



# 2019-2020 FIRST Ratings

Based on 2018-2019 Financial Data

# Superintendent Goals

*Goal 1 - Focus on Student Success*

*Goal 2 - Focus on Students, Families, and Community*

*Goal 3 - Focus on Operational Success*

*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.





# Intended Learning Outcomes

- Purpose of Financial Integrity Rating System of Texas (FIRST)
- FIRST Scoring Rubric
- Edgewood ISD's FIRST Rating
- Edgewood ISD's Indicators



*Financial Integrity Rating System of Texas*

# **FIRST Purpose**



- ▶ *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 resource.*
- ▶ *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.*

# FIRST Scoring Rubric



**2019-2020**

**A**  
*Superior*  
**90-100**

**B**  
*Above Standard*  
**80-89**

**C**  
*Meets Standard*  
**60-79**

**F**  
*Substandard*  
**<60**

# District Status Detail

**EDGEWOOD ISD (015905)**



Rating/District Score:

**Superior / 96**

**Superior / 94**

Number of Indicators:

**15**

**15**

# FIRST Current & Prior Year Indicators/Results

19-20 #	18-19 #	Indicator Description	19-20 Results	18-19 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

# FIRST Current & Prior Year Indicators/Results

19-20 #	18-19 #	Indicator Description	19-20 Results	18-19 Results
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



# FIRST Current & Prior Year Indicators/Results

19-20 #	18-19 #	Indicator Description	19-20 Results	18-19 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	N/A
			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)? (See ranges below.)	10	10
7	7	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)	10	8

# FIRST Current & Prior Year Indicators/Results

19-20 #	18-19 #	Indicator Description	19-20 Results	18-19 Results
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 increase in membership over 5 years was 7 percent or more, then the school district passes this indicator. (See ranges below.)	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
10	10	Was the debt service coverage ratio sufficient to meet the required debt service?	10	8
11	11	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	6	8

# FIRST Current & Prior Year Indicators/Results

19-20 #	18-19 #	Indicator Description	19-20 Results	18-19 Results
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

# FIRST Current & Prior Year Indicators/Results

19-20 #	18-19 #	Indicator Description	19-20 Results	18-19 Results
			96 Weighted Sum	94 Weighted Sum
			1 Multiplier Sum	1 Multiplier Sum
			96 Score	94 Score

*Financial Integrity Rating System of Texas*

# Newspaper Ads

**First Publication  
October 30, 2020**

**Second Publication  
November 6, 2020**



# Intended Learning Outcomes

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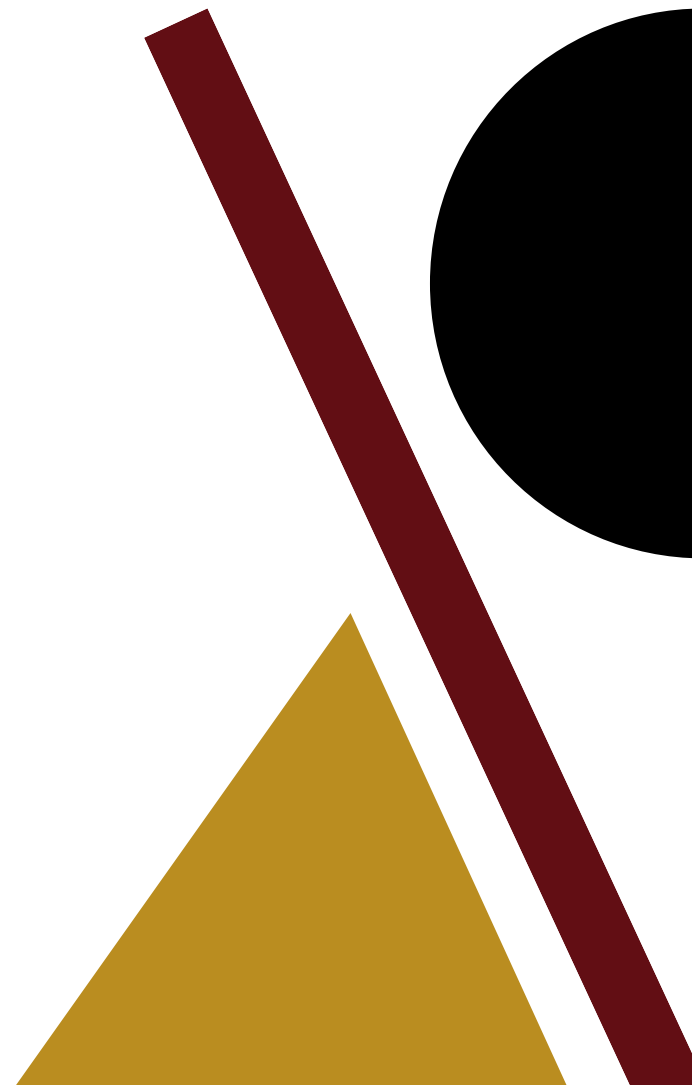
*Financial Integrity Rating System of Texas*

# Questions about the rating?





# 2020-2021 Finance Updates







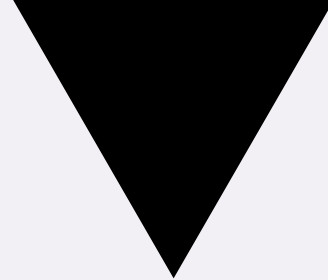
## Health Insurance Updates

Currently 1,198 employees covered under the EISD health plans will see an average of 5.5% increase.

The Aetna plan that we are transitioning to has:

- an option to use the CVS Minute Clinics with no co-pays
- Reduced co-pays when using a Baptist or MedFirst Primary Care Physician
- an Employee Guidance Program for work life support, Televideo counseling services, crisis response services, legal and financial consulting

We are also launching the EISD clinic in  
January 2021



Increase the District's contribution for employee's health insurance from \$375 per month to \$400 per month - cost \$359,400.

Consider a one-time retention incentive for employees between \$350 to \$500 - cost \$616,140 - \$880,200

- we will evaluate current financials to ensure availability of funds
- possibility of including other groups such as part-time and permanent substitutes based on targeted metrics.

**Recommendations**



# Questions about health insurance or recommendations?

