

# *LA JOYA ISD*

## Financial Integrity Rating System of Texas (FIRST) Report For 2016–2017



## Fiscal Year Ending 2016

Central Administration at Nellie Schunior  
Staff Development Center

October 11, 2017

5:30pm

## Financial Accountability Rating System History

- ▶ Senate Bill No. 875, 76<sup>TH</sup> Legislature – 1999
- ▶ Senate Bill No. 218, 77<sup>TH</sup> 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 2015–2016

- ▶ 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 an  
"A – Superior Achievement"  
Rating for 2016-2017  
(Fiscal Year Ending 2016)**

# 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, 2017

La Joya ISD = Filed Jan 24, 2017

# 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 asset 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?

Yes

**Unrestricted Net Asset Balance = \$77,350,807**

# 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  
\$105,931,942

Total number of days available – 133

# 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 4.2478

|                     |               |
|---------------------|---------------|
| Current assets      | \$157,178,418 |
| Current liabilities | \$ 37,001,945 |

# 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 = \$277,128,010

Total Assets = \$568,009,364

Ratio = .4879

# HOW RATINGS ARE ASSESSED

9. Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? Yes

|                    |   |               |
|--------------------|---|---------------|
| Total revenues     | = | \$293,903,287 |
| Total expenditures | = | \$288,846,037 |

# HOW RATINGS ARE ASSESSED

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

Yes

La Joya ISD ratio 1.0373



# HOW RATINGS ARE ASSESSED

11. Was the school district's administrative cost ratio equal to or less than the threshold ratio? Yes

Standard =  $\leq 8.55$

La Joya ISD = 7.54

# 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)

2013–2014 Total Enrollment 29,711

2015–2016 Total Enrollment 29,590

La Joya ISD Ratio  $-0.0495$

# 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   | 2015-2016<br>Score | 2016-2017<br>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 asset 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   | 2015-2016<br>Score | 2016-2017<br>Score |
|--------------------|---|--------------------|--------------------|
| 9                  | Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)?   | 10                 | 10                 |
| 10                 | Was the debt service coverage ratio sufficient to meet the required debt service?   | 10                 | 2                  |
| 11                 | Was the school district's administrative cost ratio equal to or less than the threshold ratio?  | 10                 | 10                 |
| 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                 |
| <b>TOTAL SCORE</b> |   | <b>100</b>         | <b>92</b>          |
| <b>RATING</b>      |   | <b>Superior</b>    | <b>Superior</b>    |

| DETERMINATION OF RATING |   |        |        |
|-------------------------|---|--------|--------|
| A.                      | Did The District Answer " <b>No</b> " to Indicators 1,3,4,5 or 2.A? If so, the school district's rating is " <b>F</b> " for <b>Substandard Achievement</b> regardless of points earned. |        |        |
| B.                      | Determine the rating by the applicable number of points (indicators 6-15 for 2015-2016 and indicators 5-7 for 2014-2015)  |        |        |
|                         | A = Superior for 2015-2016 and Pass for 2014-2015   | 70-100 | 90-100 |
|                         | B = Above Standard  | 50-69  | 80-89  |
|                         | C = Meets Standard  | 31-49  | 60-79  |
|                         | F = Substandard Achievement   | <31    | <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, 2016

| For the Twelve-Month Period Ended August 31, 2016 | Description of Reimbursements |          |                |                    |          |          |
|---|-------------------------------|----------|----------------|--------------------|----------|----------|
|   | Meals                         | Lodging  | Transportation | Motor Fuel/Mileage | Other    | Total    |
| Dr. Alda T. Benavides                             | 269.54                        | 2,379.17 | -              | 1,637.32           | 1,186.55 | 5,472.58 |
| Esperanza "Espie" Ochoa                           | 215.00                        | 1,612.44 | -              | 790.81             | 959.43   | 3,577.68 |
| Johnn Valente Alaniz                              | 95.00                         | 876.28   | -              | 399.05             | 392.12   | 1,762.45 |
| Joel Garcia                                       | 230.00                        | 1,342.09 | 399.05         | 307.32             | 892.12   | 3,170.58 |
| Juan Jose "JJ" Garza                              | 635.00                        | 3,544.88 | 1,127.05       | 632.60             | 2,152.23 | 8,091.76 |
| Jesus "Chuy" Avendaño                             | 120.00                        | 876.28   | -              | 546.25             | 552.12   | 2,094.65 |
| Laura Avendaño                                    | -                             | -        | -              | -                  | -        | -        |
| Oscar "Coach" Salinas                             | 295.00                        | 2,110.92 | -              | 371.84             | 860.00   | 3,637.76 |
| Juan "JJ" Pena Jr.                                | 135.00                        | 1,314.42 | 399.05         | 27.60              | 425.68   | 2,301.75 |

# DISCLOSURE #3

## Outside Compensation/Fees Received by Superintendent

**LA JOYA I.S.D.  
 Disclosure #3  
 Outside Compensation  
 Year Ending August 31, 2016**

**Outside Compensation and/or Fees Received by the Superintendent**

| For the Twelve-Month Period<br>Ended August 31, 2016 |             |
|--|-------------|
| Name of Entities                                     |             |
| Dr. Alda T. Benavides                                | -           |
|  |             |
|  |             |
|  |             |
|  |             |
|  |             |
| <b>Total</b>   | <b>\$ -</b> |

# DISCLOSURE #4

## Gifts Received by the Superintendent and Board Members

# LA JOYA I.S.D.

## Disclosure #4

### Gifts Received

Year Ending August 31, 2016

#### 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<br>Ended August 31, 2016 |                 |
|--|-----------------|
| Name of Officer/Board Member                         | Summary Amounts |
| Dr. Alda T. Benavides                                | -               |
| Esperanza "Espie" Ochoa                              | -               |
| Johnn Valente Alaniz                                 | -               |
| Joel Garcia  | -               |
| Juan Jose "JJ" Garza                                 | -               |
| Jesus "Chuy" Avendaño                                | -               |
| Lauro Avendaño                                       | -               |
| Oscar "Coach" Salinas                                | -               |
| Juan "JJ" Pena Jr.                                   | -               |

# DISCLOSURE #5

## Business Transactions Between School District and Board Members



**LA JOYA I.S.D.**

**Disclosure # 5**

**Business Transactions**

**Year Ending August 31, 2016**

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

| <b>For the Twelve-Month Period<br/>Ended August 31, 2016</b> |                        |
|--|------------------------|
| <b>Board Member</b>  | <b>Summary Amounts</b> |
| Esperanza "Espie" Ochoa                                      | -                      |
| Johnn Valente Alaniz   | -                      |
| Joel Garcia  | -                      |
| Juan Jose "JJ" Garza   | -                      |
| Jesus "Chuy" Avendaño  | -                      |
| Laura Avendaño   | -                      |
| Oscar " Coach" Salinas                                       | -                      |
| Juan "JJ" Pena Jr.   | -                      |

# LA JOYA I.S.D.

## QUESTIONS