

Annual Financial Accountability Management Report

Clear Creek Independent School District

As of August 31, 2016

Background

Senate Bill 218 passed during the 77th Texas Legislature in 2001 requires each school district to prepare an annual financial accountability report within two months of the date of issuance of the final FIRST ratings.

CCISD Rating

Official Notification: November 3, 2017

Rating: Superior

Highest Rating Possible

15th Consecutive Year

FIRST Worksheet

FIRST - Financial Integrity Rating System of Texas

Worksheet is comprised of 15 indicators

Critical Indicators

A “No” response to any of the first five indicators is a signal of fiscal distress and will result in an automatic rating of Substandard Achievement.

Indicators 1 and 2

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

Yes

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

Yes, Clear Creek received a “clean audit”

Indicators 3 and 4

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

Yes

Did the school district make timely payments to the Teachers Retirement System, Texas Workforce Commission, Internal Revenue Service, and other government agencies?

Yes

Indicators 5

Was the total unrestricted net position balance in the governmental activities column in the Statement of Net Position greater than zero?

Yes, Clear Creek had total unrestricted net assets of \$144.0 million.

Indicators 6 and 7

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

Yes, Clear Creek scored 8 of 10 points with 86 days on hand. To score the maximum 10 points the district needed 90 days on hand.

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

Yes, Clear Creek scored 10 of 10 points.

Indicator 8

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

Yes, Clear Creek scored 6 of 10 points.

No change in this score is anticipated due to the amount of long-term debt supporting the construction of new facilities and expansion/renovation of existing facilities due to continued enrollment growth.

Indicators 9 and 10

Did general fund revenues equal or exceed expenditures?

Yes

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

Yes, Clear Creek scored 10 of 10 points.

Indicators 11 and 12

Was the administrative cost ratio equal to or less than the threshold ratio?

Yes, Clear Creek scored 10 of 10 points with a ratio of 4.09% which is well below the threshold of 8.55%.

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

Yes

Indicators 13 and 14

Did the comparison of PEIMS data to like information in the annual financial report (AFR) result in a total variance of less than 3% of all expenditures by function?

Yes, Clear Creek's variance was only .0001%.

Did the external independent auditor indicate that the AFR was free of any instances of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?

Yes

Indicator 15

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

Yes

Fund Balance

As of August 31, 2016 CCISD's unassigned fund balance was \$54.9 million

Slightly above two months of budgeted 2016-2017 operating expenditures

Sufficient to cover cash flow deficits due to the timing of property tax collections and State funding payments

Required Disclosures

Superintendent & Board Member travel expenditures – see pg 12

Superintendent has not received outside compensation for consulting services

Executive Officers & Board Members did not receive gifts exceeding \$250 or more

Superintendent's Contract – see pg 13

Budget & Financial Reporting Recognition

Texas Education Agency

FIRST

Highest rating possible

15th consecutive year

Government Finance Officers Association (GFOA)

Distinguished Budget Presentation Award
12th consecutive year

Certificate of Achievement for Excellence in
Financial Reporting
11th consecutive year

Association of School Business Officials International (ASBO)

Meritorious Budget Award

10th consecutive year

Certificate of Excellence in Financial Reporting

11th consecutive year