



The Garland Independent School District



2016 – 2017 Rating Presentation

(Fiscal Year 2015-2016 Data)

Purpose

- Expands the public education accountability system in Texas to the Financial Services.
- Originated by SB875 of the 76th Texas Legislature in 1999.
- Primary goal to improve management of school district's financial resources.

Objectives

- 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.

Ratings

- HB 5 of the 83rd Texas Legislature in 2013 required the Commissioner of Education to include indicators in FIRST to anticipate the future financial solvency of districts.
- The 2016-2017 rating is determined by the scores on 15 indicators.
 - A = Superior 90 - 100
 - B = Above Standard 80 - 89
 - C = Meets Standard 60 - 79
 - F = Substandard Achievement 0 - 59

How Ratings Are Assessed

1. Was the Annual Financial Report filed within one month after November 27th or January 28th deadline depending upon the District's fiscal year end date? (June 30th or August 31st)

YES

- 2A. Was there an unmodified opinion in the Annual Financial Report (AFR)? **YES**

- 2B. 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**

How Ratings Are Assessed

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**

5. Was the total unrestricted net position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Position greater than zero? **YES**

How Ratings Are Assessed

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)? **10**

7. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? **10**

8. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? **10**

How Ratings Are Assessed

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. Was the debt service coverage ratio sufficient to meet the required debt service? **10**

How Ratings Are Assessed

11. Was the school district's administrative cost ratio equal to or less than the threshold ratio?

7.44% **10 of 10 points**

$$\left(\begin{array}{l} \text{sum of amounts for} \\ \text{function codes 21 and 41} \end{array} \right) / \left(\begin{array}{l} \text{sum of amounts for function} \\ \text{codes 11, 12, 13, and 31} \end{array} \right) = \text{Administrative Cost Ratio}$$

21-Instructional Leadership
 41-General Administration

11-Instruction
 12-Instructional Resources and Media Services
 13-Curriculum and Instructional Staff Development
 31-Guidance, Counseling and Evaluation Services

Only payroll (excluding TRS On-Behalf), professional and contracted services, supplies and materials, other operating costs are used in the calculation of the administrative cost ratio.

How Ratings Are Assessed

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)? **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**

How Ratings Are Assessed

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**
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**

What is GISD's Rating?

- A = Superior
 - *GISD received a YES or the maximum points on all indicators.*
 - *The district received the highest rating possible as established under guidelines and rules established by the Texas Education Agency.*

Required Disclosures

- Superintendent's Current Contract

<http://www.garlandisd.net/content/financial-information>

Required Disclosures

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2016 For the Twelve-month Period Ended August 31, 2016

| Description of Reimbursements | Superintendent | Board Member Place 1 | Board Member Place 2 | Board Member Place 3 | Board Member Place 4 | Board Member Place 5 | Board Member Place 6 | Board Member Place 7 |
|-------------------------------|--------------------|----------------------|----------------------------|----------------------|---------------------------------------|----------------------|----------------------|----------------------|
| | Bob Morrison | Larry Glick | Charles Axe / Johnny Beach | Linda Griffin | Veronica Martinez-Cantu / Jed N. Reed | Scott Luna | Robert Selders | Rick Lambert |
| Meals | \$2,282.89 | \$57.11 | \$109.79 | \$366.57 | \$407.13 | \$0.00 | \$256.00 | \$252.92 |
| Lodging | \$8,226.84 | \$947.53 | \$1,899.20 | \$3,373.06 | \$2,776.94 | \$553.08 | \$2,044.38 | \$3,406.80 |
| Transportation | \$6,251.37 | \$1,436.20 | \$832.06 | \$2,262.59 | \$1,274.20 | \$0.00 | \$1,637.28 | \$3,051.92 |
| Motor Fuel | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Other | \$5,540.00 | \$1,589.00 | \$770.00 | \$3,459.00 | \$1,425.00 | \$395.00 | \$815.00 | \$1,164.56 |
| TOTAL | \$22,301.10 | \$4,029.84 | \$3,611.05 | \$9,461.22 | \$5,883.27 | \$948.08 | \$4,752.66 | \$7,876.20 |

- Johnny Beach was elected to Place 2 in May 2016
- Jed Reed was elected to Place 4 in May 2016

Required Disclosures

- Outside compensation and/or fees received by the Superintendent for professional consulting and/or other personal services in fiscal year 2016.

None

Required Disclosures

- Gifts received by the Executive Officer(s) and Board Members (and first degree relatives, if any) in fiscal year 2016.

None

Required Disclosures

- Business transactions between the District and Board Members for fiscal year 2016.

None