



## *DISCLOSURES*

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EL PASO  
INDEPENDENT  
SCHOOL DISTRICT



# 2019-2020 Financial Integrity Rating System of Texas (FIRST)



# DISCLOSURES

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## **DISCLOSURES**

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### EXECUTIVE SUMMARY

#### Financial Integrity Rating System of Texas (FIRST)

It is our pleasure to announce that the El Paso Independent School District has received a “Superior Achievement”, rating on the Financial Integrity Rating System of Texas which is the State’s highest fiscal accountability rating. It is an indication that our district is financially stable. The other available ratings are “Above Standard”, “Meets Standard”, and “Substandard Achievement”.

The FIRST is the result of legislative action (Senate Bill 875 of the 76<sup>th</sup> Texas Legislature in 1999) designed to require school districts to annually report to its governing body (the Board) and the public, information that the Commissioner of Education deems relevant. The Texas Legislature has given the Commissioner of Education, who is subject to the Governor, rulemaking authority to establish the information criteria to be included in the disclosure. The information is required to be disclosed at a public meeting of the Board. In addition, the law requires a public hearing that allows any taxpayer of the District to address the Board concerning the report.

The Commissioner’s rules regarding FIRST are included in the Texas Administrative Code (TAC) Chapter 109 Subchapter AA.

The Texas Education Agency (TEA) and the Texas Association of School Business Officials (TASBO) have jointly developed a recommended presentation format that is used in this report.

The FIRST rating system includes fifteen individual indicators. Indicators 1 through 5 are simply “yes” or “no” questions. Questions 6 through 15 are rated on a numerical scale of 0 to 10.

Out of a possible 100 points, El Paso ISD scored 98 of 100.

The 2018-2019 (Fiscal Year 19) and 2017-2018 (Fiscal Year 18) District Status Detail is presented in the Appendix section of this report. The Status Detail reports indicate a history of a high ranking in the financial management of the District. These reports are derived from the District’s audited financial statements and from other information submitted to TEA via the Public Education Information Management System also known as PEIMS.



## **DISCLOSURES**

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Other disclosures required in the report are:

1. Superintendent's employment contract, which is posted to the District's website in lieu of this report
2. Reimbursements received by the Superintendent and Board of Trustees for Fiscal Year 2019.
3. Outside compensation and/or fees received by the Superintendent for professional consulting and/or other personal services in fiscal year 2019.
4. Gifts received by the executive officer(s) and Board of Trustees (and first degree relatives, if any) in fiscal year 2019.
5. Business transactions between school district and Board of Trustees for fiscal year 2019.

In summary, El Paso ISD has achieved the State's highest rating of "Superior Achievement" for 17 years and a rating of "Above Standard" for the 2017-2018 year.

Reporting requirements for the financial management report for School FIRST public hearing are found in **Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System**. This rule describes requirements for the disclosures explained below that are to be presented as appendices in the Schools FIRST financial management report.



## ***DISCLOSURES***

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### **1. Superintendent's Employment Contract**

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the School FIRST hearing in calendar year 2020. In lieu of publication in the School FIRST financial management report, the school district may choose 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.

<https://www.episd.org/Page/699>



# DISCLOSURES

## 2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2019

For the Twelve-month Period Ended June 30, 2019	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
Description of Reimbursements	Juan E. Cabrera	Bob Geske	Al Velarde	Susie Byrd	Joshua Acevedo	Diane Dye	Chuck Taylor	Freddy Khlayel	Daniel Call
Meals	\$ 2,405.57	\$ 124.31	\$ 1,348.71	\$ 26.16	\$ -	\$ -	\$ -	\$ -	\$ -
Lodging	16,934.42	1548.87	1,066.62	442.50	-	1,265.22	-	-	-
Airfare	23,346.75	1,378.98	-	376.97	-	-	-	-	-
Transportation	1,214.56	31.28	-	124.64	-	-	-	-	-
Mileage	310.64	-	395.00	-	-	-	-	-	-
Registration	6,358.00	770.00	349.59	395.00	-	790.00	-	-	-
Car Rental	3,228.34	111.00	-	-	-	-	-	-	-
Fuel	149.08	-	71.46	-	-	-	-	-	-
Parking	1,332.43	10.00	-	-	-	-	-	-	-
Incidentals/Miscellaneous	285.15	-	-	-	-	-	-	-	-
Non-Travel Expenses	769.13	-	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>\$ 56,334.07</b>	<b>\$ 3,974.44</b>	<b>\$ 3,231.38</b>	<b>\$ 1,365.27</b>	<b>\$ -</b>	<b>\$ 2,055.22</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**Note** – The spirit of the rule is to capture all “reimbursements” for fiscal year 2019, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

**Meals** – Meals consumed off of the school district’s premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

**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.



## DISCLOSURES

### 3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2019

For the Twelve-month Period Ended June 30, 2019	Superintendent
Name(s) of Entity(ies)	Juan E. Cabrera
Total	\$ -

**Note** – Compensation does not include business revenues from the superintendent’s livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.



## DISCLOSURES

### 4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2019

For the Twelve-Month Period Ended June 30, 2019	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	Juan E. Cabrera	Bob Geske	Al Velarde	Susie Byrd	Joshua Acevedo	Diane Dye	Chuck Taylor	Freddy Khlayel	Daniel Call
<b>Summary Accounts</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Note** – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. Gifts received by first degree relatives, if any, will be reported under the applicable school official.





## DISCLOSURES

### 5. Business Transactions Between School District and Board Members for Fiscal Year 2019

For the Twelve-Month Period Ended June 30, 2019	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	Juan E. Cabrera	Bob Geske	Al Velarde	Susie Byrd	Joshua Acevedo	Diane Dye	Chuck Taylor	Freddy Khlayel	Daniel Call
Summary Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

## 2019-2020 RATINGS BASED ON SCHOOL YEAR 2018-2019 DATA - DISTRICT STATUS DETAIL



<b>Name:</b> EL PASO ISD(071902)	<b>Publication Level 1:</b> 8/6/2020 9:26:37 AM
<b>Status:</b> Passed	<b>Publication Level 2:</b> 8/6/2020 11:17:34 AM
<b>Rating:</b> A = Superior	<b>Last Updated:</b> 8/6/2020 11:17:34 AM
<b>District Score:</b> 98	<b>Passing Score:</b> 60

#	Indicator Description	Updated	Score
1	<a href="#"><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></a>	3/30/2020 1:07:31 PM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	<a href="#"><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></a>	3/30/2020 1:07:31 PM	Yes
2.B	<a href="#"><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></a>	3/30/2020 1:07:32 PM	Yes
3	<a href="#"><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 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></a>	3/30/2020 1:07:32 PM	Yes
4	<a href="#"><u>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?</u></a>	3/30/2020 1:07:32 PM	Yes
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<a href="#"><u>Was the number of days of cash on hand and current investments in the general fund for the</u></a>	3/30/2020	10

	<u>school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (See ranges below.)</u>	1:07:33 PM	
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	3/30/2020 1:07:33 PM	10
8	<u>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 passes this indicator. See ranges below.</u>	3/30/2020 1:07:33 PM	8
9	<u>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?</u>	3/30/2020 1:07:34 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	3/30/2020 1:07:35 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/30/2020 1:07:36 PM	10
12	<u>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.)</u>	3/30/2020 1:07:36 PM	10
13	<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>	3/30/2020 1:07:39 PM	10
14	<u>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? (The AICPA defines material noncompliance.)</u>	3/30/2020 1:07:39 PM	10
15	<u>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?</u>	3/30/2020 1:07:40 PM	10
			98 Weighted Sum
			1 Multiplier Sum
			98 Score

#### DETERMINATION OF RATING

<b>A.</b>	Did the district answer 'No' to Indicators 1, 3, 4, or 2.A? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.	
<b>B.</b>	Determine the rating by the applicable number of points. (Indicators 6-15)	
	<b>A = Superior</b>	90-100
	<b>B = Above Standard</b>	80-89
	<b>C = Meets Standard</b>	60-79
	<b>F = Substandard Achievement</b>	<60
<b>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</b>		



**Financial Integrity Rating System of Texas**

**2018-2019 RATINGS BASED ON SCHOOL YEAR 2017-2018 DATA - DISTRICT STATUS DETAIL**

<b>Name:</b> EL PASO ISD(071902)	<b>Publication Level 1:</b> 8/7/2019 3:33:27 PM
<b>Status:</b> Passed	<b>Publication Level 2:</b> None
<b>Rating:</b> A = Superior	<b>Last Updated:</b> 8/7/2019 3:33:27 PM
<b>District Score:</b> 96	<b>Passing Score:</b> 60

#	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>	8/5/2019 11:13:15 PM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	<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>	8/5/2019 11:13:15 PM	Yes
2.B	<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>	8/5/2019 11:13:15 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 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>	8/5/2019 11:13:16 PM	Yes
4	<u>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?</u>	8/5/2019 11:13:16 PM	Yes
5	This indicator is not being scored.		
			1 Multiplier Sum

6	<u>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)? (See ranges below.)</u>	8/5/2019 11:13:16 PM	6
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	8/5/2019 11:13:17 PM	10
8	<u>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 change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.) (See ranges below.)</u>	8/5/2019 11:13:17 PM	10
9	<u>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?</u>	8/5/2019 11:13:18 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	8/5/2019 11:13:19 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	8/5/2019 11:13:19 PM	10
12	<u>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.)</u>	8/5/2019 11:13:21 PM	10
13	<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>	8/5/2019 11:13:22 PM	10
14	<u>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? (The AICPA defines material noncompliance.)</u>	8/5/2019 11:13:22 PM	10
15	<u>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?</u>	8/5/2019 11:13:22 PM	10
			96 Weighted Sum
			1 Multiplier Sum
			96 Score

#### DETERMINATION OF RATING

<b>A.</b>	Did the district answer 'No' to Indicators 1, 3, 4, or 2.A? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.	
<b>B.</b>	Determine the rating by the applicable number of points. (Indicators 6-15)	
	<b>A = Superior</b>	90-100
	<b>B = Above Standard</b>	80-89
	<b>C = Meets Standard</b>	60-79
	<b>F = Substandard Achievement</b>	<60
<b>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</b>		