



has earned the



**rating for 2025 for
FISCAL MANAGEMENT
& FINANCIAL CONDITION**

from the Texas Education Agency



**Dr. Martha Salazar-Zamora, Superintendent
Zack Boles, Chief Financial Officer**



Tomball Independent School District

Annual Financial Accountability

2025 Management Report

The financial accountability rating report issued by the Texas Education Agency (TEA) is called the *Financial Integrity Rating System of Texas*, or **FIRST**. TEA issues this financial rating each year based on financial data required to be submitted to the Agency by each school district through the Public Education Information Management System (PEIMS). The PEIMS financial data of each school district is used to answer a series of specifically designed financial questions. The resulting financial ratings issued are A=Superior (90-100 points), B=Above Standard (80-89 points), C=Meets Standard (70-79 points), and F=Substandard Achievement (less than 70 points).

The primary assessment tool for the FIRST rating is the Financial Accountability Rating Worksheet. This worksheet is compiled by TEA and the indicators are being redesigned to create measurements desired by the Legislature and the Texas Education Agency to assess the overall financial condition of each school district, and the fiscal efficiency of district administrators.

The Financial Accountability Rating Worksheet for measuring the results of the **2024-2025** fiscal year contains **twenty (21)** indicator questions, some with multiple questions, assessing the **2023-2024** fiscal year of the District. Indicator questions 1 through 3 are considered to be critical indicators of financial condition and fiscal management, and are answered as either Yes or No. Indicator questions 7-15, and 18-19 are assigned a numerical score based on the numerical measurement used. Indicator questions 4, 6, 16, 17, and 20 are designed to measure a minimum threshold which can restrict the maximum score. Financial ratings are:



- ♦ **A=Superior** (90-100 points),
- ♦ **B=Above Standard** (80-89 points),
- ♦ **C=Meets Standard** (70-79 points), and
- ♦ **F=Substandard Achievement** (less than 70 points)

The 2025 School FIRST rating for Tomball ISD as reported by TEA is that of an **A** for "**Superior**"; with a score of **98** of the possible 100 points on the financial accountability rating worksheet, and receiving "**Yes**" on all critical indicators. Tomball ISD received the same top rating of "Superior Achievement" in all years since 2002. As the indicators become more narrowly focused lower numerical scores, and possibly lower than an **A** rating, will be the case in the future. The official TEA 2025 ratings worksheet follows with each of the indicator question answered for Tomball ISD along with an explanation of the financial meaning of the indicator.

NOTE: The wording used in the indicator questions, and the reason behind each question, can be confusing to non-accountants. Therefore, following the rating worksheet question is a brief explanation of what each indicator question means or measures, and how Tomball ISD actually scored on that indicator question.

2024-2025 RATINGS BASED ON SCHOOL YEAR 2023-2024 DATA

#1. Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?

This indicator question is designed to identify whether our district has problems producing financial statements for auditors; and consequently, is able to submit an independently audited Annual Financial Report to TEA in a timely manner. The audit due date was December 27th, 2024 and TEA received our audit on November 21, 2024. The answer for Tomball ISD to this indicator is **YES** we passed.

#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" opinion on our financial report means the District needs to correct some of its reporting or financial controls for a 'clean audit' opinion to be expressed by the independent auditors. Therefore, our district's goal is to receive an "Unmodified Opinion" on our Annual Financial Report. The answer for Tomball ISD to this indicator is **YES**, we have an Unmodified Opinion or 'clean audit'.

#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.)

This indicator question is designed to make certain that our district has paid our debt obligations in a timely manner on bonds issued for school construction. The answer for Tomball ISD to this indicator is **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.)

The question is clearly stated regarding the responsibilities. The answer for Tomball ISD to this indicator is **YES** payments have been timely, and the ceiling of 95 can be passed.

#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.)

This indicator question is designed to measure whether our district has assets available for daily operations. The financial data for Tomball ISD for this indicator showed unrestricted net assets (net of accretion on CABs) totaling \$161,422,209. This indicator also considers whether the District's 5-year percentage change in students was 7% or more. In 2020 the enrollment was 18,234 and in 2024 enrollment was 22,169. This change is 21.58% which is greater than 7%. Therefore the answer for Tomball ISD to this indicator is **YES** to either of the two questions.

[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.)

This indicator is measuring two values: one is the change in assigned and unassigned fund balances, the other is whether the assigned and unassigned fund balances exceeds a minimum of 75 days of operating expenses. The first value indicates an increase of assigned and unassigned fund balances of 10.78% which is lower than the 25% threshold measurement. The second value indicates that for 75 days of operating expenditures the District would need to have in assigned and unassigned fund balances at least \$44,181,237 and this amount was \$70,096,225. The ceiling for both measurements is passed.

[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.

The Tomball ISD financial data for this indicator is used in a formula that adds together cash of \$14,178,856 and current investments of \$99,354,098 for a total of \$113,532,954. This total is then divided by the total expenditures for the year of \$215,015,353 and the result is multiplied by 365 to represent the number of day of operations. Using this indicator as written it appears Tomball ISD had sufficient cash on hand for 193 days of operations for the highest score shown in the table below. (Note: The question does not take into account there may be current liabilities that would reduce the asset of cash, and therefore this indicator could be misleading). The answer for Tomball ISD to this indicator is YES the general fund was sufficient to cover operating expenses.

[Score: 10]

10	8	6	4	2	0
>=90	<90 >=75	<74 >=60	<60 >=45	<45 >=30	<30

#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.

This indicator question measured Tomball ISD's current assets of \$443,769,510 against the current liabilities of \$80,196,357. Current assets exceed current liabilities by a ratio of 5.5335 to 1. The answer for Tomball ISD to this indicator is **YES** there were assets sufficient to cover short term debt.

[Score: 10]

10	8	6	4	2	0
>=3.00	<3.00 >=2.50	<2.50 >=2.00	<2.00 >=1.50	<1.50 >=1.00	<1.00

#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.

The answer is **YES** Tomball ISD's total number of days of cash on hand is greater than 60 days.

[Score: 10]

10 points if greater than 0%	0 points if less than 0%
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#10. Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?

This indicator is not being scored.

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 students in membership, then the school district passes this indicator. See ranges below in the Determination of Points section.

This indicator question is answered by taking the long term liabilities of \$929,820,709 and dividing that total by the total assets of \$1,165,701,422. The total is 0.80, and would have scored 6 points. Fortunately, the indicator allows for fast-growing districts to exclude this measurement, by observing fast-growth district must build for the growth they are currently experiencing and in planning for the future. In the past 5 years student enrollment has increased by 21.58%, therefore the answer is automatically YES.

[Score: 10]

10	8	6	4	2	0
≤ 0.60	$>0.60 \leq 0.70$	$>0.70 \leq 0.80$	$>0.80 \leq 0.90$	$>0.90 \leq 1.0$	>1.00

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

This indicator and the thresholds chosen in the table below are questionable for what is experienced by a fast-growth district such as Tomball ISD. Debt is not paid in a single year, but instead over a period of years in which the property tax base will be growing. This measurement looks at paying all current debt as if growth in the property tax base no longer occurs in the future. A fast-growth district will typically lose points with this indicator, and if continuing to issue debt will experience higher point losses each year.

[Score: 8]

10	8	6	4	2	0
≤ 4	$>4 \leq 7$	$>7 \leq 10$	$>10 \leq 11.5$	$>11.5 \leq 13.5$	>13.5

Indicator Question #12					
Rating	2021	2022	2023	2024	2025
Fiscal	19-20	20-21	21-22	22-23	23-24
Score	5.5816	5.0391	5.4378	6.1248	5.0383
Points	8	8	8	8	8

* Indicator was added for the first time in 2019-2020.

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.

This indicator question measures the percentage of the budget that a Texas school district spends on administration based on the size of the district. This ratio takes administrative costs and divides them by instructional costs to arrive at this percentage. Tomball ISD's Administrative Cost Ratio (ACR) is 0.0847 and below the state normal percentage for a district our size. Tomball ISD's answer to this indicator is **YES**, we strictly control our administrative costs.

[Score: 10]

ADA Size	10	8	6	4	2	0
10,000 and Above	≤ 0.0855	$> 0.0855 \leq 0.1105$	$> 0.1105 \leq 0.1355$	$> 0.1355 \leq 0.1605$	$> 0.1605 \leq 0.1855$	> 0.1855
5,000 to 9,999	≤ 0.1000	$> 0.1000 \leq 0.1250$	$> 0.1250 \leq 0.1500$	$> 0.1500 \leq 0.1750$	$> 0.1750 \leq 0.2000$	> 0.2000
1,000 to 4,999	≤ 0.1151	$> 0.1151 \leq 0.1401$	$> 0.1401 \leq 0.1651$	$> 0.1651 \leq 0.1901$	$> 0.1901 \leq 0.2151$	> 0.2151
500 to 999	≤ 0.1311	$> 0.1311 \leq 0.1561$	$> 0.1561 \leq 0.1811$	$> 0.1811 \leq 0.2061$	$> 0.2061 \leq 0.2311$	> 0.2311
Less than 500	≤ 0.2404	$> 0.2404 \leq 0.2654$	$> 0.2654 \leq 0.2904$	$> 0.2904 \leq 0.3154$	$> 0.3154 \leq 0.3404$	> 0.3404
Sparse	≤ 0.3364	$> 0.3364 \leq 0.3614$	$> 0.3614 \leq 0.3864$	$> 0.3864 \leq 0.4114$	$> 0.4114 \leq 0.4364$	> 0.4364

Additional Information:

The 2024 School FIRST rating for this indicator is based on a student enrollment greater than 10,000. Since this indicator is measuring the often contentious issue of administrative costs and salaries, it seems important to demonstrate how the ACR has remained relatively unchanged over the years. In a time of rising salaries and increased costs there has been a conscious and concerted effort to hold steady with the administrative cost ratio at Tomball ISD. The measurement methodology used to determine this ratio has not been changed since 1999. TEA has officially released the following ACR percentages for Tomball ISD in previous FIRST reports:

<u>Fiscal Year Ending</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Admin Cost Ratio %	6.43	6.58	6.56	7.22	7.14	7.84	8.06	8.03	8.47

#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 measured the student to staff ratio for 2023-2024 at 8.04 students to 1 staff. Compared to three years earlier the 2021-2022 student to staff ratio was 7.95 students to 1 staff. Also student enrollment did not decrease so Tomball ISD automatically passes and the answer to this indicator is **YES**.

[Score: 10]

10 points if YES	0 points if NO
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#15. Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.

This indicator assesses whether the District's biennial student enrollment projections submitted to TEA fell within the acceptable range compared to the actual ADA values determined by TEA. Tomball ISD's projected ADA size was off by 3.2%, however, this variance is within the acceptable range and meets the requirement. Therefore, Tomball ISD automatically passes, and the answer to this indicator is **YES**.

[Score: 5]

ADA Size	5	0
10,000 and Above	≤ 0.07	> 0.07
5,000 to 9,999	≤ 0.10	> 0.10
1,000 to 4,999	≤ 0.20	> 0.20
500 to 999	≤ 0.25	> 0.25
Less than 500	≤ 0.30	> 0.30
Sparse	≤ 0.35	> 0.35

#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.)

This indicator measures whether the data reported in our PEIMS submission and our Annual Financial Report (AFR) 'matches up' to within 3 percent. Tomball ISD reported a total of \$215,015,240 in expenditures for all funds, and had a total data submission matching variance of only \$179. The answer for Tomball ISD to this indicator is **YES**.

[Ceiling Passed]

10 points if less than 3%	0 points if greater than 3%
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#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.)

This indicator is asking if the internal controls are sufficient and did the auditor believe the District free of any weaknesses with controls. The answer for Tomball ISD is **YES**, our independent auditors have not identified and reported internal control weaknesses.

[Ceiling Passed]

10 points if YES	0 points if NO
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#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.)

Material noncompliance identified in an audit report indicates funds were expended that were not allowable by the grant or law. The answer for Tomball ISD to this indicator is **YES**, our independent auditors have not identified and reported material noncompliance.

[Score: 10]

10 points if YES	0 points if NO
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#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?

The answer is **YES** and all points are awarded.

[Score: 5]

5 points if YES	0 points if NO
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#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.

This indicator is answered each year in the budget workshops held publicly at Board Workshop meetings. The answer is **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 a financial hardship?

This indicator will be considered PASSED for the Ceiling if the district does not 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. This answer to this indicator is **NO**.

[Ceiling Passed]

SUMMARY

The Financial Integrity Rating System of Texas for 2025 uses twenty-one financial indicator questions to assess the quality of fiscal management and the financial condition of our school district. Tomball ISD received a score of 98 with the highest possible of 100. This score released by the Texas Education Agency officially confirms the financial management practices and fiscal condition of Tomball ISD are sound and the district has passed this financial review.

The FIRST rating is the tool used by the Texas Education Agency to measure fiscal management and condition. However, this assessment tool does not examine the quality of financial reporting and disclosure to user groups. For the benefit of the public being served, understandable and descriptive annual financial reports that have been independently audited for accuracy should be provided by the district.

The highest recognition in governmental finance reporting is receiving a ***Certificate for Excellence in Financial Reporting*** for annual financial reports from the Association of School Business Officials, International (**ASBO**) or the Government Finance Officers Association (**GFOA**). Both of these associations are dedicated to enhancing the professional financial management of governments by identifying, recognizing and promoting the highest quality financial reporting practices of governmental entities. Annual financial reports submitted for review to these two associations are subjected to very stringent and discerning requirements. Only the best in format and disclosure will receive the ***Certificate for Excellence in Financial Reporting***.

For the 2023-2024 fiscal year - the year of review for this FIRST rating - Tomball ISD received the ***Certificate for Excellence in Financial Reporting*** from both GFOA and ASBO for the 26th consecutive year. For the 2023-2024 fiscal year 86 of the 1,022 school districts in Texas received the **GFOA Certificate for Excellence in Financial Reporting**, 63 received the **ASBO Certificate for Excellence in Financial Reporting**, and only 54 received this award from both associations. Only **5.28%** of Texas school districts received such recognition from both associations for the preparation of financial reports for 2023-2024, and very few districts can boast of receiving *both* GFOA and ASBO recognition for 26 consecutive years.

Prior to issuing bonds the District has been reviewed financially by the national rating agencies of Standard & Poor's, Moody's and more recently, Fitch. These reports can be found online and are a much stronger indicator of actual financial condition. Standard & Poor's recognizes Tomball ISD's financial strength as AA+ rating. In Texas only **2.25%** out of 1,022 school districts have an **AA+** rating with S&P. Moody's Investor Services recognizes Tomball ISD's financial strength as **Aa1**, which is equivalent to the AA+ S&P rating and only **2.84%** have this rating. Fitch recognizes Tomball ISD's financial strength as **AA+** and only **2.74%** have this rating. Notably, only 4 school districts have achieved all three ratings: an AA+ with S&P, an Aa1 with Moody's, and an AA+ with Fitch.

DISCLOSURES

Annual disclosures in accordance with Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, *Commissioner's Rules Concerning Financial Accountability Rating System* have been added for increased "transparency". The Commissioner's Rule concluded that TEA has the discretionary authority to add to the specific disclosures if desired. The disclosures and the format that are included in the financial management report are those required by the Commissioner for the year of review and are:

(A) a copy of the superintendent's most current employment contract, attached to this financial management report and available upon request;

(B) a summary schedule for the fiscal year (12-month period) of total reimbursements received by the superintendent and each board member. The summary schedule separately reports reimbursements for meals, lodging, transportation, motor fuel, and other items (the summary schedule of total reimbursements is not to include reimbursements for supplies and materials that were purchased for the operation of the school district);

Reimbursements for the 12-month period ending June 30, 2025	Dr. Martha Salazar- Zamora, Superintendent	Dr. Michael Pratt, President	Mark Lewandowski, Vice President	John McStravick, Secretary	Tina Salem, Assistant Secretary	Amanda Bass, Trustee	Jennifer Kratky, Trustee	Coco White, Trustee
<i>Meals</i>	2,906							
<i>Lodging</i>	3,768							
<i>Transportation</i>	6,305							
<i>Motor Fuel</i>	478							
<i>Other</i>	28,689							
TOTAL	\$ 42,148	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Note - All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order,

Items to be reported per category include:

Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals)

Lodging – Hotel charges

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

Motor fuel – Gasoline

Other – Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above

(C) a summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services. The schedule separately reports the amount received from each entity;

Name(s) of Entity(s) paying compensation or fees to the Superintendent for services for the 12-month period ending June 30, 2025	Dr. Martha Salazar-Zamora, Superintendent
	\$ 0

(D) a summary schedule for the fiscal year of the total dollar amount by the executive officers and board members of gifts that had an economic value of \$250 or more in the aggregate in the fiscal year. This reporting requirement only applies to gifts received by the school district's executive officers and board members (and their immediate family as described by Government Code, Chapter 573, Subchapter B, as a person related to another person within the first degree by consanguinity or affinity) from an outside entity that received payments from the school district in the prior fiscal year, and gifts from competing vendors that were not awarded contracts in the prior fiscal year. This reporting requirement does not apply to reimbursement of travel-related expenses by an outside entity when the purpose of the travel is to investigate or explore matters directly related to the duties of an executive officer or board member, or matters related to attendance at education-related conferences and seminars whose primary purpose is to provide continuing education (this exclusion does not apply to trips for entertainment related purposes or pleasure trips). This reporting requirement excludes an individual gift or a series of gifts from a single outside entity that had an aggregate economic value of less than \$250 per executive officer or board member;

Gifts that aggregate at or over \$250 for the 12-month period ending June 30, 2025	Dr. Martha Salazar-Zamora, Superintendent	Dr. Michael Pratt, President	Mark Lewandowski, Vice President	John McStravick, Secretary	Tina Salem, Assistant Secretary	Amanda Bass, Trustee	Jennifer Kratky, Trustee	Coco White, Trustee
Summary Amounts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(E) a summary schedule for the fiscal year of the dollar amount by board member for the aggregate amount of business transactions with the school district. This reporting requirement does not duplicate the items disclosed in the summary schedule of reimbursements received by board members;

Business Transactions between Board Members and the school district for the 12-month period ending June 30, 2025	Dr. Michael Pratt, President	Mark Lewandowski, Vice President	John McStravick, Secretary	Tina Salem, Assistant Secretary	Amanda Bass, Trustee	Jennifer Kratky, Trustee	Coco White, Trustee
Summary Amounts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0



**AMENDED, RESTATED, AND CONFORMED
SUPERINTENDENT'S EMPLOYMENT CONTRACT**

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

THIS AMENDED, RESTATED, AND CONFORMED SUPERINTENDENT'S EMPLOYMENT CONTRACT ("***Contract***") is by and between the Board of Trustees (the "***Board***") of the Tomball Independent School District (the "***District***") and Dr. Martha Salazar-Zamora (the "***Superintendent***").

WITNESSETH:

WHEREAS, at the meeting of the Board on March 7, 2017, the Board, acting on behalf of the District, offered Dr. Martha Salazar-Zamora employment as Superintendent of Schools for the District; and

WHEREAS, Dr. Martha Salazar-Zamora has accepted the Board's offer of employment as Superintendent of Schools for the District;

WHEREAS, the District and the Superintendent have, from time to time, agreed to amendments to this Contract, with the most recent amendments occurring as of August 12, 2025;

NOW, THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to Section 11.201 of the Texas Education Code, have agreed, and do hereby agree, as follows:

I. Term

1.1 Term of Contract. The Board, by and on behalf of the District, amends this contract to employ the Superintendent, and the Superintendent accepts employment as Superintendent of Schools for the District, for a term of five (5) years, commencing on July 1, 2025 and ending on June 30, 2030.

1.2 Term Extension. On or about July of each year of this Contract, and any extension thereof, the Board will review the Superintendent's performance, and the District may, by action of the Board, and with the agreement of the Superintendent, extend the term of this Contract in the manner herein provided in this Section 1.2. Such extension, if any, shall be in the form of a written addendum or amendment to this Contract, or a new contract. The Superintendent does not have any legal entitlement to, expectation of, or property interest in any such extension.

II. Employment

2.1 Duties. The Superintendent is the chief executive of the District and shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in 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 policies, rules, and regulations as they exist or may hereafter be adopted or 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. The Superintendent shall employ all other

personnel consistent with the Board's policies and direct, assign, reassign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. The Superintendent shall organize, reorganize, and arrange the staff of the District, and develop and establish administrative regulations, rules, and procedures that 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. The Superintendent shall have the authority 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 to be effective. The Superintendent shall perform all duties of the Superintendent 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 Certification. The Superintendent shall at all times during the term of this Contract hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the Texas Education Agency, plus any other certificates required by law. This includes provisional certification.

2.3 Reassignment. The Superintendent shall not be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.

2.4 Board. The Superintendent or the Superintendent's designee shall attend all meetings of the Board, both public and closed, with the exception of closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, the Superintendent's salary or benefits, or the Superintendent's evaluation. The Superintendent or designee may also be excluded from any board meeting when the subject is related to conflicts or interpersonal relationships between individual Board members.

2.5 Criticisms, Complaints, Etc. The Board, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints, and suggestions called to the Board's attention either: (a) to the Superintendent for study and/or appropriate action, and the Superintendent shall refer such matter(s) to the appropriate District employee or shall investigate such matter(s) and shall within a reasonable time inform the Board of the results of such efforts; or, (b) to the appropriate complaint resolution procedure as established by District Board policies.

2.6 Indemnification. To the extent it may be permitted to do so 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, or an act or omission constituting gross negligence, or acted in bad faith or with conscious indifference or reckless disregard, nor does it apply to criminal investigations or proceedings, nor to any investigations or proceedings in which the District and the Superintendent are adverse to each other; 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. A legal defense may be provided through insurance coverage, in which case Superintendent's right to agree to legal counsel provided will depend on the terms of the applicable insurance contract. To the extent this Section 2.6 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly.

2.6.1 During the term or any extended term of this Contract, the Superintendent shall cooperate with the District in the defense of any and all demands, claims, suits, actions and legal proceedings brought against the District.

2.6.2 After termination of this Contract, the Superintendent agrees to provide reasonable assistance to and cooperate with the District, its Trustees, agents, and attorneys in response to, or in defense of, any demand, claim, complaint, suit, action or legal proceeding brought against the District, its Trustees, or agents, arising from any acts or events alleged to have occurred during the term of Superintendent's employment with the District, at no additional expense to the District other than reimbursement to Superintendent for documented reasonable and necessary out-of-pocket expenses, plus reimbursement of any salary lost by Superintendent by virtue of taking time off from then current employment to assist the District at its request. If Superintendent is not employed at the time, the District shall compensate Superintendent at Superintendent's daily rate of pay, calculated by dividing the base salary (section 3.1.1) under the most current Contract by 226. Requests for assistance from Superintendent with respect to such matters shall be made through the Board of Trustees' President, any successor superintendent, and/or legal counsel for the District, and the amount to be reimbursed to Superintendent shall be mutually agreed upon in advance.

2.6.3 Except as expressly set forth herein, both the District's obligation and the Superintendent's obligation under this Section 2.6 shall survive the termination of this contract.

III. Salary and Benefits

3.1 Compensation.

3.1.1 Annual Base Salary. Effective as of July 1, 2025, the District shall provide the Superintendent with an annual base salary in the amount of Three Hundred Seventy One Thousand Three Hundred and Fourteen Dollars (\$371,314.00). This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies.

3.1.2 Retirement Account Contribution. On the last pay cycle of June 2026, and on the last pay cycle of each June thereafter during the term of this Contract, the District shall add to the salary of the Superintendent an amount equal to Twenty-Three Thousand Five Hundred Dollars (\$23,500) to a voluntary 403(b) plan and Twenty-Three Thousand Five Hundred Dollars (\$23,500) to a voluntary 457(b) plan. 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 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 her discretion. The Superintendent shall at all times 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.

3.1.3 Longevity Pay. During each contract year of this Contract, the District shall add to the annual salary of the Superintendent an amount equal to Sixty Thousand Dollars (\$60,000), payable in equal monthly payroll installments; provided, however, that if the Superintendent is not employed as superintendent by the District on the last day of the then-current contract year, the Superintendent covenants and agrees to repay the District for all such payments made during such contract year. In order to effectuate any such repayment obligation, and in no way limiting the District's other rights and remedies to enforce and/or collect any such repayment, the District shall have the right to setoff or otherwise net out any such repayment amount from funds otherwise payable by the District to the Superintendent.. No payments under this Section shall be made after the Superintendent's employment terminates.

3.1.4 TRS Contribution. As supplemental salary, the District shall pay a portion of the Superintendent's monthly retirement contribution to the Texas Teacher Retirement System (TRS). The District shall pay 4.70% of the Superintendent's total eligible compensation per month to TRS, and the Superintendent shall pay all additional amounts. The District shall pay such salary supplement by regular monthly payroll installments and shall report such payments as creditable compensation to TRS.

3.2 Salary Adjustment. 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 above except by mutual written agreement of the parties. Such adjustments, if any, shall be in the form of a written addendum or amendment to this Contract or a new contract and shall be exclusive of any annuity, insurance policy or other benefits.

3.3 Business Expenses. The District shall pay or reimburse the Superintendent for reasonable expenses incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract. The District agrees to pay the actual and incidental costs incurred by the Superintendent for travel; such costs may include, but are not limited to, airline tickets, hotels and accommodations, meals, rental car, and other expenses incurred in the performance of the business of the District. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies.

3.4 Life, Health and Other Insurances. The Superintendent may participate in any indemnity hospitalization, major medical and dental, and any other insurance made available to administrative employees of the District on twelve-month contracts, on the same basis as provided to administrative employees of the District on twelve-month contracts; provided, however, that if the Superintendent enrolls in a (a) medical plan offered by the District to administrative employees, the Superintendent shall pay (or otherwise reimburse the District for) one hundred percent (100%) of the premium associated with such medical plan; and/or (b) cancer plan offered by the District to administrative employees, the District shall pay one hundred percent (100%) of the annual premium associated with such cancer plan up to an amount not to exceed \$560.16. The District shall provide the Superintendent with life insurance coverage of

\$500,000; provided, however, that the District shall not be required to pay more than \$720 towards the annual premium associated with such coverage.

3.5 Vacation, Holidays, Sick Leave. The Superintendent may take, at the Superintendent's choice, subject to the Board's approval, the same number of days of vacation authorized by policies adopted by the Board for administrative employees of the District on twelve-month contracts, the days to be in a single period or at different times. The vacation days taken by the Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Contract. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees of the District on twelve-month contracts. The Superintendent is hereby granted the same sick leave benefits as authorized by Board policies for administrative employees of the District on twelve-month contracts.

3.6 Annual Physical Examination. The Superintendent shall undergo an annual physical examination performed by a licensed physician mutually acceptable to the Board and the Superintendent. The examination will determine the Superintendent's continuing physical fitness to fulfill the duties and responsibilities of the position and may include laboratory analysis of blood, urine, stress, EKG and other procedures as deemed appropriate by the licensed physician. The physician shall submit a confidential statement to the Board President verifying the Superintendent's fitness to perform the Superintendent's duties and copies of all such statements shall be maintained in a sealed envelope in the Superintendent's personnel file. All such statements of the Superintendent's fitness shall be kept confidential to the full extent authorized by law. The District shall pay all costs of the annual physical examination.

3.7 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 shall 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 District. In its encouragement of the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent, as the Superintendent and Board deem appropriate, to attend such seminars, courses, or meetings. The District shall pay the Superintendent's membership dues to the American Association of School Administrators and the Texas Association of School Administrators, as well as other memberships, as approved by the Board, deemed necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable costs and expenses for such attendance or membership.

3.8 Outside Consultant Activities. Except as specifically provided in this Section, the Superintendent shall not serve as a consultant or receive a reimbursement of expenses and/or be paid an honorarium for consultant services outside of her employment as Superintendent of the District.

3.8.1 Notwithstanding the general prohibition on outside consulting services contained herein, the Superintendent may serve as an adjunct professor or professional advisor, and accept a reimbursement of expenses and/or be paid for services, to Texas A&M University and/or Baylor University (the "*University Professional Services*").

3.8.2 The Superintendent represents that the University Professional Services does not, and covenants and agrees that it will not in the future, conflict or interfere with the Superintendent's professional responsibilities to the District and that it is consistent with state and federal law.

3.8.3 The Superintendent covenants and agrees to use personal leave (local, state, vacation, non-duty days), not to exceed five (5) days during any Contract Year (as such term is defined in Section 1.1 hereof), for all services provided under or in any way pertaining to the University Professional Services. The Superintendent further covenants and agrees to schedule such days to avoid times when material programs and events are scheduled or occur in the District. The Superintendent shall provide the then serving Board President with prior notice of the days used in connection with the University Professional Services.

3.9 Civic Activities. The Superintendent is encouraged to participate in community and civic affairs including Chambers of Commerce and civic clubs within or affecting the District. 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 her duties as Superintendent. Prior to engaging in these activities, the Superintendent will notify the Board President in writing of the activity. The Board President will notify the Superintendent if the activity presents a conflict or interferes with the performance of her duties as Superintendent. The memberships and other reasonable expenses of the Tomball Area Chamber of Commerce, Tomball Rotary Club, and/or other Tomball area based organizations shall be borne by the District. The Board may approve the payment of other memberships and expenses requested by the Superintendent.

IV. Annual Performance Goals

4.1 Development of Goals. The Superintendent and the Board President, or designee, shall develop annual performance goals for the Superintendent that shall be submitted to the Board for consideration and adoption. The performance goals approved by the Board shall at all times be reduced to writing ("District Goals") and shall be reasonably related to the District's goals, mission and/or vision as set by the Board. The 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 District Goals.

V. Review of Performance

5.1 Time and Basis of Evaluation. The Board shall evaluate and assess in writing the performance of the Superintendent at least once each contract 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 description and shall include the District's progress towards accomplishing the District Goals.

5.2 Confidentiality. Unless the Board and the Superintendent expressly agree otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in closed or executive session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the

Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.

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

VI. Renewal and Nonrenewal of Employment Contract

6.1 Renewal/Nonrenewal. Renewal or nonrenewal shall be in accordance with Board policy and applicable law.

VII. Termination of Employment Contract

7.1 Mutual Agreement. This Contract may be terminated by mutual written agreement of the Superintendent and the District, acting through the Board, upon such terms and conditions as may be mutually agreed upon.

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

7.3 Dismissal for Good Cause. The District, acting through the Board, may dismiss the Superintendent during the term of the Contract for good cause. The term "good cause" is defined as follows:

- (a) Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;
- (b) Incompetence 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 is conduct the Board determines is not in conformity 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) 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) Misrepresentation made by Superintendent in this Contract;
- (r) Failure of any covenant made by Superintendent in this Contract; or,
- (s) Any other reason constituting "good cause" under Texas law.

7.4 Termination Procedure. In the event that the District, acting through the Board, terminates this Contract for "good cause," the Superintendent shall be afforded the rights as set forth in the Board's policies and applicable state and federal law.

VIII. Miscellaneous

8.1 Controlling Law. This Contract shall be governed by, and interpreted and enforced in accordance with, the laws of the state of Texas and shall be performable in Harris County, Texas, unless otherwise provided by law.

8.2 Complete Agreement. This Contract embodies the entire agreement between the parties and cannot be varied except by mutual written agreement of the parties except as expressly provided herein.

8.3 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 regarding the employment of the Superintendent have been superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.

8.4 Conflicts. In the event of any 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.

EXECUTED this 12th day of August, 2025.

ATTEST:

By:

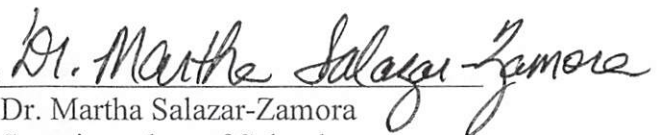

Secretary, Board of Trustees

TOMBALL INDEPENDENT SCHOOL DISTRICT

By:


President, Board of Trustees

By:


Dr. Martha Salazar-Zamora
Superintendent of Schools