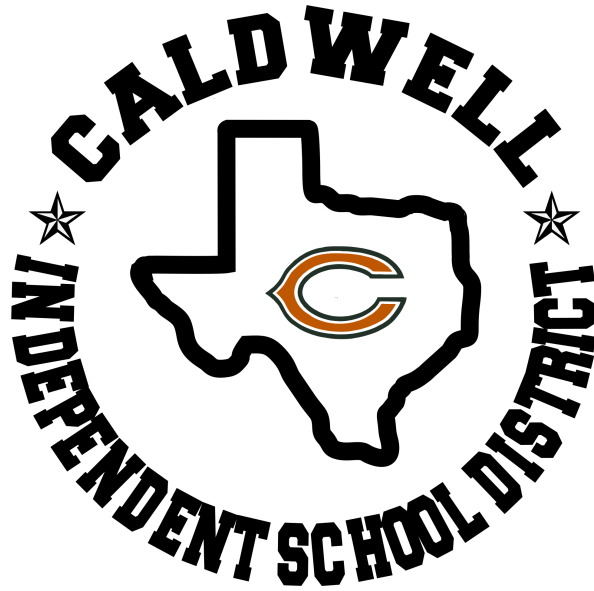


# Caldwell Independent School District



## 2022 Annual Financial Accountability Management Report

*For the Year Ending June 30, 2022*

*Prepared By:*

*Heather Escalante*

*Chief Operating Officer*

*Presented to Board of Trustees November 14, 2022*

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## Overview

Passed during the 77th regular session of the Texas Legislature (2001). Senate Bill 218 requires each Texas school district to prepare an annual financial accountability report on the District's School FIRST, (Financial Integrity Rating System of Texas). Many business-related issues are covered in this report and the District must hold a public meeting to discuss the report. Since its inception, the FIRST rating has been modified several times to reflect changes in legislation and serve as a better measurement of a district's financial position. The rating system has been reduced from an original 22 indicators to currently 20 indicators. Other changes including measurements based on student performances have been removed to focus strictly on financial matters. In addition, six disclosures are now required along with the report:

- The Superintendent's employment contract;
- Reimbursements received by the Superintendent and Board Members;
- Outside compensation and/or fees received by the Superintendent for professional consulting and/or other personal services;
- Gifts received by the executive officer(s) and Board members (and first-degree relatives, if any);
- Business transactions between the school district and Board Members; and
- Additional information deemed useful by the district's Board of Trustees

The District's School FIRST rating is based on budgetary and actual financial data reported for the 2020-2021 fiscal year. This information is submitted through the District's annual PEIMS, (Public Education Information Management System), submissions.

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

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

On August 6, 2022 the Texas Education Agency released the Preliminary 2022 FIRST Ratings. On November 3, 2022, the Texas Education Agency released the Final 2022 FIRST Ratings.

For 2020-2021 Caldwell Independent School District received a rating of  
"A-Superior Achievement"  
Caldwell ISD received a score of 98 out of a possible 100 points.

The financial accountability rating of the District is based on its overall performance on certain financial measures, ratios, and other indicators established by the Commissioner of Education with the financial accountability rating worksheet. This worksheet was developed by representatives of the Texas Education Agency (TEA), the Texas Business & Education Council (TBEC), the Controller's office, and the Texas Association of School Business Officials (TASBO). The worksheet consists of 20 indicators, each weighted with numeric values with the exception of the Critical Indicators and the Ceiling Indicators. Out of the twenty individual performance indicators, there are four critical indicators that a district must pass in order to receive a passing rating. The school district receives a "Substandard Achievement" rating if it fails any of indicators 1, 2, 3, or 4, if the Annual Financial Report (AFR) or the data were not both complete, or if either the AFR or the data were not submitted on time for the FIRST analysis.

Indicators 4,6, 16,17, and 20 are all ceiling indicators. If the criteria in any of these are met, the district's applicable maximum points are ratings are as follows:

- Indicator 4, Timely Payments -District was issued a warrant hold- 95 Max
- Indicator 6, Average Change in Fund Balance -89 Max
- Indicator 16, PEIMS to AFR- 89 Max
- Indicator 17, Material Weakness- 79 Max
- Indicator 20, Property Values and Tax Discussion- 89 Max

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

Within two months of receiving the final financial accountability rating, the Board of Trustees must hold a public hearing on the annual financial management report. The Board must give notice of the hearing to all owners of real estate property and to the parents and guardians of students.

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

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

If you have any questions about the report or need additional financial information about the District, please contact the Chief Operating Officer, Caldwell ISD, 203 North Gray Street, Caldwell, Texas, 77836. A copy of this report is available on the District's website, [www.caldwellschools.net](http://www.caldwellschools.net).

# Two-Year Comparison

## CALDWELL INDEPENDENT SCHOOL DISTRICT FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS (FIRST)

Based on Data from Fiscal Year Ended June 30, 2021

		School Year		2019-2020		2020-2021	
#	Criteria Description	Yes/No	Score	Yes/No	Score	Yes/No	Score
1	Was the annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending upon the district's fiscal year end date of June 30 or August 31, respectively?	Yes	N/A	Yes	N/A	Yes	N/A
2	Was there an unmodified opinion in the AFR on the financial statements as a whole?	Yes	N/A	Yes	N/A	Yes	N/A
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?	Yes	N/A	Yes	N/A	Yes	N/A
4	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes	Ceiling Passed	Yes	Ceiling Passed	Yes	Ceiling Passed
5	This indicator is not being scored.	Not Rated		Not Rated		Not Rated	
6	Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25% decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures?	Yes	Ceiling Passed	Yes	Ceiling Passed	Yes	Ceiling Passed
7	Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?	Yes	10	Yes	10	Yes	10
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover shortterm debt?	Yes	10	Yes	10	Yes	10
9	Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?	Yes	10	Yes	10	Yes	10
10	This indicator is not being scored.	No	0	Yes	10	Yes	10
11	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?	Yes	8	Yes	8	Yes	8
12	Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?	Yes	10	Yes	10	Yes	10
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	Yes	10	Yes	10	Yes	10
14	Did the school district not have a 15 percent decline in the student to staff ratio over 3 years (total enrollment to total staff?)	Yes	10	Yes	10	Yes	10
15	This indicator is not being scored	Yes	5	Yes	5	Yes	5
16	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?	Yes	Ceiling Passed	Yes	Ceiling Passed	Yes	Ceiling Passed

17	Did the external independent auditor report that the AFR was free of any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	Yes	Ceiling Passed	Yes	Ceiling Passed
18	Did the external independent auditor indicate the AFR was free of any instances of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	Yes	10	Yes	10
19	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes	5	Yes	5
20	Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget?	Yes	Ceiling Passed	Yes	Ceiling Passed
<b>TOTAL SCORE (Total Possible = 100)</b>			<b>88</b>		<b>98</b>

<p>TEA 2020-2021  Rating: <b>A</b>  Superior  Achievement</p>
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# The TEA Ratings Worksheet

The following pages contain the 2020-2021 School FIRST rating worksheet detailing the District's performance on each of the fifteen indicators as published by the Texas Education Agency. The worksheet is followed by an explanation of the indicators and information as to how ratings are assessed.



Financial Integrity Rating System of Texas

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

<b>Name:</b> CALDWELL ISD(026901)	<b>Publication Level 1:</b> 8/2/2022 2:05:39 PM
<b>Status:</b> Passed	<b>Publication Level 2:</b> 8/4/2022 12:15:48 PM
<b>Rating:</b> A = Superior Achievement	<b>Last Updated:</b> 11/2/2022 2:39:25 PM
<b>District Score:</b> 98	<b>Passing Score:</b> 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 8:28:11 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 10:03:07 AM	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 10:03:07 AM	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 10:03:08 AM	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 9:37:59 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 10:03:09 AM	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 10:03:10 AM	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 10:03:11 AM	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 10:03:12 AM	8
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 10:03:13 AM	10
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/9/2022 10:47:57 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>	11/2/2022 2:37:16 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 10:03:15 AM	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 10:03:15 AM	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 10:03:16 AM	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 10:03:17 AM	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 10:03:17 AM	Ceiling Passed
			98 Weighted

## DETERMINATION OF RATING

<b>A.</b>	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.	
<b>B.</b>	Determine the rating by the applicable number of points.	
	<b>A = Superior Achievement</b>	90-100
	<b>B = Above Standard Achievement</b>	80-89
	<b>C = Meets Standard Achievement</b>	70-79
	<b>F = Substandard Achievement</b>	<70
<p><b>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.</b></p> <p>The school district receives an <b>F</b> if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.</p>		

## CEILING INDICATORS

<p>Did the school district meet the criteria for any of the following <b>ceiling indicators</b> 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.</p>		
<b>Determination of rating based on meeting ceiling criteria.</b>	<b>Maximum Points</b>	<b>Maximum Rating</b>
<b>Indicator 4</b> (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
<b>Indicator 6</b> (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 16</b> (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 17</b> (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
<b>Indicator 20</b> (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

# Superintendent's Current Employment Contract

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the School FIRST hearing in the 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.

STATE OF TEXAS                    §  
  §  
COUNTY OF BURLESON        §

## SUPERINTENDENT CONTRACT

THIS AGREEMENT is made and entered into by and between the Board of Trustees (the "Board") of the Caldwell Independent School District (the "District") and James Barton (the "Superintendent").

NOW THEREFORE, the Board and the Superintendent, for and in consideration of the terms stated in the contract do hereby agree as follows:

1. The Board hereby employs the Superintendent for a term commencing on December 21, 2021 and continuing through December 20, 2024.
2. This Agreement is conditioned on the Superintendent providing the necessary certification and experience records, medical records, and other records required for district personnel files or payroll purposes according to district policy, State Board for Educator Certification rules, and Texas Education Agency rules. Failure to provide necessary certification shall render this Agreement void. Any knowing or conscious material misrepresentation by the Superintendent regarding the necessary certification and experience records may be grounds for dismissal.
3. The Superintendent shall serve as the Chief Executive of the District and shall perform the duties of Superintendent of Schools for the District as prescribed in state law, the job description, and as may be lawfully assigned by the Board. The parties agree that the Superintendent will establish a residence and reside in the boundaries of the District during the term of this contract. Specifically, it shall be the duty of the Superintendent to recommend for employment all professional employees of the District subject to the Board's approval. The Superintendent shall perform those duties with reasonable care, skill, and diligence. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent. The Superintendent shall comply with all Board directives, state and federal law and rules, district policy, and regulations as they exist or may hereafter be amended. Texas law shall govern construction of this Agreement.
4. The Superintendent agrees to devote his time, skill, labor, and attention to performing his duties, but may, with prior written consent of the Board, undertake consulting work, speaking engagements, writing, lecturing, and other professional duties and obligations that do not conflict or interfere with the Superintendent's professional responsibilities to the District.

5. 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 as directed by the President of the Board of Trustees.
6. The Board, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints, and suggestions called to the Board's attention either: (a) to the Superintendent for study and/or appropriate action, and the Superintendent shall refer such matter(s) to the appropriate District employee or shall investigate such matter(s) and shall within a reasonable time inform the Board of the results of such efforts; or, (b) to the appropriate complaint resolution procedure as established by District Board policies.
7. The Board agrees to pay the Superintendent an annual salary and other compensation as follows:
  - (a) The District shall provide the Superintendent with an annual salary in the sum of \$145,000. This annual salary rate shall be paid to the Superintendent in installments, consistent with the Board's policies.
  - (b) Other Benefits
    - (1) Expenses. The District shall pay or reimburse the Superintendent for reasonable expenses for out-of-district travel directly incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Agreement. The District agrees to pay the actual and incidental costs incurred by the Superintendent for travel; such costs may include, but are not limited to: hotels and accommodations, mileage expense reimbursement, 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.
    - (2) Insurance. The District shall pay the same premiums for hospitalization, major medical, and dental insurance coverage for the Superintendent pursuant to the group health care plan(s) provided by the District for its full-time professional employees.
    - (3) Vacations, Holiday, Sick Leave. The Superintendent may take, at the Superintendent's choice, the same number of days of vacation authorized by policies adopted by the Board for administrative employees 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 Agreement. 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 number of illness benefits and leave as authorized by Board policies for administrative employees on twelve month contracts.

- (4) **Moving and Relocation Expenses.** The District shall reimburse the Superintendent for actual moving and relocation expenses related to his acceptance of the position, such expenses may include, but are not limited to: hotels and accommodations, airfare, meals, rental car, and other expenses incurred by Superintendent during the process of relocating his family and belongings to the District. The reimbursement will be paid by the District within thirty (30) days upon the Superintendent providing receipts, and shall not exceed \$5,000.
- (5) **Professional Growth.** The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance at and participation in appropriate professional meetings at the local, regional, state and national levels. The Board shall encourage the use of data and information sources, and shall encourage the participation of the Superintendent in pertinent education seminars and courses offered by public or private institutions or by educational associations, as well as the participation in informational meetings with those individuals whose particular skills, expertise, or backgrounds would serve to improve the capacity of the 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 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.
- (6) **Civic Activities.** The Board encourages the Superintendent to become a member of and participate in community and civic affairs, including the chamber of commerce, civic clubs, governmental committees, and educational organizations. The Board concludes that such participation will serve a legitimate purpose related to the educational mission of the District. The Superintendent may hold offices or accept responsibilities in these professional organizations, provided that such responsibilities do not

interfere with the performance of his duties as Superintendent. Prior to engaging in these activities, the Superintendent will notify the Board in writing of the activity. The Board will notify the Superintendent if the activity presents a conflict or interferes with the performance of his duties as Superintendent. The District shall reimburse the Superintendent for the cost of membership in all local civic organizations in which the Superintendent participates and related travel outside of the District, subject to advance Board approval.

8. The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.
9. The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this contract. The evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description. The evaluation meeting shall be held in closed executive session for the purpose of mutual evaluation of the performance of the District and the Superintendent, unless the Superintendent expressly requests otherwise in writing, and shall be considered confidential to the extent permitted by law. In the event that the Board determines that the performance of the Superintendent is unsatisfactory in any respect, it shall describe in writing, in reasonable detail, specific instances of unsatisfactory performance. The evaluation will include recommendations as to areas of improvements in all instances where the Board deems performances to be unsatisfactory. The Superintendent shall have the right to make a written response to the evaluation. The evaluation format and procedure shall be in accordance with the Board's policies, and state and federal law. The Superintendent shall submit to the Board each year, for the Board's consideration and adoption, a preliminary list of goals for the District. The goals approved by the Board shall be reduced to writing and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated. The goals approved by the Board shall be specific, definitive and measurable and the Board agrees to work with and support the Superintendent in achieving the approved District goals.
10. The Board shall provide the Superintendent with periodic opportunities to discuss the Superintendent-Board relationship. The Board shall evaluate and assess in writing the Superintendent's performance at least one each year during the term of this Agreement. The evaluation format and procedure shall comply with Board policy and state law.
11. The Board may dismiss the Superintendent at any time for good cause in accordance with Texas law and Board policy. In the event that the Board terminates this Contract for "good cause," the Superintendent shall be afforded all the rights as set forth in the Board's policies and state and federal law

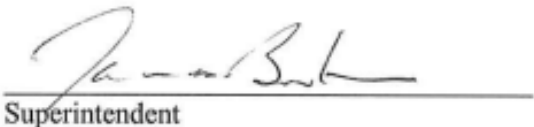
12. This Agreement shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement under the Teacher Retirement System of Texas.
13. In the event of any conflict between the terms, conditions, and provisions of this Contract and the provisions of the Board's policies, 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.
14. The Superintendent and the Board may agree in writing to terminate this Agreement pursuant to any mutually agreed upon terms and conditions.
15. The Superintendent may resign, with the consent of the Board, at any time or as allowed by state law.
16. The Board has not adopted any policy, rule, regulation, law or practice providing for tenure. No right of tenure is created by this Agreement. No property interest, express or implied, is created in continued employment beyond the contract term.
17. Upon written request by the Board of Trustees or upon a mutually agreed and scheduled timeframe, the Superintendent agrees to have a comprehensive medical examination, at District expense, by a physician acceptable to both the Board and the Superintendent, 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 considered confidential and shall be filed with the President of the Board.
18. In the event any one or more of the provisions contained in this Agreement 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 Agreement 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 Agreement, and this contract constitutes the entire agreement between the parties. This Agreement may not be amended except by written agreement of the parties.
19. The District shall defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses, and attorney's fees incurred in any legal proceedings brought against Superintendent in his official capacity provided the incident(s) which is (are) the basis of any claim or lawsuit, in the judgment of the Board of Trustees (which shall not be unreasonable in its determination), arose while Superintendent was acting within the course and scope of his employment with the District. This clause excludes criminal litigation and is limited by the authority of the District to provide such coverage under state law. The Superintendent hereby agrees to fully cooperate with the District and its authorized representatives in the handling of such claims, both during and

after the term of employment with the District. The District may obtain insurance coverage to protect the Superintendent under this section. To the extent this Section 19 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 19 shall survive the termination of this Agreement.

For the Board of Trustees:

  
\_\_\_\_\_  
President

DATE: 11/30/21

  
\_\_\_\_\_  
Superintendent

DATE: 11/30/21

# Disclosures

## Summary Schedule of Total Reimbursements

Caldwell ISD Superintendent and Board Member Reimbursements for the Twelve-Month Period Ended June 30, 2022

MEMBER	MEALS	LODGING	TRANSPORT	OTHER	TOTAL
Superintendent Dr. James Barton	\$86.57	\$1,247.30	\$316.00	\$1,605	<b>\$3,254.87</b>
William Foster	\$0.00	\$851.06	\$156.20	\$460.00	<b>\$1,467.26</b>
Pam Evans	\$52.23	\$1,546.41	\$574.93	\$460.00	<b>\$2,633.87</b>
Erica Chollett	\$0.00	\$851.06	\$0.00	\$460.00	<b>\$1,311.06</b>
Rebecca Gardner - Until May 2022	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$0.00</b>
Matthew Hicks- After May 2022	\$0.00	\$851.06	\$0.00	\$460.00	<b>\$1,311.06</b>
Mark Goodman	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$0.00</b>
Vicki Ochs- After May 2022	\$0.00	\$851.06	\$0.00	\$460.00	<b>\$1,311.06</b>
Krista Zwerner After May 2022	\$0.00	\$851.06	\$156.20	\$460.00	<b>\$1,467.26</b>
Tripp Warren- Until May 2022	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$0.00</b>

Note- The spirit of the rule is to capture all “reimbursements” for fiscal year 2022, 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, taxis, mileage reimbursements, leased cars, parking, and tolls
- Other- Registration fees and other reimbursements (or on behalf of) to the superintendent and board member not defined above.

# Compensation and/or Fees

Outside Compensation and/or Fees Received by Superintendent Barton for Professional Consulting and/or Other Personal Service for the Twelve-Month Period Ended June 30, 2022.

Name(s) of Entity(ies)	Amount Received
<b>NONE</b>	<b>\$0</b>

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

# Gifts Received by the Executive Officers and Board Members

Summary Schedule of Total Dollar Amount by Superintendent and Board Members (and First Degree Relatives, if any) in Fiscal Year 2022

MEMBER	TOTAL
<b>Superintendent Dr. James Barton</b>	<b>\$0.00</b>
<b>William Foster</b>	<b>\$0.00</b>
<b>Pam Evans</b>	<b>\$0.00</b>
<b>Erica Chollett</b>	<b>\$0.00</b>
<b>Rebecca Gardner -Until May 2022</b>	<b>\$0.00</b>
<b>Matthew Hicks- After May 2022</b>	<b>\$0.00</b>
<b>Mark Goodman</b>	<b>\$0.00</b>
<b>Vicki Ochs- After May 2022</b>	<b>\$0.00</b>
<b>Krista Zwerner mann- After May 2022</b>	<b>\$0.00</b>
<b>Tripp Warren-Until May 2022</b>	<b>\$0.00</b>

Note- An executive office is defined as the Superintendent unless the Board of Trustees or the District Administration names additional staff under this classification. Gifts Received by first-degree relatives, if any, will be reported under the applicable school official.

## Business Transactions with Board Members

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

<b>MEMBER</b>	<b>TOTAL</b>
<b>Superintendent Dr. James Barton</b>	<b>\$0.00</b>
<b>William Foster</b>	<b>\$0.00</b>
<b>Pam Evans</b>	<b>\$0.00</b>
<b>Erica Chollett</b>	<b>\$0.00</b>
<b>Rebecca Gardner -Until May 2022</b>	<b>\$0.00</b>
<b>Matthew Hicks- After May 2022</b>	<b>\$0.00</b>
<b>Mark Goodman</b>	<b>\$0.00</b>
<b>Vicki Ochs- After May 2022</b>	<b>\$0.00</b>
<b>Krista Zwernemann- After May 2022</b>	<b>\$0.00</b>
<b>Tripp Warren-Until May 2022</b>	<b>\$0.00</b>

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

# Glossary of Terms

## **Accounting**

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

## **Ad Valorem Property Tax**

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

## **Adopted Tax Rate**

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

## **All Funds**

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

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

## **Assessed Valuation**

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

## **Assigned Fund Balance**

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

**Auditing**

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

**Beginning Fund Balance**

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

**Budget**

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

**Budgeting**

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

**Capital Outlay**

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

**Capital Project Funds**

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

**Cash**

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

**Chapter 41**

A key "equity" chapter in the Texas Education Code (TEC) is Chapter 41. This chapter is devoted to wealth equalization through the mechanism of recapture, the recovery of financial resources from districts defined by the state as high property wealth. Resources are recovered for the purpose of sharing them with low-wealth districts. Districts that are subject to the

provisions of Chapter 41 must make a choice among several options in order to reduce their property wealth and share financial resources.

### **Committed Fund Balance**

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

### **Comptroller Certified Property Value**

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

### **Debt Service Fund**

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

### **Debt Services**

Two function areas (70 and 71) and one Object (6500) are identified using this terminology "debt services." Function 70 is a major functional area that is used for expenditures that are used for the payment of debt principal and interest including Function 71. Expenditures that are for the retirement of recurring bond, capital lease principal, and other debt, related debt service fees, and for all debt interest fall under Function 71. Object code series 6500 covers all expenditures for debt service. Deferred Revenue: Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

### **Effective Tax Rate**

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

### **Ending Fund Balance**

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

### **Excess (Deficiency)**

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

**Existing Debt Allotment (EDA)**

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

**Expenditures**

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

**Federal Revenues**

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

**Fiscal Year**

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

**Foundation School Program (FSP) Status**

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

**FTE**

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

**Function**

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

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

**Fund Balance**

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

**General Administration**

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

**General Fund**

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

**I&S Tax Rate**

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

**Incremental Costs**

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

**Instruction**

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

**Instructional Facilities Allotment (IFA):**

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

**Intergovernmental Charges**

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

**Investments in Capital Assets, Net of Related Debt**

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

### **Local & Intermediate Revenues**

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

### **Local Tax**

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

### **M&O Tax Rate**

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

### **Nonspendable Fund Balance**

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

### **Object**

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

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

### **Operating Expenditures**

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

### **Operating Expenditures / Student**

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

### **Other Local & Intermediate Revenues**

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

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

### **Other Operating Costs**

Expenditures necessary for the operation of the school district that are NOT covered by Payroll Costs, Professional and Contracted Services, Supplies and Materials, Debt Services, and Capital Outlay fall into this category and include travel, Insurance and bonding costs, election costs, and depreciation. This amount is recorded as Expenditure/Expense Object 6400. Other Resources: This amount is credited to total actual other resources or non-operating revenues received or residual equity transfers in. This amount is recorded under Object 7020.

### **Payments for Shared Services Arrangements**

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

### **Payroll**

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

### **PEIMS**

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

### **Plant Maintenance & Operations**

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

### **Property / Refined ADA**

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

**Property / WADA**

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

**Qualified Opinion**

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

**Refined ADA**

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

**Restricted Fund Balance**

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

**Revenues**

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

**Robin Hood Funds**

See Wealth Equalization Transfer.

**Rollback Tax Rate**

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

**School Year**

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

**Special Revenue Fund**

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

**State Revenues**

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

**Unassigned Fund Balance**

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

**Unqualified Opinion**

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

**Unrestricted Net Asset Balance**

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

**WADA**

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

**Wealth Equalization Transfer**

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