

BOARD OF TRUSTEES
AGENDA

| | | |
|-----------------------------------|---|----------------------------------|
| <input type="checkbox"/> Workshop | <input checked="" type="checkbox"/> Regular | <input type="checkbox"/> Special |
|-----------------------------------|---|----------------------------------|

(A) Report Only Recognition

Presenter(s): GILBERTO GONZALEZ, SUPERINTENDENT
ISMAEL MIJARES, DEPUTY SUPERINTENDENT FOR BUSINESS & FINANCE

Briefly describe the subject of the report or recognition presentation.

REPORT ON EAGLE PASS I.S.D. "SCHOOL FIRST" RATING (FINANCIAL ACCOUNTABILITY RATING SYSTEM OF TEXAS)

(B) Action Item

Presenter(s):

Briefly describe the action required.

(C) Funding source: Identify the source of funds if any are required.

(D) Clarification: Explain any question or issues that might be raised regarding this item.

SEE ATTACHED MEMORANDUM.

TO: Gilberto Gonzalez, Superintendent
FROM: Ismael Mijares, Deputy Superintendent for Business & Finance
DATE: September 22, 2015
SUBJECT: REPORTING REQUIREMENT ON "SCHOOL FIRST" RATING

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The financial health of every school district in Texas is evaluated as part of the *Financial Accountability Rating System* known as "**School FIRST**" (*Financial Accountability Rating System of Texas*). This System was created to help improve the management of school districts' financial resources and evaluate their financial performance.

School districts are *rated* based on the financial data they submit to the *Texas Education Agency (TEA)* and according to defined indicators established by the *Commissioner of Education*. The *Rating Categories* are:

- "Pass,"
- "Substandard Achievement"

Eagle Pass I.S.D. earned a rating of "**Pass**", which demonstrates the quality of Eagle Pass I.S.D.'s financial management and reporting system.

Attached are the district's *Financial Management Performance Ratings* provided by the *Texas Education Agency (TEA)* for the current and previous years. The district's *Scores* and *Rating Criteria* shall be made available to the public as required. This information will be made available to the public at the *Public Hearing* in the *October Regular Board Meeting*, at the *District Service Center*, and will be posted on the district's *Web Site*.



August 7, 2015

**Important
Accreditation
Information**

To the Administrator Addressed:

Subject: Official Notification of Preliminary 2014-2015 School FIRST Rating

Your school district's preliminary 2014-2015 School Financial Integrity Rating System of Texas (FIRST) rating is now available in the online School FIRST system. To access the School FIRST system go to the TEA [School FIRST](#) webpage.

Basis for School FIRST Rating

Your district's rating is based on an analysis of the district's financial data for fiscal year 2014 (the fiscal period ended June 30, 2014, or August 31, 2014, depending on the ending date of your district's fiscal year). We determined your district's rating using the financial indicators specified in 19 Texas Administrative Code (TAC) [§109.1001\(e\)](#).

Please carefully review your district's preliminary School FIRST rating and the data associated with each of the seven indicators.

Opportunity for Appeal

If your district wants to appeal an adverse issue it identifies in the preliminary rating, your district may submit a written appeal with supporting evidence to the Financial Accountability Section. For the appeal to be considered, we must receive it by **September 8, 2015**. Send any appeal to the following address:

Texas Education Agency
Financial Accountability Section
1701 North Congress Avenue
Austin, TX 78701

The financial accountability rating system is required to apply the rules uniformly. Therefore, an error by a district in recording data or submitting data through the TEA data collection and reporting system is not a valid basis for appealing a preliminary rating and unlikely to negate concerns raised by the indicator.

Please see 19 TAC [§109.1001\(l\)](#) for the rules regarding the filing of an appeal. As stated in that section, we will consider only an appeal that would result in a change to your district's rating.

Final School FIRST Rating and Required Reporting

We will issue final ratings to school districts after we have reviewed any submitted appeals. Final 2014-2015 School FIRST ratings are anticipated to be released in October 2015.

Within two months of the release of its final School FIRST rating, your district must announce and hold a public meeting to distribute a financial management report that explains the district's rating and its performance under each indicator for the current and previous year's ratings. The report also must provide the financial information described in 19 TAC [§109.1001\(o\)\(3\)](#). We encourage your district to include in the report additional information that will be beneficial to stakeholders, especially information explaining any special circumstances that may have affected the district's performance under one or more of the indicators.

The first of two required newspaper notices to inform taxpayers of the meeting must be published no more than 30 days and no fewer than 14 days before the public meeting. Your district may combine the meeting with a scheduled regular meeting of the board of trustees.

For full requirements related to the report and meeting, see 19 TAC [§109.1001\(o\)](#). For a template that your district can use in developing its financial management report, see the TEA [School FIRST](#) web page.

Accreditation Status

Please note that the TEA considers a district's School FIRST rating when assigning an accreditation status, as required by the accreditation status rules in 19 TAC [§97.1055](#).

Contact for Further Information

If you have questions about your district's School FIRST rating, please contact me by telephone at (512) 463-0947 or by email at Yolanda.Walker@tea.texas.gov.

Sincerely,

Yolanda Walker
Manager of Financial Accountability
Division of Financial Compliance

YW/ra

RATING YEAR **2014-2015** Select An Option Help Home



Financial Integrity Rating System of Texas

2014-2015 RATINGS BASED ON SCHOOL YEAR 2013-2014 DATA - DISTRICT STATUS DETAIL

| Name: EAGLE PASS ISD(159901) | | Publication Level 1: 8/20/2015 11:24:40 AM | |
|-------------------------------------|---|---|-------|
| Status: Passed | | Publication Level 2: 8/20/2015 11:24:40 AM | |
| Rating: Pass | | Last Updated: 8/20/2015 11:24:40 AM | |
| District Score: 30 | | Passing Score: 16 | |
| # | 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> | 4/6/2015 3:04:19 PM | Yes |
| 2 | <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> | 4/6/2015 3:04:19 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</u> | 4/6/2015 3:04:20 PM | Yes |

| | | | |
|---|--|-----------------------------|------------------------|
| | <u>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> | | |
| 4 | <u>Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)</u> | 7/30/2015 12:26:42 PM | Yes |
| | | | 1 Multiplier Sum |
| 5 | <u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u> | 7/15/2015 12:00:27 PM | 10 |
| 6 | <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> | 8/17/2015 5:56:21 PM | 10 |
| 7 | <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> | 4/6/2015 3:04:22 PM | 10 |
| | | | 30 Weighted Sum |
| | | | 1 Multiplier Sum |
| | | | 30 Score |

DETERMINATION OF RATING

| | |
|-----------|--|
| A. | Did The District Answer 'No' To Indicators 1, 2, 3, Or 4? If So, The District's Rating |
|-----------|--|

| Is Substandard Achievement. | |
|------------------------------------|---|
| B. | Determine Rating By Applicable Range For Summation of the Indicator Scores (Indicators 5-7) |
| Pass | 16-30 |
| Substandard Achievement | <16 |

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THE **TEXAS EDUCATION AGENCY**
 1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734

Select An Option



Financial Integrity Rating System of Texas

2014-2015 RATINGS BASED ON 2013-2014 SCHOOL YEAR DATA INDICATOR TEST 5

| | |
|----------------------|---|
| Name: | EAGLE PASS ISD (159901) |
| Indicator: | Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.) |
| Result/Points | 10 |
| Last Updated: | 7/15/2015 12:00:27 PM |

FORMULA

| | |
|------------------------------------|--------------|
| Field | Value |
| District Administrative Cost Ratio | 0.08 |
| And | |
| ADA | 14,036.271 |
| Or | |
| Sparse | false |

RESULT DETERMINATION REFERENCE

| DETERMINATION OF POINTS | | | | | | |
|--------------------------------|---------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| ADA Size | 10 | 8 | 6 | 4 | 2 | 0 |
| 10,000 and Above | <= 0.0855 | > 0.0855 <= 0.1105 | > 0.1105 <= 0.1355 | > 0.1355 <= 0.1605 | > 0.1605 <= 0.1855 | > 0.1855 |
| | | > | > | > | > | |

| | | | | | | |
|-----------------------|---------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--------------------|
| 5,000 to 9,999 | <= 0.1000 | 0.1000 <= 0.1250 | 0.1250 <= 0.1500 | 0.1500 <= 0.1750 | 0.1750 <= 0.2000 | > 0.2000 |
| 1,000 to 4,999 | <= 0.1151 | > 0.1151 <= 0.1401 | > 0.1401 <= 0.1651 | > 0.1651 <= 0.1901 | > 0.1901 <= 0.2151 | > 0.2151 |
| 500 to 999 | <= 0.1311 | > 0.1311 <= 0.1561 | > 0.1561 <= 0.1811 | > 0.1811 <= 0.2061 | > 0.2061 <= 0.2311 | > 0.2311 |
| Less than 500 | <= 0.2404 | > 0.2404 <= 0.2654 | > 0.2654 <= 0.2904 | > 0.2904 <= 0.3154 | > 0.3154 <= 0.3404 | > 0.3404 |
| Sparse | <= 0.3364 | > 0.3364 <= 0.3614 | > 0.3614 <= 0.3864 | > 0.3864 <= 0.4114 | > 0.4114 <= 0.4364 | > 0.4364 |

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RATING YEAR **2013-2014** Select An Option Help Home



Financial Integrity Rating System of Texas

2013-2014 RATINGS BASED ON SCHOOL YEAR 2012-2013 DATA - DISTRICT STATUS DETAIL

| | |
|--|--|
| Name: EAGLE PASS ISD(159901) | Publication Level 1: 6/18/2014 8:04:42 AM |
| Status: Passed | Publication Level 2: 9/5/2014 4:00:21 PM |
| Rating: Superior Achievement | Last Updated: 9/5/2014 4:00:21 PM |
| District Score: 70 | Passing Score: 52 |

| # | Indicator Description | Updated | Score |
|---|---|-------------------------|-------|
| 1 | <u>Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?</u> | 4/28/2014 2:42:15 PM | Yes |
| 2 | <u>Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)</u> | 4/28/2014 2:42:15 PM | Yes |
| 3 | <u>Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?</u> | 4/28/2014 2:42:16 PM | Yes |
| 4 | <u>Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?</u> | 4/28/2014 2:42:16 PM | Yes |
| 5 | <u>Was There An Unqualified Opinion in Annual Financial Report?</u> | 4/28/2014 2:42:16 PM | Yes |

| | | | |
|----|---|-----------------------------|------------------------|
| 6 | <u>Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?</u> | 4/28/2014 2:42:17 PM | Yes |
| | | | 1 Multiplier Sum |
| 7 | <u>Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?</u> | 4/28/2014 2:42:17 PM | 5 |
| 8 | <u>Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?</u> | 4/28/2014 2:42:18 PM | 5 |
| 9 | <u>Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)</u> | 5/15/2014 12:00:28 PM | 5 |
| 10 | <u>Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?</u> | 4/28/2014 2:42:18 PM | 5 |
| 11 | <u>Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)</u> | 4/28/2014 2:42:19 PM | 5 |
| 12 | <u>Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?</u> | 4/28/2014 2:42:19 PM | 5 |
| 13 | <u>If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)</u> | 4/28/2014 2:42:20 PM | 5 |
| 14 | <u>Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than</u> | 4/28/2014 2:42:20 PM | 5 |

| | | | |
|----|--|--------------------------|------------------------|
| | <u>Net Delinquent Taxes Receivable)</u> | | |
| 15 | <u>Was The Administrative Cost Ratio Less Than The Threshold Ratio?</u> | 4/28/2014 2:42:21 PM | 5 |
| 16 | <u>Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?</u> | 4/28/2014 2:42:21 PM | 5 |
| 17 | <u>Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?</u> | 4/28/2014 2:42:21 PM | 5 |
| 18 | <u>Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If Total Revenues > Operating Expenditures In The General Fund,Then District Receives 5 Points)</u> | 4/28/2014 2:42:22 PM | 5 |
| 19 | <u>Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?</u> | 4/28/2014 2:42:22 PM | 5 |
| 20 | <u>Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?</u> | 5/14/2014 12:29:29 PM | 5 |
| | | | 70 Weighted Sum |
| | | | 1 Multiplier Sum |
| | | | 70 Score |

DETERMINATION OF RATING

| | |
|-----------|--|
| A. | Did The District Answer ' No ' To Indicators 1, 2, 3, Or 4? OR Did the District Answer ' No ' To Both 5 And 6? If So, The District's Rating Is Substandard Achievement . |
| B. | Determine Rating By Applicable Range For Summation of the Indicator Scores (Indicators 7-20) |
| | Superior Achievement 64-70 |

| | |
|-----------------------------------|-------|
| Above Standard Achievement | 58-63 |
| Standard Achievement | 52-57 |
| Substandard Achievement | <52 |

INDICATOR 16 & 17 RATIOS

| Indicator 16 | Ranges for Ratios | | Indicator 17 | Ranges for Ratios | |
|--|--------------------------|------|--|--------------------------|------|
| | Low | High | | Low | High |
| District Size - Number of Students Between | | | District Size - Number of Students Between | | |
| < 500 | 7 | 22 | < 500 | 5 | 14 |
| 500-999 | 10 | 22 | 500-999 | 5.8 | 14 |
| 1000-4999 | 11.5 | 22 | 1000-4999 | 6.3 | 14 |
| 5000-9999 | 13 | 22 | 5000-9999 | 6.8 | 14 |
| => 10000 | 13.5 | 22 | => 10000 | 7.0 | 14 |

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