

Public Hearing

Financial Integrity Rating System of Texas

2008– 2009 Rating

October 11, 2010

Dr. Richard Rivera, Superintendent

Financial Integrity Rating System of Texas (FIRST)

- The primary goal of FIRST is to achieve improved performance in the management of school districts and TEA requires a Public Hearing.
- TEA ranks Districts in four categories:

| Ranking | Points |
|----------------------------|---------|
| Superior | 72 – 80 |
| Above Standard Achievement | 64 – 71 |
| Standard Achievement | 56 – 63 |
| Substandard Achievement | 55 – 0 |

The District was given a Superior Rating for the 2008 – 2009 School Year. The District received 78 points out of 80 points. The District has received Superior Ratings for the past seven years (2001-2002,2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006 – 2007, and 2007 - 2008). This is one of the two report cards the District receives in finance. The other report card is the Annual Audit Report.

The following are the 22 Indicators and the results on each for 2008-09 & 2007-2008

| # | INDICATOR DESCRIPTION | 2008-09 | 2007-08 |
|---|--|---------|---------|
| 1 | <p>WAS THE TOTAL FUND BALANCE LESS RESERVED FUND BALANCE GREATER THAN ZERO IN THE GENERAL FUND?</p> <p>\$ 16,829,838 Fund Balance</p> | YES | YES |
| 2 | <p>WAS THE TOTAL UNRESTRICTED NET ASSETS 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)</p> <p>Net Asset Balance \$ 26,423,522</p> | YES | YES |
| 3 | <p>WERE THERE NO DISCLOSURES IN THE ANNUAL FINANCIAL REPORT AND/OR OTHER SOURCES OF INFORMATION CONCERNING DEFAULT ON BONDED INDEBTEDNESS OBLIGATIONS?</p> <p>No Disclosures District made all bond payments</p> | YES | YES |
| 4 | <p>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)</p> <p>Audit Filed on Time</p> | YES | YES |
| 5 | <p>WAS THERE AN UNQUALIFIED OPINION IN ANNUAL FINANCIAL REPORT?</p> <p>Clean Audit Unqualified Opinion</p> | YES | YES |
| 6 | <p>DID THE ANNUAL FINANCIAL REPORT NOT DISCLOSE ANY INSTANCE(S) OF MATERIAL WEAKNESSES IN INTERNAL CONTROLS?</p> <p>No Material Weakness</p> | YES | YES |
| 7 | <p>DID THE DISTRICT'S ACADEMIC RATING EXCEED ACADEMICALLY UNACCEPTABLE?</p> <p>Yes, District was Recognized</p> | YES | YES |

| # | INDICATOR DESCRIPTION | 2008 - 2009 | 2007 - 2008 |
|----|--|-------------|-------------|
| 8 | WAS THE THREE-YEAR AVERAGE PERCENT OF TOTAL TAX COLLECTIONS (INCLUDING DELINQUENT) GREATER THAN 98% ? (Maximum Points 5) Yes 1.0118 % Collections | 5 | 5 |
| 9 | 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?) (Maximum Points 5) Yes, PEIMS and Audit Data the Same | 5 | 5 |
| 10 | 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% , OF IF PROPERTY TAXES COLLECTED PER PENNY OR TAX EFFORT > \$200,000 PER STUDENT) ? (Maximum Points 5) \$ 192 per Students , less than \$ 350 per Student | 5 | 5 |
| 11 | WAS THERE NO DISCLOSURE IN THE ANNUAL AUDIT REPORT OF MATERIAL NONCOMPLIANCE? (Maximum Points 5) No Material Non-Compliance | 5 | 5 |
| 12 | DID THE DISTRICT HAVE FULL ACCREDITATION STATUS IN RELATION TO FINANCIAL MANAGEMENT PRACTICES? (e.g. NO CONSERTVATOR OR MONITOR ASSIGNED) ? (Maximum Points 5) Full Accreditation Status | 5 | 5 |
| 13 | WAS THE AGGREGATE OF BUDGETED EXPENDITURES AND OTHER USES LESS THAN THE AGGREGATE OF TOTAL REVENUES , OTHER RESOURCES AND FUND BALANCE IN GENERAL FUND? (Maximum Points 5) Yes, by \$ 18,425,909 | 5 | 5 |

| # | INDICATOR DESCRIPTION | 2008-09 | 2007-08 |
|----|---|---------|---------|
| 14 | 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) ? (Maximum Points 5) Yes, Adequately Financed | 5 | 5 |
| 15 | 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 NET DELINQUENT TAXES RECEIVABLE)? (Maximum Points 5) Greater than 1:1 Ratio 1:4 | 5 | 5 |
| 16 | WAS THE ADMINISTRATIVE COST RATIO LESS THAN THE THRESHOLD RATIO? (THRESHOLD RATIO IS .1105) (Maximum Points 5) District Ratio .0724 | 5 | 5 |
| 17 | WAS THE RATIO OF STUDENTS TO TOTAL TEACHERS WITHIN THE RANGES SHOWN BELOW ACCORDING TO DISTRICT SIZE? (Maximum Points 5) Ratio 13:5 to 22 District Ratio 15.34 Student per Teacher | 5 | 5 |
| 18 | WAS THE RATIO OF STUDENTS TO TOTAL STAFF WITHIN THE RANGES SHOWN BELOW ACCORDING TO DISTRICT SIZE? (Maximum Points 5) Ratio 7 to 14 District Ratio 6.9 Students per Staff | 4 | 4 |

18. 2009 – 2010 Student & Staff Ratio 7.03
 2010 – 2011 Student & Staff Ratio 7.04

| # | INDICATOR DESCRIPTION | 2008-09 | 2007-08 |
|----|---|---------|---------|
| 19 | <p>WAS THE TOTAL FUND BALANCE IN THE GENERAL FUND MORE THAN 50% AND LESS THAN 50% OF OPTIMUM ACCORDING TO THE FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET IN THE ANNUAL FINANCIAL REPORT?</p> <p>(Maximum Points 5) District Fund Balance 69%</p> | 5 | 5 |
| 20 | <p>WAS THE DECREASE IN UNDESIGNATED UNRESERVED FUND BALANCE < 20% OVER TWO FISCAL YEARS? (IF 1.5 TIMES OPTIMUM FUND BALANCE < TOTAL FUND BALANCE IN GENERAL FUND OR IF TOTAL REVENUES > OPERATING EXPENDITURES IN THE GENERAL FUND, THEN DISTRICT RECEIVES 5 POINTS?)</p> <p>(Maximum Points 5) Decrease in Fund Balance 6.48%</p> | 5 | 5 |
| 21 | <p>WAS THE AGGREGATE TOTAL OF CASH AND INVESTMENTS IN THE GENERAL FUND MORE THAN \$ 0?</p> <p>(Maximum Points 5) Yes, \$ 18,541,160</p> | 5 | 5 |
| 22 | <p>WERE INVESTMENT EARNINGS IN ALL FUNDS (EXCLUDING DEBT SERVICE FUND AND CAPITAL PROJECTS FUND) MORE THAN \$ 20 PER STUDENTS ?</p> <p>(Maximum Points 5) No, \$ 19.62 per Student</p> | 4 | 4 |

22. Note: Did not get the 5 points due to the economy and very low interest rates.

Superintendent Contract

- **Published in the School District Internet Site**

Travel Expenses Superintendent and Board Members

Travel Expenses by Superintendent and Board Members for Fiscal year 2009

| Description | Supt. Supt. Conf. & Board Conf. Dr. Richard Rivera | Board Ivan Perez | Board David Fox | Board Jeffrey Everitt | Board Dr. Robert Sepulveda | Board Humberto Bucky Cardenas | Board Orlando Rodriguez | Board Erasm Lopez |
|------------------------------|---|------------------------|-----------------------|-----------------------------|----------------------------------|--|-------------------------------|-------------------------|
| Meals & Mileage | \$ 1,400.90 | \$ 615.31 | \$ 507.31 | \$ 673.05 | \$ 1,535.62 | \$ 1,031.22 | \$ 471.31 | \$ 471.31 |
| Lodging | \$ 1,817.19 | \$ 1,233.84 | \$ 900.30 | \$ 1,698.34 | \$ 1,985.94 | \$ 1,086.21 | \$ 706.49 | \$ 706.49 |
| Transport & Other (Air Fare) | \$ 241.50 | \$ 491.82 | \$ 74.61 | \$ 704.78 | \$ 61.71 | \$ 355.60 | \$ 64.88 | \$ 0 |
| Conference Registration | \$ 825.00 | \$ 760.00 | \$ 525.00 | \$ 1,475.00 | \$ 1,085.00 | \$ 1,625.00 | \$ 475.00 | \$ 405.00 |
| TOTAL | \$ 4,284.59 | \$ 3,100.97 | \$ 2,007.22 | \$ 4,551.17 | \$ 4,668.27 | \$ 4,098.03 | \$ 1,717.68 | \$ 1,582.80 |

Outside Compensation Received by Superintendent

- **Outside Compensation and /or Fee's received by the Superintendent for Professional Consulting and /or Other Personal Services in Fiscal year 2009**

NONE

Gifts received by Superintendent and Board Members

Gifts received by Superintendent and Board Members (and First Degree Relatives, if any) in Fiscal Year 2009

| Gift Description | Superintendent Dr. Richard Rivera | Board Ivan Perez | Board David Fox | Board Jeffery Everitt | Board Dr. Robert Sepulveda | Board Humberto Bucky Cardenas | Board Orlando Rodriguez | Board Erasmio Lopez |
|------------------|--------------------------------------|---------------------|--------------------|--------------------------|-------------------------------|----------------------------------|----------------------------|------------------------|
| | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |

Business Transactions Between District and Board Members

- **Business Transactions Between School District and Board Members for Fiscal Year 2009**

| Description | Board Ivan Perez | Board David Fox | Board Jeffrey Everitt | Board Dr. Robert Sepulveda | Board Humberto Bucky Cardenas | Board Orlando Rodriguez | Board Erasm Lopez |
|---|---------------------------------|--------------------------------|--------------------------------------|---|--|--|----------------------------------|
| No Business Between District & Board Members | NONE | NONE | NONE | NONE | NONE | NONE | NONE |