October 17, 2023

EL PASO ISD
it starts with us

2022-2023 Financial Integrity Rating System of Texas (FIRST)

EPISD's Financial Accountability Rating based on data from Fiscal Year 2021-2022

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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 for student learning and achieving these results cost-effectively and efficiently.

Authority

- Developed by TEA as a response to Senate Bill 875 of the 76th Texas Legislature in 1999.
- Ratings issued in 2023 cover fiscal year 2022 (July 1, 2021 – June 30, 2022).
- Based on analysis of staff and student data, as well as budgetary and actual financial data.

2023 Available Ratings

- **The Schools FIRST Rating System contains 20 indicators**
  - 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
    - Add additional criteria to designated indicators.
    - If the additional ceiling criteria are not met by the school district, a predetermined maximum number of points and the highest applicable Schools FIRST Rating are assigned to the school district.
    - Indicators 4,5,6,16,17, and 20 are ceiling indicators

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
Total	**100**				

Critical Indicators

1. Was the complete annual financial report (AFR) and data submitted to 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
The District submitted data on November 17, 2022

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

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 was not being scored due to the impact of accounting changes implemented by the Governmental Accounting Standards Board.

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

The District's average change in fund balance is 6.68%

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

District had 112.08 days cash on hand

Solvency Indicators

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

8 out of 10 points

Passed

District's Ratio is 2.501

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 112.08 days of cash on hand

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?

This indicator was not being scored due to the impact of COVID-19 and federal ESSER funding included in school district revenue.

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 .6285

District’s decrease in student enrollment was 12.84%

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 5.853

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 5.45% (5.50% in FY21)

El Paso Independent School District
Administrative Cost Ratio Comparison
Fiscal Year 2022

Local School Districts	Average Daily Attendance	Administrative Cost Ratio (%)	State Standard
Anthony ISD	713.411	15.38%	13.11%
Canutillo ISD	5,540.42	11.01%	10.00%
Clint ISD	9,453.099	9.15%	8.55%
El Paso ISD	**43,736.09**	**5.45%**	**8.55%**
Fabens ISD	1,778.035	11.37%	11.51%
San Elizario ISD	2.766.564	10.47%	11.51%
Socorro ISD	41,567.949	5.32%	8.55%
Tornillo ISD	814.549	14.68%	13.11%
Ysleta ISD	33,644.644	7.33%	8.55%

El Paso Independent School District
Administrative Cost Ratio Comparison
Fiscal Year 2022

Peer Districts in Texas	Average Daily Attendance	Administrative Cost Ratio (%)	State Standard
Plano ISD	48,385.192	4.43%	8.55%
Arlington ISD	48,819.791	6.95%	8.55%
El Paso ISD	**43,736.09**	**5.45%**	**8.55%**
North East ISD	53,928.441	4.99%	8.55%
Lewisville ISD	45,337.378	6.74%	8.55%
Aldine ISD	53,350.938	6.92%	8.55%
Garland ISD	47,577.593	6.92%	8.55%
San Antonio ISD	35,758.074	8.72%	8.55%

Financial Competency Indicators

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.
This indicator is currently not being scored due to the impact of COVID-19 on school district attendance.

15. Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA?
This indicator is currently not being scored due to the impact of COVID-19 on school district attendance.

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
Ceiling Passed
Variance of 0%

Financial Competency Indicators

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

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

Financial Competency Indicators

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

2023

School FIRST

Rating

Superior Achievement Rating!

Score 94/100

2023
School FIRST
Rating

EPISD has received the
Highest Rating of Superior Achievement
for 20 years.