

# Edgewood ISD 2019-20 FIRST RATING

*Presented Monday, November 16, 2020*

# 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 2018-19**
- ▶ **This information is applied to 15 separate achievement indicators consisting of five yes/no questions, and ten scoreable indicators**

# FIRST RATING...QUICK COMPARISON

	2014-15 FIRST Report	2015-16 FIRST Report	2016-17 FIRST Report	2017-18 FIRST Report	2018-19 FIRST Report	2019-20 FIRST Report
Indicators that were evaluated	7	15	15	15	15	15
Highest (best) Possible Score a District Could Reach	30	100	100	100	100	100
	(EISD scored 30)	(EISD scored 98)	(EISD scored 100)	(EISD scored 100)	(EISD scored 100)	(EISD scored 100)
Possible Achievement Ratings a District Could be Awarded	"Pass"	A = Superior	A = Superior	A = Superior	A = Superior	A = Superior
	"Sub-Standard"	B = Above Standard	B = Above Standard	B = Above Standard	B = Above Standard	B = Above Standard
		C = Meets Standard	C = Meets Standard	C = Meets Standard	C = Meets Standard	C = Meets Standard
		F = Substandard Achievement	F = Substandard Achievement	F = Substandard Achievement	F = Substandard Achievement	F = Substandard Achievement

# EDGEWOOD ISD'S PAST YEAR'S RATINGS

- ▶ **2018-19...Superior**
- ▶ **2017-18...Superior**
- ▶ **2016-17...Superior**
- ▶ **2015-16...Superior**
- ▶ **2014-15...Passed**
- ▶ **2013-14...Superior Achievement**
- ▶ **2012-13...Superior Achievement**
- ▶ **2011-12...Superior Achievement**
- ▶ **2010-11...Superior Achievement**
- ▶ **2009-10...Superior Achievement**
- ▶ **2008-09...Superior Achievement**
- ▶ **2007-08...Superior Achievement**
- ▶ **2006-07...Superior Achievement**

# HOW DID EDGEWOOD ISD SCORE?

**Awarded a 2019-2020  
“Superior” rating of 100  
out of 100 points  
for the 2018-2019 school  
year.**



Financial Integrity Rating System of Texas

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

Name: <b>EDGEWOOD ISD(234903)</b>	Publication Level 1: 8/6/2020 9:26:37 AM
Status: <b>Passed</b>	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>	3/30/2020 3:00:23 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>	3/30/2020 3:00:23 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>	3/30/2020 3:00:23 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>	3/30/2020 3:00:24 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>	3/30/2020 3:00:24 PM	Yes
5	This indicator is not being scored.		
			1 Multiplier

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 school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (See ranges below.)</u>	3/30/2020 3:00:25 PM	10	
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>	3/30/2020 3:00:26 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>	3/30/2020 3:00:26 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>	3/30/2020 3:00:26 PM	10	
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	3/30/2020 3:00:29 PM	10	
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/30/2020 3:00:29 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>	3/30/2020 3:00:30 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>	3/30/2020 3:00:34 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>	3/30/2020 3:00:34 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>	3/30/2020 3:00:34 PM	10	
				100 Weighted Sum



		3/30/2020 3:00:30 PM	
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>	3/30/2020 3:00:34 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>	3/30/2020 3:00:34 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>	3/30/2020 3:00:34 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 <b>Substandard Achievement</b> regardless of points earned.		
B.	Determine the rating by the applicable number of points. (Indicators 6-15)		
	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.			

# FIRST RATING DISTRICT FINANCIAL DISCLOSURES

- ▶ **Superintendents Dr. Andy Baker, Mr. Eddie White (Interim), and Mrs. Kristin Prater served during this time frame. Employment Contracts were posted to the School District Website during the 2018-2019 school year for both Superintendents.**
- ▶ **Former Superintendent Dr. Andy Baker reported no outside compensation in school business was earned for the 2018-19 fiscal year. Former Interim Superintendent Mr. Eddie White reported no outside compensation was earned during his tenure with the district in school business. Mrs. Kristin Prater reported no outside compensation was earned for the 2018-19 school year in school district business.**
- ▶ **Former Superintendent Dr. Andy Baker, Mr. Eddie White (Interim Superintendent), and Mrs. Kristin Prater, current Superintendent, and the Board of Trustees report 2018-19 reimbursements and on-behalf reimbursements listed below:**
  - ▶ **Former Superintendent Dr. Andy Baker mileage reimbursement and meals (\$1,067.87) and EISD payment on-behalf of Superintendent (\$1,685.00) [registration fees, dues, fuel spread, and lodging]. Mr. Eddie White had no such reimbursements or payments on-behalf.**
  - ▶ **Superintendent Mrs. Kristin Prater had EISD payment on-behalf of Superintendent (\$710.47) [registration fees, dues, fuel spread, and lodging].**
  - ▶ **EISD Board of Trustees payment on-behalf (\$210.00) [board training fees for Board Members: D Whitfield, J Steadham]**
  - ▶ **Superintendents and Board of Trustees report no gifts were received for the 2018-19 fiscal year.**
- ▶ **Board of Trustees reports the following business transactions occurred between Board Members and the District for the 2018-19 fiscal year:**
  - ▶ **Board Member Jody McPherson, \$120.00, for work during the Boys Basketball Tournament.**