

# 2020-2021 F.I.R.S.T. REPORT



## Quinlan Independent School District

A Financial Management Report  
For the Fiscal Year Ended June 30, 2020

**Quinlan Independent School District  
Schools FIRST Rating  
Notice of Public Meeting**

**Published October 30, 2021  
in the Greenville Herald Banner**

**NOTICE OF PUBLIC MEETING  
TO DISCUSS QUINLAN INDEPENDENT  
SCHOOL DISTRICT'S  
State Financial Accountability Rating**

**QUINLAN INDEPENDENT SCHOOL DISTRICT  
will hold a public meeting  
at 7:00 p.m., November 15, 2021  
in the Board Room of the  
Joe Martin Central Administration Building  
401 East Richmond Street  
Quinlan, TX 75474**

**The purpose of this meeting is to discuss  
QUINLAN INDEPENDENT SCHOOL DISTRICT'S  
rating on the state's financial accountability system.**

# 2019-2020 DISTRICT DATA



RATING YEAR  DISTRICT NUMBER



Financial Integrity Rating System of Texas

**2020-2021 RATINGS BASED ON SCHOOL YEAR 2019-2020 DATA - DISTRICT STATUS  
DETAIL**

<b>Name:</b> QUINLAN ISD(116908)	<b>Publication Level 1:</b> 8/4/2021 2:00:38 PM
<b>Status:</b> Passed	<b>Publication Level 2:</b> 8/6/2021 11:10:55 AM
<b>Rating:</b> A = Superior Achievement	<b>Last Updated:</b> 8/6/2021 11:10:55 AM
<b>District Score:</b> 100	<b>Passing Score:</b> 70

#	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>	6/8/2021 3:44:44 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>	6/8/2021 3:44:44 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>	6/8/2021 3:44:45 PM	Yes
4	<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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	7/1/2021 9:07:00 AM	Yes  Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/28/2021 11:10:18 AM	Ceiling Passed
7	<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 in the Determination of Points section.</u>	6/8/2021 3:44:45 PM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	6/8/2021 3:44:45 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? See ranges below in the Determination of Points section.</u>	6/8/2021 3:44:45 PM	10



10	<u>Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?</u>	7/2/2021 1:33:32 PM	10
11	<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 increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.</u>	6/8/2021 3:44:47 PM	10
12	<u>Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.</u>	6/8/2021 3:44:47 PM	10
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/8/2021 3:44:47 PM	10
14	<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>	6/8/2021 3:44:47 PM	10
15	<u>Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.</u>	6/8/2021 3:44:48 PM	5
16	<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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/8/2021 3:44:48 PM	Ceiling Passed
17	<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.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	6/8/2021 3:44:48 PM	Ceiling Passed
18	<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>	6/8/2021 3:44:48 PM	10
19	<u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u>	6/8/2021 3:44:48 PM	5
20	<u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/8/2021 3:44:48 PM	Ceiling Passed
			100 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			100 Score

**DETERMINATION OF RATING**

<b>A.</b>	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.
<b>B.</b>	Determine the rating by the applicable number of points.
	<b>A = Superior Achievement</b> 90-100

<b>B = Above Standard Achievement</b>	80-89
<b>C = Meets Standard Achievement</b>	70-79
<b>F = Substandard Achievement</b>	<70

**No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.**

The school district receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.

**CEILING INDICATORS**

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.

Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
<b>Indicator 4</b> (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
<b>Indicator 6</b> (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 16</b> (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 17</b> (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
<b>Indicator 20</b> (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

Home Page: [Financial Accountability](#) | Send comments or suggestions to [FinancialAccountability@tea.texas.gov](mailto:FinancialAccountability@tea.texas.gov)

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

FIRST 5.11.6.0

## DATA RECAP

November 15, 2021

Quinlan ISD FIRST Rating for School Year Data 2019-2020

Quinlan Score: 100 of possible 100

1. Audit Submitted to TEA within required time: Yes, submitted 11-05-2020
2. Was there an unmodified opinion in the audit on financial statements: Yes, passed
3. District in compliance with payment terms on all debt: Yes, passed
4. Did district make timely payments to TRS and IRS: Yes, passed
5. Not scored
6. Fund Balance increased over the 3 years not decreased: Passed
7. Number of days of cash on hand and current investments sufficient to cover operating expenses: 10 points more than 90 days, Quinlan 215.763 days
8. Ratio of assets over liabilities sufficient to cover short time debt, yes, passing for 10 points is 3.00, Quinlan's 5.086
9. Did district revenues exceed expenses or have at least 60 days or more of cash on hand: 10 points, revenues exceeded expenses and 215.763 days cash on hand
10. Did revenue average less than 10% variance between budgeted and actual for the last 3 years, passing 10%, Quinlan 2.72%
11. Ratio of long-term liabilities to total assets sufficient to support long-term solvency: Yes, less than .60 ten points, Quinlan .2394
12. Was debt per \$100 of assessed property value sufficient for future debt repayments: Yes, 10 points is less than 4, Quinlan 1.1815
13. School District's administrative cost ratio equal or less than threshold ratio: Yes, less than 0.1151 for 10 points, Quinlan 0.1095
14. School District did not have a 15 percent decline in student to staff ratio over 3 years: Yes, 10 points, Quinlan 1.04 percent
15. District's ADA within the allotted range of district's biennial pupil projections: Yes, passing is 0.10, Quinlan .0069
16. Comparison of PEIMS data to like data in Annual Audit result in a variance of less than 3 percent of all expenses by function: Yes, allowable 3 percent, Quinlan 0 percent
17. Auditors report was free of any material weaknesses in internal controls over financial reporting and compliance: Yes, passed
18. Auditors indicated that audit was free of any material noncompliance for grants, contracts and laws: Yes, passed
19. Did school district post required financial information on it's website: Yes, passed
20. Did school board members discuss property values at a board meeting within 120 days of adopting the budget: Yes, passed

**Required Supplemental Disclosures  
Current Superintendent's Contract**



**Required Supplemental Disclosures**  
**Reimbursements to Board Members and Superintendent**





End of Financial Management Report  
Questions regarding this report can be  
directed to Rebecca Pfeil, CFO, at

903-356-1203