

**BOARD OF TRUSTEES
AGENDA**

<input type="checkbox"/> Workshop	<input checked="" type="checkbox"/> Regular	<input type="checkbox"/> Special
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(A) ☐ Report Only ☐ Recognition

Presenter(s):

Briefly describe the subject of the report or recognition presentation.

(B) ☒ Action Item

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

Briefly describe the action required.

CONSIDER AND TAKE APPROPRIATE ACTION ON THE REQUEST TO AMEND THE GENERAL FUND AND CAPITAL PROJECTS FUND BUDGETS TO INCLUDE REDUCING THE INTERNAL SERVICE SELF-FUNDED REVENUES REALIZED FROM THE GENERAL AND SPECIAL REVENUE FUNDS FOR THE 2016-17 FISCAL YEAR AND AUTHORIZE THE SUPERINTENDENT TO RELOCATE THE DISTRICT SERVICE CENTER FROM 1420 EIDSON ROAD, EAGLE PASS, TEXAS TO AUSTIN ELEMENTARY LOCATED AT 587 MADISON, EAGLE PASS, TEXAS.

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

175-MAMA PATROL FUND: \$56,058
199-M&O FUND: \$293,173 (58,489+97,718+136,966)
617-FLOODING INCIDENT FUND: \$72,652
753-WORKERS COMPENSATION FUND: \$621,457
775-HEALTH INSURANCE FUND: \$1,130,024
776-UNEMPLOYMENT COMPENSATION FUND: \$179,828
TOTAL AMOUNT; \$2,353,192

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

SEE ATTACHED INFORMATION



EAGLE PASS INDEPENDENT SCHOOL DISTRICT

TO: Gilberto Gonzalez, Superintendent

FROM: Ismael Mijares, Deputy Superintendent for Business & Finance

SUBJECT: **BUDGET AMENDMENTS FOR SPECIAL PROJECTS**

DATE: May 30, 2017

This Budget Amendment is to appropriate funds in the *Capital Projects Budget* for the following:

EPHS/CC Winn Field Houses	\$1,235,549
EPHS Locker Rooms Renovation	213,861
CC Winn Locker Rooms Renovation	155,267
Austin Elementary Parking Lot	373,515
Austin Elementary Renovation	350,000
Fine Arts Letters – Raul Gonzalez	25,000*
Total:	\$2,353,192

* Not Included in 5-Year Plan

The above *Special Projects* will be funded from the following *Transfers-In*:

175-Mama Patrol Fund-Check Payment Recieved	\$ 56,058
199-M&O Fund-Flood Final Payment	58,489
199-M&O Fund-Electricity Savings	97,718
199-M&O Fund-Copier Lease Credit (May-July 2015)	136,966
617-Flooding Incident Fund-Claim unspent	72,652
753-Workers Compensation Self-Funded	621,457*
775-Health Insurance Self-Funded	1,130,024*
776-Unemployment Compensation Self-Funded	179,828*
Total:	\$2,353,192

* Not Included 169-Fund and 175-Fund

The 753-Workers Compensation Estimated Revenues will be reduced by \$666,599 (General Fund \$627,945/Special Revenue Funds \$38,654), which will reduce estimated fund balance from \$1,045,200 to \$378,601. The 775-Health Insurance Estimated Revenues will be reduced by \$1,256,344 (General Fund \$1,133,835/Special Revenue Funds \$122,509), which will reduce estimated fund balance from \$4,734,471 to \$3,478,127. The 776-Unemployment Compensation Estimated Revenues will be reduced by \$197,214 (General Fund \$180,543/Special Revenue Fund \$16,671), which will reduce estimated fund balance from \$1,109,501 to \$912,287.

Attached are the *Budget Amendments* to appropriate these Funds.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT

PAGE 1 OF 1

BUDGET CHANGE REQUEST

TRANSPORTATION

Fund 162-7


DATE: 6/8/17


REFERENCE NO. _____

ACCOUNT NUMBER						DESCRIPTION	NOM.	AMOUNT
FUND	FUNC.	OBJ.	SUB-OBJ.	ORG.	PROG.			INCREASE/(DECREASE)
162	34	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(138,421)
162	52	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(26,840)
162	34	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(519)
162	00	7XXX	XX	XXX	7XXXXXX	TRANSFERS IN-M&O	-	(165,780)
TOTAL								0

REASON FOR REQUEST: REDUCE TRANSFER IN TO APPROPRIATE FUNDS FOR SPECIAL PROJECTS

ORIGINATOR

 6-8-17

 6-8-17
FINANCE DATE

SUPERINTENDENT

DATE

BOARD OFFICER

DATE

DISAPPROVAL:

NAME

DATE

REASON FOR DISAPPROVAL:

PROCESSED BY ACCOUNTING:

NAME

DATE

EAGLE PASS INDEPENDENT SCHOOL DISTRICT

PAGE 1 OF 1

BUDGET CHANGE REQUEST

STATE COMPENSATORY
Fund 164-7


DATE: 6/8/17

REFERENCE NO. _____

ACCOUNT NUMBER						DESCRIPTION	NOM.	AMOUNT INCREASE/(DECREASE)
FUND	FUNC.	OBJ.	SUB- OBJ.	ORG.	PROG.			
164	11	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(75,216)
164	13	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(11,185)
164	23	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(4,199)
164	31	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(15,029)
164	33	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(918)
164	51	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(1,337)
164	52	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(4,077)
164	61	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(3,371)
164	11	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(990)
164	00	7XXX	XX	XXX	7XXXXXX	TRANSFERS IN-M&O	-	(116,322)
						TOTAL		0

REASON FOR REQUEST: REDUCE TRANSFER IN TO APPROPRIATE FUNDS FOR SPECIAL PROJECTS

ORIGINATOR

 6-8-17

DATE

SUPERINTENDENT

DATE

FINANCE

DATE

BOARD OFFICER

DATE

DISAPPROVAL:

NAME

DATE

REASON FOR DISAPPROVAL:

PROCESSED BY ACCOUNTING:

NAME

DATE

EAGLE PASS INDEPENDENT SCHOOL DISTRICT

PAGE 1 OF 1

BUDGET CHANGE REQUEST

STATE BILINGUAL

Fund 166-7


DATE: 6/8/17

REFERENCE NO. _____

ACCOUNT NUMBER						DESCRIPTION	NOM.	AMOUNT INCREASE/(DECREASE)
FUND	FUNC.	OBJ.	SUB- OBJ.	ORG.	PROG.			
166	11	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(19,575)
166	13	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(8)
166	21	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(5)
166	00	7XXX	XX	XXX	7XXXXXX	TRANSFERS IN-M&O	-	(19,588)
TOTAL								0

REASON FOR REQUEST: REDUCE TRANSFER IN TO APPROPRIATE FUNDS FOR SPECIAL PROJECTS

ORIGINATOR  6-8-17

 DATE 6-8-17
FINANCE DATE

SUPERINTENDENT

BOARD OFFICER

DATE

DATE

DISAPPROVAL: _____
NAME

DATE

REASON FOR DISAPPROVAL:

PROCESSED BY ACCOUNTING: _____
NAME

DATE

EAGLE PASS INDEPENDENT SCHOOL DISTRICT

PAGE 1 OF 1

BUDGET CHANGE REQUEST

STATE SPECIAl EDUCATION

Fund 168-7


DATE: 6/8/17

REFERENCE NO. _____

ACCOUNT NUMBER						DESCRIPTION	NOM.	AMOUNT INCREASE/(DECREASE)
FUND	FUNC.	OBJ.	SUB- OBJ.	ORG.	PROG.			
168	11	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(92,891)
168	21	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(3,219)
168	31	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(6,667)
168	11	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(1,038)
168	00	7XXX	XX	XXX	7XXXXXX	TRANSFERS IN-M&O	-	(103,815)
TOTAL								0

REASON FOR REQUEST: REDUCE TRANSFER IN TO APPROPRIATE FUNDS FOR SPECIAL PROJECTS

ORIGINATOR  6-8-17

DATE
 6-8-17
FINANCE DATE

SUPERINTENDENT

BOARD OFFICER

DATE

DATE

DISAPPROVAL: _____
NAME DATE

REASON FOR DISAPPROVAL:

PROCESSED BY ACCOUNTING: _____
NAME DATE

MAMA PATROL SAFETY PROGRAM

DATE: 6/8/17

REFERENCE NO. _____

ACCOUNT NUMBER								
FUND	FUNC.	OBJ.	SUB-OBJ.	ORG.	PROG.	DESCRIPTION	NOM.	AMOUNT INCREASE/(DECREASE)
175	00	5XXX	XX	XXX	7XXXXXX	REVENUES	+	56,058
175	00	8XXX	XX	XXX	7XXXXXX	TRANSFERS IN-M&O	-	56,058
						TOTAL		0

REASON FOR REQUEST: REDUCE TRANSFER IN TO APPROPRIATE FUNDS FOR SPECIAL PROJECTS

ORIGINATOR

DATE _____

SUPERINTENDENT

DATE _____

FINANCE

DATE _____

BOARD OFFICER

DATE _____

DISAPPROVAL:

NAME _____

DATE _____

REASON FOR DISAPPROVAL:

PROCESSED BY ACCOUNTING:

NAME

DATE _____

EAGLE PASS INDEPENDENT SCHOOL DISTRICT

PAGE 1 OF 1

BUDGET CHANGE REQUEST

ATHLETICS
Fund 181-7


DATE: 6/8/17

REFERENCE NO. _____

ACCOUNT NUMBER						DESCRIPTION	NOM.	AMOUNT INCREASE/(DECREASE)
FUND	FUNC.	OBJ.	SUB- OBJ.	ORG.	PROG.			
181	36	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(24,483)
181	51	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(33,072)
181	52	61XX	XX	XXX	7XXXXXX	HEALTH/WORK COMP/UNEMP.	+	(6,195)
181	36	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(519)
181	00	7XXX	XX	XXX	7XXXXXX	TRANSFERS IN-M&O	-	(64,269)
TOTAL								0

REASON FOR REQUEST: REDUCE TRANSFER IN TO APPROPRIATE FUNDS FOR SPECIAL PROJECTS

ORIGINATOR  6-8-17

 6-8-17
FINANCE DATE

SUPERINTENDENT

BOARD OFFICER

DATE

DATE

DISAPPROVAL: _____
NAME

DATE

REASON FOR DISAPPROVAL:

PROCESSED BY ACCOUNTING: _____
NAME

DATE

EAGLE PASS INDEPENDENT SCHOOL DISTRICT

PAGE 2 OF 2

BUDGET CHANGE REQUEST


DATE: 6/8/17

REFERENCE NO. _____

ACCOUNT NUMBER						DESCRIPTION	NOM.	AMOUNT
FUND	FUNC.	OBJ.	SUB-OBJ.	ORG.	PROG.			INCREASE/(DECREASE)
199	11	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(73,805)
199	12	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(1,557)
199	21	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(2,028)
199	23	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(15,570)
199	31	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(2,076)
199	33	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(519)
199	36	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(1,038)
199	41	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(12,033)
199	51	62XX	XX	XXX	7XXXXXX	ELECTRICITY/RENTALS LEASES	+	(120,445)
199	52	62XX	XX	XXX	7XXXXXX	RENTALS/OPERATING LEASES	+	(519)
199	00	7XXX	XX	XXX	7XXXXXX	EXTRAORDINARY ITEM	+	58,489
199	00	8XXX	XX	XXX	7XXXXXX	TRANSFERS OUT-SPECIAL PROJECTS	-	1,496,919
						TOTAL		0

REASON FOR REQUEST: REDUCE TRANSFER IN TO APPROPRIATE FUNDS FOR SPECIAL PROJECTS

ORIGINATOR

 6-8-17

DATE

SUPERINTENDENT

DATE

FINANCE

DATE

BOARD OFFICER

DATE

DISAPPROVAL:

NAME

DATE

REASON FOR DISAPPROVAL:

PROCESSED BY ACCOUNTING:

NAME


DATE

BUDGET CHANGE REQUEST

DATE: 6/8/17

REFERENCE NO. _____

REASON FOR REQUEST: TRANSFERS IN FROM 175-MAMA PATROL FUND \$56,058, 199-M&O FUND \$293,173, 617-FLOODING INCIDENT FUND \$72,652, WORKERS COMPENSATION FUND \$621,457, 775-HEALTH INSURANCE \$1,130,024, 776-UNEMPLOYMENT COMPENSATION FUND \$179,828 FOR TOTAL \$2,363,192
ORIGINATOR SA 6-8-17

 DATE	SUPERINTENDENT DATE
FINANCE DATE	BOARD OFFICER DATE

DISAPPROVAL: _____

NAME

DATE

REASON FOR DISAPPROVAL:

PROCESSED BY ACCOUNTING: _____

NAME

DATE

PAGE 1 OF 1

DATE: 6/8/17

REFERENCE NO. _____

REASON FOR REQUEST: REDUCE TRANSFER IN TO APPROPRIATE FUNDS FOR SPECIAL PROJECTS

ORIGINATOR

6-8-17

DATE 6-8-1
FINANCE DATE

SUPERINTENDENT

DATE _____

BOARD OFFICER

DATE _____

DISAPPROVAL:

NAME

DATE _____

REASON FOR DISAPPROVAL:

PROCESSED BY ACCOUNTING:

NAME _____

DATE _____



EAGLE PASS INDEPENDENT SCHOOL DISTRICT

TO: Gilberto Gonzalez, Superintendent
FROM: Ismael Mijares, Deputy Superintendent for Business & Finance
DATE: October 20, 2016
SUBJECT: ***PRELIMINARY ENDING FUND BALANCES AS OF AUGUST 31, 2016***

Digitally signed
by SmartFTP
Client
DN: cn=SmartFTP
Client
Date: 2016.10.20
13:14:24 -05'00'

The following are the *Preliminary Ending Fund Balances* as of August 31, 2016. The *Ending Fund Balances* are ***Preliminary*** and may be subject to minor changes, due to the 2015-16 *Annual Financial Audit* currently being conducted.

GENERAL ENDING FUND BALANCES

101	FOOD SERVICE	\$ 26,057.86
169	HIGH SCHOOL ALLOTMENT	253,195.81
170	MIDDLE RIO GRANDE WORKFORCE – CCPS	134,747.22
175	MAMA PATROL SAFETY PROGRAM	182,186.51
199	<i>MAINTENANCE & OPERATIONS (M&O)</i>	<u>18,038,441.14</u>
	TOTAL GENERAL FUND ENDING FUND BALANCE	<u>\$ 18,634,628.54</u>

SPECIAL REVENUE ENDING FUND BALANCES

242	SUMMER FEEDING PROGRAM	\$ 14,753.38
397	ADVANCE PLACEMENT	10,358.09
461	CAMPUS ACTIVITY	78,722.93
	TOTAL SPECIAL REVENUE ENDING FUND BALANCE	<u>\$ 103,834.40</u>

DEBT SERVICE ENDING FUND BALANCES

518	DEBT SERVICE	<u>\$ 1,310,724.90</u>
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CAPITAL PROJECTS ENDING FUND BALANCES

616	CONSTRUCTION SPECIAL PROJECTS	\$ 4,767,420.48
617	FLOODING INCIDENT	115,820.16
	TOTAL CAPITAL PROJECTS ENDING FUND BALANCE	<u>\$ 4,883,240.64</u>

INTERNAL SERVICE ENDING FUND BALANCES

753	WORKERS COMPENSATION	\$ 1,045,200.34
775	HEALTH/DENTAL INSURANCE	4,734,471.26
776	UNEMPLOYMENT COMPENSATION	1,109,501.79
	TOTAL INTERNAL SERVICE ENDING FUND BALANCES	<u>\$ 6,889,173.39</u>

EXPENDABLE TRUST ENDING FUND BALANCES

806	SCHOLARSHIP	<u>\$ 17,361.96</u>
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GRAND TOTAL ENDING FUND BALANCES: **\$ 31,838,963.83**

The above ***199 M & O Preliminary Ending Fund Balance*** as of 08-31-16 is **\$18,038,441.14**.
If you should have any questions, please let me know.

XC: Board Members

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
GENERAL FUND AS OF AUGUST 31, 2016

EXHIBIT J-2

UNAUDITED

1	Total General Fund Balance as of 8/31/16 (Exhibit C-1 object 3000 for the General Fund Only)		\$ 18,634,631
2	Total Non-Spendable Fund Balance (from Exhibit C-1 - for the General Fund Only)	\$ 422,659	
3	Total Restricted Fund Balance (from Exhibit C-1 - for the General Fund Only)	387,943	
4	Total Committed Fund Balance (from Exhibit C-1 - for the General Fund Only)	-	
5	Total Assigned Fund Balance (from Exhibit C-1 - for the General Fund Only)	-	
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)	-	
7	Estimate of two month's average cash disbursements during the fiscal year.	23,453,699	
8	Estimate of delayed payments from state sources (58xx).	-	
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount.	-	
10	Estimate of delayed payments from federal sources (59xx)	-	
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	-	
12	Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)		<u>24,264,301</u>
13	Excess (Deficit) Unassigned Fund Balance (Line 1 minus Line 12)		<u>\$ (5,629,670)</u>

Cc: Jose Esquivel <jesquivel@eaglepassisd.net>, "Moreno, Paul" <Paul.Moreno@tea.texas.gov>, "Walker, Yolanda" <Yolanda.Walker@tea.texas.gov>, "Martin, Tiffany" <Tiffany.Martin@tea.texas.gov>, Ismael Mijares <imijares@eaglepassisd.net>, Robert Carter <carterjr@lealcarter.com>

Good Afternoon. The school district has the following question:

1) If the district has a reserve in an internal service fund (e.g. self-funded workers' compensation, health insurance and unemployment), may the district **NOT charge any fund (general and special revenue) the workers' compensation, health insurance, and unemployment benefits in a given year? The workers compensation, health insurance, and unemployment internal service funds may or may not have revenue realized from the general and special revenue funds as reflected on the budget as approved by the school board.**

Please advise. Thank you for your assistance with this matter.

Susana Perez
Business & Finance Director
Eagle Pass ISD
1420 Eidson Road
Eagle Pass, TX 78852
(830) 773-5181 Ext. 1046

[Quoted text hidden]

Fri, Jun 2, 2017 at 8:17 AM

To: Susana Perez <sperez@eaglepassisd.net>
Cc: Jose Esquivel <jesquivel@eaglepassisd.net>, "Moreno, Paul" <Paul.Moreno@tea.texas.gov>, "Walker, Yolanda" <Yolanda.Walker@tea.texas.gov>, "Martin, Tiffany" <Tiffany.Martin@tea.texas.gov>, Ismael Mijares <imijares@eaglepassisd.net>, Robert Carter <carterjr@lealcarter.com>

Good morning. The answer to that question was in the e-mail below from 6/1/17 in RED.

Our answer to that question is yes.

Thanks!

To: schoolaudits <schoolaudits@tea.texas.gov>

6/2/2017

Eagle Pass Independent School District Mail - Internal Service Funds

Cc: Jose Esquivel <jesquivel@eaglepassisd.net>; Moreno, Paul <Paul.Moreno@tea.texas.gov>; Walker, Yolanda <Yolanda.Walker@tea.texas.gov>; Martin, Tiffany <Tiffany.Martin@tea.texas.gov>; Ismael Mijares <imijares@eaglepassisd.net>; Robert Carter <carterjr@lealcarter.com>
Subject: Re: Internal Service Funds

[Quoted text hidden]



Internal Service Funds

Jose Esquivel <jesquivel@eaglepassisd.net>

Wed, May 31, 2017 at 5:49 PM

To: schoolaudits@tea.texas.gov, paul.moreno@tea.texas.gov, yolanda.walker@tea.texas.gov, tiffany.martin@tea.texas.gov
Cc: Ismael Mijares <imijares@eaglepassisd.net>, Susana Perez <sperez@eaglepassisd.net>

1) If the district's internal service fund (775 self-funded health insurance) was subsidized with additional M&O funds (general fund) to cover a deficit fund balance in a prior year, may funds from the internal service fund reserve (775 self-funded health insurance) be transferred to the M&O fund (general fund)? The transfer with school board approval will **not exceed the amount that was subsidized by the M&O fund to cover the deficit fund balance in a prior year.**

2) If the district has a reserve in an internal service fund (e.g. self-funded workers' comp and unemployment), may the district **not charge any fund (general and special revenue) the workers' compensation and unemployment benefits in a given year? The workers compensation and unemployment internal service funds would not have revenue realized from the general and special revenue funds as reflected on the budget as approved by the school board.**

Your attention to this matter is appreciated.

Respectfully,

Jose Esquivel
Business & Finance Director
Eagle Pass ISD
1420 Eidson Road
Eagle Pass, TX 78852
830-773-5181 ext. 1120
email: jesquivel@eaglepassisd.net

Susana Perez <sperez@eaglepassisd.net>
To: Robert Carter <carterjr@lealcarter.com>

Wed, May 31, 2017 at 8:08 PM

Robert we sent the email below to TEA. I will call you tomorrow to discuss. thank you,
[Quoted text hidden]

schoolaudits <schoolaudits@tea.texas.gov>

Thu, Jun 1, 2017 at 10:05 AM

To: Jose Esquivel <jesquivel@eaglepassisd.net>, schoolaudits <schoolaudits@tea.texas.gov>, "Moreno, Paul" <Paul.Moreno@tea.texas.gov>, "Walker, Yolanda" <Yolanda.Walker@tea.texas.gov>, "Martin, Tiffany" <Tiffany.Martin@tea.texas.gov>
Cc: Ismael Mijares <imijares@eaglepassisd.net>, Susana Perez <sperez@eaglepassisd.net>

Good morning! Please see the answers to your questions below in RED:

From: Jose Esquivel [mailto:jesquivel@eaglepassisd.net]

Sent: Wednesday, May 31, 2017 5:49 PM

To: schoolaudits <schoolaudits@tea.texas.gov>; Moreno, Paul <Paul.Moreno@tea.texas.gov>; Walker, Yolanda



Jose Esquivel <jesquivel@eaglepassisd.net>

Fund Balance

6 messages

Jose Esquivel <jesquivel@eaglepassisd.net>
To: schoolaudits@tea.texas.gov
Cc: Ismael Mijares <mijares@eaglepassisd.net>

Fri, Jun 3, 2016 at 3:03 PM

School Audits,

We have the following questions:

- 1) Can the health insurance fund have a deficit fund balance if the M&O has a fund balance to cover it?
- 2) If the health insurance fund can have a deficit fund balance, may we transfer funds from the M&O to the health insurance fund to **reduce** the deficit?
- 3) If on the other hand, the health insurance fund has a fund balance, may we transfer funds from the health insurance fund to the M&O fund?

--

Respectfully,

Jose Esquivel

Business & Finance Director

Eagle Pass ISD

1420 Eldson Road

Eagle Pass, TX 78852

830-773-5181 ext. 1120

email: jesquivel@eaglepassisd.net

Jose Esquivel <jesquivel@eaglepassisd.net>
To: schoolaudits@tea.texas.gov

Mon, Jun 13, 2016 at 1:23 PM

Attention School Audits Division:

[Quoted text hidden]

Moreno, Paul <Paul.Moreno@tea.texas.gov>
To: "jesquivel@eaglepassisd.net" <jesquivel@eaglepassisd.net>
Cc: "mijares@eaglepassisd.net" <mijares@eaglepassisd.net>, schoolaudits <schoolaudits@tea.texas.gov>

Wed, Jun 15, 2016 at 3:59 PM

Mr. Esquivel,

See the following responses to your questions.

1) Can the health insurance fund have a deficit fund balance if the M&O has a fund balance to cover it? Unless project accounting is required, funds other than the general fund should report a negative overall fund balance as unassigned.

2) If the health insurance fund can have a deficit fund balance, may we transfer funds from the M&O to the health insurance fund to reduce the deficit? Yes.

3) If on the other hand, the health insurance fund has a fund balance, may we transfer funds from the health insurance fund to the M&O fund? Remaining resources may be transferred to the general fund if it is not a special revenue fund (revenue sources are restricted or committed). The balance may also be left in the health insurance fund to cover any future potential deficits.

Thanks,

Paul Moreno

Manager of Financial Desk Reviews

Texas Education Agency

Office of School Finance | Division of Financial Compliance

ph: 512.475.2228 | fax: 512.463.1777

From: schoolaudits
Sent: Monday, June 13, 2016 1:44 PM
To: Richmond, Mike <Mike.Richmond@tea.texas.gov>
Cc: Moreno, Paul <Paul.Moreno@tea.texas.gov>
Subject: RE: Fund Balance

Thanks!

From: Jose Esquivel [mailto:jesquivel@eaglepassisd.net]
Sent: Monday, June 13, 2016 1:24 PM
To: schoolaudits <schoolaudits@tea.texas.gov>
Subject: Fwd: Fund Balance

[Quoted text hidden]

Jose Esquivel <jesquivel@eaglepassisd.net>
To: Ismael Mijares <imijares@eaglepassisd.net>

Wed, Jun 15, 2016 at 5:11 PM

[Quoted text hidden]

Jose Esquivel <jesquivel@eaglepassisd.net>
To: carterjr@lealcarter.com
Cc: Ismael Mijares <imijares@eaglepassisd.net>

Thu, Jun 30, 2016 at 1:00 PM

----- Forwarded message -----

From: **Moreno, Paul** <Paul.Moreno@tea.texas.gov>
Date: Wed, Jun 15, 2016 at 3:59 PM
Subject: FW: Fund Balance
To: "jesquivel@eaglepassisd.net" <jesquivel@eaglepassisd.net>
Cc: "mijares@eaglepassisd.net" <mijares@eaglepassisd.net>, schoolaudits <schoolaudits@tea.texas.gov>

[Quoted text hidden]

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Jose Esquivel <jesquivel@eaglepassisd.net>
To: Ismael Mijares <imijares@eaglepassisd.net>

Tue, May 30, 2017 at 1:11 PM

----- Forwarded message -----

From: **Jose Esquivel** <jesquivel@eaglepassisd.net>
Date: Fri, Jun 3, 2016 at 3:03 PM
Subject: Fund Balance
To: schoolaudits@tea.texas.gov
Cc: Ismael Mijares <imijares@eaglepassisd.net>

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Contributions to a reserve for certain self-insurance programs including workers compensation, unemployment compensation, and severance pay are allowable subject to the following provisions:

- The type of coverage and the extent of coverage and the rates and premiums would have been allowed had insurance (including reinsurance) been purchased to cover the risks. However, provision for known or reasonably estimated self-insured liabilities, which do not become payable for more than one year after the provision is made, shall not exceed the discounted present value of the liability. The rate used for discounting the liability must be determined by giving consideration to such factors as the governmental unit's settlement rate for those liabilities and its investment rate of return.
- Earnings or investment income on reserves must be credited to those reserves.
- Contributions to reserves must be based on sound actuarial principles using historical experience and reasonable assumptions. Reserve levels must be analyzed and updated at least biennially for each major risk being insured and take into account any reinsurance, coinsurance, etc. Reserve levels related to employee-related coverages will normally be limited to the value of claims (a) submitted and adjudicated but not paid, (b) submitted but not adjudicated, and (c) incurred but not submitted. Reserve levels in excess of the amounts based on the above must be identified and justified in the cost allocation plan or indirect cost rate proposal.
- Accounting records, actuarial studies, and cost allocations (or billings) must recognize any significant differences due to types of insured risk and losses generated by the various insured activities or agencies of the governmental unit. If individual departments or agencies of the governmental unit experience significantly different levels of claims for a particular risk, those differences are to be recognized by the use of separate allocations or other techniques resulting in an equitable allocation.
- Whenever funds are transferred from a self-insurance reserve to other accounts (e.g., general fund), refunds shall be made to the Federal Government for its share of funds transferred, including earned or imputed interest from the date of transfer.

Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., subsection for post retirement health benefits), are allowable in the year of payment provided (1) the governmental unit follows a consistent costing policy and (2) they are allocated as a general administrative expense to all activities of the governmental unit.

reported in the GLTDF. The determination whether a claim or a loss should be recorded should be based on the criteria discussed above.

- *Internal Service Fund* - If the school district uses an Internal Service Fund to account for its risk financing, it may create a separate self insurance Internal Service Fund to pay claims and judgments of all funds. Because the full faith and credit remains with the school district, risk is not transferred to the separate insurer fund. The Internal Service Fund may use any basis it considers appropriate to charge other funds of the school district, as long as these conditions are met:
 - The total charge by the Internal Service Fund to the other funds for the period is calculated using the criterion above that an asset has been impaired or a liability has been incurred and that the amount can be reasonably estimated.
 - The total charge by the Internal Service Fund to the other funds is based on an actuarial method or historical cost information and adjusted over a reasonable period of time so that Internal Service Fund revenues and expenses are approximately equal.
 - In addition to the above, the total charge by the Internal Service Fund to other funds may also include a reasonable provision for expected future catastrophic losses.

Charges made in accordance with the foregoing provisions should be recognized as revenue by the Internal Service Fund and as expenditures/expenses by the other funds of the school district. Deficits, if any, in the Internal Service Fund resulting from these charges need not be charged back to the other funds in any one year, as long as adjustments are made over a reasonable period of time. However, a deficit fund balance of the Internal Service Fund should be disclosed in the notes to financial statements. Net assets should be reported as equity designated for future catastrophic losses for any charges made to provide for future losses.

1.2.7.3 Participation in Public Entity Risk Pools

A public entity risk pool is defined by GASB Statement No. 10 as a cooperative of governmental entities joining together to finance an exposure, liability or risk. Risk may include property and liability, workers' compensation or employee health care. A pool could be a stand-alone entity or could be included as part of a larger governmental entity that acts as pool's sponsor.

Some pool risk arrangements entail a transfer of risk and others do not. GASB Statement No. 10 defines four types of public entity risk pools:

If a disclosure is required, the *nature* and the *estimated amount* or range of the loss should be disclosed. If the school district is not able to estimate the amount or range of the loss, the footnote disclosure should state this fact.

In most instances, school districts will have some form of comprehensive or catastrophic coverage associated with health, dental, fire, general liability or worker's compensation insurance. In such instances, these accounting and reporting requirements apply to the uninsured portion of the liability.

Incurred But Not Reported

In addition to situations discussed above, a school district should evaluate situations where incurred but not reported (IBNR) losses occur. Common types of IBNR losses are worker's compensation and medical claims. IBNR is related to an event that could lead to the occurrence of a loss before the date of the financial statements, but no claim has been asserted at the date of the financial statements.

If the school district concludes that an IBNR will be asserted by another party, the loss should be accrued if a reasonable estimate of the loss can be made. The amount of the accrual should be based on past experience of settling claims and total cost for settling a claim including provisions for inflation. This accrual can be based on a case-by-case review or on overall historical experience. In some instances if the computation is complicated, an actuary may be needed to determine the calculation.

1.2.7.2 Accounting of Self-Insurance and Loss Contingencies in Different Types of Funds

Risk management may be accounted for in one of two funds: General Fund or Internal Service Fund. The considerations for accounting in each of them are:

- *General Fund* - If the school district accounts for its risk management in governmental funds (i.e., General Fund), expenditures are recognized on the modified accrual basis. Accordingly the amount of claims recorded as expenditures in governmental funds will be the amount accrued during the year that would normally be liquidated with expendable available financial resources. Therefore, if a school district expects to pay the liability or a portion of the liability within 60 days from financial statement date, the liability will be recorded in the General Fund. The remainder of the liability should be