



**2020-2021
FIRST RATING**

FINANCIAL INTEGRITY RATING OF TEXAS



- Established by the TEA starting the 2001-02 School Year

Contains 20 Indicators

- 1 – 5 are YES or NO answers
- 4,6,16,17, 20 are ceiling indicators
- All others are scored on a point system ranging from 1-10
- Reviewing data from the 2019-2020 school year

FINANCIAL INTEGRITY RATING OF TEXAS



Time Frame

The following FIRST Rating pertains to the 2019-2020 Audited Year

September 1st, 2019 – August 31, 2020

INDICATOR # 1



Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?

YES

INDICATOR # 2



Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion).

YES

A “modified” version of the auditor’s opinion in your annual audit report means that you need to correct some of your reporting or financial controls.

INDICATOR # 3



Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

YES

This indicator seeks to make certain that our district has paid our bills / obligations on bonds issued to pay for school construction, etc.

INDICATOR # 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

Ceiling Passed

This indicator seeks to make certain that our district has paid our bills / obligations on bonds issued to pay for school construction, etc.

INDICATOR # 5



***Indicator #5 is not being scored for the 2019-2020
FIRST Rating***

INDICATOR # 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?

Ceiling Passed

INDICATOR # 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:
10/10 points**

This indicator measures how long in days after the end of the fiscal the school district could have disbursed funds for its operating expenditures without receiving any new revenues.

INDICATOR # 8



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

Score:

10/10 points

Willis ISD : 5.5173

> 3.00

This indicator measures whether the school district had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities.

INDICATOR # 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?

Score:
10/10 points

This indicator simply asks, "Did you spend more than you earned?" (the school district will automatically pass this indicator, if the school district had at least 60 days cash on hand.)

INDICATOR # 10



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

**Score:
10/10 points**

This indicator compared budget to actual revenues to verify budgeted revenues are in a acceptable range

INDICATOR # 11



Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)

Score:

10/10 points

This question is like asking someone if their mortgage exceeds the market value of their home. Fortunately this indicator recognizes that high-growth districts incur additional operating costs to open new instructional campuses

INDICATOR # 12



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

Score:

10/10 points

Willis ISD : 3.822

< 4.00

This indicator asks about the school district's ability to make debt principal and interest payments that will become due during the year.

INDICATOR # 13



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

Score:

10/10 points

Willis ISD : 5.49%

< 10%

This indicator measures the percentage of their budget that Texas school districts spent on administration.

INDICATOR # 14



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.)

Score:
10/10 points

Willis ISD did not have a decline in students over the previous 3 year period

INDICATOR # 15



Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections?

**Score:
5/5 points**

This indicator compares the district's pupil projection with actual data to verify they are in an acceptable range

INDICATOR # 16



Did the comparisons of PEIMS data to like information in Annual Financial Report result in total variance of less than 3% of all expenditures by function?

Ceiling Passed

Did our PEIMS data submission match our Annual Audit.

INDICATOR # 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?

Ceiling Failed

The auditors noted a material weakness in our 2019-2020 Annual Financial Report. This Indicator has a score ceiling of 79.

INDICATOR # 17



Contributing Factors

- **New Auditors for Fiscal Year 2020**
- **Auditors did not agree with Prior Auditors Statements**
 - Made Prior Period Adjustments
 - Accretion on 1998 Cab Bond not in Prior Audited Statements

Ceiling Failed

Ceiling Cap of 79/100

INDICATOR # 18



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

Score:
10/10 points

Auditors found our audit was free of any instances of material noncompliance related to grants, contracts, and laws related to local, state, or federal funds

INDICATOR # 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 that were in effect at the school district's fiscal year end?

**Score:
5/5 points**

INDICATOR # 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?

Ceiling Passed

The district discussed property values at the budget workshops in June, July and August

2019-2020 DISTRICT STATUS



Status:

Passed

Rating:

Standard Achievement

Indicators Answered YES:

4 out of 4

Total Points Tallied

100/100 points

Total Points w/ Ceiling Applied

79/100 points





QUESTIONS?