

Schools FIRST Accountability



Financial Services

October 25, 2021

History

- Adopted during the 1999 Legislature, Schools F.I.R.S.T. is a statewide rating system implemented in 2003 beginning with the 2001-2002 fiscal year.
- TEA implemented numerous changes effective over the years and continue to do so.

Purpose

- Expands the public education accountability system in Texas to the Financial Services.
- Primary goal is to improve the management of school districts' financial resources.
- Assure the maximum allocation of resources for direct instructional purposes.

Scoring

- Several indicators are more easily recognized and interpreted by both the public and the finance industry.
- Several indicators have a wider sliding scale range to allow a high, medium, or low points award for those indicators (from 0 to 10 points).

Determination of School District Rating

- Numerical scores based on
 - 70-100 points = Superior **A**
 - 50-69 points = Above Standard **B**
 - 31-49 points = Meets Standard **C**
 - <31 points = Substandard Achievement **F**

Indicator 1

Was the Annual Financial Report (AFR)
filed within one month after
the January 28th deadline?

YES

Indicator 2

Was there an unmodified opinion in the
Annual Financial Report?

YES

Indicator 3

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

YES

Indicator 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?

YES

Indicator 5

Was the total unrestricted net asset balance
in the Statement of Net Position/Assets

greater than zero?

*This Indicator is not being
scored per TEA report*

YES

Indicator 6

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

YES

Indicator 7

Were the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures?

YES

Indicator 8

Does the District have a sufficient current assets to current liabilities ratio?

YES

Indicator 9

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

If not, was the school district's number of days of
cash on hand greater than or equal to 60 days?

YES

Indicator 10

Did the District average less than a 10% variance when comparing budgeted revenues to actual revenues, over the last 3 fiscal years?

YES

Indicator 11

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

YES

Indicator 12

Is the District's assessed property value ratio
sufficient to support scheduled debt
payments?

YES

Indicator 13

Was the school district's
administrative cost ratio
equal to or less than the threshold ratio
(0.0855)?

YES

Indicator 14

Did the school district NOT have a
15% decline in the students to staff
ratio over 3 years?

YES

Indicator 15

Was the District's ADA within the allotted range (+ or – 7%) of the district's biennial pupil projections submitted to TEA?

YES

Indicator 16

Did the comparison of PEIMS data to like information in the Annual Financial Report result in an aggregate variance of less than 3% of expenditures per function?

YES

Indicator 17

Was the Annual Financial Report free of any instance(s) of material weaknesses in internal controls?

YES

Indicator 18

Was the Annual Financial Report
free of any material noncompliance
for grants, contracts, and laws related to
local, state, or federal funds?

YES

Indicator 19

Did the District post required financial information in compliance with Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules on its website?

YES

Indicator 20

Did the School Board discuss the District's property value at a board meeting before the budget was adopted?

YES

What is KISD's Rating?

KISD passed all Critical indicators

KISD received 98 of 100 points

Rating: 98 = Superior

The district received the highest rating possible as established under guidelines and rules established by the

Texas Education Agency.

Report

Conclusion



2019-2020
Schools FIRST
First Management Report

October 25, 2021



Katy Independent School District
6301 South Stadium Lane
P.O. Box 159
Katy, Texas 77492-0159

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Schools **FIRST** Presentation

Schools FIRST Accountability



October 25, 2021

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Scoring

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Was the Annual Financial Report (AFR) filed within one month after the January 28th deadline?

YES



6



Indicator 2

Was there an unmodified opinion in the Annual Financial Report?

YES



7

Indicator 3

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

YES



8

Indicator 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?

YES



9

Indicator 5

Was the total unrestricted net asset balance in the Statement of Net Position/Assets greater than zero?

This Indicator is not being scored per TEA report

YES



10

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

YES



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Indicator 7

Were the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures?

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Does the District have a sufficient current assets to current liabilities ratio?

YES



13



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Did the school district's general fund revenues equal or exceed expenditures?
If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

YES



14



Indicator 10

Did the District average less than a 10% variance when comparing budgeted revenues to actual revenues, over the last 3 fiscal years?

YES



15



Indicator 11

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

YES



16



Indicator 12

Is the District's assessed property value ratio sufficient to support scheduled debt payments?

YES



17



Indicator 13

Was the school district's administrative cost ratio equal to or less than the threshold ratio (0.0855)?

YES



18



Indicator 14

Did the school district NOT have a 15% decline in the students to staff ratio over 3 years?

YES



19



Indicator 15

Was the District's ADA within the allotted range (+ or - 7%) of the district's biennial pupil projections submitted to TEA?

YES



20



Indicator 16

Did the comparison of PEIMS data to like information in the Annual Financial Report result in an aggregate variance of less than 3% of expenditures per function?

YES



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Indicator 17

Was the Annual Financial Report free of any instance(s) of material weaknesses in internal controls?

YES



22



Indicator 18

Was the Annual Financial Report free of any material noncompliance for grants, contracts, and laws related to local, state, or federal funds?

YES



23



Indicator 19

Did the District post required financial information in compliance with Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules on its website?

YES



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Indicator 20

Did the School Board discuss the District's property value at a board meeting before the budget was adopted?

YES



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What is KISD's Rating?

KISD passed all Critical indicators
KISD received 98 of 100 points

Rating: 98 = Superior

The district received the highest rating possible as established under guidelines and rules established by the Texas Education Agency.



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Report



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Conclusion



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School Year
2019-2020
Accountability Ratings

User: Christopher Smith
User Role: District

RATING YEAR **2020-2021** DISTRICT NUMBER **district #** **Select An Option** **Help** **Home** **Log Out**



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON SCHOOL YEAR 2019-2020 DATA - DISTRICT STATUS DETAIL

Name: KATY ISD(101914)	Publication Level 1: 8/4/2021 2:00:38 PM
Status: Passed	Publication Level 2: 8/6/2021 11:10:55 AM
Rating: A = Superior Achievement	Last Updated: 8/6/2021 11:10:55 AM
District Score: 98	Passing Score: 70

#	Indicator Description	Updated	Score
1	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?	6/8/2021 3:36:20 PM	Yes
2	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.)	6/8/2021 3:36:20 PM	Yes
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.)	6/8/2021 3:36:20 PM	Yes
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? (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.)	7/1/2021 9:05:03 AM	Yes Ceiling Passed
5	This indicator is not being scored.		1 Multiplier Sum
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? (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.)	6/28/2021 11:08:18 AM	Ceiling Passed
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)? See ranges below in the Determination of Points section.	6/8/2021 3:36:20 PM	10
8	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.	6/8/2021 3:36:21 PM	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? See ranges below in the Determination of Points section.	6/8/2021 3:36:21 PM	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?	7/2/2021 1:25:42 PM	10
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. See ranges below in the Determination of Points section.	6/8/2021 3:36:22 PM	10
12	Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.	6/8/2021 3:36:22 PM	8

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>	6/8/2021 3:36:23 PM	10
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>	6/8/2021 3:36:23 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>	6/8/2021 3:36:23 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>	6/8/2021 3:36:23 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? (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>	6/8/2021 3:36:24 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>	6/8/2021 3:36:24 PM	10
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>	6/8/2021 3:36:24 PM	5
20	<u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/8/2021 3:36:24 PM	Ceiling Passed
			98 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			98 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 F for Substandard Achievement 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
<p>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.</p> <p>The school district receives an F 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.</p>		

CEILING INDICATORS

<p>Did the school district meet the criteria for any of the following ceiling indicators 4, 6, 16, 17, or 20? 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.</p>		
Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement

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

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THE TEXAS EDUCATION AGENCY

1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734

FIRST 5.11.6.0

School Year
2018-2019
Accountability Ratings



Financial Integrity Rating System of Texas

2019-2020 RATINGS BASED ON SCHOOL YEAR 2018-2019 DATA - DISTRICT STATUS DETAIL

Name: KATY ISD(101914)	Publication Level 1: 8/6/2020 9:26:37 AM
Status: Passed	Publication Level 2: 8/6/2020 11:17:34 AM
Rating: A = Superior	Last Updated: 8/6/2020 11:17:34 AM
District Score: 100	Passing Score: 60

#	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>	3/31/2020 1:13:00 PM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	<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>	3/31/2020 1:13:00 PM	Yes
2.B	<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? (The AICPA defines material weakness.)</u>	3/31/2020 1:13:01 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>	3/31/2020 1:13:01 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?</u>	3/31/2020 1:13:01 PM	Yes
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<u>Was the number of days of cash on hand and current investments in the general fund for the</u>	3/31/2020	10

	<u>school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (See ranges below.)</u>	1:13:02 PM	
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	3/31/2020 1:13:02 PM	10
8	<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, then the school district passes this indicator. See ranges below.</u>	3/31/2020 1:13:03 PM	10
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?</u>	3/31/2020 1:13:03 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	3/31/2020 1:13:05 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/31/2020 1:13:05 PM	10
12	<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>	3/31/2020 1:13:06 PM	10
13	<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?</u>	3/31/2020 1:13:07 PM	10
14	<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>	3/31/2020 1:13:08 PM	10
15	<u>Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?</u>	3/31/2020 1:13:08 PM	10
			100 Weighted Sum
			1 Multiplier Sum
			100 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, or 2.A? If so, the school district's rating is F for Substandard Achievement regardless of points earned.				
B.	Determine the rating by the applicable number of points. (Indicators 6-15)				
	<table border="1"> <tr> <td>A = Superior</td> <td>90-100</td> </tr> <tr> <td>B = Above Standard</td> <td>80-89</td> </tr> </table>	A = Superior	90-100	B = Above Standard	80-89
A = Superior	90-100				
B = Above Standard	80-89				

C = Meets Standard

60-79

F = Substandard Achievement

<60

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.

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FIRST 5.9.1.0

Disclosures

Reimbursements

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period Ended August 31, 20XX	Superintendent	Lance	Duke	Dawn	Ashley	Courtney	William	Susan
Description of Reimbursements	Dr. Gregorski	Redmon	Keller	Champagne	Vann	Doyle	Lacy	Gesoff
Meals	401.46	176.58	260.98	246.05	276.94	214.88	379.89	173.05
Lodging	860.55		684.3	1008.83	684.3	456.2	968.68	
Transportation	67.49		285.58	369.71	339.69	289.94	424.1	
Motor Fuel	-							
Other	3619.06	105.92	55.92	29.82	29.82	29.82	29.82	29.82
Total	\$4,948.56	\$282.50	\$1,286.78	\$1,654.41	\$1,330.75	\$990.84	\$1,802.49	\$202.87

*Includes registration, fees and dues, books and materials, etc.

Outside Compensation and Fees Received by the Superintendent

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

For the Twelve-Month Period
Ended August 31, 2020

Superintendent Dr. Gregorski

Amount Received
\$ -

Total

\$0.00

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

Gifts

Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any)
(gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)

For the Twelve-Month Period Ended August 31, 2020	Superintendent Dr. Gregorski	Lance Redmon	Duke Keller	Dawn Champagne	Ashley Vann	Courtney Doyle	William Lacy	Susan Gesoff
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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.

Business Transactions

Business Transactions Between School District and Board Members

For the Twelve-Month Period Ended August 31, 2020	Superintendent Dr. Gregorski	Lance Redmon	Duke Keller	Dawn Champagne	Ashley Vann	Courtney Doyle	William Lacy	Susan Gesoff
Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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.