



Buna ISD



2021 Annual Financial Management Report

Fiscal Year Ended August 31, 2021



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SUPERINTENDENT

Dr. Tiffany Spicer



BUSINESS & FINANCE STAFF

Assistant Superintendent of Finance

Dr. Sharon Mosley

Accounts Payable/Purchasing

Cathy Burt

Benefits/Payroll

Cristi Fountain

PEIMS/Finance

Brenda Morgan

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INTRODUCTION

The Financial Accountability Rating System of Texas (Schools FIRST) was developed by the Texas Education Agency (TEA) in response to Senate Bill 875 of the 76th Texas Legislature in 1999. It is administered by TEA and calculated on information submitted to TEA via our Public Education Information Management System (PEIMS) submission each year.

During the 77th regular session of the Texas Legislature in 2001, Senate Bill 218 was passed and signed into law by Governor Perry shortly thereafter. This law requires each school district to prepare an annual financial accountability report, within two months of receiving the official ratings. 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.

The primary objective of the rating system is to assess the quality of financial management in Texas public schools. A secondary objective is to measure and report the extent to which financial resources in Texas public schools assure the maximum allocation possible for direct instructional purposes. Other objectives reflect the implementation of a rating system that fairly and equitably evaluates the quality of financial management decisions.

Major changes to the Schools FIRST system were implemented by the TEA in August 2015 that combined financial indicators with financial solvency indicators, in accordance with House Bill 5 of the 83rd Texas Legislature in 2013. The changes to the Schools FIRST system implemented by the TEA in August 2015 were phased-in over three years. The Schools FIRST rating system for the rating year 2021-2022 (based on 2020-2021 data) consists of 20 base indicators of which three indicators was not scored by the TEA.

The Schools FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts: "A" for "Superior"; "B" for "Above Standard"; "C" for "Meets Standard"; and "F" for "Substandard Achievement." Districts that receive the "Substandard Achievement" ratings under Schools FIRST must file a corrective action plan with the TEA.

Within two months after receipt of the final Schools FIRST rating, each school district must announce and hold a public hearing to distribute a financial management report that explains the District's performance under each of the 20 base indicators and the District's rating. Besides covering the results from the Schools FIRST accountability rating system, this report covers other business-related issues including discussion of the District's financial position. A glossary is added to provide additional explanations of terms used in the report and in financial discussions.

This is the 20th year of the Schools FIRST rating system. Buna Independent School District currently has a rating of "**Superior Achievement**" for the 2021-2022 fiscal year, with 16 out of 17 indicators receiving the highest possible number of points. This report briefly focuses on the details of what the District has accomplished to obtain this highest rating.

RATING YEAR 2021-2022

DISTRICT NUMBER district #

Select An Option

Help

Home



Financial Integrity Rating System of Texas

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

Name: BUNA ISD(121903)	Publication Level 1: 8/2/2022 2:05:39 PM
Status: Passed	Publication Level 2: 8/4/2022 12:15:48 PM
Rating: A = Superior Achievement	Last Updated: 8/4/2022 12:15:48 PM
District Score: 98	Passing Score: 70

#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	7/12/2022 9:19:25 AM	Yes
2	<u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u>	5/16/2022 11:44:25 AM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	5/16/2022 11:44:25 AM	Yes
4	<u>Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	5/16/2022 11:44:26 AM	Yes Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	5/17/2022 9:49:14 AM	Ceiling Passed

District Status Detail

7	<u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? See ranges below in the Determination of Points section.</u>	5/16/2022 11:44:27 AM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	5/16/2022 11:44:28 AM	10
9	<u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? See ranges below in the Determination of Points section.</u>	5/16/2022 11:44:28 AM	10
10	This indicator is not being scored.		10
11	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.</u>	5/16/2022 11:44:30 AM	10
12	<u>Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.</u>	5/16/2022 11:44:30 AM	8
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/9/2022 11:01:44 AM	10
14	<u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? If the student enrollment did not decrease, the school district will automatically pass this indicator.</u>	5/16/2022 11:44:32 AM	10
15	This indicator is not being scored.		5
16	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	5/16/2022 11:44:32 AM	Ceiling Passed
17	<u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	5/16/2022 11:44:33 AM	Ceiling Passed
18	<u>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</u>	5/16/2022 11:44:34 AM	10
19	<u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u>	5/16/2022 11:44:34 AM	5
20	<u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	5/16/2022 11:44:35 AM	Ceiling Passed
			98 Weighted Sum
			1

		Multiplier Sum
		(100 Ceiling)
		98 Score

DETERMINATION OF RATING

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

No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.

The school district receives an **F** if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.

CEILING INDICATORS

Did the school district meet the criteria for any of the following ceiling indicators 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.		
Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

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

THE TEXAS EDUCATION AGENCY

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

DISCUSSION OF BASE INDICATORS

1. **Was the complete Annual Financial Report (AFR) and data submitted to the Texas Education Agency (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?**

This indicator merely states the District's requirement for timely reporting.

Buna ISD met all reporting requirements set by the TEA.

Due date: 02/27/2022

Date Received: 01/28/2022

2. **Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)**

A "modified" opinion to the independent auditors' report on the fair presentation of the financial statements indicates that there exists one or more specific exceptions to the auditors' general assertion that the financial statements are fairly presented.

Buna ISD obtained an unmodified audit opinion. This indicates that the District's records were in good condition and fairly present the District's financial position.

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

This indicator is used to make certain that the District has made all debt/obligation payments based on the agreed upon financing terms.

Buna ISD has met this requirement.

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

This indicator seeks to ensure the District fulfilled its obligation to the TRS, TWC and IRS to transfer payroll withholding and to fulfill any additional payroll related obligations required to be paid by the District.

Buna ISD fulfilled all payroll obligations to the TRS, TWC and IRS.

- 5. This indicator is not being scored by TEA.**

- 6. Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)**

This indicator seeks to ensure the District has not utilized the fund balance in a manner that depleted it by more than 25% in 3 years or to the point where the balance has fallen below 75 days of operational expenditures.

Buna ISD had a positive average change in fund balances over 3 years and the current year's assigned and unassigned fund balances exceeds 75 days of operational expenditure.

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

This indicator measures how long in days after the end of the fiscal year the District could have disbursed funds for its operating expenditures without receiving any new revenues.

Buna ISD had 173.7166 days of cash on hand and current investments which exceeds the target amount to meet operating expenditures.

- 8. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?**

This indicator measures whether the District had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities.

Buna ISD's current assets to current liabilities ratio was 3.0034.

Buna ISD met this expectation receiving the maximum number of point.

- 9. Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?**

This indicator measures whether the District spent more than it earned.

The District's revenues exceeded expenditures for the reporting year.

- 10. This indicator is not being scored.**

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

This indicator measures the ratio of long-term liabilities to total assets.

Buna ISD had a ratio of 0.07 which is less than the 0.60 required.

- 12. Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?**

This indicator measures the District's ability to make debt principal and interest payments that will become due during the year.

Buna ISD marginally missed receiving maximum points by having a ratio of 4.1576 which was greater than the maximum of 4 required to receive the maximum number of points for this indicator.

- 13. Was the school district's administrative cost ratio equal to or less than the threshold ratio?**

TEA sets a cap on the percentage of the budget that Texas school districts can spend on administration, which is based on the size of the district.

The cap on the administrative cost ratio set by TEA for the 2020-21 fiscal year to receive the maximum points for this indicator was 11.51% for districts with a student population of 1,000 to 4,999. Buna ISD maintained an administrative cost ratio of 4.78% and met this requirement.

- 14. 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.)**

This indicator measures whether staff decreased in proportion to a decrease in students.

Buna ISD had a decrease of 0.0009 which is lower than the 0.1500.

- 15. This indicator is not being scored.**

16. Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?

This indicator measures the quality of data reported to PEIMS and in the District's AFR to make certain that the data reported in each case is consistent. The information is compared in all fund types. The acceptable variance level is 3.0%.

The District met this requirement with a variance level of 0%.

17. Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)

A clean audit of the District's AFR states that the District has no material weaknesses in internal controls.

Buna ISD received a clean audit. There were no instances of material weaknesses in internal controls.

18. Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)

An unmodified opinion on the District's AFR indicates that the District has no material weaknesses in internal controls. Any internal weaknesses create a risk that the District is not able to properly account for its use of public funds and should be immediately addressed.

Buna ISD did not report any instances of noncompliance.

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

This indicator monitors the District's transparency of posting information on the website.

Buna ISD posted all information required by Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end to the district website.

- 20. Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)**

This indicator monitors if the school board discussed property values at a meeting within 120 days before the district adopted its budget.

The Buna ISD Board discussed property values prior to the adoption of the budget as indicated in Board Agendas and Minutes.

OTHER DATA CONCERNING THE DISTRICT'S OPERATIONS

The purpose of this section is to discuss other aspects of the District's business operations not covered by the Schools FIRST Worksheet directly.

Financial Strength

Considering the impact that minimal funding from the state has had on Buna ISD, the District has weathered the public-school finance crisis better than many other districts because of its history of exercising strategic financial planning and investing as a standard practice. The District continually evaluates programs and services in order to continue to provide quality education while addressing demands associated with being a rural school district. The District consistently works to find alternative sources of funding and grants.

Personnel Management

The District's longstanding personnel goal is to attract and retain qualified staff and to offer a competitive salary and benefit package each year. Even more of a challenge has been to present a comprehensive health insurance package to employees, along with other benefits such as the Teacher/Employee Recruitment and Retention Program. Attracting and retaining a quality teaching staff is always a priority for Buna ISD.

Debt Management

The taxpayers of the District authorized bonds in a \$9.545 million bond program in 2013, a \$9.745 million bond program in 2014 and a \$5.615 million bond program 2016. Additional authorization was given for a Maintenance Tax Note Bond in 2018 for \$1.725 million. These bond programs were authorized to fund construction of new buildings, renovate existing facilities, and enhance technology and security district-wide. The District refinanced the 2013 and 2014 Series bonds taking advantage of the lower interest rates. As of August 31, 2021, the total debt outstanding from general obligation of bonds was \$19,533.030 with interest rates ranging from 2.00% - 5.00% and maturities until 2035. The District has worked diligently to schedule bond maturities and interest payments to smooth out the impact on the tax rate and to match the useful life of capital assets being purchased and/or constructed.

Facilities Acquisition and Construction Management

With proceeds of the above-mentioned bonds, as of August 31, 2019 the District has constructed the new high school, new elementary and junior high cafeteria. Renovations will continue as the District concentrates on the safety and security of our staff and students. Proactive District improvements are being made continuously including updating the tennis courts, track, parking lot, football stadium press box, and renovated welding classroom.

Tax Collections

A consistent tax collection rate aids in the management of debt. As shown below, the District maintains a strong collection rate.

<u>Year</u>	<u>Collection Rate</u>
2016	98.54%
2017	98.10%
2018	97.57%
2019	96.67%
2020	94.49%
2021	in process of collection

Cash Management

The District has a legal and local board policy that requires the District to invest funds within specific guidelines meant to ensure liquidity and safety. The District participates in TexPool Investments to maintain our investment portfolio.

Budgetary Planning & Financial Allocations

The District's budget process usually begins in January each year. During the first month of planning, budget allocations are developed for each campus and department. The District allocates funds to campuses based on an estimate of student count. Support departments receive funds based on the previous year's budgets adjusted (up or down) for future years' needs. Special project requests for amounts supplemental to allocations are considered individually each year. Budget input is scheduled for March. In March, calculations of state and local tax revenues are completed and the budget starts to take on some form. April is the month the District is able to give the Board a view of how the next year's budget looks. In odd-numbered years, the legislature is in session, and that complicates and delays the budgeting process. The optimal time for making a public salary decision is May.

Decisions are made on special project requests; revenue data is fine-tuned and a final budget is submitted to the Board of Trustees for approval in August.

The budget process is a proactive and highly participatory one, giving campuses and departments a great deal of discretion as to how to budget their funds. After the budget is adopted, each campus or department is given equal latitude regarding amending their budget when their plans or needs change. This decentralized style of budget management is required by the State of Texas. It is called site-based decision making. It is a system that works best in the long run for the District by allocating resources where they are needed, even when those needs change.

Annual Audit Report

Each year, an audit of the District's financial statements is performed by the independent auditors, J. R. Edwards & Associates, LLC. The auditors' responsibility is to report on the District's financial status and to ensure that the District is accurately handling the financial records within required standards. This report is a critical element of the accountability ratings worksheet, covering four criteria.

For the fiscal year ended August 31, 2021, the District received an "unmodified" opinion with no reportable conditions or material weaknesses.

Schools FIRST Disclosures

In fiscal year 2007, new reporting requirements became effective for the financial management report that is to be distributed at the Schools FIRST public hearing. Per Title 19 Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, the five (5) disclosures listed below are included in the appendix. The disclosures will include:

For Superintendents:

- Current employment contract (Fig. A-1).
- Outside compensation and/or fees received by the Superintendent for professional consulting and/or other personal services (Fig. A-3).

For Board Members and Superintendents:

- Certain reimbursable expenses incurred by the District on behalf of the superintendent and each board member, including amounts for meals, lodging, transportation, motor fuel and other items (Fig. A-2).
- Gifts valued at \$250 or more received by board members, superintendents and their immediate family members (and other "executive officers" named by the board) from school district vendors and competing vendors that were not awarded contracts (Fig. A-4).
- Business transactions between board members and the District (Fig. A-5).

APPENDIX

**BUNA INDEPENDENT SCHOOL DISTRICT
SUPERINTENDENT COMPENSATION
JULY 1, 2021 – JUNE 30, 2022**

Description of Compensation	Dollar Amount
Salary	\$138,513.30
Initial TRS Reimbursement	11,912.40
Total Compensation	\$150,425.70

SUPERINTENDENT TERM CONTRACT

This Contract is entered into between the Board of Trustee (the "Board") of Buna Independent School District (the "District") and Dr. Donny Lee (the "Superintendent").

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

1. **Term.** The Board agrees to employ the Superintendent for a term of three (3) years, commencing on June 1, 2022 and ending June 30, 2025. The Board and the Superintendent (the "Parties") may extend the term of this contract by agreement.
2. **Certification.** The Superintendent agrees to maintain the required certification throughout the term of employment with the District. If the Superintendent's certification expires, is canceled, or is revoked, this Contract is void.
3. **Representations.** The Superintendent makes the following representations:
 - 3.1 **Beginning of Contract:** At the beginning of this Contract, and at any time during this Contract, the Superintendent specifically agrees to submit to a review of his national criminal history record information (NCHRI) if required by the District, TEA, or SBEC. The Superintendent understands that a criminal history record acceptable to the Board, at its sole discretion, is a condition precedent to this Contract.
 - 3.2 **During Contract:** The Superintendent also agrees that, during the term of this Contract, the Superintendent will notify the Board in writing of any arrest or of any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent, except for Class C misdemeanors related to traffic violations. The Superintendent agrees to provide such notification in writing within seven calendar days of the event or any shorter period specified in Board policy.
 - 3.3 **False Statements and Misrepresentations:** The Superintendent represents that any records or information provided in connection with his employment application are true and correct. Any knowing or conscious false statements, misrepresentations, omissions of requested information, or fraud by the Superintendent in or concerning any required records or in the employment application may be grounds for termination or nonrenewal, as applicable.
4. **Duties.** The Superintendent shall be the educational leader and chief executive officer of the District. The Superintendent agrees to perform his duties as follows:
 - 4.1 **Authority:** The Superintendent shall perform such duties and have such powers as may be prescribed by the law and the Board. The Board shall have the right to assign additional duties to the Superintendent and to make changes in responsibilities or work at any time during the contract term. All changes in responsibilities or work and any duties assigned

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

- 4.2 **Standard:** Except as otherwise permitted by this Contract, the Superintendent agrees to devote his 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 rules, Board policy, and regulations as they exist of my hereafter be amended, including but not limited to Board policy DH (Exhibit) which is the Educators' Code of Ethics.

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

- 5.1 **Salary.** The District shall pay the Superintendent an annual salary of One Hundred Forty Two Thousand Dollars (\$142,000). The annual salary shall be paid to the Superintendent in equal monthly installments consistent with the Board's policies. At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent. Such adjustments, if any, shall be effective on June 1st following approval of the adjustment and shall be in the form of a written addendum to this contract or a new contract shall be executed. Except as provided below and subject to and without waiving any Constitutional and/or other challenges by the Superintendent, the Superintendent shall not be paid less than the salary set forth in Section 5.1 of the Contract.

TRS Salary Supplement. The District shall supplement the Superintendent's annual salary by an amount equal to one-hundred (100%) of the Superintendent's portion of the monthly member contribution to the Texas Teacher Retirement System ("TRS") beginning on March 10, 2020 and continuing for the term of this Contract and future approved contracts with any extensions made by the Board for performance of Superintendent duties. This supplement shall include both the retirement and TRS-Care parts of the TRS member contribution, as applicable. This additional salary supplement shall be paid to the Superintendent in regular monthly payroll installments and shall be reported as "creditable compensation" by the District for purposes of TRS, to the extent permitted by TRS.

- 5.2 **Retention Incentive.** Upon successful completion of 5 consecutive years as Superintendent for Buna ISD, the Board shall pay to the Superintendent, as a retention incentive, a lump sum amount totaling Twenty-five Thousand Dollars (\$25,000). This payment shall be paid out on May 1st, 2024, which represents five consecutive years of service.
- 5.3 **Benefits and Insurance.** The District shall provide benefits to the Superintendent as provided by state law and Board policies, including the health insurance benefits provided to all District employees. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase those benefits provided to all District employees pursuant to Board policy, at the Board's sole discretion.
- 5.4 **Civic Activities.** The Board encourages the Superintendent to become a member of and participate in community and civic affairs, including the chamber of commerce, civic clubs, governmental committees, and educational organizations. The board concludes that such participation will serve a legitimate purpose related to the education mission of the District. The District shall reimburse the Superintendent for the cost of membership in all

local civic organizations in which the Superintendent participates and related travel outside of the District, subject to advance Board approval.

- 5.5 **Professional Organizations.** The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance and participation in appropriate professional meetings, seminars, conferences, or courses at the local, regional, state, and national level. In its encouragement of the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent as the Superintendent and the Board deem appropriate, to attend such meetings, seminars, conferences, or courses. The District does hereby agree to provide in the District's budget per contract year an amount to be used for registration, travel, meals, lodging and other related expenses. The District shall pay for the Superintendent's membership dues to the Texas Association of School Administrators (TASA) and one other professional organization selected by the Superintendent and the District shall bear the reasonable cost and other related expenses for such attendance and membership.
- 5.6 **Expenses:** The District agrees to pay the actual and incidental costs incurred by the Superintendent for travel, which may include, but is not limited to, gasoline, hotels and accommodations, meals, rental car, mileage reimbursement for travel outside of the District, and other expenses incurred in the performance of the business of the District. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies.
- 5.7 **Residence in the District:** As a condition of employment with the Buna Independent School District, except as provided below, the Superintendent shall reside within the geographic boundaries of the District at all times while employed by the District. If not immediate, the Superintendent's initial relocation to residing within the District shall occur within twelve months of the Superintendent's first day of employment under this Contract, or within another reasonable period of time, as approved by the Board.
- 5.8 **Vacation, Holiday and Personal Leave:** The Superintendent may take, at the Superintendent's choice, the greater of ten (10) days or the same number of days of vacation authorized through policies adopted by the Board for administrators on twelve-month contracts, the days to be in a single period or at different times. The vacation days taken by the Superintendent will be taken at such times as will least interfere with the performance of the Superintendent's duties as set forth in this Contract. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts. The Superintendent is hereby granted the same personal leave benefits as authorized by Board policies for administrative employees on twelve-month contracts.
- 6 **Suspension:** In accordance with Texas Education Code chapter 21, the Board may suspend the Superintendent without pay during the term of this Contract for good cause as determined by the Board.
7. **Termination and Nonrenewal of Contract.** Termination or nonrenewal of this contract, or resignation under this contract, will be pursuant to Texas Education Code chapter 21.

8. **General Provisions.**

- 8.1 **Amendment:** This Contract may not be amended except by written agreement of the Parties.
- 8.2 **Severability:** If any provision in this Contract is, for any reason, held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of the Contract. This Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been a part of the Contract.
- 8.3 **Entire Agreement:** All existing agreements and contracts, both verbal and written, between the Parties regarding the employment of the Superintendent are superseded by this Contract. This Contract constitutes the entire agreement between the Parties.
- 8.4 **Applicable Law and Venue:** Texas law shall govern construction of this Contract. The Parties agree that venue for any litigation relating to the Superintendent's employment with the District, including this Contract, shall be the county in which the district's administration building is located.
- 8.5 **Paragraph Headings:** The headings used at the beginning of each numbered paragraph in this Contract are not intended to have any legal effect; the headings do not limit or expand the meaning of the paragraphs that follow them.
- 8.6 **Reassignment:** The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.

9. **Notices.**

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

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

Superintendent: _____

Date signed: _____

By: _____
Brent Stark, Buna ISD Board President

Date signed: _____

**BUNA INDEPENDENT SCHOOL DISTRICT
REIMBURSEMENTS RECEIVED BY THE
SUPERINTENDENT AND BOARD MEMBERS IN
FISCAL YEAR 2021**

**For the Twelve-Month Period
Ended August 31, 2021**

Name	Title	Event	Date	Registration	Lodging	Transportation	Meals	misc
2021-2022								
Donny Lee	Superintendent							
		TACS Conference	October 10 2021		\$378.00	\$60.19	\$100.00	
		Superintendent Academy	November 8-10, 2021			\$37.99	\$43.00	
Kelley Peck/Shawn Clubb		Future Ready Superintendent	Nov 30 - Dec 2 2021	\$1,885.00	\$705.28	\$86.97	\$75.00	
		TX Public School GALA	December 14 2021	\$163.05	\$154.54	\$35.00		
		TASA Midwinter	Jan. 30 - Feb. 2 2022	\$395.00	\$1,116.31	\$117.22	\$93.00	\$17.64
		TREA Spring Conference/Fort Worth	February 17 2022	\$125.00	\$0.00	\$0.00	\$0.00	
Kelley Peck/Kristy Yoes		Future Ready Superintendent	March 2-3 2022	\$0.00	\$510.47	\$31.07	\$68.00	
		Region 5 Technology Conference	April 25-27 2022	\$195.00	\$650.00	\$52.23	\$75.00	
		Summer Leadership/San Antonio	June 15 - 17 2022	\$450.00	\$877.77	\$148.94	\$93.00	
		TASA TexEd Fest	June 21 - 23 2022	\$325.00	\$306.73		\$75.00	
		TASA Breakaway Conference	March 1, 2022	\$325.00	\$685.00		\$100.00	
		Boys State Track Meeting			\$224.75	\$118.25	\$40.00	
Brent Stark	Board Member	Summer Leadership/San Antonio TX		\$460.00	\$763.92	\$0.00	\$93.00	
Jimmy Branch	Board Member	Summer Leadership/San Antonio TX			\$0.00	\$0.00	\$0.00	
Matt Buchanan	Board Member	Summer Leadership/San Antonio TX			\$0.00	\$0.00	\$0.00	
				\$0.00	\$0.00	\$0.00	\$0.00	
Joey Broom	Board Member	Summer Leadership/San Antonio TX		\$460.00	\$708.90		\$93.00	
Karli Cherry	Board Member	Summer Leadership/San Antonio TX			\$0.00		\$0.00	
Ryan Beaver	Board Member	Summer Leadership/San Antonio TX		\$460.00	\$845.31	\$0.00	\$93.00	
Chad Shepherd	Board Member	Summer Leadership/San Antonio TX		\$460.00	\$708.90		\$75.00	

Fig. A-3

**BUNA INDEPENDENT SCHOOL DISTRICT
OUTSIDE COMPENSATION AND/OR FEES RECEIVED BY THE SUPERINTENDENT
FOR PROFESSIONAL CONSULTING AND/OR OTHER PERSONAL SERVICES IN
FISCAL YEAR 2021**

For the Twelve-Month Period Ended August 31, 2019	
Name(s) of Entity(ies)	\$
Total	\$

There was no outside compensation and/or fees received in the fiscal year ended August 31, 2021.

**BUNA INDEPENDENT SCHOOL DISTRICT
GIFTS RECEIVED BY THE EXECUTIVE OFFICER(S) AND
BOARD MEMBERS (AND FIRST DEGREE RELATIVES, IF ANY) IN
FISCAL YEAR 2021**

For the Twelve-Month Period Ended August 31, 2020								
	Dr. Donny Lee Superintendent	Brent Stark, Board Member	Jimmy Branch, Board Member	Matt Buchanan, Board Member	Ryan Beaver, Board Member	Joey Broom, Board Member	Chad Shepherd, Board Member	Karli Cherry Board Member
Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

There were no gifts received by any Executive Officer(s) or Board Member(s).

Fig. A-5

**BUNA INDEPENDENT SCHOOL DISTRICT
BUSINESS TRANSACTIONS BETWEEN SCHOOL DISTRICT AND
BOARD MEMBER
FISCAL YEAR 2021**

For the Twelve-Month Period Ended August 31, 2020								
	Dr. Donny Lee Superintendent	Brent Stark, Board Member	Jimmy Branch, Board Member	Matt Buchanan, Board Member	Ryan Beaver, Board Member	Joey Broom, Board Member	Chad Shepherd, Board Member	Karli Cherry Board Member
Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

There were no business transactions between the school district and its Board Members.

GLOSSARY

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

Ad Valorem Property Tax: Literally, the term means “according to value.” Ad valorem taxes are based on a fixed proportion of the value of the property with respect to which the tax is assessed. 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

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

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

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

Beginning Fund Balance: The fund balance on the first day of a new fiscal year. For most school districts this is equivalent to the fund balance at the end of the previous fiscal 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 June 20 of each year, the superintendent (or designee) must prepare a budget for the school district if the fiscal year begins on July 1. (For those districts with fiscal years beginning September 1, this date would be August 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 the object, Capital Outlay. The amount spent on acquisitions, construction, or major renovation of school district facilities are reported under the function, Capital Outlay.

Capital Project Funds: Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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: Resources are recovered for the purpose of sharing them with low-wealth districts. Districts that are subject to the provisions of Chapter 41 must make a choice among several options in order to reduce their property wealth and share financial resources.

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

Comptroller Certified Property Value: The District's total taxable property value as certified by the Comptroller's Property Tax Division (Comptroller Valuation) and used for state funding purposes.

Days of Cash on Hand: The number of days the school district can disburse funds for its operating expenditures without receiving any new revenues.

Debt Service: The function, Debt Service, is a major functional area that is used for expenditures that are used for the payment of debt principal and interest. Expenditures that are for the retirement of general obligation bonds, capital lease principal, and other debt, related debt service fees, and for all debt interest fall under this function. The object, Debt Service, covers all expenditures for debt service.

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

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

Effective Tax Rate: Represents the tax rate which generates the same revenue as in the previous year, using current year property values.

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

Excess (Deficiency): Represents receivables due (excess) or owed (deficiency) at the end of the fiscal year.

Existing Debt Allotment (EDA): Is the amount of state funds to be allocated to the District for assistance with existing bonded indebtedness.

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.

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 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 (FTE) 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
- 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.

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 Weighted Average Daily Attendance (WADA) on the purchase of attendance credits either from the state or from other school district(s).

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.

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.

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

Local & Intermediate Revenues: All revenues from local taxes and other local and intermediate revenues. For specifics, see the definitions for Local Tax and Other Local & Intermediate Revenues.

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

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

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

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

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

- Assets
- Liabilities
- Fund Balances
- Revenue
- Expenditures/Expenses
- Other Resources/Nonoperating Revenue/Residual Equity Transfers In
- Other Uses/Nonoperating Revenue/Residual Equity Transfers Out

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

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

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

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

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

Other Resources: Non-operating revenues received, sale of property, bonds issued or residual equity transfers in.

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).

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. *(NOTE: Payroll amounts do not include salaries for contract workers employed by outsource companies, e.g., for child nutrition and maintenance. Therefore, this figure will vary significantly between districts and campuses that use contract workers and those that do not.)*

PEIMS: Public Education Information Management System, 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.

Property/Refined ADA: The District's Comptroller Property Value divided by its total Refined Average Daily Attendance (RADA).

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

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

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

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

Rollback Tax Rate: Provides the District with approximately the same amount of tax revenue it received the previous year for day-to-day operations plus a 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. The rollback rate is that rate which is necessary to generate the same amount of state and local funds per WADA as was available to the District in the preceding school year, using estimated WADA for the upcoming year, plus six cents, plus the current year's debt rate. If the District adopts a tax rate in excess of the calculated rollback rate, it results in an automatic election.

School Year: The twelve months beginning July 1 of one year and ending June 30 of the following year or beginning September 1 and ending August 31. 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 TEA, other state agencies, shared services arrangements, or allocated on the basis of state laws relating to the Foundation School Program Act.

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

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

Unrestricted Net Position Balance: Unrestricted net position balance refers to the portion of total net position that is neither invested in capital assets nor restricted.

WADA: 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 (sometimes referred to as Robin Hood Funds).

NOTICE OF PUBLIC MEETING
TO DISCUSS THE
BUNA INDEPENDENT SCHOOL DISTRICT'S
State Financial Accountability Rating of

SUPERIOR ACHIEVEMENT

Buna ISD will hold a public meeting
beginning at
7:00 pm on September 12, 2022

Board Room at Administration Building,
1022 Tx State Hwy 62

The purpose of this meeting is to discuss Buna ISD's
rating on the state's financial accountability system.

Publication Date: September 1, 2022

September 12, 2022

FOR IMMEDIATE RELEASE

Buna ISD Earns State's Highest Fiscal Accountability Rating

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

This is the 20th year of School FIRST (Financial Accountability Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999 and amendments under House Bill 5, 83rd Texas Legislature, Regular Session, 2013.

The primary goal of School FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

"We are very pleased with Buna ISD's School FIRST rating," said Buna ISD Assistant Superintendent of Finance, Dr. Sharon Mosley. This rating shows that our district is making the most of our taxpayers' dollars. This rating shows that Buna's schools are accountable not only for student learning, but also for achieving these results cost-effectively and efficiently."

The Texas Education Agency assigned one of four financial accountability ratings to Texas school districts, with the highest being "A" for "Superior Achievement," followed by "B" for "Above-Standard Achievement," "C" for "Standard Achievement" and "F" for "Substandard Achievement." Buna ISD has achieved the highest rating for 5 consecutive years.