



**Temple Independent School District**  
**Annual Financial Management Report**  
**Financial Integrity Rating System of Texas (FIRST)**  
**Fiscal Year 2023-24**

**Using Data for Fiscal Year Ended June 30, 2023**



The Financial Accountability Rating System of Texas (Schools FIRST) was developed by the Texas Education Agency (TEA) in response to Senate Bill 875 of the 76th Texas Legislature in 1999. Schools FIRST is administered by TEA and calculated on information submitted to TEA via our Public Education Information Management System (PEIMS) submission each year. During the 77th regular session of the Texas Legislature in 2001, Senate Bill 218 was passed and signed into law by Governor Perry shortly thereafter. This law requires each school district to prepare an annual financial accountability report, within two months of receiving the official ratings. The primary goal of Schools FIRST is to achieve quality performance in school districts' financial resources management, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

The primary objective of the rating system is to assess the quality of financial management in Texas public schools. A secondary objective is to measure and report the extent to which financial resources in Texas public schools assure the maximum allocation possible for direct instructional purposes. Other objectives reflect a rating system that fairly and equitably evaluates the quality of financial management decisions.

As a result of House Bill 5 of the 83<sup>rd</sup> Texas Legislature in 2013, TEA implemented major changes to the Schools FIRST system in August 2015 to combine financial indicators with financial solvency indicators. The Commissioner of Education made several changes to Schools FIRST in the Texas Administrative Code beginning with ratings year 2020-2021. The 2023-24 Schools FIRST rating (based on 2022-2023 data) consists of 20 base indicators.

The Schools FIRST accountability system assigns one of four financial accountability ratings to Texas school districts as follows:

- A for Superior Achievement
- B for Above Standard Achievement
- C for Meets Standard Achievement
- F for Substandard Achievement

**Temple Independent School District received an " A " rating for “Superior Achievement” under Texas’ Schools FIRST financial accountability rating system for 2023-24.** The “Superior Achievement” rating demonstrates the quality of Temple ISD’s financial management and reporting system.

Each school district must announce and hold a public hearing to distribute a financial management report that explains the district’s performance under each of the 20 base indicators, the district’s rating, and other business-related disclosures.

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Indicator	Result	Measure	Points
<b>Critical Indicators</b>			
1 Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27th or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?	Y	11/17/2023	
2 Was there an unmodified opinion in the AFR on the financial statements as a whole?	Y	Unmodified Opinion	
3 Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? 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.)	Y	No Default Disclosures	
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?	Y	Timely Payments	
<b>Solvency Indicators</b>			
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?		\$93,867,060	
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?	Y	13.77% avg incr 122 days of oper exp	Passed
7 Was the number of days cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? <b>(Goal: &gt; 90 days)</b>	Y	123.24 days	10
8 Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? <b>(Goal: &gt; 3.00)</b>	N	5.2500	10
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?	Y	\$3,731,219  123.24 days	10
10 Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?	Y	This indicator is not being scored.	10

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11 Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? ( <b>Goal: &lt; 0.60</b> ) Five-year percent change in students > = 7%?		N	0.68  -1.64%	8
12 What is the correlation between future debt requirements and the district's assessed property value? ( <b>Goal: &lt; 4.0</b> )		N	4.9385	8
13 Was the school district's administrative cost ratio equal to or less than the threshold ratio? ( <b>10.0 threshold for TISD</b> )	Y		0.0944	10
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)? If the student enrollment did not decrease, the school district will automatically pass this indicator.	Y		No decrease in student enrollment	10
<b>Financial Competence Indicators</b>				
15 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? ( <b>Goal: &lt;10.0%</b> )	Y		This indicator is not being scored.	5
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?	Y		No Variance	Passed
17 Did the external independent auditor report that the AFR was free of any instances(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	Y		No Material Weaknesses	Passed
18 Did the external independent auditor indicate the AFR was free of any instances(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	Y		No Material Noncompliance	10
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?	Y		Required Postings	5
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?	Y		Impact to Funding Discussion	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 financial hardship?	N		No adjusted repayment schedule for multiple years	Passed

**Totals Points Awarded**  
**RATING**

**96**  
**A = Superior Achievement**

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Temple ISD

**Determination of District Rating**

A.	Did the 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.		
		<u><b>Points</b></u>	
B.	Determine rating by applicable number of points.		
		<b>A = Superior Achievement</b>	
		<b>B = Above Standard Achievement</b>	
		<b>C = Meets Standard Achievement</b>	
		<b>F = Substandard Achievement</b>	
		<b>90 - 100</b>	
		<b>80 - 89</b>	
		<b>70 - 79</b>	
		<b>&lt; 70</b>	

**Ceiling Indicators**

A.	Did the school district fail to meet the criteria for any of the following <b>ceiling indicators</b> 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an <b>F = Substandard Achievement</b> Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.			
		<u><b>Maximum Points</b></u>	<u><b>Maximum Rating</b></u>	
B.	Determination of rating based on meeting ceiling criteria.			
		<b>Indicator 4</b> (Timely Payments) - School district was issued a warrant hold.	<b>95</b>	<b>A = Superior Achievement</b>
		<b>Indicator 6</b> (Average Change in Fund Balance) - Response to Indicator is "No".	<b>89</b>	<b>B = Above Standard Achievement</b>
		<b>Indicator 16</b> (PEIMS to AFR) - Response to indicator is "No".	<b>89</b>	<b>B = Above Standard Achievement</b>
		<b>Indicator 17</b> (Material Weaknesses) - Response to indicator is "No".	<b>79</b>	<b>C = Meets Standard Achievement</b>
		<b>Indicator 20</b> (Property Values and Tax Discussion) - Response to indicator is "No".	<b>89</b>	<b>B = Above Standard Achievement</b>
		<b>Indicator 21</b> (FSP Repayment Plan) - Response to indicator is "Yes".	<b>70</b>	<b>C = Meets Standard Achievement</b>

# DISCLOSURES - For the Twelve-Month Period Ended June 30, 2023



## Reimbursements Received by the Superintendent and Board Members

Description of Reimbursements	Superintendent	Board Members						
	Bobby Ott	Dawn Cook	Linell Davis	Ronnie Gaines	Shannon Gowan	Shannon Myers	Dan Posey	Virginia Suarez
Meals	\$ 224.58	\$ 368.08	\$ 339.77	\$ 251.96	\$ 339.93	\$ 292.59	\$ 537.11	\$ 345.40
Lodging	1,824.65	1,049.08	880.29	-	880.29	880.29	880.29	1,092.48
Transportation	1,557.92	160.61	0.40	67.50	0.40	0.40	183.52	164.40
Motor Fuel	-	-	-	-	-	-	-	-
Other	5,443.12	325.00	325.00	325.00	325.00	325.00	325.00	325.00
<b>Total</b>	<b>\$ 9,050.27</b>	<b>\$ 1,902.77</b>	<b>\$ 1,545.46</b>	<b>\$ 644.46</b>	<b>\$ 1,545.62</b>	<b>\$ 1,498.28</b>	<b>\$ 1,925.92</b>	<b>\$ 1,927.28</b>

All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase orders are to be reported. Items per category include:  
 Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).  
 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 superintendent and board member not defined above.

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

Superintendent Bobby Ott	
Baylor Univeristy	5,000.00
Texas A&M Central Texas	4,500.00
<b>Summary Amounts</b>	<b>\$9,500.00</b>

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

## Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any)

Gifts with an economic value of \$250 or more in the fiscal year aggregate.	Superintendent	Board Members						
	Bobby Ott	Dawn Cook	Linell Davis	Ronnie Gaines	Shannon Gowan	Shannon Myers	Dan Posey	Virginia Suarez
<b>Summary Amounts</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Note** – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials. Gifts received by first degree relatives, if any, will be reported under the applicable school official.

## Business Transactions Between School District and Board Members

	Superintendent	Board Members						
	Bobby Ott	Dawn Cook	Linell Davis	Ronnie Gaines	Shannon Gowan	Shannon Myers	Dan Posey	Virginia Suarez
<b>Summary Amounts</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Note** - The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.