

SCHOOL FIR\$T

Financial Integrity Rating System of Texas

Annual Financial Accountability Management Report

2022-23 Rating

**2021-22 Fiscal Year Data Rating:
"A" (Superior)**



LUBBOCK-COOPER

TM

Lubbock-Cooper Independent School District

Annual Financial Accountability Management Report

This is the 20th year of School FIRST (Financial Accountability Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of the School FIRST Rating is to achieve quality performance in the management of school districts' financial resources.

Legislative rules require the district to present a FIRST management report. The district must advertise and hold a public meeting to discuss the report and to compare indicator results from the previous year's data to the current year's data. The 2021-22 FIRST Rating is included for this purpose. There are six disclosures that must be published with the report: a copy of the superintendent's contract, reimbursements received by the superintendent or board members, any compensation or fees received by the superintendent, any gifts received by the superintendent or board members, and business transactions between the school district and board members. These required disclosures are included in this report.

The School FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts: A = superior achievement, B = above standard achievement, C = standard achievement, and F = substandard achievement.

Lubbock-Cooper Independent School District is once again rated A for superior achievement with a score of 96 out of 100.

Respectfully submitted,



Danny Davis

Assistant Superintendent



2022-23 Ratings Based on School Year 2021-22 Data

State Indicator 1

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

Indicator Background: *Was the Annual Financial Report filed with TEA by the deadline?*

Additional Information: *Lubbock-Cooper ISD's Fiscal Year end date is June 30. The November deadline is applicable to Lubbock-Cooper ISD. TEA received the audit report on or before November 27, which was within the deadline.*

State Indicator 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.) (Yes)

Indicator Background: *A "modified" version of the auditor's opinion in the annual audit report means that there are corrections needed in reporting or financial controls. A district's goal, therefore, is to receive an "unmodified opinion" on its Annual Financial Report. This is a simple "Yes" or "No" indicator.*

Additional Information: *Terry and King, CPAs, P.C., the District's external auditors, issued an unmodified opinion for the year ending June 30, 2022*

State Indicator 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. (Yes)

Indicator Background: *This indicator seeks to make certain that the District has paid its bill/obligations on financing arrangements to pay for construction, buses, photocopiers, etc.*

Additional Information: *Lubbock-Cooper ISD has never defaulted on any of its bond indebtedness obligations. Payment on all debt agreements were made timely.*

State Indicator 4

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

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

Additional Information: *Lubbock-Cooper ISD is current with all payments due other government agencies.*

State Indicator 5 (This indicator is not being scored this year due to the impact of accounting changes implemented by the Governmental Accounting Standards Board.)

Was the total unrestricted Net Position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Positions greater than zero? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)

State Indicator 6

Was the average change in (assigned and unassigned) fund balance over 3 years less than a 25% decrease or did the current year assigned and unassigned fund balance 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)

Indicator Background: *This indicator measures the percentage change in fund balance to see whether the fund balance is declining too quickly, and if it is declining, whether sufficient fund balance remains to operate for at least 75 days?*

Additional Information: *Lubbock-Cooper's Assigned and Unassigned Fund Balances increased from 17,164,646 to 25,468,799. There was no decrease in fund balance over the previous 3 years and the district maintained at least 75 days of operational expenditures.*

State Indicator 7

Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (10)

Indicator Background: *This indicator measures how long in days after the end of the fiscal year the district could have disbursed funds for its operating expenditures without receiving any new revenues. Did the district meet or exceed the target amount? (≥ 90 Days)*

Additional Information: *The District received 10 of 10 available points based on cash on hand and investments to cover 126.4332 days.*

State Indicator 8

Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (10)

Indicator Background: *This indicator measures whether the district had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities. Did the district meet or exceed the target amount?*

Additional Information: *Points are earned based on where the District's ratio falls on a sliding scale. To achieve the full 10 points assigned to this measure, the District's ratio of assets to debt must exceed 3 to 1. For year ending 2022, the district's ratio of assets to debt was 3.8295.*

State Indicator 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? (10)

Indicator Background: *This indicator asks simply "did the district spend more than it earned?" If the district had at least 60 days cash on hand the indicator is automatically passed.*

Additional Information: *The district did not spend more than it earned in revenue and did meet the requirement of 60 days' cash on hand with a total of cash and investments covering 126.4332 days.*

State Indicator 10 (This indicator is not being evaluated.)

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? (10)

Indicator Background: *This indicator measures how accurately the district forecast projected revenue by comparing budgeted revenue submitted through PEIMS in October of the fiscal year to actual revenue submitted after the close of the fiscal year.*

Additional Information: *Lubbock-Cooper's met the acceptable level of variance staying under the 10 percent threshold.*

State Indicator 11

Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.) (10)

Indicator Background: *This question is like asking someone if their mortgage exceeds the market value of their home. Were you below the cap for this ratio in School FIR\$T? Fortunately, this indicator recognizes that high-growth districts incur additional debt to open new instructional campuses.*

Additional Information: *The district's student membership increased by more than the 7% threshold for the five-year period between 2018 and 2022.*

State Indicator 12

Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? (6)

Indicator Background: *This indicator asks about the school district's ability to make future debt principal and interest payments. Did you meet or exceed the target amount in School FIR\$T?*

State Indicator 13

Was the school district's administrative cost ratio equal to or less than the threshold ratio? (10)

Indicator Background: *This indicator measures the percentage of their budget that Texas school districts spent on administration. Did you exceed the cap in School FIR\$T for districts of your size?*

Additional Information: *Points are earned based on where the district's ratio falls on a sliding scale. To achieve the full 10 points assigned to this measure, the district's administrative cost ratio must be below 10%. The district's administrative cost ratio for 2021-2022 was 5.7%.*

State Indicator 14 (This indicator is not being evaluated.)

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.) (10)

Indicator Background: *If a decline in students over 3 school years was experienced, this indicator asks if the district decreased the number of staff on payroll in proportion to the decline in students. (This indicator is automatically passed if there was no decline in students.)*



Additional Information:

State Indicator 15 (This indicator is not being evaluated.)

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? (5)

Indicator Background: *This indicator measures how well the district was able to project average daily attendance for the coming biennium for payment purposes. Projected ADA is compared to actual.*

Additional Information: *Lubbock-Cooper fell within the allotted range for ADA projections.*

State Indicator 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? (Ceiling Passed)

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

Additional Information: *There were no significant differences between the Annual Financial Report and the PEIMS financial data.*

State Indicator 17

Did the external independent auditor indicate the AFR was free of any instance(s) of material weakness in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) (Ceiling Passed)

Indicator Background: *A clean audit of the Annual Financial Report would state the district has no material weaknesses in the internal controls. Any internal weaknesses create a risk of the district not being able to properly account for its use of public funds and should be immediately addressed. If the district fails this indicator, the maximum points and highest rating the district may receive is 79 points, C = Meets Standard Achievement.*

State Indicator 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.) (10)

Indicator Background: *This indicator measures whether the district is complying with laws, rules and regulations related to the expenditure of grant funds, contracts, and other state and federal funds.*

Additional Information: *Terry and King, CPAs, P.C., the District's external auditors, reported no material noncompliance for grants, contracts, and laws related to local, state, or federal funds in the 2021-2022 audit*

State Indicator 19

Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end? (5)

Indicator Background: *This indicator measures whether the district is complying with legal requirements related to financial transparency by posting all required information.*

State Indicator 20

Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (Ceiling Passed)

Indicator Background: *This indicator measures whether the school board had the opportunity to consider the impact of changes in property value on the finances of the district. If the district fails this indicator, the maximum points and highest rating the district may receive is 89 points and a B, which is equal to above standard achievement.*

Total Points Available: 100

District Score: 96

Passing Score: 70

Rating: A = Superior



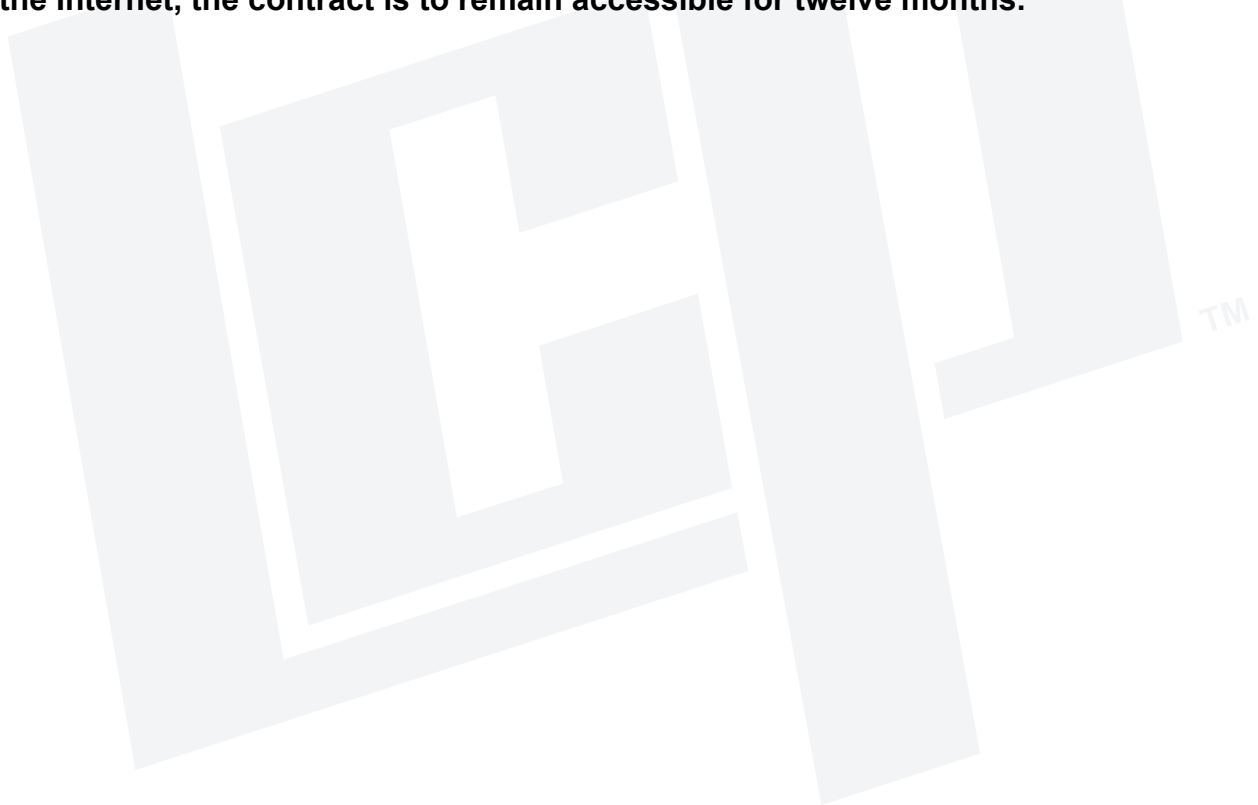
Lubbock-Cooper Independent School District Required Disclosures for 2021-22 FIR\$T Rating

Reporting requirements for the financial management report for School FIRST public hearing are found in **Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System**. This rule describes requirements for the six (6) disclosures explained below that are to be presented as appendices in the School FIRST financial management report.



Lubbock-Cooper Independent School District Required Disclosures for 2021-22 FIR\$T Rating Disclosure1 Superintendent's Contract

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the School FIRST hearing in calendar year 2022. In lieu of publication in the School FIRST financial management report, the school district may choose to publish the superintendent's employment contract on the school district's Internet site. **If published on the Internet, the contract is to remain accessible for twelve months.**



SUPERINTENDENT'S CONTRACT

THE STATE OF TEXAS §

§

COUNTY OF LUBBOCK §

THIS CONTRACT is made and entered into by and between the Board of Trustees (the "Board") of the Lubbock-Cooper Independent School District (the "District") and Keith Bryant (the "Superintendent").

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

1. TERM

- 1.1 *Employment.* The Board, by and on behalf of the District, does hereby employ the Superintendent, and the Superintendent does hereby accept employment as Superintendent of Schools for the District for a term of four (4) years, beginning on July 1, 2023, and ending on June 30, 2027. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this Contract as permitted by state law.
- 1.2 *No Right of Tenure.* The Board has not adopted any policy, rule, regulation, law or practice providing for tenure. No right of tenure is created by this Contract. No Contractual obligation, expectancy of continued employment, claim of entitlement, or property interest, express or implied, is created beyond the contract term.

2. EMPLOYMENT

- 2.1 *Duties.* The Superintendent shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in the job description and/or Board policy and as may be lawfully assigned by the Board, and shall comply with all lawful Board directives, state and federal law, District policy, rules, and regulations as they exist or may hereafter be adopted or amended. The Superintendent shall perform the duties of the Superintendent of Schools for the District with reasonable care, diligence, skill and expertise and in a thorough, prompt, and efficient manner. The Superintendent agrees to devote his time, skill, labor, and attention to the performance of his duties during the term of this Contract. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

- 2.2 *Professional Certification and Records.* The Superintendent shall, during employment by the District, hold a valid certificate required of a superintendent by the State of Texas and issued by the Texas Education Agency of the State Board of Educator Certification and all other certificates required by law or Board policy. This Contract is conditioned on the Superintendent's providing the necessary certification and experience records, medical records, oath of office, and other records required for the personnel files or payroll purposes. Failure to provide necessary certification shall render this Contract void. Any material and intentional misrepresentation may be grounds for dismissal.
- 2.3 *Criminal History.* The Superintendent represents that he has made written disclosure to the Board of any conviction, no contest or guilty plea, or other adjudication of the Superintendent for any felony, offense involving moral turpitude, or any other offense listed at 19 Tex. Admin. Code § 249.16(b). The Superintendent shall also be subject to a criminal history record check, and his employment is contingent upon such results being favorable and consistent with information previously disclosed to the Board. The Superintendent also agrees that, during the term of this Contract, he will notify the Board, in writing, of any arrest, indictment, conviction, no contest or guilty plea or other adjudication of the Superintendent for any of the offenses referenced herein. Such notification shall be provided to the Board as soon as possible, but no later than seven calendar days of the event giving rise to the notification.
- 2.4 *Reassignment.* The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.
- 2.5 *Consultant Activities.* The Superintendent agrees to devote his time, skill, labor and attention to performing his duties, but may, with the permission of the Board, undertake consulting work, speaking engagements, lecturing, training and other professional duties (collectively, "Consulting Services") that do not conflict or interfere with the Superintendent's professional responsibilities to the District. The Superintendent may accept a reimbursement of expenses for such Consulting Services at no expense to the District. Consulting Services provided by the Superintendent under the terms and conditions of the paragraph must be consistent with state and federal law.
- 2.6 *Professional Growth.* The Board encourages the Superintendent to attend, actively participate in, and/or join professional and civic organizations at the local, state and national levels. The Superintendent may attend and participate in appropriate professional organization meetings with prior Board approval. The Superintendent may hold offices or accept responsibilities in these profession 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 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. Reasonable and necessary expenses associated with the attendance at said meetings shall be reimbursed by Lubbock-Cooper Independent School District. The District shall also pay membership fees and dues of the Superintendent to the Texas Association of School Administrators and, subject to Board approval, other memberships necessary to maintain and improve the Superintendent's professional skills. Subject to Board approval, the District shall also pay membership fees and dues of the Superintendent to local civic organizations.

- 2.7 *Board/Superintendent Relations.* The Board, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints, and suggestions called to the Board's attention to the Superintendent for review and appropriate action. The Superintendent will either refer such matter(s): (a) 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 resolutions procedure as established by Board policies.
- 2.8 *Attendance at Board Meetings.* The Superintendent shall attend all meetings of the Board, both public and closed, except for those closed meetings devoted to the consideration of any action of 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. Further, the Superintendent shall provide recommendation(s) and/or information as to each of the items of business considered at each meeting as needed or requested by the Board.
- 2.9 *Medical Examination.* The Superintendent agrees to have a comprehensive medical examination, at District expense, by a physician acceptable to both the Board and the Superintendent once a year and to obtain a statement certifying that the Superintendent is physically able to perform his essential job functions with or without reasonable accommodation. This statement shall be filed with the President of the Board.

3. **COMPENSATION**

- 3.1 *Salary.* The District shall provide the Superintendent with an annual salary in the sum of Two Hundred Fifty-Eight Thousand Nine Hundred Eighty-Six and 70/100 Dollars (\$258,986.70). This annual salary rate shall be paid to the Superintendent in equal monthly installments consistent with the Board's policies.
- 3.2 *Texas Teacher Retirement System.* For performance of Superintendent duties, the District shall supplement the Superintendent's salary by an amount equal to the Superintendent's portion of the member contribution to the Texas Teacher

Retirement System ("TRS") beginning on the first day of the Term and continuing throughout the Term of this Contract, including any extensions 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 the TRS.

- 3.3 *Salary Adjustments.* At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent. However, no such adjustment shall result in the Superintendent being paid less than the salary set forth in the Contract without the mutual consent of both parties.
- 3.4 *Financial Exigency.* Subject to and without waiving any Constitutional and/or other challenges by the Superintendent, the Superintendent acknowledges that the District may have certain rights pursuant to Education Code Section 21.212(f) on the basis of a financial exigency declared under Texas Education Code §44.011 that requires a reduction in personnel.
- 3.5 *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 shall reimburse the Superintendent for District use of the Superintendent's personal automobile for miles traveled outside of the District by the Superintendent in the continuing performance of the Superintendent's duties under this Contract at the per mile reimbursement rate approved by the Texas Comptroller that is in effect at the time of the out-of-district travel. The District shall reimburse the Superintendent for all other out-of-district travel expenses incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract to the extent allowed by law and Board policy, so long as said out-of-district travel is authorized by the Board. The Superintendent shall comply with all reimbursement procedures and documentation requirements in accordance with Board policy.
- 3.6 *Health Insurance.* The District shall provide benefits to the Superintendent as provided by state law and Board policies. The District shall pay the same amount toward the premiums for the Superintendent's health insurance coverage that the District contributes for other 12-month employees. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase these benefits, at the Board's sole discretion.
- 3.7 *Additional Compensation.* As an addition to the annual salary of the Superintendent stated in paragraph 3.1 of this Contract for performance for Superintendent duties, the District shall pay to the Superintendent the dollar amount of the difference between the annual total premiums for the Superintendent's family health insurance coverage and the District's contribution toward those premiums, plus an amount sufficient to make the Superintendent whole for additional tax liability based on

this addition to the annual salary. The addition to the Superintendent's annual salary described in this paragraph for services rendered shall be paid in equal monthly installments consistent with Board policy and in conjunction with the monthly salary payments made pursuant to paragraph 3.1 of this Contract.

- 3.8 *Electronic Devices.* The District shall provide the Superintendent with a laptop at District expense to be used for personal and District business use.
- 3.9 *Credit Card.* The District shall provide to the Superintendent a school credit card to be used for District business purposes.
- 3.10 *Frequent Flyer Miles.* Any frequent flyer miles earned by the Superintendent in the scope of his duties may be redeemed by him for his personal use. It is agreed that, to the extent permitted by the terms of the frequent flyer program and at no cost to the District, the Superintendent will, in the event of a separation of employment from the District, retain for his personal use any frequent flyer miles that are earned and not redeemed as of the date of the separation of employment.
- 3.11 *Vacation, Holidays, Sick Leave.* The Superintendent may observe the same legal holidays as provided by the Board policy for other professional staff on 12-month contracts and shall be allowed the same number of days for vacation, sick leave, and/or personal leave as provided by Board policy for the professional staff on 12-month contracts. The Superintendent will seek Board approval for any vacations that will require the Superintendent to be absent from his office for a period of ten (10) consecutive working days. 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 the Contract. Accrued but unused vacation days shall accumulate and carry forward from year to year during the term of this Contract.
- 3.12 *Retirement Plan.* The Board will make contributions to the Texas Teacher Retirement System in accordance with applicable law. The supplement set forth in section 3.2 shall be paid to the Superintendent as supplemental salary and shall not be made to TRS on behalf of the Superintendent.
- 3.13 *Spousal Expense Reimbursement.* The District shall reimburse the Superintendent for travel, lodging, meals and other related expenses incurred incident to the Superintendent's spouse accompanying the Superintendent on one (1) District related business trip, provided, however, that said expenses are pre-approved by the Board, are necessary in the conduct of the public schools as determined by the Board and are not in conflict with State and Federal law.
- 3.14 *Spousal Travel.* The District shall authorize up to 10 days annually for the Superintendent's spouse to accompany them to conferences and school function benefits in which spouses are invited. Reimbursement to the Superintendent for travel, lodging, meals and other related expenses incurred incident to the

Superintendent's spouse accompanying the Superintendent will only be for events that the Board of Trustees is also present, such as the TASA/TASB convention. All reasonable expenses which are necessary in the conduct of the public schools as pre-approved by the Board and are not in conflict with State and Federal law are to be paid by the District by reimbursement.

4. CONTRACT FULFILLMENT INCENTIVE

4.1 In order to encourage continuity of leadership in the District, the District wishes to provide additional compensation to the Superintendent as a reward for reaching certain longevity goals. This longevity payment shall be made as follows:

- a. If on June 30, 2026, the Superintendent remains employed by the District on that date, the District shall pay the Superintendent \$7,500 for Year 2023-2024, \$7,500 for Year 2024-2025, and \$7,500 for Year 2025-2026 from July 1, 2023 for a total of \$22,500 payable in one lump sum on July 1, 2026.
- b. No longevity payment shall be paid to the Superintendent if he resigns, retires, is terminated, or leaves employment for any reason prior to June 30, 2026. No right of payments shall vest before June 30, 2026.

5. REVIEW OF PERFORMANCE

- 5.1 *Time and Basis of Evaluation.* The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this Contract.
- 5.2 *Evaluation Format and Procedure.* The evaluation format and procedure shall be in accordance with Board's policies and state and federal law.
- 5.3 *Confidentiality.* Unless the Superintendent expressly requests otherwise in writing, the evaluation of the Superintendent shall always be conducted in closed 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.

6. RENEWAL OR NON-RENEWAL

- 6.1 *Renewal/Non-renewal.* Renewal or non-renewal shall be in accordance with Board policy and applicable law.

7. TERMINATION OF EMPLOYMENT

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

- 7.2 *Death/Retirement.* This Contract shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement under the Teacher Retirement System of Texas.
- 7.3 *Dismissal for Good Cause.* The Board may dismiss the Superintendent and terminate this Contract or suspend the Superintendent without pay at any time for good cause as determined by the Board, in accordance with applicable law. The term "good cause" is defined as the failure of the Superintendent to perform the duties in the scope of this employment that a person of ordinary prudence would have done under the same or similar circumstances, and includes, but is not necessarily limited to:
- 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 condition 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; or,
- q. Any other reason constituting "good cause" under Texas law.

7.4 *Termination Procedure.* If the Board proposes to terminate this Contract or suspend the Superintendent without pay for good cause, the Superintendent shall be afforded all the rights set forth in the Board's policies and state law.

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

8. PROFESSIONAL LIABILITY

8.1 *Indemnification.* The District shall indemnify, defend, and hold the Superintendent harmless regarding any claims, demands, duties, actions or other legal proceedings against the Superintendent, or damages incurred by the Superintendent, including court costs and attorney's fees, in his individual or official capacity for any act or failure to act involving the exercise of judgement and discretion within the normal course and scope of his duties as Superintendent of the District, to the extent and to the limits permitted by law. This paragraph does not apply if the superintendent is found to have acted with gross negligence or with intent to violate a person's clearly established legal rights, or to have engaged in official misconduct or criminal conduct, nor does it apply to criminal investigations or proceedings. The District may, at its discretion, fulfill its obligation under this paragraph by purchasing appropriate insurance coverage for the benefit of the Superintendent or by including the Superintendent as a covered party under any insurance contract providing errors and omissions insurance coverage purchased for the protection of the Board and the professional employees of the District. The Board may retain attorneys to represent the Superintendent in any proceeding for which he could seek indemnification under this paragraph, to the extent that damages are recoverable or a defense is provided, under any such contract of insurance. No individual member of the Board shall be personally liable for indemnifying and defending the Superintendent under this paragraph. This District's obligation under this paragraph shall continue after the termination of this Contract for qualifying acts or failures to act occurring during the term of this Contract or any extension thereof.

- 8.2 *Insurance Policy.* Subject to Board approval, the District shall also pay the annual premium of one policy of insurance per year that provides professional liability coverage to the Superintendent and which is obtained separately by the Superintendent through an organization such as the Texas Association of Community Schools.
- 8.3 *Legal Costs.* The Board shall not be required to pay any costs of any legal proceedings in the event the Board and the Superintendent are adverse to each other in such proceedings.
- 8.4 *During Contract Term.* During the Term of this Contract, the Superintendent shall fully cooperate with the District in the defense of any and all demands, claims, suits, actions and legal proceedings brought against the District.
- 8.5 *After Contract Termination.* After termination of the Contract, the Superintendent agrees to provide assistance to and cooperate with the District, its Board, Trustees, agents, and attorneys in response to, or in defense of, any demand, claim, complaint, suite, action or legal proceeding brought against the District, Board, its Trustees, or agents, arising from any acts or events alleged to have occurred during the term of the Superintendent's employment with the District, at no additional expense to the District other than reimbursement to the Superintendent for his documented reasonable and necessary out-of-pocket expenses, plus reimbursement of any salary lost by Superintendent by virtue of his taking time off from his then current employment to assist the District at its request. If Superintendent is not employed at the time, the District shall compensate the Superintendent at his daily rate of pay, calculated by dividing his salary under the Contract by 226. Requests for assistance from the 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 the Superintendent shall be mutually agreed upon in advance.

9. MISCELLANEOUS

- 9.1 *Controlling Law.* This Contract shall be governed by the laws of the State of Texas and shall be performable in Lubbock County, Texas. Venue of any action brought pertaining to this Contract shall be in Lubbock County, Texas.
- 9.2 *Amendment.* This Contract embodies the entire agreement between the parties and cannot be amended except by written agreement of the parties.
- 9.3 *Conflicts.* In the event of any conflict between the terms, conditions, and provisions of the Contract and the provisions of the Board's policies or any permissive state or federal law, the terms of the Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law, unless otherwise prohibited by law.

- 9.4 *Savings Clause.* In the event any one or more of the provisions contained in this Contract shall for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- 9.5 *Paragraph Headings.* The headings used at the beginning of each numbered paragraph in this Contract are not intended to have any legal effect; the headings do not limit or expand the meaning of the paragraphs that follow them.

EXECUTED the 20th ^{April} day of May, 2023.

LUBBOCK-COOPER INDEPENDENT SCHOOL DISTRICT

By: Paul Ehlers

Paul Ehlers
President, Board of Trustees

By: Daniel Castro

~~Kevin Bryant~~
~~Secretary, Board of Trustees~~
Daniel Castro
Board Vice-President

SUPERINTENDENT

By: Keith Bryant

Keith Bryant

Lubbock-Cooper Independent School District

Required Disclosures for 2021-22 FIR\$T Rating

Disclosure 2

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2022

For the Twelve-month Period Ended June 30, 2022								
Description of Reimbursements	Keith Bryant	Paul Ehlers	Daniel Castro	Kevin Bryan	Ursula Caswell	Brent Preston	B. J. Lewis	Colby Miller
Meals	\$1,302.04	\$253.71	\$238.28	\$238.28	\$238.28	\$238.28	\$238.28	\$238.28
Lodging	\$4,460.90			\$595.29	\$257.58	\$532.61	\$698.14	\$562.70
Transportation	\$7,750.57	\$250.96		\$550.95	\$406.95	\$155.99	\$155.99	\$155.99
Motor Fuel	\$117.43							
Other	\$1,493.54	\$700.00	\$325.00	\$325.00	\$700.00	\$325.00	\$325.00	\$325.00
Total	\$15,124.48	\$1,204.67	\$563.28	\$1,709.52	\$1,602.81	\$1,251.88	\$1,417.41	\$1,281.97

Note - The spirit of the rule is to capture all "reimbursements" for fiscal year 2021, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

Meals - Meals consumed off the school district's premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

Lodging - Hotel charges.

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

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

**Lubbock-Cooper Independent School District
Required Disclosures for 2021-22 FIR\$T Rating
Disclosure 3**

***Outside Compensation and/or Fees Received by the
Superintendent for Professional Consulting and/or
Other Personal Services in Fiscal Year 2022***

For the Twelve-Month Period Ended June 30, 2022	
Name(s) of Entity(ies)	
	\$0.00
Total	\$0.00

Note - Compensation does not include business revenues from the superintendent's livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.

Lubbock-Cooper Independent School District

Required Disclosures for 2021-22 FIR\$T Rating

Disclosure 4

Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2022

For the Twelve-Month Period Ended June 30, 2022								
	Keith Bryant	Paul Ehlers	Daniel Castro	Kevin Bryan	Ursula Caswell	Brent Preston	B. J. Lewis	Colby Miller
Summary Amounts	\$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. Gifts received by first degree relatives, if any, will be reported under the applicable school official.

Lubbock-Cooper Independent School District

Required Disclosures for 2021-22 FIR\$T Rating

Disclosure 5

Business Transactions Between School District and Board Members for Fiscal Year 2022

For the Twelve-Month Period Ended June 30, 2022	Paul Ehlers	Daniel Castro	Kevin Bryan	Ursula Caswell	Brent Preston	B. J. Lewis	Colby Miller
Summary 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 reported in the summary schedule of reimbursements received by board members.



Lubbock-Cooper Independent School District
Required Disclosures for 2021-22 FIR\$T Rating
Disclosure 6

Any other information the board of trustees of the school district determines to be useful.



User: Danny Davis
User Role: District

RATING YEAR 2021-2022

DISTRICT NUMBER district #

Select An Option

Help

Home

Log Out

FIRST

Financial Integrity Rating System of Texas

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

Name: LUBBOCK-COOPER ISD(152906)

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: 96

Passing Score: 70

#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	7/12/2022 9:14:11 AM	Yes
2	<u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u>	5/16/2022 12:08:15 PM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	5/16/2022 12:08:16 PM	Yes
4	<u>Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical Indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	5/16/2022 12:08:16 PM	Yes Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days</u>	5/17/2022 9:52:07 AM	Ceiling Passed

	<u>of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>		
7	<u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? See ranges below in the Determination of Points section.</u>	5/16/2022 12:08:17 PM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	5/16/2022 12:08:18 PM	10
9	<u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? See ranges below in the Determination of Points section.</u>	5/16/2022 12:08:18 PM	10
10	This indicator is not being scored.		10
11	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.</u>	5/16/2022 12:08:25 PM	10
12	<u>Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.</u>	5/16/2022 12:08:26 PM	6
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/9/2022 11:29:13 AM	10
14	<u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? If the student enrollment did not decrease, the school district will automatically pass this indicator.</u>	5/16/2022 12:08:27 PM	10
15	This indicator is not being scored.		5
16	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function? (If the school district fails Indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	5/16/2022 12:08:28 PM	Ceiling Passed
17	<u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	5/16/2022 12:08:28 PM	Ceiling Passed
18	<u>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</u>	5/16/2022 12:08:29 PM	10
19	<u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u>	5/16/2022 12:08:29 PM	5
20	<u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	5/16/2022 12:08:30 PM	Ceiling Passed
			96 Weighted

		Sum
		1 Multiplier Sum
		(100 Ceiling)
		96 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 <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

GLOSSARY

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

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

Adopted Tax Rate: The tax rate set by the school district to meet its legally adopted budget for a specific calendar year.

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

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

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Assigned Fund Balance: The assigned fund balance represents tentative plans for the future

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

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

Beginning Fund Balance: The General Fund balance on the first day of a new school year. For most school districts this is equivalent to the fund balance at the end of the previous school year.

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

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

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



GLOSSARY

District facilities are reported under Function 80

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

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

Chapter 49: A key "equity" chapter in the Texas Education Code (TEC)'s Chapter 41. This chapter is devoted to wealth equalization through the mechanism of recapture, the recovery of financial resources from districts defined by the state as high property wealth. Resources are recovered for the purpose of sharing them with low-wealth districts. Districts that are subject to the provisions of Chapter 49 must make a choice among several options in order to reduce their property wealth and share financial resources.

Committed Fund Balance: The committed fund balance represents constraints made by the Board of Trustees for planned future use of financial resources through a resolution by the Board, for various specified purposes including commitments of fund balance earned through campus activity fund activities. Commitments are to be made as to purpose prior to the end of the fiscal year. The dollar amount of the commitment may be determined after the end of the fiscal year when that fund balance is known.

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

Days of Cash on Hand: The number of days the school district can disburse funds on its

operating expenditures without receiving any new revenues.

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

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

Debt Service Coverage Ratio: This ratio measures an organization's ability to make debt principal and interest payments that will become due during the year.

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

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

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

Existing Debt Allotment (EDA): is the amount of state funds to be allocated to the district for assistance with existing debt.

Federal Revenues: Revenues paid either directly to the district or indirectly through a local

or state government entity for Federally-subsidized programs including the School Breakfast Program, National School Lunch Program, and School Health and Related Services Program. This amount is recorded as Revenue Object 5900.

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

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

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

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

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

Fund Balance: The difference between assets

and liabilities reported in a governmental fund.

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

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

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

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

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

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

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

GLOSSARY

under Function 90.

Investments in Capital Assets, Net of Related Debt:

One of three components of Net Position that must be reported in both government-wide and proprietary fund financial statements.

Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the government.

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

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

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

Modified Opinion: Term used in connection with financial auditing. A modification of the independent auditor's report means there exists one or more specific exceptions to the auditor's general assertion that the district's financial statements present fairly the financial information contained therein according to generally accepted accounting principles.

No New Revenue Tax Rate: Provides the unit with approximately the same amount of local tax revenue it had the year before on properties taxes in both years. A comparison of the no new revenue tax rate to the taxing unit's proposed tax rate shows if there will be a tax increase.

Nonspendable Fund Balance: The portion of fund balance that is in non-liquid form, including

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

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

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

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

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

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

Other Local & Intermediate Revenues: All local and intermediate revenues NOT from local real and personal property taxes including:

- Revenues Realized as a Result of Services Rendered to Other School Districts
- Tuition and Fees
- Rental payments, interest, investment income

GLOSSARY

- Sale of food and revenues from athletic and extra/co-curricular activities
- Revenues from counties, municipalities, utility districts, etc.

Other Operating Costs: Expenditures necessary for the operation of the school district that are NOT covered by Payroll Costs, Professional and Contracted Services, Supplies and Materials, Debt Services, and Capital Outlay fall into this category and include travel, Insurance and bonding costs, election costs, and depreciation. This amount is recorded as Expenditure/Expense Object 6400.

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

Payments for Shared Services

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

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

PEIMS: A state-wide data management system for public education information in the State of Texas. One of the basic goals of PEIMS, as adopted by the State Board of Education in 1986, is to improve education practices of local school districts. PEIMS is a major improvement over previous information

sources gathered from aggregated data available on paper reports. School districts submit their data via standardized computer files. These are defined in a yearly publication, the [PEIMS Data Standards](#).

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

Property /Refined ADA: The district's Comptroller Certified Property Value divided by its total Refined ADA.

Property/WADA: The district's Comptroller Certified Property Value divided by its total WADA.

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

Restricted Fund Balance: This is the portion of fund balance that has externally enforceable constraints made by outside parties.

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

Robin Hood Funds: See Wealth Equalization Transfer.

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

Special Revenue Fund: A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital



GLOSSARY

projects) that are legally restricted to expenditures for specified purposes.

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

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

Unmodified Opinion: Term used in connection with financial auditing. An unmodified independent auditor's opinion means there are no stated exceptions to the auditor's general assertion that the district's financial statements present fairly the financial information contained according to generally accepted accounting principles.

Unrestricted Net Position Balance: The term Net Position refers to the amount of total assets less total liabilities. Unrestricted Net Position balance refers to the portion of total Net Position that is neither invested in capital assets nor restricted.

Voter Approved Tax Rate: Provides governments other than school districts with approximately the same amount of tax revenue it spent the previous year for day-to-day operations plus an extra 8 percent cushion, and sufficient funds to pay its debts in the coming year. For school districts, the M&O portion of the rollback tax rate allows school districts to add four cents (\$0.04) to the lesser of the prior tax year compressed operating tax rate or the effective M&O rate to generate operating funds. School districts will get to add to the compressed operating rate any additional cents approved by voters at a 2006 or subsequent

rollback election, not 8 percent. The rollback rate is the highest rate that the taxing unit may adopt before voters can petition for an election to roll back the adopted rate to the rollback rate. For school districts, no petition is required; it's an automatic election if the adopted rate exceeds the rollback rate.

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

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

DISCLAIMER

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

