



## Financial Integrity Rating System of Texas (FIRST)

NEWLY ADOPTED INDICATORS FOR THE 2015-2016  
RATING YEAR AND SUBSEQUENT RATING YEARS





## What is FIRST?

FIRST is an accountability rating system that holds school districts accountable for the quality of their financial management practices and actual improved performance.

# Types of Financial Accountability Ratings Applicable

- ❑ **A for Superior Achievement** is the highest possible score
  - This score recognizes the districts with the highest financial integrity.
- ❑ **B for Above Standard Achievement** is an existing category
  - This score indicates that the district has performed significantly above the minimum passing score.
- ❑ **C for Standard Achievement** is the minimum passing score
  - This score indicates that the district meets the minimum passing standard for financial integrity.
- ❑ **F for Substandard Achievement** indicates the school district did not pass FIRST for the applicable rating year

## Indicator 1: Filing the Annual Financial Report (AFR) and Electronic Data feed

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?

**Yes, the AFR was submitted 10/29/15**

## Indicator 2.A: Unmodified Opinion for AFR

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

Yes

## Indicator 2.B: Material Weakness Noted On AFR

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?

Yes

## Indicator 3: Default on Debt

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

Yes

## Indicator 4: Timely Payment

*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: Unrestricted Net Asset Balance

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?

**Yes. The District had an unrestricted net asset balance of \$12,330,141**

## Indicator 6: Days Cash on Hand

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)?

**Yes. Score: 10 Points**

Cash and Equivalents	$\frac{25,018,877}{88,101,442}$	*	365	=	<b>103.65 days</b>		
Expenditures							

# Indicator 6: Days Cash On Hand

## Indicator 6: Determination of Points for School Districts

0 points = < 30 days

2 points = 30 to 44 days

4 points = 45 to 59 days

6 points = 60 to 74 days

8 points = 75 to 89 days

10 points = 90+ days

## Indicator 7: Current Assets to Current Liabilities

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

**Yes. Score: 6 Points**

	Current Assets	<u>52,060,765</u>	=	<b>2.191</b>	
	Current Liabilities	23,761,133			

# Indicator 7: Current Assets to Current Liabilities

## Indicator 7: Determination of Points for School Districts

0 points =  $< 1$

2 points = 1 to 1.49

4 points = 1.5 to 1.99

6 points = 2 to 2.49

8 points = 2.5 to 2.99

10 points = 3+

## Indicator 8: Long-Term Liability to Total Assets Ratio

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

**Yes. Score: 8 Points**

Long Term Liabilities (minus Net Pension Liability)	207,005,500	=	0.688339	
Total Assets	300,731,779			

# Indicator 8: Long-Term Liability to Total Assets Ratio - Continued

## Indicator 8: Determination of Points for School Districts

0 points =  $> 1$

2 points = 1 to 0.91

4 points = 0.9 to 0.81

6 points = 0.8 to 0.71

8 points = 0.7 to 0.61

10 points = 0.6 or less

# Indicator 9: General Fund Expenditure Analysis

Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)?

**Yes. Score 10 Points**

Total Revenue	$\frac{92,575,894}{88,101,442}$	=	1.050788	-	1.00	=	0.050788
Total Expenditures							



# Indicator 10: Debt Service Coverage Ratio

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

**Yes. Score: 10 Points**

Total Revenues	113,475,404		
- Total Expenditures	105,153,154		
+ Debt Service (function codes 71, 72, and 73)	17,051,712		
+ Fund Code 599 (Debt Service fund balance)	<u>15,570,030</u>		
	<i>Subtotal</i>		
	40,943,992	=	<b>2.4012</b>
Debt Service (function codes 71, 72, and 73)	17,051,712		

# Indicator 10: Debt Service Coverage Ratio

## Indicator 10: Determination of Points for School Districts

0 points =  $< 1.00$

2 points = 1.00 to 1.05

4 points = 1.05 to 1.10

6 points = 1.10 to 1.15

8 points = 1.15 to 1.20

10 points =  $> 1.20$

## Indicator 11: Administrative Cost Ratio

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

**Yes. Score 8 Points**

District Administrative Cost Ratio	0.0863
ADA	10,049.75

# Indicator 11: Administrative Cost Ratio

## Indicator 11: Determination of Points for School Districts with ADA size 10,000 and Above

0 points =  $> 0.1855$

2 points =  $0.1855$  to  $0.1605$

4 points =  $0.1605$  to  $0.1355$

6 points =  $0.1355$  to  $0.1105$

8 points =  $0.1105$  to  $0.0855$

10 points =  $< 0.0855$

## Indicator 12: Student to Staff Ratio

Did the school district **not** have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)?

**Yes. Score: 10 Points**

2014-2015 Total Enrollment	10,651
2012-2013 Total Enrollment	10,370

## Indicator 13: PEIMS Data Quality

Did the comparison of PEIMS data to like information in the school district's AFR data feed result in an aggregate variance of less than 3%?

**Yes. Score: 10 Points**

Difference of Comparison of PEIMS data to District's Annual Financial Report Expenditures	215	=	0.0000
	88,101,421		

## Indicator 14: Material Noncompliance Noted On Annual Financial Report (AFR)

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?

**Yes. Score: 10 Points**

## Indicator 15: FSP Hardship

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?

**Yes. Score: 10 Points**

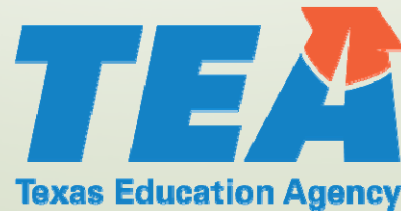


# Georgetown ISD 2015-16 Rating

Georgetown ISD received the highest possible rating of

**A = Superior Achievement**

With a score of **92 out of 100**





# Disclosures

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Reporting requirements for the financial management report for Schools FIRST public hearing are found in **Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System**. This rule describes requirements for the five (5) disclosures explained below that are to be presented as appendices in the Schools FIRST financial management report.

## **1. Superintendent's Employment Contract**

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the Schools FIRST hearing in calendar year 2016. In lieu of publication in the Schools FIRST financial management report, the school district may choose to publish the superintendent's employment contract on the school district's Internet site. **If published on the Internet**, the contract is to remain accessible for twelve months.

*The Superintendent's Employment Contract is available on the District's webpage found at the following link:*

<http://www.georgetownisd.org/Domain/79>



# Disclosures

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

For the Twelve-month Period Ended June 30, 2015								
Description of Reimbursements	Fred Brent	Scott Stribling	Scott Alarcon	Andy Webb	Fred Barhydt	Melanie Dunham	Greg Eady	Ronna Johnson
Meals	-	-	-	-	-	43.82	-	149.36
Lodging	174.80	-	-	-	-	456.49	-	2,634.13
Transportation	550.76	232.17	-	-	-	385.52	-	1,558.25
Motor Fuel	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	159.21
Total	725.56	232.17	-	-	-	885.83	-	4,500.95

**Note** – The spirit of the rule is to capture all “reimbursements” for fiscal year 2015, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

**Meals** – Meals consumed off of the school district’s premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

**Lodging** - Hotel charges.

**Transportation** - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.

**Motor fuel** – Gasoline.

**Other** - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.



# Disclosures

### 3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2015

For the Twelve-Month Period Ended June 30, 2015	
Name(s) of Entity(ies)	
	\$
Total	\$ 0.00

**Note** – Compensation does not include business revenues from the superintendent’s livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.



# Disclosures

## 4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2015

For the Twelve-Month Period Ended June 30, 2015								
	Fred Brent	Scott Stribling	Scott Alarcon	Andy Webb	Fred Barhydt	Melanie Dunham	Greg Eady	Ronna Johnson
Summary Amounts	-	-	-	-	-	-	-	-

**Note** – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. (Any gifts received by their immediate family as described in Government Code, Chapter 573, Subchapter B, Relationships by Consanguinity or by Affinity will be reported under the applicable school official.)



# Disclosures

## 5. Business Transactions Between School District and Board Members for Fiscal Year 2015

For the Twelve-Month Period Ended June 30, 2015	Scott Stribling	Scott Alarcon	Andy Webb	Fred Barhydt	Melanie Dunham	Greg Eady	Ronna Johnson
Summary Amounts	-	-	-	-	-	-	-

**Note** - The summary amounts reported under this disclosure are not to duplicate the items reported in the summary schedule of reimbursements received by board members.



# *Disclosures*

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## **Item 6 Other Information.**

6. Any other information the board of trustees of the school district or open-enrollment charter school determines to be useful.