

LA JOYA ISD

Financial Integrity Rating System of Texas (FIRST) Report For 2017-2018



Fiscal Year Ending 2017

Central Administration at Nellie Schunior

Staff Development Center

November 28, 2018

5:30pm

Financial Accountability Rating System History

- ▶ Senate Bill No. 875, 76TH Legislature – 1999
- ▶ Senate Bill No. 218, 77TH Legislature – 2001
- ▶ Developed by Commissioner together with Comptroller of Public Accounts
- ▶ Proposal presented to Legislature December 2000
- ▶ Merging of Financial Integrity Rating System of Texas (FIRST) and Financial Solvency – 2015

Goals of FIRST

- ▶ Facilitate effective and efficient use of resources

- ▶ Strengthen fiscal accountability

- ▶ Use of currently collected data
 - Annual Financial Report (AFR)

 - PEIMS
 - Student
 - Financial

Objectives of FIRST

- ▶ Provide analysis tool for school officials
- ▶ Increase the proportion of resources used in direct instructional activities
- ▶ Increase efficient use of resources in school support activities
- ▶ Identify and recognize outstanding performance
- ▶ Increase financial well-being of public schools

HOW RATINGS ARE ASSESSED 2017–2018

- ▶ Did the district answer “No” to Indicators 1,3,4,5,or 2.A?
 - If so, the school district’s rating is “F” for Substandard Achievement regardless of points earned.
- ▶ District’s rating is determined by the applicable number of points earned in Indicators 6–15 and answered “Yes” to Indicators 1,3,4,5 and 2.A.

GRADE	RATING	POINTS
A	Superior	90–100
B	Above Standard	80–89
C	Meets Standard	60–79
F	Substandard Achievement	<60

**The La Joya
Independent School District
Earned a
"B – Above Standard"
Rating for 2017-2018
(Fiscal Year Ending 2017)**

HOW RATINGS ARE ASSESSED

1. Was the complete AFR and data submitted to the Texas Education Agency (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? Yes

Due Date = Feb 28, 2018

La Joya ISD = Filed Jan 23, 2018

HOW RATINGS ARE ASSESSED

2.A Was there an unmodified opinion in the AFR on the financial statements as a whole? Yes

La Joya ISD's AFR = Unmodified opinion

2.B Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in the internal controls over financial reporting and compliance for local, state or federal funds? Yes

La Joya ISD = Free of material weaknesses in internal controls

HOW RATINGS ARE ASSESSED

3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? Yes

No default on bond indebtedness, the district made all of its bond payments on time

HOW RATINGS ARE ASSESSED

4. 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? Yes

La Joya ISD made timely payments to government agencies

HOW RATINGS ARE ASSESSED

5. Was the total unrestricted net position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Position greater than zero?
Yes

Unrestricted Net Position Balance \$56,394,791

HOW RATINGS ARE ASSESSED

6. 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)? Yes

Total cash and current investments
\$94,003,085

Total number of days available – 115

HOW RATINGS ARE ASSESSED

7. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

Yes, La Joya ISD ratio 3.2336

Current assets	\$149,195,351
Current liabilities	\$ 46,139,156

HOW RATINGS ARE ASSESSED

8. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? Yes

Long term liabilities = \$274,166,684

Total Assets = \$565,452,898

Ratio = .4849

HOW RATINGS ARE ASSESSED

9. 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? Yes

Total revenues = \$290,191,029

Total expenditures = \$296,327,587

Number of days of cash on hand = 115.78

HOW RATINGS ARE ASSESSED

10. Was the debt service coverage ratio sufficient to meet the required debt service?

No

La Joya ISD ratio .6721

Determination of Points

10	8	6	4	2	0
≥ 1.20	$< 1.20 \geq 1.15$	$< 1.15 \geq 1.10$	$< 1.10 \geq 1.05$	$< 1.05 \geq 1.00$	< 1.00

HOW RATINGS ARE ASSESSED

11. Was the school district's administrative cost ratio equal to or less than the threshold ratio? No

Standard = $\leq .0855$
La Joya ISD = $.1126$

Determination of Points

ADA Size	10	8	6	4	2	0
>10,000	$\leq .0855$	$>.0855 \leq .1105$	$>.1105 \leq .1355$	$>.1355 \leq .1605$	$>.1605 \leq .1855$	$>.1855$

HOW RATINGS ARE ASSESSED

12. Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? Yes
(If the student enrollment did not decrease, the school district will automatically pass this indicator)

2014–2015 Total Enrollment 29,667

2016–2017 Total Enrollment 29,500

La Joya ISD Ratio -0.0362

HOW RATINGS ARE ASSESSED

13. 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? Yes

La Joya ISD Variance = .0%

HOW RATINGS ARE ASSESSED

14. 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? Yes

La Joya ISD was free of material noncompliance

HOW RATINGS ARE ASSESSED

15. 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? Yes

La Joya ISD did not receive an adjusted repayment schedule

**LA JOYA INDEPENDENT SCHOOL DISTRICT
FIRST REPORT
TWO YEAR COMPARISON**

Number	INDICATOR DESCRIPTION	2016-2017 Score	2017-2018 Score
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?	Yes	Yes
2.A	Was there an unmodified opinion in the AFR on the financial statements as a whole?	Yes	Yes
2.B	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?	Yes	Yes
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?	Yes	Yes
4	Did the school district make timely payment to the Teachers Retirement System (TRS), Texas Workforce commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes	Yes
5	Was the total unrestricted net position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (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.)	Yes	Yes
6	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)?	10	10
7	Was the measure of current assets to current liabilities ration for the school district sufficient to cover short-term debt?	10	10
8	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?	10	10

**LA JOYA INDEPENDENT SCHOOL DISTRICT
FIRST REPORT
TWO YEAR COMPARISON**

Number	INDICATOR DESCRIPTION	2016-2017 Score	2017-2018 Score
9	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?	10	10
10	Was the debt service coverage ratio sufficient to meet the required debt service?	2	0
11	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	10	6
12	Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)?	10	10
13	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?	10	10
14	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?	10	10
15	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?	10	10
TOTAL SCORE		92	86
RATING		Superior	Above Standard

DETERMINATION OF RATING			
A.	Did The District Answer " No " to Indicators 1,3,4,5 or 2.A? If so, the school district's rating is " F " for Substandard Achievement regardless of points earned.		
B.	Determine the rating by the applicable number of points (indicators 6-15)		
	A = Superior	90-100	90-100
	B = Above Standard	80-89	80-89
	C = Meets Standard	60-79	60-79
	F = Substandard Achievement	<60	<60

LA JOYA ISD

**OTHER REQUIRED
DISCLOSURES**

DISCLOSURE #1

Superintendent's Contract

(Included in FIRST Integrity Rating System of Texas Report)

DISCLOSURE #2

Reimbursements Received by Superintendent and Board Members

LA JOYA I.S.D.
 Disclosure #2
 Reimbursements Received
 Year Ending August 31, 2017

For the Twelve-Month Period Ended August 31, 2017	Description of Reimbursements					
	Meals	Lodging	Transportation	Motor Fuel/Mileage	Other	Total
Dr. Alda T. Benavides	211.20	2,528.06	646.00	265.36	2,929.41	6,580.03
Esperanza "Espie" Ochoa	190.00	833.28	458.00	428.76	507.00	2,417.04
Johnn Valente Alaniz	-	-	-	-	-	-
Joel Garcia	-	-	-	-	-	-
Juan Jose "JJ" Garza	-	-	-	-	-	-
Frances Ana Salinas	-	-	-	-	-	-
Laura Avendaño	-	-	-	-	-	-
Oscar "Coach" Salinas	120.00	647.88	-	269.64	786.00	1,823.52
Juan "JJ" Pena Jr.	-	-	-	-	-	-
Claudia Ochoa	581.00	2,174.09	588.00	953.35	1,580.00	5,876.44
Alejandro "Alex" Cantu	611.00	2,538.36	588.00	953.35	2,236.11	6,926.82
Armin Garza	290.90	452.42	-	292.90	425.00	1,461.22

DISCLOSURE #3

Outside Compensation/Fees Received by Superintendent

**LA JOYA I.S.D.
 Disclosure #3
 Outside Compensation
 Year Ending August 31, 2017**

Outside Compensation and/or Fees Received by the Superintendent

For the Twelve-Month Period Ended August 31, 2017	
Name of Entities	
Dr. Alda T. Benavides	-
Total	\$ -

DISCLOSURE #4

Gifts Received by the Superintendent and Board Members

LA JOYA I.S.D.

Disclosure #4

Gifts Received

Year Ending August 31, 2017

Gifts Received by Executive Officers and Board Members

Gifts that had an economic value of \$250.00 dollars or more

For the Twelve-Month Period Ended August 31, 2017	
Name of Officer/Board Member	Summary Amounts
Dr. Alda T. Benavides	-
Esperanza "Espie" Ochoa	-
Johnn Valente Alaniz	-
Joel Garcia	-
Juan Jose "JJ" Garza	-
Frances Ana Salinas	-
Laura Avendano	-
Oscar "Coach" Salinas	-
Juan "JJ" Pena Jr.	-
Claudia Ochoa	-
Alejandro "Alex" Cantu	-
Armin Garza	-

DISCLOSURE #5

Business Transactions Between School District and Board Members

**LA JOYA I.S.D.
 Disclosure # 5
 Business Transactions
 Year Ending August 31, 2017**

Business Transactions Between School District and Board Members

For the Twelve-Month Period Ended August 31, 2017	
Board Member	Summary Amounts
Esperanza "Espie" Ochoa	-
Johnn Valente Alaniz	-
Joel Garcia	-
Juan Jose "JJ" Garza	-
Frances Ana Salinas	
Laura Avendano	
Oscar "Coach" Salinas	
Juan "JJ" Pena Jr.	-
Claudia Ochoa	-
Alejandro "Alex" CAntu	-
Armin Garza	-

LA JOYA I.S.D.

QUESTIONS