



# FIRST Rating 2025 Public Hearing-December 15, 2025



Michael McSwain, Interim Chief Business Officer

# **FY 2024**

**B-Above Standard Achievement(82)**

# **FY 2025**

**C-Meets Standard Achievement(70)**

**Assigned due to multi-year TEA  
repayment**

**Actual Score-74...due to cash  
balance and fund balance.  
Change is calculation method(s)  
from prior years.**



# FIRST: Financial Integrity Rating System of Texas

- **21 Indicators**
- Indicators #1, 2, 3, 4, 5, 15, 16, 17, 20 are pass/fail-no numeric score
- Indicator #6 fail-decline in Fund Balance over 3-year period greater than 25% (89 is the max score)
- Indicator # 21 fail-multi year repayment schedule to TEA (70 is the max score)



User: Michael McSwain  
User Role: District

RATING YEAR 2024-2025

DISTRICT NUMBER district #

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## 2024-2025 RATINGS BASED ON SCHOOL YEAR 2023-2024 DATA - DISTRICT STATUS DETAIL

Name: DESOTO ISD(057906)		Publication Level 1: 8/5/2025 2:31:42 PM	
Status: Passed		Publication Level 2: None	
Rating: C = Meets Standard Achievement		Last Updated: 8/5/2025 2:31:42 PM	
District Score: 70		Passing Score: 70	
#	Indicator Description	Updated	Score
1	<u>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?</u>	4/23/2025 6:09:49 PM	Yes
2	<u>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.)</u>	4/23/2025 6:09:49 PM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	4/23/2025 6:09:49 PM	Yes
4	<u>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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	4/23/2025 6:09:49 PM	Yes Ceiling Passed
			1 Multiplier Sum
5	<u>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? (If it is not, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement, unless the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership. If the school district has an increase of students in</u>	4/23/2025 6:09:49 PM	Ceiling Passed

	<u>membership over 5 years of 7 percent or more or 1,000 or more students in membership, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>		
6	<u>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? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	4/23/2025 6:09:49 PM	Ceiling Failed
7	<u>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)? See ranges below in the Determination of Points section.</u>	4/23/2025 6:09:49 PM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	4/23/2025 6:09:49 PM	2
9	<u>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? See ranges below in the Determination of Points section.</u>	4/23/2025 6:09:49 PM	10
10	This indicator is not being evaluated.		10
11	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's increase of students in membership over 5 years was 7 percent or more or 1,000 or more students in membership, then the school district passes this indicator.)</u>	4/23/2025 6:09:49 PM	8
12	<u>What is the correlation between future debt requirements and the district's assessed property value?</u>	4/23/2025 6:09:49 PM	10
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	4/23/2025 6:09:49 PM	4
14	<u>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.</u>	4/23/2025 6:09:49 PM	10
15	<u>Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.</u>	4/23/2025 6:09:49 PM	5
16	<u>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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	4/23/2025 6:09:49 PM	Ceiling Passed
17	<u>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.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	4/23/2025 6:09:49 PM	Ceiling Passed
18	<u>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.)</u>	4/23/2025 6:09:49 PM	0
19	<u>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?</u>	4/23/2025 6:09:49 PM	5

20	<u>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?</u>	4/23/2025 6:09:49 PM	Ceiling Passed
21	<u>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?</u>	4/23/2025 6:09:49 PM	Ceiling Failed
			74 Weighted Sum
			1 Multiplier Sum
			(70 Ceiling)
			70 Score

## DETERMINATION OF RATING

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.		
B.	Determine the rating by the applicable number of points.		
	A = Superior Achievement	90-100	
	B = Above Standard Achievement	80-89	
	C = Meets Standard Achievement	70-79	
	F = Substandard Achievement	<70	
<b>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</b>			
The school district receives an <b>F</b> if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.			

## CEILING INDICATORS

Did the school district meet the criteria for any of the following <b>ceiling indicators</b> 4, 5, 6, 16, 17, 20, or 21? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.		
<b>Determination of rating based on meeting ceiling criteria.</b>	<b>Maximum Points</b>	<b>Maximum Rating</b>
<b>Indicator 4</b> (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
<b>Indicator 5</b> (Total Net Position) - Negative total net position and do not have 7% or more or 1.000 or more increase in growth in students in membership over 5 years.	79	C = Meets Standard Achievement

<b>Indicator 6</b> (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 16</b> (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 17</b> (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
<b>Indicator 20</b> (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 21</b> (FSP Repayment Plan) - Response to indicator is Yes.	70	C = Meets Standard Achievement

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FIRST 5.15.10.0



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## 2024-2025 RATINGS BASED ON 2023-2024 SCHOOL YEAR DATA INDICATOR TEST 6

Name:	DESOTO ISD (057906)
Indicator:	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? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)
Ceiling	Ceiling criteria met. The maximum points and highest rating that your school district may receive is 89 points, B = Above Standard Achievement.
Last Updated:	4/23/2025 6:09:49 PM

### FORMULA

Field	Value	
(		
(		
(		
2021-2022 Assigned and Unassigned Fund Balances	14,732,551	?
- 2020-2021 Assigned and Unassigned Fund Balances	18,506,297	?
)		
/ 2020-2021 Assigned and Unassigned Fund Balances	18,506,297	?
)		
+		
(		
(		
2022-2023 Assigned and Unassigned Fund Balances	8,230,193	?
- 2021-2022 Assigned and Unassigned Fund Balances	14,732,551	?
)		
/ 2021-2022 Assigned and Unassigned Fund Balances	14,732,551	?
)		
+		
(		
(		
2023-2024 Assigned and Unassigned Fund Balances	5,067,199	?
- 2022-2023 Assigned and Unassigned Fund Balances	8,230,193	?
)		
/ 2022-2023 Assigned and Unassigned Fund Balances	8,230,193	?
)		
)		
/ 3		
>= Threshold for Three-Year Percent Change in Fund Balances	-0.25	?
Or		
2023-2024 Assigned and Unassigned Fund Balances	5,067,199	?



>			
(			
(	2023-2024 Total Expenditures	67,627,983	
-	2023-2024 Capital Outlay	60,243	
)			
/	365		
*	75		
)			

Mathematical Breakdown: -0.3432 >= -0.25 Or 5,067,199 > 13,883,782.1918

RESULT DETERMINATION REFERENCE

CEILING DETERMINATION

This indicator will be considered PASSED for the Ceiling if the average change in fund balances over 3 years had less than a 25 percent decrease or the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures.

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2024-2025 RATINGS BASED ON 2023-2024 SCHOOL YEAR DATA INDICATOR TEST 8

Name:	DESOTO ISD (057906)
Indicator:	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.
Result/Points	2
Last Updated:	4/23/2025 6:09:49 PM

FORMULA

Field	Value	
Current Assets	55,771,017	
/ Current Liabilities	37,241,838	
Mathematical Breakdown: 1.4975		

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
>=3.00	<3.00 >=2.50	<2.50 >=2.00	<2.00 >=1.50	<1.50 >=1.00	<1.00



Financial Integrity Rating System of Texas

2024-2025 RATINGS BASED ON 2023-2024 SCHOOL YEAR DATA INDICATOR TEST 13

Name:	DESOTO ISD (057906)
Indicator:	Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.
Result/Points	4
Last Updated:	4/23/2025 6:09:49 PM

FORMULA

Field	Value	
District Administrative Cost Ratio	0.1676923445	?
And		
ADA	5,297.456	?
Or		
Sparse	false	?

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS						
ADA Size	10	8	6	4	2	0
10,000 and Above	<= 0.0855	> 0.0855 <= 0.1105	> 0.1105 <= 0.1355	> 0.1355 <= 0.1605	> 0.1605 <= 0.1855	> 0.1855
5,000 to 9,999	<= 0.1000	> 0.1000 <= 0.1250	> 0.1250 <= 0.1500	> 0.1500 <= 0.1750	> 0.1750 <= 0.2000	> 0.2000
1,000 to 4,999	<= 0.1151	> 0.1151 <= 0.1401	> 0.1401 <= 0.1651	> 0.1651 <= 0.1901	> 0.1901 <= 0.2151	> 0.2151
500 to 999	<= 0.1311	> 0.1311 <= 0.1561	> 0.1561 <= 0.1811	> 0.1811 <= 0.2061	> 0.2061 <= 0.2311	> 0.2311
Less than 500	<= 0.2404	> 0.2404 <= 0.2654	> 0.2654 <= 0.2904	> 0.2904 <= 0.3154	> 0.3154 <= 0.3404	> 0.3404
Sparse	<= 0.3364	> 0.3364 <= 0.3614	> 0.3614 <= 0.3864	> 0.3864 <= 0.4114	> 0.4114 <= 0.4364	> 0.4364



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## 2024-2025 RATINGS BASED ON 2023-2024 SCHOOL YEAR DATA INDICATOR TEST 14

Name:	DESOTO ISD (057906)
Indicator:	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.
Result/Points	10
Last Updated:	4/23/2025 6:09:49 PM

### FORMULA

Field	Value	
(		
2023-2024 Total Enrollment	5,995	?
/		
2023-2024 Number of FTE Staff	743.1097	?
)		
/		
(		
2021-2022 Total Enrollment	7,344	?
/		
2021-2022 Number of FTE Staff	870.0082	?
)		
-		
1		
>		
Threshold for Three-Year Percent Change in Ratio	-0.15	?
Or		
2023-2024 Total Enrollment	5,995	?
-		
2021-2022 Total Enrollment	7,344	?
>		
0		
Mathematical Breakdown: $-0.0443 > -0.15$ Or $-1,349 > 0$		

### RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No

User: Michael McSwain  
User Role: District

DISTRICT NUMBER

district #

Select An Option

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## 2024-2025 RATINGS BASED ON 2023-2024 SCHOOL YEAR DATA INDICATOR TEST 15

Name:	DESOTO ISD (057906)
Indicator:	Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.
Result/Points	5
Last Updated:	4/23/2025 6:09:49 PM

### FORMULA

Field	Value	
(		
Actual ADA	5,297.456	?
- Projected ADA	6,500	?
)		
/ Projected ADA	6,500	?

### RESULT DETERMINATION REFERENCE

#### DETERMINATION OF POINTS

ADA Size	5	0
10,000 and Above	<= 0.07	> 0.07
5,000 to 9,999	<= 0.10	> 0.10
1,000 to 4,999	<= 0.20	> 0.20

500 to 999	$\leq 0.25$	$> 0.25$
Less than 500	$\leq 0.30$	$> 0.30$
Sparse	$\leq 0.35$	$> 0.35$

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User: Michael McSwain  
User Role: District

DISTRICT NUMBER

district #

Select An Option

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## 2024-2025 RATINGS BASED ON 2023-2024 SCHOOL YEAR DATA INDICATOR TEST 18

Name:	DESOTO ISD (057906)
Indicator:	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.)
Result/Points	0
Last Updated:	4/23/2025 6:09:49 PM

### FORMULA

Field	Value
Not Material Non-Compliance	<input type="text" value="true"/>

### RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No

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User: Michael McSwain  
User Role: District

DISTRICT NUMBER

district #

Select An Option

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## 2024-2025 RATINGS BASED ON 2023-2024 SCHOOL YEAR DATA INDICATOR TEST 21

Name:	DESOTO ISD (057906)
Indicator:	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?
Ceiling	Failed
Last Updated:	4/23/2025 6:09:49 PM

### FORMULA

Field	Value
Adjusted Repayment Plan	true

### RESULT DETERMINATION REFERENCE

#### CEILING DETERMINATION

The indicator will be considered PASSED for the Ceiling if the district does not 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.

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2024 School FIRST Hearing

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

For the Twelve-

Month Period

Ended June 30, 2024

	Superintendent	Board Member - Place 1	Board Member - Place 2	Board Member - Place 3	Board Member - Place 4	Board Member - Place 5	Board Member - Place 6	Board Member - Place 7
Description of	Dr. Usamah Rodgers	Cynthia Watson-Banks	Chasiti McKissic	Karen Lacy	James Durham	Abe Cooper	Eboni Mitchell	Traci McNairy
Reimbursement								
Meals		\$1,028.01	\$62.50	\$941.50	\$950.00	\$1,226.50	\$224.00	\$1,208.00
Lodging	\$3,393.38	\$3,377.64	\$3,037.84	\$1,739.36	\$4,432.00	\$4,267.52	\$609.00	\$3,808.38
Transportation	\$1,596.18	\$1,236.08	\$1,276.91	\$1,033.69	\$1,424.00	\$1,059.64	\$341.00	\$1,941.29
Motor Fuel		0	0	0	0	0	0	0
Other	\$2,105.00	\$2,500.00	\$2,190.00	\$2,744.00	\$2,740.00	\$3,275.00	\$485.00	\$2,913.00
Total	\$7,094.56	\$8,141.73	\$6,567.25	\$6,458.55	\$9,546.00	\$9,828.66	\$1,659.00	\$9,870.67

Note: The spirit of the rule is to capture all "reimbursements" for fiscal year 2024, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category includes:

Meals - Meals consumed off the school district's premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

Lodging - Hotel charges

Transportation - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.

Motor fuel - Gasoline

Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintenedent and board members not defined above.



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2024 School FIRST Hearing

Disclosure - 4: Gifts Received by the Executive Officers (s) and Board Members (and First Degree Relatives, if any) for FY2024

For the Twelve-

Month Period

Ended June 30, 2024

	Superintendent	Board Member - Place 1	Board Member - Place 2	Board Member - Place 3	Board Member - Place 4	Board Member - Place 5	Board Member - Place 6	Board Member - Place 7
	Dr. Usamah Rodgers	Cynthia Watson-Banks	Chasiti McKissic	Karen Lacy	James Durham	Abe Cooper	Eboni Mitchell	Traci McNairy
Summary Amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note: An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. Gifts received by first degree relatives, if any, will be reported





# Thank You

