

Lackland ISD
Financial Management Report
2015-2016

(Based on Fiscal Year 2014-2015 Data)



Introduction

The purpose of the financial accountability rating system is to ensure that school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial resources. The system is designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes. The system will also disclose the quality of local management and decision-making processes that impact the allocation of financial resources in Texas public schools. An evaluation of the long-term effectiveness of the system should disclose a measurable improvement in the quality of Texas public schools' financial decision-making processes. (Texas Administrative Code, Chapter 109)

Background Information:

This rating system was passed and signed into state law in 2001. The first ratings were reported by the Texas Education Agency (TEA) for the 2002-2003 fiscal year. The rating system and indicators were the same for fiscal years 2002-2003, 2003-2004, 2004-2005, and 2005-2006. Effective with the 2006-2007 fiscal year, the ratings and determination of the ratings have changed to the present system.

The most recent changes to the School FIRST system implemented by the Texas Education Agency in August 2015 are being phased-in over three years. During the phase-in period, the new School FIRST system has separate worksheets for rating years 2014-2015, 2015-2016, and 2016-2017 and subsequent years. The worksheet for rating year 2014-2015 contained only 7 indicators and the worksheets for rating years 2015-2016 and 2016-2017 contains 15 indicators. The 15 indicators are listed below:

- #1 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?
- #2 Review of Annual Financial Report for an unmodified opinion and material weaknesses.
- #3 Was the school district in compliance with the payment terms of all debt agreements at the fiscal year end?
- #4 Did the school district make timely payments to the TRS, TWC, IRS and other government agencies?
- #5 Was the total unrestricted net asset balance in the government activities column of the Statement of Net Assets [Annual Financial Report] greater than zero?
- #6 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)?
- #7 Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?
- #8 Was the ratio of long-liabilities to total assets for the school district sufficient to support long-term solvency?
- #9 Did the school district' general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)?
- #10 Was the debt service coverage ratio sufficient to meet the required debt service?
- #11 Was the school district's administrative cost ratio equal to or less than the threshold ratio?
- #12 Did the school district not have a 15 percent (15%) decline in the students to staff ratio over 3 years (total enrollment to total staff)?
- #13 Did the comparison of Public Education 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?
- #14 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?
- #15 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?

During the previous School FIRST rating (2014-2015), there were only seven (7) indicators as noted below:

- #1 Was the Annual Financial Report (AFR) submitted to TEA by the January 28th deadline?
- #2 Was there an unmodified opinion in the AFR on the financial statements as a whole?
- #3 Was the school district in compliance with the payment of all debt at the end of the fiscal year? [Note: Lackland ISD does not have any debt]
- #4 Was the total unrestricted net assets balance greater than zero?
- #5 Was the school district's administrative cost ratio equal to or less than the threshold?
- #6 Did the comparison of PEIMS data to the AFR result in a variance of less than 3%?
- #7 Did the external independent auditor report that the AFR was free of any instances of material weaknesses in internal controls over financial reporting and compliance?

The rating categories and scoring have also changed from the previous School FIRST report as noted below:

2 Ratings in 2014-2015

Passed (Score of 16-30), or P

Substandard Achievement (Score < 16), or F

4 Ratings through 2015-2016

A - Superior Achievement (70-100 score)

B - Above Standard Achievement (50-69 score)

C - Standard Achievement (31-49 score)

F - Substandard Achievement (less than 31 score)

Financial Management Report

Every school district is required to prepare a Financial Management Report, present the report at a public hearing, and distribute the report to the district's parents present at the meeting. The Financial Management Report must include the:

- Schools Financial Integrity Rating System of Texas (FIRST)
- Disclosures
 - Copy of the Superintendent's current Employment Contract
 - Summary schedule of all reimbursements received by the Superintendent and each Board Member for the 2014-2015 fiscal year. This summary should include all travel expenses by category, such as lodging, meals, registration, etc.
 - Summary schedule of the dollar amount of compensation and/or fees received by the Superintendent from another district or any other outside entity for professional consulting and/or personal services during the 2014-2015 fiscal year.
 - Summary schedule of the total dollar amount of gifts [with an economic value of \$250 or more in the aggregate] received by the Superintendent and each Board Member during the 2014-2015 fiscal year. This requirement also includes the immediate family of the Superintendent and each Board Member.
 - Summary schedule of the dollar amount by Board Member for the aggregate amount of business transactions with the school district.

Lackland ISD's

2015-2016 Schools FIRST rating is "A - Superior Achievement"

with a score is 100!

Review of Indicators

Critical Indicators

Indicators #1, #2A, #3, #4 and #5 are critical indicators on the current rating system. A rating of F - Substandard Achievement is assigned if the district failed to achieve one or more of these critical indicators.

The solvency of a district is critical to its financial strength; hence unrestricted net assets that are greater than \$0 is perhaps the most critical indicator. Chart #1 below illustrates the total unrestricted net assets for the past five fiscal years. In addition, the district has maintained a healthy fund balance over the past fiscal years as illustrated by Chart 2. [Indicator #5]

Chart #1: Total Unrestricted Net Assets

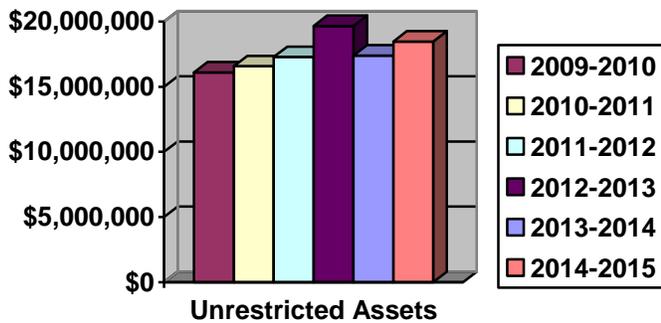
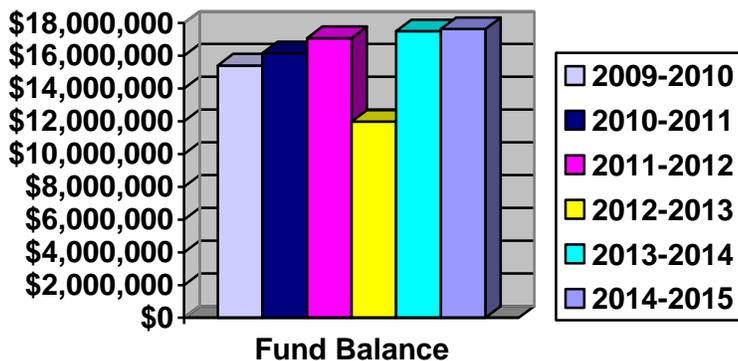


Chart #2: Fund Balance at End of Fiscal Year (General Fund Only)



A substantial fund balance is critical for Lackland ISD due to the usual delay in receiving Federal Impact Aid funds. Federal Impact Aid funds, which are received in lieu of property taxes, are a major source of operating funds for the district. The fund balance consists of committed and assigned [Construction and Technology] funds balances.

The Annual Financial Report is a valuable indicator of sound financial management. The district met all requirements related to the Annual Financial Report such as receiving an unmodified opinion, filing the report by the Texas Education Agency's deadline, and maintaining a report that is free of material weaknesses. [Indicators #1, #2A and 2B]

The District complied with payment deadlines such as Teacher Retirement System (TRS), Texas Workforce Commission (unemployment) and the Internal Revenue Service (IRS). [Indicator #4]

Other Indicators

Indicator	Description	Value
#6	Number of days of cash and current investments in the general fund	659 days
#7	Measure of current assets to current liabilities	Assets are 4.02 times more than liabilities
#8	Ratio of long-term liabilities to total assets sufficient to support long term solvency.	Long term liabilities = \$387K and assets = \$55 million
#9	Did general fund revenues equal or exceed expenditures?	Revenues exceeded expenditures by \$3.7 million
#10	Debt Service coverage ratio to meet debt requirements	N/A, no debt
#11	District's Administrative Cost ratio	9.95% (maximum allowable is 13.11%)
#12	Did the district not have a 15% decline in the student:staff ratio over 3 years?	9.78% decline
#13	Did the comparison of PEIMS data to the AFR result in a variance of less than 3% of all expenditures by function?	\$11,795,969 total expenditures, net variance \$21.00
#14	Did the external auditor indicate the AFR was free of any material non-compliance for grants, contracts or laws?	None noted in AFR
#15	Did the district not receive an adjusted repayment schedule for more than 1 fiscal year for an over-allocation of FSP funds as a result of financial hardship?	No adjusted schedule

Summary

Lackland ISD received a score of 100 out of a possible score of 100 in 2015-2016. The passing score is 31 points. Our rating for the 2015-2016 fiscal year is **A – Superior Achievement**. The District has achieved a Superior Achievement rating for the past 14 years!

The Schools FIRST rating is a district-wide financial report card. The Board of Trustees and staff have contributed to the financial success of the district by:

- Developing and adopting budgets that focus on student instruction and achievement
- Ensuring fiscal accountability through purchasing, staffing, cash management, and PEIMS data integrity

Due to the difference in indicators for 2015-2016 and the previous year, 2014-2015, no direct comparison will be made within this report, but the ratings for each year and included in the Exhibit Section.

User: Rebecca Estrada
 User Role: District

RATING YEAR

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Financial Integrity Rating System of Texas

2015-2016 RATINGS BASED ON SCHOOL YEAR 2014-2015 DATA - DISTRICT STATUS DETAIL

Name: LACKLAND ISD(015913)	Publication Level 1: 8/8/2016 6:20:16 PM
Status: Passed	Publication Level 2: 8/8/2016 6:20:16 PM
Rating: A = Superior	Last Updated: 8/8/2016 6:20:16 PM
District Score: 100	Passing Score: 31

#	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>	3/16/2016 2:42:19 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>	3/16/2016 2:42:19 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>	3/16/2016 2:42:20 PM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	3/16/2016 2:42:20 PM	Yes
4		3/16/2016 2:42:20 PM	Yes

	<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>		
5	<u>Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)</u>	3/16/2016 2:42:20 PM	Yes
			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>	8/4/2016 1:26:41 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>	6/30/2016 1:16:59 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 10 percent or more, then the school district passes this indicator.) (See ranges below.)</u>	8/4/2016 1:26:42 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>	8/4/2016 1:26:42 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	8/4/2016 1:26:42 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/16/2016 2:42:23 PM	10
12	<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>	3/16/2016 2:42:23 PM	10
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>	3/16/2016 2:42:23 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>	3/25/2016 1:54:54 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>	3/24/2016 4:22:14 PM	10
			100 Weighted Sum

		1 Multiplier Sum
		100 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, 5, or 2.A? 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. (Indicators 6-15)	
	A = Superior	70-100
	B = Above Standard	50-69
	C = Meets Standard	31-49
	F = Substandard Achievement	<31

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

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

FIRST 4.2.8.0

2014-2015 RATINGS BASED ON SCHOOL YEAR 2013-2014 DATA - DISTRICT STATUS DETAIL

Name: LACKLAND ISD(015913)		Publication Level 1: 8/20/2015 11:24:40 AM	
Status: Passed		Publication Level 2: 8/20/2015 11:24:40 AM	
Rating: Pass		Last Updated: 8/20/2015 11:24:40 AM	
District Score: 30		Passing Score: 16	
#	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>	4/6/2015 2:26:59 PM	Yes
2	<u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u>	4/6/2015 2:26:59 PM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	4/6/2015 2:26:59 PM	Yes
4	<u>Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district's change of students in membership over 5 years was 10 percent</u>	7/30/2015 12:11:29 PM	Yes

	<u>or more, then the school district passes this indicator.)</u>		
			1 Multiplier Sum
5	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	7/15/2015 11:44:56 AM	10
6	<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>	8/17/2015 5:40:59 PM	10
7	<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>	4/6/2015 2:27:01 PM	10
			30 Weighted Sum
			1 Multiplier Sum
			30 Score

DETERMINATION OF RATING

A.	Did The District Answer 'No' To Indicators 1, 2, 3, Or 4? If So, The District's Rating Is Substandard Achievement.
B.	Determine Rating By Applicable Range For Summation of the Indicator Scores (Indicators 5-7)

Pass	16-30
Substandard Achievement	<16



Disclosures

Reporting requirements for the financial management report for Schools FIRST public hearing are found in **Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System**. This rule describes requirements for the five (5) disclosures explained below that are to be presented as appendices in the Schools FIRST financial management report.

1. Superintendent's Employment Contract

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the Schools FIRST hearing in calendar year 2015. In lieu of publication in the Schools 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.

Most recent contract is attached.



Disclosures

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2015

For the Twelve-month Period Ended June 30 or August 31, 2015		Miller Board Member 1	Munro Board Member 2	Dietert Board Member 3	Garcia Board Member 4	Odom Board Member 5
Description of Reimbursements	Superintendent					
Meals	\$994	\$761	\$105	\$187	\$815	\$321
Lodging	\$8,057	\$1,612	\$524	\$785	\$1,812	\$1,534
Transportation	\$4,550	\$532	\$472	\$532	\$532	\$662
Motor Fuel						
Other	\$7,180	\$1,395	\$895	\$895	\$1,555	\$1,395
Total	\$20,781	\$4,300	\$1,996	\$2,399	\$4,714	\$3,912

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2015, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

Meals – Meals consumed off of the school district’s premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

Lodging - Hotel charges.

Transportation - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.

Motor fuel – Gasoline.

Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.



Disclosures

3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2015

For the Twelve-Month Period Ended June 30 or August 31, 2015	
Name(s) of Entity(ies)	
	\$0
Total	\$0

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



Disclosures

4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2015

For the Twelve-Month Period Ended June 30 or August 31, 2015		Miller	Munro	Dietert	Garcia	Odom
	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5
Summary Amounts	\$0	\$0	\$0	\$0	\$0	\$0

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. (Any gifts received by their immediate family as described in Government Code, Chapter 573, Subchapter B, Relationships by Consanguinity or by Affinity will be reported under the applicable school official.)



Disclosures

5. Business Transactions Between School District and Board Members for Fiscal Year 2015

For the Twelve-Month Period Ended June 30 or August 31, 2015	Miller Board Member 1	Munro Board Member 2	Dietert Board Member 3	Garcia Board Member 4	Odom Board Member 5
Summary Amounts	\$0	\$0	\$0	\$0	\$0

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



Disclosures

Item 6 Other Information.

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

None

Employment Contract

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

THIS AGREEMENT is made and entered into by the between the Board of Trustees (the "Board") of the Lackland Independent School District (the "District") and Dr. Burnie L. Roper (the "Superintendent").

The Board and the Superintendent, for and in consideration of the mutual covenants set out below, have agreed, and do hereby agree, as follows:

1. **TERM.**

1.1 Employment. The Board agrees to employ the Superintendent on a twelve-month basis per school year, for approximately five (5) years, beginning January 19, 2016, and ending January 19, 2021. The Board and the Superintendent (the "Parties") may extend the term of this Contract by agreement.

1.2 No Right of Tenure. The Board has not adopted by policy, rules, regulations, law or practice providing for tenure. No right of tenure, contractual obligation, expectancy of continued employment, or claim of entitlement is created beyond the contract term.

2. **CERTIFICATION**

2.1 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.**

3.1 Beginning of Contract. The Superintendent represents that he has disclosed to the Board, in writing, any arrest and any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent. The Superintendent understands that a criminal history record acceptable to the Board, at its sole discretion, is a condition precedent to this Contract.

3.2 During Contract. The Superintendent also agrees that, during the term of this Contract, the Superintendent will notify the Board, in writing, of any arrest or of any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent. The Superintendent agrees to provide such notification in writing within seven calendar days of the event or any shorter period specified in Board policy.

3.3 False Statements and Misrepresentations. The Superintendent represents that any records or information provided in connection with his employment application are true and correct. Any false statements, misrepresentations, omissions of requested information, or fraud by the Superintendent in or concerning any required records or in the employment application may be grounds for termination or nonrenewal, as applicable.

4. **EMPLOYMENT.**

4.1 Duties. The Superintendent shall perform such duties and have such powers as may be prescribed by the law and the Board. The Board shall have the right to assign additional duties to the Superintendent and to make changes in responsibilities or work at any time during the contract term. All duties assigned by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

4.2 Performance of Duties. 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 Board directives, state and federal laws and rules, Board policy, and regulations as they exist or may hereafter be amended.

5. **COMPENSATION.**

5.1 Salary. The Superintendent shall be paid a salary of one hundred sixty four thousand, twenty five and no cents (\$164,025.00) per year until the end of the contract period. At any time during the term of this Contract, the Board may, in its sole discretion, review and adjust the salary of the Superintendent, with any adjustments being in the form of either a written addendum to this Contract or a new contract. However, in no event shall the Superintendent be paid less than the salary as set forth above, except by mutual, written agreement of both the Superintendent and the District.

5.2 Performance Bonus. In addition to the Superintendent's base salary, a performance bonus may be considered and awarded on an annual basis. The performance bonus is not guaranteed and shall be subject to the availability of funds and meeting the performance bonus criteria, such as academic performance, longevity, or other criteria selected by the board at the board's discretion. Nothing in this contract shall be construed as granting any contract or other legal right or entitlement to any performance incentive payments.

5.3 Vacation and Holiday. The Superintendent will be entitled to all approved school holidays and ten vacation days [scheduled days off]. Holidays do not accumulate from one school year to the next or from one contract term to the next. Scheduled days off may accumulate up to the maximum set in Board policy. There are no entitlements to any payments for any unused vacation or holiday time.

5.4 Vehicle. The District will provide a District vehicle for the Superintendent's business and personal use and shall replace such vehicle every 3 years. The personal use of the vehicle shall be subject to federal taxes in accordance with the Internal Revenue Code.

5.5 Expenses. The District shall pay or reimburse the Superintendent for reasonable expenses directly incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Agreement. This District agrees to pay the actual and incidental costs incurred by the Superintendent for travel; such costs may include, but are not limited to mileage reimbursement for travel outside of the school district, hotels, and accommodations, meals, rental cars, 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 policy and District Administrative Procedures.

5.6 Health Insurance. The District, at its expense, will provide the Superintendent the same medical and dental insurance coverage as is provided for other full-time employees of the District.

5.7 Life Insurance. The District will pay 100 percent of the cost for \$50,000.00 coverage for the Superintendent under the District's group life policy. The District shall also provide the same life insurance benefits as is provided for all full-time employees of the District. In addition, the District shall pay the premium to Texas Life for \$200,000 of coverage for the Superintendent during the contract period.

5.8 Sick & Personal Leave. The Superintendent will be entitled to twelve (12) days of leave for personal or family illness. Unused leave may be accumulated for use in future years in accordance with Board policy.

5.9 Cellular Phone. The District shall pay the Superintendent a monthly cellular phone allowance in the amount of \$100.00.

5.10 Professional Organization Membership Fees. The District shall pay membership fees for professional organizations on behalf of the Superintendent for which the Superintendent deems necessary in order to stay current on educational issues and that serves the best interest of the district. In addition, the District shall pay the membership dues for civic or service organizations such as the San Antonio Chamber of Commerce as requested by the Superintendent.

5.11 Retirement Benefit. The District shall contribute to one or more retirement plans established under Internal Revenue Code Sections 401(a), 403(b), and/or 457 ("Plan[s]"), formed by the Superintendent for the benefit of the Superintendent, of five thousand dollars (\$5,000) during each full calendar year that this Contract is in effect.

5.12 TRS Contribution. Beginning with the January 2016 paycheck, the District will pay to the Texas Teacher Retirement System (TRS) on behalf of the Superintendent, the full amount of the employee TRS contribution on the Superintendent's qualifying monthly salary.

5.13 Disability Insurance. The District shall provide the maximum disability income protection for the Superintendent allowed by any disability insurance policy made available now or in the future to LISD employees. The disability coverage shall not exceed 66.67 percent of the Superintendent's salary.

4. REVIEW OF PERFORMANCE.

4.1 Time and Basis of Evaluation. The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this Agreement.

4.2 Evaluation Format and Procedure. The evaluation format and procedure shall be in accordance with the Board's policies, state and federal law.

5. RENEWAL/NONRENEWAL

5.1. Renewal/Nonrenewal. Renewal or nonrenewal shall be in accordance with Board policy, Texas Education Code Chapter 21, and applicable law.

6. TERMINATION OF EMPLOYMENT CONTRACT.

6.1 Mutual Agreement. This Agreement may be terminated by the mutual agreement of the Superintendent and then Board in writing, upon such terms and conditions as may be mutually agreed upon. After the Superintendent has returned the signed contract, the Superintendent will not be released from this Agreement without the written consent of the Board.

6.2 Death, Retirement. This Agreement shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement under the Teacher Retirement System of Texas.

6.3 Dismissal for Good Cause. This Board may dismiss the Superintendent at any time for good cause.

6.4 Termination Procedure. Termination of this Contract will be pursuant to Board policy, Texas Education Code Chapter 21, and other applicable law. The Superintendent shall be afforded all the rights set forth in the Board's policies and state and federal law.

7. GENERAL PROVISIONS.

7.1 Amendment. This Contract may not be amended except by written agreement of the Parties.

7.2 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.

7.3 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.

7.4 Applicable Law and Venue. Texas law shall govern construction of this Contract. The Parties agree that venue for any litigation relating to the Superintendent's employment with the District, including this Contract, shall be the county in which the District's administration building is located. If litigation is brought in federal court, the Parties agree that venue shall be the federal district and division in which the district's administration building is located.

7.5 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.

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

8. NOTICES.

8.1 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.

8.2 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 Secretary 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 Board Secretary's addresses of record, as provided to the District.

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

EXECUTED this 19 day of January 2016.

LACKLAND INDEPENDENT
SCHOOL DISTRICT

By: Signature on File
Mr. Brian Miller
President, Board of Trustees

ATTEST:

By: Signature on File

Dr. Laura Munro
Secretary, Board of Trustees

Signature on File
Dr. Burnie L. Roper
Superintendent of Schools

AMENDED: this 26 day of April 2016

LACKLAND INDEPENDENT
SCHOOL DISTRICT

By: Signature on File
Mr. Brian Miller
President, Board of Trustees

ATTEST:

By: Signature on File

Dr. Laura Munro
Secretary, Board of Trustees

Signature on File
Dr. Burnie L. Roper
Superintendent of Schools