

COLLEGE STATION
INDEPENDENT SCHOOL DISTRICT



2021 Annual Financial Accountability
Management Report

For the Year Ending August 31, 2020

Prepared by:

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Director of Business Services

Presented to Board of Trustees December 14, 2021

Table of Contents

Overview.....	3
Two Year Comparison.....	4
Please see the following page for the two year comparison in FIRST ratings.....	4
The Ratings Worksheet.....	6
2020-2021 Ratings Based On School Year 2019-2020 Data - District Status Detail	6
Determination Of Rating	9
Ceiling Indicators	9
Explanations and Answers.....	10
Superintendent’s Current Employment Contract	12
Disclosures	20
Summary Schedule of Total Reimbursements	20
Compensation and/or Fees	21
Gifts Received by the Executive Officers	22
Business Transactions with Board Members.....	23
Glossary of Terms	24

Overview

Passed during the 77th regular session of the Texas Legislature (2001), Senate Bill 218 requires each Texas school district to prepare an annual financial accountability report on the District's School FIRST, (Financial Accountability Rating System of Texas), rating. Many business-related issues are covered in this report and the District must hold a public meeting to discuss the report. Since its inception, the FIRST rating has been modified several times to reflect changes in legislation and serve as a better measurement of a district's financial position. The rating system has been reduced from an original 22 indicators to currently 15 indicators. Other changes included measurements based on student performance have been removed to focus strictly on financial matters. In addition, six disclosures are now required along with the report,

- the Superintendent's employment contract,
- reimbursements received by the Superintendent and Board members,
- outside compensation and/or fees received by the Superintendent for professional consulting and/or other personal services,
- gifts received by the executive officer(s) and Board members (and first degree relatives, if any),
- business transactions between the school district and Board members, and
- additional information deemed useful by the district's board of trustees.

The District's School FIRST rating is based upon budgetary and actual financial data reported for the 2019-2020 fiscal year. This information is submitted through the District's annual PEIMS, (Public Education Information Management System), submissions.

The Texas Education Agency under the School FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, as evidenced in the following chart:

RATING	POINTS
A- Superior Achievement	90-100
B- Above Standard Achievement	80-89
C- Meets Standard Achievement	70-79
F- Substandard Achievement	<70

On August 6, 2021, the Texas Education Agency posted the district's Preliminary School FIRST rating with the final rating being posted on November 5, 2021.

For 2020-2021 College Station Independent School District received a rating of

“Meets Standard Achievement”

College Station ISD received a score of 79 out of a possible 100 points.

The financial accountability rating of the District is based on its overall performance on certain financial measurements, ratios, and other indicators established by the Commissioner of Education with the financial accountability rating worksheet. This worksheet was developed by representatives of the Texas Education Agency, (TEA), the Texas Business & Education Council, (TBEC), the Comptroller's office and the Texas Association of School Business Officials. (TASBO). The worksheet consists of 15 indicators, each weighted with numeric values with the exception of the Critical Indicators. Out of the fifteen individual performance indicators there are five critical indicators that a district must pass in order to receive a

passing rating. The school district receives a “Substandard Achievement” rating if it fails any of the indicators 1, 3, 4, 5, or 2.A, of the Annual Financial Report, (AFR), or the data were not both complete, or if either the AFR or the data were not submitted on time for the FIRST analysis.

Included in this report is the Rating Report received from TEA used in determining the district’s score, an explanation of each of the indicators, and the required disclosures.

Upon notification of the district’s rating, the rating reports must be distributed by the school district to all the district’s taxpayers, in addition to the parents and guardians of students. This is accomplished by the posting of this report on the district’s website. The district will also hold a public discussion of the ratings.

The board of trustees will publish, or cause to be published, an annual report describing the financial management performance of the district. The report must include the information provided by the TEA. The report must include the district’s financial management performance under each indicator for both the current and previous years’ financial accountability ratings.

After receipt of the financial accountability rating system report generated by the Texas Education Agency, the district level decision making committee must hold at least one public meeting annually for the purpose of discussing the financial performance of the district and district performance objectives.

A corrective action plan is to be filed with the TEA by each school district that received a rating of “Substandard Achievement”.

If you have any questions about the report or need additional financial information about the District, please contact the Director of Business Services, College Station ISD, 1812 Welsh Avenue, College Station, Texas, 77840. A copy of this report is available through the District’s website, www.csisd.org.

Two Year Comparison

Please see the following page for the two year comparison in FIRST ratings

**COLLEGE STATION INDEPENDENT SCHOOL DISTRICT
FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS (FIRST)**
Based on Data from Fiscal Year Ended August 31, 2020

#	Criteria Description	2019-2020		2020-2021	
		Yes/No	Score	Yes/No	Score
1	Was the annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending upon the district's fiscal year end date of June 30 or August 31, respectively?	Yes	N/A	Yes	N/A
2	Was there an unmodified opinion in the AFR on the financial statements as a whole?	Yes	N/A	Yes	N/A
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?	Yes	N/A	Yes	N/A
4	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?	Yes	N/A	Yes	N/A
5		Not Rated		Not Rated	
6	Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25% decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures?	Not Rated		Yes	Ceiling Passed
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)?	Yes	10	Yes	10
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	Yes	8	Yes	6
	Was the debt service coverage ratio sufficient to meet the required debt service?	Yes	10	Not Rated	
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?	Yes	10	Yes	10
10	Did the school district average less than 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?	Not Rated		Yes	10
11	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?	Yes	10	Yes	10
12	Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?	Not Rated		Yes	10
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	Yes	10	Yes	10
14	Did the school district not have a 15 percent decline in the student to staff ratio over 3 years (total enrollment to total staff)?	Yes	10	Yes	10
15	Was the school district's ADA within the allotted range of the district's biennial pupil projections submitted to TEA?	Not Rated		Yes	5
16	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?	Yes	10	Yes	Ceiling Passed
17	Did the external independent auditor report that the AFR was free of any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No	No Affect to Rating	No	Ceiling Failed
18	Did the external independent auditor indicate the AFR was free of any instances of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	Yes	10	Yes	10
	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 financial hardship?	Yes	10	Not Rated	
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 school district's fiscal year	Not Rated		Yes	5
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?	Not Rated		Yes	Ceiling Passed
TOTAL SCORE (Total Possible = 100)			98		96

Rating Criteria: Passing Score = 60 or more and "Yes" to indicators 1, 2A, 3, 4 and 5.

- A = Superior; Score of 90 - 100
- B = Above Standard; Score of 80 - 89
- C = Meets Standard; Score of 70 - 79
- F = Substandard; Score <70

**TEA 2020-2021
Rating:
C
Meets
Standard**

CEILING INDICATORS

Determination of rating based on meeting ceiling criteria
Indicator 4 (Timely Payments) - School district was issued a warrant hold
Indicator 6 (Average Change in Fund Balance) - Response to indicator is No
Indicator 16 (PEIMS to AFR) - Response to indicator is No
Indicator 17 (Material Weakness) - Response to indicator is No
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is No

Maximum Points
95
89
89
79
89

Maximum Rating
A = Superior
B = Above Standard
B = Above Standard
C = Meets Standard
B = Above Standard

The Ratings Worksheet

The following pages contain the 2019-2020 School FIRST rating worksheet detailing the District's performance on each of the fifteen indicators as published by the Texas Education Agency. The worksheet is followed by an explanation of the indicators and information as to how ratings are assessed.

Financial Integrity Rating System of Texas

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

Name: COLLEGE STATION ISD(021901)	Publication Level 1: 8/4/2021 2:00:38 PM
Status: Passed	Publication Level 2: 8/6/2021 11:10:55 AM
Rating: C = Meets Standard Achievement	Last Updated: 8/6/2021 11:10:55 AM
District Score: 79	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 3:08:29 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 3:08:29 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 3:08:29 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</u>	7/1/2021 8:58:34 AM	Yes Ceiling Passed

	<u>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>		
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 11:01:35 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 3:08:29 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 3:08:30 PM	6
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 3:08:30 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 1:00:50 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 3:08:31 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 3:08:32 PM	10
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 3:08:32 PM	10

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 3:08:32 PM	10
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 3:08:32 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 3:08:32 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 3:08:33 PM	Ceiling Failed
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 3:08:33 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 3:08:33 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 3:08:33 PM	Ceiling Passed
			96 Weighted Sum
			1 Multiplier Sum
			(79 Ceiling)

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.	
	A = Superior Achievement B = Above Standard Achievement C = Meets Standard Achievement F = Substandard Achievement	90-100 80-89 70-79 <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

Explanations and Answers

The questions a school district must address in completing the worksheet used to assess its financial management system can be confusing to non-accountants. The following is a layman's explanation of what the questions mean and College Station ISD's answers to each of the indicators

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?

A simple indicator. Was the Annual Financial Report filed by the deadline?

College Station's answer: Yes

2. 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.)?

A "modified" version of the auditor's opinion in the annual audit report means that you need to correct some of your reporting or financial controls. A district's goal, therefore, is to receive an "unmodified opinion" on its Annual Financial Report. 2.A is a simple "Yes" or "No" indicator.

College Station's answer: Yes

3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

This indicator seeks to make certain that your district has paid your bills/obligations on financing arrangements to pay for school construction, school buses, photocopiers, etc.

College Station's answer: Yes

4. 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?

This indicator seeks to make sure the district fulfilled its obligation to the TRS, TWC, and IRS to transfer payroll withholdings and to fulfill any additional payroll-related obligations required to be paid by the district.

College Station's answer: Yes

5. 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.)?

This indicator is not being scored.

6. Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25% decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures?

Yes, Ceiling indicator passed

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)?

This indicator measures how long in days after the end of the fiscal year the school district could have disbursed funds for its operating expenditures without receiving any new revenues.

College Station received 10 out of 10 possible points. To receive 10 points a district must have at least 90 days.

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

This indicator measures whether the school district had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities.

College Station received 6 out of 10 possible points. To receive 10 points the Current Ratio must be 3.0 while CSISD had a current ratio of 2.32

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?

This indicator simply asks, "Did the district spend more than it earned?" (The school district will automatically pass this indicator, if the school district had at least 60 days cash on hand).

College Station received 10 out of 10 possible points.

10. Did the school district average less than 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?

College Station received 10 out of a possible 10 points

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

This indicator asks about the school district's ability to make debt principal and interest payments that will become due in the future.

College Station received 10 out of 10 possible points (.6736<=1)

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

College Station received 10 out of a possible 10 points.

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

This indicator measures the percentage of their budget that Texas school districts spent on administration.

College Station's answer: Yes, the acceptable administrative cost ratio is <..0855 College Station received 10 out of 10 possible points.

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).

This indicator asks if the school district had a decline in enrollment over 3 years, did the district decrease the number of staff on the payroll in proportion to the decline in students.

College Station's answer: Yes

College Station received 10 out of 10 possible points

15. Was the school district's ADA within the allotted range of the district's biennial pupil projections submitted to TEA?

Yes, College Station scored 5 out of a possible 5 points

16. Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in total variance of less than 3 percent of all expenditures by function?

This indicator measures the quality of data reported to PEIMS and in your Annual Financial Report to make certain that the data reported in each case "matches up". If the difference in numbers reported in any fund type is 3 percent or more, the district "fails" this measure.

College Station's answer: Yes

College Station received 10 out of 10 possible points

17. Did the external independent auditor report that the AFR was free of any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?

College Station's Answer: No, due to misplacement of selected time and effort forms for auditor review, created an identified material weakness in internal controls over compliance

18. 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 noncompliance).

A clean audit of the district's Annual Financial Report would state that your district has no instances of material noncompliance.

College Station's answer: Yes

College Station received 10 out of 10 possible points

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 school district's fiscal year end?

Yes, College Station received 5 of a possible 5 points

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?

Yes, Ceiling indicator passed

Superintendent's Current 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 School 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.

SUPERINTENDENT'S EMPLOYMENT CONTRACT

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BRAZOS §

This Superintendent's Employment Contract (the "Contract") is entered into by and between the Board of Trustees (the "Board") of College Station Independent School District (the "District"), as a body politic and corporate, of Brazos County, Texas, and Michael T. Martindale (the "Superintendent"). This Contract is entered into and executed pursuant to the authority of Texas Education Code Section 11.201, Texas Education Code Chapter 21, and the general laws of the State of Texas. The Board on behalf of the District and the Superintendent may be referred to jointly in this Contract as "Parties".

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

I. TERM

1.1. Term. The Board agrees to employ the Superintendent on a twelve-month basis per school year, for a term **beginning July 1, 2021 and ending June 30, 2024**, and the Superintendent does here accept such employment as Superintendent of Schools.

1.2. Extension. At any time during the Contract, the Board may, in its discretion extend the term of the Contract and approve a new Contract or amendment, adding one year to the term. Extension of the Contract may be considered as part of the annual evaluation process under Section IV of this Contract. Failure to extend the Contract for an extended term shall not constitute nonrenewal under Board policy. The Superintendent shall have no right to such extension.

1.3. No Tenure. 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.

1.4. Certification. The Superintendent shall 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.

II. REPRESENTATIONS

2.1. Beginning of Contract. The Superintendent represents that he has disclosed to the Board, in writing, any arrest, indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent. The Superintendent understands that a criminal history record, acceptable to the Board, at its sole discretion, is a condition precedent to this Contract.

2.2. During Contract. The Superintendent also agrees that, during the term of this Contract, the Superintendent will notify the Board, in writing, of any arrest, 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.

2.3. False Statements and Misrepresentations. The Superintendent represents that any records or information provided in connection with his employment application are true and correct. Any false statements, misrepresentation, 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.

III. DUTIES

3.1. Duties. The Superintendent shall be the educational leader and chief executive officer of the District. The Superintendent is the chief administrative officer of the District. The Superintendent shall perform such duties as prescribed in state law, the job description, and Board policies, as well as any additional lawful duties as the Board may designate from time to time.

3.2. Performance. Except as otherwise permitted by this Contract or Board action, the Superintendent agrees to devote his full time and energy to the performance of his duties. The Superintendent shall perform his duties with reasonable care, skill, and diligence. The Superintendent shall comply with all lawful Board directives, state and federal laws and rules, Board policies, and regulation as they exist or may hereafter be adopted or amended.

3.3. Reassignment. The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.

3.4. Board Meetings. The Superintendent shall attend, and shall be permitted to 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, or the Superintendent's evaluation, or the discussion of Board officer elections, or for purposes of resolving conflicts between individual Board members, or when the Board is acting in its capacity as a tribunal. In the event of illness or Board-approved absence, the Superintendent's designee shall attend such meetings.

3.5. 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.

3.6. **Residence in the District.** During the term of this Contract and any extension thereof, the Superintendent shall maintain his primary legal residence within the geographic boundaries of the District.

IV. EVALUATION

4.1. **Time and Basis of Evaluation.** The Board shall evaluate and assess in writing the Superintendent's performance at least once each year during the term of his Contract. The Board's evaluation and assessment of the Superintendent shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and shall be based at least in part on the District's progress towards accomplishing the written District Goals as discussed by the Superintendent and Board, and as adopted by the Board.

4.2. **Confidentiality.** Unless the Board and Superintendent agree otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in closed or 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.

4.3. **Evaluation Format and Procedures.** The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law. Upon completion of the evaluation by the Board, the Board shall meet with the Superintendent to discuss the evaluation. In the event the Board deems that the evaluation instrument, format, and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

V. COMPENSATION

5.1 **Salary.** The District shall pay the Superintendent an annual salary of two hundred forty thousand five hundred fifty-five dollars (\$240,555.00) per year. This annual salary shall be paid to the Superintendent in equal installments in accordance with Board policies.

5.2 **Adjustments.** At any time during the term of this Contract or any extension thereof, 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 this Contract. Adjustments to salary and any other compensation under Section V of this Contract shall be based only on performance in accordance with the Superintendent's annual evaluation under Section IV of this Contract and not on any general increase for District administrators, unless otherwise determined by the Board.

5.3 **Benefits.** The District shall provide benefits to the Superintendent as provided by state law and Board policies, and consistent with benefits provided to other professional employees on

twelve-month contracts, unless specified otherwise in Board policy or in this Contract. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase these benefits, at the Board's sole discretion.

5.4 Professional Membership Fees. Reasonable fees and costs will be paid by the District for the Superintendent's membership and participation in organizations related to his professional development and civic responsibilities. The Superintendent is encouraged to participate in both professional and civic organizations that expand his professional growth and his involvement in the community. The Superintendent will submit an annual budget for such fees as part of the District's overall budget for Board approval.

5.5 Business Expenses. The District will pay for or reimburse reasonable actual and incidental expenses incurred by the Superintendent in the continuing performance of duties on behalf of the District under this Contract. The District will provide the Superintendent with a national credit card on which he may make charges for all expenses reimbursable by the District. The Superintendent shall comply with all policies, procedures, and documentation requirements in accordance with Board policies and established procedures, which shall be subject to review annually by the District's independent auditors.

The District will pay for or reimburse all reasonable actual and incidental expenses associated with the Superintendent's work with staff members, community members and other persons which are related to the performance of duties as Superintendent. The Superintendent will submit an annual budget for his expenses as part of the District's overall budget for the Board approval.

5.6 Health and Life Insurance. The District shall provide the Superintendent with the same standard group health-related insurance options available to other District employees. The District shall provide the Superintendent with the same "Leadership Team Group Life Insurance" benefits available to District employees who are a part of the leadership team as defined by the Board.

5.7 Vacation Leave Days. In addition to the personal leave days granted to other employees of the District, the Superintendent shall accrue an additional 15 vacation leave days annually. The days may be taken in a single period or at different times as will least interfere with the performance of his regular duties for the District. The Superintendent may carry over a maximum of five vacation leave days from one year to the next, but shall at no time accrue, in the aggregate, more than 30 vacation days. The Superintendent shall notify the Board President of the days he takes as vacation.

5.8 Unused Vacation Days. The District shall pay the Superintendent for any unused vacation leave days up to a maximum of 30 days upon his leaving the District's employ.

VI. LEGAL DEFENSE AND INDEMNIFICATION

6.1 Legal Defense. The District shall provide a legal defense to the Superintendent in connection with any and all demands, claims, suits, actions, or any legal proceedings brought against the Superintendent in an official capacity, for acts or omissions occurring within the course and scope of the Superintendent's employment, to the extent permitted by law. The District shall indemnify the Superintendent against any and all awards, judgments, settlements, or any form of monetary compensation arising out of any demand, claim, suit, action, or legal proceeding brought against the Superintendent, in an official capacity, for acts or omissions occurring within the course and scope of the Superintendent's employment, to the extent permitted by law.

6.2 Dispute with District. The Board shall not provide a legal defense or indemnification for any demand, claim, suit, action, or any legal proceeding between the Superintendent and the District, its agent, servants, employees, or subordinates.

6.3 Misconduct. Notwithstanding anything in this Section VI or in the Contract to the contrary, the District shall not be obligated to defend or indemnify the Superintendent in the event it is determined that the demand, claim, suit, action, or legal proceeding against the Superintendent is the result of:

- A. An act or omission that involves intentional misconduct or a knowing violation of the law;
- B. A transaction from which the Superintendent received an improper benefit;
- C. An act that involves gross negligence or intent to violate a person's clearly established legal rights; or
- D. An act that involves criminal conduct.

6.4 Insurance. The District may fulfill its obligation under this Section by purchasing insurance coverage as determined by the Board.

VII. RESIGNATION, TERMINATION, NONRENEWAL

7.1. Resignation. The Superintendent may relinquish his position and leave the employment of the District by written resignation addressed and filed with the Board not less than 120 days prior to the effective date of the Superintendent's resignation in the year that the release from this Contract is requested. The Superintendent may resign with the consent of the Board at any other time.

7.2. Termination and Nonrenewal of Contract. Termination or nonrenewal of this Contract will be pursuant to Texas Education Code Chapter 21 and applicable Texas law.

7.3. Retirement or Death. The Contract shall be terminated upon the retirement or death of the Superintendent.

7.4. Suspension. In accordance with Texas Education Code Chapter 21, the Board may suspend the Superintendent with or without pay during the term of this Contract for good cause as determined by the Board in accordance with applicable Texas law.

VIII. 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 and any amendments constitute the entire agreement between the Parties.

8.4 Applicable Law and Venue. Texas law shall govern 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 heading do not limit or expand the meaning of the paragraphs that follow them.


IX. NOTICES

9.1 To Superintendent. The Superintendent agrees to keep a current address on file with the District's human resources office and the Board President. The Superintendent agrees that the Board may meet any legal obligation It has to give the Superintendent written notice by delivering the notice through hand delivery, 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 by providing one copy of the notice to the President 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.

This Contract has been approved by majority vote of the Board in a lawfully called and convened public meeting. It is executed by authorized individuals in duplicate on the dates stated below.

The parties have read this Contract and agree to abide by its terms and conditions.

Superintendent:  Date Signed: 7.20.21

College Station Independent School District

By: 
President, Board of Trustees

Date Signed: 7/20/2021

Attest: 
Vice President, Board of Trustees

Disclosures

Summary Schedule of Total Reimbursements

College Station ISD Superintendent and Board Member Reimbursements
for the Twelve-Month Period Ended August 31, 2019

MEMBER	MEALS	LODGING	TRANSPORT	OTHER	TOTAL
Superintendent Dr. Clark Ealy	63.86	3,221.20	1,563.48	945.00	\$5,793.54
Superintendent Mr. Mike Martindale			241.58	795.00	\$1,036.58
Place 1 – Mike Nugent		746.68	3.40.08	1,025.00	\$2,111.76
Place 2 – Amanda Green		733.15	309.08	1,025.00	\$2,148.23
Place 3 – Joshua Benn	71.50	409.98	123.68	600.00	\$1,286.16
Place 4 until November – Jeff Harris					\$0.00
Place 4 – Jeffrey Horak	71.50	490.98	123.68	600.00	\$1,286.16
Place 5 until November – Quinn Williams					\$0.00
Place 5 – Kimberly McAdams		463.98	61.84	600.00	\$1,125.82
Place 6 – Michael Schaefer		1,258.08	340.08	1,025.00	\$2,623.16
Place 7 – Geralyn Nolan		982.90	340.08	1,025.00	\$2,347.98

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2020, 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 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.
- 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.

Compensation and/or Fees

Outside Compensation and/or Fees Received by Superintendent Ealy and Superintendent Martindale for Professional Consulting and/or Other Personal Services for the Twelve-Month Period Ended August 31, 2020

Name(s) of Entity(ies)	Amount Received
NONE	\$0

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.

Gifts Received by the Executive Officers

Summary Schedule of Total Dollar Amount by Superintendent and Board Members (and First Degree Relatives, if any) in Fiscal Year 2020

MEMBER	TOTAL
Superintendent Dr. Clark Ealy	\$0.00
Superintendent Mr. Mike Martindale	\$0.00
Place 1 – Mike Nugent	\$0.00
Place 2 – Amanda Green	\$0.00
Place 3 – Joshua Benn	\$0.00
Place 4 until November – Jeff Harris	\$0.00
Place 4 – Jeffrey Horak	\$0.00
Place 5 until November – Quinn Williams	\$0.00
Place 5 – Kimberly McAdams	\$0.00
Place 6 – Michael Schaefer	\$0.00
Place 7 – Geralyn Nolan	\$0.00

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.

Business Transactions with Board Members

Business Transactions Between School District and Board Members for Fiscal Year 2020

MEMBER	TOTAL
Superintendent Dr. Clark Ealy	\$0.00
Superintendent Mr. Mike Martindale	\$0.00
Place 1 – Mike Nugent	\$0.00
Place 2 – Amanda Green	\$0.00
Place 3 – Joshua Benn	\$0.00
Place 4 until November – Jeff Harris	\$0.00
Place 4 – Jeffrey Horak	\$0.00
Place 5 until November – Quinn Williams	\$0.00
Place 5 – Kimberly McAdams	\$0.00
Place 6 – Michael Schaefer	\$0.00
Place 7 – Geralyn Nolan	\$0.00

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.

Glossary of Terms

Accounting

A standard school fiscal accounting system must be adopted and installed by the board of trustees of each school district. The accounting system must conform to generally accepted accounting principles. This accounting system must also meet at least the minimum requirements prescribed by the state board of education, subject to review and comment by the state auditor.

Ad Valorem Property Tax

Literally the term means “according to value.” Ad valorem taxes are based on a fixed proportion of the value of the property with respect to which the tax is assessed. They require an appraisal of the taxable subject matter’s worth. General property taxes are almost invariably of this type. Ad valorem property taxes are based on ownership of the property and are payable regardless of whether the property is used or not and whether it generates income for the owner (although these factors may affect the assessed value).

Adopted Tax Rate

This is the tax rate set by the school district to meet its legally adopted budget for a specific calendar year.

All Funds

A school district’s accounting system is organized and operated on a fund basis where each fund is a separate fiscal entity in the school district much the same as various corporate subsidiaries are fiscally separate in private enterprise. All Funds refers to the combined total of all the funds listed below:

- The General Fund
- Special Revenue Funds (Federal Programs, Federally Funded Shared Services, State Programs, Shared State/Local Services, Local Programs)
- Debt Service Funds
- Capital Projects Funds
- Enterprise Funds for the National School Breakfast and Lunch Program (as appropriate)

Assessed Valuation

This is a valuation set upon real estate or other property by a government as a basis for levying taxes.

Assigned Fund Balance

The assigned fund balance represents tentative plans for the future use of financial resources. Assignments require executive management (per board policy to assign this responsibility to executive management prior to end of fiscal year) action to earmark fund balance for bona fide purposes that will be fulfilled within a reasonable period of time. The assignment and dollar amount for the assignment may be determined after the end of the fiscal year when final fund balance is known.

Auditing

Accounting documents and records must be audited annually by an independent auditor. The Texas Education Agency (TEA) is charged with review of the independent audit of the local education agencies.

Beginning Fund Balance

The General Fund balance on the first day of a new school year. This is, typically, equivalent to the fund balance at the end of the previous school year.

Budget

The projected financial data for the current school year. Budget data are collected for the general fund, food service fund, and debt service fund.

Budgeting

Not later than August 20 of each year, the superintendent (or designee) must prepare a budget for the school district if the fiscal year begins on September 1. (For those districts with fiscal years beginning July 1, this date would be June 20.) The legal requirements for funds to be budgeted are included in the Budgeting module of the TEA Resource Guide. The budget must be adopted before expenditures can be made, and this adoption must be prior to the setting of the tax rate for the budget year. The budget must be itemized in detail according to classification and purpose of expenditure, and must be prepared according to the rules and regulations established by the state board of education. The adopted budget, as necessarily amended, shall be filed with TEA through the Public Education Information Management System (PEIMS) as of the date prescribed by TEA.

Capital Outlay

This term is used as both a Function and an Object. Expenditures for land, buildings, and equipment are covered under Object 6600. The amount spent on acquisitions, construction, or major renovation of school district facilities are reported under Function 81.

Capital Project Funds

Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds.)

Cash

The term, as used in connection with cash flows reporting, includes not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

Chapter 41

A key “equity” chapter in the Texas Education Code (TEC) is Chapter 41. This chapter is devoted to wealth equalization through the mechanism of recapture, the recovery of financial resources from districts defined by the state as high property wealth. Resources are recovered for the purpose of sharing them with low-wealth districts. Districts that are subject to the provisions of Chapter 41 must make a choice among several options in order to reduce their property wealth and share financial resources.

Committed Fund Balance

The committed fund balance represents constraints made by the board of trustees for planned future use of financial resources through a resolution by the board, for various specified purposes including

commitments of fund balance earned through campus activity fund activities. Commitments are to be made as to purpose prior to the end of the fiscal year. The dollar amount for the commitment may be determined after the end of the fiscal year when final fund balance is known.

Comptroller Certified Property Value

The district's total taxable property value as certified by the Comptroller's Property Tax Division (Comptroller Valuation).

Debt Service Fund

Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Services

Two function areas (70 and 71) and one Object (6500) are identified using this terminology "debt services." Function 70 is a major functional area that is used for expenditures that are used for the payment of debt principal and interest including Function 71. Expenditures that are for the retirement of recurring bond, capital lease principal, and other debt, related debt service fees, and for all debt interest fall under Function 71. Object code series 6500 covers all expenditures for debt service.

Deferred Revenue: Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

Effective Tax Rate

Provides the unit with approximately the same amount of revenue it had the year before on properties taxes in both years. A comparison of the effective tax rate to the taxing unit's proposed tax rate shows if there will be a tax increase.

Ending Fund Balance

The ending fund balance is the amount of unencumbered surplus fund balance reported by the district at the end of the specified school year. For most school districts this will be equivalent to the fund balance at the beginning of the next school year.

Excess (Deficiency)

Represents receivables due (excess) or owed (deficiency) at the end of the school year. This amount is recorded as Asset Object 1200.

Existing Debt Allotment (EDA)

Is the amount of state funds to be allocated to the district for assistance with existing debt.

Expenditures

The cost of goods delivered, or services rendered, whether paid or unpaid including expenses, provisions for debt retirement not reported as a liability of the fund from which retired and capital outlays.

Federal Revenues

Revenues paid either directly to the district or indirectly through a local or state government entity for Federally-subsidized programs including the School Breakfast Program, National School Lunch Program, and School Health and Related Services Program. This amount is recorded as Revenue Object 5900.

Fiscal Year

A period of 12 consecutive months legislatively selected as a basis for annual financial reporting, planning, and budgeting. The fiscal year may run September 1 through August 31 or July 1 thru June 30.

Foundation School Program (FSP) Status

The Foundation School Program (FSP) is the shared financial arrangement between the state and the school district, where property taxes are blended with revenues from the state to cover the cost of basic and mandated programs. The nature of this arrangement falls in one of the following status categories: Regular, Special Statutory, State Administered, Education Service Center, or Open Enrollment Charter School District.

FTE

Full-Time Equivalent measures the extent to which one individual or student occupies a fulltime position or provides instruction, e.g., a person who works four hours a day or a student that attends a half of a day represents a .5 FTE.

Function

Function codes identify the expenditures of an operational area or a group of related activities. For example, in order to provide the appropriate atmosphere for learning, school districts transport students to school, teach students, feed students and provide health services. Each of these activities is a function. The major functional areas are:

- Instruction and Instructional-Related Services
- Instructional and School Leadership
- Support Services - Student
- Administrative Support Services
- Support Services; Non-Student Based
- Ancillary Services
- Debt Service
- Capital Outlay
- Intergovernmental Charges

Fund Balance

The difference between assets and liabilities reported in a governmental fund.

General Administration

The amount spent on managing or governing the school district as an overall entity. Expenditures associated with this functional area are reported under Function 41.

General Fund

This fund finances the fundamental operations of the district in partnership with the community. All revenues and expenditures not accounted for by other funds are included. This is a budgeted fund and any fund balances are considered resources available for current operations.

I&S Tax Rate

The tax rate calculated to provide the revenues needed to cover Interest and Sinking (I&S) (also referred to as Debt Service). I&S includes the interest and principal on bonds and other debt secured by property tax revenues.

Incremental Costs

The amount spent by a school district with excess wealth per WADA on the purchase of attendance credits either from the state or from other school district(s). Expenditures associated with this functional area are reported under Function 92.

Instruction

The amount spent on direct classroom instruction and other activities that deliver, enhance, or direct the delivery of learning situations to students regardless of location or medium. Expenditures associated with this functional area are reported under Function 11.

Instructional Facilities Allotment (IFA):

(State Aid) Provides assistance to school districts in making debt service payments on qualifying bonds and lease-purchase agreements. Proceeds must be used for the construction or renovation of an instructional facility.

Intergovernmental Charges

“Intergovernmental” is a classification used when one governmental unit transfers resources to another. In particular, when a Revenue Sharing District purchases WADA or where one school district pays another school district to educate transfer students. Expenditures associated with this functional area are reported under Function 90.

Investments in Capital Assets, Net of Related Debt

One of three components of net assets that must be reported in both government-wide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the government.

Local & Intermediate Revenues

All revenues from local taxes and other local and intermediate revenues. For specifics, see the definitions for Local Tax and Other Local & Intermediate Revenues. This amount is recorded under Object 5700.

Local Tax

This is all revenues from local real and personal property taxes, including recaptured funds from 1) Contracted Instructional Services Between Public Schools (Function 91) and 2) Incremental Costs associated with Chapter 41 of the Texas Education Code (Function 92).

M&O Tax Rate

The tax rate calculated to provide the revenues needed to cover Maintenance & Operations (M&O). M&O includes such things as salaries, utilities, and day-to-day operations.

Nonspendable Fund Balance

The portion of fund balance that is in non-liquid form, including inventories, prepaid items, deferred expenditures, long-term receivables, and encumbrances (if significant). Non-spendable fund balance may also be in the form of an endowment fund balance that is required to remain intact.

Object

An object is the highest level of accounting classification used to identify either the transaction posted or the source to which the associated monies are related. Each object is assigned a code that identifies in which of the following eight major object groupings it belongs:

- 1000 Assets
- 2000 Liabilities
- 3000 Fund Balances
- 5000 Revenue
- 6000 Expenditures/Expenses
- 7000 Other Resources/Non-Operating Revenue/Residual Equity Transfers In
- 8000 Other Uses/Non-Operating Revenue/Residual Equity Transfers Out

Operating Expenditures

A wide variety of expenditures necessary to a district's operations fall into this category with the largest portion going to payroll and related employee benefits and the purchase of goods and services.

Operating Expenditures / Student

Total Operating Expenditures divided by the total number of enrolled students.

Operating Revenues and Expenses

Term used in connection with the proprietary fund statement of revenues, expenses, and changes in net assets. The term is not defined as such in the authoritative accounting and financial reporting standards, although financial statement preparers are advised to consider the definition of operating activities for cash flows reporting in establishing their own definition.

Other Local & Intermediate Revenues

All local and intermediate revenues NOT from local real and personal property taxes including:

- Revenues Realized as a Result of Services Rendered to Other School Districts
- Tuition and Fees
- Rental payments, interest, investment income
- Sale of food and revenues from athletic and extra/co-curricular activities
- Revenues from counties, municipalities, utility districts, etc.

Other Operating Costs

Expenditures necessary for the operation of the school district that are NOT covered by Payroll Costs, Professional and Contracted Services, Supplies and Materials, Debt Services, and Capital Outlay fall into

this category and include travel, Insurance and bonding costs, election costs, and depreciation. This amount is recorded as Expenditure/Expense Object 6400.

Other Resources: This amount is credited to total actual other resources or non-operating revenues received or residual equity transfers in. This amount is recorded under Object 7020.

Payments for Shared Services Arrangements

Payments made either from a member district to a fiscal agent or payments from a fiscal agent to a member district as part of a Shared Services Arrangement (SSA). The most common types of SSAs relate to special education services, adult education services, and activities funded by the Elementary and Secondary Education Act (ESEA). Expenditures associated with this functional area are reported under Function 93.

Payroll

Payroll costs include the gross salaries or wages and benefit costs for services or tasks performed by employees at the general direction of the school district. This amount is recorded as Expenditure/Expense Object 6100. *(NOTE: Payroll amounts do not include salaries for contract workers. Therefore, this figure will vary significantly between districts and campuses that use contract workers and those that do not.)*

PEIMS

A state-wide data management system for public education information in the State of Texas. One of the basic goals of PEIMS, as adopted by the State Board of Education in 1986, is to improve education practices of local school districts. PEIMS is a major improvement over previous information sources gathered from aggregated data available on paper reports. School districts submit their data via standardized computer files. These are defined in a yearly publication, the PEIMS Data Standards.

Plant Maintenance & Operations

The amount spent on the maintenance and operation of the physical plant and grounds and for warehousing and receiving services. Expenditures associated with this functional area are reported under Function 51.

Property / Refined ADA

The district's Comptroller Certified Property Value divided by its total Refined ADA (Average Daily Attendance).

Property / WADA

The district's Comptroller Certified Property Value divided by its total WADA (Weighted Average Daily Attendance).

Qualified Opinion

Term used in connection with financial auditing. A modification of the independent auditor's report on the fair presentation of the financial statements indicating that there exists one or more specific exceptions to the auditor's general assertion that the financial statements are fairly presented.

Refined ADA

Refined Average Daily Attendance (also called RADA) is based on the number of days of instruction in the school year. The aggregate eligible days attendance is divided by the number of days of instruction to compute the refined average daily attendance.

Restricted Fund Balance

This is that portion of fund balance that has externally enforceable constraints made by outside parties.

Revenues

Any increase in a school district's financial resources from property taxes, foundation fund entitlements, user charges, grants, and other sources. Revenues fall into the three broad sources of revenues: Local & Intermediate; State; and Federal.

Robin Hood Funds

See Wealth Equalization Transfer.

Rollback Tax Rate

Provides governments other than school districts with approximately the same amount of tax revenue it spent the previous year for day-to-day operations plus an extra 8 percent cushion, and sufficient funds to pay its debts in the coming year. For school districts, the M&O portion of the rollback tax rate allows school districts to add four cents (\$0.04) to the lesser of the prior tax year compressed operating tax rate or the effective M&O rate to generate operating funds. School districts will get to add to the compressed operating rate any additional cents approved by voters at a 2006 or subsequent rollback election, not 8 percent. The rollback rate is the highest rate that the taxing unit may adopt before voters can petition for an election to roll back the adopted rate to the rollback rate. For school districts, no petition is required; it's an automatic election if the adopted rate exceeds the rollback rate.

School Year

The twelve months beginning September 1 of one year and ending August 31 of the following year or beginning July 1 and ending June 30. Districts now have two options.

Special Revenue Fund

A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.

State Revenues

Revenues realized from the Texas Education Agency, other state agencies, shared services arrangements, or allocated on the basis of state laws relating to the Foundation School Program Act. This amount is recorded as Revenue Object 5800.

Unassigned Fund Balance

Available expendable financial resources in a governmental fund that are not the object of tentative management plans (i.e., committed or assigned). One primary criterion of rating agencies for school bonds is the relative amount of unassigned fund balance. Bond rating agencies view unassigned fund balances as a reflection of the financial strength of school districts and show concern when district fund balances decrease.

Unqualified Opinion

An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

Unrestricted Net Asset Balance

The term net asset refers to the amount of total assets less total liabilities. Unrestricted net asset balance refers to the portion of total net assets that is neither invested in capital assets nor restricted.

WADA

A Weighted Average Daily Attendance (WADA) is used to measure the extent students are participating in special programs. The concept of WADA in effect converts all of a school district's students with their different weights to a calculated number of regular students required to raise the same amount of revenue. The greater the number of students eligible for special entitlements, the greater a school district's WADA will be.

Wealth Equalization Transfer

The amount budgeted by districts for the cost of reducing their property wealth to the required equalized wealth level (Function 91). Sometimes referred to as Robin Hood Funds.

DISCLAIMER ON GLOSSARY:

All of the information provided is believed to be accurate and reliable; however, TASBO and TSPRA assume no responsibility for any errors, appearing in this information or otherwise. Further, TASBO and TSPRA assume no responsibility for the use of the information provided.