



Friendswood ISD

2026 Annual Financial Management Report

For the Year Ending August 31, 2025

What is School FIRST and What is its Purpose?

- School FIRST is a financial accountability rating system that holds school districts accountable for the quality of their financial management practices.
- School FIRST is designed to encourage Texas public school to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes.
- School FIRST is a tool that creates transparency and discloses the quality of local management and decision making processes that the school district uses concerning the financial resources the school district receives.

Reporting Requirements

- School district must prepare and distribute an annual financial management report
- Public hearing to provide an opportunity for comment on the report

2026 Ratings

- 21 indicators
 - 4 considered “critical”
 - No answer to any of the critical indicators results in automatic Substandard Achievement
 - 7 considered “ceilings”
 - If the school district fails a ceiling indicator, the maximum points and highest rating the school district may receive is 89 points, B=Above Standard Achievement.
- 4 Ratings with letter grades:
 - A = Superior (90-100 points)
 - B = Above Standard (80-89)
 - C = Meets Standard (60-79)
 - F = Substandard Achievement (<60)

FISD Results

District Score:

90 out of 100 points

Rating:

A = Superior Achievement

Critical Indicators

#	Indicator Description	2024- 2025 Data	2023- 2024 Data
1	Was the complete annual financial report (AFR) and data submitted to the TEA on or before February 27, 2026?	YES	YES
2	Was there an unmodified opinion in the AFR on the financial statements as a whole?	YES	YES
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?	YES	YES
4	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	YES/ Ceiling Passed	YES/ Ceiling Passed

Solvency Indicators

#	Indicator Description	2024-2025 Data	2023-2024 Data
5	Was the total net position in the governmental activities column in the Statement of Net Position (net of the accretion of interest and premiums for capital appreciation bonds, net pension liability, and other post-employment benefits) 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?	Ceiling Passed	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)?	10	10
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	6	8
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

Solvency Indicators

#	Indicator Description	2024-2025 Data	2023-2024 Data
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?	10	10
11	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?	4	4
12	What is the correlation between future debt requirements and the district's assessed property value?	10	8
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	10	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.	10	10
15	Was the school district's ADA within the allotted range of the district's biennial ADA projection submitted to TEA by the school district? If the district did not submit ADA projections to TEA, it must certify TEA's projections to pass this indicator.	5	5

Solvency Indicators

#	Indicator Description	2024-2025 Data	2023-2024 Data
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?	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 and free from substantial doubt about the school district's ability to continue as a going concern?	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?	10	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?	5	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?	Ceiling Passed	Ceiling Passed
21	Did the school district receive an adjusted repayment schedule for more than one fiscal year over-allocation of Foundation School Program (FSP) funds because of a financial hardship?	Ceiling Passed	Ceiling Passed
	TOTAL RATING:	90	90

Required Disclosures

- Schedule of Reimbursements made to the Superintendent and all Board Members is disclosed in the report
- There were no business transactions between the District and any board members
- The Superintendent did not receive any outside compensation or consulting fees
- The Superintendent and board members did not receive any reportable gifts >\$250
- The Superintendent's contract is on the website



QUESTIONS?