

**IRVING
INDEPENDENT SCHOOL DISTRICT**

Annual Financial Management Report
(A report on the School FIRST Accountability Rating System)

For the 2012-2013 School Year

Prepared by Debbie Cabrera
Associate Superintendent for Business Services

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Overview of School FIRST (Financial Integrity Rating System of Texas)

This is the twelfth year of Schools FIRST, a financial accountability system for Texas school districts developed by the Texas Education Agency (TEA) in response to Senate Bill 875 of the 76th Texas Legislature in 1999. Every school district in Texas is required to prepare an annual financial management report to disclose the district's financial management performance rating provided by TEA based on its comparison with financial measurements, ratios, and other indicators established by the Commissioner of Education for the state's Financial Accountability System. The rating is based on financial data for the 2012-2013 school year.

The primary goal of Schools 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. Its purpose is also to ensure that school districts will be held accountable for the quality of their financial management practices. The system is designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes. The system will also disclose the quality of local management and decision-making processes that impact the allocation of financial resources in Texas public schools.

The Schools FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being "Superior Achievement," followed by "Above-Standard Achievement," "Standard Achievement" and "Substandard Achievement." Districts with serious data quality problems may receive the additional rating of "Suspended – Data Quality." Those districts that receive a substandard or data quality rating must file a corrective action plan with TEA and could face sanctions by the Commissioner of Education.

In order to achieve a superior achievement rating the district must have a score of 64-70. Above Standard Achievement would require a score of 58-63. Standard Achievement would be for a score of 52-57 and Substandard is less than 52 or "No" to any one Indicator 1, 2, 3, or 4, or "No" to both 5 and 6.

Irving ISD's 2012-2013 School FIRST rating: Superior Achievement

Of the 20 indicators for the financial period ended August 31, 2013 the district had all "Yes" answers on questions 1 through 6 and received the score of 70 out of 70 points on questions 7 through 20. The report generated by TEA for the Irving ISD based on 2012-2013 district data follows along with the overall result for all districts in the state. A copy of the district's report for 2011-2012 is included for comparative purposes.



Financial Integrity Rating System of Texas

2013-2014 RATINGS BASED ON SCHOOL YEAR 2012-2013 DATA - DISTRICT STATUS DETAIL

Name: IRVING ISD(057912)		Publication Level 1: 6/18/2014 8:04:42 AM	
Status: Passed		Publication Level 2: 9/5/2014 4:00:21 PM	
Rating: Superior Achievement		Last Updated: 9/5/2014 4:00:21 PM	
District Score: 70		Passing Score: 52	
#	Indicator Description	Updated	Score
1	<u>Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?</u>	4/28/2014 12:38:13 PM	Yes
2	<u>Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)</u>	4/28/2014 12:38:14 PM	Yes
3	<u>Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?</u>	4/28/2014 12:38:14 PM	Yes
4	<u>Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?</u>	4/28/2014 12:38:14 PM	Yes
5	<u>Was There An Unqualified Opinion in Annual Financial Report?</u>	4/28/2014 12:38:15 PM	Yes
6	<u>Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?</u>	4/28/2014 12:38:15 PM	Yes
			1 Multiplier Sum

7	<u>Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?</u>	4/28/2014 12:38:15 PM	5
8	<u>Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?</u>	4/28/2014 12:38:16 PM	5
9	<u>Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)</u>	5/15/2014 11:48:08 AM	5
10	<u>Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?</u>	4/28/2014 12:38:17 PM	5
11	<u>Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)</u>	4/28/2014 12:38:17 PM	5
12	<u>Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?</u>	4/28/2014 12:38:18 PM	5
13	<u>If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)</u>	4/28/2014 12:38:19 PM	5
14	<u>Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)</u>	4/28/2014 12:38:19 PM	5
15	<u>Was The Administrative Cost Ratio Less Than The Threshold Ratio?</u>	4/28/2014 12:38:19 PM	5
16	<u>Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?</u>	4/28/2014 12:38:20 PM	5
17	<u>Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?</u>	4/28/2014 12:38:21 PM	5
18	<u>Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If Total Revenues > Operating Expenditures In The General</u>	4/28/2014	5

	Fund,Then District Receives 5 Points)	12:38:21 PM	
19	<u>Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?</u>	4/28/2014 12:38:22 PM	5
20	<u>Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?</u>	5/14/2014 12:17:43 PM	5
			70 Weighted Sum
			1 Multiplier Sum
			70 Score

DETERMINATION OF RATING

A.	Did The District Answer 'No' To Indicators 1, 2, 3 Or 4? OR Did The District Answer 'No' To Both 5 and 6? If So, The District's Rating Is Substandard Achievement .	
B.	Determine Rating By Applicable Range For summation of the indicator scores (Indicators 7-20)	
	Superior Achievement	64-70
	Above Standard Achievement	58-63
	Standard Achievement	52-57
	Substandard Achievement	<52

INDICATOR 16 & 17 RATIOS

Indicator 16	Ranges for Ratios	
	Low	High
District Size - Number of Students Between		
< 500	7	22
500-999	10	22
1000-4999	11.5	22
5000-9999	13	22
=> 10000	13.5	22

Indicator 17	Ranges for Ratios	
	Low	High
District Size - Number of Students Between		
< 500	5	14
500-999	5.8	14
1000-4999	6.3	14
5000-9999	6.8	14
=> 10000	7.0	14



Financial Integrity Rating System of Texas

**OVERALL STATISTICS
2012-2013 STATUS COUNTS**

Status	Count	% Total	Enrollment	% Total Enrollment
Passed	1,011	98.63 %	4,837,594	99.26 %
Failed	14	1.37 %	35,829	0.74 %
Total	1,025	100.00 %	4,873,423	100.00 %

2012-2013 RATING COUNTS

Ratings	Count	% Total	Enrollment	% Total Enrollment
Superior Achievement	912	88.98 %	4,754,747	97.56 %
Above Standard Achievement	83	8.10 %	74,394	1.53 %
Standard Achievement	16	1.56 %	8,453	0.17 %
Substandard Achievement	12	1.17 %	14,474	0.30 %
Suspended Due to Data Quality	2	0.20 %	21,355	0.44 %
Total	1,025	100.00 %	4,873,423	100.00 %

2012-2013 ALL RESULTS BY INDICATOR

Indicator	Result	Count	% of Districts	Enrollment	% Total Enrollment
1	Yes	1019	99.41 %	4851504	99.55 %
	No	6	0.59 %	21919	0.45 %
2	Yes	1020	99.51 %	4852979	99.58 %

	No	5	0.49 %	20444	0.42 %
3	Yes	1024	99.90 %	4871898	99.97 %
	No	1	0.10 %	1525	0.03 %
4	Yes	1019	99.41 %	4840581	99.33 %
	No	6	0.59 %	32842	0.67 %
5	Yes	1019	99.41 %	4834732	99.21 %
	No	6	0.59 %	38691	0.79 %
6	Yes	989	96.49 %	4634969	95.11 %
	No	36	3.51 %	238454	4.89 %
7	5	919	89.66 %	4732968	97.12 %
	4	89	8.68 %	116099	2.38 %
	3	10	0.98 %	12741	0.26 %
	2	5	0.49 %	9938	0.20 %
	1	1	0.10 %	1440	0.03 %
	0	1	0.10 %	237	0.00 %
8	5	1001	97.66 %	4775031	97.98 %
	0	24	2.34 %	98392	2.02 %
9	5	629	61.37 %	4289846	88.03 %
	4	117	11.41 %	182283	3.74 %
	3	95	9.27 %	153839	3.16 %
	2	66	6.44 %	104275	2.14 %

	1	44	4.29 %	66239	1.36 %
	0	74	7.22 %	76941	1.58 %
10	5	987	96.29 %	4580650	93.99 %
	0	38	3.71 %	292773	6.01 %
11	5	1025	100.00 %	4873423	100.00 %
12	5	1020	99.51 %	4843593	99.39 %
	0	5	0.49 %	29830	0.61 %
13	5	1025	100.00 %	4873423	100.00 %
14	5	1020	99.51 %	4863872	99.80 %
	4	2	0.20 %	9070	0.19 %
	0	3	0.29 %	481	0.01 %
15	5	971	94.73 %	4813847	98.78 %
	0	54	5.27 %	59576	1.22 %
16	5	985	96.10 %	4849611	99.51 %
	4	18	1.76 %	16577	0.34 %
	3	10	0.98 %	3800	0.08 %
	2	2	0.20 %	1187	0.02 %
	1	6	0.59 %	1423	0.03 %
	0	4	0.39 %	825	0.02 %
17	5	844	82.34 %	4559282	93.55 %
	4	72	7.02 %	232456	4.77 %

	3	38	3.71 %	47205	0.97 %
	2	27	2.63 %	12615	0.26 %
	1	12	1.17 %	16440	0.34 %
	0	32	3.12 %	5425	0.11 %
18	5	988	96.39 %	4825302	99.01 %
	2	1	0.10 %	97	0.00 %
	1	2	0.20 %	1009	0.02 %
	0	34	3.32 %	47015	0.96 %
19	5	1019	99.41 %	4850544	99.53 %
	0	6	0.59 %	22879	0.47 %
20	5	994	96.98 %	4783263	98.15 %
	0	31	3.02 %	90160	1.85 %

2012-2013 ANSWERS BY INDICATOR

Indicator	Yes	No	5	4	3	2	1	0	Total
1	1019	6	x	x	x	x	x	x	1025
2	1020	5	x	x	x	x	x	x	1025
3	1024	1	x	x	x	x	x	x	1025
4	1019	6	x	x	x	x	x	x	1025
5	1019	6	x	x	x	x	x	x	1025
6	989	36	x	x	x	x	x	x	1025
7	x	x	919	89	10	5	1	1	1025

8	x	x	1001	x	x	x	x	24	1025
9	x	x	629	117	95	66	44	74	1025
10	x	x	987	x	x	x	x	38	1025
11	x	x	1025	x	x	x	x	x	1025
12	x	x	1020	x	x	x	x	5	1025
13	x	x	1025	x	x	x	x	x	1025
14	x	x	1020	2	x	x	x	3	1025
15	x	x	971	x	x	x	x	54	1025
16	x	x	985	18	10	2	6	4	1025
17	x	x	844	72	38	27	12	32	1025
18	x	x	988	x	x	1	2	34	1025
19	x	x	1019	x	x	x	x	6	1025
20	x	x	994	x	x	x	x	31	1025



Financial Integrity Rating System of Texas

2011-2012 DISTRICT STATUS DETAIL

Name: IRVING ISD(057912)		Publication Level 1: 6/21/2013 3:05:18 PM	
Status: Passed		Publication Level 2: None	
Rating: Superior Achievement		Last Updated: 6/21/2013 3:05:18 PM	
District Score: 70		Passing Score: 52	
#	Indicator Description	Updated	Score
1	Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?	4/26/2013 4:46:44 PM	Yes
2	Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)	4/26/2013 4:46:45 PM	Yes
3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	4/26/2013 4:46:45 PM	Yes
4	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?	4/26/2013 4:46:45 PM	Yes
5	Was There An Unqualified Opinion in Annual Financial Report?	4/26/2013 4:46:46 PM	Yes
6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	4/26/2013 4:46:46 PM	Yes
			1 Multiplier Sum

7	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	4/26/2013 4:46:46 PM	5
8	Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?	4/26/2013 4:46:47 PM	5
9	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)	4/26/2013 4:46:48 PM	5
10	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	4/26/2013 4:46:48 PM	5
11	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)	4/26/2013 4:46:48 PM	5
12	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?	4/26/2013 4:46:49 PM	5
13	If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)	4/26/2013 4:46:49 PM	5
14	Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)	4/26/2013 4:46:49 PM	5
15	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	4/26/2013 4:46:50 PM	5
16	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?	4/26/2013 4:46:50 PM	5
17	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	4/26/2013 4:46:51 PM	5
18	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If Total Revenues > Operating Expenditures In The General Fund, Then District Receives 5 Points)	4/26/2013 4:46:51 PM	5

19	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?	4/26/2013 4:46:51 PM	5
20	Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?	4/26/2013 4:46:52 PM	5
			70 Weighted Sum
			1 Multiplier Sum
			70 Score

DETERMINATION OF RATING

A.	Did The District Answer ' No ' To Indicators 1, 2, 3 Or 4? OR Did The District Answer ' No ' To Both 5 and 6? If So, The District's Rating Is Substandard Achievement .	
B.	Determine Rating By Applicable Range For summation of the indicator scores (Indicators 7-20)	
	Superior Achievement	64-70
	Above Standard Achievement	58-63
	Standard Achievement	52-57
	Substandard Achievement	<52

INDICATOR 16 & 17 RATIOS

Indicator 16	Ranges for Ratios		Indicator 17	Ranges for Ratios	
District Size - Number of Students Between	Low	High	District Size - Number of Students Between	Low	High
< 500	7	22	< 500	5	14
500-999	10	22	500-999	5.8	14
1000-4999	11.5	22	1000-4999	6.3	14
5000-9999	13	22	5000-9999	6.8	14
=> 10000	13.5	22	=> 10000	7.0	14



Financial Integrity Rating System of Texas

**OVERALL STATISTICS
2011-2012 STATUS COUNTS**

Status	Count	% Total	Enrollment	% Total Enrollment
Passed	1,015	98.64 %	4,806,432	99.64 %
Failed	14	1.36 %	17,410	0.36 %
Total	1,029	100.00 %	4,823,842	100.00 %

2011-2012 RATING COUNTS

Ratings	Count	% Total	Enrollment	% Total Enrollment
Superior Achievement	904	87.85 %	4,623,461	95.85 %
Above Standard Achievement	92	8.94 %	168,176	3.49 %
Standard Achievement	19	1.85 %	14,795	0.31 %
Substandard Achievement	14	1.36 %	17,410	0.36 %
Total	1,029	100.00 %	4,823,842	100.00 %

2011-2012 ALL RESULTS BY INDICATOR

Indicator	Result	Count	% of Districts	Enrollment	% Total Enrollment
1	Yes	1025	99.61 %	4814620	99.81 %
	No	4	0.39 %	9222	0.19 %
2	Yes	1026	99.71 %	4822753	99.98 %
	No	3	0.29 %	1089	0.02 %
3	Yes	1029	100.00 %	4823842	100.00 %

	No	0	0.00 %	0	0.00 %
4	Yes	1024	99.51 %	4816884	99.86 %
	No	5	0.49 %	6958	0.14 %
5	Yes	1028	99.90 %	4823795	100.00 %
	No	1	0.10 %	47	0.00 %
6	Yes	998	96.99 %	4620562	95.79 %
	No	31	3.01 %	203280	4.21 %
7	5	889	86.39 %	4550561	94.33 %
	4	122	11.86 %	242225	5.02 %
	3	14	1.36 %	14922	0.31 %
	2	2	0.19 %	8231	0.17 %
	1	1	0.10 %	7685	0.16 %
	0	1	0.10 %	218	0.00 %
8	5	1013	98.45 %	4812477	99.76 %
	0	16	1.55 %	11365	0.24 %
9	5	620	60.25 %	4223772	87.56 %
	4	135	13.12 %	209338	4.34 %
	3	90	8.75 %	144745	3.00 %
	2	66	6.41 %	118040	2.45 %
	1	40	3.89 %	66531	1.38 %
	0	78	7.58 %	61416	1.27 %
10	5	995	96.70 %	4606277	95.49 %
	0	34	3.30 %	217565	4.51 %

11	5	1025	99.61 %	4802931	99.57 %
	0	4	0.39 %	20911	0.43 %
12	5	1021	99.22 %	4728298	98.02 %
	0	8	0.78 %	95544	1.98 %
13	5	1029	100.00 %	4823842	100.00 %
14	5	1027	99.81 %	4815397	99.82 %
	0	2	0.19 %	8445	0.18 %
15	5	954	92.71 %	4733912	98.14 %
	0	75	7.29 %	89930	1.86 %
16	5	983	95.53 %	4784780	99.19 %
	4	23	2.24 %	32142	0.67 %
	3	5	0.49 %	2984	0.06 %
	2	6	0.58 %	2590	0.05 %
	1	4	0.39 %	282	0.01 %
	0	8	0.78 %	1064	0.02 %
17	5	817	79.40 %	4462655	92.51 %
	4	82	7.97 %	260156	5.39 %
	3	52	5.05 %	59936	1.24 %
	2	24	2.33 %	15197	0.32 %
	1	20	1.94 %	17329	0.36 %
	0	34	3.30 %	8569	0.18 %
18	5	1007	97.86 %	4698779	97.41 %
	3	1	0.10 %	1076	0.02 %

	0	21	2.04 %	123987	2.57 %
19	5	1025	99.61 %	4822363	99.97 %
	0	4	0.39 %	1479	0.03 %
20	5	1008	97.96 %	4791992	99.34 %
	0	21	2.04 %	31850	0.66 %

2011-2012 ANSWERS BY INDICATOR

Indicator	Yes	No	5	4	3	2	1	0	Total
1	1025	4	x	x	x	x	x	x	1029
2	1026	3	x	x	x	x	x	x	1029
3	1029	x	x	x	x	x	x	x	1029
4	1024	5	x	x	x	x	x	x	1029
5	1028	1	x	x	x	x	x	x	1029
6	998	31	x	x	x	x	x	x	1029
7	x	x	889	122	14	2	1	1	1029
8	x	x	1013	x	x	x	x	16	1029
9	x	x	620	135	90	66	40	78	1029
10	x	x	995	x	x	x	x	34	1029
11	x	x	1025	x	x	x	x	4	1029
12	x	x	1021	x	x	x	x	8	1029
13	x	x	1029	x	x	x	x	x	1029
14	x	x	1027	x	x	x	x	2	1029
15	x	x	954	x	x	x	x	75	1029
16	x	x	983	23	5	6	4	8	1029

17	x	x	817	82	52	24	20	34	1029
18	x	x	1007	x	1	x	x	21	1029
19	x	x	1025	x	x	x	x	4	1029
20	x	x	1008	x	x	x	x	21	1029

IRVING INDEPENDENT SCHOOL DISTRICT

School FIRST Annual Financial Management Report

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1005. Effective 2/3/11. The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing. The template may not be all inclusive.

Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual School FIRST financial management report, the school district may 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.

Amended Superintendent Term Contract

This Amended Contract is entered into between the Board of Trustees (the "Board") of the IRVING INDEPENDENT SCHOOL DISTRICT (the "District") and Dr. Jose Parra (the "Superintendent").

WITNESSETH:

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

1. **Term.** The Board agrees to continue to employ the Superintendent on a twelve-month basis per school year, for a term of three years (3) years and forty-one (41) days beginning July 22, 2014, and ending August 31, 2017, based on a 230 contract day school year, with the expectation that the Superintendent's contract shall ultimately be a contract that starts on September 1 of a given year and ends on August 31 of another year.
2. **Extension.** The Board and the Superintendent (collectively the "Parties") may extend the term of this Contract by agreement or as permitted by state law at any time during the Contract Term but not until after the Superintendent's second formal appraisal. Failure to extend a contract shall not constitute contract nonrenewal. No property interest, express or implied, is created in continued employment beyond the term of this Contract.
3. **Certification and Records.** The Superintendent agrees to maintain the required certification and experience records throughout the term of employment with the District, and all other records required for personnel or payroll purposes. If the Superintendent's certification expires, is canceled, or is revoked, then this Contract is void.
4. **Reassignment.** The parties agree that the Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.
5. **Representations.** The Superintendent makes the following representations:
 - 5.1 **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 national criminal history record information (NCHRI) if required by the District, the Texas Education Agency, or the State Board for Educator Certification. The Superintendent understands that a criminal history record acceptable to the Board, in its sole discretion, is a condition precedent to this Contract.

- 5.2 **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 for any felony, any offense involving moral turpitude, and any of the other mandatory reporting offenses as indicated in state or federal law or regulations or Board policy. The Superintendent agrees to provide such notification in writing within three (3) calendar days of the event or any shorter period specified in Board policy.
- 5.3 **False Statements and Misrepresentations:** The Superintendent represents that any records or information provided in connection with his employment application, certification, employment history, and payroll and personnel records are true and correct. Any knowingly 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.
6. **Duties.** The Superintendent shall be the educational leader and chief executive officer of the District. The Superintendent agrees to faithfully perform his duties as follows:
- 6.1 **Authority:** The Superintendent shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in federal and state law and regulations, Board policy, the job description, and as may be lawfully assigned by the Board, and shall comply with all lawful Board directives, state and federal law and regulations, Board policy, rules, and regulations as they exist or may hereafter be amended. The duties of the superintendent are as set forth in Texas Education Code §11.201(d), as may hereinafter be amended, including:
- (1) assuming administrative responsibility and leadership for the planning, organization, operation, supervision, and evaluation of the education programs, services, and facilities of the district and for the annual performance appraisal of the district's staff;
 - (2) except as provided by Education Code Section 11.202, assuming administrative authority and responsibility for the assignment, supervision, and evaluation of all personnel of the district other than the superintendent;
 - (3) overseeing compliance with the standards for school facilities established by the commissioner under Education Code Section 46.008;
 - (4) initiating the termination or suspension of an employee or the nonrenewal of an employee's term contract;
 - (5) managing the day-to-day operations of the district as its administrative manager, including implementing and monitoring plans, procedures, programs, and systems to achieve clearly defined and desired results in major areas of district operations;

- (6) preparing and submitting to the board of trustees a proposed budget as provided by Section Education Code Section 44.002 and rules adopted under that section, and administering the budget;
- (7) preparing recommendations for policies to be adopted by the board of trustees and overseeing the implementation of adopted policies;
- (8) developing or causing to be developed appropriate administrative regulations to implement policies established by the board of trustees;
- (9) providing leadership for the attainment and, if necessary, improvement of student performance in the district based on the indicators adopted under Education Code Sections 39.053 and 39.301 and other indicators adopted by the commissioner or the district's board of trustees;
- (10) organizing the district's central administration;
- (11) consulting with the district-level committee as required under Education Code Section 11.252(f);
- (12) ensuring:
 - (A) adoption of a student code of conduct as required under Education Code Section 37.001 and enforcement of that code of conduct; and
 - (B) adoption and enforcement of other student disciplinary rules and procedures as necessary;
- (13) submitting reports as required by state or federal law, rule, or regulation;
- (14) providing joint leadership with the board of trustees to ensure that the responsibilities of the board and superintendent team are carried out; and
- (15) performing any other duties assigned by action of the board of trustees.

All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

6.2 Standard of Performance: Except as otherwise permitted by this Contract, the Superintendent agrees to devote his full time and energy to the performance of his duties. The Superintendent shall perform his duties with reasonable care, skill, and diligence. The Superintendent shall comply with all lawful Board directives, state and federal laws and regulations, Board policy and regulations as they exist or may hereafter be amended.

6.3 Evaluation:

6.3.1 Development of Goals. The Superintendent shall submit to the Board a preliminary list of goals for the District each year ("District Goals") for the Board's consideration and adoption. The Superintendent and the Board shall then meet, and the Board shall approve, or revise and approve, the list of District Goals. The Superintendent shall then submit to the Board for its revision or approval a plan to implement the goals and shall submit for approval, or revision and adoption, the Superintendent's recommended Superintendent Performance Goals. The Superintendent and the Board shall meet biannually to assess all of the District Goals and Superintendent Performance Goals and may adjust or revise the goals either by action of the Board or upon recommendation of the Superintendent and approval, or

revision and adoption, of the Board. The District Goals and the Superintendent Performance Goals approved by the Board shall at all times be reduced to writing and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated. The Superintendent shall be responsible for placing on the Board's meeting agendas the meetings necessary to accomplish the Board and Superintendent responsibilities of this paragraph.

6.3.2 Time and Basis of Evaluation. The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this Contract; provided, however, the Board may conduct an evaluation of the Superintendent in closed session at any time, in its discretion, or at the request of the Superintendent. The Board's evaluation and assessment of the Superintendent shall be reasonably related to the duties of the Superintendent as outlined in state and federal statutes and regulations, Board policy, and the Superintendent's job description; and shall be based at least in part on the District's progress toward accomplishing the District Goals and the Superintendent's progress toward accomplishing the Superintendent's Performance Goals. The Superintendent shall be responsible for placing on the Board's meeting agendas the meetings necessary to accomplish the Board and Superintendent annual responsibilities of this paragraph.

6.3.3 Confidentiality. Unless the Superintendent expressly requests otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in executive session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel. The Board shall adopt the completed evaluation in open session; provided, however, that such adoption shall not make the evaluation a public document.

6.3.4 Evaluation Format and Procedures. The evaluation format and procedure shall be in accordance with the Board's policies and mandatory state and federal law, to the extent such exist; and may be based on the Commissioner of Education's guidelines regarding superintendent or administrator evaluations, or other formats and procedures developed by the Board. In the event that the Board members, collectively or individually, as a part of the evaluation process, determine that the performance of the Superintendent is unsatisfactory in any material respect, they shall describe in writing, in reasonable detail, the evaluation criteria on which the Superintendent is deemed deficient, and shall, to the extent possible, identify specific instances of unsatisfactory performance, which can be provided to the Superintendent by any individual board member. The evaluation may include recommendations as to areas of improvement in all instances where the Board deems performance to be unsatisfactory, but the Superintendent shall be expected to know how to improve his job performance once deficiencies are pointed out to him. A copy of the written evaluation shall be delivered to the

Superintendent. Upon or immediately after delivery of the written evaluation to the Superintendent, the Board shall meet with the Superintendent to discuss the evaluation and the Superintendent's working relationship with the Board. The Superintendent shall have the right to make a written response to the evaluation within thirty (30) days of receipt of the written evaluation from the board. That response shall become a permanent attachment to the evaluation in the Superintendent's personnel file. The Board, in its discretion, may meet with the Superintendent to discuss the Superintendent's response. In the event the Board deems that the evaluation instrument, format, and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, the Superintendent shall be provided a reasonable period of time, in the discretion of the Board, to demonstrate such expected performance before being evaluated.

- 6.4 **Outside Employment:** With prior written consent of the Board after an open session vote, the Superintendent may serve as a consultant or undertake speaking engagements, writing, teaching or other professional duties and obligations outside the District (referred to collectively herein as "Consulting Services") that do not conflict or interfere with the Superintendent's professional responsibilities to the District, and which shall be at no expense to the District. The Superintendent may accept a reimbursement of expenses for such Consulting Services at no expense to the District. Consulting Services provided by the Superintendent under the terms and conditions of this paragraph must be consistent with state and federal law, including, but not limited to Texas Education Code Section 11.201(e). For any outside employment, the Superintendent agrees to comply with applicable ethics rules, laws, and Board policy regarding reporting potential and actual conflicts of interest. In addition, the Superintendent agrees to provide information regarding income from such activities to the District as necessary for financial reporting requirements.
- 6.5 **Professional and Civic Activities.** The Superintendent is encouraged to participate in professional growth activities and civic activities, which shall be reimbursed as provided below. 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 Board deems appropriate, to attend such seminars, courses or meetings.

- 6.6 **Board Meetings.** The Superintendent shall attend, and shall be permitted to attend, all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, or the Superintendent's evaluation, or for purposes of resolving conflicts between individual Board members, or when the Board is acting in its capacity as a tribunal, or when the Board is meeting with the internal auditor on a matter which the Board reasonably determines requires exclusion of the Superintendent. In the event of illness or Board-approved absence, the Superintendent's designee, subject to advanced approval by the board president, shall attend such meetings.
- 6.7 **Criticisms, Complaints, and Suggestions.** The Board, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints, and suggestions called to the Board's attention either: (a) to the Superintendent for study and/or appropriate action, and the Superintendent shall refer such matter(s) to the appropriate District employee or shall investigate such matter(s) and shall within a reasonable time inform the entire Board in writing of the results of such efforts; or, (b) to the appropriate complaint resolution procedure as established by District Board policies. Provided, however, nothing in this section shall be construed to limit or inhibit in any manner any employee's statutory right to talk to any board member, the board members' rights to talk to community members and employees, or the board members' right to talk to the internal auditor, and the Superintendent shall not retaliate in any manner against any employee or community member who speaks directly to any Board member.
7. **Annual Compensation.** The District shall pay the Superintendent an annual salary as follows:
- 7.1 **Salary:** An annual salary of TWO HUNDRED FIFTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$257,500.00) shall be payable in twelve (12) monthly installments in accordance with the District's standard payroll practices, and shall be subject to all appropriate withholding. Subject to and without waiving any Constitutional and/or other challenges by the Superintendent, the Superintendent acknowledges that the District may have certain rights pursuant to Education Code Sections 21.212(f), 21.4022 and/or 21.4021.
- 7.2 **Salary Increases:** The Board, in its sole discretion, may award salary increases on an annual basis through an amendment to this Contract, provided, however, that the Superintendent's salary increase percentage shall never be greater than the highest salary increase percentage received by District professional staff. The salary for the remaining years' of the Contract shall not be less than the salary for the first year of this Contract, except as required by paragraph 7.1 of this Contract or by mutual written agreement of the parties.

- 7.3 **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 those benefits, at the Board's sole discretion. In addition, the Board agrees to provide the Superintendent the following benefits:
- 7.3.1 **Car Allowance:** The Board shall provide the Superintendent with an automobile allowance for travel within the Dallas-Fort Worth Metroplex (within a radius of forty (40) miles from the District Administrative Offices) in the sum of One Thousand and No/100 Dollars (\$1,000.00) per month.
- 7.3.2 **Medical Insurance Premiums:** The District shall pay on behalf of the Superintendent medical insurance premiums in the same amount as that paid by the District on behalf of other full-time employees.
- 7.3.3 **Vacations, Sick Leave, and Holidays:** The Superintendent shall receive three weeks' (15 work days) vacation per year. Vacation days may accrue and carry over up to a maximum of ten (10) days' of unused vacation from the year in which they were provided, for an annual maximum of 25 days. These vacation days shall have no cash value upon retirement, resignation or voluntary or involuntary termination of employment, but may be used in accordance with Board policy and this Contract. The Superintendent shall also observe the same holidays and breaks as provided for other 12-month administrators in the Board's adopted annual calendar and shall be eligible for any leave or leave reimbursement upon retirement available to other employees under state law or Board policy. The vacation days taken by the Superintendent will be taken at times that will least interfere with the performance of the Superintendent's duties, and will only be taken after written notification to the Board President. Provided, however, the Superintendent shall be allowed to take three non-contract, vacation, or local or state leave days, twice per year, to attend an out-of-state conference at the Superintendent's own expense, for the Superintendent's own personal professional development.
- 7.3.4 **Business Expense Reimbursements:** The District shall reimburse the Superintendent, according to Board policy, for reasonable expenses incurred by the Superintendent in the performance of the Superintendent's duties. The District agrees to pay the actual and incidental costs incurred by the Superintendent for out-of-Metroplex (in excess of a 40 mile radius from the District Administrative Offices) District-related travel, in accordance with the adopted budget, the Board's policies, and District practice related to reimbursement. Such actual or incidental costs may include, but are not limited to, mileage or rental car expense, hotels and accommodations, meals, economy

class air travel, and other reasonable expenses incurred in the performance of the business of the District. The Superintendent shall comply with all reimbursement procedures and documentation requirements in accordance with Board policies and District practice.

- 7.3.5 **Membership Dues:** The Board encourages the Superintendent to become a member of and participate in local and state civic and professional activities, to be chosen in the Superintendent's discretion. The Board concludes that such membership will serve a legitimate purpose related to the educational mission of the District. The District will reimburse the Superintendent for the reasonable expenses of membership in said organizations, subject to Board approval. Provided, however, the Board hereby approves the Superintendent's membership in the following organizations: Texas Association of School Administrators, American Association of School Administrators, Association of Latino Administrators and Supervisors, Irving Chamber of Commerce, Hispanic Chamber of Commerce, Texas School Alliance, National School Board Association, and Texas Association of School Boards.
- 7.3.6 **Professional Growth Activities:** The Superintendent shall attend appropriate professional meetings at the local, state, and national levels, with advance approval of the Board. The District shall reimburse the Superintendent for reasonable actual expenses incurred in attending such activities in accordance with the adopted budget and the Board's policies regarding expense reimbursements, per paragraph 7.3.4.
- 7.3.7. **Technology:** The Superintendent shall be provided a mobile telephone for both business and personal use, in accordance with District practice, and at District's expense. In addition, the District shall provide the Superintendent with a laptop computer and/or tablet for both professional and personal use, at the sole expense of the District, and in accordance with District practice.
8. **Residence:** The Superintendent shall maintain a residence within the geographic boundaries of the District.
9. **Suspension/Termination.** In accordance with Texas Education Code Chapter 21, the Board may suspend the Superintendent with pay at any time during the term of this Contract, or may suspend the Superintendent without pay or dismiss the Superintendent during the term of the Contract for "good cause" as determined by the Board. The term "good cause" is defined to include, but shall not be limited to, the following:

- (a) Failure to perform the Superintendent's duties in the scope of employment that a person of ordinary prudence would have done under same or similar circumstances, and which is inconsistent with the continued existence of the employer-employee relationship;
- (b) Failure to fulfill duties or responsibilities as set forth in state or federal statute or regulation, Board policy, Board or District goals, Board directives, or under the terms and conditions of this Contract;
- (c) Deficiencies, incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written or oral communication from the Board; provided, however, the terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent a reasonable opportunity to remediate any incompetency or inefficiency, unless such deficiency, incompetence or inefficiency constitutes "good cause" for immediate employment termination under Texas law;
- (d) Insubordination or failure to comply with lawful written Board directives, or oral directives of the Board given at a lawfully-called meeting of the Board;
- (e) Failure to comply with applicable state or federal laws, regulations, the Board's policies or the District's administrative regulations;
- (f) Neglect of duties, whether resulting from action or inaction on the part of the Superintendent, or whether resulting from excessive absences, not otherwise protected by law, in excess of available leave;
- (g) Drunkenness or excessive use of alcoholic beverages;
- (h) Illegal possession, use, manufacture, or distribution of controlled substances, dangerous drugs, drugs, hallucinogens, or other substances regulated by the Texas Controlled Substances Act or other criminal laws;
- (i) Conviction of or deferred adjudication for a felony, a crime under Texas Education Code Section 22.085, a crime listed as an excludable offense under Board policy, or a crime involving moral turpitude, or conduct constituting one of the above offenses, or conviction of a lesser-included offense pursuant to a plea deal when the original charged offense is a felony;
- (j) Failure to meet the District's, federal, State or common law standards of professional conduct;
- (k) Failure to comply with reasonable District professional development requirements regarding advanced course work or professional development;
- (l) Disability, not otherwise protected by law, that impairs performance of the required duties of the Superintendent;
- (m) Immorality, which is conduct the Board determines is not in conformity with the accepted moral standards of the community encompassed by the District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative

- of criminal acts, fraud, theft, dishonesty, deceit, corruption, indecency, or depravity;
- (n) Physical threats, explosive temper, or assault on a community member, parent, Board member, District contractor, employee or student, or other behavior that presents a danger of physical harm to himself or others;
 - (o) Knowingly falsifying records or documents related to the District's activities or communications with the Board; or knowingly making any false statements, misrepresentations, omissions of requested information, or fraud by the Superintendent in or concerning any required employment application, certification, employment history, criminal history, or payroll and personnel records;
 - (p) Conscious misrepresentation of facts or intentional withholding of pertinent information to the Board or other District, federal, state or local officials in the conduct of the District's business;
 - (q) Failure to fulfill or maintain requirements for superintendent certification;
 - (r) A breach of the duty of trust or failure to take reasonable steps to maintain an effective, close, positive, and professional working relationship with the Board; or,
 - (s) Any other reason constituting "good cause" under Texas law for terminating the Contract during the term of the Contract.

In the event that the Board terminates this Contract or suspends the Superintendent without pay for "good cause," the Superintendent shall be afforded all the rights as set forth in the Board's policies and state and federal law.

10. **Nonrenewal or Resignation of Contract.** Nonrenewal of this Contract, or resignation under this Contract, will be pursuant to Texas Education Code Chapter 21 and applicable Board policies. Provided, however, this Contract shall terminate on the retirement or death of the Superintendent; or may be terminated by mutual agreement of the Superintendent and the Board upon mutually-agreed-upon terms and conditions. The Superintendent may leave the employment of the District at the end of a school year without penalty by filing a written resignation with the Board. The resignation must be addressed to the Board and filed not later than the 45th day before the first day of instruction of the following year. The Superintendent may unilaterally resign this Contract at the end of the Contract term, or may resign with the consent of the Board at any other time.
11. **Indemnification:** To the extent permitted by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 101, the District agrees to defend, hold harmless, and indemnify the Superintendent from any and all demands, claims, suits, actions, judgments, expenses, and attorneys' fees incurred in any legal proceedings brought against the Superintendent in the Superintendent's individual or official capacity as an employee and as Superintendent of the District, acting within the course and scope of the Superintendent's employment (Covered Claim).

The term "Covered Claim" excludes any demands, claims, suits, actions, judgments, expenses, and attorneys' fees where it is determined that the Superintendent committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith. This indemnity also excludes any costs, fees, expenses, or damages that would be recoverable or payable under an insurance contract, held either by the District or by the Superintendent. The District's obligation to indemnify does not apply to criminal investigations or criminal proceedings.

The District and the Superintendent shall select the Superintendent's legal counsel for any Covered Claim by agreement if such legal counsel is not also the District's legal counsel. If legal defense is provided through insurance coverage, the Superintendent's right to agree to legal counsel provided for the Superintendent will depend on the terms of the applicable insurance contract. This indemnity provision shall survive the termination of this Contract.

While employed as the Superintendent of the District, the Superintendent agrees to fully cooperate with the District in the defense of any and all demands, claims, suits, actions, and legal proceedings brought against the District, regardless of whether the Superintendent is named as a party. After the Superintendent is no longer employed by the District, the Superintendent agrees to reasonably cooperate with the District in the defense of any and all demands, claims, suits, actions, and legal proceedings brought against the District, regardless of whether the Superintendent is named as a party. Contingent on the Superintendent's providing such reasonable cooperation, the District shall reimburse the Superintendent's reasonable related expenses, including travel and lodging expenses and any salary lost by virtue of his taking time off from his then-current employment to assist the District at its request, if the Superintendent is no longer an employee of the District. Requests for assistance from the Superintendent with respect to such matters shall be made through the Board of Trustees' President, any successor superintendent, and/or legal counsel for the District, and the amount to be reimbursed to the Superintendent shall be mutually agreed upon in advance. The Parties' obligations under this paragraph shall continue after the termination of this Contract.

12. General Provisions.

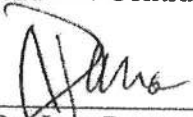
- 12.1 **Amendment:** This Contract may not be amended except by written agreement of the Parties.
- 12.2 **Severability:** If any provision in this Contract is, for any reason, held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other 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.

- 12.3 **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.
- 12.4 **Controlling Law and Venue:** Texas law shall govern construction of this Contract. The Parties agree that mandatory and exclusive venue for any litigation relating to the Superintendent's employment with the District, including this Contract, shall be in state district court in Dallas County.
- 12.5 **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.
- 12.6 **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.
- 12.7 **Conflicts.** In the event of any conflict between the terms, conditions, and provisions of this Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.

13. **Notices.**


- 13.1 **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.
- 13.2 **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:


Name: Dr. Jose Parra


Address: 1613 Travis Circle South
Irving, TX 75038

Date signed: 07/21/2014


Irving Independent School District

By: Mr. Larry Stipes
President, Board of Trustees

Date signed: July 21, 2014

Attest:

Dr. Steven Jones, Secretary, Board of Trustees

Date signed: 7-21-14

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period Ended August 31, 2013

<u>Description of Reimbursements</u>	<u>Superintendent</u> Dana Bedden	<u>Interim Supt.</u> Weldon Hafley	<u>Board Member</u> Valerie Jones	<u>Board Member</u> Jerry Christian	<u>Board Member</u> Larry Stipes	<u>Board Member</u> Ronda Huffstetter	<u>Board Member</u> Gwen Craig	<u>Board Member</u> Steven Jones
Meals	105.50		225.71	16.75	24.00	105.33	103.84	24.00
Lodging	3,463.56	3,830.00	1,418.12	512.47	433.96	791.24	673.99	453.96
Transportation	3,665.20		706.40	226.40		523.10	229.39	
Motor Fuel	79.00							
Other	1,405.00		1,190.00		295.00	75.00		
Total	8,718.26	3,830.00	3,540.23	755.62	752.96	1,494.67	1,007.22	295.00

<u>Description of Reimbursements</u>	<u>Board Member</u> Gail C. Wells	<u>Board Member</u> Lee Mosty	<u>Board Member</u> Randy Randle
Meals			
Lodging	644.09		
Transportation	333.80		
Motor Fuel			
Other	1,190.00	295.00	295.00
Total	2,167.89	295.00	295.00

All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. Items to be reported per category include:

- Meals -- Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).
- Lodging - Hotel charges.
- Transportation - Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls).
- Motor fuel -- Gasoline.
- Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

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

For the Twelve-Month Period Ended August 31, 2013

<u>Name(s) of Entity(ies)</u>	<u>Amount Received</u>
	\$
Total	\$0.00

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

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

For the Twelve-Month Period Ended August 31, 2013

Superintendent	Interim Supt.	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
Dana Bedden	Weldon Hafley	Valerie Jones	Jerry Christian	Larry Stipes	Ronda Huffstetler	Gwen Craig	Steven Jones		
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total									
Board Member	Board Member	Board Member							
Gail C. Wells	Lee Mosty	Randy Randle							
\$0.00	\$0.00	\$0.00							
Total									

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials.

Business Transactions Between School District and Board Members

For the Twelve-Month Period Ended August 31, 2013

Superintendent	Interim Supt.	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
Dana Bedden	Weldon Hafley	Valerie Jones	Jerry Christian	Larry Stipes	Ronda Huffstetler	Gwen Craig	Steven Jones		
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amounts									
Board Member	Board Member	Board Member							
Gail C. Wells	Lee Mosty	Randy Randle							
\$0.00	\$0.00	\$0.00							
Amounts									

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

Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822

General Fund - First-Quarter Expenditures By Object Code

Report 2012-2013 first-quarter (first three months of fiscal year 2012-2013) GENERAL FUND expenditures by object code using whole numbers.

Payroll- Expenditures for payroll costs		
Contract Costs- Expenditures for services rendered by firms, individuals, and other organizations	object codes 6110-6149	\$ 53,054,801
Supplies and Materials- Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6200	\$ 3,648,107
Other Operating- Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6300	\$ 2,840,310
Debt Service- Expenditures for debt service	object code series 6400	\$ 1,313,979
Capital Outlay- Expenditures for land, buildings, and equipment	object code series 6500	\$ -
	object code series 6600	\$ 2,156,978

Additional Financial Solvency Questions

1) Districts with a September 1- August 31 fiscal year:
Within the last two years, did the school district

1) draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and	<u>Yes</u>	<u>No</u>
2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?		X

Districts with a July 1- June 30 fiscal year:
Within the last two years, did the school district

1) draw funds from a short-term financing note (term less than 12 months) between the months of July and October, inclusive, and		X
2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?		X

2) Has the school district declared financial exigency within the past two years?

X

3) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district's financial solvency.

<u>Mean Enroll-to-Teacher Ratio</u>	<u>85% of Mean Enroll-to-Teacher Ratio</u>	<u>School District Size</u>
8.30	7.05	Under 100
9.54	8.11	100 to 249
10.80	9.18	250 to 499
11.54	9.81	500 to 999
12.65	10.75	1,000 to 1,599
13.65	11.60	1,600 to 2,999
14.43	12.26	3,000 to 4,999
14.97	12.73	5,000 to 9,999
15.12	12.86	10,000 to 24,999
15.27	12.98	25,000 to 49,999
15.44	13.12	50,000 and Over

The District's ratio of students to teacher is 15.2 which is in the acceptable range for our size 25,000 to 49,999.

4) How many superintendents has your school district had in the last five years?

3

5) How many business managers has your school district had in the last five years?

1



GLOSSARY

Academic Excellence Indicator System (AEIS): The Texas Education Agency pulls together a wide range of information on the performance of students in each school and district in Texas every year. This information is put into the annual AEIS reports, which are available each year in November. The performance indicators include:

- TAAS passing rate by grade, by subject, and by all grades tested;
- End-of-Course examination — participation and results;
- SDAA performance
- Attendance rate for the full year;
- Dropout rate (by year);
- Completion and dropout rates (4-year longitudinal);
- Percent of high school students completing an advanced course;
- Percent of graduates completing the Recommended High School Program;
- AP and IB examination results;
- TAAS / TASP equivalency rate; and
- SAT and ACT examination — participation and results.

Accountability Rating: The rating assigned by the Academic Excellence Indicator System (AEIS) to a school district or campus. The three indicators used to determine the accountability rating for a campus or district are their (1) performance on the TAAS reading, mathematics, and writing exams; (2) Dropout Rate; and (3) Attendance Rate. Based on these indicators every campus and district is assigned one of the following: **District Ratings:** Exemplary, Recognized, Academically Acceptable, Academically Unacceptable, Unacceptable (Special Accreditation Investigation) or Charter. **Campus Ratings:** Exemplary, Recognized, Acceptable, Low Performing, or Not Rated. Alternative Schools are rated differently.

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.

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.



GLOSSARY

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 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 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.

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 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.



GLOSSARY

Designated Fund Balance: The designated fund balance represents tentative plans for the future use of financial resources. Designations require Board action to earmark fund balance for bona fide purposes that will be fulfilled within a reasonable period of time.

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 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 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.



GLOSSARY

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.

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.



GLOSSARY

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, 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.

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.



GLOSSARY

Reserve Fund Balance: This is that portion of fund equity which is not available for appropriation or has been legally separated for a specific purpose.

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 the unit 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 cushion is six cents per \$100 of property value, not 8 percent. School districts calculate the rollback rate necessary to generate the same amount of state and local funds per weighted average daily attendance (WADA) as was available to the districts in the preceding school year, using estimated WADA for the upcoming year, plus six cents, plus the current year's debt rate. 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.

Undesignated Fund Balance: This is that portion of fund equity that is currently available to finance expenditures not already approved by the Board of Trustees.

Undesignated Unreserved Fund Balances: Available expendable financial resources in a governmental fund that are not the object of tentative management plans (i.e., designations). One primary criterion of rating agencies for school bonds is the relative amount of undesignated unreserved fund balance. Bond rating agencies view undesignated unreserved 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.

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.