



EL PASO  
INDEPENDENT  
SCHOOL DISTRICT

# 2020-2021 Financial Integrity Rating System of Texas (FIRST)



# DISCLOSURES

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EXECUTIVE SUMMARY.....	2
1. Superintendent’s Employment Contract.....	4
2. Reimbursements Received by the Superintendent and Board of Trustees for Fiscal Year 2020 .....	5
3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2020 .....	6
4. Gifts Received by the Executive Officer(s) and Board of Trustees (and First Degree Relatives, if any) in Fiscal Year 2020 .....	7
5. Business Transactions Between School District and Board of Trustees for Fiscal Year 2020.....	8
APPENDIX .....	9



## **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” 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 Achievement”, “Standard Achievement”, 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 twenty individual indicators. Indicators 1 through 5 are simply “yes” or “no” questions. Questions 6 through 20 are rated on a numerical scale of 0 to 10.

Out of a possible 100 points, El Paso ISD scored 96 of 100.

The 2018-2019 (Fiscal Year 19) and 2019-2020 (Fiscal Year 20) 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 2020.
3. Outside compensation and/or fees received by the Superintendent for professional consulting and/or other personal services in fiscal year 2020.
4. Gifts received by the executive officer(s) and Board of Trustees (and first-degree relatives, if any) in fiscal year 2020.
5. Business transactions between school district and Board of Trustees for fiscal year 2020.

In summary, El Paso ISD has achieved the State's highest rating of "Superior Achievement" for the previous 18 years and a rating of "Above Standard" for the 2017-2018 (prior 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.

## 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 2020

For the Twelve-month Period Ended June 30, 2020	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
Description of Reimbursements	Juan E. Cabrera	Bob Geske	Al Velarde	Joshua Acevedo	Diane Dye	Chuck Taylor	Freddy Khlayel	Daniel Call
Meals	\$ 651.32	\$ 44.02	\$ 192.60	\$ 90.99	\$ -	\$ -	\$ -	\$ 131.23
Lodging	10,132.50	1177.97	802.58	794.94	684.30	-	-	595.27
Airfare	17,704.95	1,409.71	-	846.92	-	-	367.98	549.96
Transportation	515.68	27.00	-	34.17	-	-	-	-
Mileage	0.00	-	0.00	-	-	-	-	-
Registration	2,015.00	790.00	0.00	-	425.00	-	-	425.00
Car Rental	1,219.06	0.00	-	425.00	-	-	-	88.22
Fuel	197.12	-	0.00	-	-	-	-	-
Parking	645.05	0.00	-	-	-	-	-	21.00
Incidentals/Miscellaneous	123.01	-	-	-	-	-	-	-
Non-Travel Expenses	565.55	117.93	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>\$ 33,769.24</b>	<b>\$ 3,566.63</b>	<b>\$ 995.18</b>	<b>\$ 2,192.02</b>	<b>\$ 1,109.30</b>	<b>\$ -</b>	<b>\$ 367.98</b>	<b>\$ 1,810.68</b>

**Note** – The spirit of the rule is to capture all “reimbursements” for fiscal year 2020, 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 2020

For the Twelve-month Period Ended June 30, 2020	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 2020

For the Twelve-Month Period Ended June 30, 2020	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	Juan E. Cabrera	Bob Geske	Al Velarde	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 2020

For the Twelve-Month Period Ended June 30, 2020	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	Juan E. Cabrera	Bob Geske	Al Velarde	Joshua Acevedo	Diane Dye	Chuck Taylor	Freddy Khlayel	Daniel Call
<b>Summary Accounts</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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.

RATING YEAR **2020-2021**

DISTRICT NUMBER **district #**

Select An Option

Help

Home



Financial Integrity Rating System of Texas

## 2020-2021 RATINGS BASED ON SCHOOL YEAR 2019-2020 DATA - DISTRICT STATUS DETAIL

<b>Name:</b> EL PASO ISD (071902)	<b>Publication Level 1:</b> 8/4/2021 2:00:38 PM
<b>Status:</b> Passed	<b>Publication Level 2:</b> 8/6/2021 11:10:55 AM
<b>Rating:</b> A = Superior Achievement	<b>Last Updated:</b> 8/6/2021 11:10:55 AM
<b>District Score:</b> 96	<b>Passing Score:</b> 70

#	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>	6/8/2021 3:25:19 PM	Yes
2	<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>	6/8/2021 3:25:19 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>	6/8/2021 3:25:19 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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	7/1/2021 9:02:21 AM	Yes Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/28/2021 11:05:33 AM	Ceiling Passed

7	<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 in the Determination of Points section.</u>	6/8/2021 3:25:19 PM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	6/8/2021 3:25:19 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? See ranges below in the Determination of Points section.</u>	6/8/2021 3:25:19 PM	10
10	<u>Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?</u>	7/2/2021 1:15:30 PM	10
11	<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 automatically passes this indicator. See ranges below in the Determination of Points section.</u>	6/8/2021 3:25:22 PM	8
12	<u>Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.</u>	6/8/2021 3:25:22 PM	8
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/8/2021 3:25:22 PM	10
14	<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>	6/8/2021 3:25:23 PM	10
15	<u>Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.</u>	6/8/2021 3:25:23 PM	5
16	<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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/8/2021 3:25:23 PM	Ceiling Passed
17	<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.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	6/8/2021 3:25:23 PM	Ceiling Passed
18	<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>	6/8/2021 3:25:23 PM	10
19	<u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u>	6/8/2021 3:25:23 PM	5
20	<u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/8/2021 3:25:23 PM	Ceiling Passed
			96 Weighted

		Sum
		1 Multiplier Sum
		(100 Ceiling)
		96 Score

## DETERMINATION OF RATING

<b>A.</b>	Did the school district fail any of the critical indicators 1, 2, 3, or 4? 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.	
	<b>A = Superior Achievement</b>	90-100
	<b>B = Above Standard Achievement</b>	80-89
	<b>C = Meets Standard Achievement</b>	70-79
	<b>F = Substandard Achievement</b>	<70
<p><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></p> <p>The school district receives an <b>F</b> if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.</p>		

## CEILING INDICATORS

<p>Did the school district meet the criteria for any of the following <b>ceiling indicators</b> 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.</p>		
Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
<b>Indicator 4</b> (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
<b>Indicator 6</b> (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 16</b> (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 17</b> (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
<b>Indicator 20</b> (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

RATING YEAR **2019-2020**DISTRICT NUMBER **district #****Select An Option****Help****Home**

Financial Integrity Rating System of Texas

## 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="#">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?</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="#">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.)</a>	3/30/2020 1:07:31 PM	Yes
2.B	<a href="#">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.)</a>	3/30/2020 1:07:32 PM	Yes
3	<a href="#">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.)</a>	3/30/2020 1:07:32 PM	Yes
4	<a href="#">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?</a>	3/30/2020 1:07:32 PM	Yes
5	This indicator is not being scored.		
6	<a href="#">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.)</a>	3/30/2020 1:07:33 PM	10
7	<a href="#">Was the measure of current assets to current liabilities ratio for the school district sufficient to</a>	3/30/2020	10

	<u>cover short-term debt? (See ranges below.)</u>	1:07:33 PM	
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)						
	<table border="1"> <tr> <td><b>A = Superior</b></td> <td>90-100</td> </tr> <tr> <td><b>B = Above Standard</b></td> <td>80-89</td> </tr> <tr> <td><b>C = Meets Standard</b></td> <td>60-79</td> </tr> </table>	<b>A = Superior</b>	90-100	<b>B = Above Standard</b>	80-89	<b>C = Meets Standard</b>	60-79
<b>A = Superior</b>	90-100						
<b>B = Above Standard</b>	80-89						
<b>C = Meets Standard</b>	60-79						