TO: Gilberto Gonzalez, Superintendent

FROM: Ismael Mijares, Asst. Superintendent for Business & Finance

DATE: October 1, 2013

SUBJECT: ***REPORTING REQUIREMENT ON "SCHOOL FIRST" RATING***

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:

- "Superior Achievement,"
- "Above Standard Achievement,"
- "Standard Achievement,"
- "Substandard Achievement," and
- "Suspended-Data Quality".

Eagle Pass I.S.D. earned the **"Superior Achievement" Rating**, which is the state's highest *Financial Accountability Rating*.

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*.

TEXAS EDUCATION AGENCY
1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us
Michael L. Williams
Commissioner

September 13, 2013

Action Required

To The Administrator Addressed:

Subject: 2013 Final FIRST Ratings

The purpose of this letter is to inform you that the *final* Financial Integrity Rating System of Texas (FIRST) ratings for 2013 are now publicly available. The ratings for both school districts and open-enrollment charter schools can be viewed on the Texas Education Agency (TEA) website.

A previous "To The Administrator Addressed" letter, dated June 24, 2013, instructed local educational agencies (LEAs), school districts and open-enrollment charter schools, to view their *preliminary* FIRST ratings, and provided details regarding the analysis of financial, staff and student data used by TEA to create the ratings. The letter also described the appeals process available to LEAs. This appeals process is now complete and all FIRST ratings are final.

Required Reporting

In order to comply with the requirements given in Title 19 of the Texas Administrative Code (TAC), §109.1005, all LEAs are required to report information and financial accountability ratings to parents and taxpayers by implementing specific reporting procedures, including the following:

1. Within two months after receipt of its final FIRST rating, each LEA must announce and hold a public meeting to distribute a financial management report that explains the LEA's rating and its performance under each of the indicators used in TEA's analysis for the current year and each of the indicators used in TEA's analysis for the prior year.

2. The LEA must inform taxpayers of this public meeting by publishing two newspaper notices, the first of which may not be published more than 30 days prior to or less than 14 days prior to the public meeting.

This public meeting may be combined with a scheduled regular meeting of the LEA's governing board.

The financial management report must include specific information described in 19 TAC §109.1005. To help LEAs prepare the report, TEA has created a template for the report that LEAs can follow. A template for school districts and a template for charter schools are both available online. In addition to the required information, LEAs are encouraged to provide additional information in the report that will be beneficial to taxpayers, especially information that can explain any special circumstances that may have affected the LEA's FIRST rating.

At the public meeting, the LEA should review the information that must be included in the financial management report.

LEAs should review all of the requirements given in 19 TAC §109.1005 for additional information.

Please note that as part of the financial management report, each LEA must provide a summary of the data that was previously submitted to TEA for purposes related to financial solvency. This data is required under the financial solvency provisions of Texas Education Code §39.0822.

Accreditation Status

In accordance with the accreditation status rules given in 19 TAC §97.1055, TEA will take into consideration an LEA's FIRST rating when assigning an accreditation status.

Contact for Further Information

If you have questions about your LEA's FIRST rating, please contact me by telephone at (512) 475-3451 or by email at Belinda.Dyer@tea.state.tx.us.

Sincerely,

Belinda Dyer
Director of Financial Accountability
Office of School Finance

FIRST RATING FOR FISCAL YEAR 2011-2012 Select An Option Help Home

Financial Integrity Rating System of Texas

2011-2012 DISTRICT STATUS DETAIL

Name: EAGLE PASS ISD(159901)	**Publication Level 1:** 6/21/2013 3:05:18 PM
Status: Passed	**Publication Level 2:** 9/12/2013 6:29:59 PM
Rating: Superior Achievement	**Last Updated:** 9/12/2013 6:29:59 PM
District Score: 70	**Passing Score:** 52

#	Indicator Description	Updated	Score
1	Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?	4/26/2013 5:37:19 PM	Yes
2	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)	4/26/2013 5:37:19 PM	Yes
3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	4/26/2013 5:37:19 PM	Yes
4	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)?	4/26/2013 5:37:20 PM	Yes
5	Was There An Unqualified Opinion in Annual Financial Report?	4/26/2013 5:37:20 PM	Yes

6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	4/26/2013 5:37:20 PM	Yes
			1 Multiplier Sum
7	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	4/26/2013 5:37:20 PM	5
8	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)?	4/26/2013 5:37:21 PM	5
9	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)	4/26/2013 5:37:21 PM	5
10	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	4/26/2013 5:37:22 PM	5
11	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)	4/26/2013 5:37:22 PM	5
12	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?	4/26/2013 5:37:22 PM	5
13	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)	4/26/2013 5:37:23 PM	5
14	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	4/26/2013 5:37:23 PM	5

	Net Delinquent Taxes Receivable)		
15	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	4/26/2013 5:37:23 PM	5
16	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?	4/26/2013 5:37:23 PM	5
17	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	4/26/2013 5:37:24 PM	5
18	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)	4/26/2013 5:37:24 PM	5
19	Was The Aggregate Total Of Cash And Investments In The General Fund More Than $0?	4/26/2013 5:37:24 PM	5
20	Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?	4/26/2013 5:37:25 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	
District Size - Number of Students Between	Low	High	District Size - Number of Students Between	Low	High
< 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

FIRST RATING FOR FISCAL YEAR 2010-2011 Select An Option Help Home

FIRST

Financial Integrity Rating System of Texas

2010-2011 DISTRICT STATUS DETAIL

Name: EAGLE PASS ISD(159901)	**Publication Level 1:** 6/28/2012 12:33:14 PM
Status: Passed	**Publication Level 2:** 9/20/2012 3:18:39 PM
Rating: Superior Achievement	**Last Updated:** 9/20/2012 3:18:39 PM
District Score: 70	**Passing Score:** 52

#	Indicator Description	Updated	Score
1	Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?	6/15/2012 4:53:12 PM	Yes
2	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)	6/15/2012 4:53:13 PM	Yes
3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	6/15/2012 4:53:13 PM	Yes
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7	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	6/15/2012 4:53:14 PM	5
8	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)?	6/15/2012 4:53:15 PM	5
9	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)	6/15/2012 4:53:16 PM	5
10	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	6/15/2012 4:53:16 PM	5
11	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)	6/15/2012 4:53:17 PM	5
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			70 Weighted Sum
			1 Multiplier Sum
			70 Score

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