2024-2025 FIRST Rating

For Fiscal Year 2022-2023

Board Meeting Report
October 9, 2024

SCHOOL FIRST
FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

Garrett Matej

Chief Financial Officer

Willis Independent School District
One Team - One Purpose

WWW.WILLISISD.ORG

PRIMARY GOAL

- Established in 2001 by the 77th Texas Legislature, the School Financial Integrity Rating System of Texas was created to encourage school systems to improve financial resources to provide maximum allocation possible for direct instructional purposes.

- It is a rating system that holds public schools in Texas accountable for their financial management practices.

- Ensures that Texas school districts are accountable for student learning and achieve these results cost-effectively and efficiently

REQUIREMENTS

- Show a summarized view of the district's financial health
- Display Transparency
- Disclose required documentation
- Hold a Public Meeting to report results

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REPORT DETAILS

- Notice of Public Hearing – *publish a newspaper ad at least 10 days prior to meeting*
- Summary Schedule of 21 FIRST Indicators
- Superintendent Employment Contract
- Summary Schedule of Reimbursements to Board Members and Superintendent
- Outside Compensation for Superintendent
- Gifts Received by Executive Officers or Board Members
- Summary of Business Transactions

TIME FRAME

The following FIRST Rating pertains to the 2022-2023 Audited year.

September 1, 2022 – August 31, 2023

RATINGS

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

Willis ISD received a score of 98 of 100

SUPERIOR RATING

RATING INDICATORS

Rating consists of 21 Indicators

1 – 4 are Critical Indicators

5 – 14 are Solvency Indicators

15 – 21 are Financial Indicators

INDICATOR #1

Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the January 28 deadline?

YES

INDICATOR #2

Was there an unmodified opinion in the AFR on the financial statements as a whole? (Unmodified opinion is defined by the American Institute of Certified Public Accountants (AICPA) and is determined by the external independent auditor.)

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 payment to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), IRS, and other government agencies?

YES

Ceiling Passed

This indicator seeks to make certain that our district has met the payment obligations to the appropriate state or federal agencies in a timely manner

INDICATOR #5

Was the total net position in the governmental activities column in the Statement of Net Position greater than zero?

YES

Ceiling Passed

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 13.82% during this time frame.

107.5 days of Unassigned Fund Balance on hand.

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?

Score:

10/10 points

Willis ISD has 203.1762 days of cash on hand and receives full credit (90 Days) for this indicator

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 12.6829. To receive full credit on this indicator you must be greater than 3.

INDICATOR #9

Did the school districts' general fund revenues equal or exceed expenditures?

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?

This indicator was not evaluated for this FIRST Report

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

INDICATOR #11

Was the ratio of long-term liabilities to total assets sufficient to support long-term solvency?

Score:

10/10 points

Willis ISD's ratio was .7303, which would have given us 6/10 points on this indicator. However, the district grew by 17.3% (1,292 students) during this time frame so we received full credit.

INDICATOR #12

What is the correlation between future debt requirements and the district's assessed property value?

Score:

8/10 points

Willis ISD's ratio was 5.7467, which earns us 8/10 points.

Willis ISD is a fast growth district. We have had 3 successful bond elections within the last 4 years. As a result the majority of the districts debt is more recent and has resulted in this ratio.

INDICATOR #13

Was the District's administrative cost ratio equal to or less than the threshold ration?

Score:

10/10 points

Willis ISD's administrative cost ratio was 6.88%. To received 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)?

Score:

10/10 points

Willis ISD's student enrollment did not decline over 3 years.

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?

This indicator was not evaluated for this FIRST Report

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

INDICATOR #16

Did the comparison of PEIMS data to like information in the District's AFR result in a 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 auditor report that the AFR was free of any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, and federal funds?

Ceiling Passed

INDICATOR #18

Did the external audit report indicate the AFR was free of any instances of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?

Score:

10/10 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 district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Cost and other states, laws and rules that were in effect at fiscal year end?

Score:

5/5 points

INDICATOR #20

Did the school 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 its budget?

Ceiling Passed

The district discussed property values and funding in June, July and August Board Meetings

INDICATOR #21

Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of a financial hardship?

Ceiling Passed

2023-2024 DISTRICT STATUS

Status:	**Passed**
Rating	**A = Superior Achievement**
Total Points Tallied	**98/100**
Total Points with Ceiling Applied	**98/100**

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QUESTIONS?

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