TARKINGTON

INDEPENDENT SCHOOL DISTRICT

2024 Annual Financial Accountability Management Report

For the Year Ending August 31, 2023

Prepared by:
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Chief Financial Officer
Presented to Board of Trustees December 16, 2024

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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, down to 15, and now back to 21 indicators for this current rating year. 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 2022-2023 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 8, 2024 the Texas Education Agency posted the district's Preliminary School FIRST rating with the final rating, which becomes the final rating in November if there is no appeal submitted. Tarkington ISD did not file an appeal.

For 2023-2024 Tarkington Independent School District received a rating of

"Superior Achievement"

Tarkington ISD received a score of 98 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 21 indicators, each weighted with numeric values with the exception of four critical indicators and six ceiling indicators. Out of the twenty-one individual performance indicators there are four 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, 2, 3, or 4. There are also six ceiling indicators, which if any are not passed, will limit the maximum rating the district may achieve. If ceiling indicator 4 is not passed the district is limited to a maximum of 95 points. If ceiling indicators 6, 16, or 20 are not passed the maximum number of point allowed is 89 (Above Standard Achievement). If ceiling indicator 17 is not passed the maximum number of points allowed it 79, therefore the maximum rating in that case would be Meets Standard Achievement. If indicator 21 is not passed the maximum points allowed is 70, resulting in a Meets Standard Achievement rating.

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 Chief Financial Officer, Tarkington ISD, 2770 FM 163, Cleveland, Texas, 77327. A copy of this report is available through the District's website, www.tarkingtonisd.net.

Two Year Comparison

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

TARKINGTON INDEPENDENT SCHOOL DISTRICT
FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS (FIRST)
Based on Data from Fiscal Year Ended August 31, 2023

		2022-2023			2023-2024	
#	Criteria Description	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	Was the total net position in the governmental activities in the Statement of Net Position greater than zero?	Not Rated			Yes	Ceiling Passed
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 dyas of operational expenditures?	Yes	Ceiling Passed		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	10		Yes	10
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	This indicator not being evaluated	Not Rated	10		Not Rated	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	What is the correlation between future debt requirements and the district's assessed property value?	<=4	10		<=4	10
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	Yes >.1151<=.1401	8		Yes >.1151<=.1401	8
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?)	Not Rated	10		Yes	10
15	This indicator not being evaluated	Not Rated	5		Not Rated	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 varaiance of less than 3 percent of all expenditures by function?	Yes	Ceiling Passed		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?	Yes	Ceiling Passed		Yes	Ceiling Passed
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
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	5		Yes	5
20	Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?	Yes	Ceiling Passed		Yes	Ceiling Passed
21	Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of financial hardship?	Not Rated	Not Rated		No	Ceiling Passed
	TOTAL SCORE (Total Possible = 100)		98			98

Rating Criteria: Passing Score = 70 or more and "Yes" to indicators 1, 2, 3, and 4.
= Superior; Score of 90 - 100
Above Standard; Score of 80 - 89
C = Meets Standard; Score of 70 - 79
Substandard; Score <70

A
B =
F =

TEA 2023-2024 Rating:
A
Superior Achievement

CEILING INDICATORS

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
Indicator 6 (Average Change in Fund Balance) - Response to indicator is No	89	B = Above Standard
Indicator 16 (PEIMS to AFR) - Response to indicator is No	89	B = Above Standard
Indicator 17 (Material Weakness) - Response to indicator is No	79	C = Meets Standard
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is No	89	B = Above Standard
Indicator 21 (FSP Repayment Plan) - Response to indicator is Yes	70	C = Meets Standard

The Ratings Worksheet

The following pages contain the 2023-2024 School FIRST rating worksheet detailing the District's performance on each of the twenty 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.

RATING YEAR 2023-2024 DISTRICT NUMBER strict # Select An Optio Home

Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON SCHOOL YEAR 2022-2023 DATA - DISTRICT STATUS DETAIL

Name: **TARKINGTON ISD**(**146907**)	**Publication Level 1:** 8/8/2024 6:33:40 PM
Status: **Passed**	**Publication Level 2:** 8/8/2024 6:33:40 PM
Rating: A = Superior Achievement	**Last Updated:** 8/20/2024 1:53:13 PM
District Score: 98	**Passing Score:** 70

#	Indicator Description	Updated	Score
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?	4/19/2024 6:26:19 PM	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.)	4/19/2024 6:26:19 PM	Yes
3	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.)	4/19/2024 6:26:19 PM	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? (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.)	4/19/2024 6:26:19 PM	Yes Ceiling Passed
			1 Multiplier
5	Was the total net position in the governmental activities column in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero? (If it is not, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement, unless the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership. If the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)	4/19/2024 6:26:19 PM	Ceiling Passed
6	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.)	4/19/2024 6:26:19 PM	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)? See ranges below in the Determination of Points section.	4/19/2024 6:26:19 PM	10
8	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.	4/19/2024 6:26:19 PM	10
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? See ranges below in the Determination of Points section.	4/19/2024 6:26:19 PM	10
10	This indicator is not being evaluated.		10
11	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 or 1,000 or more students in membership, then the school district passes this indicator.)	4/19/2024 6:26:19 PM	10
12	What is the correlation between future debt requirements and the district's assessed property value?	8/20/2024 1:53:12 PM	10
13	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.	8/20/2024 1:53:13 PM	8

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.	4/19/2024 6:26:19 PM	10
15	This indicator is not being evaluated.		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? (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.)	4/19/2024 6:26:19 PM	Ceiling Passed
17	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 and free from substantial doubt about the school district's ability to continue as a going concern? (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.)	4/19/2024 6:26:19 PM	Ceiling Passed
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 material noncompliance.)	4/19/2024 6:26:19 PM	10
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?	4/19/2024 6:26:19 PM	5
20	Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?	4/19/2024 6:26:19 PM	Ceiling Passed
21	Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of a financial hardship?	4/19/2024 6:26:19	Ceiling Passed

		PM	
			98 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			98 Score

DETERMINATION OF RATING

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is **F for Substandard Achieveme** regardless of points earned.	
B.	Determine the rating by the applicable number of points.	
	A = Superior Achievement	90-100
	B = Above Standard Achievement	80-89
	C = Meets Standard Achievement	70-79
	F = Substandard Achievement	<70

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.

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 b complete, or if either the AFR or the data were not submitted on time for FIRST analysis.

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 b complete, or if either the AFR or the data were not submitted on time for FIRST analysis.

CEILING INDICATORS

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 6, 16, 17, 20, or 21? If so, the school district's applicable maximum po and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeti 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 *No*.	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is *No*.	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 21 (FSP Repayment Plan) - Response to indicator is *Yes*.	70	C = Meets Standard Achievement

Home Page: Financial Compliance | Texas Education Agency | Send comments or suggestions to
FinancialAccountability@tea.texas.gov THE TEXAS EDUCATION AGENCY
1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734
FIRST 5.15.7.0

Explanations and Answers

The questions a school district must address in completing the worksheet used to assess its financial management can be confusing to non-accountants. The following is a layman's explanation of what the questions mean and Tarkington 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?

Tarkington ISD'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 is a simple "Yes" or "No" indicator.

Tarkington ISD'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.

Tarkington ISD'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.

Tarkington ISD'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 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures?

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)?

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.

Tarkington ISD received 10 out of 10 possible points. To receive 10 points a district must have at least 90 days. (224 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.

Tarkington ISD received 10 out of 10 possible points. To receive 10 points the Current Ratio must be >=3.0. BISD had a current ratio of 8.56

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).

Tarkington ISD received 10 out of 10 possible points.

10. Was the debt service coverage ratio sufficient to meet the required debt service?

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

This indicator is not being evaluated. 10 points applied.

11. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator).

This indicator measures the long-term solvency of the school district.

Tarkington ISD received 10 out of 10 possible points.

12. What is the correlation between future debt requirements and the district's assessed property value?

This indicator measures the district's ability to repay future debt with current property values.

Tarkington ISD received 10 out of a possible 10 points. Calculation must have been less than 4, TISD ratio was .6925

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

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

Tarkington ISD's answer: No, the acceptable administrative cost ratio is <.1250
TISD received 8 out of 10 possible points. (.129)

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.

Tarkington ISD's answer: Yes
Tarkington ISD received 10 out of 10 possible points

15. ***This indicator is not being evaluated***. ***5 points applied***

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 maximum grade the district can receive would be a "B".

Tarkington ISD's answer: Yes
Tarkington ISD received 10 out of 10 possible points

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? (The AICPA defines material weakness).

A clean audit of your Annual Financial Report would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your District not being able to properly account for its use of public funds and should be immediately addressed. Indicator 17 is a simple "Yes" or "No" indicator.

Tarkington ISD's answer: Yes, The external audit report stated no instances of material weaknesses over internal controls.

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.

Tarkington ISD's answer: Yes

Tarkington ISD 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 Coed, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?

This indicator simply asks if the district complied with all posting requirements.

Tarkington ISD's answer: Yes

Tarkington ISD received 5 out of a possible 5 points.

20. Did the school district's administration and school board members discuss any changes and/or impact to local, and federal funding at a board meeting within 120 days before the district adopted its budget?

This indicator simply asks if the board discussed property values or any other impacts to funding during the budgeting process and within 4 months of adopting the budget.

Tarkington ISD's answer: Yes

Disclosures

Summary Schedule of Total Reimbursements

Tarkington ISD Superintendent and Board Member Reimbursements
for the Twelve-Month Period Ended August 31, 2023

MEMBER	MEALS	LODGING	TRANSPORT	OTHER	TOTAL
Superintendent Dr. Elna Davis	460	1,173		1,290	**$2,923**
Place 1 – Paige Bostwick	435	657		425	**$1,517**
Place 2 – Susan Rollins	435	657		425	**$1,517**
Place 2 – Donny Haltom (off Nov. 2022)				$0	**$0**
Place 3 – Kevin Johnson	435	657		425	**$1,517**
Place 3- Kem Arnold (off Nov. 2022)				$0	**$0**
Place 4 – Dwayne Stovall	435	657		425	**$1,517**
Place 5 – Pete Vandver	435	657		425	**$1,517**
Place 6 – Corey Anderson	435	657		$0	**$0**
Place 7 – Lane Gulledge	435	657		425	**$1,517**

Note – The spirit of the rule is to capture all "reimbursements" for fiscal year 2023, 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 Davis for Professional Consulting and/or Other Personal Services for the Twelve-Month Period Ended August 31, 2023

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 2023

MEMBER	TOTAL
Superintendent **Dr. Elna Davis**	**$0.00**
Place 1 – Paige Bostwick	**$0.00**
Place 2 – Susan Rollins	**$0.00**
Place 2 – Donny Haltom (off Nov. 2022)	**$0.00**
Place 3 – Kevin Johnson	**$0.00**
Place 3 – Kem Arnold (off Nov. 2022)	**$0.00**
Place 4 – Dwayne Stovall	**$0.00**
Place 5 – Pete Vandver	**$0.00**
Place 6 – Corey Anderson	**$0.00**
Place 7 – Lane Gulledge	**$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 2023

MEMBER	TOTAL
Superintendent Dr. Tylor Chaplin	**$0.00**
Place 1 – Paige Bostwick	**$0.00**
Place 2 – Susan Rollins	**$0.00**
Place 2 – Donny Haltom (off Nov. 2022)	**$0.00**
Place 3 – Kevin Johnson	**$0.00**
Place 3 – Kem Arnold (off Nov. 2022)	**$0.00**
Place 4 – Dwayne Stovall	**$0.00**
Place 5 – Pete Vandver	**$0.00**
Place 6 – Corey Anderson	**$0.00**
Place 7 – Lane Gulledge	**$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.

APPENDIX A

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 2024 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.

FIRST AMENDMENT TO TARKINGTON INDEPENDENT SCHOOL DISTRICT SUPERINTENDENT'S EMPLOYMENT CONTRACT

This First Amendment to Tarkington Independent School District's Superintendent's Employment Contract ("Contract") is entered into effective as of the 28th day of February, 2024, by and between the Board of Trustees (the "Board") of Tarkington Independent School District (the "District") and Dr. Robert Bostic (the "Superintendent").

WHEREAS, the Board and the Superintendent entered into an Employment Contract commencing on March 1, 2023 with an effective date of February 28, 2023 (the "Contract"); and

WHEREAS, the Board and the Superintendent desire to amend the Contract as set forth herein (the "First Amendment").

NOW, THEREFORE, for good and valuable consideration, the mutual receipt and sufficiency of which are hereby acknowledged, the Board and the Superintendent agree as follows:

1. **Amendments.**
   a. Section 1.1 of the Contract, concerning Term, is hereby amended to extend the term of the Contract through February 28, 2029.

2. **Continued Force and Effect.** Except as expressly amended by this First Amendment, the Contract shall continue in full force and effect, according to its original terms.

3. **Capitalization.** Terms in capitalized letters used in this First Amendment shall have the meanings given to them in the Contract unless otherwise defined herein.

4. **Multiple Counterparts.** The parties agree that this First Amendment may be delivered in multiple counterparts, each of which shall have the same effect as an original, and may be executed and delivered electronically.

The effective date of this First Amendment is the 28th day of February, 2024. This First Amendment was approved by the Tarkington ISD Board of Trustees at its duly called and posted meeting on the 22 day of January, 2024. Email-PDF or electronic signatures shall be treated as original signatures.

TARKINGTON INDEPENDENT SCHOOL DISTRICT

By: _____ Attest: _____

Cory Anderson
President, Board of Trustees

Paige Bostwick
Secretary, Board of Trustees

SUPERINTENDENT

By: _____

Dr. Elna Davis

TARKINGTON INDEPENDENT SCHOOL DISTRICT
SUPERINTENDENT EMPLOYMENT CONTRACT

This Superintendent Employment Contract ("Contract") is made and entered into by and between the Board of Trustees (the "Board") of the TARKINGTON INDEPENDENT SCHOOL DISTRICT (the "District") and DR. ELNA DAVIS (the "Superintendent"), effective February 28, 2023 ("Effective Date").

NOW, THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to Chapter 11, Subchapters D and E, Section 11.201 and Chapter 21, Subchapter E of the Texas Education Code, do hereby agree as follows:

I. Term

1.1 Employment. 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 commencing on March 1, 2023 and ending on February 28, 2028. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this Contract as permitted by state law.

1.2 No Right to 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.

II. Employment

2.1 Duties. The Superintendent is the chief executive and instructional leader of the District and shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in the job description and as may be lawfully assigned by the Board, and shall comply with all lawful 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 and consistent with Board policy and state and federal law. 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, reassign, 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 efficient 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. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

2.2 Professional Certification and Records. The Superintendent shall, 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 State Board for Educator Certification or the Texas Education Agency and any other certificates required by law. Any conscious misrepresentation by the Superintendent relative to necessary certification and experience records, and other records required for the personnel files or payroll purposes may be grounds for dismissal.

2.3 Reassignment. The Superintendent is employed specifically and solely to perform the duties of Superintendent of Schools for the District and cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.

2.4 Board Meetings. Except for illness or other absences in accordance with District policies, the Superintendent 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 salary and benefits as set forth in this Contract, or the Superintendent's performance and/or evaluation, or when the Board is acting in its capacity as a tribunal, or for purposes of resolving conflicts between individual Board members. Further, the Superintendent shall provide recommendation(s) and/or information as to each of the items of business considered at each meeting as needed or requested by the Board.

2.5 Criticisms, Complaints, and Suggestions. The Board, individually and collectively, shall refer all substantive criticisms, complaints, and suggestions from staff and/or third parties to the Superintendent for review and appropriate action. The Superintendent will refer such matter(s) (i) to the appropriate District employee for investigation or investigate such

matter(s) and inform the entire Board of the results of such action or, (ii) refer such matter(s) to the appropriate complaint resolution procedure as established by District Board policies. Provided, however, nothing herein shall be construed to prevent the right of a District employee to communicate directly with a Board member pursuant to Board policy and law. The Board retains the right to receive and address complaints about the Superintendent subject to Board policies and applicable law. The Superintendent shall refer all substantive complaints from staff and/or third parties regarding a Board member to the Board President for review and action. If the complaint is about the Board President, then the Superintendent shall refer the complaint to the next most senior non-implicated Board officer or, if necessary, Board member.

2.6 Consulting or Personal Services. The Superintendent may serve as a consultant or undertake speaking engagements, writing, teaching or other professional duties and obligations outside the District (referred to collectively herein as "Consulting Services") that do not conflict or interfere with the Superintendent's professional responsibilities to the District. The Superintendent may accept a reimbursement of expenses for such Consulting Services at no expense to the District. Consulting Services provided by the Superintendent under the terms and conditions of this paragraph must be consistent with state and federal law. The Superintendent will comply with all federal and state laws and regulations and District policies, rules and regulations regarding conflict of interest and fraud as they exist or may hereafter be amended or adopted during the term of this Contract. Any such consulting services shall not conflict or interfere with the Superintendent's professional responsibilities to the District and shall be performed during the work days only to the extent that the Superintendent has available vacation or personal leave days to cover her absences.

2.7 Residence. The Superintendent shall maintain a residence in the District while employed as the Superintendent. The Board leases to the Superintendent the residence owned by the District, pursuant to the terms of the parties' separate Lease Agreement.

2.8 Indemnification. To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District does hereby agree to defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Superintendent in the Superintendent's individual or official capacity as an employee and as Superintendent of the District, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees, arose or does

arise in the future from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment with the District; excluding, however, any such demand, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that Superintendent committed official misconduct, or committed a willful or wrongful act or omission with intent to violate a person's clearly established legal rights, or an act or omission constituting gross negligence, or acted in bad faith; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the District or by Superintendent. The selection of Superintendent's legal counsel shall be with the mutual agreement of Superintendent and the District if such legal counsel is not also District's legal counsel, which agreement shall not be unreasonably withheld. A legal defense may be provided through insurance coverage, in which case Superintendent's right to agree to legal counsel provided for her will depend on the terms of the applicable insurance contract. To the extent this Section 2.8 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this Section 2.8 shall survive the termination of this Contract.

III. Representations.

The Superintendent makes the following representations:

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

3.2 During Contract. The Superintendent also agrees that, during the term of this Contract, the Superintendent will notify the Board in writing of any arrest or of any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent for any offense classified as a Class B misdemeanor or greater. The Superintendent agrees to provide such notification in writing as prescribed by Board Policy.

3.3 False Statements and Misrepresentations. The Superintendent represents that any records or information provided in connection with her employment application are true and correct. Any false statements, misrepresentations, omissions of material information knowingly made, 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.

IV. Compensation

4.1 Salary. The District shall provide the Superintendent with an annual salary in the amount of One Hundred Sixty-One Thousand One Hundred Sixty and No/100 Dollars ($161,160.00). The annual base salary shall be approved in the annual budget. This annual salary shall be paid to the Superintendent in equal installments consistent with the Board's policies.

4.2 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 4.1 of this Contract. Such adjustments, if any, shall be in the form of a new contract. Beginning March 1, 2024 and for each March 1st during the Term of this Contract, the Superintendent's annual base salary shall be increased by two percent (2%) without further action of the Board. Subject to and without waiving any Constitutional and/or other challenges by the Superintendent, the Superintendent acknowledges that the District may have certain rights pursuant to Education Code Sections 21.4021 and/or 21.4032.

4.3 Business Expenses. The District shall pay or reimburse the Superintendent for reasonable business expenses incurred by the Superintendent in the continuing performance of her duties under this Contract. The District agrees to pay the actual and incidental costs incurred by the Superintendent for District-related travel. Such actual or incidental costs may include, but are not limited to, gasoline, hotels and accommodations, meals, and rental car expenses incurred in the performance of the business of the District, but shall not include alcohol or entertainment expenses (unless the entertainment expenses are pre-approved by the Board). The Superintendent shall comply with all policies, procedures and documentation requirements regarding these expenses in accordance with Board policies and established procedures, as required by the District's independent auditors, and/or state and federal laws and regulations regarding such business expenses, which shall be subject to review by the District's independent auditors.

4.4 Insurance. The District shall pay the same premiums for health, hospitalization, and dental and vision insurance for the Superintendent as it does for other administrators pursuant to the group health plan provided by the District for all employees.

4.5 Vacation, Holidays, Sick Leave. The Superintendent shall be provided leave days as all other 12-month employees are granted, the days to be in a single period or at different times. Beginning March 1, 2023, the Superintendent shall receive 10 days of vacation leave per year, in

addition to the leave days granted to all other 12-month employees. The leave days taken by the Superintendent will be taken at such time or times that will least interfere with the performance of the Superintendent's duties as set forth in this Contract. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts. Accrued but unused leave days shall accumulate and carry forward from year to year during the term of this Contract. With the exception of unused vacation days, the Superintendent shall not be reimbursed for unused leave days. Beginning February 29, 2024 and for each year thereafter, all accrued but unused vacation days shall be paid to the Superintendent as a single taxable lump-sum payment at the then-current daily rate, provided the Superintendent is employed by the District on each such date; such payment will be paid in the next payroll following the last day of February for each contract year.

4.6 Professional Growth. The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance at, and participation in, appropriate professional meetings at the local, regional, state, and national levels. The Board shall encourage the use of data and information sources and encourage the participation of the Superintendent in pertinent education seminars and courses offered by public or private institutions or by educational associations, as well as the participation in informational meetings with those individuals whose particular skills, expertise, or backgrounds would serve to improve the capacity of the Superintendent to perform the Superintendent's professional responsibilities for the District. In its encouragement of the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent to attend such seminars, courses or meetings. The District agrees to provide in the District's budget during the term of this Contract, for the benefit of the Superintendent, a professional development budget per Contract year to be used for registration, travel, meals, lodging, and other related expenses. The Superintendent shall comply with all policies, procedures and documentation requirements regarding these expenses in accordance with Board policies and established procedures, as required by the District's independent auditors, and/or state and federal laws and regulations regarding such business expenses, which shall be subject to review by the District's independent auditors. The District shall pay the Superintendent's membership dues to the American Association of School Administrators and Texas Association of School Administrators, as well as other memberships that the Board approves and determines is necessary

to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable cost and expense for such attendance and membership. The Superintendent shall notify the Board President when she intends to be out of the District traveling on District business or vacation. The Superintendent is required to attend the annual TASA/TASB convention with the Board and other such training and professional development as deemed necessary by the Board and Superintendent for the Team of Eight.

4.7 Texas Teacher Retirement System. For performance of Superintendent duties, the District shall supplement the Superintendent's salary by an amount equal to the Superintendent's portion of the member contribution to the Texas Teacher Retirement System ("TRS") beginning on the first day of the Term and continuing throughout the Term of this Contract, including any extensions thereof. This supplement shall include both the retirement and TRS-Care parts of the TRS member contribution, as applicable. This additional salary supplement for services rendered shall be paid to the Superintendent in regular monthly payroll installments and shall be reported as "creditable compensation" by the District for purposes of TRS, to the extent permitted by TRS.

4.8 Benefits. In addition to the benefits expressly set forth herein, the District shall provide other benefits to the Superintendent as provided to District employees by state law and Board policies. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase such other benefits not expressly provided herein, at the Board's sole discretion.

4.9 Civic Activities. The Board encourages the Superintendent to become a member of and participate in community and civic affairs, including the chamber of commerce, civic clubs, governmental committees, and educational organizations. The Board concludes that such participation will serve a legitimate purpose related to the educational mission of the District. The Superintendent may hold offices or accept responsibilities in these professional organizations, provided that such responsibilities do not interfere with the performance of his duties as Superintendent. Prior to engaging in these activities, the Superintendent will notify the Board in writing of the activity. The Board will notify the Superintendent if the activity presents a conflict or interferes with the performance of his duties as Superintendent. The District shall reimburse the Superintendent for the cost of membership in all local civic organizations in which the Superintendent participates and related travel outside of the District, subject to advance Board

approval.

4.10 Technology. The District shall provide the Superintendent with a laptop computer for both professional and personal use. The Superintendent shall maintain a personal account for mobile telephone service and shall not open an account in the name of the District. The Superintendent shall have total responsibility for payment of such personal account and the District shall have no obligation or responsibility related to said mobile telephone account. The Superintendent understands that information stored in her cell phone, computer or other device, whether owned by the District or Superintendent, is subject to public disclosure if such information is related to the public business of the School District or to her duties as Superintendent. Notwithstanding the location of personal data on the cell phone, computer or other device, whether owned by the District or Superintendent, the parties agree that any personal or private information of the Superintendent contained on such devices containing such data or information shall be deemed private and the Superintendent's sole property; provided it shall be the responsibility of the Superintendent to assert, and to bear any costs of asserting, privacy or other confidentiality privileges or rights as to any such data or information.

4.11 Supplemental Salary. For performance of Superintendent duties, the District shall supplement the Superintendent's salary by an amount equal to One Thousand Five Hundred and No/100 Dollars ($1,500.00) per month. This additional salary supplement shall be paid to the Superintendent in regular monthly payroll installments and shall be reported as "creditable compensation" by the District for purposes of Teacher Retirement System of Texas ("TRS"), to the extent permitted by TRS.

4.12 Intentionally Omitted.

4.13 Supplemental Retirement Plan. During the term of this Contract, the District shall add to the Salary of the Superintendent the amount of twenty percent (20%) of the maximum voluntary contribution allowable under Section 402(g) of the Code for a 403(b) or 457(b) Plan, at the beginning of the Contract year, as indexed, including the age 50 catch-up, if applicable ("Additional Salary"). One-twelfth of this amount shall be paid as a monthly salary deferral contribution, at the election of the Superintendent, to a plan established by the District under Section 403(b) and/or Section 457(b) of the Code. In the event the Superintendent executes a salary deferral agreement in accordance with the requirements of Sections 403(b) and/or 457(b) of the Internal Revenue Code (the "Code") in at least the amount of the Additional Salary, the Additional

Salary shall be paid as a salary deferral contribution ("Salary Deferral Contribution"). Under and pursuant to applicable Internal Revenue Service rules the Superintendent shall have the option to elect to receive the Additional Salary in cash rather than as a Salary Deferral Contribution. All such Salary Deferral Contributions contemplated herein shall be paid to a plan established by the District under Section 403(b) and/or Section 457(b) of the Code. Such plans shall include investments as allowed under Sections 403(b), 403(b)(7) and/or 457(b) of the Code, respectively, and the investments for the Superintendent's accounts shall be solely at his discretion. The Superintendent shall always be 100% vested in her account under the 403(b) and/or 457(b) plan. The Salary Deferral Contributions contemplated herein shall be treated as salary deferrals under the Code and shall be reported as "creditable compensation" by the District for purposes of the Teacher Retirement System of Texas. No payments under this Section shall be made after the Superintendent's employment terminates.

V. Annual Performance Goals and Review of Performance

5.1 Development of Goals.

a. Annual District Goals. The Superintendent shall submit to the Board preliminary goals for the District each year for the Board's consideration and adoption. The Superintendent and the Board shall then meet, and the Board shall approve or revise no more than five (5) individual goals. The Superintendent shall submit to the Board for its approval a plan to implement the goals. The Superintendent and the Board shall meet biannually to assess the goals and may adjust or revise the goals either by action of the Board with input from the Superintendent or upon recommendation of the Superintendent and approval of the Board. The goals approved by the Board shall be reduced to writing ("Annual District Goals") shall be the goals for the District and Superintendent and shall be reviewed and evaluated in June of each Contract year. The Board shall approve the Annual District Goals in July of each year during the Contract term, beginning in July 2023. The Annual District Goals approved by the Board shall be specific, definitive and measurable, to the extent feasible. The Board agrees to work with and support the Superintendent in achieving the Annual District Goals.

b. Long-Term District Goals. The Superintendent shall submit to the Board Long-Term district goals for the District for the Board's consideration and adoption. The Superintendent and the Board shall then meet, and the Board shall approve or revise

no more than five (5) individual, long-term goals. The Superintendent shall submit to the Board for its approval a plan to implement the goals. The Superintendent and the Board shall meet biannually to assess the goals and may adjust or revise the goals either by action of the Board with input from the Superintendent or upon recommendation of the Superintendent and approval of the Board. The goals approved by the Board shall be reduced to writing ("Long-Term District Goals") shall be the long-term goals for the District and Superintendent. The Board shall approve the Long-Term District Goals no later than July 31, 2023. The Long-Term District Goals approved by the Board shall be specific, definitive and measurable, to the extent feasible. The Board agrees to work with and support the Superintendent in achieving the Long-Term District Goals.

5.2 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 reasonably related to the duties of the Superintendent as outlined in the Superintendent's job descriptions, Board policies, lawful Board directives, and shall be based on the District's progress towards accomplishing the District Goals.

5.3 Confidentiality. Unless the Superintendent expressly requests otherwise in writing, the evaluation of the Superintendent shall always 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.

5.4 Evaluation Format and Procedures. The evaluation format and procedure shall be in accordance with the evaluation instrument selected by the Board in accordance with the provisions of Article V. of this Contract, the Board's policies, and state and federal law. If the Board determines that the performance of the Superintendent is unsatisfactory in any respect, it shall describe in writing, in reasonable detail, specific instances of unsatisfactory performance. The evaluation shall include recommendations as to areas of improvement in all instances where the Board deems performance to be unsatisfactory. A copy of the written evaluation shall be delivered to the Superintendent. The Superintendent shall have the right to make a written response to the evaluation within thirty (30) days of receipt of the written evaluation from the Board. That response shall become a permanent attachment to the evaluation in the Superintendent's personnel file. Within sixty (60) days of the delivery of the written evaluation to the Superintendent, the

Board shall meet with the Superintendent to discuss the evaluation. The Board shall devote a portion of, or all of, one executive session annually to a discussion of the working relationship between the Superintendent and the Board. If 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, such modifications must be adopted with input from the Superintendent and the Superintendent shall be provided a reasonable period to demonstrate such expected performance before being evaluated.

VI. Termination, Nonrenewal, Suspension or Resignation of Employment Contract

6.1 Renewal/Nonrenewal. Renewal or nonrenewal shall be in accordance with Board policy and applicable law. Notwithstanding anything to the contrary in Section 21.212(a) of the Texas Education Code, the Superintendent shall be entitled to written notice, containing reasonable notice of the reason for the proposed nonrenewal, not later than the 30th day before the last day of the Contract term, containing reasonable notice of the reason(s) for the proposed nonrenewal of the Superintendent's Contract with the District.

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

6.3 Mutual Agreement. This Contract may be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as may be mutually agreed upon.

6.4 Retirement or Death. This Contract shall be terminated upon the retirement or death of the Superintendent.

6.5 Resignation. The Superintendent may leave the employment of the District at the end of a school year without penalty by filing a written resignation with the Board. The resignation must be addressed to the Board and filed no later than the forty-fifth (45^{th}) day before the first day of instruction of the following school year. The Superintendent may resign, with the consent of the Board, at any other time.

6.6 Dismissal for Good Cause. The Board may dismiss the Superintendent during the term of this Contract for good cause. The term "good cause" shall include, but not be limited to the following:

a) Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;

b) Incompetency or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication from the Board; provided, however, the terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent a reasonable opportunity to remediate any incompetency or inefficiency;

c) Insubordination or failure to comply with lawful written Board directives;

d) Failure to comply with the Board's policies or the District's administrative regulations;

e) Neglect of duties;

f) Drunkenness or excessive use of alcoholic beverages;

g) Illegal use of drugs, hallucinogens, or other substances regulated by the Texas Controlled Substances Act;

h) Conviction of a felony or crime involving moral turpitude;

i) Failure to meet the District's standards of professional conduct;

j) Failure to comply with reasonable District professional development requirements regarding advanced course work or professional development;

k) Disability, not otherwise protected by law, that impairs performance of the required duties of the Superintendent;

l) Immorality, which consists of conduct determined by the Board to not conform with the accepted moral standards of the community encompassed by the District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency, or depravity;

m) Criminal assault on an employee or student;

n) Knowingly falsifying records or documents related to the District's activities;

o) Conscious misrepresentation of facts to the Board or other District officials in the conduct of the District's business;

p) Failure to fulfill requirements for Superintendent certification;

q) Failure to fulfill the requirements of a deficiency plan under an Emergency Permit;

r) Any other reason constituting "good cause" under Texas law.

6.7 Termination Procedure. In the event the Board proposes to suspend or terminate this Contract for "good cause", the Superintendent shall be afforded all the rights as set forth in the Board's policies, state and federal law.

VII. Miscellaneous

7.1 Controlling Law. This Contract shall be governed by the laws of the State of Texas and shall be performable in Liberty County, Texas. Venue for any legal proceeding under this Contract shall be in state district court in Liberty County, Texas, unless a different venue is mandatory under the provisions of the Texas Education Code.

7.2 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.

7.3 Conflicts. If there is a conflict between the terms, conditions and provisions of this Contract and the 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.

7.4 Savings Clause. In the event any one or more 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. All existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent for a term covered by this Contract 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.

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

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

7.7 Multiple Originals. This Contract is executed in two (2) originals, one for the Board and one for the Superintendent, each of which shall constitute but one and the same instrument.

7.8 Authority. The Board President and Secretary have been authorized to execute this Contract on behalf of the District by action of a majority of a quorum of the Trustees present at a

properly called and posted meeting.

VIII. Notices

8.1 To Superintendent. The Superintendent agrees to keep a current address on file with 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.

8.2 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 of the Board and one copy to the Vice President of the Board. The Superintendent may provide such notices by hand-delivery, or by certified mail, regular mail, and/or express delivery service to the Board President and Vice President's addresses of record, as provided to the District.

EXECUTED this 27 day of March, 2023.

TARKINGTON INDEPENDENT SCHOOL DISTRICT

By: _____
Cory Anderson, President
Board of Trustees

ATTEST:

_____
Paige Bostwick, Secretary
Board of Trustees

By: _____
Dr. Elna Davis, Superintendent