



**2022-2023**  
**FIRST RATING**

# FINANCIAL INTEGRITY RATING OF TEXAS



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

## FIRST RATING REQUIREMENTS AND GOALS

- Required Public Meeting in annual October Board Meeting
- Transparency
- Show a summarized view of the financial health of district
- Disclose Required Documentation

# **FINANCIAL INTEGRITY RATING OF TEXAS**



## **Required Disclosures**

- **Public Notice in Newspaper – 10 Days Prior to board meeting**
- **Superintendent Contract**
- **Board and Superintendent Spending Reports**

# FINANCIAL INTEGRITY RATING OF TEXAS



## Time Frame

The following FIRST Rating pertains to the 2021-2022 Audited Year  
September 1<sup>st</sup>, 2021 – August 31, 2022



# FINANCIAL INTEGRITY RATING OF TEXAS



## Contains 20 Indicators

- 4 YES or NO Indicators
- 5 Ceiling indicators
- 11 Scored indicators scored on a range of 1-10

# INDICATOR # 1

**Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the January 28 deadline for schools districts with a fiscal year end date of August 31st?**

**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 2022-2023  
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

**Willis ISD Fund Balance increased 26.9%  
during this time frame.**



# 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**

**Willis ISD has 245.3128 days of cash on hand and receives full credit for this indicator**

*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 has a ratio of 12.8387. To receive full credit on this indicator you must be greater than 3.**

*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**

**Willis ISD's revenue exceeded expenditures for the time frame reviewed.**



# 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?**

***Indicator #10 is not being scored for the 2022-2023 FIRST Rating***

***But, if it was, Willis ISD's variance was less than 10% and we would have received full credit***



*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 increase of students in membership over 5 years was 7 percent or more or 1,000 or more students in membership, then the school district passes this indicator.

**Score:**  
**10/10 points**

Willis ISD's ratio was .7482, which would have given us 6/10 points on this indicator. However, the district grew by 15.73% during this time frame so we received full credit.





# INDICATOR # 12

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

**Score:  
6/10 points**

**Willis ISD's ratio was 7.7309, which earns us 6/10 points.**

**Willis ISD is a fast growth district. We have had 2 successful bond elections within the last two years and 3 within the last 8 years. As a result the majority of the districts debt is more recent and has resulted in this ratio.**



# DEBT RATIO

## Measures

- **I&S Fund Revenue**
- **Long Term Liabilities**
- **Assessed Property Values**

## Point System

- **10 points,  $\leq 4$**
- **8 points,  $> 4 \leq 7$**
- **6 Points,  $> 7 \leq 10$**

**Last Year**

**5.8761 = 8 points**

**Current Year**

**7.7309 = 6 points**

# INDICATOR # 13

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

**Score:**  
**10/10 points**

Willis ISD's administrative cost ratio was 6.45%. To receive full credit the ratio had to be less than 10%. Willis ISD is well below the threshold mandated by the state to receive full credit on this indicator.

*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.)

*Indicator #14 is not being scored for the 2022-2023 FIRST Rating*

**Willis ISD's student enrollment did not decline over 3 years. It is worth noting that our ratio would have earned us 10/10 points regardless.**



# 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?**

***Indicator #15 is not being scored for the 2022-2023 FIRST Rating***

***This is due to the state wide fluctuations with ADA during the COVID-19 Pandemic***



# 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

**Willis ISD had a 0% variance between our PEIMS Data and our AFR.**

*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 Passed**



# 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**

***Yes, we did***



# 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



# 2022-2023 DISTRICT STATUS



**Status:**

**Passed**

**Rating:**

**A = Superior Achievement**

**Indicators Answered YES:**

**4 out of 4**

**Total Points Talled**

**96/100 points**

**Total Points w/ Ceiling Applied**

**96/100 points**





**QUESTIONS?**