



PROMOTING EXCELLENCE • CREATING THE FUTURE

CALLEN ISD

2023-2024 FINANCIAL ACCOUNTABILITY RATING & ANNUAL FINANCIAL MANAGEMENT REPORT

***Financial Integrity Rating System of Texas
FIRST***

*2023-2024 Ratings Based on Fiscal Year End
August 31, 2023 District Data*

TABLE OF CONTENTS

BACKGROUND INFORMATION	3
FINANCIAL ACCOUNTABILITY RATINGS WORKSHEET.....	5
DISCUSSION OF INDICATORS	8
FIRST DISCLOSURES.....	12
APPENDIX 1	13
<i>Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2020</i>	
APPENDIX 2	14
<i>Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2020</i>	
APPENDIX 3	15
<i>Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2020</i>	
APPENDIX 4	16
<i>Business Transactions Between School District and Board Members for Fiscal Year 2020</i>	
APPENDIX 5	17
<i>Additional Information the District’s Board of Trustees Deems Useful</i>	
APPENDIX 6	18
<i>Superintendent’s Employment Contract</i>	

BACKGROUND INFORMATION

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

This is the 20th year of School FIRST (Financial Accountability Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of School FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

The Schools FIRST rating system for the rating year 2023-2024 (based on 2022-2023 data) consists of 21 base indicators, 6 of which are classified as ceiling indicators and cap the districts rating at varying levels if not achieved.

Within two months of receiving the final financial accountability rating school districts are required to distribute the financial management report to attendees at a public hearing for School FIRST. The board of trustees is to have the public hearing at a district facility. Under School FIRST, every school district in Texas is required to prepare an annual financial management report that includes the following:

- A. The district's financial management performance rating provided by the Texas Education Agency (TEA) based on its comparison with indicators established by the Commissioner of Education for the state's new Financial Accountability System.
- B. The district's financial management performance under each indicator for the current and previous years' financial accountability ratings;
- C. Additional information required by the Commissioner of Education.

The board must give notice of the hearing to owners of real estate property in the geographic boundaries of the school district. In addition, notice of the hearing, including date, time and location, must be provided to a newspaper of general circulation in the geographic boundaries of the school district in one posting prior to holding the public meeting, providing the time and place of the hearing. The notice in the newspaper may not be earlier than 30 days or later than 10 days before the date of the hearing. The 2023 FIRST hearing notification was published in the Corpus Christi Caller Times on Thursday, October 31, 2024 in the Legal Section.

FINANCIAL ACCOUNTABILITY RATINGS WORKSHEET

Fiscal Year End August 31, 2023

10/23/24, 12:30 PM

District Status Detail

RATING YEAR DISTRICT NUMBER



Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON SCHOOL YEAR 2022-2023 DATA - DISTRICT STATUS DETAIL

Name: CALALLEN ISD(178903)	Publication Level 1: 8/8/2024 6:33:40 PM
Status: Passed	Publication Level 2: 8/8/2024 6:33:40 PM
Rating: A = Superior Achievement	Last Updated: 8/20/2024 1:58:10 PM
District Score: 96	Passing Score: 70

#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	4/19/2024 6:26:25 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>	4/19/2024 6:26:25 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>	4/19/2024 6:26:25 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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95</u>	4/19/2024 6:26:25 PM	Yes Ceiling Passed

	<u>points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>		
5	<u>Was the total net position in the governmental activities column in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero? (If it is not, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement, unless the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership. If the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	4/19/2024 6:26:25 PM	Ceiling Passed
6	<u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	4/19/2024 6:26:25 PM	Ceiling Passed
7	<u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? See ranges below in the Determination of Points section.</u>	4/19/2024 6:26:25 PM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	4/19/2024 6:26:25 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? See ranges below in the Determination of Points section.</u>	4/19/2024 6:26:25 PM	10
10	This indicator is not being evaluated.		10
11	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's increase of students in membership over 5 years was 7 percent or more or 1,000 or more students in membership, then the school district passes this indicator.)</u>	4/19/2024 6:26:25 PM	8
12	<u>What is the correlation between future debt requirements and the district's assessed property value?</u>	8/20/2024 1:58:09 PM	8
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	8/20/2024 1:58:10 PM	10
14	<u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? If the student enrollment did not decrease, the school district will automatically pass this indicator.</u>	4/19/2024 6:26:25 PM	10
15	This indicator is not being evaluated.		5
16	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	4/19/2024 6:26:25 PM	Ceiling Passed

17	<u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds and free from substantial doubt about the school district's ability to continue as a going concern? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	4/19/2024 6:26:25 PM	Ceiling Passed
18	<u>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</u>	4/19/2024 6:26:25 PM	10
19	<u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u>	4/19/2024 6:26:25 PM	5
20	<u>Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?</u>	4/19/2024 6:26:25 PM	Ceiling Passed
21	<u>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 a financial hardship?</u>	4/19/2024 6:26:25 PM	Ceiling Passed

DETERMINATION OF RATING

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is F for Substandard Achievement regardless of points earned.	
B.	Determine the rating by the applicable number of points.	
	A = Superior Achievement	90-100
	B = Above Standard Achievement	80-89
	C = Meets Standard Achievement	70-79
	F = Substandard Achievement	<70
<p>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</p> <p>The school district receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.</p>		

CEILING INDICATORS

Did the school district meet the criteria for any of the following ceiling indicators 4, 6, 16, 17, 20, or 21? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.		
Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 21 (FSP Repayment Plan) - Response to indicator is <i>Yes</i> .	70	C = Meets Standard Achievement

DISCUSSION OF INDICATORS

Possible ratings

Superior	90-100 points and “yes” to all indicators 1-4
Above Standard	80-89 points and “yes” to all indicators 1-4
Meets Standard	70-79 points and “yes” to all indicators 1-4
Substandard	Less than 70 points or a “no” to any indicators 1-4

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

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

Ceiling Indicators

Did the school district meet the criteria for any of the following ceiling indicators 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.

Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is No.	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is No.	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is No.	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is No.	89	B = Above Standard Achievement

Summary of Indicators

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?

A simple indicator. Was your Annual Financial Report filed by the deadline?

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

Review the AFR for an unmodified opinion and material weaknesses. (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion and material weaknesses. The external independent auditor determines if either of these occurrences are warranted).

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

This indicator seeks to confirm that your district has timely paid all bills/obligations, including financing arrangements to pay for school construction, school buses, photocopiers, etc.

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? If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail this indicator. If the school district was issued a warrant hold, the maximum points and highest rating the school district may receive is 95 points, A = Superior Achievement (even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days).

This indicator seeks to confirm the district fulfilled its obligation to the TRS, TWC and IRS to transfer payroll withholdings and to fulfill any additional payroll-related obligations required to be paid by the district.

5. Was the total net position balance in the governmental activities column in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension

liability, and other post-employment benefits) greater than zero? (If it is not, the maximum points and highest rating the school district may receive is 79 points, C = Meets Standard Achievement, unless the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership. If the school district has such an increase, the maximum points and highest rating the school district may receive is 89 points, B = Above Standard Achievement.)

This indicator determines if the total net position in the governmental activities column of the Statement of Net Position as reported in the Annual Financial Report is greater than zero. A positive net position demonstrates financial solvency.

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

This indicator measures the percentage change in fund balance to see whether the fund balance is declining too quickly, and if it is declining, whether sufficient fund balance remains to operate for at least 75 days.

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

This indicator measures how many days after the end of the fiscal year the school district could have disbursed funds for its operating expenditures without receiving any new revenues. At least 90 days must be covered to receive the maximum points.

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

This indicator measures whether the school district had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities. Did you meet or exceed the target amount in School FIRST?

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

This indicator simply asks, "Did you spend more than you earned?" (the school district will automatically pass this indicator if the school district had at least 60 days cash on hand.)

10. Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?

This indicator is currently not being scored due to the impact of COVID-19 and federal ESSER funding on school district revenue.

11. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's increase of students in membership over 5 years was 7 percent or more or 1,000 or more students in membership, then the school district passes this indicator.)

This question is like asking if a person's mortgage exceeds the market value of their home. Were you below the cap for this ratio in School FIRST? Fortunately, this indicator recognizes that high-growth districts incur additional operating costs to open new instructional campuses.

12. What is the correlation between future debt requirements and the district's assessed property value?

This indicator asks about the school district's ability to make debt principal and interest payments. Did you meet or exceed the target amount in School FIRST?

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

This indicator measures the percentage of their budget that Texas school districts spent on administration. Did you exceed the cap in School FIRST for districts of your size?

14. Did the school district *not* have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)

If a decline in student enrollment is occurring, this indicator measures if the decline in total staff is in proportion to the declining enrollment over a 3-year period. If declining enrollment is occurring, the change in this ratio cannot exceed 15 percent.

15. Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections?

This indicator is currently not being scored due to the impact of COVID-19 on school district attendance.

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? (If the school district fails this indicator, the maximum points and highest rating the district may receive is 89 points, B = Above Standard Achievement.)

This indicator measures the quality of data reported to PEIMS and in your Annual Financial Report to ensure that the data reported in each case “matches up.” If the difference in numbers reported in any fund type is 3 percent or more, your district “fails” this measure.

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, federal funds and free from substantial doubt about the school district’s ability to continue as a going concern? (The AICPA defines material weakness.) (If the school district fails this indicator, the maximum points and highest rating the district may receive is 79 points, C = Meets Standard Achievement.)

A clean audit of your Annual Financial Report would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your district not being able to properly account for its use of public funds and should be immediately addressed.

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

This indicator measures whether the district is complying with laws, rules and regulations related to the expenditure of grant funds, contracts, and other state and federal funds.

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

This indicator measures whether the district is complying with legal requirements related to financial transparency by posting all required information.

20. Did the school district’s administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget? (If the school district fails this indicator, the maximum points and highest rating the school district may receive is 89 points, B = Above Standard Achievement.)

This indicator measures whether the administration and the board had the opportunity to consider the impact of changes in local, state, and federal funding.

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 a financial

hardship? (If the school district fails this indicator, the maximum points and highest rating the school district may receive is 70 points, C = Meets Standard Achievement.)

This indicator determines if the district has an adjusted repayment schedule for an overallocation of FSP funds.

FIRST DISCLOSURES

Reporting requirements for the financial management report for the School 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, Section 109.1001(q). This rule prescribes requirements for the six disclosures described below that are included in the School FIRST financial management report.

1. Superintendent's Employment Contract

The school district must provide a copy of the superintendent's current employment contract that is effective on the date of the School FIRST hearing. In lieu of publication in the School FIRST financial management report, the school district may publish the superintendent's employment contract on the school district's website. If published on the district's website, the contract is to remain accessible for twelve months.

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2024

A summary schedule for the fiscal year (12-month period) of total reimbursements received by the superintendent and each board member, including transactions resulting from use of the school district's credit card(s), debit card(s), store-value card(s) and any other instruments to cover expenses incurred by the superintendent and each board member.

3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2024

A summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services. The schedule shall separately report the amount received from each entity.

4. Gifts Received by the Executive Officer(s) and Board Members (and First-Degree Relatives, if any) in Fiscal Year 2024 (with a total economic value of \$250 or more)

A summary schedule for the fiscal year of the total dollar amount by the executive officers and board members of gifts that had an economic value of \$250 or more in the aggregate in the fiscal year.

5. Business Transactions Between School District and Board Members for Fiscal Year 2024

A summary schedule for the fiscal year of the dollar amount by board members for the aggregate amount of business transactions with the school district. This reporting requirement is not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.

6. Any other information the board of trustees of the school district determines to be useful.

APPENDIX 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 School FIRST hearing in calendar year 2024. In lieu of publication in the School FIRST financial management report, the school district may choose 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.



PROMOTING EXCELLENCE • CREATING THE FUTURE

**CALALLEN INDEPENDENT SCHOOL DISTRICT
Employment Contract for Superintendent of Schools
State of TEXAS County of NUECES**

THIS AGREEMENT is made and entered into by and between the Board of Trustees (the "Board") of the Calallen Independent School District (the "District") and Emily Lorenz (the "Superintendent").

NOW, THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to Section 23.28 of the Texas Education Code, have agreed, and do hereby agree as follows:

1. TERM

Employment. The Board, by and on behalf of the District, does hereby employ the Superintendent, and the Superintendent does hereby accept employment as Superintendent of Schools for the District, commencing on February 1, 2024 and ending on January 31, 2027. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this Agreement as permitted by state law.

No right of Tenure. The Board has not adopted any policy, rule, regulation, 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. EMPLOYMENT

Duties. The Superintendent is the chief executive of the District and shall faithfully perform the duties of the Superintendent of the Schools for the District as prescribed in the job description and as may be assigned by the Board, and shall comply with all Board directives, state and federal law, district policy, rules, and regulations as they exist or may hereafter be amended. Specifically, it shall be the duty of the Superintendent to recommend for employment all professional employees of the District subject to the Board's approval. It shall be the further duty of the Superintendent to employ all other personnel consistent with the Board's policies. It shall be the further duty of the Superintendent to direct, assign, reassign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. It shall be the further duty of the Superintendent to organize, re-organize, and arrange the staff of the District, and to develop and establish administrative regulations, rules, and procedures which the Superintendent deems necessary for the efficient and effective operation of the District consistent with the Board's lawful directives, the Board's policies, and state and federal law. It shall be the further duty of the Superintendent to accept all resignations of employees of the District consistent with the Board's policies (BOAA Local Policy) except the Superintendent's resignation, which must be accepted by the Board. The Superintendent shall perform the duties of the Superintendent of Schools for the District with reasonable care, diligence, skill and expertise. The Board expects the Superintendent to participate and be a visible presence at school and community activities as appropriate to, and consistent with, the professional role of the Superintendent.

Annual Physical Examination. The Superintendent agrees to have a comprehensive medical examination, at District expense, by a physician acceptable to both the Board and the Superintendent, once a year at least one month prior to Superintendent's evaluation, and to obtain a statement certifying that she is physically able to perform her duties. This statement shall be filed with the president of the Board.

Professional Certification and Records. This agreement is conditioned on the Superintendent's providing the necessary certification and experience records, medical records, oath of office, and other records required for the personnel files or payroll purposes. Failure to provide necessary certification shall render this Agreement void. Any misrepresentation may be grounds for dismissal.

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

Board Meetings. The Superintendent or the Superintendent's designee shall 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 Superintendent's contract or the Superintendent's salary and benefits as set forth in this Contract or the Superintendent's evaluation and to interpersonal relationships between individual Board members.

3. COMPENSATION

Salary. The District shall provide the Superintendent with an annual salary in the sum of One Hundred Seventy-three Thousand Dollars (\$173,000.00). This annual salary rate shall be paid to the Superintendent in installments consistent with the Board's policies.

Salary Adjustments. At any time during the term of this Agreement, the Board may, in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth in Section 3.1 of this Agreement.

Travel Allowance. The District shall pay the Superintendent Zero Dollars (\$0.00) per month for travel within the District and the Regional Service Center area to be paid in salary or travel.

Travel 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. The District agrees in accordance with Board Policy to pay the actual and incidental cost incurred by the Superintendent for travel. The District shall reimburse the Superintendent for mileage for out of District travel in the amount set by Board Policy at the District rate. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies.

Insurance. The District shall pay the premiums for hospitalization and major medical insurance coverage for the Superintendent pursuant to the group health care plan provided by the District.

Moving and Relocation Expense. In connection with the necessary relocation of the Superintendent and the Superintendent's family to the District, the District shall reimburse the Superintendent for necessary and reasonable expenses incurred in moving the Superintendent's family and belongings. The Superintendent shall document all expenses with receipts, cancelled checks, or credit card statements, and the District shall reimburse the Superintendent for all such documented expenses. Prior to relocating, the Superintendent shall obtain and submit to the Board three (3) bids and utilize the lowest bid.

Non-Contract, Holidays, and Sick Leave. The Superintendent may take, at the Superintendent's choice, the same number of days of non-contract authorized by policies adopted by the Board for administrative employees on twelve-month contracts, the days to be in a single period or at different times. The non-contract days taken by the Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Agreement. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts. The Superintendent is hereby granted the same number of illness benefits and leave as authorized by Board policies for administrative employees on twelve-month contracts.

Professional Growth. The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's reasonable attendance and participation in appropriate professional meetings at the local, regional, state, and national levels, as approved by the Board.

Professional Organization Dues. The District shall pay dues for two (2) professional organizations and one (1) community organization on behalf of the Superintendent.

Car Allowance. The District shall pay a car allowance of Five Hundred Dollars (\$500.00) per month during the term of this contract.

Cellular Telephone. The District shall pay a cellular telephone allowance for actual expenses up to One Hundred Fifty Dollars (\$150.00) per month during the term of this contract.

Outside Consulting Activities. The Superintendent may accept speaking, writing, lecturing, or other engagements of a professional nature, to be approved by the Board on a case -by-case basis, providing these engagements do not derogate from the duties of the Superintendent.

4. REVIEW OF PERFORMANCE

Time and Basis for 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.

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

5. RENEWAL/NON-RENEWAL

Renewal/Non-renewal. Renewal or non-renewal shall be in accordance with Board policy and applicable law.

6. TERMINATION OF EMPLOYMENT CONTRACT

Mutual Agreement. This Agreement may be terminated by the mutual agreement of the Superintendent and the 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.

Death, Retirement. This Agreement shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement.

Disability. In the event of disability by illness or incapacity and after the Superintendent's sick leave and all other available leave has been exhausted, the District shall continue compensation to the Superintendent for a period of six (6) months at the monthly rate established from the annual salary set forth in this contract. If at the end of this six (6) month period, the Superintendent is unable to return to work and undertake the full discharge of her duties, the District may terminate this contract by written notice to the Superintendent. All obligations of the District shall cease upon such termination. If a question exists concerning the capacity of the Superintendent to return to her duties, the District may require the Superintendent to submit to a medical examination, to be performed by a doctor licensed to practice medicine. The District and the Superintendent shall mutually agree upon the physician who shall conduct the examination. The examination shall be done at the expense of the District. The physician shall limit her report to the issue of whether the Superintendent has a continuing disability which prohibits her from performing her duties.

Discharge for Cause. Discharge for cause shall constitute conduct which is seriously prejudicial to the District, including but not limited to, neglect of duty, or breach of contract. Notice of discharge for cause shall be given in writing and the Superintendent shall be entitled to appear before the Board to discuss such causes. If the Superintendent chooses to be accompanied by legal counsel at such meeting, she shall bear any costs therein involved. Such meeting shall be conducted in accordance with Policy BJCF. The Superintendent shall be provided a written decision describing the results of the meet.

Termination Procedure. In the event that the Board terminates this Agreement for good cause, the Superintendent shall be afforded all the rights set forth in the Board's policies and state and federal law.

7. MISCELLANEOUS

Controlling Law. This Agreement shall be governed by the laws of the State of Texas.

Amendment. This contract embodies the entire agreement between the parties and cannot be amended except by written agreement of the parties.

Savings Clause. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent have been superseded by this Agreement, and this contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Agreement.

Acceptance. This offer shall expire unless signed and returned to the Board or its authorized representative by 5:00 p.m., on the 2nd day of February, 2024.

EXECUTED this, 1st day of February, 2024.



Lori Jo Walker, Board of Trustees Secretary



Lana B. Carr, Board of Trustees President



Emily Lorenz, Superintendent of Schools

*Reimbursements Received by the Superintendent and Board Members for
Fiscal Year 2024*

**For the Twelve-Month Period
Ended August 31, 2024**

Description of Reimbursement	Superintendent	Jerry Batek	Royce Cameron	Dr. Lana Carr
Meals	\$347.00	\$51.00	\$51.00	\$51.00
Lodging	\$0	\$0	\$0	\$0
Transportation	\$1,014.90	\$135.20	\$135.20	\$135.20
Motor Fuel	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Total	\$1,361.90	\$186.20	\$186.20	\$186.20

Description of Reimbursement	Michael Hatch	Heather Luckenbach	Lori Jo Walker	Edward Wells
Meals	\$51.00	\$0	\$51.00	\$0
Lodging	\$0	\$0	\$0	\$0
Transportation	\$135.20	\$0	\$135.20	\$0
Motor Fuel	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Total	\$186.20	\$0.00	\$186.20	\$0.00

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2024, 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 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.

APPENDIX 3

*Outside Compensation and/or Fees Received by the Superintendent for
Professional Consulting and/or Other Personal Services in
Fiscal Year 2024*

**For the Twelve-Month Period
Ended August 31, 2024**

<u>Name(s) of Entity(ies)</u>	<u>Amount Received</u>
NONE	\$0.00

Total	\$0.00
-------	--------

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

APPENDIX 4

*Gifts Received by the Executive Officer(s) and Board Members
(and First-Degree Relatives, if any) in Fiscal Year 2024
(with a total economic value of \$250 or more)*

**For the Twelve-Month Period
Ended August 31, 2024**

Total	Superintendent	Jerry Batek	Royce Cameron	Dr. Lana Carr
	\$0.00	\$0.00	\$0.00	\$0.00
Total	Michael Hatch	Heather Luckenbach	Lori Jo Walker	Edward Wells
	\$0.00	\$0.00	\$0.00	\$0.00

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.

APPENDIX 5

Business Transactions Between School District and Board Members for Fiscal Year 2024

**For the Twelve-Month Period
Ended August 31, 2024**

Amounts		Jerry Batek	\$0.00	Royce Cameron	\$0.00	Dr. Lana Carr	\$0.00	
Amounts	Michael Hatch	\$0.00	Heather Luckenbach	\$0.00	Lori Jo Walker	\$0.00	Edward Wells	\$0.00

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.

APPENDIX 6

Any other information the board of trustees of the school district determines to be useful

1. Within the last two years, did the district:
 - a. Draw Funds from a short-term financing note No
 - b. For the prior fiscal year, have a total General Operating fund balance of less than 2% of total expenditures for General Operating fund function codes 11-61? No

2. Has the school district declared financial exigency within the past two years? No

3. Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Operating fund balance, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the district's financial solvency. N/A

4. How many superintendents has your school district had in the last five years? 2

5. How many business managers has your school district had in the last five years? 2