

Schools

FIRST

Financial Integrity Rating System of Texas

2018-2019 Rating

Based on 2017-2018 School Year Data

PASSED: SUPERIOR RATING 96 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

2018-2019 RATINGS BASED ON SCHOOL YEAR 2017-2018 DATA - DISTRICT STATUS DETAIL

Name: MARATHON ISD(022902)	Publication Level 1: 8/7/2019 3:33:27 PM
Status: Passed	Publication Level 2: 8/8/2019 2:06:12 PM
Rating: A = Superior	Last Updated: 8/8/2019 2:06:12 PM
District Score: 96	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>	8/5/2019 10:49:35 PM	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>	8/5/2019 10:49:35 PM	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>	8/5/2019 10:49:36 PM	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>	8/5/2019 10:49:36 PM	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>	8/5/2019 10:49:36 PM		
5	This indicator is not being scored.			
				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>	8/5/2019 10:49:37 PM	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>	8/5/2019 10:49:37 PM	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>	8/5/2019 10:49:37 PM	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>	8/5/2019 10:49:38 PM	10	
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	8/5/2019 10:49:39 PM	10	
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	8/5/2019 10:49:39 PM	6	★
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>	8/5/2019 10:49:40 PM	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>	8/5/2019 10:49:41 PM	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>	8/5/2019 10:49:41 PM	10	
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>	8/5/2019 10:49:41 PM	10	
				96 Weighted Sum

		1 Multiplier Sum
		96 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, 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
 1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734

FIRST 5.7.1.0

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	2017-2018 Superior 96/100	Notes
Indicator No. 1 - Compliance - Submission of Annual Financial Report within Established Timelines							
Yes	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 in internal controls</u> over financial reporting and compliance over local, state or federal funds.							
Yes	No	Yes	Yes	Yes	Yes	Yes	
Indicator No. 3 - Payment compliance for all debt requirements.							
NA	NA	Yes	Yes	Yes	Yes	Yes	
Indicator No. 4 - Timely payments to TRS, TWC and IRS.							
NA	NA	NA	Yes	Yes	Yes	Yes	
Indicator No. 5 - Unrestricted net balance in governmental activities greater than zero.							
Yes	Yes	Yes	Yes	Yes	Yes	NA	Indicator not being scored as per TEA changes
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	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	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	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	10/10	
Indicator No. 10 - Debt service ratio sufficient to meet debt service.							
NA	NA	NA	10/10	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	10/10 .3675/.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	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	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	10/10	Compliant
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	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, 2018

Description of Reimbursements	Briones Board		Carter Board		Fuentez Board		Grano Board		Griffis Board		Shackelford Board		West Board	
	Superintendent	Member 1	Member 2	Member 3	Member 4	Member 5	Member 6	Member 7						
Meals, Registration Fee, Fuel	\$ 2,081.02	\$ 1,731.46	\$ 30.00	\$ 30.00	\$ 30.00	\$ 598.83	\$ -	\$ 649.98						
Lodging	\$ 2,321.38	\$ 1,440.67	\$ -	\$ -	\$ -	\$ 820.77	\$ -	\$ 820.77						
Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Motor Fuel (included above)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Other	\$ 1,498.53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Total	\$5,900.93	\$3,172.13	\$30.00	\$30.00	\$30.00	\$1,419.60	\$0.00	\$1,470.75						

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), registration fees and fuel

Lodging - Hotel charges.

Transportation - Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls).

Motor fuel – Gasoline.

Other: - Telephone/cell phone, internet service, fax machine, and other reimbursements (Dish Network) (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, 2018

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, 2018

		None						
	Board	Board	Board	Board	Board	Board	Board	Board
	Superintendent	Member 1	Member 2	Member 3	Member 4	Member 5	Member 6	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, 2018

	None						
	Board	Board	Board	Board	Board	Board	Board
	Member 1	Member 2	Member 3	Member 4	Member 5	Member 6	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.

Financial Integrity Rating System of Texas

Superintendent's Contract

Superintendent Term Contract

This Contract is entered into between the Board of Trustees (the "Board") of MARATHON INDEPENDENT SCHOOL DISTRICT (the "District") and GUADALUPE SINGH (the "Superintendent").

The Board and the Superintendent, for and in consideration for the terms stated in this Contract, hereby agree as follows:

1. **Term.** The Board agrees to employ the Superintendent for a term beginning September 1, 2018, and ending August 31, 2021. The Board and the Superintendent (the "Parties") may extend the term of this Contract by agreement.

2. **Certification.** The Superintendent agrees to maintain the required certification throughout the term of employment with the District. If the Superintendent's certification expires, is canceled, or is revoked, this Contract is void.

3. **Representations.** The Superintendent makes the following representations:

3.1 **Beginning of Contract:** At the beginning of this Contract, and at any time during this Contract, the Superintendent specifically agrees to submit to a review of her national criminal history record information (NCHRI) if required by the District, TEA, or SBEC. The Superintendent understands that a criminal history record acceptable to the Board, at its sole discretion, is a condition precedent to this Contract.

3.2 **During Contract:** The Superintendent also agrees that, during the term of this Contract, the Superintendent will notify the Board in writing of any arrest or of any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent. The Superintendent agrees to provide such notification in writing within seven calendar days of the event or any shorter period specified in Board policy.

3.3 **False Statements and Misrepresentations:** The Superintendent represents that any records or information provided in connection with her employment application are true and correct. Any false statements, misrepresentations, omissions of requested information, or fraud by the Superintendent in or concerning any required records or in the employment application may be grounds for termination or nonrenewal, as applicable.

4. **Duties.** The Superintendent shall be the educational leader and chief executive officer of the District. The Superintendent agrees to perform her duties as follows:

4.1 **Authority:** The Superintendent shall perform such duties and have such powers as may be prescribed by the law and the Board. The Board shall have the right to assign additional duties to the Superintendent and to make changes in responsibilities or work at any time during the contract term. All duties assigned by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

4.2 **Standard:** Except as otherwise permitted by this Contract, the Superintendent agrees to devote her full time and energy to the performance of her duties. The Superintendent shall perform her

duties with reasonable care, skill, and diligence. The Superintendent shall comply with all Board directives, state and federal laws and rules, Board policy, and regulations as they exist or may hereafter be amended.

5. **Compensation.** The District shall pay the Superintendent an annual salary as follows:

5.1 **Salary:**

Amended at the July 24, 2019 Board Meeting (HB3 mandate)

One hundred eight thousand, one hundred twenty dollars and 00/100 (\$108,120.00) per year.

(a) **Widespread Salary Reduction.** If the Board implements a widespread salary reduction under Texas Education Code section 21.4023, the Superintendent's annual salary shall be reduced by the percent or fraction of a percent that is equal to the average percent or fraction of a percent by which teacher salaries have been reduced.

(b) **Furlough.** If the Board implements a furlough under Texas Education Code section 21.4021, the Superintendent shall be furloughed for the same number of days as other contract personnel and the Superintendent's salary shall be reduced in proportion to the number of furlough days.

5.2 **Benefits:** The District shall pay the same premiums for hospitalization, major medical, and dental insurance coverage for the Superintendent, pursuant to the TRS Active I group health care plan(s), and as provided by the District for its other employees.

5.3 **Holidays and Leave:** The Superintendent shall observe the same legal holidays as provided by the school calendar adopted by the Board and in accordance with policies for administrative employees on twelve-month contracts. The Superintendent is hereby granted the same number of personal, sick, and other leave benefits as authorized by Board policies for administrative employees on twelve-month contracts.

5.4 **District Housing:** The District shall provide a house to the Superintendent for use as a personal residence during the term of this agreement, for which the Superintendent shall pay the District a monthly rent in the amount of five hundred and twenty-two dollars (\$522.00). The District shall pay the cost of utilities for the house (electricity, propane, internet/satellite TV, water, wastewater, and garbage pickup).

5.5 **Expenses:** The District shall reimburse the Superintendent for reasonable expenses actually incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Agreement, with the advance approval of the Board. Such expenses are limited to mileage, motel/hotel accommodations, meals and workshop/seminar fees. . The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policy and District procedures, or as otherwise approved by the Board. The Board shall retain the authority to refuse any reimbursement request that is determines to be excessive or outside the scope of the Superintendent's performance of her duties.

5.6 Professional Growth: The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. However, the Board encourages the continued professional growth of the Superintendent through the Superintendent's active attendance at and participation in appropriate professional meetings at the local, regional, state and national levels. The Board encourages the participation of the Superintendent in pertinent education seminars and courses offered by public and private institutions or by educational associations, as well as the expertise, or backgrounds would serve to improve the capacity of the Superintendent to perform the Superintendent's professional responsibilities for the District. In its encouragement of the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent, not to exceed ten (10) days per year, to attend such seminars, courses or meetings. The District shall bear the reasonable costs and expenses for such attendance or membership.

6. Suspension. In accordance with Texas Education Code chapter 21, the Board may suspend the Superintendent without pay during the term of this Contract for good cause as determined by the Board.

7. Termination and Nonrenewal of Contract. Termination or nonrenewal of this contract, or resignation under this contract, will be pursuant to Texas Education Code chapter 21.

8. General Provisions.

8.1 Amendment: This Contract may not be amended except by written agreement of the Parties.

8.2 Severability: If any provision in this Contract is, for any reason, held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of the Contract. This Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been a part of the Contract.

8.3 Entire Agreement: All existing agreements and contracts, both verbal and written, between the Parties regarding the employment of the Superintendent are superseded by this Contract. This Contract constitutes the entire agreement between the Parties.

8.4 Applicable Law and Venue: Texas law shall govern construction of this Contract. The Parties agree that venue for any litigation relating to the Superintendent's employment with the District, including this Contract, shall be the county in which the District's administration building is located. If litigation is brought in federal court, the Parties agree that venue shall be the federal district and division in which the district's administration building is located.

8.5 Paragraph Headings: The headings used at the beginning of each numbered paragraph in this Contract are not intended to have any legal effect; the headings do not limit or expand the meaning of the paragraphs that follow them.

8.6 Legal Representation: Both Parties have been represented by legal counsel of their choice, or have had the opportunity to consult with legal counsel, in the negotiation and execution of this Contract.

9. Notices.


9.1 To Superintendent: The Superintendent agrees to keep a current address on file with the District's business office. The Superintendent agrees that the Board may meet any legal obligation it has to give the Superintendent written notice regarding this Contract or the Superintendent's employment by hand-delivery, or by certified mail, regular mail, and/or express delivery service to the Superintendent's address of record.

9.2 To Board: The Board agrees that the Superintendent may meet any legal obligation to give the Board written notice regarding this Contract or the Superintendent's employment by providing one copy of the notice to the President of the Board and one copy to the Vice President of the Board. The Superintendent may provide such notices by hand delivery, or by certified mail, regular mail, and/or express delivery service, to the Board President and Vice President's addresses of record, as provided to the District.

I have read this Contract and agree to abide by its terms and conditions:

Superintendent - Lupe Aissa Singh:  Date signed: 10/15/19

Marathon Independent School District

By: President, Board of Trustees  Date signed: 10/15/19