

# Public Hearing: Financial Integrity Rating System of Texas (FIRST)

December 12, 2024



# What is the FIRST Rating?

- Senate Bill 218 of the 77<sup>th</sup> Legislature (2001) authorized the implementation of the Financial Integrity Rating System of Texas report, officially known as School FIRST.
- This law requires each school district to hold a public meeting, which can be part of a regular school board meeting, to provide an opportunity for the public to comment on the report at the public meeting, and to make available to the public a financial management report that must include a description of the district's financial management performance based on indicators provided by the Texas Education Agency (TEA).
- The primary goal of School FIRST is to improve the management of school districts' financial resources.

# Objective

## **Financial Integrity System of Texas (FIRST):**

- 1. Expands the public education accountability system in Texas to include Financial Services.**
- 2. Provides additional transparency for public education finance.**
- 3. Encourage meaningful financial oversight**
- 4. Criteria are evaluated every three years**
- 5. Ratings are applicable to the audited financial statements of the previous year.**

# CISD FIRST Rating 2023-24

***Rating is based on 2022-23 Audited Financials***

***Pass on Indicators 1-6,16-17,20-21.***

***Scored 86 Points out of the Maximum 100 Points on all other Indicators. (LY -94 points)***

***B = Above Standard Achievement***

***Metrics Measure: Compliance (11) | Liquidity (4) | Solvency (4)***

# Ratings Summary

**Scores based on total of rating/points on 19 indicators (Maximum of 100 points)**

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



**No points awarded on questions 1-6,16-17,20-21  
Yes (Pass) or No (Fail)**

# Indicator 1

1. 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?



**PASS**

*Was the Annual Financial Report filed by the deadline?*

***Due Date = 12/27/2023***

***Date Submitted = 11/27/2023***

# Indicator 2

2. 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.)



**PASS**

***Indicator will be considered PASS if the District received a “clean audit” (unmodified opinion)***



# Indicator 3

3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

**PASS**

*This indicator will be considered PASS if there were no disclosures in the AFR and/or other sources of information concerning default on bonded indebtedness obligations. The district was able to make all bond payments.*





# Indicator 4

4. Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?

**PASS**



*This indicator seeks to make sure the District fulfilled its obligation to these agencies to transfer payroll withholdings and to fulfill any additional payroll-related obligations required to be paid by the District.*

# Indicator 5

- Was the total net position in the governmental activities column in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero? If the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)

**PASS**

Net Position:  $86,764,674 > 0$  And (true Or  $0.0654 \geq 0.07$   
Or  $1,026 \geq 1,000$  )

**Solvency**

# Indicator 6

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?

**Pass**  


*This indicator is considered to be met as Fund Balance increased over past three years.*

# Indicator 7

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)?

**6 points**

**74.73 Days**



***This indicator measures how long in days after the end of the fiscal year the District could have disbursed funds for its operating expenditures without receiving any new revenues.***

# Indicator 8

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

**6 points**      **2.334**

*This indicator measures whether the school district had sufficient short-term assets to pay off its short-term liabilities.*



# Indicator 9

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 60 days?

***10 points***

***74.73 days cash on hand***



***This indicator simply asks “did you spend more than you earned?”***

# Indicator 10

10. This indicator is not being evaluated.





# Indicator 11

11. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (Change in membership >7% or 1,000 students in membership)

**10 points**

**Change in membership, 1,026 students**



***This indicator measures whether the school district had sufficient assets to cover its long-term liabilities.***

# Indicator 12

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

**8 points**      **5.4612**



***This indicator measures future debt requirements as a % of the District's assessed property values.***

# Indicator 13

13. Was the school district's administrative cost ratio equal to or less than the threshold ratio? Function (21,41)/(11,12,13,31)

**6 points**

**0.1132**



***This indicator measures the percentage of the budget the District spent on administration versus State ranges.***

# Indicator 14

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)?

***Pass If the student enrollment did not decrease, the school district will automatically pass this indicator.***



# Indicator 15

15. This indicator is not being evaluated.



# Indicator 16

16. Did the comparison of 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?

***Pass***



***Sum of Differences***

***124***

***Total Entries***

***177,755,346***

# Indicator 17

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?

**CROWLEY**  
**PRIDE UNIFIED**  
SCHOOL DISTRICT

**Pass**



# Indicator 18

17. 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 points**



# Indicator 19

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 points*



# Indicator 20

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?

*Pass*



# Indicator 21

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?

*Pass*



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# Historical 5-Year Ratings

Fiscal Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Rating	A - 90	B - 88	B - 86	A - 94	B - 86

