



## JUDSON INDEPENDENT SCHOOL DISTRICT

**Meeting Date:** December 14, 2023

**Submitted By:** Cecilia Davis  
**Title:** Deputy Superintendent

**Agenda Item:** Financial Integrity Rating System of Texas F.I.R.S.T. Presentation

### DISCUSSION ITEM

#### **RECOMMENDATION:**

The Board discuss and share information regarding the F.I.R.S.T Report.

Senate Bill 218 of the 77th Legislature (2001) implemented F.I.R.S.T. This law requires that the financial health of every school district in Texas be evaluated each fiscal year. Part of the requirement is that a public hearing be held to share the rating received and the underlying data used to determine the rating with the public. Furthermore, in 2007 new reporting requirements were added which mandate specific information be included as part of the F.I.R.S.T. presentation.

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*Judson Independent School District  
Live Oak, Texas*



Annual Financial Management and Accountability Report  
For the Fiscal Year Ending June 30, 2022.

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# What is Schools FIRST:

- ❑ Schools FIRST is the Financial Integrity Rating System of Texas.
  - ❑ Senate Bill 218 of the 77<sup>th</sup> 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.
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- ❑ 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 four financial accountability ratings to Texas school districts
    - ❑ Superior Achievement
    - ❑ Above Standard
    - ❑ Meets Standard
    - ❑ Substandard Achievement
  
  - ❑ Districts with a Substandard Achievement rating must file a corrective plan with TEA.
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# Judson Independent School District Earns

## Superior Achievement

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*Judson Independent School District*

*Responses to Base Indicators*

The following 20 criteria were used by TEA to rate the 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 2021-2022 fiscal year.

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- 1) Was the Annual Financial Report and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending upon the district's Fiscal Year end date (June 30 or August 31)?**

**YES**

The report was approved by the Board of Trustees on 11/17/2022 and received by the Texas Education Agency (TEA) on 11/28/2022.

- 2) Was there an unmodified opinion of the Annual Financial Report 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 as an unmodified opinion.)**

**YES**

When the Annual Financial Report is audited by independent auditors, they issue an opinion stating that the financial statements are fairly presented and free of material misstatements. The affirmation of this process is indicated by issuance of an unmodified opinion by the auditors. A modified opinion from the independent auditors generally means that we need to take some type of corrective action on reporting of the District assets or its internal controls. The District has enjoyed Unmodified Opinions from its independent auditors for the past 20+ years.

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**3) 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.)**

**YES**

The District has no disclosures in the Annual Financial Report concerning default on bonded indebtedness. At June 30, 2022 total bonded indebtedness was \$551,919,086. Bonded debt service requirements for this fiscal year was \$25,920,000. The District has a long standing commitment to maintain its credit worthiness and has never defaulted on any debt.

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- 4) Did the school district make timely payment to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?**

**YES**

All payments made to the Teachers Retirement System, Texas Workforce Commission, Internal Revenue Service, and other governmental agencies during the fiscal year ending June 30, 2022 were timely.

- 5) Was the Total Unrestricted Net Position Balance (Net of Accretion of Interest on Capital Appreciation Bonds) in the Governmental Activities Column in the Statement of Net Position Greater than Zero? (If the District's 5 Year % Change in Students was 7% or more, the school district passes this indicator)**

**This indicator is not being evaluated.**

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- 6) Was the average change in (assigned and unassigned) fund balance over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balance exceed 75 days of operational expenditures?**

**Passed**

The District's 3 year average change was 19.64%.

- 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?  
The District received 10 out of 10 points.**

The District has 179.4 days of cash on hand and 10 points is granted for having greater than 90 days.

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**8) Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? The District received 6 out of 10 points.**

The District's current assets are 2.351 times the amount of current liabilities and 6 points is granted if the measure is between 2.00 and 2.50.

**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 great than or equal to 60 days?**

**The District received 10 out of 10 points.**

The District's cash on hand exceeds 179 days.

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**10) Did the school district average less than a 10% variance when comparing budgeted revenues to actual revenues for the last 3 fiscal years? The District received 10 out of 10 points.**

**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? If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. The District received 6 out of 10 points.**

The ratio for the District was 0.6685 and 10 points are granted for ratios greater than or equal to 0.60.

**12) Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? The District received 8 out of 10 points.**

The District's ratio was 4.5168 and 8 points are granted for ratios between 4 and 7.

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**13) Was the school district's administrative cost ratio equal to or greater than the threshold ratio? The District received 10 out of 10 points.**

The District's administrative cost ratio continues to very low at 0.0604. 10 points are granted for ratio's less than or equal to 0.0855

**14) Did the school district not have a 15 percent decline in the students to staff ratio over 3 years? If the student enrollment did not decrease, the school district will automatically pass this indicator. The District received 10 out of 10 points.**

**This indicator is not being evaluated.**

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**15) Was the school district's ADA within the allotted range of the district's biennial pupil projection submitted to TEA? The District received 5 out of 5 points.**

**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**

The District's variance was 0%.

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**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?**

**Passed**

The District had no findings of material weaknesses in the audit.

**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 District received 10 out of 10 points.**

The District had no findings of material noncompliance in the audit.

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**19) Did the school district post the required financial information on its website in accordance with Governmental 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?**

**5 out of 5**

The District had the required postings on its website.

**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?**

**Passed**

The District adopted the budget on June 29, 2021 making March 1, 2021 the 120<sup>th</sup> day before the budget was adopted. The District had a Budget Workshop on March 18, 2021. Taxable values were discussed at this workshop.

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## DISCLOSURES

**Beginning with calendar year 2007, new reporting requirements are effective for the financial management report that will be available at the Schools FIRST public hearing.** Per Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules

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# Superintendent's Employment Contract

The current contract for Dr. Milton “Rob” Fields, JISD Superintendent, is posted on the Judson website under the **Superintendent** section at

<https://www.judsonisd.org/cms/lib/TX50000485/Centricity/Domain/4021/Fields%20Contract%202023.pdf>

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# Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2022

Description of Reimbursements	Superintendent Dr. Ball	District 1 Ms. Kenoyer	District 2 Ms. King	District 3 Ms. Eaton
Meals	\$100.45	\$108.34	\$13.88	\$0.00
Lodging	\$1,521.72	\$762.00	\$762.00	\$0.00
Transportation	\$1,693.30	\$0.00	\$484.96	\$0.00
Motor Fuel	\$0.00	\$0.00	\$73.46	\$0.00
Other (Registration & Memberships)	\$3,113.75	\$390.18	\$1,495.18	\$990.18
Total	\$6,429.22	\$1,260.52	\$2,829.50	\$990.18

# Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2022

Description of Reimbursements	District 4 Mr. Macias	District 5 Ms. Rodriguez	District 6 Ms. Paschall	District 7 Mr. Diaz
Meals	\$50.32	\$0.00	\$44.53	\$0.00
Lodging	\$726.00	\$1,812.03	\$654.00	\$0.00
Transportation	\$356.86	\$386.70	\$296.70	\$656.36
Motor Fuel	\$0.00	\$0.00	\$0.00	\$0.00
Other (Registration & Memberships)	\$1,130.18	\$1,940.18	\$1,005.17	\$1,000.18
Total	\$2,263.36	\$4,138.91	\$2,000.40	\$1,656.54

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# Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2022

- None
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# Gifts Received by the Executive Officer and Board Members (and First Degree Relatives, if any) in Fiscal Year 2022

- Definition
    - \$250 or More in aggregate in Fiscal Year
    - Do not include travel related expenses paid by outside entity if for seminars, conferences, carrying out district business
  - None Reported
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# Business Transactions Between School District and Board Members for Fiscal Year 2022

- None
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- Questions/Answers

