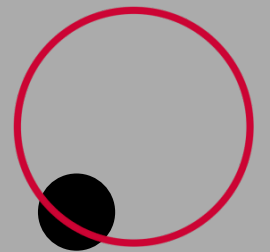
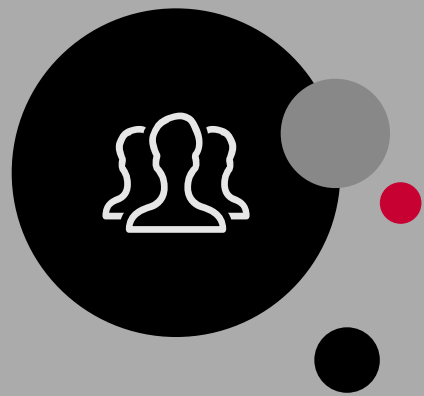
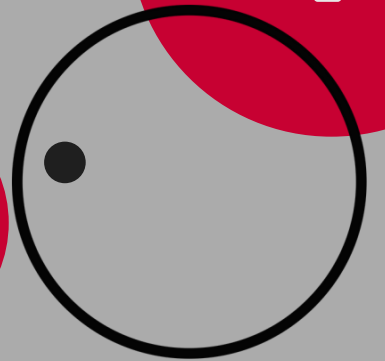


COPPELL ISD
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2017-2018 Annual Financial Management Report



**A report on School FIRST:
Financial Integrity Rating System of Texas
(based on 2016-2017 financial data)**



FIRST – Financial Integrity Rating System of Texas

- Ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices.
- Encourages Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.



FIRST Changes

- Current FIRST measures:
 - 15 indicators measured for fiscal years 2017-18, 2018-19
- TEA has recently adopted changes to the FIRST rules which will be phased in.
 - 20 indicators measured starting with fiscal year 2019-20
 - Changes in calculation of some current measures
 - Some new indicators measure the district's performance for three consecutive years beginning with results from fiscal year 2017-18



FIRST Changes for FY 2019-2020

- Measure budgeted vs. actual revenue in general operating fund.
 - An average of the 3 most recent fiscal years
 - Allows up to a 10% variance (+/-)
 - Encourages accurate budgeting to prevent potential overspending
- Measure projected vs. actual ADA (average daily attendance) submission to TEA.
 - Allows up to a 20% variance (+/-)
 - Encourages accurate projections



FIRST Changes for FY 2019-2020

- District postings of required financial information on website.
 - Encourages financial transparency
- School Board discussion of district property values and the funding “lag” within 120 days of adopting the budget.
 - Foundation School Program funding is calculated using prior-year taxable property values.
 - When property values decline or slow in growth, districts can experience a “lag” between when their property tax revenues decrease and when the state increases their state funding.



2017-18 FIRST results (Fiscal year 2016-17)

Determination of Rating:

A. Did the district answer “No” to Indicators 1,3,4,5, or 2.A?

- These measures are critical indicators of financial management

Coppell ISD results for fiscal year 2016-17: YES



2017-18 FIRST results (Fiscal year 2016-17)

B. Rating points (sum of indicators 6 – 15):

- Measures of *solvency* and *financial competence*

Ratings	Score
“A” = Superior	90 – 100 points
“B” = Above Standard	80 – 89 points
“C” = Standard Achievement	60 – 79 points
“F” = Substandard Achievement	< 60 points

Coppell ISD results for fiscal year 2016-17 :

“A” = Superior

SCORE: 100 points



Indicator # 1

Was the complete annual financial report and data submitted to the TEA within 30 days of the January 28th deadline?

RESULT: YES



Indicator # 2.A

Was there an unmodified opinion in the annual financial report on the financial statements as a whole?

RESULT: YES



Indicator # 2.B

Did the external independent auditor report that the annual financial report was free of any instance(s) of material weakness in internal controls over financial reporting and compliance for local, state or federal funds?

RESULT: YES



Indicator # 3

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

RESULT: 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?

RESULT: YES



Indicator # 5

Was the total unrestricted net position balance in the governmental activities column in the Statement of Net Position greater than zero? Or pass if district's change in student membership over 5 years was 7% or more?

**RESULT: YES \$75M or
12.7% increase in student membership.**



Indicator # 6

Was the number of days of cash on hand and current investments in the general fund sufficient to cover operating expenditures?

RESULT: YES 193 days

10 points if \geq 90 days



Indicator # 7

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

RESULT: YES ratio = 3.9297

10 points if ratio \geq 3.00



Indicator # 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% or more, then the school district passes this indicator)

RESULT: YES

12.7% increase in student membership



Indicator # 9

Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition or construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

RESULT: YES 193 days

10 points if \geq 60 days



Indicator # 10

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

RESULT: YES ratio = 1.61

10 points if ratio \geq 1.20



Indicator # 11

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

RESULT: YES ratio = .0817

10 points if ratio \leq .0855



Indicator # 12

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

(If the student enrollment did not decrease, the school district will automatically pass this indicator.)

RESULT: YES



Indicator # 13

Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's annual financial report result in a total variance of less than 3% of all expenditures by function?

RESULT: YES



Indicator # 14

Did the external independent auditor indicate the annual financial report was free of any instance(s) of material noncompliance for grants, contract, and laws related to local, state, or federal funds?

RESULT: YES



Indicator # 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?

RESULT: YES



FIRST – Financial Integrity Rating System of Texas

- FIRST reports are posted on the district's website on the business department pages.
- Required disclosures and definitions can be found in the back of the FIRST report.



FIRST – Financial Integrity Rating System of Texas

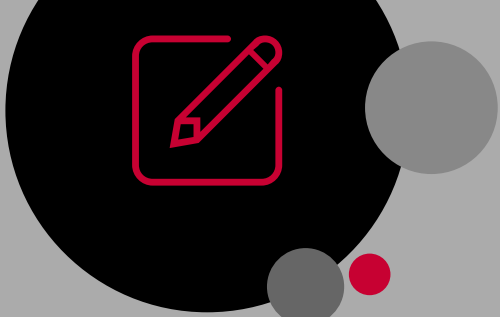
Questions?

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or

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