

Krum Independent School District
Financial Management Report
2019-2020



Presented November 2020

RATING YEAR DISTRICT NUMBER 

Financial Integrity Rating System of Texas

2019-2020 RATINGS BASED ON SCHOOL YEAR 2018-2019 DATA - DISTRICT STATUS DETAIL

Name: KRUM ISD (061905)	Publication Level 1: 8/6/2020 9:26:37 AM
Status: Passed	Publication Level 2: 8/6/2020 11:17:34 AM
Rating: A = Superior	Last Updated: 8/6/2020 11:17:34 AM
District Score: 98	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>	3/30/2020 1:00:38 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>	3/30/2020 1:00:38 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>	3/30/2020 1:00:39 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>	3/30/2020 1:00:39 PM	Yes
4	<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>	3/30/2020 1:00:39 PM	Yes
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>	3/30/2020 1:00:40 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>	3/30/2020 1:00:40 PM	10
8	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?</u>	3/30/2020	8

	<u>If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district passes this indicator. See ranges below.</u>	1:00:41 PM	
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>	3/30/2020 1:00:41 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	3/30/2020 1:00:43 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/30/2020 1:00:43 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>	3/30/2020 1:00:44 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>	3/30/2020 1:00:45 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>	3/30/2020 1:00:46 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>	3/30/2020 1:00:46 PM	10
			98 Weighted Sum
			1 Multiplier Sum
			98 Score

DETERMINATION OF RATING

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

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

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

FIRST 5.9.1.0

Date given Superintendent: 3/20/2019

Date returned by Superintendent: 3/21/2019

STATE OF TEXAS
COUNTY OF DENTON

SUPERINTENDENT'S TERM CONTRACT

The BOARD OF TRUSTEES ("Board") of the KRUM INDEPENDENT SCHOOL DISTRICT ("KISD") and CODY CARROLL ("Superintendent") pursuant to Section 11.201 of the Texas Education Code agree to the following terms and conditions of employment as Superintendent for KISD.

I. Term

- 1.1 The Superintendent shall be employed on a 12-month basis, for a term of 3 years, commencing on JULY 1, 2019 and ending on JUNE 30, 2022. This contract is not for a specific number of days within a year, and there are no "non-duty" days under this contract.
- 1.2 KISD may by action of the Board, and with the consent of the Superintendent, extend the term of this term contract.
- 1.3 The Board has not adopted any policy, rule, regulation, law, or practice providing for tenure. No right of tenure is created by this term contract. No property interest, express or implied, is created in continued employment beyond the contract term.

II. Employment

- 2.1 *Duties.* The Superintendent is the educational leader and chief executive of the district and shall faithfully perform the duties of the Superintendent of Schools for the KISD, as prescribed by Texas law and in the adopted job description and as may be assigned by action of the Board, and shall comply with all Board directives, state and federal law, district policy, rules, and regulations as they exist or may hereafter be amended. The Superintendent shall perform the duties of the Superintendent of Schools for the KISD with reasonable care, diligence, skill, and expertise and shall devote substantially all of his time, skill, labor, and attention to his employment and the performance of these duties during the term of this term contract.
- 2.2 *Professional Certification.* The Superintendent shall at all times during employment by KISD hold a valid certificate required of a superintendent by the State of Texas and issued by the Texas Education Agency or the State Board of Educator Certification and all other certificates required by law. The Superintendent represents that s/he has made written disclosure to the Board of any conviction for a felony or for any offense involving moral turpitude. The Superintendent shall also be subject to a criminal history record check, and his/her employment is contingent upon such results being favorable and consistent with information previously disclosed to the Board.
- 2.3 *Reassignment.* The Board may reassign the Superintendent to another position only if the Superintendent expressly consents in writing or is afforded notice and an opportunity for a hearing.

- 3.9 *Professional Organizations.* The cost of membership in two professional organizations shall be borne by KISD.
- 3.10 *Legal Proceedings.* In a case when the Superintendent has no individual professional liability insurance coverage, KISD shall provide the Superintendent with a legal defense of the District's choice, and the costs and expenses related to that defense for demands, claims, suits, actions, and legal proceedings brought against the Superintendent in his or her individual or official capacity as agent and employee of the KISD, provided that the Board determines that the Superintendent was acting in good faith and within the course and scope of his or her employment and that the legitimate interests of the KISD require legal defense on behalf of the public interest. KISD may purchase insurance to fulfill its obligation under this paragraph. KISD's obligation to provide legal defense under this paragraph shall survive the termination of this contract, but shall not survive the statute of limitations for any claim eligible for defense under this paragraph.

IV. Annual Performance Goals

- 4.1 *Development of Goals.* The Superintendent, in cooperation with the District-Level Planning and Decision-Making Committee, shall submit to the Board each year, for its consideration and adoption, a preliminary list of goals for the KISD. The goals approved by the Board shall at all times be reduced to writing and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated.

V. Review of Performance

- 5.1 *Time and Basis of Evaluation.* The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this term contract. The evaluation and assessment shall be reasonably related to the duties of the Superintendent. The Board, at its discretion, may evaluate and assess the performance of the Superintendent as many times during the year as it deems appropriate. The evaluation of the Superintendent shall at all times be conducted in closed meeting.
- 5.2 *Evaluation Format and Procedure.* The evaluation format and procedure shall be adopted by the Board.

VI. Renewal or Nonrenewal of Term Contract

- 6.1 *Renewal/Nonrenewal.* Contract renewal or nonrenewal shall be in accordance with Board policy and Section 21.212 of the Texas Education Code. It is expressly agreed by the parties that "loss of confidence in the Superintendent by the Board" shall be a valid ground for nonrenewal pursuant to Section 21.212 of the Texas Education Code.
- 6.2 *Appeal.* If the Superintendent is aggrieved by the Board's decision, he or she may appeal to the Commissioner of Education in accordance with Subchapter G, Chapter 21, of the Texas Education Code.

VII. Termination of Contract

- 7.1 *Mutual Agreement.* This term contract may be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as are mutually agreed.

- (12) Failure to make a reasonable effort to achieve and maintain an effective working relationship or good rapport with parents, the community, or staff, unless the relationship or good rapport is not achieved or maintained due to no fault of the Superintendent.
- (13) Failure to make a reasonable effort to achieve and maintain an effective working relationship or good rapport with the Board, for any reason, in its sole and final determination;
- (14) Assault on an employee or student;
- (15) Falsifying records or documents related to the KISD's activities;
- (16) Misrepresentation of facts to the Board or other KISD officials in the conduct of the KISD's business; or
- (17) Disability, not otherwise protected by law, that impairs performance of the required duties of the Superintendent.
- (18) Any other reason constituting "good cause" under Texas law.

7.5 *Termination or Suspension Without Pay Procedure.* In the event that the Board proposes to terminate this term contract or suspend the Superintendent without pay for "good cause," the Superintendent shall be afforded all the rights as set forth in Board policies and Subchapter F, Chapter 21, of the Texas Education Code.

VIII. Miscellaneous

- 8.1 *Controlling Law.* This term contract shall be governed by the laws of the State of Texas and shall be performed in Denton County, Texas, unless otherwise provided by law.
- 8.2 *Complete Agreement.* This term contract embodies the entire understanding between the parties and cannot be varied except by written agreement of the undersigned parties and Board approval of the new or additional writing at a lawfully called meeting. All existing term contracts, both oral and written, between the parties regarding the employment of the Superintendent are superseded by this term contract, and this term contract constitutes the entire agreement between the parties unless amended pursuant to this paragraph or other specific terms of this term contract.
- 8.3 *Conflicts.* In the event of any conflict between the terms, conditions, and provisions of this term contract and the provisions of the Board's policies or any permissive state or federal law, the terms of this term contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law, unless otherwise prohibited by law.
- 8.4 *Savings Clause.* In the event any one or more of the provisions contained in this term contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision, and this term contract shall be construed as if such invalid, illegal, or unenforceable provision had never been included.

EXECUTED at the City of Krum, County of Denton and State of Texas, this 21st day of March, 2019, pursuant to action of the Board of Trustees at a meeting held on FEBRUARY 20, 2019, for which there was a properly posted agenda that included an item related to employment of a superintendent.



Disclosures

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 Schools FIRST hearing in calendar year 2020.



Disclosures

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2020

For the Twelve-month Period Ended June 30, 2020										
Description of Reimbursements	Cody Carroll	Brad Andrus	Eric Borchardt	Mark Cofer	Sue Real	Terry Knight	Chris Farmer	Scott Edwards		
Meals	\$ 185.81	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Lodging	\$ 165.00									
Transportation	\$30.00				\$0					
Motor Fuel										
Other	\$255.97				\$ 0					
Total	\$ 636.78	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		\$ 0

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2020, 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.



Disclosures

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

For the Twelve-Month Period Ended June 30, 2020	
Name(s) of Entity(ies)	N/A
	\$ 0
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 2020

For the Twelve-Month Period Ended June 30, 2020										
	Cody Carroll	Brad Andrus	Eric Borchardt	Mark Cofer	Sue Real	Terry Knight	Chris Farmer	Scott Edwards		
Summary Amounts	\$ 0	\$ 0	\$ 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. (Any gifts received by their immediate family as described in Government Code, Chapter 573, Subchapter B, Relationships by Consanguinity or by Affinity will be reported under the applicable school official.)



Disclosures

5. Business Transactions Between School District and Board Members for Fiscal Year 2020

For the Twelve-Month Period Ended June 30, 2020	Brad Andrus	Eric Borchardt	Mark Cofer	Sue Real	Terry Knight	Teddy Wiley	Scott Edwards
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

Item 6 Other Information.

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