

School Financial Integrity Rating
System of Texas

2018-2019 FIRST Ratings

Based on 2017-2018 Financial Data



A pair of black-rimmed glasses and a silver pen are resting on a white surface. The glasses are positioned at the top, and the pen is at the bottom, both partially overlapping the text.

Superintendent Goals:

- ☐ Goal 1 - Focus on Student Success
- ☐ Goal 2 - Focus on Students, Families and Community
- ☐ Goal 3 – Focus on Operational Excellence
- ☐ Goal 4 – Focus on Employees & Organizational Improvement

☒ Goal 5 – Focus on Financial Stewardship

- The Superintendent will present the board with a budget development process and timeline.
- The Superintendent will present the board with a budget plan that maintains strong financial reserves and demonstrates sound fiscal responsibility.

A pair of black-rimmed glasses with a black cord and a silver ballpoint pen are resting on a white surface. The glasses are positioned at the top of the frame, and the pen is positioned at the bottom. The background is a white surface with black triangular shapes in the corners.

Intended Learning Outcomes:

1. Discuss the purpose of the Financial Integrity Rating System of Texas (FIRST)
2. Review the FIRST scoring rubric
3. Review Edgewood ISD's Rating
4. Review Edgewood ISD's Indicators

Financial Integrity Rating System of Texas

- ◆ Developed in 1999 by the Texas Education Agency in response to Senate Bill 875 of the 76th Legislature.
- ◆ Primary goal is to achieve quality performance in the management of school district's financial resources.
- ◆ District's are rated on indicators outlined by the rule of the Commissioner of Education.
- ◆ Information obtained from financial audits, PEIMS reported data, and other governmental entities.

Financial Integrity Rating System of Texas

The Final 2018-2019 School Financial Integrity Rating System of Texas (FIRST) ratings are based on fiscal year 2018. On August 8, 2019, Texas Education Agency (TEA) affirmed its *preliminary* rating and on October 2019 TEA affirmed its *final* rating. The District was rated based on the fourteen (14) indicators established by the Texas Education Agency, as Indicator #5 was not applicable for this year.

The following slide is the TEA district status detail and it's performance under each indicator for the current and previous year's rating.

Financial Integrity Rating System of Texas Rubric of Measure

2018-2019		2017-2018	
A = Superior	90-100	A = Superior	90-100
B = Above Standard	80-89	B = Above Standard	80-89
C = Meets Standard	60-79	C = Meets Standard	60-79
F = Substandard	<60	F = Substandard	<60

Financial Integrity Rating System of Texas

DISTRICT STATUS DETAIL

Name: Edgewood ISD (015905)

Rating/District Score:

Number of Indicators:

2018-2019

2017-2018

Superior / 94

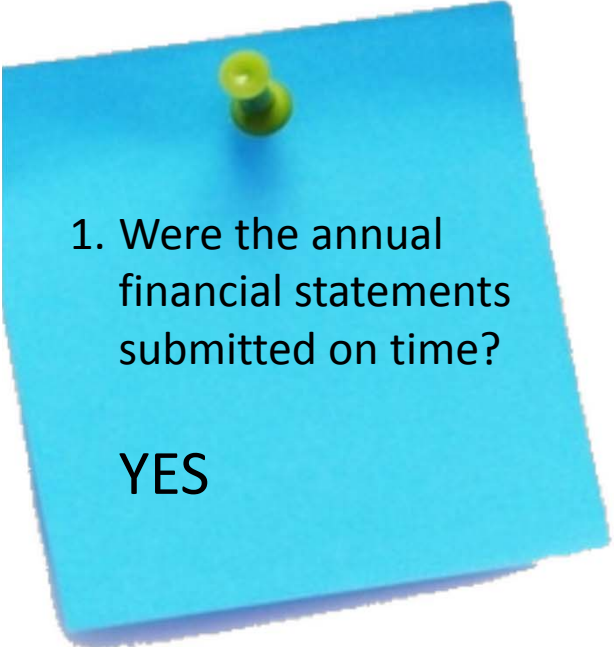
Superior / 96

15

15


FIRST Current and Prior Year Indicators / Results

18-19 #	17-18 #	Indicator Description	2018-2019 Results	2017-2018 Results
1	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?	Yes	Yes
2	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	2.A	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.)	Yes	Yes
2.B	2.B	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.)	Yes	Yes
3	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 of 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	Yes



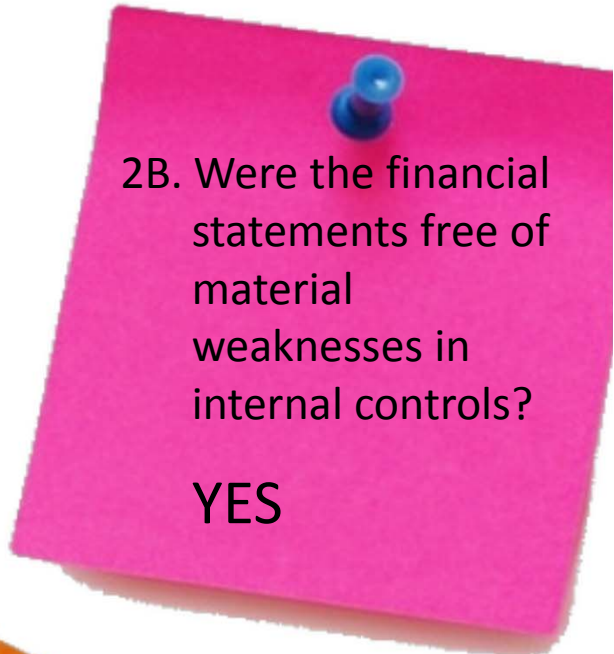
1. Were the annual
financial statements
submitted on time?

YES



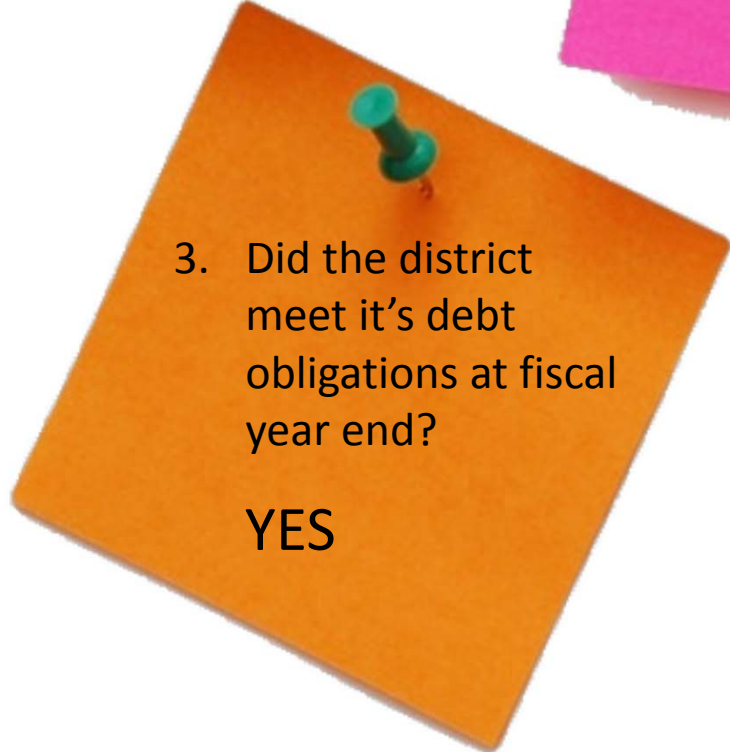
2A. Did the district
have an
unmodified
opinion?

YES



2B. Were the financial
statements free of
material
weaknesses in
internal controls?

YES



3. Did the district
meet it's debt
obligations at fiscal
year end?

YES

FIRST Current and Prior Year Indicators / Results

18-19 #	17-18 #	Indicator Description	2018-2019 Results	2017-2018 Results
4	4	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes	Yes
5	5	This indicator is not being scored.	N/A	Yes
			1 Multiplier Sum	1 Multiplier Sum
6	6	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)?	10	10
7	7	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	8	8
8	8	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 change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)	10	10
9	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?	10	10

4. Did the District make timely payments to the Teachers Retirement System?

YES

5. INDICATOR NOT SCORED

6. Was the cash and investments on hand sufficient to cover operating expenditures?

10 Points

7. Is the measure of current assets to current liabilities sufficient to cover short-term debt?

8 Points

8. Is the measure of long-term liabilities to total assets sufficient to support long-term solvency?

10 Points

9. Are revenues equal or greater than expenditures?

10 Points

FIRST Current and Prior Year Indicators / Results

18-19 #	17-18 #	Indicator Description	2018-2019 Results	2017-2018 Results
10	10	Was the debt service coverage ratio sufficient to meet the required debt service?	8	10
11	11	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	8	8
12	12	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.)	10	10
13	13	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?	10	10
14	14	Did the external independent auditors 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.)	10	10
15	15	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 result of a financial hardship?	10	10
			94 Weighted Sum	96 Weighted Sum
			1 Multiplier Sum	1 Multiplier Sum
			94 Score	96 Score

10. Was debt service coverage ratio sufficient to meet the required debt service?

8 Points

11. Was the administrative cost ratio equal to or less than the threshold established by TEA?

8 Points

12. Did we have a 15% decline in the students to staff ratio over 3 years?

10 Points

13. Did PEIMS financial data submitted have a 3% or less variance?

10 Points

14. Did the financial statements contain no material noncompliance issues?

10 Points

15. Did the district not receive an adjusted repayment schedule of state funds for more than one fiscal year?

10 Points

Superintendent and Board Expenses

For the Twelve-Month Period Ended August 31, 2018						
		Board	Board	Board	Board	Board
				Stella		
Description of Reimburseme	Emilio Castro	Roy Soto Sr.	Frank Espinosa	Camacho	Timothy Payne	Richard Santoyo
Meals	\$ 805.52	\$ 241.00	\$ 236.00	\$	\$	\$ 177.00
Lodging	\$ 5,498.38	\$ 1,485.32	\$ 1,380.58			\$ 1,366.98
Transportation						
Motor Fuel	\$ 456.78		\$ 155.69			
Other	\$ 2,936.52	\$ 1,360.00	\$ 1,469.74	\$ 1,407.00	\$ 1,360.00	\$ 395.00
Total	\$ 9,697.20	\$ 3,086.32	\$ 3,242.01	\$ 1,407.00	\$ 1,360.00	\$ 1,938.98

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QUESTIONS?

