



*FINANCIAL INTEGRITY RATING
SYSTEM OF TEXAS PUBLIC
HEARING NOVEMBER 19, 2024*



Southwest^{grad cap}

Independent School District



What is schools FIRST?

Schools FIRST is the Financial Integrity Rating System of Texas

Senate Bill 218 of the 77th Legislature (2001) implemented FIRST. This law requires the financial health of every school district in Texas to be evaluated.

The primary goal of Schools FIRST is to achieve quality performance in the management of school district's financial resources, a goal made more significant due to the complexity of accounting associated with Texas School Finance Systems.



School FIRST Scoring

School districts are required to hold a public meeting to publicize the district's financial report and rating.

Schools FIRST accountability rating assigns one of the four financial ratings to Texas School Districts.

- Superior (A)
- Above Standard (B)
- Meets Standard (C)
- Substandard Achievement (F)



Southwest ISD Earned

Superior Rating

Superior Rating 22 Years in a Row



21 Base Indicators

TEA used the following 21 criteria to rate school districts. The following are the responses to the questions used to assess the district's financial management condition.

The data used to determine this rating is from the 2022-2023 fiscal year.

Southwest ISD Earned a Superior rating with a District Score of **92** out of **100** possible points.



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? **Passed**
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.) **Passed**



3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? **Passed**
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? **Passed**
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? **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? **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)? **Yes, the district received ten of the possible ten points.**
8. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? **Yes, the district received ten of the possible ten points.**



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? **Yes, the district received ten of the possible ten points.**



10. This indicator is not being evaluated.
11. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? **Yes, the district received six of the possible ten points.**
12. What is the correlation between future debt requirements and the district's assessed property value? **Yes, the district received six of the possible ten points.**



13. Was the school district's administrative cost ratio equal to or less than the threshold ratio? **Yes, the district received ten of the possible ten points.**

FORMULA

Field	District Administrative Cost Ratio	Value	0.07782706
And	ADA		12,031.59
Or	Sparse		false

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS		10	8	6	4	2	0
ADA Size	10,000 and Above	<= 0.0855	> 0.0855 <= 0.1105	> 0.1105 <= 0.1355	> 0.1355 <= 0.1605	> 0.1605 <= 0.1855	> 0.1855



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)? **Yes, the district received ten of the possible ten points.**
15. This indicator is not being evaluated.
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? **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? (The AICPA defines material weakness.) **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.) **Yes, the district received ten of the possible ten 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 the school district's fiscal year end? **Yes, the district received five of the possible five points.**



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? **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? **Passed**



Disclosures

Reporting requirements for the financial management report for the School FIRST public hearing are found in **Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1001(q)**. This rule prescribes requirements for the six disclosures that are included in the School FIRST financial management report.



1. Superintendent's Employment Contract

The school district must provide a copy of the superintendent's current employment contract that is effective on the date of the School FIRST hearing. In lieu of publication in the School FIRST financial management report, the school district may publish the superintendent's employment contract on the school district's website. If published on the district's website, the contract is to remain accessible for twelve months.

[Superintendent's Contract](#)



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

	Board	Board	Board	Board	Board	Board	Board	
	Superintendent	Member 1	Member 2	Member 3	Member 4	Member 5	Member 6	Member 7
	Dr. Ball	Diaz	Carrillo	Vasquez	Gonzalez	Sudolcan	Sullivan	Bernal
Meals	455.68	144.06	269.83	676.2	40.56	101.16	40.56	35.56
Lodging	2250.08	2512.62	2684.72	4284.61	2107.41	284.97	250	3875.7
Transportation	410.76	1509.77	1661.43	1442.57	1283.94	1052.29	959.7	1470.51
Motor Fuel		669.71						
Other	6654.92	2882.25	3743.54	3477.71	1829.25	1719.78	529	3694.6
Total	\$9,771.44	\$7,718.41	\$8,359.52	\$9,881.09	\$5,261.16	\$3,158.20	\$1,779.26	\$9,076.37



3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services.

- **None Reported**

Questions or Comments

