



FIRST Public Hearing

NOVEMBER 17, 2025
Board Presentation

Financial Integrity Rating Systems Of Texas

Developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999:

- to ensure financial accountability and transparency across Texas Public Schools.
- by evaluating district financial management, solvency, and compliance with state and federal standards through a rating scale:

A = Superior Achievement

B = Above Standard

C = Meets Standard

F = Substandard

Outcome:

Superior Achievement

Boerne ISD earned an “**A**” indicating “**Superior Achievement**” rating for the 2024–2025 fiscal year. This is the highest possible rating under the FIRST system. Boerne ISD has earned an A in 23 of the 24 years since inception.

What It Means:

- Demonstrates **excellent** financial management and accountability.
- Reflects **strong** fund balance, liquidity, and debt management practices.
- Confirms **accurate and transparent** financial reporting.
- Indicates sound **fiscal planning and compliance** with all requirements.

Statewide Ratings

Ratings	Count	% Total	Enrollment	%Total Enrollment
A = Superior	862	84.68%	4,575,411	89.49%
B = Above Standard	87	8.55%	256,283	5.01%
C = Meets Standard	49	4.81%	136,403	2.67%
F = Substandard Achievement	20	1.96%	144,596	2.83%
Total	1,018	100.00%	5,112,693	100.00%

Alignment to Boerne ISD District Improvement Plan

Direct connection to Goal 3, Performance Objective2:

Strategy 2 – Implement effective financial practices as evidenced by a continued A-rating in FIRST for fiscal year 25-26: **Achieved!**

Strategy 3 – Conduct annual financial audits to ensure efficiency and effectiveness of operations, utilizing opportunities to redirect resources to enhance financial opportunities. **As seen in indicator 2, the District received an unmodified opinion on its last audit.**

Indicators 1–4

INDICATOR: Test 1

Score: Yes

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?

This indicator ensures that the district meet deadlines for submitting our audited financial data.

INDICATOR: Test 3

Score: Yes

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

This indicator checks the financial solvency of the district.

INDICATOR: Test 2

Score: Yes

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.)

This indicator assesses the accuracy and reliability of the district's financial reporting. A clean audit indicates that the district's financial records are in good order and comply with accounting standards.

INDICATOR: Test 4

Score: Yes

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? *This indicator checks if the district made required payments on time to various state and federal entities responsible for employee benefits, taxes, and other payroll related obligations.*

Indicators 5–8

INDICATOR: Test 5

Score: Ceiling Passed

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?

This indicator assesses the overall financial health of the district. A positive net position \geq zero indicates that the district can meet our obligations with the resources we currently hold.

INDICATOR: Test 6

Score: Ceiling Passed

Was the average change in (assigned and unassigned) 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? *This indicator measures whether the district is increasing or depleting our available financial resources (assigned and unassigned fund balances) over time.*

INDICATOR: Test 7

Score: 8/10

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)?

This indicator assesses whether the district had a sufficient number of days of cash on hand to cover operating expenses.

INDICATOR: Test 8

Score: 10/10

Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? *This indicator assesses if the district financial health is stable enough to manage our short-term debts.*

Indicators 9–13

INDICATOR: Test 9

Score: 10/10

Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)?

This indicator assesses the district's fiscal responsibility and ability to sustainably manage our resources and avoiding a deficit.

INDICATOR: Test 10

Score: 10/10

Did the school district achieve less than a 10% variance in budgeted to actual revenues?

This indicator is not being scored for all districts this year; we would achieve the full 10 points.

INDICATOR: Test 11

Score: 10/10

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

This indicator assesses whether the district's financial structure is stable enough to handle our long-term obligations without jeopardizing our financial position.

INDICATOR: Test 12

Score: 10/10

What is the correlation between future debt requirements and the district's assessed property value?

This indicator assesses whether the district has a sustainable balance between our debt and our tax base.

INDICATOR: Test 13

Score: 8/10

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

This indicator assesses the district's fiscal responsibility and prioritization of resources. The threshold is designed to keep administrative costs reasonable, so that more funds can be allocated to instruction and student services. Districts are tiered by ADA size ranging from sparse to 10,000 and above. We moved into the 10,000 and above tier for the first time this year and missed the full 10 points by less than two hundredths of a point despite being one of the smallest school districts in this tier.

Indicators 14–18

INDICATOR: Test 14

Score: 10/10

Did the school district not have a 15% decline in the students to staff ratio over 3 years (total enrollment to total staff)?

This indicator assesses that staffing levels remain efficient and proportionate to student enrollment.

INDICATOR: Test 15

Score: 5/5

Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA?

This indicator measures whether districts can accurately project the students they will be funded on.

INDICATOR: Test 16

Score: Ceiling Passed

Did the comparison of Public Education Information Management System 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?

This indicator measures the district's ability to ensure consistent and accurate reporting of financial data across different sources of data, PEIMS, and the district's AFR.

INDICATOR: Test 17

Score: Ceiling Passed

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?

This indicator assesses whether the district had any material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds.

INDICATOR: Test 18

Score: 10/10

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?

This indicator assesses the district's compliance with financial regulations related to grants, contracts, and laws relating to local, state, and federal funds.

Indicators 19–21

INDICATOR: Test 19

Score: 5/5

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?

This indicator evaluates whether the district has adhered to these regulations by timely and accurately posting the required materials to ensure public access and accountability.

INDICATOR: Test 20

Score: Ceiling Passed

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? *This indicator reflects the district's proactive in financial planning and responsiveness to funding changes, allowing sufficient time to assess the financial landscape, plan accordingly, and make informed decisions about the budget.*

INDICATOR: Test 21

Score: Ceiling Passed

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?

This indicator assesses whether the district was allowed to spread out the repayment over more than one fiscal year to ease financial strain. This indicator helps evaluate the financial management and stability of the district.

Public Hearing
