

Lexington ISD 2017-18 Report based on 2016-2017 First Report

Superior Rating

What is FIRST?

- ▶ Financial
 - ▶ Integrity
 - ▶ Rating
 - ▶ System of
 - ▶ Texas

Holds school districts accountable for the quality of their financial management practices and achieved improved performance in the management of their financial resources.

Types of Financial Accountability Ratings Applicable 2015-16

The types of financial accountability ratings that school districts or charter schools may receive for the rating year 2015-2016 and all subsequent rating years are as follows

- ❑ **A for Superior Achievement** is the highest possible score
 - This score recognizes the districts and charters with the highest financial integrity.
- ❑ **B for Above Standard Achievement** is an existing category
 - This score indicates that the district or charter has performed significantly above the minimum passing score.
- ❑ **C for Standard Achievement** is the minimum passing score
 - This score indicates that the district or charter meets the minimum passing standard for financial integrity.
- ❑ **F for Substandard Achievement** indicates the school district or charter school did not pass FIRST for the applicable rating year
 - This may result from failing one or more critical indicators ,exceptionally low total points awarded, or substandard data quality.
 - Substandard Data Quality is the result of the AFR and data feed (or Charter School Data Template) not being turned in on time and or the data was of such quality that a FIRST analysis could not be completed.
 - This score indicates that the district or charter does not have financial integrity.
 - This will focus TEA attention on districts and charters that need improvement

2017-18 Ratings Based on School Year 16-17 Data

- ▶ Lexington ISD received and A =
Superior
 - ▶ District Score - 100

INDICATOR # 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?

► Yes.

INDICATOR # 2.A

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.)

- ▶ Passed.
- ▶ We did not receive an unmodified opinion.

INDICATOR 2.B

Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)

▶ Yes

INDICATOR # 3

Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

- ▶ Passed - No Default Disclosures in the Audit

INDICATOR 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

INDICATOR # 5

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.)

- ▶ LISD was greater than Zero.

INDICATOR # 6

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

- ▶ Yes
- ▶ 10 Points

INDICATOR # 7

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

- ▶ Yes
- ▶ 10 Points

INDICATOR # 8

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.)

- ▶ Yes
- ▶ 10 Points

INDICATOR # 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?

- ▶ Yes
- ▶ 10 Points

INDICATOR # 10

Was the debt service coverage ratio sufficient to meet the required debt service?

- ▶ Yes
- ▶ 10 Points

INDICATOR # 11

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

- ▶ Yes
- ▶ Lexington District Administrative Cost Ratio was .0999
- ▶ Received 10 points if
 - ▶ ADA size 500 to 900 ≤ 0.1311
 - ▶ 10 Points

INDICATOR # 12

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.)

▶ Yes

▶ 10 Points

INDICATOR # 13

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?

- ▶ Yes
- ▶ 10 Points

INDICATOR # 14

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

▶ Yes

▶ 10 Points

INDICATOR # 15

Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?

- ▶ Yes
- ▶ 10 Points

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 August 31, 2017
- ▶ None Reported

▶ **Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services For the Twelve-Month Period Ended August 31, 2017**

▶ Name(s) of Entity(ies)

▶ Amount Received \$ None

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

Business Transactions Between School District and Board Members for Fiscal Year 2017

▶ None Reported

Expenditures Sept 1 – August 31, 2017

	Mileage	Meals	Lodging	Conferences
Schnautz, Brad	\$ 2,946.02	\$ 481.22	\$ 2,626.79	\$ 5,175.00
Cooper, Riza	\$135.89		\$214.23	
Strain, Mark	\$135.89			
SSI - All Members		\$231.02	\$3278.41	
	\$ 3,217.80	\$ 712.24	\$ 6,119.43	\$ 5,175.00

Superintendent Term Contract

This Contract is entered into between the Board of Trustees (the "Board") of Lexington Independent School District (the "District") and Dr. Tonya Knowlton (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, beginning September 1, 2018 and ending Jun 30, 2021. 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 seven calendar days of the event or any shorter period specified in Board policy.
 - 3.3 **False Statements and Misrepresentations:** The Superintendent represents that any records or information provided in connection with his 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.

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

5.1 **Salary.** The District shall pay the Superintendent an annual salary of One Hundred Fourteen Thousand Four Hundred Dollars and No/Cents (\$114,400.00). The annual salary shall be paid to the Superintendent in equal monthly installments consistent with the Board's policies.

(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.

5.3 **Civic Activities.** The Superintendent is encouraged to participate in community and civic affairs. The Board concludes that such participation will serve a legitimate purpose related to the educational mission of the District. The expense of participation in the Lexington Rotary and Lexington Loin's club shall be paid by the District.

5.4 **Communications.** The District shall provide the Superintendent with a salary supplement of \$150.00 per month which shall cover part of her expenses for communications (to cover all expenses, if any, for mobile telephone, PDA and home internet access expenses). The Superintendent shall maintain a personal account for mobile telephone service, PDA, and home internet access ("Personal Accounts") and shall not open an account in the name of the District. The Superintendent shall have total responsibility for payment of the Personal Accounts and the District shall have no obligation or responsibility related to such Personal Accounts other than the monthly payment to the Superintendent of the communications allowance stated herein. This additional salary supplement shall be paid to the Superintendent by regular monthly payroll installments and shall be reported as creditable compensation to the Texas Retirement System.

- 5.5 **Professional Organizations.** The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance and participation in appropriate professional meetings, seminars, conferences, or courses at the local, regional, state, and national level. In its encouragement of the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent as the Superintendent and the Board deem appropriate, to attend such meetings, seminars, conferences, or courses. The District does hereby agree to provide in the District's budget per contract year an amount to be used for registration, travel, meals, lodging, and other related expenses. The District shall pay for the Superintendent's membership dues to three appropriate professional organizations such as the Texas Association School Administrators.
- 5.7 **TRS Contribution.** As supplemental salary, the District shall provide the Superintendent an amount equal to the Superintendent's portion of the monthly contribution to the Texas Teacher Retirement System (TRS) in the percentage amount required by the Texas Teacher Retirement System for the account of the Superintendent. This additional salary supplement shall be paid to the Superintendent by regular monthly payroll installments and shall be reported as creditable compensation to TRS.
- 5.8 **Vested Deferred Compensation.** The District shall make contributions of Ten Thousand Dollars and No/Cents (\$10,000.00) per year to a qualified annuity of the Board's choice (based on the recommendation of the Superintendent), for the benefit of the Superintendent. The Superintendent shall become vested in the annuity account on June 30, 2021 and only shall be eligible for any of the annuity amount if the Superintendent remains employed with the District through June 30, 2021. Should the Superintendent cease being employed by the District in the Superintendent position prior to June 30, 2021, all funds in the account will revert to the District. The Superintendent must serve as the Superintendent continuously throughout that period to be entitled to these funds. The District agrees to fund the annuity on (or before if a weekend) December 31 of each year.
- 5.9 **Vacations, Holidays, Sick Leave.** 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 be entitled to ten (10) vacation days a year. 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. The District shall pay the Superintendent a maximum of forty (40) accrued, unused vacations days upon the Superintendent's resignation from employment provided the Superintendent provides at least 60 days written notice of resignation. The payout will be calculated using the Superintendent's daily rate of pay at the time of resignation, computed by dividing the Superintendent's annual salary by the highest number of days any 12-month administrator is required to work.

6. **Suspension.** In accordance with Texas Education Code chapter 21, the Board may suspend the Superintendent without pay during the term of this Contract for good cause as determined by the Board.
7. **Termination and Nonrenewal of Contract.** Termination or nonrenewal of this contract, or resignation under this contract, will be pursuant to Texas Education Code chapter 21.
8. **Liability Insurance.** The District's Professional Liability insurance policy provides coverage for the Superintendent, as set forth in the policy, and this policy or one with similar coverage will be kept in full force and effect during the term of this Contract. The Superintendent shall fully cooperate with the District in the defense of any and all claims, demands, suits, actions and legal proceedings brought against the District, including matters arising after the term of this Contract expires but which relate to events occurring during the Superintendent's employment with the District.
9. **Reassignment.** The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's prior written consent.
10. **General Provisions.**
 - 10.1 **Amendment:** This Contract may not be amended except by written agreement of the Parties.
 - 10.2 **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.
 - 10.3 **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.
 - 10.4 **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.
 - 10.5 **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.
 - 10.6 **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.

11. Notices.

- 11.1 **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.
- 11.2 **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: Tonya Knowlton
Tonya Knowlton, Ed.D

Date signed: 10-12-18

By: Scott E. Sanders
Scott E. Sanders, President
Lexington ISD Board of Trustees

Date signed: 10/12/18