Edgewood ISD 2021-2022 FIRST RATING

Presented Monday, October 17th, 2022

WHAT IS THE FIRST RATING?

- Financial Integrity Rating System of Texas
- Primary goal of the FIRST Rating is to hold public school districts accountable for the quality of their financial management practices to encourage optimal financial management in order to help provide the maximum allocation possible for direct instructional purposes.

HOW IS THE RATING DETERMINED?

- Created and distributed by the Texas Education Agency
- Analysis of staff, student, and financial data for school year 2020-21
- This information is applied to 20 separate achievement indicators consisting of four yes/no questions, three indicators not scored for any district, and 13 indicators that scored with numbers or "ceiling passed".

EDGEWOOD ISD'S PAST YEAR'S RATINGS

- **▶ 2021-22...Superior**
- **▶ 2020-21...Superior**
- **▶** 2019-20...Superior
- **▶** 2018-19...Superior
- **▶ 2017-18...Superior**
- **▶** 2016-17...Superior
- **▶ 2015-16...Superior**
- ▶ 2014-15...Passed
- **▶** 2013-14...Superior
- **▶ 2012-13...Superior**

HOW DID EDGEWOOD ISD SCORE?

Awarded a 2021-2022 "Superior" rating of 100 out of 100 points for the 2020-2021 school year's data.



Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON SCHOOL YEAR 2020-2021 DATA - DISTRICT STATUS DETAIL

Name: EDGEWOOD ISD(234903)	Publication Level 1: 8/2/2022 2:05:39 PM
Status: Passed	Publication Level 2: 8/4/2022 12:15:48 PM
Rating: A = Superior Achievement	Last Updated: 8/4/2022 12:15:48 PM
District Score: 100	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?	7/12/2022 8:50:23 AM	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.)	5/16/2022 1:11:21 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.)	5/16/2022 1:11:21 PM	Yes
	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 fall 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.)	5/16/2022 1:11:22 PM	Yes Ceiling Passed
	This indicator is not being scored.		

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.)	5/17/2022 10:00:29 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.	5/16/2022 1:11:22 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.	5/16/2022 1:11:23 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.	5/16/2022 1:11:23 PM	10
10	This indicator is not being scored.		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.	5/16/2022 1:11:25 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.	5/16/2022 1:11:25 PM	10
13	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.	6/9/2022 11:25:10 AM	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.	5/16/2022 1:11:26 PM	10
15	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? (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.)	5/16/2022 1:11:27 PM	Ceiling Passed
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? (The AICPA defines material weakness.) (If the school district fails indicator 17, the	5/16/2022 1:11:27	Ceiling Passed

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

B = Above Standard Achievement

80-89

70-79

Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.

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.

District Status Detail

CEILING INDICATORS

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.

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 No.	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is No.	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is No.	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is No.	89	B = Above Standard Achievement

Home Page: Financial Accountability | Send comments or suggestions to Financial Accountability@tea.texas.gov

THE TEXAS EDUCATION AGENCY

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

FIRST 5.14.2.0

FIRST RATING DISTRICT FINANCIAL DISCLOSURES

- ▶ Superintendent Kristin Prater served during this time frame. Employment Contract was posted to the School District Website during the 2020-21 school year for the Superintendent.
- ▶ Superintendent Kristin Prater reported no outside compensation in school business was earned for the 2020-21 fiscal year.
- ► Superintendent Kristin Prater and the Board of Trustees report 2020-21 reimbursements and onbehalf reimbursements listed below:
 - Superintendent Kristin Prater had EISD payment on-behalf of Superintendent (\$1,789.43) [registration fees, dues, fuel spread, and lodging].
 - ► EISD Board of Trustees payment on-behalf (\$775.00) [board training: Chris Tull, convention registration, all members Team of 8 training]
 - ▶ Superintendents and Board of Trustees report no gifts valued at \$250 in the aggregate were received for the 2020-21 fiscal year.
- ▶ Board of Trustees reports the following business transactions occurred between Board Members and the District for the 2020-21 fiscal year:
 - none

SUPERINTENDENT'S EMPLOYMENT CONTRACT

THE STATE OF TEXAS \$ \$ KNOW ALL MEN BY THESE PRESENTS:

THIS AGREEMENT is made and entered into by and between the Board of Trustees (the "Board") of the Edgewood Independent School District (the "District") and Kristin Prater (the "Superintendent").

WITNESSETH:

NOW, THEREFORE, the Board and the Superintendent, for and in consideration, of the terms hereinafter established and pursuant to the authority of Chapter 21 and Section 11.201(b) of the Texas Education Code, have agreed, and do hereby agree, as follows:

I TERM

- 1.1 The Board, by and on behalf of the District, does hereby employ the Superintendent, and the Superintendent, does hereby accept employment as Superintendent of Schools for the District for a term commencing on <u>June 30, 2022</u>, and ending on <u>June 30, 2024</u>. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this Contract as permitted by state law.
- 1.2 The Board has not adopted any policy, rule, regulation, law, or practice providing for tenure. No right of tenure is created by this Agreement. No property interest, express or implied, is created in continued employment beyond the contract term.

II. EMPLOYMENT

2.1 <u>Duties.</u> The Superintendent is the chief executive of the District and shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in the job description and as may be assigned by the Board, and shall comply with all Board directives, state and federal law, district policy, rules, and regulations as they exist or may hereafter be amended. Specifically, it shall be the duty of the Superintendent to recommend for employment all professional employees of the District subject to the Board's approval. It shall be the further duty of the Superintendent to employ all other personnel consistent with the Board's policies. It shall be the duty of the Superintendent to direct, assign, reassign, and to evaluate all the employees of the District consistent with Board policies and federal and state law. It shall be the further duty of the Superintendent to organize, reorganize, and arrange the staff of the District, and to develop and establish administrative regulations, rules, and procedures which the Superintendent deems necessary for the efficient and effective operation of the District consistent with the Board's lawful directives, the Board's policies, and state and federal law. It shall be the further duty of the Superintendent to accept all resignations of employees of the District.

consistent with the Board's policies, except the Superintendent's resignation, which the Board must be accepted by the Board. The Superintendent shall perform the duties of the Superintendent of Schools with reasonable care, diligence, skill, and expertise.

- 2.2 <u>Professional Certification.</u> The Superintendent shall at all times during the term of this Contract, and any renewal or extension thereof, hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the State Board for Educator Certification or the Texas Education Agency and all other certificates required by law. If the Superintendent's certification expires, is canceled, or is revoked, this Contract is void.
- 2.3 <u>Reassignment</u>. The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.
- 2.4 Board Meetings. The Superintendent shall attend, and shall be permitted to attend, all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, or the Superintendent's evaluation, the Superintendent's salary and benefits, or for the purposes of resolving conflicts between individual Board members, or when the Board is acting in its capacity as a tribunal. In the event of illness or Board-approved absences, the Superintendent's designee shall attend such meetings.
- 2.5 <u>Criticisms, Complaints, and Suggestions</u>. The Board, individually and collectively, shall refer all substantive criticisms, complaints, and suggestions called to the Board's attention to the Superintendent, for study and appropriate action, and the Superintendent shall investigate such matters and inform the Board of the results of such items. The Board retains the right to investigate complaints about the Superintendent.
- 2.6 Indemnification. To the extent it may be permitted to do so by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District does hereby agree to defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Superintendent in the Superintendent's individual or official capacity as an employee and as Superintendent of the District, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments. expenses and attorneys' fees, arose or does arise in the future from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment with the District. This defense and indemnity provision excludes criminal or other illegal acts and any other act, action or omission of the Superintendent which is determined to have been done, taken or committed with malice or with intent to cause the injury or damage suffered by the claimant. This defense and indemnity provision does not apply if the Superintendent is found to have materially breached his contract, to have acted with gross negligence or with intent to have violated a person's clearly established legal rights, to have acted outside the scope of his employment, to have engaged in criminal conduct, or to have engaged in official misconduct. This defense and indemnity provision does not apply to criminal investigations or proceedings. This defense and indemnity provision excludes any costs, fees, expenses or damages that

would be recoverable or available under an insurance contract, held either by the District or by Superintendent. At its sole discretion, the District may fulfill its obligations under this paragraph by purchasing insurance coverage for the benefit of the Superintendent or by including the Superintendent as a covered party under any contract providing errors and omissions insurance coverage purchased for the protection of the Board and the professional employees of the District. The selection of Superintendent's legal counsel shall be with the mutual agreement of Superintendent and the District if such legal counsel is not also District's legal counsel. A legal defense may be provided through insurance coverage, in which case Superintendent's right to agree to legal counsel provided for him will depend on the terms of the applicable insurance contract. To the extent this Section 2.6 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this Section 2.6 shall survive the termination of this contract.

- 2.6.1 The Board shall not be required to pay any costs of any legal proceedings in the event the Board and the Superintendent are adverse to each other in any such proceedings.
- 2.6.2 The Superintendent shall fully cooperate with the District in the defense of any and all demands, claims, suits, actions and legal proceedings brought against the District. The Superintendent's obligation under this paragraph shall continue after the termination of this Contract.
- 2.6.3 After termination of this Contract, the Superintendent agrees to provide assistance to and cooperate with the District, its Trustees, agents, and attorneys in response to, or in defense of, any demand, claim, complaint, suit, action or legal proceeding brought against the District, its Trustees, or agents, arising from any acts or events alleged to have occurred during the term of the Superintendent's employment with the District, at no additional expense to the District other than reimbursement for his documented reasonable and necessary out-of-pocket expenses, plus reimbursement of any salary lost by the Superintendent by virtue of his taking time off from his then current employment to assist the District at its request. If the Superintendent is not employed at that time, the District will compensate him at his daily rate as of the date this Contract is terminated. Requests for assistance from the Superintendent with respect to such matters shall be made through the Board of Trustees' President, any successor superintendent, and/or legal counsel for the District, and the amount to be reimbursed to the Superintendent shall be mutually agreed upon in advance.

III. COMPENSATION AND BENEFITS

3.1 <u>Salary</u>. The District shall provide the Superintendent with an annual salary in the sum of <u>One Hundred and Twenty-Eight Thousand and Five Hundred and Nineteen Dollars</u> (S128, 519.00). This annual salary rate shall be paid to the Superintendent in equal monthly installments consistent with Board policies.

- 3.2 Salary Adjustments. At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent. However, no such adjustment shall result in the Superintendent being paid less than the salary set forth in this Contract without the mutual consent of both parties, except that mutual consent shall not be required in the event that the Superintendent's salary is reduced pursuant to Sections 3.3, 3.4, and 3.5 of this Contract.
- 3.3 Amendment/Financial Exigency. The Board may amend the terms of this Contract, including the salary, on the basis of a financial exigency declared under Texas Education Code §44.011 that requires a reduction in personnel. In the event that this Contract is amended pursuant to this Section 3.3, the Superintendent may resign without penalty by providing reasonable notice to the Board and may continue employment for that notice period under the terms of this Contract as they existed prior to it being amended.
- 3.4 Widespread Salary Reductions. If the Board implements a widespread salary reduction under Texas Education Code section 21.4032, the Superintendent's annual salary shall be reduced by the percent or fraction of a percent that is equal to the average percent or fraction of a percent by which teacher salaries have been reduced.
- 3.5 <u>Furlough</u>. If the Board implements a furlough under Texas Education Code section 21.4021, the Superintendent shall be furloughed for the same number of days as other contract personnel and the Superintendent's salary shall be reduced in proportion to the number of furlough days.
- 3.6 Expenses. The District shall pay or reimburse the Superintendent for reasonable expenses incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract. The District agrees to pay the actual and incidental costs incurred by the Superintendent for travel; such costs may include, but are not limited to, gasoline (when not using the Superintendent's own automobile), hotel and accommodations, meals, rental car, and other expenses incurred in the performance of the business of the District. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies.
- 3.7 <u>Automobile Expenses</u>. The District shall reimburse the Superintendent for the use of the Superintendent's personal automobile at the mileage rate adopted by the Board of Trustees for in and out of District travel incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract.
- 3.8 <u>Insurance Benefit</u>. The District shall pay the same amount toward the premiums for the Superintendent's health insurance coverage that the District contributes for other 12-month employees.
- 3.9 Vacation, Holidays, Sick Leave Benefits. The Superintendent may take, at the Superintendent's choice, subject to Board approval, the same number of days of vacation authorized by policies adopted by the Board for administrative employees on twelve-month contracts, the days to be in a single period or at different times. The vacation days taken by the Superintendent will be taken at such time or times as will least interfere with the

performance of the Superintendent's duties as set forth in this Contract. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve month contracts. The Superintendent is hereby granted the same sick leave benefits as authorized by Board policies for administrative employees on twelve-month contracts, and shall comply with District leave and absence reporting procedures for professional employees.

- 3.10 <u>Professional Growth Benefits</u>. In its encouragement of the Superintendent to grow professionally, the board shall permit a reasonable amount of release time for the Superintendent, as the Superintendent and Board deems appropriate, to attend seminars, courses, or meetings in accordance with the Board's policies.
- 3.11 <u>Professional Dues</u>. Professional dues for the Superintendent's membership with the Texas Association of School Administrators shall be borne by the District each fiscal year.
- 3.12 <u>Civic Activities</u>. The Superintendent is encouraged to participate in community and civic affairs. The District shall pay the membership dues to two (2) community or civic organizations selected by the Superintendent.
- 3.13 <u>Use of District Equipment</u>. The Superintendent is authorized to use District equipment such as computer and telephone for a reasonable amount of personal use.

IV. ANNUAL PERFORMANCE GOALS

4.1 <u>Development of Goals</u>. The Superintendent shall submit to the Board each year, for the Board's consideration and adoption, a preliminary list of goals for the District. The goals approved by the Board shall at all times be reduced to writing and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated.

V. REVIEW OF PERFORMANCE

- V.1 <u>Time and Basis of Evaluation</u>. The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this contract. The evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description.
- V.2 <u>Confidentiality</u>. The Evaluation of the Superintendent shall at all times be conducted in closed session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.
- V.3 Evaluation Format and Procedures. The evaluation format and procedures shall be in accordance with the Board's policies, and state and federal law.

VI. RENEWAL, EXTENSION, NONRENEWAL AND SUSPENSION OF EMPLOYMENT CONTRACT

- 6.1 <u>Renewal/Non-renewal</u>. Renewal or non-renewal shall be in accordance with Board policy and applicable law.
- 6.2 <u>Extension</u>. At any time during the contract term, the Board may, at its discretion, reissue the contract for an extended term. Failure to reissue the contract for an extended term shall not constitute non-renewal under Board policy.
- 6.3 <u>Suspension</u>. In accordance with Texas Education Code Chapter 21, the Board may suspend the Superintendent without pay during the term of this Contract for good cause, as determined by the Board.

VII. TERMINATION OF EMPLOYMENT CONTRACT

- 7.1 Mutual Agreement. This Contract shall be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as may be mutually agreed upon.
- 7.2 <u>Retirement or Death</u>. This contract shall be terminated upon the retirement or death of the Superintendent.
- 7.3 <u>Dismissal for Good Cause</u>. The Board may dismiss the Superintendent during the term of the contract for any reason constituting "good cause" under Texas Law.
- 7.4 <u>Termination Procedure</u>. In the event that the Board terminates this Contract for "good cause", the Superintendent shall be afforded all the rights as set forth in the Board's policies, and state and federal law.
- 7.5 <u>Resignation.</u> The Superintendent may leave the employment of the District at the end of the school year without penalty by filing a written resignation with the Board. The resignation must be addressed to the Board and filed not later than the 45° day before the first day of instruction of the following school year. The Superintendent may resign, with the consent of the Board, at any other time. The Superintendent may also resign without penalty in accordance with Section 3.3 above.

VIII. MISCELLANEOUS

- VIII.1 Controlling Law. This contract shall be governed by the laws of the State of Texas and shall be performable in Van Zandt County, Texas, unless otherwise provided by law.
- VIII.2 <u>Complete Agreement</u>. This contract embodies the entire agreement between the parties hereto and cannot be varied except by written agreement of the undersigned parties, except as expressly provided herein. All existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent have been superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.

SUPERINTENDENT'S EMPLOYMENT CONTRACT PAGE 5 OF 7 SUPERINTENDENT'S EMPLOYMENT CONTRACT PAGE 5 OF 7

- VIII.3 <u>Conflicts</u>. In the event of any conflict between the terms, conditions, and provisions of this Employment Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.
- VIII.4 <u>Savings Clause</u>. In the event any one or more of the provisions contained in the Contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalid, illegal, or unenforceable provisions shall not affect any other provisions thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

EXECUTED on the dates designated below.

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

BY;	Date.	_
Judy Steadham		
President, Board of Trustees		
SUPERINTENDENT		
Ву:	Date:	
Kristin Prater		
Superintendent of Schools		