

Schools

FIRST

Financial Integrity Rating System of Texas

2017-2018 Rating

Based on 2016-2017 School Year Data

PASSED: SUPERIOR RATING 90 OUT OF 100 POINTS

User: Victoria Sanchez
 User Role: District

RATING YEAR DISTRICT NUMBER [Help](#)
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Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON SCHOOL YEAR 2016-2017 DATA - DISTRICT STATUS DETAIL

Name: MARATHON ISD(022902)		Publication Level 1: 8/6/2018 2:48:24 PM	
Status: Passed		Publication Level 2: 8/8/2018 12:11:29 PM	
Rating: A = Superior		Last Updated: 8/8/2018 12:11:29 PM	
District Score: 90		Passing Score: 60	
#	Indicator Description	Updated	Score
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>	4/20/2018 8:11:03 AM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	<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>	4/20/2018 8:11:03 AM	Yes
2.B	<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>	4/20/2018 8:11:03 AM	Yes
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>	4/20/2018 8:11:03 AM	Yes
4			Yes

	<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?</u>	4/20/2018 8:11:04 AM	
5	<u>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? (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.)</u>	4/20/2018 8:11:04 AM	Yes
			1 Multiplier Sum
6	<u>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.)</u>	4/20/2018 8:11:04 AM	10
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	4/20/2018 8:11:04 AM	10
8	<u>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.) (See ranges below.)</u>	4/20/2018 8:11:05 AM	10
9	<u>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?</u>	4/20/2018 8:11:05 AM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	4/20/2018 8:11:05 AM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	4/20/2018 8:11:05 AM	10
12	<u>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.)</u>	6/19/2018 11:04:05 AM	10
13	<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>	4/20/2018 8:11:06 AM	10
14	<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>	4/20/2018 8:11:06 AM	0
15	<u>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?</u>	4/20/2018 8:11:06 AM	10

		90 Weighted Sum
		1 Multiplier Sum
		90 Score

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
	B = Above Standard	80-89
	C = Meets Standard	60-79
	F = Substandard Achievement	<60
<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>		

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THE TEXAS EDUCATION AGENCY
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FIRST 5.4.1.0

Fiscal Year Data

Comparison Report by Indicator

2011-2012 Standard 56/70	2012-2013 Above Standard 59/70	2013-2014 Pass 24/30	2014-2015 Superior 90/100	2015-2016 Above Standard 88/100	2016-2017 Superior 90/100	Notes
Indicator No. 1 - Compliance - Submission of Annual Financial Report within Established Timelines						
Yes	Yes	Yes	Yes	Yes	Yes	
Indicator No. 2A - Unmodified Opinion in the Annual Financial Report on the financial statements as a whole.						
Yes	Yes	Yes	Yes	Yes		
Indicator No. 2B - Free of instances of <u>Material Weakness</u> in internal controls over financial reporting and compliance over local, state or federal funds.						
Yes	No	Yes	Yes	Yes	Yes	
Indicator No. 3 - Payment compliance for all debt requirements.						
NA	NA	Yes	Yes	Yes	Yes	
Indicator No. 4 - Timely payments to TRS, TWC and IRS.						
NA	NA	NA	Yes	Yes	Yes	
Indicator No. 5 - Unrestricted net balance in governmental activities greater than zero.						
Yes	Yes	Yes	Yes	Yes	Yes	
Indicator No. 6 - Cash on hand and current investments in the general fund sufficient to cover operating expenditures.						
5/5	5/5	NA	10/10	10/10	10/10	
Indicator No. 7 - Current assets to current liabilities ratio for district to cover short term debt.						
NA	NA	NA	10/10	10/10	10/10	
Indicator No. 8 - Long term liabilities to total assets sufficient to support long-term solvency.						
NA	NA	NA	10/10	10/10	10/10	
Indicator No. 9 - Did general fund revenues equal or exceed expenditures? If not, was cash on hand greater than 60 days?						
5/5	5/5	NA	10/10	10/10	10/10	
Indicator No. 10 - Debt service ratio sufficient to meet debt service.						
NA	NA	NA	10/10	10/10	10/10	No debt service fund (bonds, long term-debt)
Indicator No. 11 - Was the school district's administrative ratio equal or less than the threshold ratio?						
5/5 .3523/.3364	0/5 .42/.3614	4/10 .3925/.3364	10/10 .2979/.3364	8/10 .3464/.3364	10/10 .2658/.3364	
Indicator No. 12 - Did the district not have a 15% decline in the students to staff ratio over 3 years.						
NA	NA	NA	0/10	10/10	10/10	
Indicator No. 13. - PEIMS data variance to AFR was less than 3% of all expenditures by function.						
5/5	5/5	10/10	10/10	10/10	10/10	
Indicator No. 14. - Was AFR free of any instances of <u>material noncompliance</u> for grants, contracts, and laws related to local, state and federal funds?						
0/5	0/5	10/10	10/10	0/10	0/10	State Purchasing requirement not met when portable building was purchased
Indicator No. 15 - Financial hardship - did not receive an adjusted repayment schedule for more than one fiscal year.						
NA	NA	NA	10/10	10/10	10/10	

Financial Integrity Rating System of Texas

The state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.

School FIRST Annual Financial Management Report

MARATHON INDEPENDENT SCHOOL DISTRICT

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.

Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is provided.

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period Ended August 31, 2017

Description of Reimbursements	Superintendent	Briones Board Member 1	Carter Board Member 2	Fuentez Board Member 3	Grano Board Member 4	Griffis Board Member 5	Shackelford Board Member 6	West Board Member 7
	Meals, Registration Fee, Fuel	\$ 890.57	\$ 1,680.00	\$ -	\$ 30.00	\$ 30.00	\$ 518.63	\$ -
Lodging	\$ 2,332.64	\$ 1,450.32	\$ -	\$ -	\$ -	\$ 831.42	\$ -	\$ 831.42
Transportation			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Motor Fuel (included above)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$3,223.21	\$3,130.32	\$0.00	\$30.00	\$30.00	\$1,350.05	\$0.00	\$1,415.57

All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. 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.

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, 2017

Name(s) of Entity(ies)	None	Amount Received
		<u>\$0.00</u>

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

**Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any)
(gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)**

For the Twelve-Month Period
Ended August 31, 2017

		None						
	Board Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Total	\$	\$	\$	\$	\$	\$	\$	\$

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.

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended August 31, 2017

	None						
	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Amounts	\$	\$	\$	\$	\$	\$	\$

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.