

SANTA MARIA ISD

School FIRST

**Financial Integrity Rating System
of Texas**

Financial Management Report

2012-2013

ANNUAL FINANCIAL ACCOUNTABILITY MANAGEMENT REPORT

The Santa Maria Independent School District has received a rating of “Above Standard Achievement” under Texas’ school finance accountability rating system.

This is the eleventh year of School FIRST (Financial Integrity Rating System of Texas). Senate Bill 218 which was passed during the 77th Legislature, Regular Session, 2001, authorized the implementation of a financial accountability rating system, which is officially referred to as School FIRST. School FIRST was developed in consultation with the Comptroller of Public Accounts, and its development also benefited from the many comments that were received from school district and regional education service center personnel. The school district’s School FIRST rating is based upon an analysis of staff and student data reported for the 2012-2013 school year as well as budgetary and actual financial data for the August 31, 2013 fiscal year.

The School FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being “Superior Achievement”, followed by “Above Standard Achievement”, “Standard Achievement”, and “Substandard Achievement”. Districts with serious data quality problems may receive the additional rating of “Suspended – Data Quality”. Districts that receive the “Substandard Achievement” or “Suspended – Data Quality” ratings under School FIRST must file a corrective action plan with the Texas Education Agency.

This Annual Financial Accountability Management Report covers many business-related issues; however, it focuses on the School FIRST rating worksheet. This worksheet was developed by representatives of the Texas Education Agency (TEA), the Texas Business and Educational Council (TBEC), and the Texas Association of School Business Officials (TASBO).

The worksheet is used to rate the District according to twenty indicators, based upon its relative performance, except for the **first six critical indicators**. **A negative response to any of the first four indicators or a negative response to both the fifth and sixth critical indicators results in the district receiving a rating of “Substandard Achievement”.**

As of 2007, new reporting requirements are effective for the financial management report that is distributed at the School FIRST public hearing. In accordance with Title 19, Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner’s Rules Concerning Financial Accountability Rating System, the following six (6) disclosures will be presented as appendices in the School FIRST financial management report:

1. Superintendent’s current Employment Contract
2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2013
3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2013
4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2013
5. Business Transactions between School District and Board Members for Fiscal Year 2013
6. A summary schedule of the data submitted to the Texas Education Agency for the financial solvency provision of Texas Education Code, 39.0822

Santa Maria ISD’s rating under School FIRST for the year ended August 31, 2013, is “Above Standard Achievement”. This report briefly describes data used to calculate the rating and the significance of each indicator. Other information affecting the District’s financial accountability is also included.



Purpose of the Financial Accountability Rating System

The Financial Accountability Rating System ensures that school districts will be:

- Held accountable for the quality of their financial management practices and
- Achieve improved performance in the management of their financial resources

It discloses the quality of local management and decision-making processes that impact the allocation of financial resources in Texas public schools.

This rating system was designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation for direct instructional purposes.



**Financial Integrity Rating System of Texas
2012-2013 WITH 2011-2012 COMPARISON
DISTRICT STATUS DETAIL**

2012-2013
Name: Santa Maria ISD (031913)
Rating: Above Standard Achievement
Indicators Answered YES: 6
Indicators Answered NO: 0
Points Earned: 60 of 70

2011-2012
Name: Santa Maria ISD (031913)
Rating: Above Standard Achievement
Indicators Answered YES: 6
Indicators Answered NO: 0
Points Earned: 60 of 70

#	Indicator Description	2012-2013	2011-2012
1	Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?	Yes	Yes
2	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)	Yes	Yes
3	Were There No Disclosures In The Annual Financial Report And/or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	Yes	Yes
4	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)?	Yes	Yes
5	Was There An Unqualified Opinion in Annual Financial Report?	Yes	Yes
6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	Yes	Yes
7	Was The Three Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	5	5
8	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)?	5	5
9	Were Debt Related Expenditures (Net Of IFA And/or EDA Allotment) < \$350 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)	5	5
10	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	5	5
11	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)	5	5
12	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?	5	5

#	Indicator Description	2012-2013	2011-2012
13	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)	5	5
14	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)	5	5
15	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	0	0
16	Was The Ratio Of Students To Teachers Within The Ranges Shown Below According To District Size?	5	5
17	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	5	5
18	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years? (Or If Total Revenues > Operating Expenditures In The General Fund, Then District Receives 5 Points)	5	5
19	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?	5	5
20	Were Investment Earnings In All Funds (Excluding Debt Service Fund And Capital Projects Fund) Meet or Exceed the 3-month Treasury Bill Rate?	0	0

DETERMINATION OF RATING

- A. Did the District Answer 'No' To Indicators 1, 2, 3 OR 4? **OR** Did the District Answer 'No' To Both 5 and 6? If So, The District's Rating Is **Substandard Achievement**.
- B. Determine Rating by Applicable Range for Summation of Indicator Scores (Indicators 7-20):

Superior Achievement	64-70
Above Standard Achievement	58-63
Standard Achievement	52-57
Substandard Achievement	< 52

INDICATOR 16 & 17 RATIOS

Indicator 16	Ranges for Ratios		Indicator 17	Ranges for Ratios	
	Low	High		Low	High
District Size - Number of Students Between			District Size - Number of Students Between		
< 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

Chapter 109 Disclosures

Disclosures 1

1. Superintendent's Employment Contract

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the Schools FIRST hearing in calendar year 2014. In lieu of publication in the Schools FIRST financial management report, the school district may chose 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.

**Texas Administrative Code
Chapter 109 Disclosures**

Disclosure 2

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2013

For the Twelve-month Period Ended August 31, 2013	Maria J. Chavez Superintendent	Melissa Aleman Board Member 1	Belinda Lugo Board Member 2	Noe Aleman Board Member 3	Miguel Zavala Board Member 4	Jose Gonzalez Board Member 5	Leonardo Martinez Board Member 6	Adolfo Hinojosa Board Member 7
Meals	\$ 1,114.00	\$ 1,157.00	\$ 372.00	\$ 1,273.00	\$ 1,157.00	\$1,189.00	\$1,365.00	\$ 20.00
Lodging	3,756.79	3,091.54	1,105.90	3,311.74	3,483.91	3,050.42	3,509.01	0.00
Transportation	3,208.70	1,447.72	403.10	2,385.28	2,483.54	2,436.30	3,104.18	49.98
Motor Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	347.23	50.00	0.00	25.00	50.00	75.00	25.00	0.00
Total	\$ 8,426.72	\$ 5,746.26	\$1,881.00	\$ 6,995.02	\$ 7,174.45	\$6,750.72	\$8,003.19	\$ 69.98

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2013, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order.

Reimbursements to be reported per category include:

Meals – Meals consumed off of the school district’s premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

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.

**Texas Administrative Code
Chapter 109 Disclosures**

Disclosure 3

3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2013

Note – Compensation does not include business revenues from the superintendent’s livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.

- **No Amount Reported**

**Texas Administrative Code
Chapter 109 Disclosures**

Disclosure 4

4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2013

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. Gifts received by first degree relatives, if any, will be reported under the applicable school official.

- **No Amounts Reported**

**Texas Administrative Code
Chapter 109 Disclosures**

Disclosure 5

5. Business Transactions Between School District and Board Members for Fiscal Year 2013

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

- **No Amounts Reported**

**Texas Administrative Code
Chapter 109 Disclosures**

Disclosure 6

6. A summary schedule of the data submitted to the Texas Education Agency for the financial solvency provisions of Texas Education Code, §39.0822.

A. Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC Section 39.0822

General Fund – First Quarter Expenditures by Object Code

Report 2013-14 First-Quarter (first three months of fiscal year 2013-14) General Fund expenditures by object code whole numbers.

Payroll	Expenditures for payroll costs	Object codes 6110-6149	\$ 1,103,524
Contract Costs	Expenditures for services rendered by firms, individuals, and other organizations	Object code series 6200	\$ 137,143
Supplies and Materials	Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	Object code series 6300	\$ 111,977
Other Operating	Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	Object code series 6400	\$ 75,451
Debt Service	Expenditures for debt service	Object code series 6500	\$ 0
Capital Outlay	Expenditures for land, buildings, and equipment	Object code series 6600	\$ 2,776

B. Districts with a September 1-August 31 fiscal year
Within the last two years, did the school district:

	Check the Answer	Yes	No
Draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and			X
For the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?			X

Districts with a July 1-June 30 fiscal year
Within the last two years, did the school district:

	Check the Answer	Yes	No
Draw funds from a short-term financing note (term less than 12 months) between the months of July and October, inclusive, and			
For the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?			

C. Financial exigency disclosure:

	Check the Answer	Yes	No
Has the school district declared financial exigency within the past two years?		X	

D. Superintendent:

How many superintendents has your school district had in the last five years?	3
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E. Business Manager:

How many business managers has your school district had in the last five years?	4
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SANTA MARIA INDEPENDENT SCHOOL DISTRICT

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