



PRESENTED BY FINANCIAL SERVICES

OCTOBER 24, 2016



- Adopted during the 1999 Legislature,
Schools F.I.R.S.T. is a statewide rating system implemented
in 2003 beginning with the 2001-2002 fiscal year.
- TEA implemented numerous changes effective over the
years and **did so again this year.**



Purpose

- Expands the public education accountability system in Texas to the Financial Services.
- Primary goal is to improve the management of school districts' financial resources.
- Assure the maximum allocation of resources for direct instructional purposes.



- Several new indicators are more easily recognized and interpreted by both the public and the finance industry.
- Several new indicators have a wider sliding scale range to allow a high, medium, or low points award for those indicators (from 0 to 10 points).
- Failure to meet the requirements of any **critical** indicator would cause a failure of FIRST.

Determination of School District Rating

- Numerical scores based on
 - 70-100 points = Superior A
 - 50-69 points = Above Standard B
 - 31-49 points = Meets Standard C
 - <31 points = Substandard Achievement F



Indicator 1

Was the Annual Financial Report
filed within one month after
the January 28th deadline?

YES



Indicator 2A

Was there an unmodified opinion in
the Annual Financial Report?

YES



Indicator 2B

Was the Annual Financial Report free of any instance(s) of material weaknesses in internal controls?

YES

Indicator 3

Was the school district in compliance with
the payment terms of
all debt agreements at fiscal year end?

YES

Indicator 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?

YES



Indicator 5

Was the total unrestricted net asset balance in the Statement of Net Assets greater than zero?

YES



Indicator 6

Were the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures?

YES

Indicator 7

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

YES



Indicator 8

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

YES



Indicator 9

Did the school district's general fund revenues equal or exceed expenditures?

If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

YES



Indicator 10

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

YES



Indicator 11

Was the school district's administrative cost ratio equal to or less than the threshold ratio?

YES



Indicator 12

Did the school district NOT have a 15% decline in the students to staff ratio over 3 years?

YES



Indicator 13

Did the comparison of PEIMS data to like information in the Annual Financial Report result in an aggregate variance of less than 3% of expenditures per fund type?

YES



Indicator 14

Was the Annual Financial Report free of any material noncompliance for grants, contracts, and laws related to local, state, or federal funds?

YES

Indicator 15

Did the school district NOT receive an adjusted repayment schedule for more than one fiscal year for an overall allocation of Foundation School Program funds as a result of financial hardship?

YES



What is KISD's Rating?

KISD passed all Critical indicators

KISD received 100 of 100 points

Rating: 100 = Superior

The district received the highest rating possible as established under guidelines and rules established by the Texas Education Agency.



Report



Conclusion





2014-2015

Schools FIRST

Financial Management Report

October 24, 2016

Katy Independent School District
6301 South Stadium Lane
P.O. Box 159
Katy, Texas 77492-0159

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Schools FIRST Presentation



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- TEA implemented numerous changes effective over the years and **did so again this year.**



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Determination of School District Rating

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Indicator 1

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Indicator 2A

Was there an unmodified opinion in the Annual Financial Report?

YES



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Was the Annual Financial Report free of any instance(s) of material weaknesses in internal controls?

YES



Indicator 3

Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

YES



Indicator 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?

YES



Indicator 5

Was the total unrestricted net asset balance in the Statement of Net Assets greater than zero?

YES



Indicator 6

Were the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures?

YES



Indicator 7

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

YES



Indicator 8

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

YES



Indicator 9

Did the school district's general fund revenues equal or exceed expenditures?

If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

YES



Indicator 10

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

YES



Indicator 11

Was the school district's administrative cost ratio equal to or less than the threshold ratio?

YES



Indicator 12

Did the school district NOT have a 15% decline in the students to staff ratio over 3 years?

YES



Indicator 13

Did the comparison of PEIMS data to like information in the Annual Financial Report result in an aggregate variance of less than 3% of expenditures per fund type?

YES



Indicator 14

Was the Annual Financial Report free of any material noncompliance for grants, contracts, and laws related to local, state, or federal funds?

YES



Indicator 15

Did the school district NOT receive an adjusted repayment schedule for more than one fiscal year for an overall allocation of Foundation School Program funds as a result of financial hardship?

YES



What is KISD's Rating?

KISD passed all Critical indicators
KISD received 100 of 100 points

Rating: 100 = Superior

The district received the highest rating possible as established under guidelines and rules established by the

Texas Education Agency.



Report



Conclusion



School Year

2014-2015

Accountability Ratings



Financial Integrity Rating System of Texas

2015-2016 RATINGS BASED ON SCHOOL YEAR 2014-2015 DATA - DISTRICT STATUS DETAIL

Name: KATY ISD(101914)	Publication Level 1: 8/8/2016 6:20:16 PM
Status: Passed	Publication Level 2: 8/8/2016 6:20:16 PM
Rating: A = Superior	Last Updated: 8/8/2016 6:20:16 PM
District Score: 100	Passing Score: 31

#	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>	3/16/2016 3:45:19 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>	3/16/2016 3:45:19 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>	3/16/2016 3:45:19 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>	3/16/2016 3:45:20 PM	Yes
4		3/16/2016 3:45:20 PM	Yes

	<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>		
5	<u>Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (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.)</u>	3/16/2016 3:45:20 PM	Yes
			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>	8/4/2016 1:41:48 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>	6/30/2016 1:27:25 PM	10
8	<u>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.)</u>	8/4/2016 1:41:48 PM	10
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>	8/4/2016 1:41:49 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	8/4/2016 1:41:49 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/16/2016 3:45:22 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>	3/16/2016 3:45:23 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>	3/16/2016 3:45:24 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>	3/25/2016 2:03:14 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>	3/24/2016 4:30:34 PM	10
			100 Weighted Sum

		1 Multiplier Sum
		100 Score

DETERMINATION OF RATING

A.	Did the district answer ' No ' to Indicators 1, 3, 4, 5, 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	70-100
	B = Above Standard	50-69
	C = Meets Standard	31-49
	F = Substandard Achievement	<31

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

FIRST 4.2.8.0

School Year

2013-2014

Accountability Ratings



Financial Integrity Rating System of Texas

2014-2015 RATINGS BASED ON SCHOOL YEAR 2013-2014 DATA - DISTRICT STATUS DETAIL

Name: KATY ISD(101914)	Publication Level 1: 8/20/2015 11: 24: 40 AM
Status: Passed	Publication Level 2: 8/20/2015 11: 24: 40 AM
Rating: Pass	Last Updated: 8/20/2015 11: 24: 40 AM
District Score: 30	Passing Score: 16

#	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>	4/6/2015 2: 50: 29 PM	Yes
2	<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>	4/6/2015 2: 50: 29 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>	4/6/2015 2: 50: 29 PM	Yes
4	<u>Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (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.)</u>	7/30/2015 12: 20: 40 PM	Yes
			1 Multiplier Sum
5	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	7/15/2015 11: 54: 14 AM	10
6	<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>	8/17/2015 5: 50: 18 PM	10

7	<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>	4/6/2015 2:50:32 PM	10
			30 Weighted Sum
			1 Multiplier Sum
			30 Score

DETERMINATION OF RATING

A.	Did The District Answer 'No' To Indicators 1, 2, 3, Or 4? If So, The District's Rating Is Substandard Achievement .	
B.	Determine Rating By Applicable Range For Summation of the Indicator Scores (Indicators 5-7)	
	Pass	16-30
	Substandard Achievement	<16

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Disclosures

Reimbursements

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2015

For the Twelve-month Period Ended August 31, 2015 Description of Reimbursements	Superintendent Mr. Frailey	Joe Adams	Rebecca Fox	Henry Dibrell	Charles Griffin	Bryan Michalsky	Ashley Vann	Courtney Doyle
Meals	\$ 1,713.20	\$ 51.93	\$ 91.85	\$ 131.06	\$ 68.10	\$ 65.23	\$ 86.35	\$ 79.91
Lodging	\$ 6,956.71	\$ 217.07	\$ 1,872.76	\$ 1,492.10	\$ 661.95	\$ 227.81	\$ 1,118.44	\$ 901.37
Transportation	\$ 10,132.22	\$ -	\$ 889.28	\$ 1,057.38	\$ 227.32	\$ 211.96	\$ 796.81	\$ 342.86
Motor Fuel	\$ 24.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other *	\$ 10,847.83	\$ 1,066.20	\$ 2,156.71	\$ 2,371.71	\$ 2,156.70	\$ 1,781.70	\$ 2,231.60	\$ 2,231.59
Total	\$ 29,674.76	\$ 1,335.20	\$ 5,010.60	\$ 5,052.25	\$ 3,114.07	\$ 2,286.70	\$ 4,233.20	\$ 3,555.73

* Includes registration, fees and dues, books and materials, etc.

**Outside Compensation and Fees
Received by the Superintendent**

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, 2015
Name(s) of Entity(ies)

Amount Received
\$

Total

\$0.00

Gifts

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, 2015

	Superintendent	Joe Adams	Rebecca Fox	Henry Dibrell	Charles Griffin	Bryan Michalsky	Ashley Vann	Courtney Doyle
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Business Transactions

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended August 31, 2015

	Joe Adams	Rebecca Fox	Henry Dibrell	Charles Griffin	Bryan Michalsky	Ashley Vann	Courtney Doyle
Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0