



OFFICE OF BUSINESS AND FINANCE

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www.lockhartisd.org

December 16, 2024

Lockhart ISD Board of Trustees and Superintendent Estrada,

I am pleased to present the Schools Financial Integrity Rating System of Texas (FIRST) report for the 2023-24 school year. There are four ratings that TEA could assign. Lockhart ISD has received the highest rating, A=Superior for the fiscal year 2022-2023. The report is always one fiscal year behind because the 2023-2024 fiscal year has not been reported to the Texas Education Agency yet, due to normal reporting time lines.

Since the Schools FIRST rating inception in 2003 for the 2001-2002 school year, Lockhart ISD has received the highest rating each year. The administration is very proud of this achievement.

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,

Nicole Weiser
Chief Financial Officer

Financial Integrity Rating System of Texas (FIRST)				
Using Data for Fiscal Year Ended June 30, 2023				
Current		Lockhart	State	Indicator
Indicator #	Indicator Description	ISD	Standard	Rating
	<i>Critical Indicators</i>			
1	Was the Annual Financial Report filed within one month after November 27th or January 28th deadline depending upon the district's fiscal year end date (June 30th or August 31st)?	Date Rec'd = 11/27/2023	12/27/23	Yes
2	Was there an unmodified opinion in the AFR on the financial statements as a whole?	Yes	Yes	Yes
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?	Yes	Yes	Yes
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?	Yes	Yes	Yes
5	Was the total unrestricted net asset balance (Net of Accretion of Interest on Capital Appreciation Bonds) in the Governmental Activities Column in the Statement of Net Assets Greater than Zero?	Yes	Yes	Yes
6	Was the average change in fund balances (assigned and unassigned) 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?	Yes	Yes	Yes
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)?	113.6702	10 points for >= 90	10 points
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	3.6033	10 points for >= 3.00	10 points
9	Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)	0.0312	10 points for >= 0%	10 points
10	Did the school district's average less than a 10 percent variance when comparing budgeted revenues to actual revenues for the last 3 fiscal years?	Indicator not scored for FY 22-23		
11	Was the ratio of long-term liabilities to total assets for the school district sufficient to the 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.	0.7032	6 points for >.7<=.8 student membership growth	6 points

Financial Integrity Rating System of Texas (FIRST)				
Using Data for Fiscal Year Ended June 30, 2023				
Current		Lockhart	State	Indicator
Indicator #	Indicator Description	ISD	Standard	Rating
12	What is the correlation between future bet requirements and the district's assessed property value?	4.2352	8 points for > 4<=7	8 points
13	Was the administrative cost ratio equal to or less than the threshold ratio?	.0889	10 points for <= 0.10	10 points
14	Did the school district not have a 15 percent decline in the students to staff ratio over 3 years?	Yes	Yes	10 points
15	Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA?	Indicator not scored for FY 22-23		
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?	0	3%	Passed
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?	Yes	Yes	Passed
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?	Yes	Yes	10 points
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?	Yes	Yes	5 points
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?	Yes	Yes	Passed
21	Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of financial hardship?	No	No	Passed
	Score:	94		
	Rating:	A=Superior		

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, 2023

	M. Estrada Superintendent	B Sanchez Board Member 1	R. Pulliam Board Member 2	T. Guyton Board Member 3	W. Burnett Board Member 4	R Rayos Board Member 5	S Lockhart Board Member 6	M Wright Board Member 7
Meals	\$ 490.00	\$ 173.00	\$ 27.00	\$ 10.00	\$ 40.00	\$ 176.00	\$ 108.00	\$ 19.00
Lodging	\$ 3,124.00	\$ 1,964.00	\$ 1,751.00	\$ 566.00	\$ 1,421.00	\$ 2,671.00	\$ 1,981.00	\$ 1,778.00
Transportation	\$ 1,926.00	\$ 380.00	\$ 82.00	\$ 101.00	\$ 167.00	\$ 548.00	\$ 434.00	\$ 251.00
Motor Fuel	\$ -							
Other	\$ 5,755.00	\$ 1,766.00	\$ 1,060.00	\$ 150.00	\$ 1,085.00	\$ 1,850.00	\$ 1,745.00	\$ 1,060.00
Total	\$ 11,295.00	\$ 4,283.00	\$ 2,920.00	\$ 827.00	\$ 2,713.00	\$ 5,245.00	\$ 4,268.00	\$ 3,108.00

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

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

Lodging - Hotel charges.

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

Motor fuel – Gasoline.

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

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

For the Twelve-Month Period
Ended June 30, 2023

<u>Name(s) of Entity(ies)</u>	<u>Amount Received</u>
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, 2023

	M. Estrada Superintendent	B Sanchez Board Member 1	S Johnson Board Member 2	T. Guyton Board Member 3	W. Burnett Board Member 4	R Rayos Board Member 5	S Lockhart Board Member 6	M Wright Board Member 7
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, 2023

	M. Estrada Superintendent	B Sanchez Board Member 1	S Johnson Board Member 2	T. Guyton Board Member 3	W. Burnett Board Member 4	R Rayos Board Member 5	S Lockhart Board Member 6	M Wright Board Member 7
Amounts (none to report)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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.

Superintendent Term Contract

This Contract is entered into between the Board of Trustees (the “Board”) of LOCKHART INDEPENDENT SCHOOL DISTRICT (the “District”) and MARK ESTRADA (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 four-year term, beginning January 16, 2024, and ending January 16, 2028. 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 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:** The Superintendent shall 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:** The Superintendent shall be paid Two Hundred and Sixty-Nine Thousand, Two Hundred Seventy-Three and 00/100 Dollars (\$269,273.00) per year. Annually, the Superintendent will be entitled to the same percentage raise that a teacher with the same years of experience receives as a result of a Board-approved salary increase, if any such increase is approved by the Board of Trustees.
- (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 **Texas Teacher Retirement System Salary Supplement.** The District shall continue to supplement the Superintendent's annual salary by an amount equal to one hundred percent (100%) of the Superintendent's portion of the monthly member contribution to the Texas Teacher Retirement System ("TRS"). 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 semi-monthly payroll installments and shall be reported as "creditable compensation" by the District for purposes of TRS, to the extent permitted by TRS.

5.3 **Longevity Award.** If the Superintendent is employed by the District on June 30, 2024, the District shall pay the Superintendent a lump sum payment of Fifty Thousand and 00/100 Dollars (\$50,000.00).

(b) If the Superintendent is employed by the District on June 30, 2027, the District shall pay the Superintendent a lump sum payment of Seventy-Five Thousand and 00/100 Dollars (\$75,000.00).

5.4 **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. Each year of this contract, the Superintendent shall be reimbursed his daily rate of pay for a maximum of ten, unused leave days.

(b) **Transportation.** The District shall provide the Superintendent with an automobile allowance in the sum of Two Hundred Fifty dollars (\$250.00) 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. **Family Insurance.** The District shall reimburse the Superintendent for costs incurred by the Superintendent for health insurance for his immediate family (defined for the purposes of this provision to include his spouse and

children). The District shall make payments pursuant to this reimbursement monthly, upon receipt of payment of health insurance premiums by Superintendent.

3. 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. If the Superintendent receives reimbursement for travel, lodging or other expenses from another entity or organization, the Superintendent shall not also be reimbursed by the District for the same expenses.

(f) **Technology Allowance.** The District will provide the Superintendent with a technology allowance of One Hundred Dollars (\$100.00) 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, with the advance approval of the Board. The District shall reimburse the Superintendent for the reasonable expense of such professional activities up to a maximum of Four Thousand and 00/100 dollars (\$4,000.00) each district fiscal year, in accordance with the adopted budget and the Board's policies regarding expense reimbursement.

5.5 Retirement Account Contribution. The District will make a monthly payment of One Thousand, Nine Hundred Sixteen and 66/100 (\$1,916.66) to a 457B Retirement Account on behalf of the Superintendent. Should the annual contribution limit be raised above \$23,000, the District's contribution will increase to annual contribution limit, to a maximum of \$30,000.

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: 
Mark Estrada

Date signed: 1/16/24

Lockhart Independent School District

By: 
Michael Wright, President, Board of Trustees

Date signed: 1/16/24