



Financial Integrity Rating System of Texas

# School FIRST



## Grand Prairie ISD Financial Accountability Rating Presentation

Public Meeting  
December 7, 2017



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## Financial Rating System

### Based on 2015-2016 Data

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

Indicators 6-15 determine ratings by total points

Managerial Reports & Summary of Financial Solvency Survey

2015-2016 Report is also available online at:

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

(Go to District# 057910)



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

<b>A = Superior</b>	<b>90-100</b>
<b>B = Above Standard</b>	<b>80-89</b>
<b>C = Meets Standard</b>	<b>60-79</b>
<b>F = Substandard Achievement</b>	<b>&lt;60</b>

The ISD receives an “F” if scores below the minimum passing score, or if it failed any 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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Grand Prairie ISD – 2017  
(school year 2015-2016)

Total Point Score: 94 of 100 and  
answered YES to Critical Indicators

**Rating: A = 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?

**GPISD Score 2015-2016: Yes**

GPISD AFR received by TEA 1/26/2017; due 2/28/2017

(Prior Year: Passed – AFR received by TEA 2/22/2016; due 2/28/2016)



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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 2015-2016: Yes**

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



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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 2015-2016: No**

GPISD did have a report of material weaknesses in internal controls as reported and disclosed.  
(Prior Year: Yes; passed – no reported material weaknesses)



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*educate. innovate. graduate.*

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 2015-2016: Yes**

GPISD received a “No Default Disclosures” statement  
(Prior Year: Passed – “No Default Disclosures”)





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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 2015-2016: Yes**

GPISD was timely in payments to government agencies.

(Prior Year: Yes = pass – payments were timely)



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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 10 percent or more, then the school district passes this indicator.)

**GPISD Score 2015-2016: Yes**

GPISD Unrestricted Net Asset Balance = \$16,922,038 + Accretion of Capital Appreciation Bonds \$37,448,305 + Net Pension Liability \$35,135,085 > \$0, and  $\geq 10\%$  change in 5yr enrollment

(Prior Year: Passed = \$32.1M + \$37.4M > \$0)



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- 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 2015-2016: 4 of 10

GPISD number of days: 53.2179 days  
 (Prior Year: 75.7504 days)

Determination of Points						
Points	10	8	6	4	2	0
Days	>=90	<90 >=75	<74 >=60	<60 >=45	<45 >=30	<30



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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? (See ranges below.)

## GPISD Score 2015-2016: 10 of 10

GPISD Current Assets of \$149,766,194 divided by Current Liabilities of \$37,971,522 = Ratio of 3.9442

(Prior Year: Ratio of 2.7901)

Determination of Points						
Points	10	8	6	4	2	0
Ratio	$\geq 3.00$	$< 3.00$ $\geq 2.50$	$< 2.50$ $\geq 2.00$	$< 2.00$ $\geq 1.50$	$< 1.50$ $\geq 1.00$	$< 1.00$



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- 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 10 percent or more, then the school district passes this indicator.) (See ranges below.)

## GPISD Score 2015-2016: 10 of 10

GPISD LT Liabilities of \$543M minus Net Pension Liabilities \$35M divided by Total Assets of \$610M = Ratio of 0.8328; and  $\geq 10\%$  change in 5yr enrollment  
(Prior Year: Ratio of 0.8997)

Determination of Points						
Points	10	8	6	4	2	0
Ratio	$\leq 0.60$	$> 0.60$ $\leq 0.70$	$> 0.70$ $\leq 0.80$	$> 0.80$ $\leq 0.90$	$> 0.90$ $\leq 1.00$	$> 1.00$



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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?

**GPISD Score 2015-2016: 10 of 10**

GPISD Total Revenue \$266M compared to Expenditures (Net) of \$256M = Ratio of 0.0361  
(Prior Year: Ratio of 0.0108)

Determination of Points		
Points	10	0
Ratio	$\geq 0\%$	$< 0\%$



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10. Was the debt service coverage ratio sufficient to meet the required debt service?  
(See ranges below.)

**GPISD Score 2015-2016: 10 of 10**

**GPISD Debt Service Coverage Ratio = 1.3544**

(Prior Year: Ratio = 1.4418)

Determination of Points						
Points	10	8	6	4	2	0
Ratio	$\geq 1.20$	$< 1.20$ $\geq 1.15$	$< 1.15$ $\geq 1.10$	$< 1.10$ $\geq 1.05$	$< 1.05$ $\geq 1.00$	$< 1.00$



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

**GPISD Score 2015-2016: 10 of 10**

**GPISD District Administrative Ratio = 0.0675**

**(Prior Year: 10/10 pts 0.0699<0.0855)**

Determination of Points						
Points	10	8	6	4	2	0
Ratio for ISD of 10,000 ADA and above	$\leq 0.0855$	$> 0.0855$ $\leq 0.1105$	$> 0.1105$ $\leq 0.1355$	$> 0.1355$ $\leq 0.1605$	$> 0.1605$ $\leq 0.1855$	$> 0.1855$





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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.)

## GPISD Score 2015-2016: 10 of 10

GPISD enrollment did not decrease

(Prior Year: GPISD enrollment did not decrease)

### Determination of Points

Points	10	0
Result	Yes	No



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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?

**GPISD Score 2015-2016 = 10 of 10 points**

GPISD – Sum of differences: 260 / denominator 264,603,555 = 0%.

(Prior Year: 10/10 points 0 < 0.30)

Determination of Points		
Points	10	0
Ratio	< 3%	>= 3%



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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.)

**GPISD Score 2015-2016 = 10 of 10 points**

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

Determination of Points		
Points	10	0
Result	Yes	No



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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?

**GPISD Score 2015-2016 = 10 of 10 points**

GPISD had no adjusted repayment schedule.

(Prior Year: GPISD had no adjusted repayment schedule)

## Determination of Points

Points	10	0
Result	Yes	No



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## 2017 School FIRST Annual Financial Management Report GRAND PRAIRIE INDEPENDENT SCHOOL DISTRICT

### Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period  
Ended August 31, 2016

Description of Reimbursements	Susan	Terry	David	Burke	Katrina	Chester	Steve	Mike	John
	Hull	Brooks	Espinosa	Hall	Jones	McCrary	Pryor	Skinner	Stewart
	Superintendent	Member	Member	Member	Member	Member	Member	Member	Member
Meals	\$ 612.35		\$ 359.18			\$ 269.82			
Lodging	\$ 2,185.73		\$ 1,876.70			\$ 760.36	\$ 1,493.99		
Transportation	\$ 3,311.10		\$ 788.71			\$ 434.05	\$ 465.03		
Motor Fuel									
Other	\$ 1,651.00		\$ 1,145.00			\$ 915.00			
<b>Total</b>	<b>\$ 7,760.18</b>	<b>\$ -</b>	<b>\$ 4,169.59</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,379.23</b>	<b>\$ 1,959.02</b>	<b>\$ -</b>	<b>\$ -</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, care 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



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2017 School FIRST Annual Financial Management Report			
GRAND PRAIRIE INDEPENDENT SCHOOL DISTRICT			
<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, 2016			
<u>Name(s) of Entit(ies)</u>		<u>Amount Received</u>	
Dallas Baptist University		9,000.00	
<b>Total</b>		<b>\$ 9,000.00</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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2017 School FIRST Annual Financial Management Report									
GRAND PRAIRIE INDEPENDENT SCHOOL DISTRICT									
<b>Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any)</b>									
<b>(gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)</b>									
For the Twelve-Month Period Ended August 31, 2016									
	Susan Hull	Terry Brooks	David Espinosa	Burke Hall	Katrina Jones	Chester McCrary	Steve Pryor	Mike Skinner	John Stewart
	Superintendent	Member	Member	Member	Member	Member	Member	Member	Member
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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.									



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**2017 School FIRST Annual Financial Management Report  
GRAND PRAIRIE INDEPENDENT SCHOOL DISTRICT**

**Business Transactions Between School District and Board Members**

For the Twelve-Month Period  
Ended August 31, 2016

	Susan Hull Superintendent	Terry Brooks Board Member	David Espinosa Board Member	Burke Hall Board Member	Katrina Jones Board Member	Chester McCrary Board Member	Steve Pryor Board Member	Mike Skinner Board Member	John Stewart Board Member
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.





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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>



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Questions and Comments:

Please contact

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