



**HALLSVILLE INDEPENDENT SCHOOL
DISTRICT**

2023-24 School District FIRST Rating

SCHOOL FIRST

- ❖ The Financial Integrity Rating System of Texas is known as School FIRST.
- ❖ FIRST measures the quality of financial management in Texas public schools and is an element of district financial transparency.
- ❖ The Texas Education Agency has developed indicators, based on data reported in the Annual Financial Report from the prior fiscal year (2022-23), to measure the quality of Districts' financial management processes.

HISD'S FIRST RATING

- ❖ Hallsville ISD earned a “Superior Achievement” rating in the School FIRST system.
- ❖ HISD scored 92 out of a possible 100 points on the now 21 system indicators (2 of which were not scored in this rating period).

FIRST INDICATORS AND RESPONSES

| FIRST INDICATOR DESCRIPTION | 2022-2023 HALLSVILLE ISD DATA | 2022-2023 RESPONSE |
|--|---|---------------------------------|
| 1. Was the annual financial report (AFR) and data submitted to the TEA within 30 days of the January 28 th deadline? | The AFR was submitted to TEA on January 23, 2024. | Yes |
| 2. Was there an unmodified opinion in the AFR on the financial statements as a whole? | The independent auditors gave an unmodified, or 'clean', opinion in the annual report. | Yes |
| 3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? | Hallsville ISD has not defaulted on any bonded debt. | Yes |
| 4. Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), the IRS and other governmental agencies? | HISD made timely payments to these government agencies. | Yes |
| 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? | HISD's net position, as defined in the indicator, was \$108,465,957. | Yes |
| 6. Was the average change in fund balances over 3 years less than a 25% decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? | Fund Balance 3 year increase was 69.16%-No decrease | Ceiling Indicator Only - 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? | Cash and Equivalents & Investments in the General Fund: \$99,979,736 Days of Cash on Hand: 179.7198 (>90 days = 10 points) | 10 points |
| 8. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (10 pts) | Current Assets to Liabilities Ratio = 1.3106 Similar ratio and same rating as previous year. | 2 points |

FIRST INDICATORS AND RESPONSES

| FIRST INDICATOR DESCRIPTION | 2022-2023 HALLSVILLE ISD DATA | 2022-2023 RESPONSE |
|--|--|-----------------------|
| 9. Did general fund revenues equal or exceed expenditures? Was the school district's number of days of cash on hand greater than or equal to 60 days? | Cash and Equivalents plus Investments = \$99,979,736 Total Expenditures = \$203,052,747 Number of days of Cash on Hand = 179.7198 | 10 points |
| 10. Did the school district average less than a 10% variance when comparing budgeted revenues to actual revenues for the last fiscal years? <u>Indicator was not scored. per TEA-full points given</u> | 2020-2021 variance = 28.6% 2021-2022 variance = 26.3% 2022-2023 variance = 31.4% 3 yr avg = 28.8% | 10 points |
| 11. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency, or did student enrollment increase over 7% over last 5 years? | Yes, student enrollment increased 109%, and LT Liab/Asset ratio was .2416, which is below 0.60 ceiling for full indicator point value. | 10 points |
| 12. Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? | Yes, Debt/Prop Value Ratio = 1.027, which is less than the ceiling of 4 for full indicator point value. | 10 points |
| 13. Was the district's Administrative Cost Ratio equal to or less than the Threshold Ratio of 0.0855 for 10,000+ ADA? | Yes, HISD's Administrative Cost Ratio = .0235 | 10 points |
| 14. Did the school district not have a 15% decline in the students to staff ratio over 3 years? <u>This indicator was not scored. per TEA-full points given</u> | Student to Staff Ratio 2020-2021 = 20.7409 Student to Staff Ratio 2022-2023 = 24.7067 Percent Change Student to Staff Ratio = 19.12% increase Enrollment Increase = 4,551 | 10 points |
| 15. Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? (5 pts) <u>This indicator was not scored. per TEA-full points given</u> | No, Actual 2022-23 ADA = 20,394.879 Projected 2022-23 ADA submitted Fall 2020 = 14,794.400 Range = .3786, but allowed range is < .07 for 10,000+ ADA ADA 5,000-9,999 allowed range is < .10 | 5 points |

FIRST INDICATORS AND RESPONSES

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|--|---|--------------------------------|
| 16. Did the comparison of PEIMS data to like info in the AFR result in a total variance of less than 3% of all expenditures by function? | Yes, the District's total variance was only 0.0001% | Ceiling Indicator Only- Passed |
| 17. Did the external auditor report the AFR was free of any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? | Yes | Ceiling Indicator Only- Passed |
| 18. Did the external auditor indicate the AFR was free of any instances of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? | Yes | 10 points |
| 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 FYE? | Yes | 5 points |
| 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? | Yes | Ceiling Indicator Only- 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? | No | Ceiling Indicator Only- Passed |
| | | |

FIRST – ANNUAL DISCLOSURES

- ✘ For the 12 Month Period Ending 8/31/2023
- ✘ Superintendent’s Contract – Available Online
- ✘ Select Expenditures – Required Reports:

| Ended August 31, 2023 | | Place 1 | Place 2 | Place 3 | Place 4 | Place 5 | Place 6 | Place 7 |
|-------------------------------|--------------------|-------------------|-----------------|-------------------|-------------------|-----------------|-------------------|-----------------|
| Description of Reimbursements | Superintendent | Shane Goswick | Doug McGarvey | Jay Nelson | Lee Gaw | Jason Ainsworth | Troy Crafton | Dale Haney |
| Meals | \$ 3,336.38 | \$ 0.00 | \$ 0.00 | \$ 102.00 | \$68.41 | \$ 0.00 | \$52.41 | \$ 0.00 |
| Lodging | 9,020.23 | 819.90 | 457.08 | 865.95 | 865.95 | 457.08 | 865.95 | 457.08 |
| Transportation | 2,935.62 | 365.49 | 0.00 | 835.84 | 666.97 | 0.00 | 630.97 | 0.00 |
| Motor Fuel | 426.62 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other | 1,137.50 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 |
| Total | \$16,856.35 | \$1,510.39 | \$782.08 | \$2,128.79 | \$1,926.33 | \$782.08 | \$1,874.33 | \$782.08 |

FIRST ANNUAL DISCLOSURES

- ✘ The Superintendent did not receive any outside compensation during the fiscal year 2022-23.
- ✘ District Executive Officers and Trustees (and 1st degree relatives, if any) did not receive gifts (aggregate value of \$250 or more per fiscal year)
- ✘ There were no business transactions between the school district and Trustees in the 2022-2023 fiscal year.

QUESTIONS?

- ❖ Link to Hallsville's FIRST rating at TEA:
<https://tealprod.tea.state.tx.us/First/forms/District.aspx?year=2022&district=102904>
- ❖ For Questions, please contact Mary Brown, Assistant Superintendent of Finance, at (903) 668-5990 ext. 5036 or e-mail at mbrown@hisd.com.