



Galveston ISD

2022 Annual Financial Management Report

For the Year Ending August 31, 2022

What is School FIRST and What is its Purpose?

- School FIRST is a financial accountability rating system that holds school districts accountable for the quality of their financial management practices.
- School FIRST is designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes.
- School FIRST is a tool that creates transparency and discloses the quality of local management and decision-making processes that the school district uses concerning the financial resources the school district receives.

Reporting Requirements

- Prepare and distribute an annual financial management report
- Hold a Public Hearing to provide an opportunity for comment on the report

2022 Ratings

➤ 20 indicators

- 5 considered “critical” - No answer to any of the critical indicators results in automatic Substandard Achievement
- 4 considered “ceilings” - If the school district fails a ceiling indicator, the maximum points and highest rating they may receive is 89 points, B=Above Standard Achievement
- 11 “other” indicators – 9 worth 10 points and 2 worth 5 points
- 3 Indicators (#5, #10, and #15) were not scored by TEA this year

➤ 4 Ratings with letter grades:

- A = Superior (90-100 points)
- B = Above Standard (80-89)
- C = Meets Standard (70-79)
- F = Substandard Achievement (<70)

GISD Results

District Score:

98 out of 100 points

Rating:

A = Superior Achievement

Critical Indicators

| # | Indicator Description | 2020-2021 Data | 2019-2020 Data |
|---|--|---------------------------|----------------|
| 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? | YES | YES |
| 2 | Was there an unmodified opinion in the AFR on the financial statements as a whole? | YES | YES |
| 3 | Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? | YES | 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 governmental agencies? | YES/ Ceiling Passed | YES |
| 5 | 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? | Not Scored | Not Scored |

Solvency Indicators

| # | Indicator Description | 2020-2021 Data | 2019-2020 Data |
|----|--|------------------|------------------|
| 6 | 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? | Passed - Ceiling | Passed - Ceiling |
| 7 | 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)? | 10 | 10 |
| 8 | Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? | 10 | 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? | 10 | 10 |
| 10 | 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? | Not Scored | Not Scored |

Solvency Indicators

| # | Indicator Description | 2020-2021 Data | 2019-2020 Data |
|----|---|----------------|----------------|
| 11 | Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? | 10 | 10 |
| 12 | Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? | 10 | 10 |
| 13 | Was the school district's administrative cost ratio equal to or less than the threshold ratio? | 8 | 10 |
| 14 | 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 yes or no this indicator. | 10 | 10 |
| 15 | 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 per pupil projections to TEA, did it certify TEA's projections? | 5 | 5 |

Solvency Indicators

| # | Indicator Description | 2019-2022 Data | 2018-2019 Data |
|---------------------|--|------------------|------------------|
| 16 | 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? | Passed - Ceiling | Passed - Ceiling |
| 17 | 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? | Passed - Ceiling | Passed - Ceiling |
| 18 | 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? | 10 | 10 |
| 19 | 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? | 5 | 5 |
| 20 | Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? | Passed - Ceiling | Passed - Ceiling |
| TOTAL RATING | | 98 | 100 |

Required Disclosures

- The following are disclosed in the body of the report:
 - Schedule of Reimbursements made to the Superintendent and all Board Members
 - Business transactions between the District and any board members
 - Outside compensation earned by the Superintendent for consulting and/or other fees
 - Outside gifts >\$250 received by any executive officers or board members; there were none
- The Superintendent's contract is on the website

QUESTIONS?