



JOAQUIN ISD

2020-2021 School FIRST Rating

FINANCIAL MANAGEMENT REPORT



School FIRST (Financial Integrity Rating System of Texas), is a financial accountability system for Texas school districts specified in 19 Texas Administrative Code Section 109.1001 which was originally created by the 77th Texas Legislature in 2001. The system ensures Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices. It 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 system is based on indicators and a point system. For the 2015-16 report and beyond, the system changed to ***a letter grade of “A= Superior Achievement”, “B = Above Standard Achievement”, “C = Standard Achievement”, and “F = Substandard Achievement”.***

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 2020-21 FIRST rating is derived from actual financial and student/staff data from the 2019-20 fiscal year (data from two school years prior).

The 2020-21 FIRST rating system changed due to amendments from HB3 and increased from 15 to 20 total indicators for 100 possible points with less <70 being an “F”. The 2020-21 FIRST rating is a maximum possible score of 100 points from 20 total indicators with a “Yes” or “No” assigned to indicators one through four. If a district scores a “No” on any of the “Critical” indicators #1-#4 it automatically receives an “F”. Indicator #5 is currently not scored and #6, #16, #17 and #20 are scored as “Pass or “Fail” and are “Ceiling” indicators that limit you rating if you fail. Ten or less points are assigned to indicators #7, #8, #11, #12, & #13. For indicators #9, #10, #14 and #18, 10 points are assigned as all “10” or “-0-“. For indicators #15 and #19, 5 points are assigned as all “5” or “0”. So in one school year a district may lose 10 points by not meeting the criteria in just one of those indicators

JOAQUIN ISD scored a 94 for 2020-21 FIRST with an “A= Superior” rating. We scored 94 on last year’s rating and 90 with an “A” and “88” for a “B” for the two years previous to 19-20. For next year’s 2021-22 FIRST report the 2020-21 financial data is currently being audited and student/staff data has already been finalized. A score above “90” is estimated for next year with an “A”= Superior again that will not be finalized until after the audit.

Only twice since School FIRST began twenty years ago has the district not received the highest possible rating--- the 2013-14 School FIRST where we received “Above-Standard Achievement” and the 2017-18 year with a “B-Above Standard”. There are three indicators the district scored less than maximum on for 20-21 and two are for total Debt and the other is the administrative cost ratio. These are also the same type indicators the district scores under in years past..

The actual 2019-20 FIRST report issued by TEA follows. Explanations and comments about Joaquin ISD's data are added to the TEA data for clarification. Prior year's 2018-19 report based on 2017-18 data is also included for comparison purposes.

Pages ten and eleven include required items of disclosure related to Superintendents and Board members.

Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON SCHOOL YEAR 2019-2020 DATA – DISTRICT STATUS DETAIL

Name: JOAQUIN ISD(210902)	Publication Level 1: 8/4/2021 2:00:38 AM
Status: Passed	Publication Level 2: 8/6/2021 11:10:55 AM
Rating: A = Superior	Last Updated: 8/6/2021 11:10:55 AM
District Score: 94	Passing Score: 70

#	Indicator Description	20-21 Score	2019-20 Data	19-20 Score	2018-19 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 11/20/2020	Yes	Submitted 12/03/2019
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” Unmodified Opinion	Yes	“Clean Audit” Unmodified Opinion
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 Paid All Bond Payments when due	Yes	No Default Paid All Bond Payments when due

4	<p><u>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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant</u></p>	Ceiling Passed	All payments made timely	Yes	All payments made timely
5	<p><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></p>	N/A	This Indicator Is not yet being Scored by TEA.	N/A	This Indicator Is not yet being Scored by TEA.
6	<p><u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u></p> <p><u>Estimate 2020-21:</u> <i>Unassigned Fund Balance = \$3,601,012 (increased)</i> <i>Operating Expenditures = \$7,570,310</i> <i>= 173.62 days of operational expenditures so Passed again</i></p>	Ceiling Passed	<p>\$1,560,703 16-17 \$1,832,690 17-18 \$2,188,320 18-19 \$2,763,450 19-20 No Decline only increased And exceeds 75 days bal = 126 days</p>	10	Indicator Changed in 20-21

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)? See ranges below in the Determination of Points section.

10	8	6	4	2	0
>=90	<90 >=75	<75 >=60	<60 >=45	<45 >=30	<30

Estimate 2020-21:

Cash and Investments = \$3,584,908

Operating Expenditures = \$7,570,310 = 172 days so 10 pts again

10 \$7,972,356
 Operating
 Exp/ 365days
 \$3,078,084
 Cash &
 Investments
 = 140.92
 Days
 10 Same
 As #6
 PY
 \$7,144,721
 Operating
 Exp/ 365days
 \$2,797,917
 Cash &
 Investments
 = 142.936
 Days

8 Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.

10	8	6	4	2	0
>=3.00	<3.00 >=2.50	<2.50 >=2.00	<2.00 >=1.50	<1.50 >=1.00	<1.00

Estimate 2020-21:

Current Assets = \$5,140,000

Current Liabilities = \$1,285,000 = 4.0 so 10 pts again

10 \$5,246,225
 Current
 Assets
 \$1,236,865
 Current
 Liabilities
 =4.24
 6 \$11,360,293
 Long Term
 liabilities/
 \$15,282,990
 Total Assets
 = 0.7433
 5yr change in
 Students
 = 6.83%
 decrease
 Changed in
 20-21

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? See ranges below in the Determination of Points section. 2020-21 yes increase reserves again

10	0
>=0%	<0%

10 \$9,036,047
 Gen Fund Rev
 \$7,972,356
 Gen Fund Exp
 = Yes
 140.92 days
 10 \$7,619,065
 Gen Fund
 Rev
 \$7,144,721
 Gen Fund
 Exp = Yes
 142.94 days

10 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?

10	0
<=10%	>10%

Estimate 2020-21:

Actual Revenues = \$8,889,946

Budgeted Revenues = \$8,778,500

= .05638 3yr average variance so 10 pts again

10	<p>\$ 7,399,617 Actual 17-18</p> <p>\$7,135,000 Budget 17-18</p> <p>\$7,579,321 Actual 18-19</p> <p>\$7,100,000 Budget 18-19</p> <p>\$8,971,422 Actual 19-20</p> <p>\$8,300,000 Budget 19-20</p> <p>.0618 3 yr avg variance</p>	10	<p>\$ 527,770 Excess Revenues over Expenditures in General & Debt Funds. \$964,288 Debt payments. \$133,846 Debt Service Fund Balance. Coverage Ratio =1.6971 Changed in 20-21</p>
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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 increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.

10	8	6	4	2	0
<= 0.60	> 0.60 <= 0.70	> 0.70 <= 0.80	> 0.80 <= 0.90	> 0.90 <= 1.0	> 1.0

Estimate 2020-21:

LT Liab = \$11,152,713 Total Assets = \$19,900,000

.56 so estimate 10 points next year

8	<p>\$11,860,920 LT Liab</p> <p>\$17,368,727 Total Assets</p> <p>.68 Ratio</p> <p>5 year decline In students</p>	N/A	New for 20-21
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12 Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.

10	8	6	4	2	0
<= 4	> 4 <=7	> 7 <= 10	> 10 <= 11.5	> 0.90 <= 1.0	> 1.0

Estimate 2020-21:

Actual Local Rev Debt=\$943,353 LT Liab = \$11,152,713

Comptrollers Prop Value = 212,575,987 =4.89 ratio so 8 pts again

8

\$1,054,870
Local Rev
\$1,081,559
Total Rev
\$11,860,920
LT Liab
\$228,121,034
Prop Val
5.0711 debt
ratio

N/A

New for 20-21

13 Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)

ADA Size	10	8	6	4	2	0
500 to 999	<= 0.1311	> 0.1311 <= 0.1561	> 0.1561 <= 0.1811	> 0.1811 <= 0.2061	> 0.2061 <= 0.2311	> 0.2311

Estimate 8 pts again next year

8

Ratio=
.138
Threshold
<=.1311 for 10 points
<=.1561 For 8 pts

8 on # 11 PY

Ratio =
.1499
Threshold
<=.1311 for 10 points
<=.1561 For 8 pts

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.)

2020-21 Enrollment in Membership = 667

2020-21 Staff FTEs = 104.9

2020-21 Students to Staff Ratio=6.358 (improvement from 19-20 and increase from 18-19 year that will be used in next year's FIRST rating 3 year calculation)

10

2019-20
Ratio =
6.1471
2017-18
=6.4888
3 year
Decrease of (5.27%)

10 on #12 PY

2018-19
Ratio =
6.1519
2016-17
= 6.4252
3 year
decrease of (2.94%)

15	<p><u>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's projections? See ranges below in the Determination of Points section.</u></p> <p>DETERMINATION OF POINTS</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="3" style="text-align: center;">ADA Size</td> </tr> <tr> <td style="text-align: center;">500 to 999</td> <td style="text-align: center;"><=.25 = 5 points</td> <td style="text-align: center;">>.25 = -0- points</td> </tr> </table>	ADA Size			500 to 999	<=.25 = 5 points	>.25 = -0- points	5	590.45 ADA 620 Projected (.0477)	10 on #15 PY	New Data for Indicator 20-21 PY was about Foundation Program
ADA Size											
500 to 999	<=.25 = 5 points	>.25 = -0- points									
16	<p><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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u></p>	Ceiling Passed	.000258492% Variance =<3%	10	.0002795% Variance =<3%						
17	<p><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.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u></p>	Ceiling Passed	No weak Internal Controls	N/A	New Indicator 20-21						
18	<p><u>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.)</u></p> <p>Yes = 10 points, No = -0- points</p>	10	No material instances of non- compliance	10 on #14 PY	No material instances of non- compliance						
19	<p><u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government 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?</u></p> <p>Yes = 10 points, No = -0- points</p>	5	Required Financial Postings on Website	N/A	New Indicator 20-21						
20	<p><u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u></p>	Ceiling Passed	Yes Preliminary Values May Meeting &	N/A	New Indicator 20-21						

94 Weighted Sum
 1 Multiplier Sum

94

August Budget
 Workshop

94 Score 100

94

94 Score 100

DETERMINATION OF RATING FOR 2020-21

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? 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.	
	A = Superior Achievement	90-100
	B = Above Standard Achievement	80-89
	C = Meets Standard Achievement	70-79
	F = Substandard Achievement	<70
<p>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</p> <p>The school district receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.</p>		

CEILING INDICATORS

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.

Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

**JOAQUIN ISD 2020-2021 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 8/1/2018.

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 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, 2020

Description of Reimbursements	Ryan Fuller	Thomas Harvey	Ronnie Belrose	Chrisco Bragg	Jeff Cater	Jeff Hamilton	Brandon Neal	Jacob Kay
Meals	\$ 0.00							
Lodging	\$							
Transportation	\$ 0.00							
Motor Fuel	\$ 0.00							
Other- Registrations, Dues, Liab Ins	\$ 448.00							
Total	\$ 448.00	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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, 2020

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 district 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, 2020

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, 2020

	Brandon Neal	Chrisco Bragg	<i>No other board members had business transactions with the school district.</i>
	Game Crew	Plumbing Contractor & Game Official	
Total Amounts	\$25.00	\$ 1166.38	