

**PUBLIC HEARING**

**SCHOOL FIRST  
ANNUAL FINANCIAL  
MANAGEMENT REPORT  
2018-2019  
RATINGS**

**October 21, 2019**

# Financial Integrity Rating System of Texas

## 2018-2019 Ratings based on School Year 2017-2018 Data

The state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.

The 2018-2019 ratings are based on annual financial reports provided to TEA by districts from the 2018 fiscal year. The financial accountability system requires TEA to review the audited financial reports. Changes to the school FIRST system implemented by TEA in August 2015 have been phased-in over three years. During the phase-in period, the new School FIRST system has separate worksheets for rating years 14-15, 15-16, and 16-17 and subsequent years.

The FIRST ratings are based on 15 indicators divided in three categories. Indicators 1-5 are the Critical Indicators that result in pass or fail by answering Yes or No, however, indicator 5 will not be utilized for the 2018-2019 rating year. These indicators include audit results, debt agreements, payments to TRS and IRS. The District passed all 4 indicators.

Indicators 6-12 are the Solvency Indicators based on the 1-10 point system. These indicators include cash on hand to cover expenses, and support long term solvency, support of debt service, administrative cost ratio, and changes in student to staff ratio. The District scored 70 points out of 70.

Indicators 13-15 are the Financial Competence Indicators based on the 1-10 point system. They include comparison of PEIMS data to the audit; auditor's report of noncompliance with grants, contracts, local funds, and state aid, repayment scheduled as a result of a financial hardship. The District scored 30 points out of 30.

The determination of the rating is scored based on the result of answering yes or no to questions 1-4, and the total points received out of 100 points for questions 6-15.

The rating is determined by the total points earned as follows:

- |                 |                             |
|-----------------|-----------------------------|
| ➤ 90-100 points | A - Superior                |
| ➤ 80-89 points  | B - Above Standard          |
| ➤ 60-79 points  | C - Meets Standard          |
| ➤ 0-59 points   | F - Substandard Achievement |

If the District answered "no" to indicators 1, 2A, 2B, 3, or 4, the district's rating is F for Substandard Achievement regardless of points earned.

Nederland ISD answered yes to all questions and scored 100 points out of 100 resulting in a **"Superior Rating"**. The financial accountability worksheet follows, as well as the disclosures by the District's Superintendent and Board Members and a copy of the Superintendent's contract.

User: Melissa Wong

User Role: District

RATING YEAR 2018-2019

DISTRICT NUMBER district #

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## Financial Integrity Rating System of Texas

## 2018-2019 RATINGS BASED ON SCHOOL YEAR 2017-2018 DATA - DISTRICT STATUS DETAIL

Name: <b>NEDERLAND ISD(123905)</b>	Publication Level 1: 8/7/2019 3:33:27 PM
Status: <b>Passed</b>	Publication Level 2: 8/8/2019 2:06:12 PM
Rating: A = Superior	Last Updated: 8/8/2019 2:06:12 PM
District Score: 100	Passing Score: 60

#	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>	8/5/2019 11:45:05 PM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	<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>	8/5/2019 11:45:05 PM	Yes
2.B	<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.)</u>	8/5/2019 11:45:05 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</u>	8/5/2019 11:45:06 PM	Yes

	<u>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>		
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?</u>	8/5/2019 11:45:06 PM	Yes
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<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.)</u>	8/5/2019 11:45:06 PM	10
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	8/5/2019 11:45:07 PM	10
8	<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 change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.) (See ranges below.)</u>	8/5/2019 11:45:07 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?</u>	8/5/2019 11:45:08 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	8/5/2019 11:45:08 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	8/5/2019 11:45:09 PM	10
12	<u>Did the school district not have a 15 percent decline in the</u>	8/5/2019	10

	<u>students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)</u>	11:45:10 PM	
13	<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?</u>	8/5/2019 11:45:10 PM	10
14	<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>	8/5/2019 11:45:11 PM	10
15	<u>Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?</u>	8/5/2019 11:45:11 PM	10
			100 Weighted Sum
			1 Multiplier Sum
			100 Score

## DETERMINATION OF RATING

<b>A.</b>	Did the district answer 'No' to Indicators 1, 3, 4, or 2.A? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.	
<b>B.</b>	Determine the rating by the applicable number of points. (Indicators 6-15)	
	<b>A = Superior</b>	90-100
	<b>B = Above Standard</b>	80-89
	<b>C = Meets Standard</b>	60-79
	<b>F = Substandard Achievement</b>	<60
<b>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</b>		

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FIRST 5.7.1.0

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User Role: District

DISTRICT NUMBER

district #

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## Financial Integrity Rating System of Texas

2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA  
INDICATOR TEST 1

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>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?</b>
Status	Passed
Last Updated:	8/5/2019 11:45:05 PM

## FORMULA

Field	Value
Date Received	2019/01/22
$\leq$ Due Date (Fiscal Year End + Deadline in Days After Fiscal Year End)	2019/02/28

## RESULT DETERMINATION REFERENCE

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

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**Financial Integrity Rating System of Texas****2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA  
INDICATOR TEST 2.A**

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>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.)</b>
Status	Passed
Last Updated:	8/5/2019 11:45:05 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.

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**Financial Integrity Rating System of Texas****2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA  
INDICATOR TEST 2.B**

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>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.)</b>
Status	Passed
Last Updated:	8/5/2019 11:45:05 PM

**FORMULA**

Field	Value
Not Weak Internal Controls	false 

**RESULT DETERMINATION REFERENCE**

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

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## Financial Integrity Rating System of Texas

## 2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA INDICATOR TEST 3

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>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.)</b>
Status	Passed
Last Updated:	8/5/2019 11:45:06 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.

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## Financial Integrity Rating System of Texas

# 2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA INDICATOR TEST 4

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>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?</b>
Status	Passed
Last Updated:	8/5/2019 11:45:06 PM

## FORMULA

Field	Value
Timely Payments to Government Agencies	true 

## RESULT DETERMINATION REFERENCE

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

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## Financial Integrity Rating System of Texas

2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA  
INDICATOR TEST 6

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>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.)</b>
Result/Points	10
Last Updated:	8/5/2019 11:45:06 PM

## FORMULA

Field	Value
(	
(	
Cash and Equivalents	2,904,012
+ Current Investments	14,556,092
)	
/	
(	
Total Expenditures	43,996,610
- Facilities Acquisition and Construction	400,061
)	
)	
* 365	
Mathematical Breakdown: 146.1799	

## RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
>=90	<90 >=75	<74 >=60	<60 >=45	<45 >=30	<30

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## Financial Integrity Rating System of Texas

2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA  
INDICATOR TEST 7

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</b>
Result/Points	10
Last Updated:	8/5/2019 11:45:07 PM

## FORMULA

Field	Value	
Current Assets	23,336,668	
/ Current Liabilities	4,854,922	
<b>Mathematical Breakdown: 4.8068</b>		

## RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
<b><math>\geq 3.00</math></b>	<b><math>&lt;3.00</math> <math>\geq 2.50</math></b>	<b><math>&lt;2.50</math> <math>\geq 2.00</math></b>	<b><math>&lt;2.00</math> <math>\geq 1.50</math></b>	<b><math>&lt;1.50</math> <math>\geq 1.00</math></b>	<b><math>&lt;1.00</math></b>

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## Financial Integrity Rating System of Texas

2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA  
INDICATOR TEST 8

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.) (See ranges below.)</b>
Result/Points	10
Last Updated:	8/5/2019 11:45:07 PM

## FORMULA

Field	Value
(	
Long Term Liabilities	25,809,841
/ Total Assets	67,602,697
<= 1	
)	
Or	
(	
(	
2018 Total Students	5,372
- 2014 Total Students	5,019
)	
/ 2014 Total Students	5,019
>= Threshold for Five-Year Percent Change in Students	0.07
)	
<b>Mathematical Breakdown: 0.3818 &lt;= 1 Or 0.0703 &gt;= 0.07</b>	

## RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0

<b><math>\leq 0.60</math></b>	<b><math>&gt; 0.60</math> <math>\leq 0.70</math></b>	<b><math>&gt; 0.70</math> <math>\leq 0.80</math></b>	<b><math>&gt; 0.80</math> <math>\leq 0.90</math></b>	<b><math>&gt; 0.90</math> <math>\leq 1.00</math></b>	<b><math>&gt; 1.00</math></b>
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User: Melissa Wong

User Role: District

DISTRICT NUMBER 

## Financial Integrity Rating System of Texas

## 2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA

### INDICATOR TEST 9

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>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?</b>
Result/Points	10
Last Updated:	8/5/2019 11:45:08 PM

### FORMULA

Field	Value	
(		
Total Revenue	<input type="text" value="45,420,943"/>	<input data-bbox="1380 1170 1412 1202" type="button" value="?"/>
/		
(		
Total Expenditures	<input type="text" value="43,996,610"/>	<input data-bbox="1380 1287 1412 1319" type="button" value="?"/>
-		
Facilities Acquisition and Construction	<input type="text" value="400,061"/>	<input data-bbox="1380 1330 1412 1361" type="button" value="?"/>
)		
-		
1		
)		
>=		
0		
Or		
(		
(		
Cash and Equivalents	<input type="text" value="2,904,012"/>	<input data-bbox="1380 1649 1412 1681" type="button" value="?"/>
+		
Current Investments	<input type="text" value="14,556,092"/>	<input data-bbox="1380 1691 1412 1723" type="button" value="?"/>
)		
/		
(		
Total Expenditures	<input type="text" value="43,996,610"/>	<input data-bbox="1380 1840 1412 1872" type="button" value="?"/>
-		
Facilities Acquisition and Construction	<input type="text" value="400,061"/>	<input data-bbox="1380 1883 1412 1915" type="button" value="?"/>
)		
)		
*		
365		

&gt;= Acceptable Days Cash on Hand

60

**Mathematical Breakdown: 0.0418 >= 0 Or 146.1799 >= 60****RESULT DETERMINATION REFERENCE****DETERMINATION OF POINTS****10****0****>=0%****<0%**

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User Role: District

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## Financial Integrity Rating System of Texas

## 2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA

### INDICATOR TEST 10

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</b>
Result/Points	10
Last Updated:	8/5/2019 11:45:08 PM

### FORMULA

Field	Value
(	
Total Revenues (in the General Fund and Debt Service Fund)	<input type="text" value="48,594,411"/>
- Total Expenditures (in the General Fund and Debt Service Fund)	<input type="text" value="46,619,159"/>
+ Debt Service function codes 71, 72, and 73 (in the General Fund and Debt Service Fund)	<input type="text" value="2,622,549"/>
+ Fund Code 599 (Ending Debt Service fund balance)	<input type="text" value="1,567,668"/>
+ Function Code 81	<input type="text" value="400,061"/>
)	
/ Debt Service function codes 71, 72, and 73 (in the General Fund and Debt Service Fund)	<input type="text" value="2,622,549"/>
<b>Mathematical Breakdown: 2.5035</b>	

### RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
<b><math>\geq 1.20</math></b>	<b><math>&lt; 1.20</math> <math>\geq 1.15</math></b>	<b><math>&lt; 1.15</math> <math>\geq 1.10</math></b>	<b><math>&lt; 1.10</math> <math>\geq 1.05</math></b>	<b><math>&lt; 1.05</math> <math>\geq 1.00</math></b>	<b><math>&lt; 1.00</math></b>

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User: Melissa Wong

User Role: District

DISTRICT NUMBER 

## Financial Integrity Rating System of Texas

## 2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA

### INDICATOR TEST 11

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</b>
Result/Points	10
Last Updated:	8/5/2019 11:45:09 PM

### FORMULA

Field	Value	
District Administrative Cost Ratio	<input type="text" value="0.0661"/>	<input data-bbox="1377 1049 1409 1081" type="button" value="?"/>
And		
ADA	<input type="text" value="5,009.376"/>	<input data-bbox="1377 1129 1409 1161" type="button" value="?"/>
Or		
Sparse	<input type="text" value="FALSE"/>	<input data-bbox="1377 1210 1409 1242" type="button" value="?"/>

### 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	<= 0.1151	> 0.1151	> 0.1401	> 0.1651	> 0.1901	> 0.2151

<b>4,999</b>		<b>&lt;=</b> <b>0.1401</b>	<b>&lt;=</b> <b>0.1651</b>	<b>&lt;=</b> <b>0.1901</b>	<b>&lt;=</b> <b>0.2151</b>	
<b>500 to 999</b>	<b>&lt;=</b> <b>0.1311</b>	<b>&gt;</b> <b>0.1311</b> <b>&lt;=</b> <b>0.1561</b>	<b>&gt;</b> <b>0.1561</b> <b>&lt;=</b> <b>0.1811</b>	<b>&gt;</b> <b>0.1811</b> <b>&lt;=</b> <b>0.2061</b>	<b>&gt;</b> <b>0.2061</b> <b>&lt;=</b> <b>0.2311</b>	<b>&gt;</b> <b>0.2311</b>
<b>Less than 500</b>	<b>&lt;=</b> <b>0.2404</b>	<b>&gt;</b> <b>0.2404</b> <b>&lt;=</b> <b>0.2654</b>	<b>&gt;</b> <b>0.2654</b> <b>&lt;=</b> <b>0.2904</b>	<b>&gt;</b> <b>0.2904</b> <b>&lt;=</b> <b>0.3154</b>	<b>&gt;</b> <b>0.3154</b> <b>&lt;=</b> <b>0.3404</b>	<b>&gt;</b> <b>0.3404</b>
<b>Sparse</b>	<b>&lt;=</b> <b>0.3364</b>	<b>&gt;</b> <b>0.3364</b> <b>&lt;=</b> <b>0.3614</b>	<b>&gt;</b> <b>0.3614</b> <b>&lt;=</b> <b>0.3864</b>	<b>&gt;</b> <b>0.3864</b> <b>&lt;=</b> <b>0.4114</b>	<b>&gt;</b> <b>0.4114</b> <b>&lt;=</b> <b>0.4364</b>	<b>&gt;</b> <b>0.4364</b>

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User: Melissa Wong

User Role: District

DISTRICT NUMBER 

## Financial Integrity Rating System of Texas

2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA  
INDICATOR TEST 12

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>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.)</b>
Result/Points	10
Last Updated:	8/5/2019 11:45:10 PM

## FORMULA

Field	Value	
(		
2017-2018 Total Enrollment	<input type="text" value="5,388"/>	<input data-bbox="1386 1172 1414 1208" type="button" value="?"/>
/ 2017-2018 Number of FTE Staff	<input type="text" value="656.3907"/>	<input data-bbox="1386 1210 1414 1247" type="button" value="?"/>
)		
/		
(		
2015-2016 Total Enrollment	<input type="text" value="5,203"/>	<input data-bbox="1386 1370 1414 1406" type="button" value="?"/>
/ 2015-2016 Number of FTE Staff	<input type="text" value="635.2406"/>	<input data-bbox="1386 1408 1414 1444" type="button" value="?"/>
)		
- 1		
> Threshold for Three-Year Percent Change in Ratio	<input type="text" value="-0.15"/>	<input data-bbox="1386 1530 1414 1566" type="button" value="?"/>
Or		
2017-2018 Total Enrollment	<input type="text" value="5,388"/>	<input data-bbox="1386 1608 1414 1644" type="button" value="?"/>
- 2015-2016 Total Enrollment	<input type="text" value="5,203"/>	<input data-bbox="1386 1647 1414 1683" type="button" value="?"/>
> 0		
<b>Mathematical Breakdown: 0.0022 &gt; -0.15 Or 185 &gt; 0</b>		

## RESULT DETERMINATION REFERENCE

## DETERMINATION OF POINTS

10

0

**Yes****No**

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## Financial Integrity Rating System of Texas

2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA  
INDICATOR TEST 13

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>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?</b>
Result/Points	10
Last Updated:	8/5/2019 11:45:10 PM

## FORMULA

Field	Value	
Sum of Differences	72	
/ Denominator	43,996,646	
< Acceptable Level of Variance	.03	
Mathematical Breakdown: $0 < 0.03$		

## RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
<b>10</b>	<b>0</b>
<b>&lt; 3%</b>	<b>&gt;= 3%</b>

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## Financial Integrity Rating System of Texas

2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA  
INDICATOR TEST 14

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>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.)</b>
Result/Points	10
Last Updated:	8/5/2019 11:45:11 PM

## FORMULA

Field	Value
Not Material Non-Compliance	false 

## RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
<b>10</b>	<b>0</b>
<b>Yes</b>	<b>No</b>

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## Financial Integrity Rating System of Texas

## 2018-2019 RATINGS BASED ON 2017-2018 SCHOOL YEAR DATA

### INDICATOR TEST 15

Name:	<b>NEDERLAND ISD (123905)</b>
Indicator:	<b>Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?</b>
Result/Points	10
Last Updated:	8/5/2019 11:45:11 PM

### FORMULA

Field	Value
No Adjusted Repayment Schedule	<input type="text" value="true"/> 

### RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
<b>10</b>	<b>0</b>
<b>Yes</b>	<b>No</b>

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## **School FIRST Annual Financial Management Report**

### **NEDERLAND INDEPENDENT SCHOOL DISTRICT**

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

### **Superintendent's Current Employment Contract**

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

### **Reimbursements Received by the Superintendent and Board Members**

For the Twelve-Month Period  
Ended August 31, 2019

<u>Description of Reimbursements</u>	Superintendent Perez	Member Albanese	Member DeCuir	Member Isom	Member Mitchell	Member Mosley	Member Phillips	Member Scott
Meals	\$304.38	\$23.00	\$0.00	\$0.00	\$76.00	\$0.00	\$294.00	\$0.00
Lodging	\$3,437.07	\$965.80	\$274.85	\$781.53	\$888.55	\$983.85	\$3,157.09	\$947.58
Transportation	\$1,555.41	\$281.22	\$0.00	\$0.00	\$281.22	\$0.00	\$1,037.87	\$281.22
Motor Fuel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$3,807.31	\$375.00	\$440.00	\$375.00	\$375.00	\$375.00	\$750.00	\$375.00
Total	<u>\$9,104.17</u>	<u>\$1,645.02</u>	<u>\$714.85</u>	<u>\$1,156.53</u>	<u>\$1,620.77</u>	<u>\$1,358.85</u>	<u>\$5,238.96</u>	<u>\$1,603.80</u>

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, 2019

<u>Name(s) of Entity(ies)</u>	Amount Received
-------------------------------	-----------------

Lamar University, Beaumont	9,200.01
----------------------------	----------

Total	<u>\$9,200.01</u>
-------	-------------------

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, 2019

	Superintendent Perez	Member Albanese	Member DeCuir	Member Isom	Member Mitchell	Member Mosley	Member Phillips	Member Scott
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, 2019

	Member Albanese	Member DeCuir	Member Isom	Member Mitchell	Member Mosely	Member Phillips	Member Scott
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.

STATE OF TEXAS

COUNTY OF JEFFERSON

§  
§  
§

KNOW ALL MEN BY THESE PRESENTS:

CONTRACT OF EMPLOYMENT

It is hereby agreed by and between the Board of Trustees ("Board") of Nederland Independent School District, a Texas independent school district having its administrative offices in Nederland, Jefferson County, Texas ("NISD") and Dr. Robin Perez ("Dr. Perez"), that NISD, in accordance with its action as reflected in the minutes of its meeting held on February 12, 2018, does hereby employ Dr. Perez as Superintendent of Schools under the terms of this Contract, for the period commencing April 29, 2018, and ending June 30, 2021. Both parties agree that said employee shall perform the duties of the Superintendent of Schools in and for the public schools in said district as prescribed by the laws of the State of Texas and by the rules, regulations, and policies of the Texas Education Agency and of NISD, pursuant to the following terms and conditions:

WITNESSETH:

1. Salary; Payment Schedule. In consideration of the payment by NISD to Dr. Perez of the sum of One Hundred Fifty-Three Thousand and Seven Hundred Dollars and No Cents (\$153,700.00) annual base salary and such other employment benefits described herein, Dr. Perez agrees to perform faithfully the duties of the Superintendent of Schools, and to serve in that capacity as chief administrative officer of NISD. That sum will be paid to Dr. Perez in equal increments, at least monthly, as the salaries of other central office administrators of NISD are paid.

2. Salary Adjustments. The Board of NISD reserves the right to adjust the annual base salary of Dr. Perez during the term of this contract, although such salary adjustment shall not reduce the annual salary below the figure stated above. The Board shall conduct a review of the Superintendent's compensation at a regular or special

Initial

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Board meeting in January of each year during the term of this Contract, following the completion of the Superintendent's annual evaluation. Any increase in salary made during the term of this contract shall be effective on the July 1 following approval of the adjustment and shall be in the form of written addendum to this contract or a new contract shall be executed. The termination date of the existing Contract may only be extended by specific action of the Board of Trustees. (See para. 11).

3. Travel Stipend; Travel Expense Reimbursement. As a condition of her employment, Dr. Perez will frequently be required to travel outside of the school district on school business, and to attend out-of-district University Interscholastic League events in which NISD students are involved, for which Dr. Perez will be paid, in monthly increments, an annual travel stipend of \$6,000.00. Dr. Perez will also be reimbursed for actual out-of-pocket travel expenses (e.g., mileage, lodging, meals) incurred in connection with approved out-of-town school district business and UIL event trips.

4. Technical Stipend. Dr. Perez will be paid an annual technical stipend intended to cover the cost and maintenance of all school district business-related computers, cell phones, and other necessary equipment. Dr. Perez will be paid, in monthly increments, an annual technical stipend of \$1,200.00.

5. Insurance Benefit. As part of her compensation, NISD agrees to pay, throughout the term of this contract and any renewals and extensions thereof, Dr. Perez's annual medical insurance premium in the amount of \$4,500.00. This benefit will serve in lieu of Dr. Perez's participation in the NISD medical insurance plan.

6. TRS Salary Supplement. The District shall supplement the Superintendent's annual salary through the term of this Contract by an amount equal to the Superintendent's required monthly contribution to the Texas Teacher Retirement System (TRS). 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 purposes of TRS.

Initial LP

7. Annual Working Days. Dr. Perez's annual contract period will be for 236 days.

8. Sick Leave; other Absences from Duty. Dr. Perez's sick leave and other types of absence from duty, including vacation, will be governed by applicable local Board policy in force at the time pertaining to other NISD administrators.

9. Agreement to Serve as Superintendent. In consideration for the employment position as Superintendent and the compensation herein agreed to be paid, therefore by NISD, Dr. Perez accepts the office and position of Superintendent of Schools of Nederland Independent School District of Nederland, Jefferson County, Texas, for the aforesaid period, and agrees that during such time she will, to the best of her ability and skill, perform the duties of such office and position in accordance with federal and state laws pertaining to the discharge of such duties, and in accordance with such lawful policies as the NISD Board may adopt, and in accordance with recognized professional standards for the performance of such duties, as determined by law and by the Texas Education Agency.

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

11. Annual Evaluation; Renewal of Contract; Extension. The Board agrees to formally evaluate Dr. Perez's performance as Superintendent at least annually. The Board agrees to notify Dr. Perez in writing on or before the January 31<sup>st</sup> date immediately preceding the end of the contract's term of its intention to reemploy her or not to reemploy her, as the case may be, for any period beyond the indicated term of

Initial 



this contract. In addition, the Board of Trustees agrees to consider, based on current formal performance evaluations and other relevant performance assessment criteria, at regular or special Board meetings in January of each year during the term of this contract, the extension of this contractual agreement. The Board's failure to take action on the extension or non-extension of the term of this contract will not operate to extend this contract.

12. Criticisms, Complaints, and Suggestions. The Board, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints, and suggestions called to the Board's attention either: (a) to Dr. Perez for study and/or appropriate action, and Dr. Perez shall refer such matter(s) to the appropriate District employee or shall investigate such matter(s) and shall within a reasonable time inform the Board of the results of such efforts; or, (b) to the appropriate complaint resolution procedure as established by NISD Board policies.

13. Termination; Procedures. Throughout the term of this contract, Dr. Perez shall serve subject to termination for good cause, in accordance with Chapter 21, Subchapters E and F, Texas Education Code, applicable Texas law, and NISD board policy.

14. Certification. Dr. Perez shall maintain on file in the personnel office of NISD, throughout the period of her employment, a valid and appropriate Texas Education Agency certification document, authorizing her to serve as superintendent of schools for an independent school district in the State of Texas.

15. Superintendent's Responsibilities. Dr. Perez, as Superintendent of Schools, shall have the responsibility to recommend to the Board the organization and reorganization of the administrative and supervisory staffs, including those relating to instructional and business affairs. The responsibility for recommending the employment, extension, renewal, non-renewal, disciplining, and termination of all certified employees shall also be vested in Dr. Perez, subject to approval by the Board. The Board reserves

Initial 

to itself the authority to initially employ, and to take action to propose nonrenewal, to nonrenew, to propose termination, to terminate, and to extend – or decline to extend – contracts of certified employees. Dr. Perez or her designee shall have the authority, without Board approval, to initially assign, reassign, promote, demote, or transfer to another position, department or facility, or to accept resignations from, all NISD personnel, so long as such reassignment, demotion, or transfer does not necessitate a change in the employment contract of a contract employee. The Superintendent shall serve as chief administrative officer to the Board of Trustees and for NISD. It shall be her responsibility to supervise and coordinate the central administrative functions of the District, and she shall exercise those duties which are mandated by statute as well as those specifically designated by the Board. The duties and responsibilities of Dr. Perez, as Superintendent of Schools, shall include, but not be limited to, the following:

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

Initial 

h. Perform such other duties consistent with the foregoing as the Board of Trustees may determine, and its policies provide.

16. Tax Deferred Program. The Board, at the request of Dr. Perez and in accordance with state law, may withhold and transfer an amount of her salary annually, semiannually, or monthly, said amount to be determined by Dr. Perez, permitting her to participate, if she so desires, in a tax-deferred program of her choosing.

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

18. Legal Liability Insurance. At its cost, NISD will include Dr. Perez in its policy of legal liability insurance.

19. Annual Physical Examination. The Superintendent shall undergo an annual physical examination performed by a licensed physician mutually acceptable to the Board and the Superintendent. The physician shall submit a confidential statement to the Board verifying the Superintendent's fitness to perform the Superintendent's duties, and copies of all such statements shall be maintained in the Superintendent's personnel file. The District shall pay all costs of the annual physical examination.

20. Legal Residence. Throughout her employment with NISD, Dr. Perez agrees to establish and maintain a residence on property purchased by Dr. Perez within the legal boundaries of NISD. Dr. Perez agrees to comply with this residence requirement as soon as possible, but no later than the first anniversary date of this contract. The parties agree that this residence requirement is a valid and enforceable requisite condition of this contract.

21. Professional Organization Memberships. The Superintendent is encouraged to belong to at least two (2) professional organizations, at District expense.

Initial

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She may attend, with the Board's prior approval, a reasonable number of appropriate professional meetings. The expenses for attendance at these meetings, as well as those incurred in all out-of-district business travel, will be borne by the District. The Superintendent shall file, within a reasonable time thereafter, an itemized expense statement with the business office of the District, in order to receive reimbursement.

22. Civic Activities. The Board encourages Dr. Perez to become a member of and participate in community and civic affairs, including the chamber of commerce, civic clubs, governmental committees, and educational organizations. The Board concludes that such participation will serve a legitimate purpose related to the educational mission of the District. Dr. Perez may hold offices or accept responsibilities in these professional organizations, provided that such responsibilities do not interfere with the performance of her duties as Superintendent. Prior to engaging in these activities, Dr. Perez will notify the Board in writing of the activity. The Board will notify Dr. Perez if the activity presents a conflict or interferes with the performance of her duties as Superintendent. The District shall reimburse Dr. Perez for the cost of membership in all local civic organizations in which Dr. Perez participates and related travel outside of the District, subject to advance Board approval.

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

EXECUTED in duplicate originals this 12 day of February, 2018.

NEDERLAND INDEPENDENT SCHOOL DISTRICT

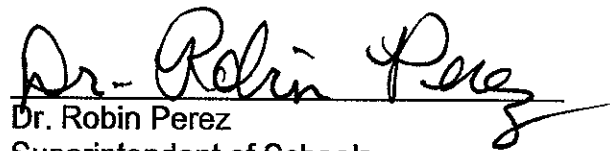
By:   
Reed Richard  
President, Board of Trustees

ATTEST:

  
Bryan Gentile

Initial 

Secretary, Board of Trustees

  
Dr. Robin Perez  
Superintendent of Schools

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