



Santa Maria ISD 2020-2021

FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

What is FIRST?

- ▶ A financial accountability system for Texas school districts developed by TEA in response to Senate Bill 875 of the 76th Texas Legislature in 1999.
- ▶ Primary goal of school FIRST is to achieve quality performance in the management of school districts' financial resources.

What is FIRST?

- ▶ The Texas Education Agency assigned one of four financial accountability ratings to Texas school districts.
- ▶ A=Superior (90-100 points)
- ▶ B=Above Standard (80-89 points)
- ▶ C=Meets Standard (60-79 points)
- ▶ F=Substandard Achievement (<60 points)
- ▶ Districts that received a Substandard Achievement rating under School FIRST, must file a corrective action plan with TEA within one month after the school district's public hearing.

How Ratings were assessed

- ▶ 20 indicators were developed and ratings were assessed based on the response for each indicator
- ▶ The following are the 20 indicators along with a brief explanation.
- ▶ Indicator #1
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?
- ▶ This indicator is asking if we filed our audit report filed as required.
- ▶ Our Score -YES
- ▶ Indicator #2
Was there an unmodified opinion in the AFR on financial statements as a whole?
- ▶ Our Score-YES
- ▶ Indicator # 3
Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?
- ▶ Our Score: YES

► Indicator # 4

Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?

► Our Score: YES

► Indicator # 5

► Our Score: none scoring indicator

► Indicator # 6

Was the average change in (assigned and unassigned) fund balances over 3 yrs less than 25 percent decrease or did current year's assigned or unassigned fund balance exceed 75 days of operational expenditures?

► Our Score: Ceiling Passed

► Indicator # 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?

► Our Score: 10

► Indicator # 8

Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short term debt?

► Our Score: 10

► Indicator # 9

Did the school district's general fund revenues equal or exceed expenditures? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

► Our Score: 10

► Indicator # 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?

► Our Score: 10

► Indicator # 11

Was the ratio of long term liabilities to total assets for the school district sufficient to support long term solvency?

► Our Score: 10

► Indicator # 12

Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?

► Our Score: 8

► Indicator # 13

Was the school district's administrative cost ratio equal to less than the threshold ratio?

► Our Score: 4

► Indicator #14

Did the school 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 district will automatically pass this indicator?

► Our Score: 0

► Indicator # 15

Was the school district's ADA within the allotted range of the district biennial pupil projection(s) submitted to TEA?

► Our Score: 5

► Indicator # 16

Did the comparison of Public Education Information 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?

► Our Score: Ceiling Passed

► Indicator #17

Did the external auditor report that the AFR was free of any instance(s) of material weakness in internal controls over financial reporting and compliance for local, state, or federal funds?

► Our Score: Ceiling Passed

► Indicator #18

Did the external 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?

► Our Score: 10

► Indicator # 19

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 district's fiscal year end?

► Our Score: 5

► Indicator # 20

Did the School board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget?

► Our Score: Ceiling Passed

Comparative Analysis

Indicator	Passed Rating 2018-2019	Passed Rating 2019-2020
1	YES	YES
2		YES
2A	YES	
2B	YES	
3	YES	YES
4	YES	YES
5		
6	10	Ceiling Passed
7	10	10
8	10	10
9	10	10
10	10	10
11	2	10
12	10	8
13	10	4
14	10	0
15	10	5
16		Ceiling Passed
17		Ceiling Passed
18		10
19		5
20		Ceiling Passed
	92	82
	SUPERIOR	ABOVE STANDARD



Financial Integrity Rating System of Texas

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

Name: SANTA MARIA ISD/031913		Publication Level 1: 8/4/2021 2:00:38 PM	
Status: Passed		Publication Level 2: 8/6/2021 11:10:55 AM	
Rating: B = Above Standard Achievement		Last Updated: 8/6/2021 11:10:55 AM	
District Score: 82		Passing Score: 70	
#	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>	6/8/2021 3:11:25 PM	Yes
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>	6/8/2021 3:11:26 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>	6/8/2021 3:11:26 PM	Yes
4	<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 hold was resolved and cleared within 30 days.)</u>	7/1/2021 8:59:17 AM	Yes Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<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>	6/28/2021 11:02:20 AM	Ceiling Passed
7	<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 in the Determination of Points section.</u>	6/8/2021 3:11:26 PM	10
8	<u>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.</u>	6/8/2021 3:11:26 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? See ranges below in the Determination of Points section.</u>	6/8/2021 3:11:26 PM	10
10	<u>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?</u>	7/2/2021 1:03:35 PM	10
11	<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 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.</u>	6/8/2021 3:11:28 PM	10
12	<u>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.</u>	6/8/2021 3:11:28 PM	8
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/8/2021 3:11:28 PM	4

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14	<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>	6/8/2021 3:11:28 PM	0
15	<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>	6/8/2021 3:11:29 PM	5
16	<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>	6/8/2021 3:11:29 PM	Ceiling Passed
17	<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>	6/8/2021 3:11:29 PM	Ceiling Passed
18	<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>	6/8/2021 3:11:29 PM	10
19	<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>	6/8/2021 3:11:29 PM	5
20	<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>	6/8/2021 3:11:29 PM	Ceiling Passed
			82 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			82 Score



Chapter 109

DISCLOSURES

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 School FIRST hearing in calendar year 2021. 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 STATE OF TEXAS)
COUNTY OF CAMERON)

SUPERINTENDENT'S EMPLOYMENT CONTRACT

THIS AGREEMENT is made and entered into to be effective as of the 15th day of June 2021, by and between the Board of Trustees (the "Board") of the Santa Maria Independent School District (the "District") and Martin Cuellar (the "Superintendent").

WITNESSETH:

NOW, THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to the Texas Education Code, have agreed, and do hereby agree, as follows:

I. TERM

- 1.1** The Board, by and on behalf of the District, does hereby employ the Superintendent, and the Superintendent does hereby accept employment as Superintendent of Schools for the District for a term that commenced on July 25, 2018, and ending on July 24, 2024. The District may, by action of the Board, and with consent and approval of the Superintendent, extend the term of this Contract as permitted by state law.
- 1.2** The Board has not adopted any policy, rule, regulation, law, or practice providing for tenure. No right of tenure is created by this Contract. No property interest, express or implied, is created in continued employment beyond the Contract term.

II. EMPLOYMENT

- 2.1 Duties.** The Superintendent is the chief executive of the district, and shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in law and District Policy, and as may be assigned by the Board from time to time, and shall comply with all Board directives, state and federal law, district policy, rules, and regulations as they exist or may hereafter be amended. Specifically, it shall be the duty of the Superintendent to recommend for employment all professional employees of the District subject to the Board's approval. It shall be the further duty of the Superintendent to employ all other personnel consistent with the Board's policies. It shall be the further duty of the Superintendent to direct, assign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. It shall be the further duty of the Superintendent to organize, reorganize, and arrange the staff of the District and to develop and establish administrative regulations, rules, and procedures which the Superintendent deems necessary for the efficiency and effective operation of the District, consistent with the Board's lawful directives, the Board's policies, and state and federal law. It shall be the further duty of the Superintendent to accept all resignations of employees of the District consistent with the Board's policies, except the Superintendent's resignation, which must be accepted by the Board. The Superintendent shall perform the duties of the Superintendent of Schools for the district with reasonable care, diligence, skill, and expertise.
- 2.2 Professional Certification.** The Superintendent shall at all times during the term of this Contract, and any renewal or extension thereof, hold and maintain a valid certificate required of a Superintendent by the State of Texas and issued by the Texas Education Agency and all other certificates required by law.

- 2.3 Reassignment.** The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.
- 2.4 Board Meetings.** The Superintendent or the Superintendent's designee shall attend all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, the Superintendent's salary and benefits as set forth in this Contract, the Superintendent's evaluation and/or to interpersonal relationships between individual Board members.
- 2.5 Criticisms, Complaints, and Suggestions.** The Board, individually and collectively, shall refer all substantive criticisms, complaints, and suggestions, called to the Board's attention to the Superintendent for study and appropriate action, and the Superintendent shall investigate such matters and inform the Board of the results of such efforts.

III.

COMPENSATION

- 3.1 Annual Salary.** The district shall provide the Superintendent with an annual salary in the sum of One Hundred and Fifty-Seven Thousand Dollars (\$157,000.00) for 226 days of service. The annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies. The annual salary shall be prorated for partial year service.
- 3.2 Salary Adjustments.** At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth in Section 3.1 of this Contract, except by mutual written agreement of the two parties. Such adjustments, if any, shall be in the form of a written addendum to this Contract or a new contract.

3.3 Other Benefits.

- A.** Insurance. The District will provide the Superintendent with all insurances (health, disability or otherwise) currently being paid by the school district for its low plan.
- B.** Life Insurance. Life Insurance for the Superintendent will be provided under the School District's insurance plan.
- C.** Region One Mandatory Training. The District will pay for Region One Superintendent Mandatory Training.
- D.** Professional Liability insurance. Professional liability insurance for the Superintendent will be provided under the School District's insurance plan.
- E.** Travel Outside Region One. As per Board policy. Superintendent will be reimbursed for all expenses incurred by him while in the performance of his duties. This includes school related travel outside Region One. The Superintendent shall notify the Board at the board meeting prior to any expected travel outside of Region One. Superintendent will be reimbursed per diem \$60.00 a day, and mileage for travel outside of the Region One area
- F.** Travel Inside Region One. The District will pay Superintendent a monthly stipend in the amount Six Hundred Dollars (\$ 1,000.00) per month for all mileage related costs for travel within the Region I Education Service Center area. Lodging and meal expenses for Region One Education Service Center related travel expenses shall be reimbursed in accordance with District Policies.
- G.** Communications Devices. The District will pay Superintendent a monthly stipend in the amount Three Hundred Dollars (\$ 500.00) per month for all costs of purchasing mobile personal communications devices such as telephones, and or tablet communications devices, together with any monthly costs of maintaining line telecommunications for such devices.
- H.** Leave days. The Superintendent may take such employee leave days as are accrued in accordance with District policy. Leave days taken by the Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties.
- I.** Retirement Plan. Member of the TRS of Texas.
- J.** Outside Consultant Activities. With the prior written notice to the Board, and voted approval of the Board of Trustees taken at a public meeting the Superintendent may serve as a consultant to other school districts, or

educational agencies, lecture, engage in writing activities and speaking engagements, and engage in other activities which are short-term duration at the Superintendent's expense.

IV. ANNUAL PERFORMANCE GOALS

- 4.1 Development of Goals.** The Superintendent shall submit to the Board each school year a preliminary list of goals for the district. The goals approved by the Board shall at all times be reduced to writing and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated.

V. REVIEW OF PERFORMANCE

- 5.1 Time and Basis of Evaluation.** The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this Contract. The evaluation and assessment shall be performed in accordance with Board policy and State law.
- 5.2 Confidentiality.** The evaluation of the Superintendent shall, at all times, be conducted in executive session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.
- 5.3 Evaluation Format and Procedure.** The evaluation format and procedure shall be in accordance with the Board's policies, and state and federal law.

VI. RENEWAL OR NONRENEWAL OF EMPLOYMENT CONTRACT

- 6.1 Renewal/Nonrenewal.** Renewal or Nonrenewal shall be in accordance with Board Policy and applicable law.

VIII.
TERMINATION OF EMPLOYMENT CONTRACT

- 7.1 Mutual Agreement.** This Contract may be terminated by the mutual written agreement of the Superintendent and the Board, upon such terms and conditions as may be mutually agreed upon.
- 7.2 Retirement or Death.** This Contract shall be terminated upon the retirement or death of the Superintendent.
- 7.3 Dismissal for Good Cause.** The Board may dismiss the Superintendent during the term of the Contract for good cause.
- 7.4 Termination Procedure.** In the event that the Board terminates this Contract for ..good cause," the Superintendent shall be afforded all the rights as set forth in the Board's policies, and state and federal law.

VIII.
MISCELLANEOUS

- 8.1 Controlling Law.** This Contract shall be governed by the laws of the State of Texas and shall be performable in Cameron County, Texas, unless otherwise provided by law.
- 8.2 Complete Agreement.** This Contract embodies the entire agreement between the parties hereto and cannot be varied except by written agreement of the undersigned parties, except as expressly provided herein.
- 8.3 Conflicts.** In the event of any conflict between the terms, conditions, and provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise

prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the contract.

8.4 Savings Clause. In the event any of the provisions contained in this Contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

8.5 Final Agreement. All existing agreements and contract, both verbal and written, between the parties hereto regarding the employment of the Superintendent have been superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.

SIGNED this 15th day of June, 2021.

**SANTA MARIA INDEPENDENT
SCHOOL DISTRICT**

ATTEST:

By:


ADOLFO HINOJOSA
President
Board of Trustees

By:


CASEY ESPINOZA
Secretary
Board of Trustees

By:


MARTIN CUELLAR
Superintendent



DISCLOSURES

2. Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period Ended August 31, 2020	Martin Cuellar	Adolfo Hinojosa	Rambaldo Rivera	Miguel Zavala	Noe Aleman	Jose F Gonzales	Consuelo De La Rosa	Oralia Ortiz
Description of Reimbursements	Superintendent	Member 1	Member 2	Member 3	Member 4	Member 5	Member 6	Member 7
Meals	\$ 1,264.00	\$ 540.00	\$ 300.00	\$ 1,136.58	\$ 768.00	\$ 540.00	\$ 300.00	\$ 540.00
Lodging	\$ 1,820.97	\$ 1,341.61	\$ 1,482.76	\$ 2,036.25	\$ 1,250.09	\$ 1,201.00	\$ 912.40	\$ 1,201.00
Transportation	\$ 3,067.16	\$ 1,657.38	\$ 915.07	\$ 2,656.25	\$ 1,529.77	\$ 1,326.37	\$ 608.25	\$ 2,339.77
Motor Fuel								
Other								
Total	\$ 6,152.13	\$ 3,538.99	\$ 2,697.83	\$ 5,829.08	\$ 3,547.86	\$ 3,067.37	\$ 1,820.65	\$ 4,080.77

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.

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			
Name(s) of Entity(ies)	Amount Received		
			\$
Total			\$0.00

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

4. 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, 2020	Martin Cuellar	Adolfo Hinojosa	Rambaldo Rivera	Miguel Zavala	Noe Aleman	Jose F Gonzales	Consuelo De La Rosa	Oralia Ortiz
	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.



DISCLOSURES

5. Business Transactions Between School District and Board Members

For the Twelve-Month Period Ended August 31, 2020	Adolfo Hinojosa	Rambaldo Rivera	Miguel Zavala	Noe Aleman	Jose F Gonzales	Consuelo De La Rosa	Oralia Ortiz
	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.

6. Any other information the board of trustees of the school district or open enrollment charter school determines to be useful

NONE

