



2022-2023 School FIRST Public Hearing

Finance Department

2022-2023 FIRST Report



FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

2022-2023 FIRST Report



What is the School FIRST Rating?

- Financial Integrity Rating System of Texas
- Created by Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999 to measure the performance of school districts' financial resources
- Rating indicators this year test all school districts in 20 areas
- Rating calculations this year are based on data from the 2021-2022 fiscal year
- Data for the School FIRST Rating is obtained through information from the annual financial audit performed by external auditors

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What are the objectives of the School FIRST?

- Assess the quality of financial management in Texas public schools
- Measure and report the extent to which financial resources are allocated for direct instructional purposes
- Fairly evaluate the quality of financial management decisions
- Openly report results to the general public

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Ratings are determined by the number of points earned from the 20 indicators

Superior Achievement or A

90-100 points

Above Standard Achievement or B

80-89 points

Meets Standard Achievement or C

60-79 points

Substandard Achievement or D

<60 points

or a “NO” answer on one default indicator (1, 2, 3, 4)

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FIRST Indicators

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
2. Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion)."
YES
3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?
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?
YES

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FIRST Indicators

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 This Year

6. Was the average change in (assigned and unassigned) fund balance 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?

Score = 10

TEA = <0.25

GISD = <0.1301

TEA = \$20,588,463

GISD = \$24,520,536

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FIRST Indicators

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)?

Score = 10

TEA > 90 days

GISD = 173.1402 days

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

Score = 10

TEA > 3.0

GISD = 4.8459

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FIRST Indicators

9. Did the school district's general fund revenues equal or exceed expenditures? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? **Yes**

Score = 10

TEA > 60 days

GISD = 173.1402

10. Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues over the past 3 years?

Not Scored This Year

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FIRST Indicators

11. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency (exempt if growth rate more than 7% in past five years)?

Score = 10

TEA < .60

GISD = 0.5959

12. Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayment?

Score = 10

TEA < 4

GISD = 2.6386

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FIRST Indicators

13. Was the school district's administrative cost ratio equal to or less than the threshold ratio (based upon school district size)?

Score = 10

TEA < .10

GISD = 0.0901

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

Not Scored This Year

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FIRST Indicators

15. Was the school district's actual average daily attendance (ADA) within the allotted range of the district's biennial pupil projection submitted to TEA?

Not Scored This Year

16. Did the comparison of Public Education Information Management Systems (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 = Passed

TEA < 3%

GISD = 0.0161

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FIRST Indicators

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? (The AICPA defines material weaknesses.)

Score = Passed

18. Did the external independent auditor indicate the AFR was free of any instances of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?

Score = 10

TEA = Yes

GISD = Yes

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FIRST Indicators

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?

Score = 5

TEA = Yes

GISD = Yes

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?

Score = Passed

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Financial Integrity Rating System of Texas (FIRST) Report Prior Years Comparison

2022-2023	100
2021-2022	98
2020-2021	98
2019-2020	100
2018-2019	96
2017-2018	84
2016-2017	98



Questions?