Schools FIRST Accountability

Katy Independent School District

Financial Services

October 26, 2026

SCHOOL FIRST
FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

History

- Adopted during the 1999 Legislature, School F.I.R.S.T is a statewide rating system implemented in 2003 beginning with the 2001-2002 fiscal year.

- TEA implemented numerous changes effective over the years and continues to do so.

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Purpose

- Expands the public education accountability system in Texas to the Financial Services.

- Primary goal is to improve the management of school districts' financial resources.

- Assure the maximum allocation of resources for direct instructional purposes.

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Scoring

- Several indicators are more easily recognized and interpreted by both the public and the finance industry.

- Several indicators have a wider sliding scale range to allow a high, medium, or low points award for those indicators (from 0 up to 10 points).

Determination of School District Rating

- Numerical scores based on
  - 90-100 points = Superior **A**
  - 80-89 points = Above Standard **B**
  - 70-79 points = Meets Standard **C**
  - <70 points = Substandard Achievement **F**

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Indicator 1

Was the complete Annual Financial Report (AFR) and data submitted to TEA on or before February 27, 2026?

YES

Indicator 2

Was there an unmodified opinion in the Annual Financial Report?

YES

Indicator 3

Was the school district in compliance

with the payment terms of

all debt agreements at fiscal year end?

YES

Indicator 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

Indicator 5

Was the total net position in the governmental activities column in the Statement of Net Position (net of accretion of interest and premiums for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero?

YES

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Indicator 6

Was the 3-year average change in assigned and unassigned fund balances less than a 25% decrease, or did those fund balances exceed 75 days of operating expenditures?

YES

Indicator 7

Were the number of days of cash on hand and

current investments in the general fund

for the school district

sufficient to cover operating expenditures?

YES

Indicator 8

Does the District have a sufficient current assets to current liabilities ratio?

YES

Indicator 9

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

If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

YES

Indicator 10

Did the District average less than a 10% variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?

YES

Indicator 11

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

YES

Indicator 12

Is the District's assessed property value ratio sufficient to support scheduled debt payments?

YES

Indicator 13

This indicator is not being evaluated by TEA for the 2025-2026 rating year. All districts receive the full 10 points.

N/A

Indicator 14

Did the school district NOT have a

15% decline in the students to staff

ratio over 3 years?

YES

Indicator 15

Was the District's ADA within the allotted range (+ or – 7%) of the district's biennial pupil projections submitted to TEA?

YES

Indicator 16

Did the comparison of PEIMS data to like information in the Annual Financial Report result in an aggregate variance of less than 3% of expenditures per function?

YES

Indicator 17

Was the AFR free of any instance(s) of material weaknesses in internal controls and free from substantial doubt about the District's ability to continue as a going concern?

YES

Indicator 18

Was the Annual Financial Report

free of any material noncompliance

for grants, contracts, and laws related to

local, state, or federal funds?

YES

Indicator 19

Did the District post 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?

YES

Indicator 20

Did the School Board discuss any changes and/or impact to local, state and federal funding at a board meeting within 120 days before the budget was adopted?

YES

Indicator 21

Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds?

YES

What is KISD's Rating?

KISD passed all Critical indicators

KISD received 98 of 100 points

Rating: 98 = Superior

The district received the highest rating possible as established under guidelines and rules established by the Texas Education Agency.

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