

September 19, 2016

Lockhart ISD Board of Trustees,

I am pleased to present the Schools Financial Integrity Rating System of Texas (FIRST) report for the 2014-15 school year. The rules have changed since last year. Last year, a school district could receive either a "P-Pass" or an "F-Substandard Achievement" rating. Last years' Lockhart ISD report achieved a Passed rating, which the highest that a school district can now achieve. The report is always one fiscal year behind because the 2015-2016 fiscal year has not been reported to the Texas Education Agency yet, due to normal reporting time lines.

Prior to the 2013-2014 school year school districts were rated as "Superior" for the highest rating. Lockhart ISD has had the Superior rating for the past twelve consecutive years. For the 2014-2015 school year, the district received a rating of "Superior" and a letter grade of "A", both of which are the highest rating that the district can receive.

The Texas Administrative Code, Title 19, Section 109.1001(I) includes the rules regarding disclosures of information to the public, including a comparison between Lockhart ISD and state standards, as well as reimbursements and gifts to the School Board and the Superintendent. It also requires the disclosure of the current Superintendent's contract. All required disclosures are included with this report.

Please let me know if you have any questions.

Respectfully,

Tina Knudsen, CPA
Chief Financial Officer

School FIRST Annual Financial Management Report

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1005. Effective 2/3/11.

The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing. The template may not be all inclusive.

Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided.

In lieu of publication in the annual School FIRST financial management report, the school district may chose to publish the superintendent's employment contract on the school district's Internet site.

If published on the Internet, the contract is to remain accessible for twelve months.

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended June 30, 2015

	R. Trevino	T. Knudsen	J Neyman	S Johnson	T. Guyton	J Reyes	C. Cisneros	B. Spillman	M Wright	R Womble
	Interim	Board	Board	Board	Board	Board	Board	Board	Board	Board
Description of Reimbursements	Superintendent	Superintendent	Member 1	Member 2	Member 3	Member 4	Member 5	Member 6	Member 7	Member
Meals	\$ 335.60	\$ 20.00	\$ 11.25	\$ 118.00	\$ -	\$ -	\$ 109.69	\$ 175.40	\$ -	\$ 413.08
Lodging	\$ 2,309.39	\$ 771.36	\$ 514.24	\$ 693.03	\$ -	\$ 1,111.29	\$ 1,657.98	\$ 2,193.20	\$ 264.06	\$ -
Transportation	\$ 746.65	\$ 209.43	\$ -	\$ 387.52	\$ 83.14	\$ 1,554.99	\$ 74.39	\$ 383.68	\$ 190.41	\$ -
Motor Fuel	\$ 155.15	\$ 5.99	\$ 21.26	\$ -	\$ -	\$ -	\$ 67.67	\$ 31.25	\$ -	\$ 21.26
Other	\$ 2,910.95	\$ 535.00	\$ 790.00	\$ 200.00	\$ 15.00	\$ 1,340.00	\$ 1,065.00	\$ 400.00	\$ 490.00	\$ 325.00
Total	\$ 6,457.74	\$ 1,541.78	\$ 1,336.75	\$ 1,398.55	\$ 98.14	\$ 4,006.28	\$ 2,974.73	\$ 3,183.53	\$ 944.47	\$ 759.34

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

Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).

Lodging - Hotel charges.

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

Motor fuel – Gasoline.

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

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

For the Twelve-Month Period
Ended June 30, 2015

Name(s) of Entity(ies)	Amount Received
None reported	\$ -
Total	\$0.00

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

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

For the Twelve-Month Period
 Ended June 30, 2015

	Trevino	Knudsen	J Neyman Board Member 1	S Johnson Board Member 2	T. Guyton Board Member 3	J Reyes Board Member 4	C. Cisneros Board Member 5	B. Spillman Board Member 6	M Wright Board Member 7	R Womble Board Member
Total (none reported)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

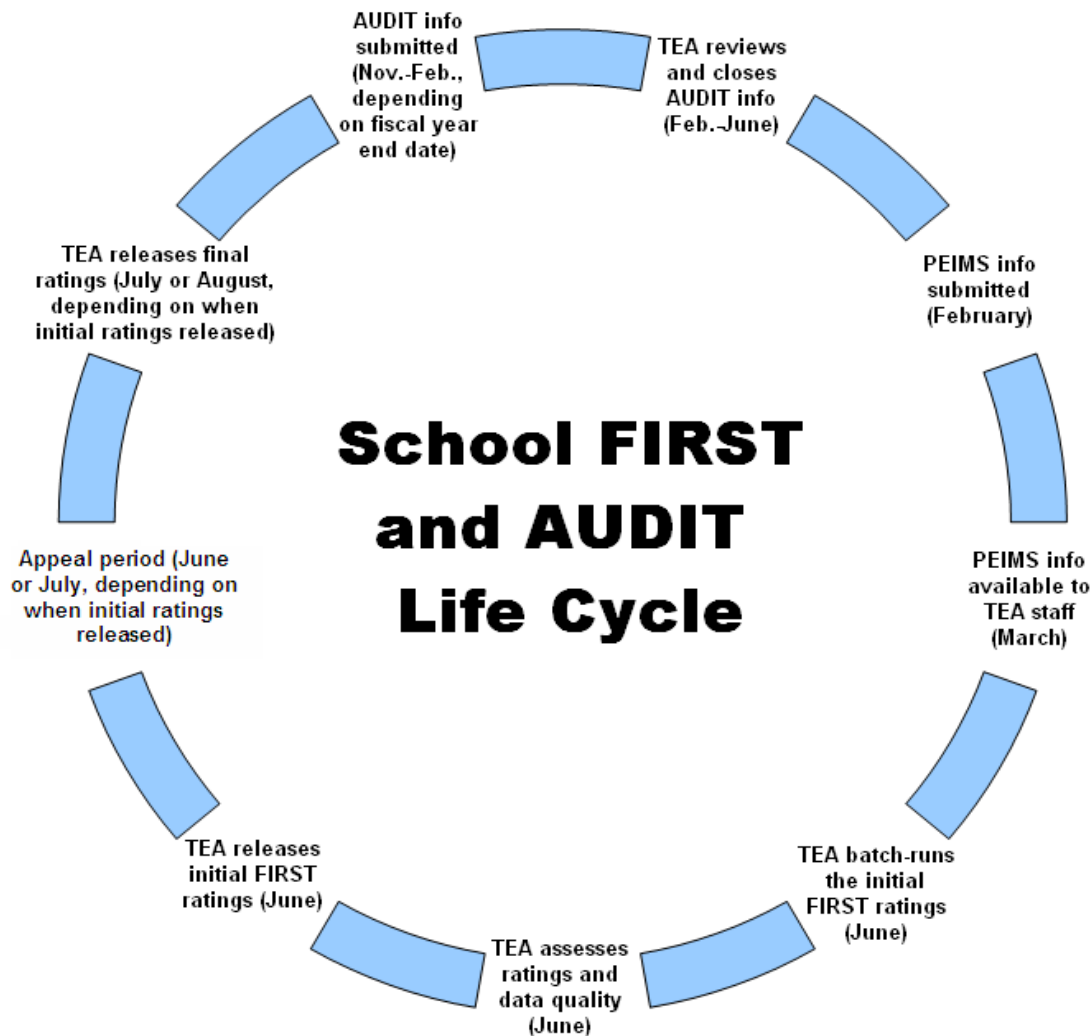
Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials.

Business Transactions Between School District and Board Members

For the Twelve-Month Period
 Ended June 30, 2015

	J Neyman Board Member 1	S Johnson Board Member 2	T. Guyton Board Member 3	J Reyes Board Member 4	C. Cisneros Board Member 5	B. Spillman Board Member 6	M Wright Board Member 7	R Womble Board Member
Amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,874.47	\$ -	\$ -

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



School FIRST depends on information from the AUDIT and PEIMS databases. The above diagram shows the life cycle of data through the AUDIT and School FIRST applications, starting with the submission and verification of Annual Financial Report information to the AUDIT database, and ending with the release of the final FIRST ratings.

Superintendent Term Contract

This Contract is entered into between the Board of Trustees (the “Board”) of LOCKHART INDEPENDENT SCHOOL DISTRICT (the “District”) and SUSAN BOHN (the “Superintendent”).

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

1. **Term.** The Board agrees to employ the Superintendent on a twelve-month basis per school year, for a three-year term, beginning August 19, 2016, and ending August 19, 2019. The Board and the Superintendent (the “Parties”) may extend the term of this Contract by agreement.
2. **Certification.** The Superintendent agrees to maintain the required certification throughout the term of employment with the District. If the Superintendent’s certification expires, is canceled, or is revoked, this Contract is void.
3. **Representations.** The Superintendent makes the following representations:
 - 3.1 **Beginning of Contract:** At the beginning of this Contract, and at any time during this Contract, the Superintendent specifically agrees to submit to a review of his or her national criminal history record information (NCHRI) if required by the District, TEA, or SBEC. The Superintendent understands that a criminal history record acceptable to the Board, at its sole discretion, is a condition precedent to this Contract.
 - 3.2 **During Contract:** The Superintendent also agrees that, during the term of this Contract, the Superintendent will notify the Board in writing of any arrest or of any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent. The Superintendent agrees to provide such notification in writing within three calendar days of the event.
 - 3.3 **False Statements and Misrepresentations:** The Superintendent represents that any records or information provided in connection with his or her employment application are true and correct. Any false statements, misrepresentations, omissions of requested information, or fraud by the Superintendent in or concerning any required records or in the employment application may be grounds for termination or nonrenewal, as applicable.
4. **Duties.** The Superintendent shall be the educational leader and chief executive officer of the District. The Superintendent agrees to perform his or her duties as follows:
 - 4.1 **Authority:** The Superintendent shall perform such duties and have such powers as may be prescribed by the law and the Board. The Board shall have the right to

User: Tina Knudsen

User Role: District

RATING YEAR

2015-2016 ▼

Select An Option ▼

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Financial Integrity Rating System of Texas

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

Name: LOCKHART ISD(028902)		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 2:48:49 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 2:48:50 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</u>	3/16/2016 2:48:50 PM	Yes

	<u>material weakness.)</u>		
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 2:48:50 PM	Yes
4	<u>Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?</u>	3/16/2016 2:48:51 PM	Yes
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 2:48:51 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 1:29:07 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 1:18:38 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 1:29:08 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 1:29:08 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	8/4/2016 1:29:09 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 2:48:53 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 2:48:54 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 2:48:54 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 1:56:15 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 4:23:37 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

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FIRST 4.2.8.0

assign additional duties to the Superintendent and to make changes in responsibilities or work at any time during the contract term. All duties assigned by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

- 4.2 **Standard:** Except as otherwise permitted by this Contract, the Superintendent agrees to devote his or her full time and energy to the performance of his or her duties. The Superintendent shall perform his or her duties with reasonable care, skill, and diligence. The Superintendent shall comply with all Board directives, state and federal laws and rules, Board policy, and regulations as they exist or may hereafter be amended.
 - 4.3 **Residency:** Within three months of the Superintendent's first day of employment, the Superintendent shall establish and maintain a residence within the geographic boundaries of the District while Superintendent of the District.
5. **Compensation.** The District shall pay the Superintendent an annual salary as follows:
- 5.1 **Salary:**

One Hundred Sixty-Eight Thousand, Three Hundred and 00/100 Dollars (\$168,300.00) per year.

 - (a) **Widespread Salary Reduction.** If the Board implements a widespread salary reduction under Texas Education Code section 21.4023, the Superintendent's annual salary shall be reduced by the percent or fraction of a percent that is equal to the average percent or fraction of a percent by which teacher salaries have been reduced.
 - (b) **Furlough.** If the Board implements a furlough under Texas Education Code section 21.4021, the Superintendent shall be furloughed for the same number of days as other contract personnel and the Superintendent's salary shall be reduced in proportion to the number of furlough days.
 - 5.2 **Benefits:** The District shall provide benefits to the Superintendent as provided by state law and Board policies. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase these benefits, at the Board's sole discretion.
 - (a) **Leave.** The Superintendent shall receive the same number of days of leave as authorized by Board policy for administrative employees on 12-month contracts. The Superintendent shall observe the same holidays and breaks as provided for other 12-month administrators in the Board's adopted annual calendar and shall be eligible for any leave available to other employees under Board policy. The Superintendent shall schedule vacation and leave days with prior written approval of the Board President and at times that will least

interfere with the performance of the Superintendent's duties.

- (b) **Transportation.** The District shall provide the Superintendent with an automobile allowance in the sum of Two Hundred Fifty dollars (\$250) per month. This payment is in lieu of mileage expense reimbursement, gasoline, insurance, or other charges associated with in-District travel.
- (c) **Professional memberships.** The Board encourages the Superintendent to become a member of and participate in professional associations and community and civic affairs, including the chamber of commerce, civic clubs, governmental committees, and educational organizations. The Board concludes that such participation will serve a legitimate purpose related to the educational mission of the District. The District shall reimburse the Superintendent for the cost of membership in up to two professional educational organizations and four local civic organizations, subject to advance approval by the Board.
- (d) **Insurance Premiums**
 - 1. **Health Insurance.** The District shall pay premiums for health benefits for the Superintendent in accordance with the group health care plan provided by the District for all full-time employees of the District.
 - 2. **Life Insurance.** The District shall provide the Superintendent with a term life insurance policy in the amount of Fifty Thousand Dollars (\$50,000). The district shall pay the premiums for the life insurance policy for the duration of this Agreement. The life insurance policy shall be owned by the District on the life of the Superintendent, but the Superintendent shall have the sole right to determine the beneficiary under the policy.
- (e) **Business Expenses.** The District shall reimburse the Superintendent, according to Board policy, for expenses incurred by the Superintendent in the performance of the Superintendent's duties. The Superintendent shall be reimbursed for travel on District business out of the District at the standard mileage rate approved by the Internal Revenue Service.
- (f) **Technology Allowance.** The District will provide the Superintendent with a technology allowance of One Hundred Dollars (\$100) per month.
- (g) **Professional Development.** The Board encourages the continued professional growth of the Superintendent through reasonable attendance and participation in appropriate professional meetings at the local, regional, state, and national levels. The Superintendent shall have up to a maximum of Four Thousand and 00/100 dollars (\$4,000.00) each district fiscal year to spend for such activities, in accordance with the adopted budget, and the expenses for such activities shall be paid from that account.

6. **Board Meetings.** Unless otherwise prohibited by law, the Superintendent shall attend, and shall be permitted to attend, all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Contract or the Superintendent's salary and benefits as set forth in this Contract, or the Superintendent's evaluation, or for purposes of resolving conflicts between individual Board members, or when the Board is acting in its capacity as a tribunal. In the event of illness or Board President approved absence, the Superintendent's designee may attend such meetings, subject to the exceptions noted above. Notwithstanding the terms of this provision, the parties may agree to excuse the Superintendent from any Board meeting or closed session.
7. **Indemnification.** To the extent it may be permitted to do so by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District does hereby agree to defend, hold harmless, and indemnify the Superintendent from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against the Superintendent in the Superintendent's individual or official capacity as an employee and as a Superintendent of the District, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees, arose or does arise in the future from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment with the District; excluding, however, any such demand, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined by the Board that Superintendent committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith, with conscious indifference or reckless disregard; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the District or by the Superintendent. The selection of the Superintendent's legal counsel shall be with the mutual agreement of the Superintendent and by the District if such legal counsel is not also District's legal counsel. A legal defense may be provided through insurance coverage, in which case the Superintendent's right to agree to legal counsel provided for her will depend on the terms of the applicable insurance contract. To the extent this Section exceeds the authority provided and the limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this Section shall survive the termination of this contract.
8. **Goals and Evaluation.**
 - 8.1 **Development of Goals.** The Superintendent shall submit to the Board each year, for the Board's consideration and adoption, a preliminary list of goals for the District. The goals approved by the Board shall at all times be reduced to writing and shall be among the criteria on which the Superintendent's performance will be reviewed and evaluated.
 - 8.2 **Time and Basis of Evaluation.** The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this

Contract. The evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description.

8.3 Confidentiality. Unless the Board and Superintendent expressly agree otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in executive session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.

8.4 Evaluation Format and Procedures. The evaluation format and procedure shall be in accordance with the evaluation instrument selected by the Board in accordance with the provisions of this Contract, the Board's policies, and state and federal law. In the event the Board deems that the evaluation instrument, format and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

9. **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.

10. **Termination, Nonrenewal, and Resignation of Contract.** Termination or nonrenewal of this contract, or resignation under this contract, will be governed by Texas Education Code chapter 21. Notwithstanding anything to the contrary in Texas Education Code chapter 21, the Superintendent shall be entitled to written notice not later than the 45th day before the last day of the contract term, containing reasonable notice of the reason(s) for the proposed non-renewal of the Superintendent's Contract with the District.

11. **General Provisions.**

11.1 **Amendment:** This Contract may not be amended except by written agreement of the Parties.

11.2 **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.

11.3 **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.

11.4 **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.

11.5 **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.

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

12. **Notices.**

12.1 **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.

12.2 **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: Susan K Bohn
Susan Bohn

Date signed: 9/1/16

Lockhart Independent School District

By: Brenda Spillmann
Brenda Spillmann, President, Board of Trustees

Date signed: 9/1/16