Sabine ISD

Financial Integrity Rating System of Texas

Public Meeting

January 12, 2026

SABINE INDEPENDENT SCHOOL DISTRICT

Financial Management Report
Relating to The
Financial Integrity Rating System of Texas
2025 Rating: A - Superior Achievement
Score: 100

The state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve these practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.

The School FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, as follows:

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

Sabine ISD has received the Superior rating for the 2024 fiscal year. The district has received this rating for twenty one of twenty two years due to the successful efforts of the Board of Trustees, administration, faculty, and staff. These groups have successfully utilized resources available to the district to provide a quality education to the students of Sabine ISD. Sabine ISD is committed to continuing the efficient and effective use of all resources to maintain the Superior (or its equivalent) rating in the future.

FIRST Reports are available at the TEA website listed below:

https://tealprod.tea.state.tx.us/First/forms/Main.aspx

District Number - 092906

FIRST INDICATORS

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RATING

Sabine Independent School District

2024-2025 Financial Integrity Rating System of Texas

Fiscal Year 2024

Rating: A - Superior Achievement

Score: 100

Indicator	Description	Score	Detail
1	Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 (June 30 Fiscal Year)	Yes	**Yes.** Audit received 11/22/24. Due no later than 12/27/24.
2	Was there an unmodified opinion in the AFR on the financial statements as a whole?	Yes	**Yes.** Unmodified = Clean Audit.
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?	Yes	**Yes.** Bond payments paid on time.
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	**Yes.** Agency payments paid on time.
5	Was the total net position in the governmental activities column in the Statement of Net Position greater than zero?	Ceiling Passed	**Yes.** Net position was $12,385,651.
6	Was the average change in 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	**Yes.** Decrease in fund balance was 3.03%.
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)?	10	**Yes.** The district had 160.94 days of cash on hand. 90 days is required to receive the maximum score.
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	10	**Yes.** The ratio was 5.40. A score of 3.00 is required to receive the maximum score.
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?	10	**No.** Expenditures exceeded revenues by 0.88%. **Yes.** The district had 160.94 days of cash on hand
10	This indicator is not being evaluated.	10	Default score for all districts
11	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?	10	**Yes.** The ratio was 0.42. A score less than .60 is required for maximum points
12	What is the correlation between future debt requirements and the district's assessed property value?	10	**Yes.** The correlation was 2.82. A score of less than 4 is required to receive maximum points.
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	10	**Yes.** The ratio was 0.0929. A score of less than 0.1151 is required to receive maximum score.

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)? If the student enrollment did not decrease, the school district will automatically pass this indicator.	10	**Yes.** The ratio was -0.0173. Student enrollment did not decrease. This is essentially a pass/fail indicator as the score is either 10 or 0.
15	Was the school districts ADA within the allotted range of the district's biennial pupil projections to TEA, did it certify TEA's projections?	5	**Yes.** The was a 0.677% difference bewteen actual and projected ADA. A score of less than 20% is required to receive maximum score.
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?	Ceiling Passed	**Yes.** There was 0% difference. A score of less than 3% is required to pass this indicator.
17	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 and free from substantial doubt about the school district's ability to continue as a going concern? (The AICPA defines material weakness.)	Ceiling Passed	**Yes.** The audit reported that there were no instances of material weakness in internal controls.
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? (The AICPA defines material noncompliance.)	10	**Yes.** The audit reported that there were no instances of material non-compliance. This is essentially a pass/fail indicator as the score is either 10 or 0.
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?	5	**Yes.** All required postings are on the district website. This is essentially a pass/fail indicator as the score is either 5 or 0.
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	**Yes.** Discussions took place in the April, May and June regular board meetings.
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	**No.** The district did not receive an adjusted repayment plan.

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? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)	4/23/2025 6:09:50 PM	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)? See ranges below in the Determination of Points section.	4/23/2025 6:09:50 PM	10
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.	4/23/2025 6:09:50 PM	10
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? See ranges below in the Determination of Points section.	4/23/2025 6:09:50 PM	10
10	This indicator is not being evaluated.		10
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 or 1,000 or more students in membership, then the school district passes this indicator.)	4/23/2025 6:09:50 PM	10
12	What is the correlation between future debt requirements and the district's assessed property value?	4/23/2025 6:09:50 PM	10
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.	4/23/2025 6:09:50 PM	10
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)? If the student enrollment did not decrease, the school district will automatically pass this indicator.	4/23/2025 6:09:50 PM	10
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? See ranges below in the Determination of Points section.	4/23/2025 6:09:50 PM	5
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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)	4/23/2025 6:09:50 PM	Ceiling Passed
17	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 and free from substantial doubt about the school district's ability to continue as a going concern? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)	4/23/2025 6:09:50 PM	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? (The AICPA defines material noncompliance.)	4/23/2025 6:09:50 PM	10
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?	4/23/2025 6:09:50 PM	5
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?	4/23/2025 6:09:50 PM	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 (FSP) funds because of a financial hardship?	4/23/2025 6:09:50 PM	Ceiling Passed

			100 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			100 Score

DETERMINATION OF RATING

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is **F for Substandard Achievement** regardless of points earned.	
B.	Determine the rating by the applicable number of points.	
	A = Superior Achievement	90-100
	B = Above Standard Achievement	80-89
	C = Meets Standard Achievement	70-79
	F = Substandard Achievement	<70

No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.

The school district receives an **F** if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.

CEILING INDICATORS

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 5, 6, 16, 17, 20, or 21? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.

Determination of rating based on meeting ceiling criteria.	**Maximum Points**	**Maximum Rating**
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 5 (Total Net Position) - Negative total net position and do not have 7% or more or 1.000 or more increase in growth in students in membership over 5 years.	79	C = Meets Standard Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is *No*.	89	B = Above Standard Achievement

Indicator 17 (Material Weaknesses) - Response to indicator is *No*.	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 21 (FSP Repayment Plan) - Response to indicator is *Yes*.	70	C = Meets Standard Achievement

DISCLOSURES

Disclosures

Reporting requirements for the financial management report for Schools FIRST public hearing are found in **Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System.** This rule describes requirements for the five (5) disclosures explained below that are to be presented as appendices in the Schools FIRST financial management report.

1. **Superintendent's Employment Contract**

   The school district is to provide a copy of the superintendent's current employment contract, including compensation and benefits that is effective on the date of the Schools FIRST public meeting. In lieu of publication in the Schools FIRST financial management report, the school district may choose to publish the superintendent's employment contract on the school district's Internet site. If published on the Internet, the contract is to remain accessible for twelve months.

Attached

SCHOOL FIRST
FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

Disclosures

2. **Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2024**

	Supt. Monty Pepper	Tony Raymond	Andrea Bates	Paul Franklin	Dr. Art Morchat	Danny King	Eddie Shawn	Leslie Thurston	Eric Collins
Meals	204.00	82.00	0.00	56.00	56.00	0.00	56.00	56.00	0.00
Lodging	3,452.42	0.00	1,185.16	1,568.36	922.63	0.00	1,028.09	971.65	0.00
Transportation	1,748.35	375.10	0.00	375.10	375.10	0.00	375.10	375.10	0.00
Motor Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	1,330.00	75.00	460.00	460.00	460.00	100.00	460.00	460.00	0.00
Total	6,734.77	532.10	1,645.16	2,459.46	1,813.73	100.00	1,919.19	1,862.75	0.00

Note – The spirit of the rule is to capture all "reimbursements" for fiscal year 2024, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

Meals – Meals consumed off of the school district's premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

Lodging - Hotel charges.

Transportation - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.

Motor fuel – Gasoline.

Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

Disclosures

3. **Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2024**

For the Twelve-Month Period Ended June 30, 2024	
Name(s) of Entity(ies)	
N/A	$0.00
Total	$0.00

Note – Compensation does not include business revenues from the superintendent's livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.

4. **Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2024**

For the Twelve-Month Period Ended June 30, 2024	Supt. Monty Pepper	Tony Raymond	Andrea Bates	Paul Franklin	Dr. Art Morchat	Danny King	Eddie Shawn	Leslie Thurston	Eric Collins
Summary Amounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. (Any gifts received by their immediate family as described in Government Code, Chapter 573, Subchapter B, Relationships by Consanguinity or by Affinity will be reported under the applicable school official.)

Disclosures

5. Business Transactions Between School District and Board Members for Fiscal Year 2024

For the Twelve-Month Period Ended June 30, 2024	Supt. Monty Pepper	Tony Raymond	Andrea Bates	Paul Franklin	Dr. Art Morchat	Danny King	Eddie Shawn	Leslie Thurston	Eric Collins
Summary Amounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Note - The summary amounts reported under this disclosure are not to duplicate the items reported in the summary schedule of reimbursements received by board members.

Item 6 Other Information.

6. Any other information the board of trustees of the school district or open-enrollment charter school determines to be useful.

N/A