

# 2020-2021 Financial Integrity Rating System of Texas (FIRST)

October 19, 2021

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SCHOOL DISTRICT



# Purpose



Primary goal of School FIRST:

- Achieve quality performance in the management of school districts' financial resources
- A goal made more significant due to the complexity of the Texas' school finance system
- The Schools FIRST accountability rating ensures that Texas school districts are accountable not only for student learning, but also for achieving these results cost effectively and efficiently.



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# Authority



- Developed by TEA as a response to Senate Bill 875 of the 76<sup>th</sup> Texas Legislature in 1999
- Ratings issued in 2021 cover fiscal year 2020 (July 1, 2019 – June 30, 2020)
- Based on analysis of staff and student data, as well as budgetary and actual financial data



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# 2021 Available Ratings



- Superior Achievement 90 - 100
- Above Standard Achievement 80 - 89
- Meets Standard Achievement 70 - 79
- Substandard Achievement 0 - 69  
(the District must pass indicators 1-5 or the district's rating is F for Substandard Achievement regardless of points earned)



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# New for the 2020-2021 Ratings

- Point scales and ceiling indicators are different
- There are 20 adopted indicators
  - 15 indicators from 2015-2019
- An introduction of a new type of indicator designated as a “Ceiling Indicator” is included with the adopted indicators.



# Indicators



- The Schools FIRST Rating System contains 20 indicators for 2020-2021
  - There are 5 Critical Indicators
    - Failure to meet the requirements of a critical indicator will cause a school district to fail the FIRST for the applicable school year.
    - Indicators 1-5 are critical indicators.
  - There are 6 Ceiling Indicators
    - Adds additional criteria to designated indicators.
    - If the additional ceiling criteria is not met by the school district, a predetermined maximum number of points and highest applicable Schools FIRST rating are assigned to the school district.
    - Indicators 4,5,6,16,17,and 20 are ceiling indicators



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# Determination of Points



Indicator	Points	Critical Indicator	Ceiling Indicator	Maximum Points	Highest Possible Rating
1	Pass/Fail	Yes			
2	Pass/Fail	Yes			
3	Pass/Fail	Yes			
4	Pass/Fail	Yes	Yes	95	A = Superior Achievement
5	Pass/Fail	Yes	Yes	79	C = Meets Standard Achievement
6	Pass/Fail		Yes	89	B = Above Standard Achievement
7	10				
8	10				
9	10				
10	10				
11	10				
12	10				
13	10				
14	10				
15	5				
16	Pass/Fail			89	B = Above Standard Achievement
17	Pass/Fail			79	C = Meets Standard Achievement
18	10				
19	5				
20	Pass/Fail			89	B = Above Standard Achievement
<b>Total</b>	<b>100</b>				



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# Critical Indicators



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?

Passed

District submitted November 18, 2020

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.)

Passed

3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

Passed



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# Critical Indicators



4. 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? **Passed**  
**Ceiling Passed**

5. Was the total unrestricted net position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Position greater than zero? (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.  
**This indicator is not being scored by the state.**



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# Solvency Indicators



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?

Passed

Ceiling Passed

District's average change in fund balance is 7.18%

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 out of 10 points

Passed

The District had 101.2687 days cash on hand



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# Solvency Indicators



8. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

10 out of 10 points

Passed

District's Ratio is 3.9241

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 of 10 Points

District's general fund revenues exceeded the expenditures

District has 101.2687 days of cash on hand



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# Solvency Indicators



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?

10 out of 10 points

District's Variance is .62%

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.

8 out of 10 points

District's ratio of long-term liabilities to total assets is .6468

District's decrease in student enrollment was 8%



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# Solvency Indicators



12. Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?

8 out of 10 Points

District's debt per \$100 of assessed property value ratio is 5.7273

13. Was the school district's administrative cost ratio equal to or less than the threshold ratio?

10 out 10 Points

District Administrative Cost Ratio is 5.48% (5.34% in FY19)

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.

10 out of 10 Points

The District's decline in student to staff ratio is 2%



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# El Paso Independent School District Administrative Cost Ratio Comparison Fiscal Year 2020



Local School Districts	Average Daily Attendance	Administrative Cost Ratio (%)	State Standard
Anthony ISD	737.49	15.3%	13.11%
Canutillo ISD	5,619.44	8.87%	10%
Clint ISD	9,908.32	9.14%	10%
<b>El Paso ISD</b>	<b>47,158.57</b>	<b>5.48%</b>	<b>8.55%</b>
Fabens ISD	1,811.33	10.72%	11.51%
Socorro ISD	42,285.31	5.58%	8.55%
Ysleta ISD	35,413.63	6.16%	8.55%



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# El Paso Independent School District Administrative Cost Ratio Comparison Fiscal Year 2020



Peer Districts in Texas	Average Daily Attendance	Administrative Cost Ratio (%)	State Standard
Conroe ISD	60,103.56	3.81%	8.55%
Plano ISD	48,802.84	4.45%	8.55%
Arlington ISD	52,542.41	5.96%	8.55%
<b>El Paso ISD</b>	<b>47,158.57</b>	<b>5.48%</b>	<b>8.55%</b>
North East ISD	58,083.73	5.33%	8.55%
Lewisville ISD	48,423.69	6.71%	8.55%
Aldine ISD	57,554.61	6.40%	8.55%
Garland ISD	50,446.41	7.29%	8.55%
Austin ISD	70,006.81	8.23%	8.55%
San Antonio ISD	39,407.26	8.62%	8.55%



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# Financial Competency Indicators



15. Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA?

5 out of 5 points

Range of .0138

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

Variance of 0%



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?

Passed







# Financial Competency Indicators

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?

Passed

 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 out of 5 Points

 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? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)

Passed



# 2021 School FIRST Rating

Superior Achievement Rating!

Score 96/100



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# 2021 School FIRST Rating

EPISD has received the  
Highest Rating of Superior Achievement  
for 18 years and Above Standard Rating  
for 2018.



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