



WESLACO INDEPENDENT SCHOOL DISTRICT

319 W. Fourth Street
Weslaco, TX 78599-0266

Winners. Innovators. Scholars. Doers.

Dr. Priscilla Canales, Superintendent

BOARD OF TRUSTEES

Meeting:
Place:
Location:
Date:
Time:

Public Hearing
WISD Board Room
319 W. Fourth Street
December 19, 2019
5:32 P.M

MINUTES

- I. The Public Hearing was called to order by Isidoro Nieto, Board President.
- II. A quorum was established. The following board members were present.

Isidoro Nieto, President
Armando Cuellar, Trustee
Patrick Kennedy, Trustee
Erasmus Lopez, Trustee
Dr. Jaime Rodriguez, Trustee

Andrew Gonzalez and Dr. Richard Rivera were absent.

- III. Public Hearing on the Financial Integrity Rating System of Texas (FIRST) Indicators

Mr. Andres Sanchez, Assistant Superintendent for Business & Finance, presented the report on the First Indicators. The Public Hearing has been duly advertised in the Monitor newspaper as required by law.

➤ Weslaco ISD received a Superior Achievement Rating for fiscal year 2017-2018.

- The primary goal of FIRST is to achieve improved performance in the management of school districts and TEA requires a Public Hearing.
- The Texas Education Agency (TEA) used to rank Districts in four rating categories: Superior, Above Standard, Meets Standard, and Substandard Achievement.
- School FIRST is a financial accountability rating system that holds school districts accountable for the quality of their financial management practices.
- School FIRST is designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes.
- School FIRST is a tool that creates transparency and discloses the quality of local management and decision-making processes that the school district uses concerning the financial resources the school district receives.
- A Financial accountability rating system should include processes for anticipating the future financial solvency of each school district and open-enrollment charter school.
 - Including analysis of revenues and expenditures

- Weslaco ISD has received a Superior Achievement Rating for the past seventeen years (since the inception of the program): (2001-2002 through 2017-2018).
- Critical indicators – Failure to meet the requirements of any critical indicator (below) would cause a failure of FIRST:
 - ✓ Fiscal year 2016-2017 – Indicators 1, 2A, 2B, 3, 4 & 5
 - ✓ Fiscal year 2017-2018 – Indicators 1, 2A, 2B, 3 & 4 (Indicator 5 was not rated.)
- (Financial) Solvency Indicators – Each indicator focuses on the solvency of the entity:
 - ✓ Fiscal year 2016-2017 – Indicators 6, 7, 8, 9, 10, 11 & 12
 - ✓ Fiscal year 2017-2018 – Indicators 6, 7, 8, 9, 10, 11 & 12
- Financial Competence Indicators – Each indicator identifies serious deficiencies in financial management:
 - ✓ Fiscal year 2016-2017 – Indicators 13, 14 & 15
 - ✓ Fiscal year 2017-2018 – Indicators 13, 14 & 15
- Weslaco ISD obtained a Superior Achievement Rating with a PERFECT SCORE of 100 points out of a maximum 100 points for both fiscal years 2016-2017 and 2017-2018.
- This is one of the two report cards the District receives in finance. The other report card is the Annual Financial (Audit) Report.

No.	2017-2018 INDICATOR DESCRIPTION	SCORE 2017-18/2016-17
1	<p>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?</p> <p>2017-2018 Audit Report was Filed in Time (December 24, 2018)</p>	YES / YES
2-A	<p>Was there an unmodified opinion in the AFR on the financial statements as a whole?</p> <p>(The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion.</p> <p>The external independent auditor determines if there was an unmodified opinion.)</p> <p>Weslaco received an Unmodified Opinion for fiscal year 2017-2018 (Clean Audit).</p>	YES / YES
2-B	<p>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.) No Material Non-compliance Was Disclosed.</p>	YES / YES

3	<p><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></p> <p>There were no disclosures in the annual financial report and/or other sources of information concerning default on debt agreements.</p>	YES / YES
4	<p>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?</p> <p>The district made timely payments to the TRS, TWC, IRS, and other government agencies.</p>	YES / YES
5	This indicator is not being scored for fiscal year 2017-2018.	Not Applicable / YES
6	<p>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)? (Maximum Points 10)</p> <p><u>The # of days of cash in hand needed to obtain 10 points is 90 days or more.</u> Weslaco ISD had enough cash in hand for 95.44 days.</p>	YES / YES 10 / 10
7	<p>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (Maximum Points 10)</p> <p>Weslaco ISD's Measure was 4.48 times. <u>It needed to be 3 times to obtain all 10 points.</u></p>	YES / YES 10 / 10
8	<p>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 10 percent or more, then the school district passes this indicator.) (Maximum Points 10)</p> <p><u>The ratio to obtain 10 points is less than or equal to 0.60.</u> Weslaco ISD's ratio is 0.3394.</p>	YES / YES 10 / 10
9	<p>Did the school district's <u>general fund (GF) revenues equal or exceed expenditures (excluding facilities acquisition and construction)</u>? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? (Maximum Points 10)</p> <p>GF revenues exceeded expenditures by \$4,983,214.</p>	YES / YES 10 / 10
10	<p>Was the debt service coverage ratio sufficient to meet the required debt service? (Maximum Points 10) <u>Ratio needed to pass was 1.20 or higher.</u> Weslaco ISD's ratio is 1.80.</p>	YES / YES 10 / 10

No.	2017-2018 INDICATOR DESCRIPTION	SCORE 2017-18/2016-17
11	<p>Was the school district's administrative cost ratio equal to or less than the threshold ratio? <u>Ratio needed to obtain 10 points is less than or equal to 8.55%.</u> (Maximum Points 10) Weslaco ISD's ratio is 7.47%.</p>	<p>YES / YES 10 / 10</p>
12	<p><u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years</u> (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.) (Maximum Points 10) Weslaco ISD's decline in the students to staff ratio over 3 years was only 6.93 %.</p>	<p>YES / YES 10 / 10</p>
13	<p>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a <u>total variance of less than 3 percent</u> of all expenditures by function? (Maximum Points 10) Weslaco ISD's variance was only 0.0001%</p>	<p>YES / YES 10 / 10</p>
14	<p>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.) (Maximum Points 10) There were no instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds.</p>	<p>YES / YES 10 / 10</p>
15	<p>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? (Maximum Points 10) Weslaco ISD did not receive an adjusted repayment schedule.</p>	<p>YES / YES 10 / 10</p>

➤ **Superintendent's Contract**

- It is published in the School District's Web Site.
- It is located at the bottom of the Financial Transparency Section.

➤ **Travel Expenditures of Superintendent and Board Trustees – Fiscal Year 2017-2018**

Description	Superintendent Dr. Priscilla Canales	Board President Erasmio Lopez	Board Vice President Oscar Caballero	Board Secretary Isidoro Nieto	Board Trustee Dr. Richard Rivera	Board Trustee Andrew Gonzalez	Board Trustee Patrick Kennedy	Board Trustee Dr. Jaime Rodriguez
Meals & Mileage	\$ 598	\$ 1,094	\$ 1,351	\$ 776	\$ 1,409	\$ 828	\$ 1,944	\$ 505
Lodging	\$ 4,666	\$ 3,023	\$ 3,904	\$ 1,925	\$ 2,498	\$ 2,549	\$ 2,953	\$ 686
Transport & Other (Air Fare)	\$ 1,843	\$ 319	\$ 1,044	\$ 679	\$ 522	\$ 1,125	\$ - 0 -	\$ - 0 -
Conference Registration	\$ 2,913	\$ 1,660	\$ 2,460	\$ 1,690	\$ 1,680	\$ 1,915	\$ 1,660	\$ 890
TOTALS \$51,109 (ALL)	\$ 10,020	\$ 6,096	\$ 8,759	\$ 5,070	\$ 6,109	\$ 6,417	\$ 6,557	\$ 2,081

Mr. Nieto wanted to know if there was a certain percentage that board members should adhere to, so as not to exceed travel expenses. WISD board members have guidelines in place on the number of local conferences and out-of-state conferences they can attend on a yearly basis.

Mr. Sanchez replied that all school boards have different guidelines and there is no percentage set aside by the state.

➤ **Outside Compensation Received by Superintendent**

•Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2017-2018

√ Dr. Priscilla Canales – None

➤ **Gifts Received by Superintendent and Board Members**

•Gifts received in excess of \$100 by Superintendent and Board Members (and First Degree Relatives), if any, in Fiscal Year 2017-2018.

Description	Superintendent	Board President	Board Vice President	Board Secretary	Board Trustee	Board Trustee	Board Trustee	Board Trustee
	Dr. Priscilla Canales	Erasmus Lopez	Oscar Caballero	Isidoro Nieto	Dr. Richard Rivera	Andrew Gonzalez	Patrick Kennedy	Dr. Jaime Rodriguez
Description of Gift	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE

➤ **Business Transactions Between District and Board Members**

•Business Transactions Between Weslaco ISD and Board Members for Fiscal Year 2017-2018

Description	Board President	Board Vice-President	Board Secretary	Board Trustee	Board Trustee	Board Trustee	Board Trustee
	Erasmus Lopez	Oscar Caballero	Isidoro Nieto	Dr. Richard Rivera	Andrew Gonzalez	Patrick Kennedy	Dr. Jaime Rodriguez
Business Between District & Board Trustees	NONE	Worked as an Employee of Oak Farms Dairy	NONE	NONE	NONE	NONE	NONE

Mr. Oscar Caballero worked for the Dean Foods Company. WISD’s Food Service Department purchases dairy and juice products from the company to serve to students as part of breakfast, lunch, and supper programs. They are a vendor approved through the Region One ESC’s Child Nutrition Program South Texas Purchasing Cooperative.

IV. Public Comments on the Financial Integrity Rating System of Texas (FIRST) Indicators

There were no public comments from the audience.

Dr. Canales and the board members commended Mr. Sanchez and staff for a job well done.

V. Adjournment

The public hearing adjourned at 5:45 p.m.