

**Edinburg Consolidated Independent School District**

**School FIRST Ratings  
Based on 2012-2013 School Year**



**Public Hearing  
October 21, 2014**

# FIRST Requirements

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Prepare and distribute an **Annual Financial Accountability Management Report** that must include the following:

- ▶ The districts' financial management performance rating based on its comparisons with indicators established by the Commissioner of Education
- ▶ The districts' financial management performance under each indicator for the current and previous year's financial accountability ratings
- ▶ Certain **required disclosures** in accordance with Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA:
  - A. Disclose the current Superintendent's contract
  - B. A summary schedule of the reimbursements received by the superintendent and each board member for the fiscal year
  - C. A summary schedule for the fiscal year of the dollar amount of outside compensation and/or fees received by the superintendent
  - D. A summary schedule of the total dollar amount of gifts received by executive officer (s) and board members
  - E. A summary schedule of the total dollar amount of business transactions between board members and the school district
  - F. A summary schedule of the of the data submitted to the Texas Education Agency for the financial solvency provisions of Texas Education Code Section 39.0822.

# School FIRST Rating System

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## Background:

- ▶ Senate Bill 218 of the 77<sup>th</sup> Legislature (2001) authorized the implementation of a financial accountability rating system referred to as **School FIRST**.

# **School FIRST Rating System**

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## **Purpose of Financial Integrity Rating System of Texas:**

- Ensures that school districts will be held accountable for the quality of their financial management practices
- Achieve improved performance in the management of their financial resources

# School FIRST Rating System

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The schools FIRST accountability rating system assigns one of the four financial accountability ratings listed below, to Texas School Districts based upon the responses to 20 Indicators developed by the Texas Education Agency.

- Superior Achievement
- Above Standard Achievement
- Standard Achievement
- Substandard Achievement

Districts that receive the Substandard Achievement rating must file a corrective action plan with the Texas Education Agency. This rating could also result in the assignment of a financial monitor or master.

# School FIRST Rating System

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Rating is determined by twenty (20) defined indicators, each weighed equally, except for the first five critical indicators. A negative response to any of the first three critical indicators or a negative response to both the fourth and fifth critical indicators results in the district receiving a rating of **“Substandard Achievement”**

# **School FIRST Rating System**

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The Edinburg Consolidated Independent School District has received a rating of:

**“Superior Achievement”**

consecutively for twelve years under Texas’ Schools FIRST financial Accountability rating system.

Edinburg CISD was one of the 13 school districts in the Region One area that received a perfect score of 70 on their Schools FIRST Rating for the fiscal year 2012-2013.

# School FIRST - Indicator #1

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Was total Fund Balance less Reserved Fund Balance greater than zero in the General Fund?

YES, Edinburg CISD's fund balance in the General Fund after reduction for reserves at August 31, 2013 was \$61,455,712.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>Yes</b>

# School FIRST - Indicator #2

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Was the total Unrestricted Net Asset Balance (Net of Accretion of Interest for Capital Appreciation Bonds) in the Government Activities column in the Statement of Net Assets Greater than Zero?

YES, Edinburg CISD's total unrestricted net assets balance in the Government Activities in the Statement of Net Assets is greater than zero. The net asset balance for the fiscal year ended August 31, 2013 is \$95,068,565.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>Yes</b>

# **School FIRST - Indicator #3**

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Were there **NO** disclosures in the Annual Report and/or other sources of information concerning default on bonded indebtedness obligations?

**YES**, Edinburg CISD has had no instances of default on bonded indebtedness obligations for fiscal year ended August 31, 2013.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>Yes</b>

# School FIRST - Indicator #4

Was the Annual Financial Report filed within one month after the November 27 or January 28 deadline depending upon the district's fiscal year end date (June 30 or August 31)?

YES, Our Annual Financial Report for the fiscal year August 31, 2013, was filed with the Texas Education Agency before the deadline of January 28, 2014.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>Yes</b>

# School FIRST - Indicator #5

Was there an Unqualified Opinion in the Annual Financial Report?

YES, The opinion expressed by our independent auditors on the August 31, 2013 Annual Financial Report was an Unqualified Opinion.

*A “qualification” on our financial reports would have meant that corrections were needed in some of our reporting or financial controls. A district’s goal, therefore, is to receive an “unqualified opinion” on its Annual Financial Report.*

	<b>FY 2012-2013</b>
<b>Result</b>	<b>Yes</b>

# School FIRST - Indicator #6

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Did the Annual Financial Report NOT disclose any instance(s) of material weakness in internal controls?

YES, Edinburg CISD had no material weaknesses in internal controls reported in our 2012-2013 audit report.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>Yes</b>

# School FIRST - Indicator #7

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Was the three-year average percent of total tax collections (including delinquent) greater than 98%?

Yes, Edinburg CISD's three-year average percent of total tax collections including delinquent for the 2012-2013 year was 100.19%.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #8

Did the comparison of PEIMS data to like information in the Annual Financial Report result in an aggregate variance of less than 3 percent of expenditures per fund type (Data Quality Measure)?

Yes, Edinburg CISD's data quality measure was 0 for fiscal year ended August 31, 2013 far below the allowable 3 percent variation.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #9

Were Debt-Related Expenditures (net of IFA and/or EDA allotment) less than \$350 per student? (If the district's five year percent change in students was a 7 percent increase or more, or if property taxes collected per penny of tax effort were more than \$200,000, then the district receives 5 points.)

Yes, Edinburg CISD's debt-related expenditures for the 2012-2013 school year were \$344.49 per student meeting the criteria. The district's five year change in student growth was 9.58%.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #10

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Was there No disclosure in the Annual Audit Report of Material Noncompliance?

Yes, Edinburg CISD's Annual Audit Report for the year ended August 31, 2013 had no disclosures of material noncompliance.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #11

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Did the district have full accreditation status in relation to financial management practices?

Yes, Edinburg CISD had full accreditation status at August 31, 2013.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #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?

Yes, Edinburg CISD's aggregated budgeted total revenues, other resources and fund balance exceeded expenditures and other uses by \$64,427,851 in the General Fund for the year ended August 31, 2013.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #13

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If the district's Aggregate Fund Balance in the General Fund and Capital Projects Fund was LESS THAN zero, were construction projects adequately financed?

Yes, Edinburg CISD's fund balance at August 31, 2013 in the General Fund was \$70,900,788 and the Capital Projects Fund had a fund balance of \$3,411,867 for an aggregate of \$74,312,655 indicating that construction projects were adequately financed.

	FY 2012-2013
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #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?

Yes, Edinburg CISD's cash and investments in the General Fund were greater than 1:1. For the year ended August 31, 2013, cash and investments in the General Fund were \$83,053,991. Deferred revenues less net delinquent taxes receivables amounted to \$2,643,009. Edinburg CISD's ratio for the 2012-2013 year was 31.4:1.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #15

Was the Administrative Cost Ratio less than the standard in State Law?

Yes, Edinburg CISD's ratio for the 2012-2013 school year was 4.71 percent, well below the state cap.

*TEA and state law sets a cap on the percentage of their budget that Texas school districts can spend on administration based on district size. For districts in the Edinburg CISD's category, the administrative cost ratio should fall below 11.05 percent.*

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #16

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Was the Ratio of Students to Teachers within the range according to district size?

Yes, Edinburg CISD had 15.31 students per teacher for the 2012-2013 school year.

*This indicator measures our pupil-teacher ratio to ensure that it is within TEA recommended ranges for a district of our student population range. A district like Edinburg CISD with population greater than 10,000 should have no more than 22 students per teacher and no fewer than 13.5 students per teacher.*

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #17

Was the Ratio of Students to Total Staff within the range according to district size?

Yes, Edinburg CISD had 7.50 students per total district staff for the 2012-2013 school year.

*This indicator measures our pupil-staff ratio to ensure that it is within TEA-recommended ranges for district's of our student population range. A district like Edinburg CISD with population greater than 10,000 should have no more than 14 students per staff member and no fewer than 7.0 students per district employee.*

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #18

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Was the decrease in Undesignated Fund Balance less than 20 percent over two Fiscal Years?

Yes, Edinburg CISD's total revenues for school year 2012-2013 exceeded operating expenditures in the General Fund.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #19

Was the Aggregate Total of Cash and Investments in the General Fund more than \$0?

Yes, for the fiscal year ending August 31, 2013, the District had General Fund cash and investments totaling \$83,053,991.

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# School FIRST - Indicator #20

Were Investment Earnings in all funds (Excluding Debt Service and Capital Projects Fund) meet or exceed the 3-month Treasury Bill Rate?

Yes, for the school year ending August 31, 2013, Edinburg CISD's investment earnings were .2285% earned on the District's investment. The 3-month Treasury Bill Rate was .072% for the same period.

*Verifying that investments earnings met or exceeded the 3-month Treasury Bill Rate indicates that the District is investing its funds wisely.*

	<b>FY 2012-2013</b>
<b>Result</b>	<b>5</b>

# Texas Administrative Code Chapter 109 Disclosures

## Disclosure A

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Copy of 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 in the publication in the annual School FIRST financial management report.*

**Copy of Superintendent's Current Employment Contract is included in the handout.**

# Texas Administrative Code

## Chapter 109 Disclosures

### Disclosure B

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Reimbursements Received by the Superintendent and Board Members for the Twelve-Month Ended August 31, 2013.

Summary Schedule for the fiscal year ended August 31, 2013 of total reimbursements received by the superintendent and each board member. The summary schedule reports reimbursements for meals, lodging, transportation, motor fuel, and other items separately. It does not include reimbursements for supplies and materials that were purchased for the operation of the school district.

# Disclosure B

The summary schedule reports reimbursements for meals, lodging, transportation, motor fuel, and other items separately. It does not include reimbursements for supplies and materials that were purchased for the operation of the school district.

## Board Member's Reimbursements

<u>Name</u>	<u>Meals</u>	<u>Lodging</u>	<u>Transportation</u>	<u>Motor Fuel</u>	<u>Other - Dues and Registration Fees</u>	<u>Total</u>
Dr. Martin Castillo	\$ 373.00	\$ 3,906.42	\$ 1,223.00	\$ -	\$ 1,125.00	\$ 6,627.42
Jaime Chavana	433.00	2,192.74	1,408.83	-	875.00	4,909.57
Carmen Gonzalez	426.00	4,178.72	1,724.45	-	1,170.00	7,499.17
Juan "Sonny" Palacios, Jr.	384.00	3,849.42	1,555.32	-	1,070.00	6,858.74
Robert Peña, Jr.	780.00	4,206.03	887.83	-	1,765.00	7,638.86
Jaime R. Solis	320.00	3,836.23	1,253.90	-	1,170.00	6,580.13
David Torres	450.00	2,906.69	1,202.61	-	1,275.00	5,834.30
Ciro Trevino	136.00	879.63	-	-	-	1,015.63
<b>Totals</b>	<b>\$ 3,302.00</b>	<b>\$ 25,955.88</b>	<b>\$ 9,255.94</b>	<b>\$ -</b>	<b>\$ 8,450.00</b>	<b>\$ 46,963.82</b>

## Superintendent's Reimbursements

<u>Name</u>	<u>Meals</u>	<u>Lodging</u>	<u>Transportation</u>	<u>Motor Fuel</u>	<u>Other - Dues and Registration Fees</u>	<u>Total</u>
Superintendent, Dr. Réne Gutiérrez	\$ 208.29	\$ 2,591.27	\$ 1,395.60	\$ -	\$ 2,495.00	\$ 6,690.16
<b>Totals</b>	<b>\$ 208.29</b>	<b>\$ 2,591.27</b>	<b>\$ 1,395.60</b>	<b>\$ -</b>	<b>\$ 2,495.00</b>	<b>\$ 6,690.16</b>

# Texas Administrative Code

## Chapter 109 Disclosures

### Disclosure C

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Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2013.

Summary Schedule for the fiscal year ended August 31, 2013 of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services. Compensation does not include business revenues generated from family business (farming, ranching, etc.) that has no relation to district business.

**No Amounts Reported**

# Texas Administrative Code

## Chapter 109 Disclosures

### Disclosure D

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Gifts Received by the Executive Officer (s) and Board Members in Fiscal Year 2013

A Summary Schedule for the fiscal year ended August 31, 2013 of the dollar amount of gifts that had an economic value of \$ 250 or more in the aggregate in the fiscal year. This reporting requirement only applies to gifts received by the executive officers and board members (and their immediate family). This reporting requirement excludes an individual gift or a series of gifts from a single outside entity that had an aggregate economic value of less than \$250 per executive officer or board member.

**No Amounts Reported**

# **Texas Administrative Code**

## **Chapter 109 Disclosures**

### **Disclosure E**

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Business transactions between School District and Board Members for the fiscal year ended August 31, 2013

A summary Schedule for the fiscal year ended August 31, 2013 of the dollar amount received by board members for the aggregate amount of business transactions with the school district. This reporting requirement is not duplicate the items disclosed in the summary of schedule of reimbursements received by board members.

**No Amounts Reported**

# Texas Administrative Code

## Chapter 109 Disclosures

### Disclosure F

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Summary schedule of the data submitted to the Texas Education Agency for the financial solvency provisions of Texas Education Agency , Section 39.0822.

The summary schedule is included in the handout.

Edinburg Consolidated Independent School District

# School First Ratings

## QUESTIONS & ANSWERS



**Non-discrimination Statement**

It is the policy of Edinburg CISD not to discriminate on the basis of sex, age, handicap, religion, race, color, or national origin in its educational programs.

Es póliza del Distrito Escolar de Edinburg el no discriminar por razones con base en sexo, edad, discapacidad, religión, raza, color, ni origen nacional dentro de sus programas educacionales.