



2021-2022 FIRST REPORT

PUBLIC HEARING | OCTOBER 25, 2022



SUPERINTENDENT PRIORITIES:

Priority 1 - Focus on Student Success

Priority 2 - Focus on Students, Families and Community

Priority 3 – Focus on Operational Excellence

Priority 4 – Focus on Employees & Organizational Improvement

Priority 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:

1. Board Responsibility
2. Discuss the purpose of the Financial Integrity Rating System of Texas (FIRST)
3. Rating Year/Data Year
4. FIRST Rating Timeline
5. Review the FIRST scoring rubric
6. Review Edgewood ISD's Rating
7. Review Edgewood ISD's Indicators
8. Appendices

BOARD RESPONSIBILITY



ADOPT the District's budget

SET policy

HIRE the Superintendent

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 Priority is to achieve quality performance in the management of school district's financial resource.
- Districts 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 RATING

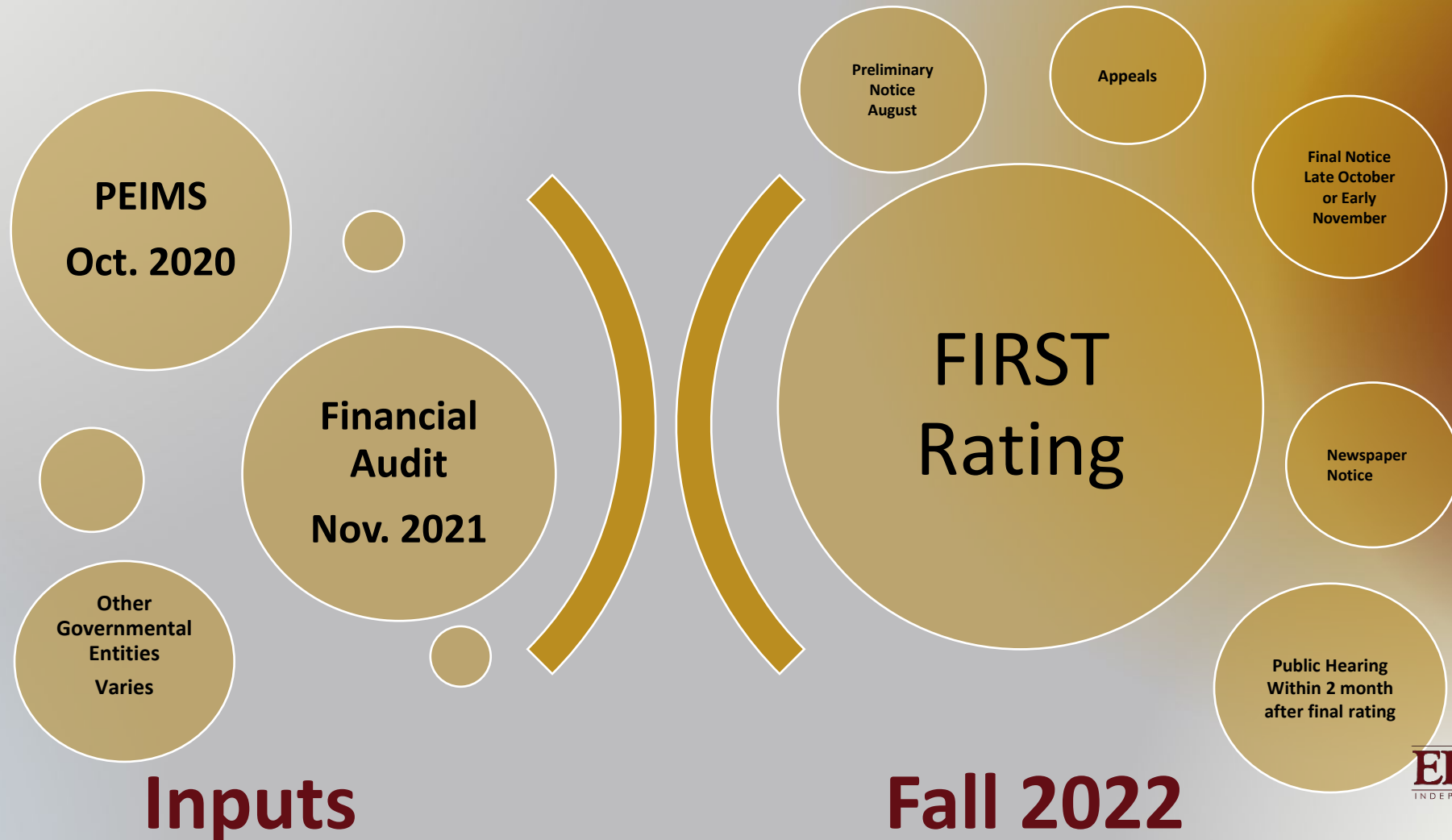


2021-2022 FIRST
Rating



Based on 2020-
2021 Financial
Data

FIRST RATING TIMELINE



FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

2021-2022		2020-2021	
A = Superior	90-100	A = Superior	90-100
B = Above Standard	80-89	B = Above Standard	80-89
C = Meets Standard	70-79	C = Meets Standard	70-79
F = Substandard	<70	F = Substandard	<70

DISTRICT STATUS DETAIL

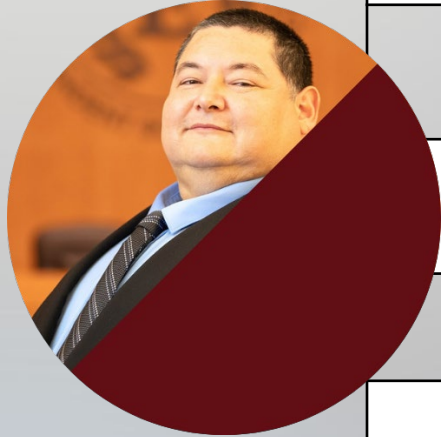
	2021-2022	2020-2021
RATING	<ul style="list-style-type: none">• A=Superior	<ul style="list-style-type: none">• A=Superior
DISTRICT SCORE	<ul style="list-style-type: none">• 94	<ul style="list-style-type: none">• 98
NUMBER OF INDICATORS	<ul style="list-style-type: none">• 20	<ul style="list-style-type: none">• 20

FIRST Current & Prior Year Indicators/Results



Indicator	Indicator Description	2021-2022 Results	2020-2021 Results
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	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
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
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	This indicator is not being scored.	N/A	N/A

FIRST Current & Prior Year Indicators/Results



Indicator	Indicator Description	2021-2022 Results	2020-2021 Results
		1 Multiplier Sum	1 Multiplier Sum
6	Was the average change in (assigned and unassigned) fund balance 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?	Passed	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)?	10	10
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	10	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?	10	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? This indicator is not being scored.	10	10

FIRST Current & Prior Year Indicators/Results



Indicator	Indicator Description	2021-2022 Results	2020-2021 Results
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 automatically passes this indicator.	10	10
12	Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?	10	10
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	4	8
14	Did the school district not have a 15 percent decline in the students to staff ration 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
15	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 This indicator is not being scored	5	5

FIRST Current & Prior Year Indicators/Results

Indicator	Indicator Description	2021-2022 Results	2020-2021 Results
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?	Passed	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.)	Passed	Passed
18	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?	10	10
19	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?	5	5
20	Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget	Passed	Passed
		94 Weighted Sum	98 Weighted Sum
		1 Multiplier Sum	1 Multiplier Sum
		(100 Ceiling)	
		94 Score	98 Score



APPENDICES

- Required Disclosures
 - Superintendent's Employment Contract can be found on the Districts' website
 - [Superintendent Contract](#)
 - Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2021



APPENDICES CONTINUED

	<u>Superintendent</u>	<u>R. Santoyo</u>	<u>S. Camacho</u>	<u>M. Castilla</u>	<u>J. Guerra</u>	<u>J. Hernandez</u>	<u>L. Gomez</u>	<u>D. Serrano</u>
Meals	\$262	\$150	\$0	\$150	\$150	\$150	\$0	\$0
Lodging/ Parking	\$2,530	\$735	\$0	\$735	\$735	\$735	\$0	\$0
Transportation	\$233	\$0	\$0	\$0	\$300	\$0	\$0	\$0
Motor Fuel	\$214	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	<u>\$445</u>	<u>\$864</u>	<u>\$454</u>	<u>\$429</u>	<u>\$889</u>	<u>\$889</u>	<u>\$854</u>	<u>\$454</u>
Totals	\$3,684	\$1,749	\$454	\$1,314	\$2,074	\$1,774	\$854	\$454

APPENDICES CONTINUED

- Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2021
 - *None Received*
- Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2021
 - *None Received*

APPENDICES CONTINUED

- Business Transactions Between School District and Board Members for Fiscal Year 2021.
 - *None*
- Any other information the board of trustees of the school district or open-enrollment charter school determines to be useful.
 - *None currently*



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QUESTIONS?