

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
AGENDA ACTION SHEET**

Date: November 8, 2021

Subject: **DISCUSS AND CONSIDER APPROVAL OF THE RISD FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS (FIRST) RATING**

Administrator Responsible: Vanessa R. Riggs

Position: Chief Financial Officer

A. Purpose of Agenda Item:

Information Only Action Needed

B. Authority for this Action:

Local Policy _____ Law or Rule TEC, Chapter 39 Subchapter D

C. Strategic Objective, Goal, or Need Addressed:

It is the districts goal to receive the highest rating possible.

D. Summary:

The state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve these practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.

Attached is the FIRST report for the 2020-2021 school year based on fiscal year 2019-2020. Robstown ISD scored an 88 for an Above Standard Achievement.

E. Alternatives Considered:

F. Comments Received:

G. Administrative Recommendation:

The Board of Trustees approve the FIRST rating.

H. Fiscal Impact and Cost:

I. Monitoring and Reporting Time-Line:

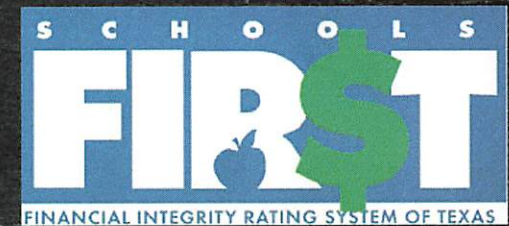


2020 – 2021 Financial Integrity Rating System of Texas

Public Hearing – **FIRST** Rating
November 8, 2021

Purpose

- The primary goal of School FIRST is to achieve quality performance in the management of school districts' financial resources
- The goal is more significant due to the complexity of accounting associated with 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.



Authority

- Developed by TEA as response to Senate Bill 875 of the 76th Texas Legislature in 1999
- Ratings issued in 2021 cover fiscal year 2020
(September 1, 2019 – August 31, 2020)
- Based on analysis of staff and student data, as well as budgetary and actual financial data

Possible Ratings

Description	Range
Superior Achievement	90 - 100
Above Standard Achievement	80 - 89
Meets Standard Achievement	70 - 79
Substandard Achievement	0 - 69

Note: The district must pass indicators 1-5 or the district's rating is F for Substandard Achievement regardless of points earned.

NEW for the 2020-2021 Ratings

- Point scales and ceiling indicators are different
- An introduction of a new type of indicator designated as a “Ceiling Indicator” is included with the adopted indicators.
- There are 20 adopted indicators
 - 5 **Critical** Indicators
 - Failure to meet requirements will cause district to FAIL for applicable year
 - Indicators 1-5 are critical indicators
 - 6 **Ceiling** Indicators
 - Adds additional criteria to designated indicators
 - If the additional ceiling criteria is not met, a predetermined maximum number of points and highest applicable Schools FIRST rating are assigned.
 - Indicators 4, 5, 6, 16, 17 and 20 are ceiling indicators

Critical Indicators

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?

Yes. District submitted January 25, 2021.

2. Was there an unmodified opinion in the AFR on the financial statements as a whole? (The external independent auditor determines if there was an unmodified opinion.)

Yes.

Critical Indicators

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

Yes.

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?

Yes. 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 this year due to the impact of accounting changes implemented by the Governmental Accounting Standards Board.

Solvency Indicators

Solvency Indicators

- NEW**
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?

Yes. Ceiling Passed.

Breakdown = $.0032 < .25$ or $8,007,454 > 5,596,369$

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)?

Yes. 10 out of 10 points. District had 132.23 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?

Yes. 8 out of 10 points.

$$\text{Current Assets} / \text{Current Liabilities} = 15,432,931 / 5,574,951 = 2.76$$

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?

Yes. 10 out of 10 points.

$$\text{Breakdown} = .0026$$

Solvency Indicators

- NEW**
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?

Yes. 10 out of 10 points. Breakdown = $-.0044 < .1$

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.

Yes. 8 out of 10 points.

Breakdown = $0.6176 \leq 1$ or $-0.0272 \geq 0.07$

Solvency Indicators

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

Yes. 8 out of 10 points. District's ratio = 6.2318

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

Yes, however the district only received 4 out of 10 points.

District ratio = .1715

District ADA = 2,163.433

DETERMINATION OF POINTS						
ADA Size	10	8	6	4	2	0
10,000 and Above	≤ 0.0855	$> 0.0855 \leq 0.1105$	$> 0.1105 \leq 0.1355$	$> 0.1355 \leq 0.1605$	$> 0.1605 \leq 0.1855$	> 0.1855
5,000 to 9,999	≤ 0.1000	$> 0.1000 \leq 0.1250$	$> 0.1250 \leq 0.1500$	$> 0.1500 \leq 0.1750$	$> 0.1750 \leq 0.2000$	> 0.2000
1,000 to 4,999	≤ 0.1151	$> 0.1151 \leq 0.1401$	$> 0.1401 \leq 0.1651$	$> 0.1651 \leq 0.1901$	$> 0.1901 \leq 0.2151$	> 0.2151

Solvency 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.

Yes. 10 out of 10 points.

Breakdown = $-0.0162 > -0.15$ or $-29 > 0$

Financial Competency Indicators

Financial Competency Indicators

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

Yes. 5 out of 5 points.

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?

Yes. 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?

Yes. Ceiling 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?

Yes. 10 out of 10 points.

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?

Yes. 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.)

Yes. Ceiling Passed.

NEW

2020-2021* Robstown ISD Rating

B = 88

Above Standard
Achievement

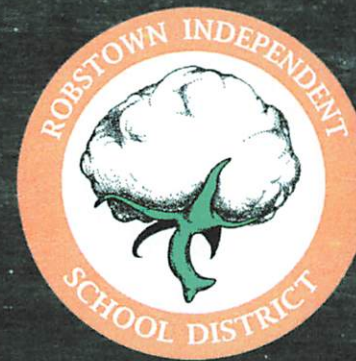
*Based on FY 20 data (September 1, 2019 to August 31, 2020)

Previous Ratings

Rating Year	Score	Rating
2020-2021	88	B – Above Standard
2019-2020	94	A – Superior
2018-2019	94	A – Superior
2017-2018	86	B – Above Standard
2016-2017	82	B – Above Standard
2015-2016	82	A – Superior

Note: Determination of Rating has changed several times throughout the years.

Questions?





ROBSTOWN INDEPENDENT SCHOOL DISTRICT

2020 – 2021 School FIRST Annual Financial Management Report

Section 1 – Financial Integrity Rating System of Texas (FIRST) Determination of Rating

If the District answers ‘no’ to indicators 1-5 it automatically receives a rating of Substandard Achievement (F). A grand total of all scores for indicators 6-20 is also used to determine the District’s rating. See **Attachment A** for the detail of each indicator.

Table 1: Rating

Rating	2019-2020	2018-2019
A – Superior Achievement	90 - 100	90 - 100
B – Above Standard Achievement	80 - 89	80 - 89
C – Meets Standard	70 - 79	60 - 79
F – Substandard Achievement	00 - 69	Less than 60

Table 2: Robstown ISD Rating

Description	2019-2020	2018-2019
Robstown ISD Score	88	94
Robstown ISD Rating	Above Standard Achievement	Superior Achievement
Robstown ISD Status	Passed	Passed

Table 3: Comparison Ratings

School District	2019-2020	2018-2019
Alice ISD	98	98
Calallen ISD	98	98
Corpus Christi ISD	94	96
Flour Bluff ISD	100	98
Gregory-Portland ISD	90	98
Kingsville ISD	88	96
Tuloso-Midway ISD	100	98
West Oso ISD	90	86

Table 4: All Independent School Districts Ratings

Description	2019-2020	2018-2019
Passed	1,007 (98.73%)	1,011 (99.12%)
Substandard Achievement	13 (1.27%)	9 (.88%)
A – Superior	845 (82.84%)	898 (88.04%)
B – Above Standard	119 (11.67%)	81 (7.94%)
C – Meets Standard	43 (4.22%)	32 (3.14%)
F – Substandard Achievement	13 (1.27%)	9 (.88%)

Section 2 – Superintendent’s Current Employment Contract

The contract of the current superintendent, Dr. Jose Moreno, is posted on the district’s website.

https://www.robstownisd.org/apps/pages/index.jsp?uREC_ID=290090&type=d&pREC_ID=1550367

Section 3 – Reimbursements received by the Superintendent and Board Members

Attachment B details all expenditures for the Superintendent and Board Members for the twelve-month period ended August 31, 2020 for the required categories of meals, lodging, transportation, motor fuel, registration fees, telephone / cell phone, internet service, fax machine and other reimbursements made on their behalf.

Section 4 – Outside compensation and/or fees received by the Superintendent for professional consulting and/or personal services

For the twelve-month period ended August 31, 2020:

Description	Name	Amount
Superintendent	Dr. Jose Moreno	\$0.00

Section 5 – Gifts received by Executive Officers and Board Members (and first degree relatives)

For the twelve-month period ended August 31, 2020, gifts that had an economic value of \$250 or more in the aggregate in the fiscal year:

Description	Name	Amount
Superintendent	Dr. Jose Moreno	\$0.00
Board Member 1	Oscar Lopez	\$0.00
Board Member 2	Eva Orona	\$0.00
Board Member 3	Richard Gonzalez	\$0.00
Board Member 4	Hector Lopez	\$0.00
Board Member 5	Bertha Roldan	\$0.00
Board Member 6	Lori Ann Garza	\$0.00
Board Member 7	Baldemar Torres	\$0.00

Section 6 – Business Transactions between the District and Executive Officers and Board Members

For the twelve-month period ended August 31, 2020:

Description	Name	Amount
Superintendent	Dr. Jose Moreno	\$0.00
Board Member 1	Oscar Lopez	\$0.00
Board Member 2	Eva Orona	\$0.00
Board Member 3	Richard Gonzalez	\$0.00
Board Member 4	Hector Lopez	\$0.00
Board Member 5	Bertha Roldan	\$0.00
Board Member 6	Lori Ann Garza	\$0.00
Board Member 7	Baldemar Torres	\$0.00

ATTACHMENT A
2020-2021 Robstown Independent School District
Financial Integrity Rating System of Texas (FIRST) District Status Detail

#	INDICATOR DESCRIPTION	2019-2020		2018-2019	
		Response	Points	Response	Points
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 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?	YES	-	YES	-
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?	YES	-	YES	-
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.	NOT SCORED		NOT 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?	YES	-	NOT APPLICABLE	
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)?	YES 132.23 DAYS	10	YES 93.96 DAYS	10
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	YES 2.76	8	YES 3.29	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?	YES .0026	10	YES .108	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?	YES -.0044	10	NOT APPLICABLE	
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.	YES .6176	8	YES .6095	8
12	Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?	YES 6.2318	8	NOT APPLICABLE	
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	YES .1715	4	YES .1478	6
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.	YES -.0162	10	YES .026	10
15	Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA?	YES	5	NOT APPLICABLE	
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?	YES	-	YES	10
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?	YES	-	YES	-
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?	YES	10	YES	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?	YES	5	NOT APPLICABLE	
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.)	YES	-	NOT APPLICABLE	
21	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?	NOT APPLICABLE		YES	10
22	Was the debt service coverage ratio sufficient to meet the required debt service?	NOT APPLICABLE		YES 1.6007	10
TOTAL POINTS		88		94	

ATTACHMENT B

**School FIRST Annual Financial Management Report
ROBSTOWN INDEPENDENT SCHOOL DISTRICT**

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner’s Rules Concerning Financial Accountability Rating System, Section 109.1001(q). Effective 8/1/2018. The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing. The template may not be all inclusive.

Superintendent’s Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual School FIRST financial management report, the school district may chose to publish the superintendent's employment contract on the school district's Internet site. If published on the Internet, the contract is to remain accessible for twelve months.

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period Ended August 31, 2020	Jose Moreno Superintendent	Oscar Lopez Board Member 1	Eva Orona Board Member 2	Richard Gonzalez Board Member 3	Hector Lopez Board Member 4	Bertha Roldan Board Member 5	Lori Ann Garza Board Member 6	Baldemar Torres Board Member 7	
<u>Description of Reimbursements</u>									
Meals	\$ 388.00	\$ -	\$ 462.00	\$ 120.00	\$ -	\$ 148.00	\$ 224.00	\$ 268.00	
Lodging	\$ 104.11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transportation	\$ 832.21	\$ -	\$ 1,002.78	\$ 411.99	\$ -	\$ 447.78	\$ 770.86	\$ 859.77	
Motor Fuel		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$1,324.32	\$0.00	\$1,464.78	\$531.99	\$0.00	\$595.78	\$994.86	\$1,127.77	

All “reimbursements” expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. Items to be reported per category include:
 Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).
 Lodging - Hotel charges.
 Transportation - Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls).
 Motor fuel – Gasoline.
 Other: - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

For the Twelve-Month Period
 Ended August 31, 2020

<u>Name(s) of Entity(ies)</u>	Amount Received \$
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Total	\$0.00
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Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

**Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any)
 (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)**

For the Twelve-Month Period
 Ended August 31, 2020

	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Total	\$	\$	\$	\$	\$	\$	\$	\$

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials

Business Transactions Between School District and Board Members

For the Twelve-Month Period
 Ended August 31, 2020

	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Amounts	\$	\$	\$	\$	\$	\$	\$

Note - The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.