



Fabens Independent School District
821 N.E. "G" Avenue
P.O. Box 697
Fabens, TX 79838
(P)915-765-2600 (F)915-764-3115

To: Members of the Board of Trustees
From: Lily Nuñez, Director of Finance
Subject: Public Hearing on the Financial Integrity Rating System of Texas (FIRST) 2024-2025
Rating based on 2023-2024 Data
Date: November 19, 2025

HISTORY: Under School FIRST, every school district in Texas is required to prepare an annual financial management report that includes the following:

- A. The district's financial management performance rating provided by the Texas Education Agency (TEA) based on its comparison with indicators established by the Commissioner of Education for the state's new Financial Accountability System.
- B. The district's financial management performance under each indicator for the current and previous years' financial accountability ratings.
- C. Additional information required by the Commissioner of Education. In accordance with TEC 39.083, each school district is required to prepare and distribute an annual financial management report; and the public is provided an opportunity to comment on the report at a hearing. The Commissioner's rules regarding FIRST are included in the Texas Administrative Code (TAC) Chapter 109 Subchapter AA.

RATIONALE: The determination of the rating is as follows:

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

The district's 2024-2025 rating based on year 2023-2024 data was an "A"- Superior Achievement with a score of 98 out of 100.



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In the attachment included, you will find the following:

- The report received from TEA
 - A comparison of the indicators with the previous year
 - The required disclosures
1. A copy of the Superintendent's current employment contract
 2. A summary schedule for the fiscal year of expenditures paid on behalf of the Superintendent and each Board member and total reimbursements received by the Superintendent and each Board member
 3. A summary schedule for the fiscal year of the total dollar amount of compensation and fees received by the Superintendent from any outside entity in exchange for professional consulting or other personal services
 4. A summary schedule for the fiscal year of the total dollar amount of gifts that had an economic value of \$250 more received by the executive officers and Board members
 5. A summary schedule for the fiscal year of the dollar amount received by Board members for the total amount of business transactions with the school district

BUDGET IMPACT: There is no budget impact associated with this agenda item.

ADMINISTRATIVE RECOMMENDATION: This report is for information only.

For Approval? ☐ Yes ☒ No

If no, please check one: ☒ Presentation ☐ Report ☐ Information

Please check if applicable: ☒ Attachment Included



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Required Disclosures

1. Superintendent's Employment Contract

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the School FIRST hearing in calendar year 2025. In lieu of publication in the School 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. <https://www.fabensisd.net/about-fabens-isd/superintendent>

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

Description of Reimbursements	Martin Torres	Adan Escobar	Luis C. Estrada	Orlando Flores	Sylvia Gonzalez	Benjamin Morales	Angel Ornelas	Julieta Sepulveda
Lodging	\$137.34	\$211.84	\$1,337.10	\$852.72	\$1,337.10	\$474.00	\$891.47	\$676.98
Meals	\$98.00	\$46.00	\$232.00	\$186.00	\$216.00	\$66.00	\$144.00	\$232.00
Transportation	\$773.41	\$403.97	\$837.92	\$626.93	\$892.92	\$268.96	\$449.00	\$905.93
Other-Registration Fees		\$528.33	\$1,163.33	\$1,140.00	\$884.99	\$370.00	\$1,063.35	\$400.00

*Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2023, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include **Lodging** - Hotel charges. **Meals** – Meals consumed off the school district’s premises, and in-district meals at area restaurants (excludes catered meals for board meetings). **Transportation** - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls. **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.*



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3. Outside Compensation and or Fees received by the superintendent for Professional Consulting and or other personal services.

12-month period ended 8/31/2023	Name	Summary Amount
Acting Superintendent- Martin Torres	N/A	\$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)

12-month period ended 8/31/2023	Name	Summary Amount
Acting Superintendent	Martin Torres	\$0.00
Board Member	Adan Escobar	\$0.00
Board Member	Luis Carlos Estrada	\$0.00
Board Member	Orlando Flores	\$0.00
Board Member	Sylvia Gonzalez	\$0.00
Board Member	Benjamin Morales	\$0.00
Board Member	Angel Ornelas	\$0.00
Board Member	Julieta Sepulveda	\$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. Gifts received by first degree relatives, if any, will be reported under the applicable school official.



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5. Business Transactions between School District and Board Members.

12-month period ended 8/31/2023	Name	Summary Amount
Acting Superintendent	Martin Torres	\$0.00
Board Member	Adan Escobar	\$0.00
Board Member	Luis Carlos Estrada	\$0.00
Board Member	Orlando Flores	\$0.00
Board Member	Sylvia Gonzalez	\$0.00
Board Member	Benjamin Morales	\$0.00
Board Member	Angel Ornelas	\$0.00
Board Member	Julieta Sepulveda	\$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.

User: Silvia Nunez
User Role: District

RATING YEAR

2024-2025

DISTRICT NUMBER

district #

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Financial Integrity Rating System of Texas

2024-2025 RATINGS BASED ON SCHOOL YEAR 2023-2024 DATA - DISTRICT STATUS DETAIL

Name: FABENS ISD(071903)		Publication Level 1: 8/8/2025 12:54:09 PM	
Status: Passed		Publication Level 2: 8/8/2025 4:49:42 PM	
Rating: A = Superior Achievement		Last Updated: 8/8/2025 4:49:42 PM	
District Score: 98		Passing Score: 70	
#	Indicator Description	Updated	Score
1	<u>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?</u>	6/3/2025 4:46:17 PM	Yes
2	<u>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.)</u>	4/23/2025 6:09:49 PM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	4/23/2025 6:09:49 PM	Yes
4	<u>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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	4/23/2025 6:09:49 PM	Yes Ceiling Passed
			1 Multiplier Sum
5	<u>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 it is not, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement, unless 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. If the school district has an increase of students in</u>	4/23/2025 6:09:49 PM	Ceiling Passed

	<u>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.)</u>		
6	<u>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.)</u>	4/23/2025 6:09:49 PM	Ceiling Passed
7	<u>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.</u>	4/23/2025 6:09:49 PM	10
8	<u>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.</u>	4/23/2025 6:09:49 PM	10
9	<u>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.</u>	4/23/2025 6:09:49 PM	10
10	This indicator is not being evaluated.		10
11	<u>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.)</u>	4/23/2025 6:09:49 PM	10
12	<u>What is the correlation between future debt requirements and the district's assessed property value?</u>	4/23/2025 6:09:49 PM	10
13	<u>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.</u>	4/23/2025 6:09:49 PM	8
14	<u>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.</u>	4/23/2025 6:09:49 PM	10
15	<u>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.</u>	4/23/2025 6:09:49 PM	5
16	<u>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.)</u>	4/23/2025 6:09:49 PM	Ceiling Passed
17	<u>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.)</u>	4/23/2025 6:09:49 PM	Ceiling Passed
18	<u>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.)</u>	4/23/2025 6:09:49 PM	10
19	<u>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?</u>	4/23/2025 6:09:49 PM	5

20	<u>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?</u>	4/23/2025 6:09:49 PM	Ceiling Passed
21	<u>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?</u>	4/23/2025 6:09:49 PM	Ceiling Passed
			98 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			98 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
<p>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.</p> <p>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.</p>		

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 <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 21 (FSP Repayment Plan) - Response to indicator is <i>Yes</i> .	70	C = Meets Standard Achievement

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THE TEXAS EDUCATION AGENCY

1701 NORTH CONGRESS AVENUE • AUSTIN, TEXAS, 78701 • (512) 463-9734

FIRST 5.15.11.0

	Comparison of the Indicators with the Previous Year		
	Indicators	2024-2025 Score	2023-2024 Score
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?	Yes	Yes
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.)	Yes	Yes
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)	Yes	Yes
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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 days, A= Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)	Yes/ Ceiling Passed	Yes/ Ceiling Passed
5	Was the total net position in governmental activities column in the Statement of Net Position greater than zero?	Ceiling Passed	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 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.)	Ceiling Passed	Ceiling Passed
7	Was the number of days on cash on hand and current investments in the general funds for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?	10	10
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	10	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?	10	10
10	This indicator is not being evaluated	10	10
11	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?	10	10
12	What is the correlation between future debt requirements and the district's assessed property value?	10	10
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	8	8
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	10
15	This indicator is not being evaluated	5	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?	Ceiling Passed	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? (The AICPA defines material weakness.)	Ceiling Passed	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.)	10	10
19	Did the school district post the required 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	5
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?	Ceiling Passed	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?	Ceiling Passed	Ceiling Passed