WESLACO INDEPENDENT SCHOOL DISTRICT
THE RIGHT CHOICE

Dr. Cris Valdez
Interim Superintendent of Schools

Board of Trustees
Armando Cuellar, Jr., *President* - Dr. Jaime Rodriguez, *Vice President* - Jesse Trevino, *Secretary*
Marcos De Los Santos - Andrew Gonzalez - Isidoro Nieto - Jaclyn Sustaita

319 W. Fourth Street / P.O. Box 266, Weslaco, TX 78599-0266 • 956-969-6503

BOARD OF TRUSTEES

Meeting:	Public Hearing
Place:	WISD Board Room/Virtual
Location:	319 W. Fourth Street
Date:	September 28, 2021
Time:	5:25 P.M.

THIS MEETING WAS POSTED ONLINE FOR AT LEAST 72 HOURS. THE MEETING WAS LIVESTREAMED AT THE FOLLOWING WEB LINK: ***https://youtu.be/GRcJ2rkodVM***

MINUTES

I. Call to Order

This meeting was called to order by Dr. Jaime Rodriguez, Vice President.

II. Establishment of a Quorum

A quorum was established. The following board members were present:

Dr. Jaime Rodriguez, Vice President
Jesse Trevino, Secretary
Marcos De Los Santos, Trustee
Andrew Gonzalez, Trustee
Isidoro Nieto, Trustee
Jaclyn Sustaita, Trustee

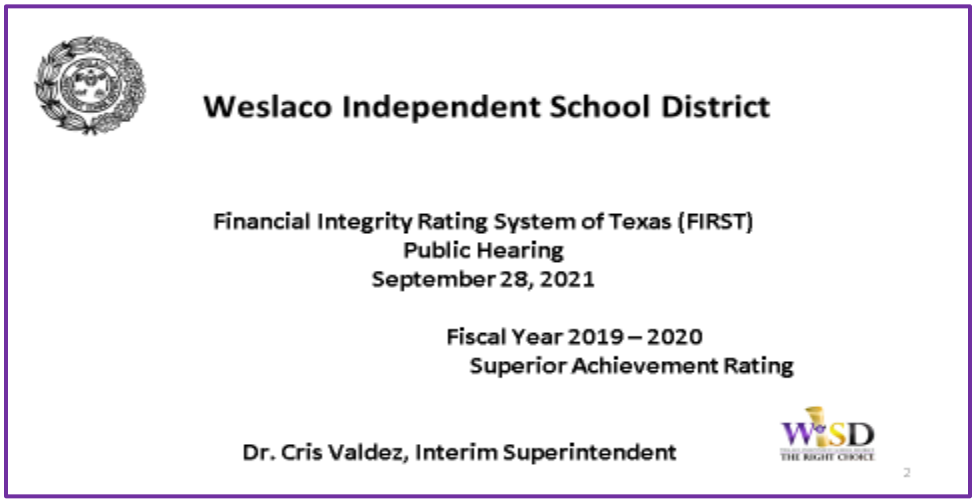
Board President Armando Cuellar was absent.

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

Dr. Cris Valdez, Interim Superintendent, informed the public that Weslaco ISD had received a Superior Achievement Rating for the Fiscal Year 2019-2020. She commended staff for a job well done.

Mr. Andres Sanchez, Assistant Superintendent of Business and Finance, provided the presentation on the FIRST Indicators.

>The Public Hearing on the First Indicators is done on an annual basis and is based on data that has been audited for the year 2019-2020.



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.**
- **The Texas Education Agency (TEA) ranks School Districts in four rating categories: Superior, Above Standard, Meets Standard & 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**

Financial Integrity Rating System of Texas (FIRST)

- **Weslaco ISD has received a Superior Achievement Rating for the past eighteen (18) years (since the inception of the program): fiscal years 2001-2002 through 2018-2019.**

- **Critical indicators – Failure to meet the requirements of any critical indicator (below) would cause a failure of FIRST:**
  - ✓ **Fiscal year 2018-2019 – Indicators 1, 2A, 2B, 3 & 4 (Indicator 5 was not rated.)**
  - ✓ **Fiscal year 2019-2020 – Indicators 1, 2 (2A), ~~2B~~, 3 & 4 (Indicator 5 was not rated.)**

- **Financial) Solvency Indicators – Each indicator focuses on the solvency of the entity:**
  - ✓ **Fiscal year 2018-2019 – Indicators 6, 7, 8, 9, 10, 11 & 12**
  - ✓ **Fiscal year 2019-2020 – Indicators 6, 7, 8, 9, 10, 11, 12, 13, & 14**
  - ✓ **Fiscal year 2019-2020 – Indicators 6, 10, 12 (NEW)**

- **Financial Competence Indicators – Each indicator identifies serious deficiencies in financial management:**
  - ✓ **Fiscal year 2018-2019 – Indicators 13, 14 & 15**
  - ✓ **Fiscal year 2019-2020 – Indicators 15, 16, 17 (~~2B~~), 18, 19, 20**
  - ✓ **Fiscal year 2019-2020 – Indicators 15, 19, 20 (NEW)**

- **Weslaco ISD obtained a Superior Achievement Rating with a PERFECT SCORE of 100 points out of a maximum 100 points for fiscal years 2015-2016 through 2018-2019.**

- **This is one of the two report cards the District receives in finance. The other report card is the Annual Financial (Audit) Report.**

- **This public hearing was advertised in The Monitor on Friday, September 17, 2021 as required.**

2019-2020 Ratings (FY 2018-2019 Data)

Indicator	Possible Points
1-4	Yes/No (Critical)
5	This Indicator not being scored
6	0, 2, 4, 6, 8, 10
7	0, 2, 4, 6, 8, 10
8	0, 2, 4, 6, 8, 10
9	0, 10
10	0, 2, 4, 6, 8, 10
11	0, 2, 4, 6, 8, 10
12	0, 10
13	0, 10
14	0, 10
15	0, 10
Total	**100**

Maximum Score

2020-2021 Ratings (FY 2019-2020 Data)

Indicator	Possible Points
1-4	Yes/No (Critical)
5	This Indicator not being scored
6	Ceiling Passed/Failed
7	0, 2, 4, 6, 8, 10
8	0, 2, 4, 6, 8, 10
9	0, 10
10	0, 10
11	0, 2, 4, 6, 8, 10
12	0, 2, 4, 6, 8, 10
13	0, 2, 4, 6, 8, 10
14	0, 10
15	0, 5
16	Ceiling Passed/Failed
17	Ceiling Passed/Failed
18	0, 10
19	0, 5
20	Ceiling Passed/Failed
Total	**100**

Maximum Score

The Following are the (20) FIRST Indicators and the Results Obtained on Each Indicator for Fiscal Year 2019-2020

No.	2019-2020 INDICATOR DESCRIPTION	SCORE 2019-20/2018-19
1	**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?** **2019-2020 Audit Report was Filed in Time (February 25, 2021)**	**YES / YES**
2	**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.)** **Weslaco received an Unmodified Opinion for fiscal year 2019-2020 (Clean Audit).**	**YES / YES**

3	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.) There were no disclosures in the annual financial report and/or other sources of information concerning default on debt agreements.	YES / YES
4	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? The district made timely payments to the TRS, TWC, IRS, and other government agencies.	YES / YES
5	This indicator was not scored for fiscal years 2018-2019 & 2019-2020.	Not Applicable for Both Years

No.	2019-2020 INDICATOR DESCRIPTION	SCORE 2019-20/2018-19
6 (NEW)	Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25% decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operations expenditures? Weslaco ISD's average change in fund balances was 0.85 % decrease	YES / Not Applicable
7	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) The # of days of cash in hand needed to obtain 10 points is 90 days or more. Weslaco ISD had enough cash in hand for 113 days.	YES / YES 10 / 10
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (Maximum Points 10) Weslaco ISD's Measure was 3.71 times. It needed to be 3 times to obtain all 10 points.	YES / YES 10 / 10
9	Did the school district's general fund (GF) 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? (Maximum Points 10) GF revenues exceeded expenditures by $5,372,990.	YES / YES 10 / 10
10 (NEW)	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? (Maximum Points 10) Weslaco ISD's Measure was 0.5 %. It needed to be less than 10 % to obtain all 10 points.	YES / Not Applicable 10 / NA

No.	2019-2020 INDICATOR DESCRIPTION	SCORE 2019-20/2018-19
11	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.) (Maximum Points 10) The ratio to obtain 10 points is less than or equal to 0.60 . Weslaco ISD's ratio is 0.3198.	YES / YES 10 / 10
12 (NEW)	Was the debt per $100 of assessed property value ratio sufficient to support future debt repayments? (Maximum Points 10) Weslaco ISD's ratio is 1.4619. It needed to be less than 4 to obtain all 10 points.	YES / Not Applicable 10 / NA
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio? Ratio needed to obtain 10 points is less than or equal to 8.55%. (Maximum Points 10) Weslaco ISD's ratio is 6.88%.	YES / YES 10 / 10
14	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.) (Maximum Points 10) Weslaco ISD's decline in the students to staff ratio over 3 years was only -2.81 %.	YES / YES 10 / 10
15 (NEW)	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 projections? (Maximum Points 5) The range to obtain 5 points is less than or equal to 0.07 . Weslaco ISD's range is 0.015.	YES / Not Applicable 5 / NA

No.	2019-2020 INDICATOR DESCRIPTION	SCORE 2019-20/2018-19
16	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? Weslaco ISD's variance was only 0.00009% (variance on 153 out of 169,638,438 records)	YES / YES
17	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 Weaknesses in Internal Controls were Reported.	YES / YES (2-B)

>Indicator #18: Auditors presented a finding related to the 21st Century Grant.

•$300.00 payroll error on March payroll
•District received a 90 on this indicator

18	**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 instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds.**	**YES / YES** **0 / 10**
19 (NEW)	**Did the school district post the required financial information on its website in accordance with Government Code, Local 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? (Maximum Points 5)** **Weslaco ISD posted all required financial information in accordance with the various Codes.**	**YES / Not Applicable** **5 / NA**
20 (NEW)	**Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget?** **Weslaco ISD's school board discussed the district's property values before the district adopted its budget.**	**YES / Not Applicable**

Superintendent's Contract

• It is published in the School District's Website.
• It is located at the bottom of the Financial Transparency Section.

Fisacal Year 2019-2020
Travel Expenditures of Superintendent and Board Trustees

Description	Superintendent Dr. Priscilla Canales	Board President Isidoro Nieto	Board Vice President Dr. Richard Rivera	Board Secretary Andrew Gonzalez	Board Trustee Armando Cuellar, Jr.	Board Trustee Patrick Kennedy	Board Trustee Erasmo Lopez	Board Trustee Dr. Jaime Rodriguez
Meals & Mileage	$ 294.00	$ 55.21	$ 436.64	$ 27.49	$ 54.05	$ 167.28	$ 208.01	$ 27.26
Lodging	$ 1,627.80		$ 694.40			$ 422.28	$ 749.79	
Transport & Other (Air Fare)	$ 1,131.17		$ 54.00			$ 417.64	$ 432.81	
Conference Registration	$ 1,654.00					$ 425.00	$ 425.00	
TOTAL	$ 4,706.97	$ 55.21	$ 1,185.04	$ 27.49	$ 54.05	$ 1,432.20	$ 1,815.61	$ 27.26

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 2019-2020

✓ **Dr. Priscilla Canales – None**

Business Transactions between Weslaco ISD and Board Members for Fiscal Year 2019-2020

	Superintendent Dr. Priscilla Canales	Board President Isidoro Nieto	Board Vice President Dr. Richard Rivera	Board Secretary Andrew Gonzalez	Board Trustee Armando Cuellar
Description of Gift	None	None	None	None	None

	Board Trustee Patrick Kennedy	Board Trustee Erasmo Lopez	Board Trustee Dr. Jaime Rodriguez
Description of Gift	None	None	None

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

The public had the opportunity to participate in public comments by registering no later than 4:45 p.m. at the following web link: ***https://www.wisd.us/superintendentboard/new-page***.

There were no public comments.

V. Adjournment

The Public Hearing adjourned at 5:46 p.m.