School FIRST

Grand Prairie ISD
Financial Accountability Rating Presentation

Public Meeting
December 12, 2019
School FIRST

Financial Rating System

Based on 2017-2018 Data
Critical Indicators 1, 3, 4, & 2.A (Yes=Pass / No=Fail)
Indicators 6-15 determine ratings by total points

Managerial Reports & Summary of Financial Solvency Survey
2018-2019 Report is also available online at:
http://tuna.tea.state.tx.us/First/forms/main.aspx
(Go to District# 057910)
School FIRST

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

- **A** = Superior 90-100
- **B** = Above Standard 80-89
- **C** = Meets Standard 60-79
- **F** = Substandard Achievement <60

The ISD receives an “F” if scores below the minimum passing score, or if it failed any critical indicator (1, 3, 4, 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.
School FIRST

Grand Prairie ISD – 2019
(school year 2017-2018)

Total Point Score: 88 of 100 and answered YES to Critical Indicators

Rating: B = Above Standard
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?

GPISD Score 2017-2018: Yes

GPISD AFR received by TEA 1/23/2019; due 2/28/2019

(Prior Year: Passed – AFR received by TEA 1/26/2018; due 2/28/2018)
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.)

GPISD Score 2017-2018: Yes

GPISD received an “Unmodified Opinion”
(Prior Year: Passed – “Unmodified Opinion”)
School FIRST

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.)

**GPISD Score 2017-2018: Yes**

GPISD did not have a report of material weakness in internal controls.
(Prior Year: No; failed – material weakness reported)
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.)

GPISD Score 2017-2018: Yes

GPISD received a “No Default Disclosures” statement
(Prior Year: Passed – “No Default Disclosures”)
4. Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?

GPISD Score 2017-2018: Yes

GPISD was timely in payments to government agencies.

(Prior Year: Yes = pass – payments were timely)
5. Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the government activities column in the Statement of Net Assets greater than zero? (If the school district’s change in students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)

GPISD Score 2017-2018: N/A (Not Scored)

(Prior Year: Passed - GPISD Unrestricted Net Asset Balance = $21,514,725 + Accretion of Capital Appreciation Bonds $439,949 + Net Pension Liability $70,329,904 > $0, and >= 7% change in 5yr enrollment)
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)? (See ranges below.)

GPISD Score 2017-2018: 10 of 10

GPISD number of days: 103.045 days
(Prior Year: 94.7992 days)

<table>
<thead>
<tr>
<th>Determination of Points</th>
<th>Points</th>
<th>10</th>
<th>8</th>
<th>6</th>
<th>4</th>
<th>2</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days</td>
<td>&gt;=90</td>
<td>&lt;90</td>
<td>&gt;=75</td>
<td>&gt;=60</td>
<td>&lt;60</td>
<td>&gt;=45</td>
<td>&lt;45</td>
</tr>
</tbody>
</table>
7. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)

**GPISD Score 2017-2018: 4 of 10**

(Current Assets of $118,381,443 divided by Current Liabilities of $60,357,451 = Ratio of 1.9613)

*Flipside: Lower Ratio because of Add’l Liability of $10M TEA overpayment resulting in GPISD earning an extra $200k+ in interest revenue*

(Prior Year: 10 of 10 @ Ratio of 3.2296)

<table>
<thead>
<tr>
<th>Determination of Points</th>
<th>Points</th>
<th>10</th>
<th>8</th>
<th>6</th>
<th>4</th>
<th>2</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>&gt;=3.00</td>
<td>&lt; 3.00</td>
<td>&lt; 2.50</td>
<td>&lt; 2.00</td>
<td>&lt; 1.50</td>
<td>&lt; 1.00</td>
<td></td>
</tr>
</tbody>
</table>
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.) (See ranges below.)

**GPISD Score 2017-2018: 4 of 10**

GPISD LT Liabilities of $534M divided by Total Assets of $654M = Ratio of 0.8163

(Prior Year: Ratio of 0.8621 and >= 7% change in 5yr enrollment)

<table>
<thead>
<tr>
<th>Determination of Points</th>
<th>10</th>
<th>8</th>
<th>6</th>
<th>4</th>
<th>2</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>&lt;=0.60</td>
<td>&gt; 0.60</td>
<td>&gt; 0.70</td>
<td>&gt; 0.80</td>
<td>&gt; 0.90</td>
<td>&gt; 1.00</td>
</tr>
</tbody>
</table>
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?

GPISD Score 2017-2018: 10 of 10

GPISD Total Revenue $274M compared to Expenditures (Net) of $288M = Ratio of -0.0456 but Cash on Hand = 103 Days (>60)

(Prior Year: Ratio of 0.0424)

<table>
<thead>
<tr>
<th>Determination of Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Points</td>
</tr>
<tr>
<td>Ratio</td>
</tr>
</tbody>
</table>
10. Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)

**GPISD Score 2017-2018: 10 of 10**

**GPISD Debt Service Coverage Ratio = 1.3613**

(Prior Year: Ratio = 1.4781)

<table>
<thead>
<tr>
<th>Determination of Points</th>
<th>10</th>
<th>8</th>
<th>6</th>
<th>4</th>
<th>2</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>&gt;=1.20</td>
<td>&lt; 1.20</td>
<td>&lt; 1.15</td>
<td>&lt; 1.10</td>
<td>&lt; 1.05</td>
<td>&lt; 1.00</td>
</tr>
</tbody>
</table>

>=1.15 | >=1.10 | >=1.05 | >=1.00 | < 1.00 |
11. Was the school district’s administrative cost ratio equal to or less than the threshold ratio? (See range below.)

GPISD Score 2017-2018: 10 of 10

GPISD District Administrative Ratio = 0.0745
(Prior Year: 10/10 pts 0.0721<0.0855)

<table>
<thead>
<tr>
<th>Determination of Points</th>
<th>10</th>
<th>8</th>
<th>6</th>
<th>4</th>
<th>2</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio for ISD of 10,000 ADA and above</td>
<td>&lt;=0.0855</td>
<td>&gt; 0.0855</td>
<td>&gt; 0.1105</td>
<td>&gt; 0.1355</td>
<td>&gt; 0.1605</td>
<td>&gt; 0.1855</td>
</tr>
</tbody>
</table>
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.)

**GPISD Score 2017-2018: 10 of 10**

GPISD 3 year enrollment did not decrease  
(Prior Year: GPISD enrollment did not decrease)

<table>
<thead>
<tr>
<th>Determination of Points</th>
<th>Points</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Points</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Result</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
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?

GPISD Score 2017-2018 = 10 of 10 points

GPISD – Sum of differences: 135 / denominator 293,116,733 = 0%. (Prior Year: 10/10 points 0 < 0.03)

<table>
<thead>
<tr>
<th>Determination of Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Points</td>
</tr>
<tr>
<td>Ratio</td>
</tr>
</tbody>
</table>
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.)

GPISD Score 2017-2018 = 10 of 10 points

GPISD had no material noncompliance.  
(Prior Year: GPISD had no material noncompliance)
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?

**GPISD Score 2017-2018 = 10 of 10 points**

GPISD had no adjusted repayment schedule.
(Prior Year: GPISD had no adjusted repayment schedule)
## Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended August 31, 2018

<table>
<thead>
<tr>
<th>Description of Reimbursements</th>
<th>Superintendent</th>
<th>Member</th>
<th>Board</th>
<th>Superintendent</th>
<th>Member</th>
<th>Board</th>
<th>Superintendent</th>
<th>Member</th>
<th>Board</th>
<th>Superintendent</th>
<th>Member</th>
<th>Board</th>
<th>Superintendent</th>
<th>Member</th>
<th>Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meals</td>
<td>$ 50.81</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 127.92</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Lodging</td>
<td>$ 1,232.78</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 825.55</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Transportation</td>
<td>$ 1,868.26</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,091.26</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Motor Fuel</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Other</td>
<td>$ 1,705.00</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,515.00</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Total**                       | $ 4,856.85     | $ -    | $ -   | $ 3,559.73     | $ -    | $ -   | $ -            | $ -    | $ -   | $ -            | $ -    | $ -   | $ -            | $ -    | $ -   |

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 members not defined above.
Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

For the Twelve-Month Period
Ended August 31, 2018

<table>
<thead>
<tr>
<th>Name(s) of Entity(ies)</th>
<th>Amount Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Available</td>
<td></td>
</tr>
</tbody>
</table>

Total $ -

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.
### 2019 School FIRST Annual Financial Management Report
GRAND PRAIRIE INDEPENDENT SCHOOL DISTRICT

**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)

<table>
<thead>
<tr>
<th>For the Twelve-Month Period</th>
<th>Susan Hull</th>
<th>Terry Brooks</th>
<th>Gloria Carrillo</th>
<th>David Espinosa</th>
<th>Burke Hall</th>
<th>Aaron King</th>
<th>Chester McCrary</th>
<th>Steve Pryor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending August 31, 2018</td>
<td>Total</td>
<td>$12,000</td>
<td>$8,000</td>
<td>$10,000</td>
<td>$15,000</td>
<td>$20,000</td>
<td>$18,000</td>
<td>$16,000</td>
</tr>
</tbody>
</table>

Note - 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.
## 2019 School FIRST Annual Financial Management Report

### GRAND PRAIRIE INDEPENDENT SCHOOL DISTRICT

<table>
<thead>
<tr>
<th>Business Transactions Between School District and Board Members</th>
<th></th>
</tr>
</thead>
</table>

For the Twelve-Month Period  
Ended August 31, 2018  

<table>
<thead>
<tr>
<th>Susan Hull</th>
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</thead>
<tbody>
<tr>
<td>Board</td>
<td>Board</td>
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<td>Board</td>
<td>Board</td>
<td>Board</td>
<td>Board</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Superintendent</th>
<th>Member</th>
<th>Member</th>
<th>Member</th>
<th>Member</th>
<th>Member</th>
<th>Member</th>
<th>Member</th>
</tr>
</thead>
</table>

| Amounts | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - |

Note - The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.
A copy of the Superintendent’s contract is available online at the Grand Prairie ISD Webpage:

(Visit the *Legal Postings* webpage under *About GPISD*.)

http://www.gpisd.org/Domain/90
School FIRST

Questions and Comments:

Please contact
Robb Welch, GPISD Finance Office
robb.welch@gpisd.org