

Pleasant Grove ISD
Financial Integrity Rating System of Texas (FIRST) Annual Report
Overview

The Pleasant Grove ISD received a rating of “Superior” under Texas’ Schools FIRST financial accountability rating system for the fiscal year ended August 31, 2016. The Superior rating is the state’s highest, demonstrating the quality of the financial management and reporting system of Pleasant Grove ISD.

The Schools FIRST (Financial Integrity Rating System of Texas), is a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to achieve quality performance in the management of school districts’ financial resources, a goal made more significant due to the complexity of accounting associated with Texas’ school finance system.

The Schools FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being “Superior”. The rating system consists of 15 indicators. To receive the “Superior” rating the district must have a score in the range 90 to 100. Pleasant Grove ISD had a weighted score of 100.

The 2015-2016 District Status report is attached to this report as Exhibit A. The report contains each indicator and the result for the district. The indicators cover many different areas of school operations including, finance, staffing, and accreditation. New rules established by Title 19, TAC, Section 109.1005 require this report include a copy of the superintendent’s current contract, Exhibit B, and summary financial disclosures pertaining to the superintendent and school board, Exhibit C. This information is being reported in the format recommended by the Texas Education Agency.



Pleasant Grove ISD

Financial Integrity Rating System of Texas (FIRST) Annual Report Exhibit A – District Status Detail

Indicator 1 Was the completed annual financial report (AFR) and data submitted to the TEA within 30 days of the January 28 deadline?

Yes. The Annual Financial Report (AFR) was submitted to TEA on January 20, 2016

Indicator 2-A Was there an unmodified opinion in the AFR on the financial statements as a whole? (Unmodified opinion is defined by the American Institute of Certified Public Accountants (AICPA) and is determined by the external independent auditor.)

Yes. An unmodified opinion was the determination of the district's external independent auditors.

Indicator 2-B Did the external independent auditor report that the AFR was free of any instance of material weakness in internal controls over financial reporting and compliance for local, state, and federal funds? (Material weakness is defined by the AICPA)

Yes. The external independent auditor reported that there were no material weakness in internal controls for the district.

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 Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?

Yes. The district made timely payments to government agencies.

Indicator 5 Was the total unrestricted net position balance in the governmental activities column in the Statement of Net Position greater than zero? (If the school district's change of students in membership over five years was 10% or more, then the school district also passes this indicator.)

Yes. The school district's net position balance was \$6,692,119 (greater than zero) and the district change in membership of five years was 11.96% (greater than 10%).

Indicator 6

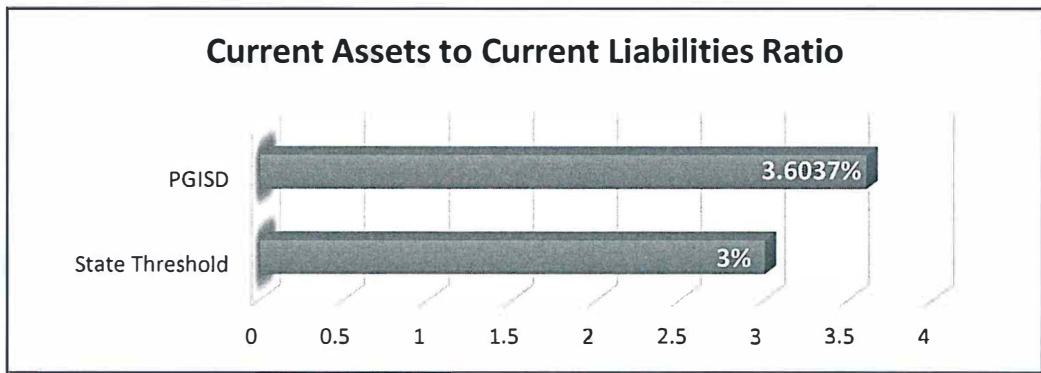
Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover the operating expenditures?

Yes (score of 10).

Indicator 7

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

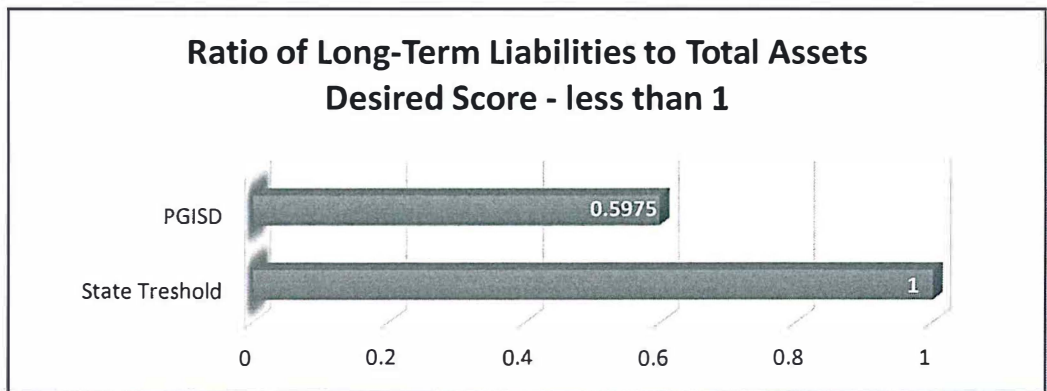
Yes (score of 10). The school district's current assets were \$7,939,339. The district's current liabilities were \$2,203,130. To determine the ratio, TEA divided the current assets by the current liabilities. This calculation results in a ratio of 3.6037. To score 10 points for Indicator 7, the district's ratio must have been greater than 3.



Indicator 8

Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the district's change in students in membership over five years was 10 percent or more, then the school district also passes this indicator.)

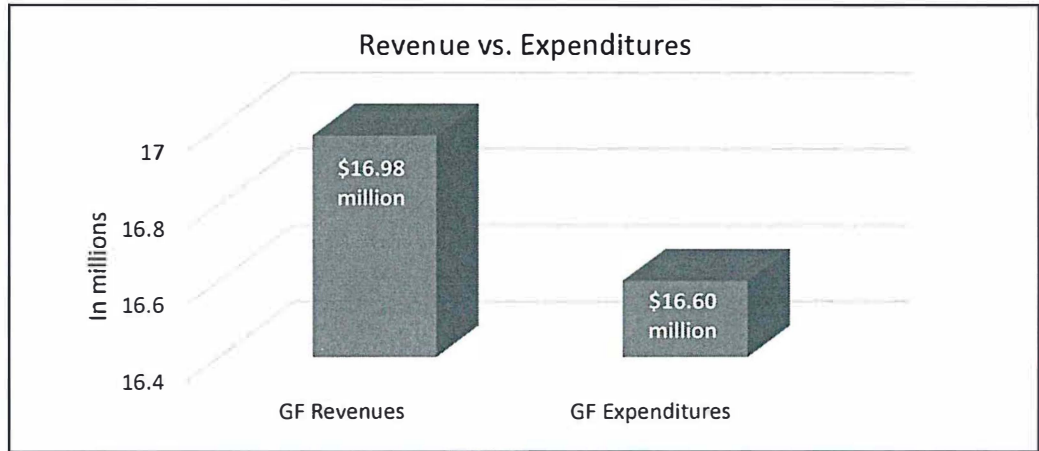
Yes (score of 10). The school district's long-term liabilities were \$31,709,225. The district's total assets were \$53,067,426. To determine the ratio, TEA divided the long-term liabilities by the total assets. This calculation results in a ratio of 0.5975. To score 10 points for Indicator 8, the district's ratio must have been less than 1.



The school district also met the change in student membership requirement to pass Indicator 8. The district's change in membership for five years was 11.96% (greater than 10%).

Indicator 9 Did the school district's general fund revenues equal or exceed expenditures?

Yes (score of 10). The school district's general fund revenues were \$16,976,388, which exceeds the expenditures of \$16,598,243.

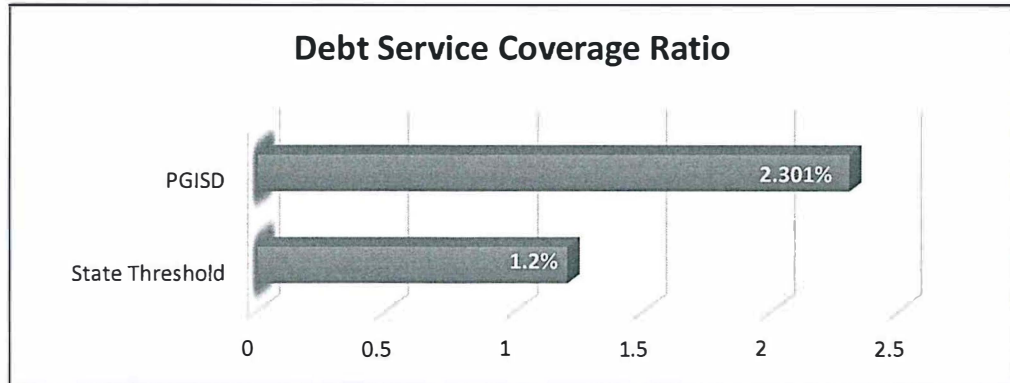


Indicator 10 Was the debt service coverage ratio sufficient to meet the required debt service?

Yes (score of 10). The ratio is determined by subtracting the total expenditures for all funds from the total revenue for all funds; adding back the debt service expenditures (General Fund and Debt Service Fund), ending Debt Service fund balance, and Capital Outlay expenditures; and dividing this total by the debt service expenditures (General Fund and Debt Service Fund).

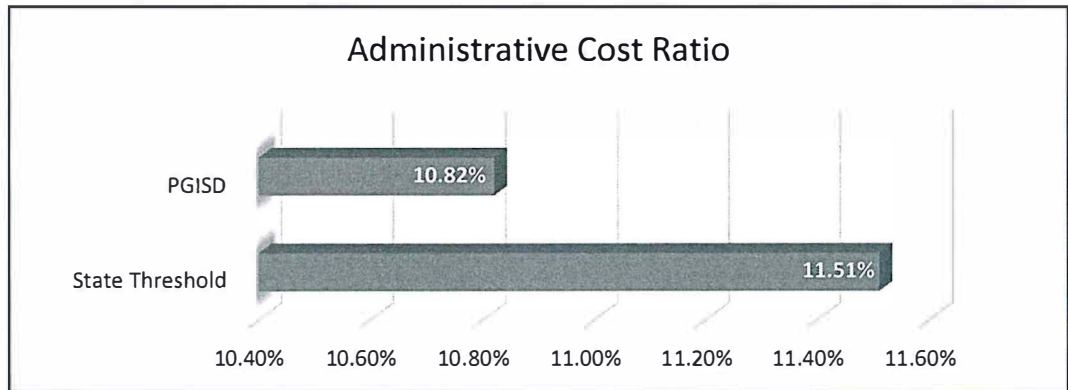
Total Revenues from all funds	\$20,076,568
minus Total Expenditures from all funds	\$18,826,813
plus Debt Service Expenditures (GF/Debt Service)	\$2,438,020
plus Ending Debt Service Fund Balance	\$1,922,136
plus Capital Outlay Expenditures	<u>\$0.00</u>
	\$5,609,911
divided by Debt Service Expenditures (GFD/Debt Svc)	<u>\$2,438,020</u>
	2.301

To score 10 points for Indicator 10, the district's ratio must have been greater than 1.20.



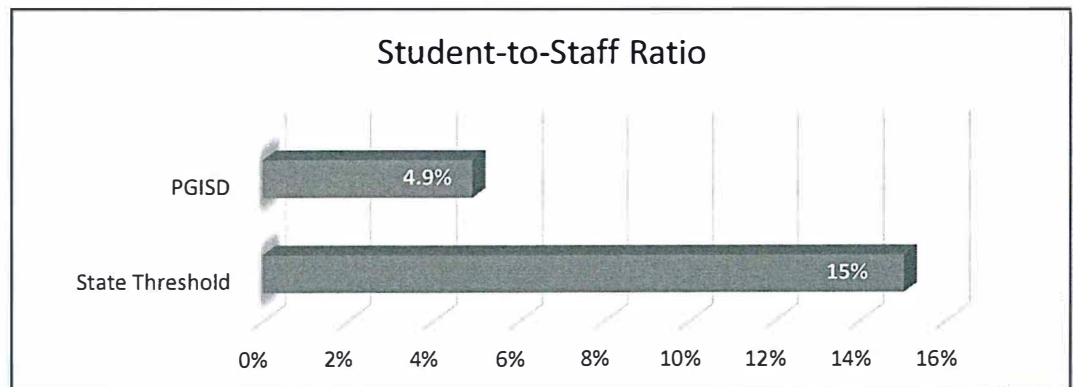
Indicator 11 Was the school district's administrative cost ratio equal to or less than the threshold ratio?

Yes (score of 10). The district's administrative cost of 10.82% was less than the state threshold ratio for a school district of our size of 11.51%.



Indicator 12 Did the school district not have a 15 percent decline in the student to staff ratio over three years?

Yes (score of 10). The district's student to staff ratio in 2013-2014 was 7.74. The student to staff ratio in 2015-2016 was 8.12. This results in an decline of 4.9 percent in a five-year period versus the state threshold of 15 percent.



Indicator 13 Did the comparison of Public Education Information Management System (PEIMS) data to like information in the district's annual financial review (AFR) result in a total variance of less than three percent of all expenditures by function.

Yes (score of 10). The district had zero variance between the PEIMS data and like information reported in the AFR.

Indicator 14 Did the external independent auditor indicate the AFR was free of any instances of material non-compliance for grants, contracts, and laws related to local, state, or federal funds?

Yes (score of 10).

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 because of a financial hardship?

Yes (score of 10).



Superintendent Term Contract

This Contract is entered into between the Board of Trustees (the "Board") of PLEASANT GROVE INDEPENDENT SCHOOL DISTRICT (the "District") and CARY TODD WILLIAMS (the "Superintendent").

The Board and the Superintendent, for and in consideration for the terms stated in this Contract, hereby agree as follows:

1. **Term.** The Board agrees to employ the Superintendent on a twelve-month basis per school year, beginning April 9, 2013 and ending June 30, 2016. The Board and the Superintendent (the "Parties") may extend the term of this Contract by agreement.
2. **Certification.** The Superintendent agrees to maintain the required certification throughout the term of employment with the District. If the Superintendent's certification expires, is canceled, or is revoked, this Contract is void.
3. **Representations.** The Superintendent makes the following representations:
 - 3.1 **Beginning of Contract:** At the beginning of this Contract, and at any time during this Contract, the Superintendent specifically agrees to submit to a review of his or her national criminal history record information (NCHRI) if required by the District, TEA, or SBEC. The Superintendent understands that a criminal history record acceptable to the Board, at its sole discretion, is a condition precedent to this Contract.
 - 3.2 **During Contract:** The Superintendent also agrees that, during the term of this Contract, the Superintendent will notify the Board in writing of any arrest or of any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent. The Superintendent agrees to provide such notification in writing within seven calendar days of the event or any shorter period specified in Board policy.
 - 3.3 **False Statements and Misrepresentations:** The Superintendent represents that any records or information provided in connection with his or her employment application are true and correct. Any false statements, misrepresentations, omissions of requested information, or fraud by the Superintendent in or concerning any required records or in the employment application may be grounds for termination or nonrenewal, as applicable.

4. **Duties.** The Superintendent shall be the educational leader and chief executive officer of the District. The Superintendent agrees to perform his or her duties as follows:
 - 4.1 **Authority:** The Superintendent shall perform such duties and have such powers as may be prescribed by the law and the Board. The Board shall have the right to assign additional duties to the Superintendent and to make changes in responsibilities or work at any time during the contract term. All duties assigned by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

E. H. B.

- 4.2 **Standard:** Except as otherwise permitted by this Contract, the Superintendent agrees to devote his or her full time and energy to the performance of his or her duties. The Superintendent shall perform his or her duties with reasonable care, skill, and diligence. The Superintendent shall comply with all Board directives, state and federal laws and rules, Board policy, and regulations as they exist or may hereafter be amended.
5. **Compensation.** The District shall pay the Superintendent an annual salary as follows:
- 5.1 **Salary:**
ONE HUNDRED
FIFTY NINE THOUSAND AND NO/100 Dollars (\$ 159,000.00) per year.
See ADDENDUM A attached hereto.
- (a) **Widespread Salary Reduction.** If the Board implements a widespread salary reduction under Texas Education Code section 21.4023, the Superintendent's annual salary shall be reduced by the percent or fraction of a percent that is equal to the average percent or fraction of a percent by which teacher salaries have been reduced.
- (b) **Furlough.** If the Board implements a furlough under Texas Education Code section 21.4021, the Superintendent shall be furloughed for the same number of days as other contract personnel and the Superintendent's salary shall be reduced in proportion to the number of furlough days.
- 5.2 **Benefits:** The District shall provide benefits to the Superintendent as provided by state law and Board policies. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase these benefits, at the Board's sole discretion.
See ADDENDUM A attached hereto.
6. **Suspension.** In accordance with Texas Education Code chapter 21, the Board may suspend the Superintendent without pay during the term of this Contract for good cause as determined by the Board.
7. **Termination and Nonrenewal of Contract.** Termination or nonrenewal of this contract, or resignation under this contract, will be pursuant to Texas Education Code chapter 21.
8. **General Provisions.**
- 8.1 **Amendment:** This Contract may not be amended except by written agreement of the Parties.
- 8.2 **Severability:** If any provision in this Contract is, for any reason, held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of the Contract. This Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been a part of the Contract.
- 8.3 **Entire Agreement:** All existing agreements and contracts, both verbal and written, between the Parties regarding the employment of the Superintendent are superseded by this Contract. This Contract constitutes the entire agreement between the Parties.

- 8.4 **Applicable Law and Venue:** Texas law shall govern construction of this Contract. The Parties agree that venue for any litigation relating to the Superintendent's employment with the District, including this Contract, shall be the county in which the District's administration building is located. If litigation is brought in federal court, the Parties agree that venue shall be the federal district and division in which the district's administration building is located.
- 8.5 **Paragraph Headings:** The headings used at the beginning of each numbered paragraph in this Contract are not intended to have any legal effect; the headings do not limit or expand the meaning of the paragraphs that follow them.
- 8.6 **Legal Representation:** Both Parties have been represented by legal counsel of their choice, or have had the opportunity to consult with legal counsel, in the negotiation and execution of this Contract.

9. **Notices.**

- 9.1 **To Superintendent:** The Superintendent agrees to keep a current address on file with the District's human resources office and the Board President. The Superintendent agrees that the Board may meet any legal obligation it has to give the Superintendent written notice regarding this Contract or the Superintendent's employment by hand-delivery, or by certified mail, regular mail, and/or express delivery service to the Superintendent's address of record.
- 9.2 **To Board:** The Board agrees that the Superintendent may meet any legal obligation to give the Board written notice regarding this Contract or the Superintendent's employment by providing one copy of the notice to the President of the Board and one copy to the Vice President of the Board. The Superintendent may provide such notices by hand delivery, or by certified mail, regular mail, and/or express delivery service, to the Board President and Vice President's addresses of record, as provided to the District.

I have read this Contract and agree to abide by its terms and conditions:

Superintendent: Cary Todd Williams
~~CARY TODD WILLIAMS~~

Date signed: 4/9/13

PLEASANT GROVE Independent School District

By: John Tidwell
 President, Board of Trustees, JOHN TIDWELL

Date signed: April 9, 2013

**ADDENDUM "A" TO SUPERINTENDENT TERM CONTRACT BY AND BETWEEN
PLEASANT GROVE INDEPENDENT SCHOOL DISTRICT
AND
CARY TODD WILLIAMS**

PLEASANT GROVE INDEPENDENT SCHOOL DISTRICT (the "District") and CARY TODD WILLIAMS (the "Superintendent") do hereby agree to amend and supplement the standard form Superintendent Term Contract to which this Addendum is attached as follows:

1. Section 5.1 is amended by adding the following language;

The salary of the Superintendent is subject to annual review and adjustment upward in such amounts as may be agreed by and between the District and the Superintendent.

2. Section 5.2 is amended by adding the following additional language:

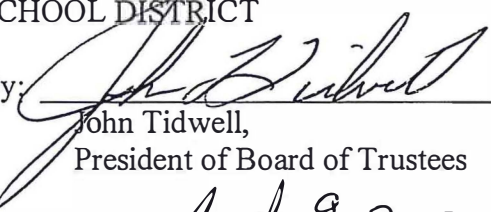
The District shall pay the professional dues for education related organizations of which Superintendent is a member, and dues to local organizations in the community, upon such terms and in such amounts as may be approved by the Board of Trustees of the District from time to time.



CARY TODD WILLIAMS, Superintendent

Date Signed: 4/1/13

PLEASANT GROVE INDEPENDENT
SCHOOL DISTRICT

By: 

John Tidwell,
President of Board of Trustees

Date Signed: April 9, 2013

CONTRACT MODIFICATION AND EXTENSION AGREEMENT

This Contract Modification and Extension Agreement is entered into by and between the Board of Trustees (the "Board") of Pleasant Grove Independent School District (the "District") and Cary Todd Williams (the "Superintendent").

RECITALS

WHEREAS, the Board/District and the Superintendent entered into a Superintendent Term Contract dated April 9, 2013, whereby the District employed the Superintendent as Superintendent of Schools for the District; and

WHEREAS, the parties desire to modify and extend the term of said Agreement;

NOW, THEREFORE, it is hereby agreed by and between the District and the Superintendent to modify the Superintendent Term Contract identified above as follows:

1. The Term of the Contract shall be and it is hereby modified and extended for an additional one year term to end on June 30, 2017.
2. All other terms and conditions of the Superintendent Term Contract shall remain in full force and effect as modified by this document.
3. The parties ratify the Agreement as modified by this document and agree that it shall remain in full force and effect through the period ending on June 30, 2017.
4. A copy of the Superintendent Term Contract is attached hereto and incorporated herein for all purposes as Exhibit "A".

Cary Todd Williams

Cary Todd Williams, Superintendent

Date Signed: 2/13/14

PLEASANT GROVE INDEPENDENT SCHOOL DISTRICT

By: *Jeff Harris*
Jeff Harris, President of Board of Trustees

Date Signed: 2/13/14

CONTRACT MODIFICATION AND EXTENSION AGREEMENT

This Contract Modification and Extension Agreement is entered into by and between the Board of Trustees (the "Board") of Pleasant Grove Independent School District (the "District") and Cary Todd Williams (the "Superintendent").

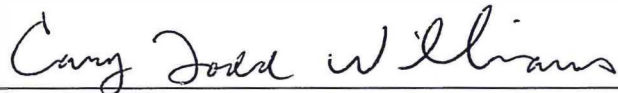
Recitals

WHEREAS, the Board/District and the Superintendent entered into a Superintendent Term Contract dated April 9, 2013, whereby the District employed the Superintendent as Superintendent of Schools for the District; and

WHEREAS, the parties desire to modify and extend the term of said Agreement;

NOW, THEREFORE, it is hereby agreed by and between the District and the Superintendent to modify the Superintendent Term Contract identified above as follows:

1. The Term of the Contract shall be and it is hereby modified and extended for an additional one year term to end on June 30, 2018.
2. All other terms and conditions of the Superintendent Term Contract shall remain in full force and effect as modified by this document.
3. The parties ratify the Agreement as modified by this document and agree that it shall remain in full force and effect through the period ending on June 30, 2018.
4. A copy of the Superintendent Term Contract is attached hereto and incorporated herein for all purposes as Exhibit "A".



Cary Todd Williams, Superintendent

Date Signed: 2/2/2015

PLEASANT GROVE
INDEPENDENT SCHOOL DISTRICT

By: 
Kathleen Young, President of Board of Trustees

Date Signed: 2-12-2015

CONTRACT MODIFICATION AGREEMENT

This Contract Modification Agreement is entered into by and between the Board of Trustees (the "Board") of Pleasant Grove Independent School District (the "District") and Cary Todd Williams (the "Superintendent").

RECITALS

WHEREAS, the District and the Superintendent entered into a Superintendent Term Contract dated April 9, 2013, whereby the District employed the Superintendent as Superintendent of Schools for the Districts, said Contract hereinafter being referred to as the "Contract"; and

WHEREAS, the parties have modified and extended the term of said Contract to end on June 30, 2018; and

WHEREAS, Superintendent has advised the Board/District that he desires to resign and retire and desires to do so effective June 30, 2016, in order that a new Chief Administrator can be selected by the Board prior to the commencement of the 2016-2017 school year; and

WHEREAS, the Board desires to accept the resignation as Superintendent effective June 30, 2016, in order that a new Chief Administrator may be selected prior to the commencement of the 2016-2017 school year;

NOW, THEREFORE, it is hereby agreed by and between the District and the Superintendent to modify the Contract as follows:

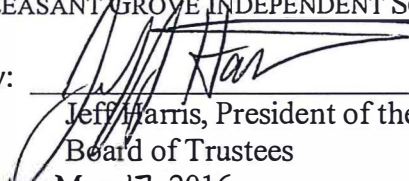
1. The Contract shall be and it is hereby modified and the appointment of Cary Todd Williams as Superintendent of Schools shall terminate effective at 11:59 p.m. on June 30, 2016, at which time Cary Todd Williams shall no longer be the Superintendent of Schools of the District.
2. Because Superintendent has accrued substantial personal leave and sick leave, entitling Superintendent to compensation extending after June 30, 2016, Superintendent shall continue to be paid his salary and other benefits (with the exception that Superintendent will not accrue additional personal leave and/or sick leave) through December 31, 2016. During said time, Cary Todd Williams shall be available by telephone to the District should consultations be needed regarding transition issues which may arise.
3. Superintendent shall not be entitled to any compensation or benefits after December 31, 2016.
4. All existing agreements and contracts, both verbal and/or written, between the parties regarding the employment of the Superintendent are superseded by the terms of this Contract Modification Agreement. This Contract Modification Agreement constitutes the

entire agreement between the parties with regard to the Superintendent's retirement, resignation, and cessation of employment by the District.

5. Texas law shall govern construction of this Contract. The parties agree that venue for any litigation relating to this agreement shall be in Bowie County, Texas. If litigation is brought in Federal Court, the parties agree that venue shall be in the United States District Court, Eastern District of Texas, Texarkana Division.
6. Both parties have been represented by legal counsel of their choice, or have had the opportunity to consult with legal counsel, in the negotiation and execution of this Agreement.

EXECUTED and EFFECTIVE upon the date the last person executes the same.

PLEASANT GROVE INDEPENDENT SCHOOL DISTRICT

By: 
Jeff Harris, President of the
Board of Trustees

Date: May 12, 2016


Cary Todd Williams
Date: May 12, 2016

Table 4

Business Transactions between School District and Board Members

For the Twelve-Month Period
Ending August 31, 2016

	Jeff Harris	Lorie Son	Robert Sheppard	Mark Addington	Amy Damron	Fred Meisenheimer	Kathaleen Young
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

