

ROUND ROCK INDEPENDENT SCHOOL DISTRICT

FOR OFFICE USE ONLY

Date received by district _____

Received by _____

Copies to _____

Conference to be held by _____

LEVEL I

ALL DOCUMENTS TO BE USED THROUGHOUT THE ENTIRE PROCESS SHOULD BE SUBMITTED WITH THIS FORM. INCLUDE ALL REMEDIES SOUGHT. REMEDIES MAY NOT BE AMENDED AT A DIFFERENT LEVEL.

Check one:

_____ Parent/Student Complaint(FNG) - to be filed with the principal/supervisor.

_____ Employee Complaint(DGBA) - to be filed with the employee's immediate supervisor.

Community Member Complaint(GF) - to be filed with the legal services department.

Policies are available on line at www.roundrockisd.org; then click on About RRISD link.

PLEASE PRINT

1. Name ___ Mary Bone & Danielle Weston _____

Home Address: _____  _____

City, State, Zip Code: _____  _____

Telephone Number: _____  _____

Email address: ___ drbone4tx@gmail.com _____

2. Campus/Department _____ Round Rock ISD School District Board of Trustees _____

If employee, position held:

3. Please state the date of event or series of events causing the complaint/grievance. Provide description of attempts at informal resolution.

The 2024 Annual Financial Report found that the District was out of compliance with Texas Education Code 44.006. The District took no action in the November 2024 Regular Board Meeting to remedy this compliance issue.

4. Please state your complaint/grievance and supporting facts.

The following are the facts from the 2024 AFR which details our complaint. The entire AFR is also considered as supporting facts which is attached to the November Regular Meeting agenda:

[https://go.boarddocs.com/tx/rrisd/Board.nsf/files/DB5V457EDE47/\\$file/M1..Round%20Rock%20ISD%20ACFR%206-30-2024%20Final.pdf](https://go.boarddocs.com/tx/rrisd/Board.nsf/files/DB5V457EDE47/$file/M1..Round%20Rock%20ISD%20ACFR%206-30-2024%20Final.pdf)

ROUND ROCK INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2024

II. Financial Statement Findings

2024-001: Monitoring of Board-Approved Appropriations

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria:

The Texas Education Code, Chapter 44, Subchapter A, establishes state statutory requirements related to school district fiscal management and financial accounting and reporting in general. §44.006 prohibits a school district from spending public funds in any manner other than as provided for in the budget adopted by the board of trustees, but the board may amend a budget or adopt a supplementary emergency budget to cover necessary unforeseen expenses.

Condition:

For the year ended June 30, 2024, expenditures exceeded appropriations in the following expenditure functions (the legal level of budgetary control):

General Fund

Instruction (FN 0011)	\$ 7,990,232
Curriculum and instructional staff development (FN 0013)	381,721
Instructional leadership (FN 0021)	115,155
School leadership (FN 0023)	886,534
Guidance, counseling and evaluation services (FN 0031)	1,097,671
Health services (FN 0033)	106,698
General administration (FN 0041)	165,708
Facilities maintenance and operations (FN 0051)	2,949,346
Data processing services (FN 0053)	990,202

Child Nutrition Program Fund

Food service (FN 0035)	\$ 1,758,100
Facilities maintenance and operations (FN 0051)	181,954
Security monitoring services (FN 0052)	88,722

Context:

We reviewed Section 44.006 of the Texas Education Code and interviewed management about compliance with the statute. Preparation of the final budget amendment did not adequately anticipate expenditures to be accrued after year end, which resulted in expenditures exceeding appropriations. By not adequately amending appropriations for the General Fund and Child Nutrition Program Fund, the District is out of compliance with the statute.

Cause:

General Fund - Functions 11, 13, 21, 31, 41, 51, 53 – Journal entries made during the audit totaling \$2,713,257 to record the initial value for right to use leased capital assets and SBITAs. The district was unaware of the requirements to post this entry due to the recent implementation of GASB 87 and 96.

General Fund Functions 11, 13, 21, 23, 31, 33, 41, 51, 53 - TRS On-behalf payments for March, April, May, June, totaling \$7,892,382, were posted to the general ledger after the final budget amendment was approved in June.

Child Nutrition Program Fund Function 35 - Budgets were not increased for project expenditures related to the approved Excess Spend Plan

5. Please specify the solutions you are seeking. (These may not be changed at any other level.)

The solutions are as follows:

- 1) A forensic audit of the district to determine how, when, and why the expenditures exceeded budgetary control and were spent out of compliance with TEC 44.006. This would include ensuring the findings of the annual audit are correct and in-depth details on each line item expenditure over the budgeted amount.
- 2) A public release of the findings of the forensic Audit
- 3) A public release of details of who authorized all expenditures over budgeted amounts.
- 4) Publicly release policy updates to ensure this type of noncompliance does not occur in the future
- 5) Public release and report of how the board of trustees was not made aware of these budget overruns for many months after the June 2024 closing of the budget.
- 6) Public statement of why the board of trustees took no action to hold anyone accountable for this noncompliance issue of over \$10 Million.

6. Please identify the individual(s) responsible for action/inaction resulting in event.

Board of Trustees

7. If you will be represented in your presentation, please identify that individual or organization. Please note all scheduling

and communication will be done through your representative.

Name _____

Address _____

Telephone _____

8. Signature _____ Date _____

Retaliation for filing a grievance/complaint is not permitted by the Round Rock Independent School District.

10/24/2022