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# JOAQUIN ISD

## 2014-15 School FIRST Rating

### FINANCIAL MANAGEMENT REPORT

**School FIRST** (Financial Integrity Rating System of Texas), is a financial accountability system for Texas school districts created by the 77<sup>th</sup> Texas Legislature in 2001. The system is designed to encourage public schools to manage their financial resources to provide maximum allocations for direct instructional purposes. The rating assigned is considered by the Texas Education Agency when assigning a school district's accreditation status.

*The rating system has changed for 2014-15 to only “P-for Pass” or “F- for Substandard Achievement” with only 7 indicators.* For years prior to 2014, the system assigned one of four ratings with the highest being “Superior Achievement”, followed by “Above-Standard Achievement”, “Standard Achievement” and “Substandard Achievement” and 20 total indicators.

*For the 2015-16 School FIRST rating the system is changing again and will be a letter grade of “A-for Superior Achievement”, “B-for Above Standard Achievement”, “C-for Standard Achievement”, and “F-for Substandard Achievement” with and increase back to 15 total indicators.*

The FIRST system uses financial data submitted in the “Annual Audited Financial Report (AFR)” and staff and student data submitted through the “Public Education Information System (PEIMS)”. This **2014-15 FIRST** rating is derived from actual financial data and student data *for the 2013-14 fiscal year (two-year old data)*.

The **2014-15 FIRST** rating is a maximum possible score of 30 points (formerly 70) with a “Yes” or “No” assigned to indicators one through four. Ten points each are assigned to indicators five through seven. If a district scores a “No” on any of the indicators one through four it automatically receives an “F”.

**JOAQUIN ISD scored a 28 for 2014-15 FIRST.** .

*For eleven consecutive years, since FIRST inception, Joaquin ISD received the highest possible rating of “Superior Achievement” and for its 2014 School FIRST rating the district received “Above-Standard Achievement”. For the 15-16 rating when the system goes to the letter grades the district expects an A-for Superior Achievement” which will be based on the 2014-15 fiscal year just ended.*

The actual **2014-15 FIRST** report posted by TEA follows. This report includes the scores for the 7 indicators and the data for Joaquin ISD used to score each indicator. The 2013-14 Ratings report based on 2012-13 data is also included for comparison purposes.

*Pages eleven and twelve of this report include some required items of disclosure related to Superintendents and Board members.*

**Financial Integrity Rating System of Texas**

**2014-2015 RATINGS BASED ON SCHOOL YEAR 2013-2014 DATA - DISTRICT STATUS  
DETAIL**

<b>Name: JOAQUIN ISD(210902)</b>		<b>Publication Level 1:</b> 8/20/2015 11:24:40 AM	
<b>Status: Passed</b>		<b>Publication Level 2:</b> 8/20/2015 11:24:40 AM	
<b>Rating:</b> Pass		<b>Last Updated:</b> 8/20/2015 11:24:40 AM	
<b>District Score:</b> 28		<b>Passing Score:</b> 16	
#	Indicator Description	Score	2013-14 Data
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>	Yes	Submitted 12/05/2014
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>	Yes	“Clean Audit”
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>	Yes	No Default Made All Bond Pmts

#	Indicator Description	Score	2013-14 Data
4	<u>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.)</u>	Yes	\$2,363,920 Unrestricted Net Assets Change in Students = .026
		1 Multiplier Sum	
5	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	8	Ratio = .1474 Threshold <= .1311 for 10 points <= .1561 for 8 pts
6	<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>	10	=.000184% <3%
7	<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.)</u>	10	No material weakness in Internal Controls
		28 Weighted Sum	28 Score

## DETERMINATION OF RATING

<b>A.</b>	Did The District Answer ' <b>No</b> ' To Indicators 1, 2, 3, Or 4? If So, The District's Rating Is <b>Substandard Achievement</b> .	
<b>B.</b>	Determine Rating By Applicable Range For Summation of the Indicator Scores (Indicators 5-7)	
	<b>Pass</b>	16-30
	<b>Substandard Achievement</b>	<16

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THE [TEXAS EDUCATION AGENCY](#)

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**Financial Integrity Rating System of Texas**

**2013-2014 RATINGS BASED ON 2012-2013 DATA - DISTRICT STATUS DETAIL**

<b>Name: JOAQUIN ISD(210902)</b>	<b>Publication Level 1:</b> 6/18/2014 8:04:42 PM
<b>Status: Passed</b>	<b>Publication Level 2:</b> 9/5/2014 4:00:21 PM
<b>Rating:</b> Above Standard Achievement	<b>Last Updated:</b> 9/5/2014 4:00:21 PM
<b>District Score:</b> 60	<b>Passing Score:</b> 52

	<b>Indicator Description</b>	<b>2012-13 Score</b>	<b>2012-13 Data</b>	<b>2011-12 Score</b>	<b>2011-12 Data</b>
1	<u>Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?</u>	Yes	\$3,316,677 \$1,145,000	Yes	\$3,927,981 \$1,500,000
2	<u>Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)</u>	Yes	0.0582 5yr change in students is less than 10% and \$2,347,727 net Assets > 0	Yes	0.0713 5yr change in students is less than 10% and \$2,594,025 net assets > 0
3	<u>Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?</u>	Yes	No Default Disclosures	Yes	No Default Disclosures
4	<u>Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?</u>	Yes	Filed 1/6/14 Due 02/28/2014	Yes	Filed 1/15/13 Due 02/28/13

#	Indicator Description	2012-13 Score	2012-13 Data	2011-12 Score	2011-12 Data
5	<u>Was There An Unqualified Opinion in Annual Financial Report?</u>	Yes	Clean Audit	Yes	Clean Audit
6	<u>Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?</u>	Yes	No instances of weakness	Yes	No instances of weakness
7	<u>Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?</u>	4	0.9696 Three Year Avg.	4	0.9744 Three Year Avg.
8	<u>Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?</u>	5	-0- % difference	5	-0- % difference
9	<u>Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) &lt; \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or &gt; 7%, Or If Property Taxes Collected Per Penny Of Tax Effort &gt; \$200,000 Per Student)</u>	1	\$1279.68 debt expenditures per student \$20,097.59 property taxes collected per penny of tax effort < \$200,000 .05820 < .07 5yr change in students	5	\$1309.09 debt expenditures per student \$19,347.83 property taxes collected per penny of tax effort < \$200,000 .0713 = .07 5yr change in students
10	<u>Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?</u>	5	No disclosures for non-compliance	5	No disclosures for non-compliance

#	Indicator Description	2012-13 Score	2012-13 Data	2011-12 Score	2011-12 Data
11	<u>Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)</u>	5	Full Accreditation	5	Full Accreditation
12	<u>Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?</u>	5	\$3,472,986 excess revenues & fund balance over budgeted appropriations	5	\$3,818,431 excess revenues & fund balance over budgeted appropriations
13	<u>If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)</u>	5	\$3,316,677 greater than 0	5	\$3,927,981 greater than 0
14	<u>Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)</u>	5	Deferred Rev is \$11,000 and tax receivable is \$113,656 Cash is \$2,057,905	5	Deferred Rev is \$124,277 and tax receivable is \$106,528 Cash is \$2,503,111
15	<u>Was The Administrative Cost Ratio Less Than The Threshold Ratio?</u>	0	JISD 17.57% cost is more than standard of 15.61% (due to attorney's fees)	0	JISD 15.8% cost is more than standard of 15.61% (due to attorney's fees)

#	Indicator Description	2012-13 Score	2012-13 Data	2011-12 Score	2011-12 Data
16	<u>Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?</u>	5	746 students to 61.058 Teacher FTEs = 12.218  Standard is > 10 and <22	5	751 students to 60.5839 Teacher FTEs = 12.396  Standard is > 10 and <22
17	<u>Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?</u>	5	746 students to 117.3375 staff = 6.3577  Standard >5.8 and <14	5	751 students to 116.0831 staff = 6.4965  Standard >5.8 and <14
18	<u>Was The Decrease In Undesignated Unreserved Fund Balance &lt; 20% Over Two Fiscal Years? (If Total Revenues &gt; Operating Expenditures In The General Fund,Then District Receives 5 Points)</u>	5	\$6,408,299 revenues > \$6,813,447 operating expenditures Decrease in Undesignated Unreserved Fund Balance = \$405,148 or 3.65% < 20%	5	\$6,696,833 revenues > \$6,302,366 operating expenditures



#	Indicator Description	2012-13 Score	2012-13 Data	2011-12 Score	2011-12 Data
19	<u>Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?</u>	5	\$3,557,905	5	\$4,003,111
20	<u>Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?</u>	5	Earnings/ \$avg cash balance = .7196%  T-Bill rate = .07167%	5	Earnings/ \$avg cash balance = .889%  T-Bill rate = .05917%
		60 Weighted Sum		64 Weighted Sum	
		1 Multiplier Sum		1 Multiplier Sum	
		60 Score		64 Score	
<b>DETERMINATION OF RATING.</b>	Did The District Answer 'No' To Indicators 1, 2, 3 Or 4? <b>OR</b> Did The District Answer 'No' To Both 5 and 6? If So, The District's Rating Is <b>Substandard Achievement.</b>				
<b>B.</b>	Determine Rating By Applicable Range For summation of the indicator scores (Indicators 7-22)				
	<b>Superior Achievement</b>	64-70			
	<b>Above Standard Achievement</b>	58-63			
	<b>Standard Achievement</b>	52-57			
	<b>Substandard Achievement</b>	<52			

**INDICATOR 16 & 17 RATIOS**

<b>Indicator 16</b>	<b>Ranges for Ratios</b>		<b>Indicator 17</b>	<b>Ranges for Ratios</b>	
District Size - Number of Students Between	Low	High	District Size - Number of Students Between	Low	High
< 500	7	22	< 500	5	14
500-999	10	22	500-999	5.8	14
1000-4999	11.5	22	1000-4999	6.3	14
5000-9999	13	22	5000-9999	6.8	14
=> 10000	13.5	22	=> 10000	7.0	14

**JOAQUIN ISD 2014-15 FIRST REPORT  
REQUIRED DISCLOSURES**

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1001(o). Effective 8/6/2015.

**1. Superintendent's Current Employment Contract**

A copy of the superintendent's employment contract that is effective on the date of the Schools FIRST hearing is to be provided. In lieu of publication in the Schools 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.

*The Joaquin ISD Superintendent's contract can be accessed from the school district website at [www.joaquinisd.net](http://www.joaquinisd.net) by clicking on "Public Accountability" then "Superintendent's Contract"*

**2. Reimbursements Received by the Superintendent and Board Members for the Twelve-Month period ended August 31, 2014**

Description of Reimbursements	Phil Worsham	Jay Dee Cockrell	John Lawson	Chrisco Bragg	Jimmy Hamilton	Tam Hearnberger	Luke Garrett
Meals	\$ 0.00	\$					
Lodging							
Transportation	0.00						
Motor Fuel	0.00						
Other-Dues, Ins. & Registrations.	1,098.92	160.00	160.00	25.00	25.00	25.00	160.00
Total	\$ 1,098.92	\$ 160.00	\$ 160.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 160.00

**Note** - All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Items to be reported per category include:

**Meals** – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).

**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.

**3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services for the Twelve-Month period ended August 31, 2014**

*No outside compensation and/or fees for professional consulting and/or personal services were received by the Superintendent.*

**Note** – Compensation does not include business revenues from a family business (farming, ranching, etc.) that has no relations to school istrict business.

**4. Gifts Received by the Executive Officers and Board Members (and First Degree Relatives, if any) (gifts that have an economic value of \$250 or more in the aggregate in the fiscal year) for the Twelve-Month period ended August 31, 2014**

*No gifts were received by the Executive Officers and Board Members.*

**Note** – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials.

**5. Business Transactions Between School District and Board Members for the Twelve-Month period ended August 31, 2014**

			<i>No board members had business transactions with the school district.</i>
Summary Amounts		\$ -0-	

**Note** – The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.