

# **School FIRST**

**Financial Integrity Rating System of Texas**

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## **Carroll ISD Financial Accountability Rating Presentation**

**Public Meeting  
December 3, 2018**

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### Financial Rating System

### Based on 2016-2017 Data

Critical Indicators 1, 3, 4, 5 and 2.A (Yes=Pass / No=Fail Format)

Managerial Reports & Summary of Financial Solvency Survey

2016-2017 Report is also available online at:

<http://tuna.tea.state.tx.us/First/forms/main.aspx>

(Go to District# 220919)

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Determine Rating By Applicable Range For  
The Number Of Total Points & Results of  
Default Indicators:

<b>Superior</b>	<b>90-100 points</b>
<b>Above Standard</b>	<b>80-89 points</b>
<b>Meets Standard</b>	<b>60-79 points</b>
<b>Substandard Achievement</b>	<b>0-59 points</b>

The ISD receives an “F” if it scores below the minimum passing score, or if it failed critical indicator 1, 3, 4, 5, or 2.A or if the AFR and data were not complete, or if either the AFR or the data were not submitted on time for FIRST analysis.



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Carroll ISD – 2018  
(fiscal year 2016-2017)

Total Point Score: 98 out of 100 and  
answered YES to all Critical  
Indicators

**Rating: Superior**

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1. Was the complete annual financial report (AFR) and data submitted to 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?

**CISD Score: Yes = Pass**

(CISD AFR received by TEA 1/05/2018; due 2/28/2018)

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2A. 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.)

**CISD Score: Yes = Pass**

(CISD received a “Clean Audit” designation)

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2B. 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.)

**CISD Score: Yes = Pass**

(CISD had no material weaknesses reported in the audit report.)

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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.)

**CISD Score: Yes = Pass**

(CISD received no disclosures in the annual finance report of information concerning default on debt agreements.)



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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?

CISD Score: Yes = Pass

(CISD made timely payments to the TRS, TWC, IRS and other governmental agencies.)

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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 Position 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.)

**CISD Score: Yes = Pass**

(CISD Unrestricted Net Position Balance = \$26,441,490 + Accretion of Capital Appreciation Bonds \$1,234,753)

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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)?

**CISD Score =10 points**

(CISD had 146 days of cash on hand to cover operating expenditures; threshold to receive 10 points was 90 days)

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

**CISD Score =10 points**

(CISD had current assets of \$51,142,055 and current liabilities of \$13,603,419 for a ratio of 3.7595; threshold to receive 10 points was a ratio of  $\geq 3.00$ )

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8. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?

**CISD Score =8 points**

(CISD had long-term liabilities of \$190,374,084 and total assets of \$281,411,110 for a ratio of 0.6765; threshold to receive 10 points was a ratio of  $\leq 0.600$ ; threshold to receive 8 points was  $\leq 0.700$ )

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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?

**CISD Score =10 points**

(CISD had general fund revenues of \$101,341,960 and expenditures (excluding facilities acquisition and construction) of \$97,989,774.)

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

**CISD Score =10 points**

(CISD debt service ratio was 1.797; threshold to receive 10 points was a ratio of  $\geq 1.200$ )

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11. Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See range below.)

**CISD Score = 10 points**

(CISD District Administrative Ratio = 0.0864; threshold for a district with enrollment between 5,000 to 9,999  $\leq$  0.10 to receive 10 points.)



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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.)

**CISD Score = 10 points**

(CISD had a 0.30% increase in the students to staff ratio over 3 years and a 324 student increase in enrollment.)

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13. 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?

**CISD Score = 10 points**

(CISD Comparison – Sum of differences: 23 / denominator 97,989,757.)

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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.)

**CISD Score = 10 points**

(CISD had no reported material noncompliance. Yes to this question = 10 points; No to this question = 0 points.)

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15. 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?

**CISD Score = 10 points**

(CISD had no adjusted repayment schedule. Yes to this question = 10 points; No to this question = 0 points.)

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CARROLL INDEPENDENT SCHOOL DISTRICT 2018 SCHOOL FIRST REPORT								
<b>Reimbursements Received by the Superintendent and Board Members</b>								
For the Twelve-Month Period Ended August 31, 2017								
Description of Reimbursements	David	Chris	Read	Todd	Danny	Sheri	Michelle	Bradley
	Faltys	Archer	Ballew	Carlton	Gilpin	Mills	Moore	Taylor
	Board	Board	Board	Board	Board	Board	Board	Board
	Superintendent	Member	Member	Member	Member	Member	Member	Member
Meals	\$308.91	\$0.00	\$0.00	\$0.00	\$44.30	\$0.00	\$0.00	\$0.00
Lodging	\$458.13	\$0.00	\$0.00	\$0.00	\$0.00	\$436.46	\$2,502.18	\$0.00
Transportation	\$1,644.02	\$0.00	\$0.00	\$0.00	\$45.82	\$194.20	\$884.00	\$0.00
Motor Fuel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$121.00	\$0.00	\$0.00	\$0.00	\$325.00	\$0.00	\$225.00	\$548.61
<b>Total</b>	<b>\$2,532.06</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$415.12</b>	<b>\$630.66</b>	<b>\$3,611.18</b>	<b>\$548.61</b>
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.								

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<b>CARROLL INDEPENDENT SCHOOL DISTRICT</b>											
<b>2018 SCHOOL FIRST REPORT</b>											
<b>Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services</b>											
For the Twelve-Month Period											
Ended August 31, 2017											
<u>Name(s) of Entity(ies)</u>										<u>Amount Received</u>	
None										\$0.00	
<b>Total</b>										<b><u>\$0.00</u></b>	
Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.											

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CARROLL INDEPENDENT SCHOOL DISTRICT								
2018 SCHOOL FIRST REPORT								
Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any) (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, 2017								
	David Faltys	Chris Archer	Read Ballew	Todd Carlton	Danny Gilpin	Sheri Mills	Michelle Moore	Bradley Taylor
	Superintendent	Member	Member	Member	Member	Member	Member	Member
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Note</b> – 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.								

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<b>CARROLL INDEPENDENT SCHOOL DISTRICT</b>								
<b>2018 SCHOOL FIRST REPORT</b>								
<b>Business Transactions Between School District and Board Members</b>								
For the Twelve-Month Period								
Ended August 31, 2017								
		Chris	Read	Todd	Danny	Sheri	Michelle	Bradley
		Archer	Ballew	Carlton	Gilpin	Mills	Moore	Taylor
		Board	Board	Board	Board	Board	Board	Board
		Member	Member	Member	Member	Member	Member	Member
Amounts		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Note</b> - The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.								

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A copy of the Superintendent's contract is available online at the Carroll ISD Webpage:

(Visit the Superintendent's webpage under *About Us*.)

<https://docs.google.com/viewerng/viewer?url=https://www.southlakecarroll.edu//cms/lib/TX02219131/Centricity/Domain/88/Supt+Contract.pdf>

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Questions and Comments:

Please contact

Scott Wrehe, CISD Financial Services

[scott.wrehe@southlakecarroll.edu](mailto:scott.wrehe@southlakecarroll.edu)