



## Goose Creek Consolidated Independent School District



FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS


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## School FIRST Transition

- House Bill 5, Section 49, 83rd Texas Legislature amended Section 39.082 Texas Education Code (TEC), Public School System Accountability, to address in part, the future financial solvency of school districts
- Changes to the School FIRST system implemented by TEA in August 2015 are being phased-in over three years
- Under the statute and adopted rules, TEA will take into consideration a district's School FIRST rating when assigning a final accreditation status.


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## PURPOSE

- Expands the public education accountability system in Texas to include Financial Services.
- Primary goal to achieve quality performance in the management of school district's financial resources
- Developed by TEA in response to SB 875 of the 76<sup>th</sup> Texas Legislature in 1999

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## RATINGS

**Determination of rating by the applicable number of points (Indicators 6-15):**

➢ A – Superior	70-100
➢ B – Above Standard	50-69
➢ C – Meets Standard	31-49
➢ F – Substandard Achievement	<31 or "No" to indicator #s 1,3,4,5 or 2.A.

(No points awarded on questions 1-5, yes answers required to pass)  
Note: 2015-2016 Schools FIRST Rating contains 15 indicators and is based on school year 2014-2015 data


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## OBJECTIVES

- Assess the quality of financial management in Texas public schools.
- Fairly evaluate the quality of financial management decisions.
- Openly report results to the general public.

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## 15 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?  
*Passed, report received November 19, 2015*
- 2.A. Was there an unmodified opinion in the AFR on the financial statements as a whole?  
*Passed, Unmodified Opinion received*

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**FIRST** **15 INDICATORS**

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? *Passed, there were no instances of weak internal controls*

3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? *Passed, no default on debt agreements*

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**FIRST** **15 INDICATORS**

8. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? *Yes, the ratio of long-term liabilities to total assets of .7043 is within the range of  $>0.70 \leq 0.80 = 6$  points. (Note: ratio must be  $\leq 0.60$  to achieve 10 possible points).*

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? *Yes, 134.8191 days cash on hand  $> 60$  days = 10 points*

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**FIRST** **15 INDICATORS**

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? *Passed, the district made timely payments to TRS, TWC, IRS and other government agencies*

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? *Passed, total unrestricted Net Asset Balance = \$79,105,240*

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**FIRST** **15 INDICATORS**

10. Was the debt service coverage ratio sufficient to meet the required debt service? *False, the debt service coverage ratio of 1.1467 is within the range of  $<1.15 \geq 1.10 = 6$  points. (Note: ratio must be  $\geq 1.20$  to achieve 10 possible points).*

11. Was the school district's administrative cost ratio equal to or less than the threshold ratio? *False, District Administrative Cost Ratio is 0.0877 which is  $>0.0855 \leq 0.1105 = 8$  points*

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**FIRST** **15 INDICATORS**

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)? *Yes, 134.8191 days cash on hand  $> 90 = 10$  points*

7. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? *Yes, 4.5401:1 ratio  $> 3:1$  ratio = 10 points*

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**FIRST** **15 INDICATORS**

12. 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, the decline in students to staff ratio of  $-0.0323 > -0.15$  Or 1,348 in enrollment growth  $> 0 = 10$  points*

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? *Yes,  $0 < 0.03 = 10$  points*

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**FIRST** **15 INDICATORS**

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? *Yes, the AFR was free of any material non-compliance = 10 points*
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? *Yes, the District did not receive an adjusted repayment schedule = 10 points*

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**FIRST** **HOW DID GOOSE CREEK CISD RATE?**

District Score: 90 out of 100 possible points!

Rating: **A – Superior** 

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**FIRST**

**Questions**

**SCHOOLS**  
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