

MESQUITE INDEPENDENT SCHOOL DISTRICT

Annual Financial Management Report
2024 Rating Based on Fiscal Year 2022-2023 Data



PURPOSE

The School Financial Integrity Rating System of Texas, or FIRST, was established to ensure that school districts are held accountable for the quality of their financial management practices.

The primary goal of FIRST is to promote stronger financial stewardship, which in turn helps maximize the funds available for direct instructional purposes.

The ratings are important because they demonstrate a school district's financial transparency, accountability, and efficient use of resources. This can help support student achievement and build public trust in the district's financial management.

RATINGS

Determination of Rating

A = Superior Achievement	90 -100
B = Above Standard Achievement	80 – 89
C = Meets Standard Achievement	70 – 79
F = Substandard Achievement	<70

For 2022-2023 fiscal year, 21 indicators were evaluated. Of these 21, four were critical indicators and six were ceiling indicators.

- Failing a critical indicator, results in an F, regardless of points earned.
- Failing a ceiling indicators reduces the maximum points a district can receive.

INDICATORS

Critical Indicators	2023	2022
1. Was the annual financial report (AFR) and data submitted to the TEA by November 27 (180 days of fiscal year end)?	Yes	Yes
2. Was there an unmodified opinion in the AFR on the financial statements as a whole?	Yes	Yes
3. Was the district in compliance with the payment terms of all debt agreements at fiscal year end?	Yes	Yes
4a. Did the district make timely payments to the TRS, TWC, IRS and other governmental agencies?	Yes	Yes

INDICATORS

Indicator	2023	2022
4b. Was the district issued a warrant hold? Ceiling Indicator – Maximum Score 95	No <i>(Passed)</i>	No <i>(Passed)</i>
5. Was the total net position in the governmental activities in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero? Ceiling Indicator – Maximum Score 79	Yes	-
6. Was the average change in the assigned and unassigned fund balance over 3 years less than a 25% decrease or exceed 75 days of operational expenditures? Ceiling Indicator – Maximum Score 89	Yes	Yes

INDICATORS

Indicator	2023	2022
7. Was the number of days cash on hand and current investments in the general fund sufficient to cover operating expenditures (excluding facilities acquisition and construction)? Ceiling Indicator – Maximum Score 79	10	10
8. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	10	10
9. Did the district’s general fund revenue equal or exceed expenditures (excluding facilities acquisitions and construction)?	10	10
10. This indicator was not evaluated.	10	10

INDICATORS

Indicator	2023	2022
11. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?	10	10
12. What is the correlation between future debt requirements and the district's assessed property value?	8	8
13. Was the district's administrative cost ratio equal to or less than the threshold ratio?	10	10
14. Did the district not have a 15% decline in the students to staff ratio over 3 years? (Not evaluated in FY22)	10	10
15. This indicator was not evaluated.	5	5

INDICATORS

Indicator	2023	2022
16. Did the comparison of PEIMS data to the AFR result in a total variance of less than 3% of all expenditures by function? Ceiling Indicator – Maximum Score 89	Yes <i>(Passed)</i>	Yes <i>(Passed)</i>
17. Did the external 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 and free from substantial doubt about the school district’s ability to continue as a going concern? Ceiling Indicator – Maximum Score 79	Yes <i>(Passed)</i>	Yes <i>(Passed)</i>
18. Did the external 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	10

INDICATORS

Indicator	2023	2022
19. Did the 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 fiscal year end?	5	5
20. Did the district’s administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted the budget? Ceiling Indicator – Maximum Score 89	Yes <i>(Passed)</i>	Yes <i>(Passed)</i>
21. Did the district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of financial hardship? Ceiling Indicator – Maximum Score 70	No <i>(Passed)</i>	-

HOW DID MESQUITE ISD RATE?

**Superior Achievement for the 22nd year in row
 Earned 98 of a possible 100 points**

State-Wide Ratings Counts

<i>2023 Ratings</i>	<i>Count</i>	<i>% of Total</i>
A = Superior Achievement	866	85.15%
B = Above Standard Achievement	85	8.36%
C = Meets Standard Achievement	50	4.92%
F = Substandard Achievement	16	1.57%

FINANCIAL MANAGEMENT REPORT

- Superintendent's current contract
- Summary schedule of expenditures made on behalf of and reimbursements made to the Superintendent and Board Members.
- Outside compensation and fees received by the Superintendent.
- Gifts valued at \$250 or more received by executive officers and Board Members.
- Summary schedule of business transactions between District and Board Members.

Required Disclosures

Reimbursements received by the Superintendent and Board Members for fiscal year 2023.

For the Twelve-month Period Ended June 30, 2023

Description of Reimbursement	Dr. Ángel Rivera	Gary Bingham	Kevin Carbo	Teia Collier	Greg Everett	Elaine Hornsby	Eddie Rose	Robert Seward
Lodging	\$8,460.18	\$1,704.98	\$4,804.18	\$1,431.97	\$3,455.85	\$1,993.89	\$2,163.70	\$5,055.17
Meals/Per Diem	\$593.05	\$944.00	\$3,186.00	\$826.00	\$1,888.00	\$826.00	\$1,250.00	\$2,832.00
Motor Fuel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transportation	\$6,469.35	\$988.23	\$1,991.12	\$611.92	\$1,867.94	\$699.85	\$729.17	\$2,915.57
Other - Registrations	\$12,260.00	\$850.00	\$2,878.75	\$985.00	\$2,115.00	\$1,410.00	\$1,175.00	\$2,762.19
Total	\$27,782.58	\$4,487.21	\$12,860.05	\$3,854.89	\$9,326.79	\$4,929.74	\$5,317.87	\$13,564.93

Required Disclosures

- Outside compensation and/or fees received by the Superintendent for professional consulting and/or other personal services in fiscal year 2023. **None Reported**
- Gifts received by the Executive Officer(s) and Board Members (and first-degree relatives, if any) in fiscal year 2023. **None Reported**
- Business transactions between the District and Board Members for fiscal year 2023. **None Reported**

Required Disclosures

- Superintendent's Current Contract
<https://resources.finalsite.net/images/v1722431847/mesquiteisd.org/gfhuqlyhpbvz76tbzpx/DrRivera-24-25Contract.pdf>
- MISD's Financial Transparency Page
<https://www.mesquiteisd.org/departments/business-services/financial-transparency>
- Texas Education Agency (TEA) Website
<https://tea.texas.gov/finance-and-grants/financial-compliance/financial-integrity-rating-system-of-texas-first>