

**School Financial Integrity Rating System
of Texas (FIRST)
Annual Financial Management Report**

Huntsville Independent School District

Primary Goal/Development

- The state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices.
- The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.
- The School FIRST rating is based upon an analysis of staff and student data reported for the 2022-2023 school year, and budgetary and actual financial data for the fiscal year ended August 31, 2023.

Primary Goal/Development (cont.)

- The School FIRST rating system rated the District based on the scores received from 21 separate performance indicators. Each performance indicator was designed to assess the quality of the financial management of the district's resources. Some indicators are pass/fail and other indicators can be worth up to 10 points each.

Indicator/Explanations and HISD's Answers

- 1. Was the complete Annual Financial Report (AFR) and data submitted to the TEA within 30 days of the January 28th deadline for the district's Fiscal Year end date August 31?

Was your Annual Financial Report filed by the deadline?

Huntsville's answer - Yes, submitted January 25, 2024.

Indicator Passed

Indicator/Explanations and HISD's Answers

- 2. Was there an Unmodified Opinion in the AFR on the financial statements as a whole?

Huntsville's answer - Yes

Indicator Passed

Indicator/Explanations and HISD's Answers

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

This indicator seeks to make certain that your district has paid your bills/obligations on bonds issued to pay for school constructions etc.

Huntsville's answer - Yes

Indicator Passed

Indicator/Explanations and HISD's Answers

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

Huntsville's answer - Yes

Indicator Passed

Indicator/Explanations and HISD's Answers

- 5. Was the total net position in the governmental activities greater than zero?

Huntsville's answer - Yes

Indicator Passed

Indicator/Explanations and HISD's Answers

- 6. A. Was the average change in fund balances over 3 years less than a 25% decrease?

Huntsville's answer - Yes, fund balance increased by 32%

- 6. B. Did the current year's fund balances exceed 75 days of operational expenditures?

Huntsville's answer - Yes, fund balance equals 142 days

Indicator Passed

Indicator/Explanations and HISD's Answers

- 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)?

Huntsville's answer - Yes, 261 days cash on hand.

Huntsville received 10 out of 10 possible points for exceeding 90 days cash on hand.

Indicator/Explanations and HISD's Answers

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

Huntsville's answer - Yes, Current Ratio of 2.68.

Huntsville received 8 out of 10 possible points due to the payments for the TOPS vendor are made after August 31. To receive 10 points the Current Ratio must be 3.0.

Indicator/Explanations and HISD's Answers

- 9. Did the school district's general fund revenues equal or exceed expenditures?

Huntsville's answer - Yes, exceeded by 7.2%.

Huntsville received 10 out of 10 possible points.

Indicator/Explanations and HISD's Answers

- 10. This indicator is no longer being scored.

Indicator/Explanations and HISD's Answers

- 11. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long term solvency?

Huntsville's answer - Yes, Current Ratio of .4518.

Huntsville received 10 out of 10 possible points. To receive 10 points the Current Ratio must be $\leq .60$.

Indicator/Explanations and HISD's Answers

- 12. Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?

Huntsville's answer - Yes, ratio is 2.8033.

Huntsville received 10 out of 10 possible points. To receive 10 points the ratio must be ≤ 4 .

Indicator/Explanations and HISD's Answers

- 13. Was the school district's administrative cost ratio equal to or less than the threshold ratio?

Huntsville's answer - Yes, ratio of .051.

Huntsville received 10 out of 10 possible points for ratio \leq .0855.

Indicator/Explanations and HISD's Answers

- 14. Did the school district enrollment increase? If not, was there a decline of 15 percent or more in the student to staff ratio over 3 years.

Huntsville's answer - Yes, enrollment increased by 455.

Huntsville received 10 out of 10 possible points.

Indicator/Explanations and HISD's Answers

- 15. This indicator is no longer being scored.

Indicator/Explanations and HISD's Answers

- 16. Did the comparison of PEIMS data to like information in AFR result in a total variance of less than 3 percent of all expenditures by function?

Huntsville's answer - Yes, variance = 0.00%.

Huntsville received 10 out of 10 possible points .

Indicator/Explanations and HISD's Answers

- 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?

Huntsville's answer - Yes

Huntsville received 10 out of 10 possible points.

Indicator/Explanations and HISD's Answers

- 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?

Huntsville's answer - Yes

Huntsville received 10 out of 10 possible points.

Indicator/Explanations and HISD's Answers

- 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?

Huntsville's answer - Yes

Huntsville received 5 out of 5 possible points.

Indicator/Explanations and HISD's Answers

- 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?

Huntsville's answer - Yes

Indicator Passed

Indicator/Explanations and HISD's Answers

- **New** 21. Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of FSP funds because of financial hardship?

Huntsville's answer - No

Indicator Passed

How Ratings are Currently Assessed

- The School FIRST accountability rating system assigns four possible financial accountability ratings to Texas school districts.
 1. A = Superior Achievement 90-100 points
 2. B = Above Standard Achievement 80-89 points
 3. C = Standard Achievement 60-79 points
 4. F = Substandard Achievement <59 points

Conclusion

**Huntsville ISD scored 98 points and
received a rating of A or Superior
Achievement.**

Thank you!!