



School FIRST Public Hearing

December 15, 2025



Public Hearing Agenda



Overview of School FIRST



School FIRST Rating System



Comparison of Indicators



District Performance



Annual Financial Management Report and Required Disclosures



Public Comments/Questions



Overview of School FIRST

- School FIRST (Financial Integrity Rating System of Texas).
- 2025 ratings are for the 2023-2024 fiscal year.
- Developed by TEA in response to Senate Bill 875 of the 76th Texas Legislature in 1999.
- Major changes implemented in 2015 that combined financial indicators with financial solvency indicators in accordance with House Bill 5 from the 83rd Texas Legislature in 2013.
- Primary goal is to achieve quality performance in the management of school district's financial resources.



School FIRST Rating System

Measures the quality of a school district's financial management and reporting system.

A

Superior Achievement
90 – 100 Points

B

Above Standard Achievement
80 – 89 Points

C

Standard Achievement
70 – 79 Points

F

Substandard Achievement
<70 Points



School FIRST Rating System

(continued)

- Rating system consists of 21 indicators:
 - Four (4) are critical indicators requiring a yes/no response
 - Must be answered “yes” to pass and receive an “A, B, or C.”
 - If any critical indicators are answered “no,” the District fails the indicator and receives an “F” regardless of points earned.
 - Six (6) indicators are ceiling indicators
 - A predetermined maximum number of points may be assigned to the District for failure to meet indicator criteria.



School FIRST Rating System

(continued)

- Rating system consists of 21 indicators *(continued)*:
 - Remaining 11 indicators are awarded points based on responses up to a maximum of 100 points



Comparison of Indicators

- Indicator #1 (Critical Indicator):
 - Was the complete annual financial report (AFR) and data submitted to the TEA 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?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|----------------------------|----------------|----------------|
| Yes | Yes | Yes |
| 12/28/XX | 11/22/24 | 11/27/23 |



Comparison of Indicators

(continued)

- Indicator #2 (Critical Indicator):
 - 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.)

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|----------------------------|----------------|----------------|
| Yes | Yes | Yes |



Comparison of Indicators

(continued)

- Indicator #3 (Critical Indicator):
 - Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|----------------------------|----------------|----------------|
| Yes | Yes | Yes |



Comparison of Indicators

(continued)

- Indicator #4 (Critical Indicator & Ceiling Indicator):
 - 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?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|---|-----------------|-----------------|
| Yes/No | Yes | Yes |
| Ceiling of 95 Points and "A", if Warrant Hold | No Warrant Hold | No Warrant Hold |



Comparison of Indicators

(continued)

- Indicator #5 (Ceiling Indicator):
 - Was the total unrestricted Net Position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Positions greater than zero?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|----------------------------|----------------|----------------|
| Yes | Yes | Yes |



Comparison of Indicators

(continued)

- Indicator #6 (Ceiling Indicator):
 - 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?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|---|----------------|----------------|
| Pass or Ceiling of 89 Points and "B", if Fail | Pass | Pass |



Comparison of Indicators

(continued)

- 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)?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|---------------------------------|------------------------|-----------------------|
| ≥ 90 for Maximum Points | 175.589 (10 Points) | 168.43 (10 Points) |



Comparison of Indicators

(continued)

- Indicator #8:
 - Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|-----------------------------------|----------------------|----------------------|
| ≥ 3.00 for Maximum Points | 10.00 (10 Points) | 10.64 (10 Points) |



Comparison of Indicators

(continued)

- 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?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|--|-----------------|-----------------|
| Yes or ≥ 60 Days for Maximum Points | Yes (10 Points) | Yes (10 Points) |



Comparison of Indicators

(continued)

- 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?
 - Since the 2020-2021 data year, Indicator #10 has not been scored due to the impact of COVID-19 and federal ESSER funding on school district revenue.

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|--|----------------------------------|----------------------------------|
| Between 10% and (10%) for Maximum Points | Indicator Not Scored (10 Points) | Indicator Not Scored (10 Points) |



Comparison of Indicators

(continued)

- 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, then the school district automatically passes this indicator.

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|---|---------------------|---------------------|
| ≤ 0.60 for Maximum Points Or $\geq 7\%$ | 66.9% (8 Points) | 72.1% (6 Points) |



Comparison of Indicators

(continued)

- Indicator #12:
 - Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|----------------------------------|--------------------|--------------------|
| ≤ 4.0 for Maximum Points | 6.49 (8 Points) | 7.88 (6 Points) |



Comparison of Indicators

(continued)

- Indicator #13:
 - Was the school district's administrative cost ratio equal to or less than the threshold ratio?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|-------------------------------------|-----------------------|-----------------------|
| ≤ 0.1000 for Maximum Points | 0.0828 (10 Points) | 0.0925 (10 Points) |



Comparison of Indicators

(continued)

- 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)?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|----------------------------|--|--|
| Not 15% Decline Yes | 4.74% Decrease Yes | .63% Decrease Yes |
| No Decrease in Enrollment | No Decrease in Enrollment (10 Points) | No Decrease in Enrollment (10 Points) |



Comparison of Indicators

(continued)

- 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?
 - For 2020-2021, 2021-2022, and 2022-2023 Data years, Indicator #15 was not scored due to the impact of COVID-19 on school district attendance.

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|----------------------------|-------------------|------------------------------------|
| <10% | Yes (5 Points) | Indicator Not Scored (5 Points) |



Comparison of Indicators

(continued)

- Indicator #16 (Ceiling Indicator):
 - 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?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|--|--|--|
| <3% Pass or Ceiling of 89 Points and "B", if Fail | 0.00% (10 Points) Ceiling Passed | 0.00% (10 Points) Ceiling Passed |



Comparison of Indicators

(continued)

- Indicator #17 (Ceiling Indicator):
 - 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?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|---|----------------|----------------|
| Yes | Yes | Yes |
| Pass or Ceiling of 79 Points and "C", if Fail | Ceiling Passed | Ceiling Passed |



Comparison of Indicators

(continued)

- Indicator #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?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|----------------------------|--------------------|--------------------|
| Yes | Yes (10 Points) | Yes (10 Points) |



Comparison of Indicators

(continued)

- 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?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|----------------------------|-------------------|-------------------|
| Yes | Yes (5 Points) | Yes (5 Points) |



Comparison of Indicators

(continued)

- Indicator #20 (Ceiling Indicator):
 - Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|---|----------------|----------------|
| Yes | Yes | Yes |
| Pass or Ceiling of 89 Points and "B", if Fail | Ceiling Passed | Ceiling Passed |



Comparison of Indicators

(continued)

- Indicator #21 (Ceiling Indicator):
 - Did the school district receive an adjusted repayment schedule for more than one fiscal year for an overallocation of Foundation School Program (FSP) funds because of a financial hardship?

| State Established Standard | 2023-2024 Data | 2022-2023 Data |
|---|----------------|----------------|
| No | No | No |
| Pass or Ceiling of 70 Points and "C", if Fail | Ceiling Passed | Ceiling Passed |



District Performance

Assigned one of four ratings by TEA.

A

Superior Achievement
90 – 100 Points



96

B

Above Standard Achievement
80 – 89 Points

C

Standard Achievement
70 – 79 Points

F

Substandard Achievement
<70 Points



Annual Financial Management Report and Required Disclosures

- Performance rating provided by the Texas Education Agency (TEA)
- Performance under each indicator for the current and previous years' financial accountability ratings
- Required Disclosures:
 - Superintendent's current employment contract
 - Total reimbursements received by the Superintendent and each Board Member



Annual Financial Management Report and Required Disclosures

(continued)

- Required Disclosures *(continued)*:
 - Compensation and/or fees received by the Superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services.
 - Total dollar amount by the executive officers and board members of gifts that had an economic value of \$250 or more in the aggregate in the fiscal year.
 - Total dollar amount by board members for the aggregate amount of business transactions with the school district.

Public Comment/Questions?

