

School FIRST Public Hearing

FY 2021-2022 Data

November 14, 2022

2022-2023 FIRST Report



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 2020-2021 fiscal year



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What are the objectives of 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

90-100 points

Above Standard Achievement

80-89 points

Meets Standard Achievement

60-79 points

Substandard Achievement

<60 points

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



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MISD Passed with Superior Achievement

Score = 96 points

MISD has received the top rating since the inception of the rating system 20 years ago



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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



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FIRST Indicators

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 = <.25

MISD = <.0545

TEA = \$20,588,463

MISD = \$23,818,359



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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

MISD = 124.1335 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

MISD = 4.2098



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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

MISD = 124.1335

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)? **MISD 16.70% Growth**

Score = 10

TEA < .60

MISD = 0.9171

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

Score = 6

TEA < 4

MISD = 7.9003



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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 <.1

MISD 0.0754

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

449 student growth

Score = 10

TEA <-15%

MISD -5.77%



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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%

MISD .0%



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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

MISD - 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

MISD - 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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Five Additional Disclosures

1. **Superintendent's Employment Contract in place during the public hearing**
2. **Reimbursements received by the Superintendent and Board Members for fiscal year 2020-2021**
3. **Outside compensation and/or fees received by the Superintendent for professional consulting and /or other professional services for fiscal year 2020-2021**
4. **Gifts received by the Executive Officer and Board Members (and first degree relatives, if any) in fiscal year 2020-2021**
5. **Business transactions between school district and Board Members for fiscal year 2020-2021**



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Disclosure #1

- Superintendent's Employment Contract

The Superintendent's current contract is public information and available for review on the MISD Website.

MISD Website/Leadership/Meet the Superintendent/Superintendent's Contract



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Disclosure #2

Reimbursements Received by the Superintendent and Board Members

Name	Lane	Courtney	Jim	JoAnn	Tami	Gary	Matt	Bobby	Andrea	Heather	Richard	Eduardo	Carl
Meals													
Lodging													
Transportation													
Fuel													
Other/Registration	\$ 50.00	-0-	-0-	-0-	\$495.00	\$1020.00	\$75.00	\$645.00	\$495.00	\$50.00	\$495.00	\$495.00	-0-
Totals	\$ 50.00	-0-	-0-	-0-	\$495.00	\$1020.00	\$75.00	\$645.00	\$495.00	\$50.00	\$495.00	\$495.00	-0-

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Disclosure #2, cont'd

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2020-2021, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

- **Meals – Meals consumed off of the school district's premises, and in-district meals at area restaurants (excludes catered meals for board meetings).**
- **Lodging - Hotel charges.**
- **Transportation - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.**
- **Motor fuel – Gasoline.**
- **Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.**



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Disclosure #3

- Outside compensation and/or fees received by the Superintendent for professional consulting and /or other professional services for fiscal year 2020-2021.

None



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Disclosure #4

- Gifts received by the Executive Officer and Board Members (and first degree relatives, if any) in fiscal year 2020-2021 (gifts with an economic value of \$250 or more in aggregate)

None



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Disclosure #5

- **Business transactions between the school district and Board Members for fiscal year 2020-2021. (Mr. Smith passed away on December 20, 2020.)**

**Trustee Carl L. Smith, Jr.
Insurance Agent to District
Scarborough, Medlin & Associates**

**No Direct Compensation
Local Government Officer Conflicts Disclosure Statement
on file**



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