



# Rating Presentation

## Fiscal Year 2023-2024 Data



## PURPOSE

- Expands the public education accountability system in Texas to Financial Services
- Originated by SB875 of the 76<sup>th</sup> Texas Legislature in 1999, passed during the 77<sup>th</sup> regular session in 2001
- Primary goal is to improve management of school district's financial resources



## OBJECTIVES

- Assess the quality of financial management in Texas public schools
- Measure and report the extent to which financial resources are allocated for district instructional purposes
- Fairly evaluate the quality of financial management decisions
- Only report results to the general public



## RATINGS

- HB 5 of the 83<sup>rd</sup> legislature in 2013 required the Commissioner of Education to include indicators in FIRST to anticipate the future financial solvency of districts

The 2025 ratings is determined by the scores on 21 indicators

A = Superior	90-100
B = Above Standard	80-89
C = Meets Standard	70-79
F = Substandard Achievement	0-69



## HOW RATINGS ARE ASSESSED

1. Was the Annual Financial Report filed within one month of the November 27<sup>th</sup> deadline based on the District's fiscal year end date of June 30<sup>th</sup>? **YES**
2. Was there an unmodified opinion in the Annual Comprehensive Financial Report (ACFR)? **YES**
3. Was the school district in compliance with the payment terms of debt agreements at fiscal year end? **YES**
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**



## HOW RATINGS ARE ASSESSED

5. Was the net position in the governmental activities column in the Statement of Net Position greater than zero? **CEILING PASSED**
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 balance exceed 75 days of operational expenditures? **CEILING PASSED**
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)? **NISD had 157.0552 days on hand to receive maximum points – 10 points**



## HOW RATINGS ARE ASSESSED

8. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? **The ratio of current asset to current liabilities was 4.7646 and did exceed the 3.00 benchmark for maximum points. – 10 points**
9. Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school districts number of days of cash on hand greater than or equal to 60 days? **Revenues did not exceed expenses by -0.62% but the district also had 157.0552 days of cash on hand. – 10 points**
10. This indicator is not being scored. **10 points**



## HOW RATINGS ARE ASSESSED

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, then the school district automatically passes this indicator. **NISD's 5-year percent increase in students was 22.76 percent so NISD automatically passes. – 10 points**
12. What is the correlation between future debt requirements and the district's assessed property value? **NISD scores a property value ratio of 5.4558. To receive maximum points, the ratio must be less than 4. This indicator does not take into account future property value growth. – 8 points**
13. Was the school district's administrative cost ratio equal to or less than the threshold ratio? **NISD scored a ratio of 0.0552 which was lower than the 0.0855 required to receive maximum points - 10 points**



## HOW RATINGS ARE ASSESSED

14. Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment or staff)? If the student enrollment did not decrease, the school automatically passes this indicator. – **10 points**
15. Was the school district's ADA within the allotted range of the district's biennial pupil projections submitted to TEA, did it certify TEA's projections? – **NISD was -3% which is lower than the required 7% requirement to receive maximum points - 5 points**
16. Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function? **NISD scored a variance of 0.0001 percent which is lower than the 3.0 percent required to pass. - Ceiling passed**



## HOW RATINGS ARE ASSESSED

17. Did the external independent auditor report that the ACFR was free of any instance(s) of material weakness in internal controls over financial reporting and compliance for local, state, or federal funds. **NISD had no material weaknesses. – Ceiling Passed**
18. Did the external independent 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? **NISD had no findings for material noncompliance. - 10 points**



## HOW RATINGS ARE ASSESSED

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 year end? **NISD met all the required postings - 5 points**
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? **NISD discussed the property values prior to adopting the budget. – Ceiling Passed**
21. Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program funds because of financial hardship?  
**– No, Ceiling Passed**



## WHAT IS NISD'S RATING

# A = Superior Rating

NISD received 98 of 100 maximum points on all indicators.

NISD had received a Superior Rating for 23 consecutive years.



# REQUIRED DISCLOSURES

## Superintendent's Current Contract

Superintendent's contract is available through the attached link below.

<https://resources.finalsite.net/images/v1751980579/nisdtxorg/tvll3lewaqhewjqdgnmi/AG062325-Contract-DrFoustContract.pdf>



# REQUIRED DISCLOSURES

## Reimbursements received by the Superintendent and Board Members for Fiscal Year 2024

For the 12-month period ending June 30, 2024

	Foust	Sprowls	Murphy	Hatfield	Copp	Rauch	Schluter	Simpson	Total
Hotel	\$ 3,566.55	\$ 915.44	\$ 1,256.23	\$ 1,199.52	\$ 1,256.23	\$ 1,192.82	\$ 562.32	\$ 562.32	\$ 10,511.43
Meal	\$ 256.35	\$ 335.11	\$ 345.80	\$ 275.80	\$ 359.80	\$ 375.80	\$ -	\$ 100.00	\$ 2,048.66
Mileage	\$ 717.65	\$ 262.51	\$ 362.96	\$ 141.31	\$ 61.31	\$ 76.35	\$ 65.76		\$ 1,687.85
Parking	\$ 237.92	\$ 76.00	\$ 16.00	\$ 76.73	\$ -	\$ -	\$ -		\$ 406.65
Registration	\$ 1,945.00	\$ 1,295.00	\$ 1,295.00	\$ 1,295.00	\$ 1,295.00	\$ 1,295.00	\$ 885.00	\$ 870.00	\$ 10,175.00
	<b>\$ 6,723.47</b>	<b>\$ 2,884.06</b>	<b>\$ 3,275.99</b>	<b>\$ 2,988.36</b>	<b>\$ 2,972.34</b>	<b>\$ 2,939.97</b>	<b>\$ 1,513.08</b>	<b>\$ 1,532.32</b>	<b>\$ 24,829.59</b>





## REQUIRED DISCLOSURES

- Outside compensation and/or fees received by the Superintendent for professional consulting and/or other personal services in fiscal year 2024 – **None Reported**
- Gifts received by the Executive Officer(s) and Board Members (and first-degree relatives, if any) in fiscal year 2024 – **None Reported**
- Business transactions between the District and Board Members for fiscal year 2024 – **None Reported**

# DISCUSSION AND QUESTIONS