




Galveston ISD

2020 Annual Financial Management Report

For the Year Ending August 31, 2019



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

- Annual preparation and distribution of a financial management report to the Board of Trustees
- Public hearing to provide an opportunity for public comment on the report

2020 Ratings

- 2020 Ratings are based on FY 2019 data
- 15 indicators
 - 5 considered “critical”
 - No answer to any except 2.B. results in automatic rating of Substandard Achievement
- 4 Ratings with letter grades:
 - A = Superior (90-100 points)
 - B = Above Standard (80-89)
 - C = Meets Standard (60-79)
 - F = Substandard Achievement (<60)



Galveston ISD Score:

96 out of 100 points

Rating:

A = SUPERIOR

Critical Indicators

#	Indicator Description	FY 2019 Data	FY 2018 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 and was it free of any instances of material weakness in internal controls over financial reporting?	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	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	FY 2019 Data	FY 2018 Data
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)?	8	6
7	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	10	10
8	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?	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	Was the debt service coverage ratio sufficient to meet the required debt service?	10	10
11	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	8	8

Solvency Indicators

#	Indicator Description	2018-2019 Data	2017-2018 Data
12	Did the school district not have a 15 percent decline in 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.)	10	10
13	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?	10	10
14	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
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 as a result of a financial hardship?	10	10
	TOTAL RATING:	96	94

Required Disclosures

- Schedule of Reimbursements made to the Superintendent and all Board Members is disclosed in the report
- There were no business transactions between the District and any board members
- The Superintendent did not receive any outside compensation or consulting fees
- The Superintendent and board members did not receive any reportable gifts >\$250
- The Superintendent's contract is posted on the GISD website



School FIRST Changes

- Fiscal Years 2017-18, 2018-19 and 2019-20 were transition years
- Majors changes coming with the 2020-21 rating
- 2020-2021 rating will include 21 indicators
 - 5 critical indicators remain
 - Introduction of a new type of indicator, designated as a “ceiling indicator”, that limits the maximum number of points if certain ceiling criteria are not met and can limit the highest achievable rating

District Rating Changes

2019-20 Rating Year Data FY 19	
# of Indicators	15
Ratings:	Points:
A – Superior	90 – 100
B – Above Standard	80 – 89
C – Meets Standard	60 – 79
F – Substandard	0 – 59

2020-21 Rating Year Data FY 20	
# of Indicators	21
Ratings:	Points:
A – Superior	90 – 100
B – Above Standard	80 – 89
C – Meets Standard	70 – 79
F – Substandard	0 – 69

Solvency Indicator Changes

#	Indicator Description
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?
10	Did the school district average less than a 10 percent variance (90%-110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years? *Indicator #10 will not be included in 2020-21 scoring due to COVID related uncertainties
12	Was the debt per \$100 of assessed property value ratio sufficient to support future debt payments?

Financial Competency Indicator Changes

#	Indicator Description
15	<p>Was the school district's actual average daily attendance (ADA) within the allotted range of the district's biennial pupil projection submitted to TEA?</p> <p>*Indicator #15 will not be included in 2020-21 scoring due to COVID related uncertainties</p>
17	<p>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? (formerly a portion of indicator 2)</p>
19	<p>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? (i.e. tax rate posting)</p>
20	<p>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget?</p>



QUESTIONS?