



2017-2018
Financial Integrity Rating System of Texas
(FIRST)



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

Critical Indicators

Failure to meet the requirements of any critical indicator would cause a failure of FIRST

- Indicator 1—Timely Filing of the AFR
- Indicator 2—Unmodified Opinion and Material Weakness in the AFR Must pass 2.A to pass this indicator:
 - 2.A - Unmodified Auditor Opinion for the AFR, or
 - 2.B - No Material Weakness Noted on the AFR
- Indicator 3—Monetary Default on Debt
- Indicator 4—Timely Payments to Government Entities
- Indicator 5—Unrestricted Net Asset Balance

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 10/17/17

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 \$15,080,793

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	36,139,324	*	365	=	133.22 days	
	Expenditures	99,014,770					

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: 10 Points

	Current Assets	179,316,216	=	4.1097	
	Current Liabilities	43,632,092			

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? (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.)

Yes. Score: 10 Points

2017 Total Students	11,395
2013 Total Students	10,328
Five-Year Percent Change in Students	0.103311

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

Was the school district's number of days of cash on hand greater than or equal to 60 days)?

Yes. Score 10 Points

Cash On Hand	<u>36,139,324</u>	*	365	=	133.22
Total Expenditures	99,014,770				

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	127,662,324		
- Total Expenditures	126,765,270		
+ Debt Service (function codes 71, 72, and 73)	26,451,132		
+ Fund Code 599 (Debt Service fund balance)	25,936,683		
+ Function Code 81	1,299,368		
	<i>Subtotal</i>		
	54,584,237	=	2.0636
Debt Service (function codes 71, 72, and 73)	26,451,132		

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	0.1022
ADA	10,695

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

Yes. Score: 10 Points

2016-2017 Total Enrollment	11,425
2014-2015 Total Enrollment	10,651

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	81	=	0.0000
Expenditures	100,314,157		

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 2017-18 Rating

Georgetown ISD received the highest possible rating of

A = Superior Achievement

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





Disclosures

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 2018. 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:

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



Disclosures

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2017

For the Twelve-month Period Ended June 30, 2017										
Description of Reimbursements	Fred Brent	Scott Stribling	Scott Alarcon	Andy Webb	Fred Barhydt	Melanie Dunham	Greg Eady	Ronna Johnson	David Phillips	Ben Stewart
Meals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lodging	\$1,763.72	\$391.32	\$386.44	\$391.32	\$0.00	\$899.98	\$391.32	\$457.58	\$0.00	\$195.66
Transportation	\$639.17	\$0.00	\$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	\$0.00
Other	\$4,389.54	\$550.29	\$548.54	\$548.54	\$548.54	\$873.54	\$548.54	\$373.54	\$385.00	\$0.00
Total	\$6,792.43	\$941.61	\$934.98	\$939.86	\$548.54	\$1,773.52	\$939.86	\$831.12	\$385.00	\$195.66

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2017, 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 2017

For the Twelve-Month Period Ended June 30, 2017	
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 2017

For the Twelve-Month Period Ended June 30, 2017										
	Fred Brent	Scott Stribling	Scott Alarcon	Andy Webb	Fred Barhydt	Melanie Dunham	Greg Eady	Ronna Johnson	David Phillips	Ben Stewart
Summary Amounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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 2017

For the Twelve-Month Period Ended June 30, 2017										
	Fred Brent	Scott Stribling	Scott Alarcon	Andy Webb	Fred Barhydt	Melanie Dunham	Greg Eady	Ronna Johnson	David Phillips	Ben Stewart
Summary Amounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

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.