PUBLIC HEARING

SCHOOL FIRST
ANNUAL FINANCIAL
MANAGEMENT REPORT
2021-2022
RATINGS

October 17, 2022

What is the School FIRST and what is its purpose?

1. School FIRST is a financial accountability rating system that holds school districts accountable for the quality of their financial management practices.

2. School FIRST is designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes.

3. School FIRST is a tool that creates transparency and discloses the quality of local management and decision-making processes that the school district uses concerning the financial resources the school district receives.

Criteria for Ratings

The TEA will use the following sources of data in calculating the School FIRST indicators for school districts:

1. Annual Financial Report
2. Data feed
3. TSDS PEIMS
4. Warrant holds
5. Foundation School Program data
6. Other sources, including but not limited to the Internal Revenue Service, Teacher's Retirement System and Texas Workforce Commission

CRITICAL INDICATORS

- Indicator 1: Timely Filing of the AFR and Data Feed
- Indicator 2: Unmodified Opinion in the AFR
- Indicator 3 Monetary Default on Debt
- Indicator 4 Timely Payments to Government Entities and Warrant Hold(s)
- Indicator 5: This indicator is not being scored

**** FAILURE TO MEET THE REQUIREMENTS OF A CRITICAL INDICATOR WILL CAUSE A SCHOOL DISTRICT TO FAIL FIRST FOR THE APPLICABLE RATING YEAR**

SOLVENCY INDICATORS

- Indicator 6: 3 Year Change in Fund Balances
- Indicator 7: Number of Days of Cash on Hand
- Indicator 8: Current Assets to Current Liabilities Ratio
- Indicator 9: General Fund Revenues Equal or Exceed Expenditures
- Indicator 10: This indicator is not being scored
- Indicator 11: Long-Term Liabilities to Total Assets Ratio
- Indicator 12: Debt Per $100 of Assessed Property
- Indicator 13: Administrative Cost Ratio
- Indicator 14: Student to Staff Ratio over 3 Year Period

FINANCIAL COMPETENCY INDICATORS

- Indicator 15: This indicator is not being scored
- Indicator 16: PEIMS to AFR (Data Feed) Data Quality
- Indicator 17: Material Weakness in Internal Controls Over Financial Reporting
- Indicator 18: Material Noncompliance Disclosed on AFR
- Indicator 19: Transparency – Required Financial Postings
- Indicator 20: Property Values Discussion with the Board of Trustees

User: Melissa Wong
User Role: District

RATING YEAR 2021-2022 DISTRICT NUMBER district #

Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON SCHOOL YEAR 2020-2021 DATA - DISTRICT STATUS DETAIL

Name: **NEDERLAND ISD**(**123905**)	**Publication Level 1:** 8/2/2022 2:05:39 PM
Status: **Passed**	**Publication Level 2:** 8/4/2022 12:15:48 PM
Rating: A = Superior Achievement	**Last Updated:** 8/4/2022 12:15:48 PM
District Score: 100	**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?	7/12/2022 9:19:33 AM	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.)	5/16/2022 11:45:42 AM	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	5/16/2022 11:45:43 AM	Yes

	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	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.)	5/16/2022 11:45:43 AM	Yes Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
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.)	5/17/2022 9:49:22 AM	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.	5/16/2022 11:45:44 AM	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.	5/16/2022 11:45:45 AM	10
9	Did the school district's general fund revenues equal or	5/16/2022	10

	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.	11:45:46 AM	
10	This indicator is not being scored.		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, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.	5/16/2022 11:45:48 AM	10
12	Was the debt per $100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.	5/16/2022 11:45:49 AM	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.	6/9/2022 11:01:53 AM	10
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.	5/16/2022 11:45:51 AM	10
15	This indicator is not being scored.		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.)	5/16/2022 11:45:51 AM	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? (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.)	5/16/2022 11:45:52 AM	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.)	5/16/2022 11:45:53 AM	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?	5/16/2022 11:45:53 AM	5
20	Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)	5/16/2022 11:45:54 AM	Ceiling Passed
			100 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			100 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 Achievement** 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 both 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, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.

Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is *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

User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 1

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**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?**
Status	Passed
Last Updated:	7/12/2022 9:19:33 AM

FORMULA

Field	Value
Date Received	2022/01/18
<=Due Date (Fiscal Year End + Deadline in Days After Fiscal Year End)	2022/02/27

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the audit report was on time or filed within 30 days of the deadline.

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User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 2

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**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.)**
Status	Passed
Last Updated:	5/16/2022 11:45:42 AM

FORMULA

Field	Value
Unmodified Opinion	true

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the district received an unmodified opinion in the AFR.

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FIRST 5.14.2.0

User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 3

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**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.)**
Status	Passed
Last Updated:	5/16/2022 11:45:43 AM

FORMULA

	Field	Value
Not	Default Disclosures	false

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if there were no disclosures in the annual financial report and/or other sources of information concerning default on debt agreements.

User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 4

Name:	NEDERLAND ISD (123905)
Indicator:	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.)
Status	Passed
Ceiling	Passed
Last Updated:	5/16/2022 11:45:43 AM

FORMULA

Field	Value
Timely Payments to Government Agencies	true

CEILING FORMULA

Field	Value
Warrant Hold Issued	false

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the district made timely payments to the TRS, TWC, IRS, and other government agencies.

CEILING DETERMINATION

This indicator will be considered PASSED for the Ceiling if the district was not issued a warrant hold.

User: Melissa Wong
User Role: District

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Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 6

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**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.)**
Ceiling	Passed
Last Updated:	5/17/2022 9:49:22 AM

FORMULA

Field	Value
(	
(	
(	
2018-2019 Assigned and Unassigned Fund Balances	18,480,709
-2017-2018 Assigned and Unassigned Fund Balances	15,615,589
)	
/ 2017-2018 Assigned and Unassigned Fund Balances	15,615,589
)	
+	
(	
(	

	2019-2020 Assigned and Unassigned Fund Balances	18,031,848
	-2018-2019 Assigned and Unassigned Fund Balances	18,480,709
	)	
/	2018-2019 Assigned and Unassigned Fund Balances	18,480,709
)		
+		
(		
	(	
	2020-2021 Assigned and Unassigned Fund Balances	16,289,265
	-2019-2020 Assigned and Unassigned Fund Balances	18,031,848
	)	
/	2019-2020 Assigned and Unassigned Fund Balances	18,031,848
)		
)		
/	3	
>=	Threshold for Three-Year Percent Change in Fund Balances	-0.25
Or		
	2020-2021 Assigned and Unassigned Fund Balances	16,289,265
>		
(		
(		
	2020-2021 Total Expenditures	50,757,865
-	2020-2021 Capital Outlay	595,981
)		
/	365	
*	75	
)		

Mathematical Breakdown: 0.0209 >= -0.25 Or 16,289,265 > 10,307,236.4384

RESULT DETERMINATION REFERENCE

CEILING DETERMINATION

This indicator will be considered PASSED for the Ceiling if the average change in fund

balances over 3 years had less than a 25 percent decrease or the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures.

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User Role: District

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Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 7

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**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.**
Result/Points	10
Last Updated:	5/16/2022 11:45:44 AM

FORMULA

	Field	Value
(		
(		
	Cash and Equivalents	5,052,066
+	Current Investments	17,734,147
)		
/		
(		
	Total Expenditures	50,757,865
-	Facilities Acquisition and Construction	595,981
)		
)		
*	365	

Mathematical Breakdown: 165.8025

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

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

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User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

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Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 8

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**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.**
Result/Points	10
Last Updated:	5/16/2022 11:45:45 AM

FORMULA

Field	Value
Current Assets	91,353,369
/ Current Liabilities	13,717,082

Mathematical Breakdown: 6.6598

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

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

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User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 9

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**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.**
Result/Points	10
Last Updated:	5/16/2022 11:45:46 AM

FORMULA

	Field	Value
(		
	Total Revenue	47,809,047
/		
(		
	Total Expenditures	50,757,865
-	Facilities Acquisition and Construction	595,981
)		
-	1	
)		
>=	0	
Or		
(		
(		
	Cash and Equivalents	5,052,066
+	Current Investments	17,734,147
)		

/
(
Total Expenditures 50,757,865
- Facilities Acquisition and Construction 595,981
)
)
* 365
>= Acceptable Days Cash on Hand 60

Mathematical Breakdown: -0.0469 >= 0 Or 165.8025 >= 60

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

10	0
>=0%	<0%

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User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 11

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.**
Result/Points	10
Last Updated:	5/16/2022 11:45:48 AM

FORMULA

	Field	Value
(		
	Long Term Liabilities	87,695,314
/	Total Assets	152,751,202
<=1		
)		
Or		
(		
(		
	2021 Total Students	4,995
-	2017 Total Students	5,229
)		
/	2017 Total Students	5,229
>=	Threshold for Five-Year Percent Increase in Students	0.07
)		

Mathematical Breakdown: 0.5741 <= 1 Or -0.0448 >= 0.07

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

10	8	6	4	2	0
<=0.60	>0.60 <=0.70	>0.70 <=0.80	>0.80 <=0.90	>0.90 <=1.00	>1.00

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User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 12

Name:	**NEDERLAND ISD (123905)**
Indicator:	**Was the debt per $100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.**
Result/Points	10
Last Updated:	5/16/2022 11:45:49 AM

FORMULA

Field	Value
(	
Total Local and Intermediate Sources	11,044,190
/ Total Revenue	11,069,067
)	
* Long Term Liabilities	87,695,314
* 100	
/ Assessed Property Value	2,960,741,060

Mathematical Breakdown: 2.9553

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

10	8	6	4	2	0
<= 4	> 4 <= 7	> 7 <= 10	> 10 <= 11.5	> 11.5 <= 13.5	> 13.5

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User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 13

Name:	**NEDERLAND ISD (123905)**
Indicator:	**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.**
Result/Points	10
Last Updated:	6/9/2022 11:01:53 AM

FORMULA

	Field	Value
	District Administrative Cost Ratio	0.0621
And		
	ADA	4,713.482
Or		
	Sparse	FALSE

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

ADA Size	10	8	6	4	2	0
10,000 and Above	<= 0.0855	> 0.0855 <= 0.1105	> 0.1105 <= 0.1355	> 0.1355 <= 0.1605	> 0.1605 <= 0.1855	> 0.1855

5,000 to 9,999	<= 0.1000	> 0.1000 <= 0.1250	> 0.1250 <= 0.1500	> 0.1500 <= 0.1750	> 0.1750 <= 0.2000	> 0.2000
1,000 to 4,999	<= 0.1151	> 0.1151 <= 0.1401	> 0.1401 <= 0.1651	> 0.1651 <= 0.1901	> 0.1901 <= 0.2151	> 0.2151
500 to 999	<= 0.1311	> 0.1311 <= 0.1561	> 0.1561 <= 0.1811	> 0.1811 <= 0.2061	> 0.2061 <= 0.2311	> 0.2311
Less than 500	<= 0.2404	> 0.2404 <= 0.2654	> 0.2654 <= 0.2904	> 0.2904 <= 0.3154	> 0.3154 <= 0.3404	> 0.3404
Sparse	<= 0.3364	> 0.3364 <= 0.3614	> 0.3614 <= 0.3864	> 0.3864 <= 0.4114	> 0.4114 <= 0.4364	> 0.4364

User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

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Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 14

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**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.**
Result/Points	10
Last Updated:	5/16/2022 11:45:51 AM

FORMULA

Field	Value
(	
2020-2021 Total Enrollment	5,022
/ 2020-2021 Number of FTE Staff	674.2767
)	
/	
(	
2018-2019 Total Enrollment	5,207
/ 2018-2019 Number of FTE Staff	670.7262
)	
- 1	
> Threshold for Three-Year Percent Change in Ratio	-0.15
Or	
2020-2021 Total Enrollment	5,022
- 2018-2019 Total Enrollment	5,207
> 0	

Mathematical Breakdown: -0.0406 > -0.15 Or -185 > 0

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

10	0
Yes	No

User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 16

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**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.)**
Ceiling	Passed
Last Updated:	5/16/2022 11:45:51 AM

FORMULA

Field	Value
Sum of Differences	39
/ Denominator	50,757,882
< Acceptable Level of Variance	.03

Mathematical Breakdown: 0 < 0.03

RESULT DETERMINATION REFERENCE

CEILING DETERMINATION

This indicator will be considered PASSED for the Ceiling if the comparison of PEIMS expenditure data to AFR data has a total variance of less than 3 percent.

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THE TEXAS EDUCATION AGENCY
1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734

FIRST 5.14.2.0

User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 17

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)**
Ceiling	Passed
Last Updated:	5/16/2022 11:45:52 AM

FORMULA

	Field	Value
Not	Weak Internal Controls	false

RESULT DETERMINATION REFERENCE

CEILING DETERMINATION

This indicator will be considered PASSED for the Ceiling if the external auditor reported no material weaknesses in the audit report.

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FIRST 5.14.2.0

User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

FIRST

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 18

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**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.)**
Result/Points	10
Last Updated:	5/16/2022 11:45:53 AM

FORMULA

	Field	Value
Not	Material Non-Compliance	false

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

10	0
Yes	No

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FIRST 5.14.2.0

User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

FIRST

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 19

Name:	NEDERLAND ISD (123905)
Indicator:	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?
Result/Points	5
Last Updated:	5/16/2022 11:45:53 AM

FORMULA

Field	Value
Required Financial Postings	true

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

5	0
Yes	No

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FIRST 5.14.2.0

User: Melissa Wong
User Role: District

DISTRICT NUMBER district # Select An Option Help Home Log Out

Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON 2020-2021 SCHOOL YEAR DATA INDICATOR TEST 20

Name:	**NEDERLAND ISD** (**123905**)
Indicator:	**Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)**
Ceiling	Passed
Last Updated:	5/16/2022 11:45:54 AM

FORMULA

Field	Value
Board Property Value Discussion	true

RESULT DETERMINATION REFERENCE

CEILING DETERMINATION

This indicator will be considered PASSED for the Ceiling if the school board discussed property values at a meeting within 120 days before the district adopted its budget.

School FIRST Annual Financial Management Report

NEDERLAND INDEPENDENT SCHOOL DISTRICT

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA,
Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1001(o). Effective 8/6/2015.
The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing.
The template may not be all inclusive.

Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided.
In lieu of publication in the annual School FIRST financial management report, the school district may chose to publish the superintendent's employment contract on the school district's Internet site.
If published on the Internet, the contract is to remain accessible for twelve months.

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended August 31, 2022

Description of Reimbursements	Superintendent Kieschnick	Member Albanese	Member DeCuir	Member Isom	Member Mitchell	Member Mosley	Member Phillips	Member Scott
Meals	$631.00	$35.72	$119.00	$0.00	$0.00	$0.00	$352.00	$330.00
Lodging	$2,731.20	$567.89	$498.54	$0.00	$799.86	$478.04	$2,258.75	$1,560.93
Transportation	$1,725.97	$378.35	$709.26	$0.00	$378.35	$0.00	$1,231.16	$336.96
Motor Fuel	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other	$3,609.00	$325.00		$0.00	$624.00	$325.00	$920.00	$325.00
Total	$8,697.17	$1,306.96	$1,326.80	$0.00	$1,802.21	$803.04	$4,761.91	$2,552.89

All "reimbursements" expenses, regardless of the manner of payment, including direct pay,
credit card, cash, and purchase order are to be reported. Items to be reported per category include:
Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).
Lodging - Hotel charges.
Transportation - Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls).
Motor fuel – Gasoline.
Other: - Registration fees, telephone/cell phone, internet service, fax machine, and other
reimbursements (or on-behalf of) to the superintendent and board member not defined above.

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

For the Twelve-Month Period
Ended August 31, 2022

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

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

Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any) (gifts that had an economic value of $250 or more in the aggregate in the fiscal year)

For the Twelve-Month Period
Ended August 31, 2022

	Superintendent Kieschnick	Member Albanese	Member DeCuir	Member Isom	Member Mitchell	Member Mosley	Member Phillips	Member Scott
Total	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$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 for local officials.

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended August 31, 2022

	Member Albanese	Member DeCuir	Member Isom	Member Mitchell	Member Mosley	Member Phillips	Member Scott
Amounts	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

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

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

SUPERINTENDENT'S EMPLOYMENT CONTRACT

THIS SUPERINTENDENT'S EMPLOYMENT CONTRACT ("Contract") is made by and between the Board of Trustees ("Board") of Nederland Independent School District, a Texas independent school district having its administrative offices in Nederland, Jefferson County, Texas ("NISD" or "District") and Dr. Stuart Kieschnick ("Superintendent" or "Dr. Kieschnick").

W I T N E S S E T H:

NOW, THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to Section 11.201(b) and Chapter 21, Subchapter E of the Texas Education Code, have agreed, and do hereby agree, as follows:

1. Term. 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 of three (3) years, commencing on September 1, 2022, and ending on August 31, 2025. Beginning September 1, 2021, and for the remainder of this Contract and any extension thereof, each contract year shall be from September 1 through August 31 (hereinafter referred to as the "Contract Year"). 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.

2. Salary; Benefits.

2.1 Salary. NISD shall pay Superintendent an annual base salary in the sum of One Hundred Eighty-Five Thousand, Six Hundred and Forty Dollars ($185,640.00).

This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies.

2.2 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 the benefits not expressly provided herein, at the Board's sole discretion.

2.3 Salary Adjustments. The Board of NISD reserves the right to adjust the Superintendent's annual base salary during the term of this contract, although such salary adjustment shall not reduce the annual salary below the figure stated above in section 1. The Board shall conduct a review of the Superintendent's compensation at a regular or special Board meeting in January of each year during the term of this Contract, following the completion of the Superintendent's annual evaluation. Any increase in salary made during the term of this contract shall be effective on the July 1 immediately following or preceding the Board's approval of the increase. The Superintendent's September paycheck shall include the full amount of any retroactive increase for the months of July and August. Any increase in salary shall be memorialized in the form of written addendum to this contract or a new contract shall be executed.

3. Travel Stipend/Expense Reimbursement.

3.1 Travel Stipend. The Board shall provide the Superintendent with an automobile allowance for in-District travel in the sum of Six Thousand Dollars ($6,000.00) annually, to be paid out in twelve equal monthly installments. In addition to the allowance provided herein, the Board shall reimburse the Superintendent for out-of-District travel incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract in accordance with section 3.2.

3.2 Expense Reimbursement. 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 actual or incidental costs may include, but are not limited to, gasoline, 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.

4. Technical Stipend. The Superintendent will be paid an annual technical stipend in the amount of $1,200, paid in twelve equal monthly increments, intended to cover the cost and maintenance of all school district business-related computers, cell phones, and other necessary equipment. The Superintendent shall have total responsibility for payment of his personal account and the District shall have no obligation or responsibility related to said mobile telephone account other than the monthly payment to the Superintendent of the technical stipend stated herein. The Superintendent understands that information stored in his cell phone or computer is subject to public disclosure if such information is related to the public business of the School District or to his duties as Superintendent. Notwithstanding the location of personal data on the cell phone or computer, the parties agree that any personal or private information of the Superintendent contained on the cell phone, computer or other 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.

5. Insurance Benefits/Supplemental Salary.

5.1 Health Insurance. NISD shall provide Superintendent with the same health insurance benefits as all other NISD employees.

5.2 Supplemental Salary. Additionally, for performance of Superintendent duties, NISD agrees to supplement the Superintendent's pay, throughout the term of this contract and any renewals and extensions thereof, in the annual amount of $4,500.00

which may be used towards the Superintendent's health insurance premiums. 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 Texas Teacher Retirement System (TRS), to the extent permitted by TRS.

6. TRS Salary Supplement. For performance of Superintendent duties, the District shall supplement the Superintendent's salary by an amount equal to the Superintendent's portion of the monthly member contribution to the Texas Teacher Retirement System ("TRS") beginning on the effective date of this Contract and continuing for each payroll during 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.

7. Annual Working Days. This Contract anticipates the performance of 236 working days during each contract year (September 1 – August 31).

8. Sick Leave; other Absences from Duty. The Superintendent's sick leave and other types of absence from duty, including vacation, will be governed by applicable local Board policy in force at the time pertaining to other NISD administrators. The Superintendent may take, at the Superintendent's choice, the same number of vacation days annually as applicable to other NISD Administrators 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. At the end of each contract year, the District shall reimburse the Superintendent for up to ten (10) unused vacation days, using the Superintendent's current daily rate of pay. Accrued but unused vacation days, up to a maximum of ten (10) days annually, shall accumulate and

carry forward from year to year during the term of this Contract. At the sole option of the Superintendent, either at the end of each year of the term of this Contract or at retirement, the District shall pay in a lump sum to the Superintendent the value of up to forty (40) accrued but unused vacation days at the Superintendent's daily rate of pay as of the payment date. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts. The Superintendent is hereby granted the same personal leave benefits as authorized by Board policies for administrative employees on twelve-month contracts, except that the Superintendent, at his discretion, may utilize any and all accrued but unused leave days to be taken in a single period or at different times during the term of this Contract.

9. Agreement to Serve as Superintendent. The Superintendent is the chief executive of the District. In consideration for the employment position as Superintendent and the compensation herein agreed to be paid, therefore by NISD, Dr. Kieschnick accepts the office and position of Superintendent of Schools of Nederland Independent School District of Nederland, Jefferson County, Texas, for the aforesaid period, and agrees that during such time he will, to the best of his ability and skill, perform the duties of such office and position in accordance with federal and state laws pertaining to the discharge of such duties, and in accordance with such lawful policies as the NISD Board may adopt, and in accordance with recognized professional standards for the performance of such duties, as determined by law and by the Texas Education Agency. Specifically, it shall be the duty of the Superintendent to recommend for employment all professional employees of the District subject to the Board's approval. It shall be the further duty of the Superintendent to employ all other personnel consistent with the Board's policies. It shall be the further duty of the Superintendent to direct, assign, 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.

10. Outside Consultant Activities. 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 his professional responsibilities to NISD. The Superintendent may accept a reimbursement of expenses for such Consulting Services at no expense to NISD. Consulting Services provided by the Superintendent under the terms and conditions of this paragraph must be consistent with state and federal law.

11. Development of Goals; Annual Evaluation; Renewal of Contract; Extension.

11.1 Development of Goals. The Superintendent shall submit to the Board a preliminary list of 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 the list of goals. The Superintendent shall submit to the Board for its approval a plan to implement the goals. The Superintendent and the Board shall meet, at least, biannually to assess the goals and may adjust or revise the goals either by action of the Board or upon recommendation of the Superintendent and approval of the Board. The goals approved by the Board shall at all times be reduced to writing ("District Goals") and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated. 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.

11.2 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 Board's evaluation and assessment of the Superintendent shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and shall be based in part on the District's progress towards accomplishing the District Goals.

11.3 Confidentiality. Unless the Superintendent expressly requests otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in executive session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.

11.4 Evaluation Format and Procedures. The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law. The evaluation shall include recommendations as to areas of improvement 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, such modifications must be adopted with input from the Superintendent and the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

12. Criticisms, Complaints, and Suggestions. 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 NISD Board policies.

13. Nonrenewal; Termination; Resignation. Throughout the term of this contract, the Superintendent shall serve subject to nonrenewal or termination, in accordance with Chapter 21, Subchapters E and F, Texas Education Code, applicable Texas law, and NISD board policy. 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 not later than the 45th day before the first day of instruction of the following year. The Superintendent may resign with the consent of the Board at any other time.

14. Certification. The Superintendent shall maintain on file in the personnel office of NISD, throughout the period of his employment, a valid and appropriate Texas Education Agency Superintendent's certification.

15. Superintendent's Responsibilities. The Superintendent shall serve as chief administrative officer to the Board of Trustees and for NISD; shall be responsible for supervising and coordinating the central administrative functions of the District; and shall exercise those duties which are mandated by statute as well as those specifically designated or delegated by the Board. The duties and responsibilities of the Superintendent shall include, but not be limited to, the following:

a. Attend all Board meetings, and such other meetings of Board committees, as the Board may direct;

b. Coordinate the instructional program of the District in the creation and conduct of courses of study, acquisition of textbooks and supplies, and supervision related thereto;
c. Consolidate classes, assign pupils to buildings and classes, and transfer pupils;
d. Develop, maintain, and operate a constructive program of in-service training and education for all professional employees of the school system;
e. Coordinate the work of all school personnel, and establish necessary procedures for evaluating the work of each personnel;
f. Act as deputy budget officer for the Board of Trustees, regularly prepare and present expenditure and receipt estimates necessary to the operation of the school system, and propose an annual budget;
g. Develop goals for the District in cooperation with the Board of Trustees, and maintain a continuous study of the problems confronting schools, evaluate the quality and efficiency of all departments, and report to the Board of Trustees as required;
h. Perform such other duties consistent with the foregoing as the Board of Trustees may determine, and its policies provide.

16. Tax Deferred Program. The Board, at the request of the Superintendent and in accordance with state law, may withhold and transfer an amount of his salary annually, semiannually, or monthly, said amount to be determined by the Superintendent into a tax-deferred program of his choosing.

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

18. Indemnification/Legal Liability Insurance. 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, 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. A legal defense may be provided through insurance coverage, in which case Superintendent's right to agree to legal counsel provided for him 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. The provisions of this Section 18 shall survive the termination of this Contract. At its cost, NISD will include the Superintendent in its policy of legal liability insurance.

19. 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 health care professional who performs the examination shall submit confidential reports to the Board regarding the Superintendent's fitness to perform the essential functions of the job. These reports will be maintained as confidential medical records to the extent permitted by law. The District shall pay all reasonable costs of the examination.

20. Legal Residence. Throughout his employment with NISD, the Superintendent agrees to establish and maintain a residence on property purchased by the Superintendent within the legal boundaries of NISD. The parties agree that this residence requirement is a material term of this contract.

21. Professional Organization Memberships. 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 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 as the Superintendent and the 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 necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable cost and expense for registration, travel, meals, lodging, and other related expenses for such attendance and membership.

22. 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 Superintendent for the cost of membership in all local civic organizations in which he participates and related travel outside of the District, subject to advance Board approval.

23. Entire Agreement. This document constitutes the entire agreement and contract between the parties concerning such employment, and may be changed or amended only by written consent of the parties hereto.

24. Board Meetings. The Superintendent shall attend all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, or the Superintendent's evaluation, or for purposes of resolving conflicts between individual Board members, or when the Board is acting in its capacity as a tribunal. In the event of illness or Board-approved absence, the Superintendent's designee shall attend such meetings. 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.

25. Controlling Law. This Contract shall be governed by the laws of the State of Texas and shall be performable in Jefferson County, Texas, unless otherwise provided by law.

26. 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.

27. 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 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.

EXECUTED in duplicate originals this 8th day of September, 2022.

NEDERLAND INDEPENDENT SCHOOL DISTRICT

By: _____
Micah Mosley
President, Board of Trustees

ATTEST:

_____
Tonya Mitchell
Secretary, Board of Trustees

_____
Dr. Stuart Kieschnick
Superintendent of Schools