



GEORGETOWN
INDEPENDENT SCHOOL DISTRICT

School FIRST 2020 Report Public Hearing September 21, 2020

Rating based on 2018-19 data

Financial Integrity Rating System of Texas

- ❖ **FIRST** is an accountability rating system developed by TEA in 1999 that holds school districts accountable for the quality of their financial management practices and actual improved performance.
- ❖ Ratings based on 15 indicators established by the Commissioner of Education.



Types of Ratings

- ❖ **A for Superior Achievement** is the highest possible score and recognizes the districts with the highest financial integrity.
- ❖ **B for Above Standard Achievement** indicates that the district has performed significantly above the minimum passing score.
- ❖ **C for Standard Achievement** is the minimum passing score and 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

FIRST Indicator Categories

❖ **Critical Indicators**

Indicators 1 – 5 Yes/No, Failure to meet requirements of any of these results in an overall F Substandard rating.

❖ **Solvency Indicators**

Indicators 6 – 12, points range from 0 – 10

❖ **Financial Competence Indicators**

Indicators 13 – 15, points range from 0 - 10

Indicator 1: Filing the Annual Financial Report 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 11/11/19

Indicator 2: Review the Annual Financial Report

2A. Was there an unmodified opinion in the AFR on the financial statements as a whole?

Yes, received a “clean audit”

2B: 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?

This indicator is not being scored.

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)?

>=90 days

Score: 10 Points

Cash and Equivalents	42,984,497	*	365	=	125.40 days
Expenditures	125,110,566				

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?

≥ 3.00

Score: 10 Points

Current Assets	206,066,555	=	4.4300
Current Liabilities	46,515,327		

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? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)

Score: 10 Points

2019 Total Students	11,732
2015 Total Students	10,625
Five-Year Percent Change in Students	10.4%

Indicator 9: General Fund Expenditure Analysis

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)?

Score: 10 Points

Total Revenue	127,194,209
Total Expenditures	125,110,566

Indicator 10: Debt Service Coverage Ratio

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

≥ 1.20

Score: 10 Points

Total Revenues	160,189,971		
- Total Expenditures	152,189,176		
+ Debt Service (function codes 71, 72, and 73)	27,078,610		
+ Fund Code 599 (Debt Service fund balance)	29,786,348		
+ Function Code 81	0		
<i>Subtotal</i>	<u>64,865,753</u>	=	2.395
Debt Service (function codes 71, 72, and 73)	27,078,610		

Indicator 11: Administrative Cost Ratio

Was the school district's administrative cost ratio equal to or less than the threshold ratio for ADA size 10,000 and above?

0.1105 to 0.0855

Score: 8 Points

District Administrative Cost Ratio	0.097
Average Daily Attendance	11,026

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

Score: 10 Points

2018-2019 Total Enrollment	11,759
2016-2017 Total Enrollment	11,425

Indicator 13: PEIMS Data Quality

Did the comparison of 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?

Score: 10 Points

Difference of PEIMS data to District's AFR	116	=	0.0000
Expenditures	125,110,498		

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?

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?

Score: 10 Points

Georgetown ISD 2019 Rating

Georgetown ISD received the highest possible rating of

A = Superior Achievement

With a score of **98 out of 100**

Required Disclosures

Board Member and Superintendent Disclosures

(Fiscal Year 2018-19)

Superintendent's Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual School FIRST financial management report, the school district may chose 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:

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

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2019

Description of Reimbursements	Fred Brent	Scott Stribling	Scott Alarcon	Andy Webb	Melanie Dunham	Marcos Gonzalez	David Phillips	Ben Stewart	Elizabeth McFarland
Meals	\$368.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lodging	\$4,902.43	\$0.00	\$0.00	\$0.00	\$705.71	\$0.00	\$941.45	\$645.07	\$0.00
Transportation	\$1,788.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Motor Fuel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other (includes membership dues)	\$3,737.29	\$0.00	\$0.00	\$0.00	\$395.00	\$290.69	\$1,166.21	\$641.79	\$395.00
Total	\$10,796.84	\$0.00	\$0.00	\$0.00	\$1,100.71	\$290.69	\$2,107.66	\$1,286.86	\$395.00

Meals – Meals consumed off of the school district’s premises, and in-district meals at area restaurants.

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.

Board Member and Superintendent Disclosures

- Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2019

None

- Gifts Received by the Executive Officer(s) and Board Members

For the Twelve-Month Period Ended									
June 30, 2019									
	Fred Brent	Scott Stribling	Scott Alarcon	Andy Webb	Melanie Dunham	Marcos Gonzalez	David Phillips	Ben Stewart	Elizabeth McFarland
Summary Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Board Member and Superintendent Disclosures, cont.

- Business Transactions Between School District and Board Members for Fiscal Year 2019

For the Twelve-Month Period Ended									
June 30, 2019									
	Fred Brent	Scott Stribling	Scott Alarcon	Andy Webb	Melanie Dunham	Marcos Gonzalez	David Phillips	Ben Stewart	Elizabeth McFarland
Summary Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



Financial Integrity Rating System of Texas

2019-2020 RATINGS BASED ON SCHOOL YEAR 2018-2019 DATA - DISTRICT STATUS DETAIL

Name: GEORGETOWN ISD(246904)	Publication Level 1: 8/6/2020 9:26:37 AM
Status: Passed	Publication Level 2: 8/6/2020 11:17:34 AM
Rating: A = Superior	Last Updated: 8/6/2020 11:17:34 AM
District Score: 98	Passing Score: 60

#	Indicator Description	Updated	Score
1	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?	3/30/2020 3:08:51 PM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	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.)	3/30/2020 3:08:52 PM	Yes
2.B	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.)	3/30/2020 3:08:52 PM	Yes
3	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.)	3/30/2020 3:08:52 PM	Yes
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?	3/30/2020 3:08:53 PM	Yes
5	This indicator is not being scored.		
			1 Multiplier Sum
6	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.)	3/30/2020 3:08:53 PM	10
7	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)	3/30/2020 3:08:53 PM	10
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 increase of students in membership over 5 years was 7 percent or more, then the school district passes this indicator. See ranges below.	3/30/2020 3:08:54 PM	10
9	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?	3/30/2020 3:08:54 PM	10
10	Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)	3/30/2020 3:08:55 PM	10

11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/30/2020 3:08:56 PM	8
12	<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>	3/30/2020 3:08:56 PM	10
13	<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?</u>	3/30/2020 3:08:58 PM	10
14	<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>	3/30/2020 3:08:58 PM	10
15	<u>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?</u>	3/30/2020 3:08:59 PM	10
			98 Weighted Sum
			1 Multiplier Sum
			98 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, or 2.A? If so, the school district's rating is F for Substandard Achievement regardless of points earned.	
B.	Determine the rating by the applicable number of points. (Indicators 6-15)	
	A = Superior	90-100
	B = Above Standard	80-89
	C = Meets Standard	60-79
	F = Substandard Achievement	<60
<p>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.</p>		

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FIRST 5.9.1.0