



# **SCHOOLS FIRST**

**FINANCIAL INTEGRITY RATING  
SYSTEM OF TEXAS**

**2020-21 RATING BASED ON  
2019-20 SCHOOL YEAR DATA**

# What is Schools FIRST and What is its Purpose?



Schools FIRST is a financial **accountability** rating system that holds school districts accountable for the quality of their financial management practices.

Schools FIRST is designed to encourage Texas public school to manage their financial resources better in order to provide the **maximum allocation** possible for **direct instructional purposes**.

Schools FIRST is a tool that creates **transparency** and discloses the **quality** of local management and decision-making processes that the school district uses concerning the financial resources the school district receives.



# ***REPORTING REQUIREMENTS***

- ◎ **A school district must prepare and distribute an annual financial management report**
- ◎ **A public hearing is required to provide an opportunity for comment on the report**

# ***INDICATORS AND RATINGS***



## **◎ Texas Education Agency**

### **Indicators**

- Critical
- Solvency
- Financial Competence

### **◎ 4 Ratings**

- A = Superior Achievement
- B = Above Standard
- C = Meets Standard
- F = Substandard Achievement

# DISTRICT RATINGS



| 2019-20 Rating Year<br>Data 2018-19 |          | 2020-21 Rating Year<br>Data 2019-20 |                |
|-------------------------------------|----------|-------------------------------------|----------------|
| # of indicators                     | 15       | # of indicators                     | 20             |
| Ratings:                            | Points:  | Ratings:                            | Points:        |
| A – Superior                        | 90 - 100 | A – Superior                        | 90 - 100       |
| B – Above Standard                  | 80 – 89  | B – Above Standard                  | 80 – 89        |
| C – Meets Standard                  | 60 – 79  | C – Meets Standard                  | <b>70 – 79</b> |
| F - Substandard                     | 0 – 59   | F – Substandard                     | 0 – <b>69</b>  |

# CRITICAL INDICATORS



| #   | Indicator Description   | 2018-19 Data | 2019-20 Data          |
|-----|---|--------------|-----------------------|
| 1   | Was the <b>complete annual financial report (AFR) and data submitted to the TEA</b> 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          | Yes                   |
| 2   | Was there an <b>unmodified opinion in the AFR</b> on the financial statements as a whole?   | Yes          | Yes                   |
| 3   | Was the school district in <b>compliance with the payment terms of all debt</b> agreements at fiscal year end?  | Yes          | Yes                   |
| 4   | Did the school district make <b>timely payments</b> to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other <b>governmental agencies</b> ?                                     | Yes          | Yes (Ceiling Failed)* |
| 5** | Was the total unrestricted <b>net asset balance</b> (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets <b>greater than zero</b> ?                       | Not Scored   | Not Scored            |

\*The district received a warrant hold, which was resolved and cleared within 30 days. As such, the maximum total points for the district in 2020-21 is 95.

\*\*Indicator 5 was not scored this year due to the impact of accounting changes implemented by the Governmental Accounting Standards Board.

# SOLVENCY INDICATORS



| #  | Indicator Description   | 2018-19 Data   | 2019-20 Data   |
|----|---|----------------|----------------|
| 6  | Was the average change in <b>assigned and unassigned fund balances</b> 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?            | New in 2019-20 | Ceiling Passed |
| 7  | Was the number of <b>days of cash on hand</b> and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?                           | 10             | 10             |
| 8  | Was the measure of current assets to current liabilities ratio for the school district sufficient to <b>cover short-term debt</b> ?   | 10             | 10             |
| 9  | Did the school district's general fund <b>revenues equal or exceed expenditures</b> (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             |
| 10 | Did the district average less than a 10% variance (90% to 110%) when comparing <b>budgeted revenues to actual revenues</b> for the last 3 fiscal years?   | New in 2019-20 | 10             |
| 11 | Was the ratio of long-term liabilities to total assets for the school district sufficient to support <b>long-term solvency</b> ?  | New in 2019-20 | 10             |

# ***SOLVENCY INDICATORS CONT.***



| #  | Indicator Description   | 2018-19 Data | 2019-20 Data |
|----|---|--------------|--------------|
| 12 | Was the <b>debt per \$100 of assessed property value ratio</b> sufficient to support future debt repayments?  | 10           | 10           |
| 13 | Was the school district's <b>administrative cost ratio</b> equal to or less than the threshold ratio?   | 10           | 10           |
| 14 | Did the school district not have a 15 percent decline in <b>students to staff ratio</b> over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.) | 10           | 10           |
| 15 | Was the school district's <b>ADA</b> within the allotted range of the district's <b>biennial pupil projection(s)</b> submitted to TEA?  | 10           | 5            |



# COMPETENCE INDICATORS



| #  | Indicator Description   | 2018-19 Data          | 2019-20 Data          |
|----|---|-----------------------|-----------------------|
| 16 | Did the comparison of Public Education Information Management System ( <b>PEIMS</b> ) data to like information in the school district's <b>AFR</b> result in a total <b>variance</b> of less than 3 percent of all expenditures by function?  | 10                    | <b>Ceiling Passed</b> |
| 17 | Did the external independent auditor report that the AFR was free of any instance(s) of <b>material weaknesses in internal controls</b> over financial reporting and compliance for local, state, or federal funds?   | <b>Ceiling Passed</b> | <b>Ceiling Passed</b> |
| 18 | Did the external independent auditor indicate the AFR was free of any instance(s) of material <b>noncompliance for grants, contracts, and laws</b> related to local, state, or federal funds?   | 10                    | 10                    |
| 19 | Did the school district post <b>the required financial information</b> 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? | <b>New in 2019-20</b> | 5                     |
| 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?  | <b>New in 2019-20</b> | <b>Ceiling Passed</b> |
|    | Did the school district not receive an adjusted repayment schedule for more than one fiscal year over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?  | 10                    | <b>Phased Out</b>     |

# TOTAL RATING



| # | Indicator Description | 2018-19 Data            | 2019-20 Data   |
|---|-----------------------|-------------------------|--|
|   | <b>TOTAL RATING:</b>  | <b>100<br/>Superior</b> | <b>95<br/>Superior<br/>(95 - Ceiling for<br/>CFBISD)</b> |

# ***REQUIRED DISCLOSURES***



- Superintendent's current **employment contract** (***included with report***)
- Summary schedule of **total reimbursements** received by the superintendent and each board member (***included with report***)
- Summary schedule of **compensation and/or fees received** by the superintendent in exchange for professional consulting and/or other personal services (***NONE***)
- Summary schedule of the **dollar amount of gifts** that had an economic value of \$250 or more (***NONE***)
- Summary schedule of the dollar amount by board member for the aggregate amount of **business transactions with the school district** (***NONE***)

# ***SCHOOLS FIRST CHANGES***

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- Fiscal Years 2017-18, 2018-19 and 2019-20 were transition years
- 2020-2021 now includes 20 indicators (up from 15)
  - 5 critical indicators remain



