



Decatur Independent School District Annual Financial Accountability Management Report

For the Year Ending August 31, 2020

M. Chad Jones, Ed.D. Superintendent of Schools
Cindy Tatum, Chief Financial Officer
Presented on November 15, 2021



Decatur ISD Earns State's Highest Fiscal Accountability Rating

Decatur Independent School District announces that the district received a rating of "A" for "Superior Achievement" under Texas School FIRST financial accountability rating system. The "Superior Achievement" rating is the state's highest, demonstrating the quality of Decatur ISD's financial management and reporting system.

This is the 17th year of School FIRST (Financial Accountability Rating System of Texas), a financial accountability system of Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999 and amendments under House Bill 5, 83rd Texas Legislature, Regular Session, 2013. The primary goal of School FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas school finance system.

We are very pleased with our School FIRST rating. This rating shows that our district is making the most of our taxpayers' dollars. This rating also shows that Decatur schools are accountable not only for our student learning, but also for achieving these results cost-effectively and efficiently.

STRONG ROOTS. POWERFUL WINGS.

940.393.7100 p 307 S Cates St. Decatur, TX 76234 decaturISD.us



RATING YEAR **2020-2021**DISTRICT NUMBER **district #****Select An Option****Help****Home****Financial Integrity Rating System of Texas**

2020-2021 RATINGS BASED ON SCHOOL YEAR 2019-2020 DATA - DISTRICT STATUS DETAIL

Name: DECATUR ISD(249905)	Publication Level 1: 8/4/2021 2:00:38 PM
Status: Passed	Publication Level 2: 8/6/2021 11:10:55 AM
Rating: A = Superior Achievement	Last Updated: 8/6/2021 11:10:55 AM
District Score: 100	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>	6/8/2021 4:28:13 PM	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>	6/8/2021 4:28:13 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>	6/8/2021 4:28:14 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>	7/1/2021 9:17:32 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 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>	6/28/2021 11:20:55 AM	Ceiling Passed

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>	6/8/2021 4:28:14 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>	6/8/2021 4:28:14 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>	6/8/2021 4:28:14 PM	10
10	<u>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?</u>	7/2/2021 2:15:52 PM	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>	6/8/2021 4:28:16 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>	6/8/2021 4:28:16 PM	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>	6/8/2021 4:28:16 PM	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>	6/8/2021 4:28:17 PM	10
15	<u>Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.</u>	6/8/2021 4:28:17 PM	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>	6/8/2021 4:28:17 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>	6/8/2021 4:28:17 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>	6/8/2021 4:28:17 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>	6/8/2021 4:28:17 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>	6/8/2021 4:28:17 PM	Ceiling Passed
			100 Weighted

		Sum
		1 Multiplier Sum
		(100 Ceiling)
		100 Score

DETERMINATION OF RATING

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

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



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 1

Name:	DECATUR ISD (249905)
Indicator:	Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?
Status	Passed
Last Updated:	6/8/2021 4:28:13 PM

FORMULA

Field	Value
Date Received	<input type="text" value="2021/01/26"/>
\leq Due Date (Fiscal Year End + Deadline in Days After Fiscal Year End)	<input type="text" value="2021/02/28"/>

RESULT DETERMINATION REFERENCE

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

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

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



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 2

Name:	DECATUR ISD (249905)
Indicator:	Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)
Status	Passed
Last Updated:	6/8/2021 4:28:13 PM

FORMULA

Field	Value
Unmodified Opinion	true

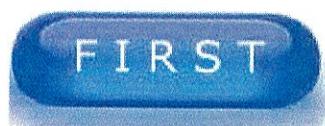
RESULT DETERMINATION REFERENCE

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

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

THE TEXAS EDUCATION AGENCY

1701 NORTH CONGRESS AVENUE • AUSTIN, TEXAS, 78701 • (512) 463-9734



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 3

Name:	DECATUR ISD (249905)
Indicator:	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)
Status	Passed
Last Updated:	6/8/2021 4:28:14 PM

FORMULA

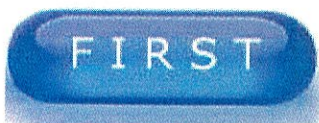
Field	Value
Not Default Disclosures	false

RESULT DETERMINATION REFERENCE

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

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

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



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 4

Name:	DECATUR ISD (249905)
Indicator:	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)
Status	Passed
Ceiling	Passed
Last Updated:	7/1/2021 9:17:32 AM

FORMULA

Field	Value
Timely Payments to Government Agencies	true

CEILING FORMULA

Field	Value
Warrant Hold Issued	false

RESULT DETERMINATION REFERENCE

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

CEILING DETERMINATION

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

FIRST

Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 6

Name:	DECATUR ISD (249905)
Indicator:	Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)
Ceiling	Passed
Last Updated:	6/28/2021 11:20:55 AM

FORMULA

Field	Value	
(
(
2017-2018 Assigned and Unassigned Fund Balances	7,502,259	?
- 2016-2017 Assigned and Unassigned Fund Balances	5,979,352	?
)		
/ 2016-2017 Assigned and Unassigned Fund Balances	5,979,352	?
)		
+		
(
(
2018-2019 Assigned and Unassigned Fund Balances	10,170,460	?
- 2017-2018 Assigned and Unassigned Fund Balances	7,502,259	?
)		
/ 2017-2018 Assigned and Unassigned Fund Balances	7,502,259	?
)		
+		
(
(
2019-2020 Assigned and Unassigned Fund Balances	10,703,404	?
- 2018-2019 Assigned and Unassigned Fund Balances	10,170,460	?
)		
/ 2018-2019 Assigned and Unassigned Fund Balances	10,170,460	?
)		
/ 3		
< Threshold for Three-Year Percent Change in Fund Balances	0.25	?
Or		
2019-2020 Assigned and Unassigned Fund Balances	10,703,404	?
>		
(
(
2019-2020 Total Expenditures	32,784,029	?
- 2019-2020 Capital Outlay	0	?
)		
/ 365		
* 75		
)		



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 7

Name:	DECATUR ISD (249905)
Indicator:	Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? See ranges below in the Determination of Points section.
Result/Points	10
Last Updated:	6/8/2021 4:28:14 PM

FORMULA

Field	Value	
(
(
Cash and Equivalents	22,424	2
+ Current Investments	14,169,183	2
)		
/		
(
Total Expenditures	32,784,029	2
- Facilities Acquisition and Construction	0	2
)		
)		
* 365		
Mathematical Breakdown: 158.0018		

RESULT DETERMINATION REFERENCE

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



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 8

Name:	DECATUR ISD (249905)
Indicator:	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.
Result/Points	10
Last Updated:	6/8/2021 4:28:14 PM

FORMULA

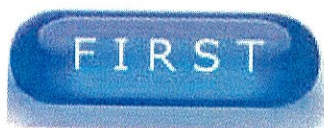
Field	Value	
Current Assets	25,359,586	?
/ Current Liabilities	6,105,995	?
Mathematical Breakdown: 4.1532		

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
≥ 3.00	$< 3.00 \geq 2.50$	$< 2.50 \geq 2.00$	$< 2.00 \geq 1.50$	$< 1.50 \geq 1.00$	< 1.00

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

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



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 9

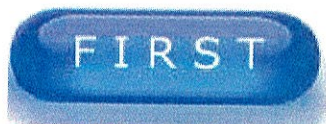
Name:	DECATUR ISD (249905)
Indicator:	Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? See ranges below in the Determination of Points section.
Result/Points	10
Last Updated:	6/8/2021 4:28:14 PM

FORMULA

Field	Value	
(
Total Revenue	<input type="text" value="33,408,357"/>	<input type="button" value="2"/>
/		
(
Total Expenditures	<input type="text" value="32,784,029"/>	<input type="button" value="2"/>
-		
Facilities Acquisition and Construction	<input type="text" value="0"/>	<input type="button" value="2"/>
)		
-		
1		
)		
>=		
0		
Or		
(
(
Cash and Equivalents	<input type="text" value="22,424"/>	<input type="button" value="2"/>
+		
Current Investments	<input type="text" value="14,169,183"/>	<input type="button" value="2"/>
)		
/		
(
Total Expenditures	<input type="text" value="32,784,029"/>	<input type="button" value="2"/>
-		
Facilities Acquisition and Construction	<input type="text" value="0"/>	<input type="button" value="2"/>
)		
)		
*		
365		
>=		
Acceptable Days Cash on Hand	<input type="text" value="60"/>	<input type="button" value="2"/>
Mathematical Breakdown: 0.019 >= 0 Or 158.0018 >= 60		

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
>=0%	<0%



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 10

Name:	DECATUR ISD (249905)
Indicator:	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?
Result/Points	10
Last Updated:	7/2/2021 2:15:52 PM

FORMULA

Field	Value	
(
(
(
2017-2018 Actual Revenues	<input type="text" value="29,206,721"/>	<input type="button" value="?"/>
-		
2017-2018 Budgeted Revenues	<input type="text" value="27,240,675"/>	<input type="button" value="?"/>
)		
/		
2017-2018 Budgeted Revenues	<input type="text" value="27,240,675"/>	<input type="button" value="?"/>
)		
+		
(
(
2018-2019 Actual Revenues	<input type="text" value="32,772,501"/>	<input type="button" value="?"/>
-		
2018-2019 Budgeted Revenues	<input type="text" value="31,782,652"/>	<input type="button" value="?"/>
)		
/		
2018-2019 Budgeted Revenues	<input type="text" value="31,782,652"/>	<input type="button" value="?"/>
)		
+		
(
(
2019-2020 Actual Revenues	<input type="text" value="32,941,442"/>	<input type="button" value="?"/>
-		
2019-2020 Budgeted Revenues	<input type="text" value="33,694,570"/>	<input type="button" value="?"/>
)		
/		
2019-2020 Budgeted Revenues	<input type="text" value="33,694,570"/>	<input type="button" value="?"/>
)		
)		
/		
3		
<		
Acceptable Level of Variance	<input type="text" value="0.1"/>	<input type="button" value="?"/>
Mathematical Breakdown: $0.027 < 0.1$		

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
<10%	>=10%



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 11

Name:	DECATUR ISD (249905)
Indicator:	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.
Result/Points	10
Last Updated:	6/8/2021 4:28:16 PM

FORMULA

Field	Value
(
Long Term Liabilities	64,157,433
/	
Total Assets	94,909,425
<=	1
)	
Or	
(
(
2020 Total Students	3,453
-	
2016 Total Students	2,992
)	
/	
2016 Total Students	2,992
>=	Threshold for Five-Year Percent Increase in Students
	0.07
)	
Mathematical Breakdown: 0.676 <= 1 Or 0.1541 >= 0.07	

RESULT DETERMINATION REFERENCE

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



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 12

Name:	DECATUR ISD (249905)
Indicator:	Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.
Result/Points	10
Last Updated:	6/8/2021 4:28:16 PM

FORMULA

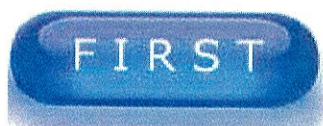
Field	Value	
(
Total Local and Intermediate Sources	<input type="text" value="6,033,224"/>	<input type="button" value="2"/>
/ Total Revenue	<input type="text" value="6,112,902"/>	<input type="button" value="2"/>
)		
* Long Term Liabilities	<input type="text" value="64,157,433"/>	<input type="button" value="2"/>
* 100		
/ Assessed Property Value	<input type="text" value="2,494,097,107"/>	<input type="button" value="2"/>
Mathematical Breakdown: 2.5388		

RESULT DETERMINATION REFERENCE

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

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

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



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 13

Name:	DECATUR ISD (249905)
Indicator:	Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.
Result/Points	10
Last Updated:	6/8/2021 4:28:16 PM

FORMULA

Field	Value
District Administrative Cost Ratio	0.0865
And	
ADA	3,240.927
Or	
Sparse	FALSE

RESULT DETERMINATION REFERENCE

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

FIRST

Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 14

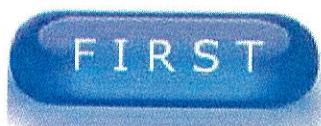
Name:	DECATUR ISD (249905)
Indicator:	Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? If the student enrollment did not decrease, the school district will automatically pass this indicator.
Result/Points	10
Last Updated:	6/8/2021 4:28:17 PM

FORMULA

Field	Value	
(
2019-2020 Total Enrollment	3,464	?
/ 2019-2020 Number of FTE Staff	469.8605	?
)		
/		
(
2017-2018 Total Enrollment	3,344	?
/ 2017-2018 Number of FTE Staff	414.8811	?
)		
- 1		
> Threshold for Three-Year Percent Change in Ratio	-0.15	?
Or		
2019-2020 Total Enrollment	3,464	?
- 2017-2018 Total Enrollment	3,344	?
> 0		
Mathematical Breakdown: $-0.0853 > -0.15$ Or $120 > 0$		

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 15

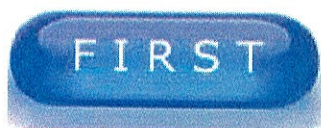
Name:	DECATUR ISD (249905)
Indicator:	Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.
Result/Points	5
Last Updated:	6/8/2021 4:28:17 PM

FORMULA

Field	Value
(
Actual ADA	3,266.225
- Projected ADA	3,348.48
)	
/ Projected ADA	3,348.48
Mathematical Breakdown:	-0.0246

RESULT DETERMINATION REFERENCE

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



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 16

Name:	DECATUR ISD (249905)
Indicator:	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)
Ceiling	Passed
Last Updated:	6/8/2021 4:28:17 PM

FORMULA

Field	Value
Sum of Differences	230
/ Denominator	32,783,825
< Acceptable Level of Variance	.03
Mathematical Breakdown: $0 < 0.03$	

RESULT DETERMINATION REFERENCE

CEILING DETERMINATION

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

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

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



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 17

Name:	DECATUR ISD (249905)
Indicator:	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)
Ceiling	Passed
Last Updated:	6/8/2021 4:28:17 PM

FORMULA

Field	Value
Not Weak Internal Controls	false

RESULT DETERMINATION REFERENCE

CEILING DETERMINATION

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

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

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



Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 18

Name:	DECATUR ISD (249905)
Indicator:	Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)
Result/Points	10
Last Updated:	6/8/2021 4:28:17 PM

FORMULA

Field	Value
Not Material Non-Compliance	false

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

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

FIRST 5.11.6.0

FIRST

Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 19

Name:	DECATUR ISD (249905)
Indicator:	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?
Result/Points	5
Last Updated:	6/8/2021 4:28:17 PM

FORMULA

Field	Value
Required Financial Postings	true

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
5	0
Yes	No

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

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

FIRST 5.11.6.0

DISTRICT NUMBER

district #

Select An Option

Help

Home

Log Out

FIRST

Financial Integrity Rating System of Texas

2020-2021 RATINGS BASED ON 2019-2020 SCHOOL YEAR DATA INDICATOR TEST 20

Name:	DECATUR ISD (249905)
Indicator:	Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)
Ceiling	Passed
Last Updated:	6/8/2021 4:28:17 PM

FORMULA

Field	Value
Board Property Value Discussion	true

RESULT DETERMINATION REFERENCE

CEILING DETERMINATION

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

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

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

FIRST 5.11.6.0



DISCLOSURES

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.



DISCLOSURES

1. Superintendent's Employment Contract

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the School FIRST hearing in calendar year 2021. 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 Term Contract

This Contract is entered into between the Board of Trustees (the "Board") of Decatur Independent School District (the "District") and Michael "Chad" Jones (the "Superintendent").

The Board and the Superintendent, for and in consideration for the terms stated in this Contract, hereby agree as follows:

1. **Term.** The Board agrees to employ the Superintendent on a twelve-month basis per school year, beginning November 1, 2021 and ending November 1, 2024. The Board and the Superintendent (the "Parties") may extend the term of this Contract by agreement.
2. **Certification.** The Superintendent agrees to maintain the required certification throughout the term of employment with the District. If the Superintendent's certification expires, is canceled, or is revoked, this Contract is void.
3. **Representations.** The Superintendent makes the following representations:
 - 3.1 **Beginning of Contract:** At the beginning of this Contract, and at any time during this Contract, the Superintendent specifically agrees to submit to a review of his or her national criminal history record information (NCHRI) if required by the District, TEA, or SBEC. The Superintendent understands that a criminal history record acceptable to the Board, at its sole discretion, is a condition precedent to this Contract.
 - 3.2 **During Contract:** The Superintendent also agrees that, during the term of this Contract, the Superintendent will notify the Board in writing of any arrest or of any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent. The Superintendent agrees to provide such notification in writing within seven calendar days of the event or any shorter period specified in Board policy.
 - 3.3 **False Statements and Misrepresentations:** The Superintendent represents that any records or information provided in connection with his or her employment application are true and correct. Any false statements, misrepresentations, omissions of requested information, or fraud by the Superintendent in or concerning any required records or in the employment application may be grounds for termination or nonrenewal, as applicable.
4. **Duties.** The Superintendent shall be the educational leader and chief executive officer of the District. The Superintendent agrees to perform his or her duties as follows:
 - 4.1 **Authority:** The Superintendent shall perform such duties and have such powers as may be prescribed by the law and the Board. The Board shall have the right to assign additional duties to the Superintendent and to make changes in responsibilities or work at any time during the contract term. All duties assigned by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.
 - 4.2 **Standard:** Except as otherwise permitted by this Contract, the Superintendent agrees to devote his or her full time and energy to the performance of his or her duties. The Superintendent shall perform his or her duties with reasonable care, skill, and diligence. The Superintendent shall comply with all Board directives, state and federal laws and rules, Board policy, and regulations as they exist or may hereafter be amended.

5. **Compensation.** The District shall pay the Superintendent an annual salary as follows:

5.1 **Salary.** The District shall pay the Superintendent an annual salary of \$203,569.00. The annual salary shall be paid to the Superintendent in equal monthly installments consistent with the Board's policies.

(a) **Widespread Salary Reduction.** If the Board implements a widespread salary reduction under Texas Education Code section 21.4032, the Superintendent's annual salary shall be reduced by the percent or fraction of a percent that is equal to the average percent or fraction of a percent by which teacher salaries have been reduced.

(b) **Furlough.** If the Board implements a furlough under Texas Education Code section 21.4021, the Superintendent shall be furloughed for the same number of days as other contract personnel and the Superintendent's salary shall be reduced in proportion to the number of furlough days.

(d) **Reassignment.** The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.

5.2 **Benefits:** The District shall provide benefits to the Superintendent as provided by state law and Board policies. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase these benefits, at the Board's sole discretion.

5.3 **Cellular Telephone:** The District agrees to provide Superintendent with \$100 per month to use towards a mobile phone.

5.4 **District Vehicle:** The Superintendent will have access to use a District vehicle for District business purposes when traveling outside the boundaries of the District. Should the Superintendent choose to use his personal vehicle for travel outside the District for District business purposes, the District will reimburse the Superintendent for mileage incurred by the Superintendent. The Superintendent shall comply with all procedures and documentation requirements for mileage reimbursement in accordance with Board policies.

5.5 **TRS Supplement.** As supplemental salary, the District shall pay the Superintendent an amount equal to 50% of the Superintendent's portion of the monthly contribution to the Texas Teacher Retirement System (both retirement and TRS Care portions) in the percentage amount required by the Texas Teacher Retirement System for the account of the Superintendent. This additional salary supplement shall be paid to the Superintendent by regular monthly payroll installments and shall be reported as creditable compensation by the District for the purposes of the Texas Teacher Retirement System as permitted by TRS and law.

5.6 **Civic Activities.** The Superintendent is encouraged to participate in community and civic affairs. The expense of these activities, subject to Board approval in advance, may be borne by the District.

5.7 **Professional Organizations.** 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 and participation in appropriate

professional meetings, seminars, conferences, or courses at the local, regional, state, and national level. 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 meetings, seminars, conferences, or courses. The District does hereby agree to provide in the District's budget per contract year an amount to be used for registration, travel, meals, lodging, and other related expenses. The District shall pay for the Superintendent's membership dues to the Texas Association of School Administrators, the Texas Association of Community Schools (TACS) and the Texas Association of Midsized Schools (TAMS).

- 5.8 **Residence in District.** As a condition of employment with the Decatur Independent School District, the Superintendent shall reside within the geographic boundaries of the District at all times while employed by the District.
- 5.9 **Relocation/Moving Expenses.** The District shall reimburse the Superintendent for necessary and reasonable expenses incurred in moving the Superintendent, his/her family and personal possessions to Decatur, Texas, up to a maximum amount of Five Thousand Dollars (\$5,000). The Superintendent shall document all expenses with receipts, canceled checks or credit card statements.
6. **Suspension.** The Board may suspend the Superintendent without pay during the term of this Contract for good cause in accordance with Texas Education Code Chapter 21 and Board Policy.
7. **Termination and Nonrenewal of Contract.** Termination or nonrenewal of this contract, or resignation under this contract, will be pursuant to Texas Education Code chapter 21.
8. **General Provisions.**
 - 8.1 **Amendment:** This Contract may not be amended except by written agreement of the Parties.
 - 8.2 **Severability:** If any provision in this Contract is, for any reason, held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of the Contract. This Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been a part of the Contract.
 - 8.3 **Entire Agreement:** All existing agreements and contracts, both verbal and written, between the Parties regarding the employment of the Superintendent are superseded by this Contract. This Contract constitutes the entire agreement between the Parties.
 - 8.4 **Applicable Law and Venue:** Texas law shall govern construction of this Contract. The Parties agree that venue for any litigation relating to the Superintendent's employment with the District, including this Contract, shall be the county in which the District's administration building is located. If litigation is brought in federal court, the Parties agree that venue shall be the federal district and division in which the district's administration building is located.
 - 8.5 **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.

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

9. **Notices.**

9.1 **To Superintendent:** The Superintendent agrees to keep a current address on file with the District's human resources office and the Board President. The Superintendent agrees that the Board may meet any legal obligation it has to give the Superintendent written notice regarding this Contract or the Superintendent's employment by hand-delivery, or by certified mail, regular mail, and/or express delivery service to the Superintendent's address of record.

9.2 **To Board:** The Board agrees that the Superintendent may meet any legal obligation to give the Board written notice regarding this Contract or the Superintendent's employment by providing one copy of the notice to the President of the Board and one copy to the Vice President of the Board. The Superintendent may provide such notices by hand delivery, or by certified mail, regular mail, and/or express delivery service, to the Board President and Vice President's addresses of record, as provided to the District.

I have read this Contract and agree to abide by its terms and conditions:

By: Michael "Chad" Jones
Michael "Chad" Jones, Superintendent

Date signed: 10-20-2021

By: Chris Lowery
Chris Lowery, President
Decatur ISD Board of Trustees

Date signed: 10-20-21

DISCLOSURES

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2020

For the Twelve-month Period Ended June 30, or August 31, 2020		Board Member 1 Thomas Houchin	Board Member 2 Chris Lowery	Board Member 3 Jennifer Wren	Board Member 4 Rex Hoskins	Board Member 5 Matt Joiner	Board Member 6 Charles Tibbels	Board Member 7 Marsha Hafer
Description of Reimbursements	Superintendent							
Meals	\$ 209.19	\$	\$	\$	\$	\$	\$	\$
Lodging	1897.96		720.85			820.98		
Transportation	2285.58					76.33		
Motor Fuel								
Other	390.00	71.42	691.42	591.42	121.42	206.42	71.42	91.42
Total	\$4782.73	\$ 71.42	\$ 1412.27	\$ 591.42	\$ 121.42	\$1103.73	\$ 71.42	\$ 91.42

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2020, 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.



DISCLOSURES

3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2020

For the Twelve-Month Period Ended June 30, or August 31, 2020	
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.



DISCLOSURES

4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2020

For the Twelve-Month Period Ended June 30, or August 31, 2020								
	Superintendent	Board Member 1 Thomas Houchin	Board Member 2 Chris Lowery	Board Member 3 Jennifer Wren	Board Member 4 Rex Hoskins	Board Member 5 Matt Joiner	Board Member 6 Charles Tibbels	Board Member 7 Marsha Hafer
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.



DISCLOSURES

5. Business Transactions Between School District and Board Members for Fiscal Year 2020

For the Twelve-Month Period Ended June 30, or August 31, 2020	Board Member Thomas 1 Houchin	Board Member Chris 2 Lowery	Board Member Jennifer 3 Wren	Board Member Rex 4 Hoskins	Board Member Matt 5 Joner	Board Member Charles 6 Tibbels	Board Member Marsha 7 Hafer
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.



DISCLOSURES

6. Any other information the board of trustees of the school district or open-enrollment charter school determines to be useful.

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) 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 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 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).

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

GLOSSARY

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

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

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.