a comprehensive reporting strategy for the monthly board reports based on state guidelines, and an informal reserve policy was also implemented to fund the total reserves in the event of an emergency.

“These powerful tools not only had a positive impact on our future financing opportunities but also allow us to be transparent about where we have been — and intentional about where we are going.”

Teri Hodges, Executive Director for Finance and Operations, Stephenville Independent School District

STEPHENVILLE ISD Financial Story

Keeping revenues and expenses aligned is a key to solid financial health. The graph below shows General Fund revenue (Blue) and expenses (Red) for the last five years. The label represents the difference between the two. A surplus of revenues over expenses will show as a positive value and a deficit of expenses which are greater than revenues will be a negative value.



THE RESULTS

As a result of the easy automation within the tools available to her, Hodges was thrilled to see that in the Management category, S&P changed their view on the district's position from standard to good under the S&P Financial Management Assessment methodology. S&P indicated that this change resulted from the fact that now, "financial practices exist in most areas," which was attributed to the adoption of their new formalized financial plan that projected revenues and expenses for five years.

Aside from the improvement in the Management category, the district is also now in a better position to manage information and communicate its plans to the school board. They now can present the monthly budget-to-actual reports and required budget amendments as needed for Board approval. They share investment reports with the Board monthly. Five-year financial projections can be shared with the Board (at least) annually, and easily updated as new information is received. "Pictures are worth a thousand words," says Dr. Ed Dittfurth, Stephenville ISD School Board Vice President. "The efforts put into the visuals allow for 'aha' moments that aren't as obvious from a numeric report."

For more information about how Stephenville ISD improved its standing in the S&P Financial Management Assessment through improved financial planning and automation, please contact us at web@forecast5analytics.com or [request a live demo](#).