LEGACY PREPARATORY CHARTER ACADEMY
MESQUITE WEST - PLANO

AGENDA
Legacy Preparatory Charter Academy
Plano, Texas

Public Hearing on School FIRST, financial accountability rating system

NOTICE IS HEREBY GIVEN that Legacy Preparatory Charter Academy will hold a School FIRST public hearing on the December 19, 2023 at 9 AM, in the Central Office of Legacy Preparatory Charter Academy, 375 Municipal Drive, Richardson, Texas 75080 for the purpose of:

A. Call to Order

B. Pledge of Allegiance

C. Overview of School FIRST (Financial Integrity Rating System of Texas)

D. Your School's rating

E. Public Comments on the Report

F. Adjournment

A copy of this notice was posted on the bulleting board of the main entrance foyer at Legacy Prep Charter Academy accessible to the public at all times and distributed to local media representatives as requested.

____
Superintendent, Legacy Preparatory Charter Academy

Legacy Preparatory Charter Academy (CDN 057846)
2023 School FIRST Annual Financial Management Report

School Financial Integrity Reporting System of Texas (FIRST) Ratings

	2023	2022	2021
Rating Issued	**A - Superior**	**A - Superior**	**A - Superior**

Superintendent's Current Employment Contract

2021-2022 - Superintendent had a contract with the school and received $150,500 in total pay. The contract is posted on the school's website.
2022-2024 Superintendent had a contract with the school and received $185,216 in total pay. The contract is posted on the school's website.

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended August 31, 2021

Description of Reimbursements	Superintendent Ms. Staci Weaver	Board Chair Byron Ricks	Board Members Members
Meals	$0.00	$0.00	$0.00
Lodging	0.00	0.00	0.00
Transportation	788.00	0.00	0.00
Motor Fuel	0.00	0.00	0.00
Other (Charter School Conference/Campus Supplies)	0.00	0.00	0.00
Total	$788.00	$0.00	$0.00

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, 2022

Name(s) of Entity (ies)	Amount Received
	$0.00
Total	$0.00

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, 2021

	Superintendent Ms. Staci Weaver	Board Members All
Total	$0.00	$0.00

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended August 31, 2022

	Board Members All
Amounts	$0.00

Charter FIRST
Financial Integrity Rating System of Texas

User: Public
User Role: Public

Rating Year: 2022-2023 **CDN:** 057846

Select An Option | Help | Home | Exit

2022-2023 Ratings Based on Fiscal Year 2022 Data - Charter School Status Detail

Charter School Status Detail | Indicator Detail Summary | Determination of Ratings

Size-Dependent Indicators

Name:	**LEGACY PREPARATORY (057846)**	**Publication Level 0:**	7/24/2023 12:54:52 PM
Status:	**PASSED**	**Publication Level 1:**	8/4/2023 12:10:36 PM
Rating:	A - Superior Achievement	**Publication Level 2:**	8/7/2023 3:05:43 PM
Charter School Score:	94		
Passing Score:	70	**Last Updated:**	8/7/2023 3:05:43 PM

Options

Print

charterfirst 3.7.1.8

Charter FIRST
Financial Integrity Rating System of Texas

User: Public
User Role: Public

Rating Year: 2022-2023 **CDN:** 057846

Select An Option | Help | Home | Exit

2022-2023 Ratings Based on Fiscal Year 2022 Data - Charter School Status Detail

Charter School Status Detail | Indicator Detail Summary | Determination of Ratings

Size-Dependent Indicators

LEGACY PREPARATORY (057846)

Status		Indicator Num	Indicator Description	Updated	Score
P	†1	1	Was the complete annual financial report (AFR) and charter school financial data submitted to TEA within 30 days of the November 27 or January 28 deadline depending on the charter school's fiscal year end date of June 30 or August 31, respectively?	7/24/2023 12:54:38 PM	YES
P	†1	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.)	7/24/2023 12:54:38 PM	YES
P	†1	3	Was the charter school in compliance with the payment terms of all debt agreements at fiscal year end? (If the charter school was in default in a prior fiscal year, an exemption applies in following years if the charter school 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.)	7/24/2023 12:54:38 PM	YES
P	†1 †2	4	Did the charter school make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	7/24/2023 12:54:38 PM	YES, Ceiling Not Activated
P	†1 †2	5	Was the total net asset balance in the Statement of Financial Position for the charter school greater than zero? (If the charter school's	7/24/2023 12:54:38 PM	YES, Ceiling Not Activated

			change of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)		
	†2	6	Was the average change in total net assets over 3 years less than a 25 percent decrease or did the current year total net asset balance exceed 75 days of operational expenses [(total expenses less depreciation) /365] *75 days?	7/24/2023 12:54:38 PM	Passed
		7	Was the number of days of cash on hand and current investments for the charter school sufficient to cover operating expenses? The calculation will use expenses, excluding depreciation.	7/24/2023 12:54:38 PM	10
		8	Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?	7/24/2023 12:54:38 PM	10
		9	Did the charter school's revenues equal or exceed expenses, excluding depreciation? If not, was the charter school's number of days of cash on hand greater than or equal to 40 days? The calculation will use expenses, excluding depreciation.	7/24/2023 12:54:38 PM	5
		10	This indicator is not being evaluated.		10
		11	Was the ratio of long-term liabilities to total assets for the charter school sufficient to support long-term solvency? (If the charter school's change of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)	7/24/2023 12:54:38 PM	4
		12	Was the debt service coverage ratio sufficient to meet the required debt service?	7/24/2023 12:54:38 PM	10
		13	Did the charter school have a debt-to-capitalization percentage that was reasonable for the charter school to continue operating?	7/24/2023 12:54:38 PM	5
		14	Was the charter school's administrative cost ratio equal to or less than the threshold ratio?	7/24/2023 12:54:38 PM	10
		15	This indicator is not being evaluated.		10
		16	This indicator is not being evaluated.		5
	†2	17	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the charter school's AFR result in a total variance of less than 3 percent of all expenses by function?	7/24/2023 12:54:38 PM	Passed
	†2	18	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.)	7/24/2023 12:54:38 PM	Passed

		19	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.)	7/24/2023 12:54:38 PM	10
		20	Did the charter school 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 charter school's fiscal year end?	7/24/2023 12:54:38 PM	5
					94 Weighted Sum
					1 Multiplier Sum
					(100 Ceiling)
					94 Score

†1: must pass 5 total
†2: ceiling indicator

Options

Print

Home Page: Financial Compliance | Texas Education Agency | Send comments or suggestions to financialaccountability@tea.texas.gov
The Texas Education Agency
1701 North Congress Avenue · Austin, Texas, 78701 · (512) 463-9095

charterfirst 3.7.1.8

Charter FIRST
Financial Integrity Rating System of Texas

User: Public
User Role: Public

Rating Year: 2022-2023 **CDN:** 057846 Select An Option Help Home Exit

2022-2023 Ratings Based on Fiscal Year 2022 Data - Charter School Status Detail

Charter School Status Detail | Indicator Detail Summary | Determination of Ratings | Size-Dependent Indicators

Did The charter school fail any of the critical indicators 1, 2, 3, 4, or 5 (parts 1 and 2)? If so, the charter school's rating is F for Substandard Achievement regardless of points earned.

Determine the rating by the applicable number of points.	Points
A - Superior Achievement	90-100
B - Above Standard Achievement	80-89
C - Meets Standard Achievement	70-79
F - Substandard Achievement	0-69

*(The charter school receives an F if it scores below the minimum passing score,
if it failed any critical indicator 1, 2, 3, 4, or 5,
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 charter school meet the criteria for any of the following **ceiling indicators** 4, 5, 6, 17, or 18? If so, the charter school's applicable maximum points and rating are disclosed below.		
Determination of rating based on meeting ceiling criteria.	**Maximum Points**	**Maximum Rating**
Indicator 4 (Timely Payments) - Charter school was issued a warrant hold.	95	A = Superior Achievement
Indicator 5 (Total Net Assets) - Negative total net assets and pass indicator based only on 7% or more increase in students in membership over 5 years.	79	C = Meets Standard Achievement
Indicator 6 (Average Change in Total Net Assets) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 17 (PEIMS to AFR) - Response to indicator is *No*.	89	B = Above Standard Achievement

Indicator 18 (Material Weaknesses) - Response to indicator is *No*.	79	C = Meets Standard Achievement
If the charter school's overall points earned is less than the maximum points allowed by the applicable ceiling indicator, the charter school will receive a rating based on the lesser points earned. If the charter school fails a critical indicator or the charter school's total number of points is equal to or less than 69 points, the charter school will receive an **F = Substandard Achievement** rating, regardless of any ceiling indicator criteria met.		

Options

Print

Charter FIRST
Financial Integrity Rating System of Texas

User: Public
User Role: Public

Rating Year: 2022-2023 **CDN:** 057846 Select An Option Help Home Exit

2022-2023 Ratings Based on Fiscal Year 2022 Data - Charter School Status Detail

Charter School Status Detail | Indicator Detail Summary | Determination of Ratings | Size-Dependent Indicators

Indicator 14

ADA Size:	≥ 1,000	500-999	< 500	Points
	≤ 0.1401	≤ 0.1561	≤ 0.2645	10
	> 0.1401 and ≤ 0.1651	> 0.1561 and ≤ 0.1811	> 0.2645 and ≤ 0.2895	8
Threshold	> 0.1651 and ≤ 0.1901	> 0.1811 and ≤ 0.2061	> 0.2895 and ≤ 0.3145	6
Ratio	> 0.1901 and ≤ 0.2151	> 0.2061 and ≤ 0.2311	> 0.3145 and ≤ 0.3395	4
	> 0.2151 and ≤ 0.2401	> 0.2311 and ≤ 0.2561	> 0.3395 and ≤ 0.3645	2
	> 0.2401	> 0.2561	> 0.3645	0

Options

Print

Home Page: Financial Compliance | Texas Education Agency | Send comments or suggestions to financialaccountability@tea.texas.gov
The Texas Education Agency
1701 North Congress Avenue · Austin, Texas, 78701 · (512) 463-9095

Legacy21, Inc., dba Legacy Preparatory

Financial Statements with Supplemental Information and Compliance Reports

August 31, 2022

SFC
Certified Public Accountants

Legacy21, Inc., dba Legacy Preparatory
Contents

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Legacy21, Inc., dba Legacy Preparatory's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Legacy21, Inc., dba Legacy Preparatory's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Legacy21, Inc., dba Legacy Preparatory
Statement of Financial Position
August 31, 2022

Assets

Current assets:	
Cash	$ 3,551,321
Due from government agencies	3,567,781
Prepaid expenses	5,834
Other asset	2,800
Total current assets	7,127,736
Noncurrent assets:	
Restricted cash	2,130,826
Property and equipment, net	30,815,093
Total noncurrent assets	32,945,919
Total assets	$ 40,073,655

Liabilities and Net Assets

Current liabilities:	
Accounts payable and accrued expenses	$ 139,565
Bonds payable, current portion	670,000
Capital lease obligation, current portion	168,552
Total current liabilities	978,117
Noncurrent liabilities:	
Bonds payable, net	34,649,851
Capital lease obligation, net	16,423
Total noncurrent liabilities	34,666,274
Total liabilities	35,644,391
Net assets:	
Without donor restrictions	2,548,464
With donor restrictions	1,880,800
Total net assets	4,429,264
Total liabilities and net assets	$ 40,073,655

See notes to financial statements.

Legacy21, Inc., dba Legacy Preparatory
Statement of Cash Flows
Year Ended August 31, 2022

Cash flows from operating activities:	
Change in net assets	$ 583,773
Adjustments to reconcile increase in net assets to net cash used by operating activities	
Depreciation	1,074,540
Amortization	48,095
Changes in operating assets and liabilities:	
Due from government agencies	(2,281,088)
Prepaid expenses	29,448
Accounts payable and accrued expenses	50,886
Net cash used by operating activities	(494,346)
Cash flows from financing activities:	
Principal payments on bonds payable	(640,000)
Principal payments on capital lease obligations	(205,586)
Net cash used by financing activities	(845,586)
Net change in cash	(1,339,932)
Cash at beginning of year	7,022,079
Cash at end of year	$ 5,682,147
Reconciliation of cash reported within the statement of financial position to the statement of cash flows:	
Cash	$ 3,551,321
Restricted cash	2,130,826
Total cash shown in the statement of cash flows	$ 5,682,147
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	$ 2,145,525

See notes to financial statements.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist of cash, and amounts due from government agencies. Cash is placed with high credit quality financial institutions to minimize risk. The Academy maintains cash balances at financial institutions located in Texas. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At August 31, 2022, the Academy had no uninsured bank balances. Amounts due from government agencies are unsecured and are due from the Texas Education Agency (TEA). The Academy continually evaluates the collectability of accounts receivable and maintains allowances as necessary. No provision has been made for uncollectible accounts receivable as of the statement of financial position date, given that none have been identified.

For the year ended August 31, 2022, the Academy received 98% of its total revenue and support from the TEA and the federal government. Any unforeseen loss of the charter agreement with TEA or changes in legislative funding could have a material effect on the ability of the Academy to continue to provide the current level of services to its students.

Restricted Cash

Restricted cash is limited as to use under the terms of the bond indenture. The restricted cash represents amounts restricted for debt service requirements for bonds.

Property and Equipment

Property and equipment purchased by the Academy are recorded at cost. Donated assets are reported at the fair market value. Capital assets are defined by the Academy as assets with an individual cost of more than $5,000 and a useful life longer than one year. Depreciation is calculated on the straight-line method based upon the estimated useful lives of 3 to 40 years. Expenditures for maintenance and repairs are expensed when incurred; significant renewals and betterments are capitalized. Property and equipment acquired with public funds received for the operation of the Academy constitute public property pursuant to Chapter 12 of the Texas Education Code.

For depreciable property and equipment, or resources to be used to acquire depreciable property and equipment, the donor or grantor restriction expires over the assets' useful life, as required by the TEA.

The Academy reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected from its use and eventual disposition. The Academy did not recognize an impairment loss during the year ended August 31, 2022.

GAAP requires the evaluation of tax positions taken in the course of preparing the Academy's tax returns and recognition of a tax liability (or asset) if the Academy has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Academy, and has concluded that as of August 31, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification. The Academy considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Academy's financial position and changes in net assets.

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases* for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. The new standard is effective for the Academy for the fiscal year beginning September 1, 2022.

The Academy is currently assessing the impact that adopting this new guidance will have on the financial statements.

3. Restricted Cash

As a result of issuing the series 2018A bond, the Academy is required to maintain separate bank accounts held by the bond trustee that are restricted for debt-related matters. The balance of restricted cash at August 31, 2022 totaled $2,800,826. Cash on the statement of financial position does not include the current portion of restricted cash totaling $670,000.

The bond was issued as an education revenue bond, and has an interest rate ranging from 5.25% to 6%, maturing in varying amounts through August 2047, and are collateralized by a deed of trust. Interest paid during the year ended August 31, 2022 was $2,145,525. During the year ended August 31, 2022, the Academy was in compliance with the financial covenants and all other applicable covenants contained in the Supplemental Master Trust Indentures and loan agreement.

The required debt service payments to satisfy the requirement of the 2018A bond is as follows for the years ending August 31:

	Principal	Interest	Total
2023	$ 670,000	$ 2,111,925	$ 2,781,925
2024	705,000	2,076,750	2,781,750
2025	745,000	2,039,738	2,784,738
2026	785,000	2,000,625	2,785,625
2027	825,000	1,959,413	2,784,413
2028-2032	4,895,000	9,027,000	13,922,000
2033-2037	6,545,000	7,372,500	13,917,500
2038-2042	8,765,000	5,157,900	13,922,900
2043-2047	11,730,000	2,193,300	13,923,300
Total	$35,665,000	$33,939,151	$69,604,151

6. Net Assets With Donor Restrictions

Net assets with donor restrictions are available to pay expenses as allowed by Section 45.105(c) of the Texas Education Code.

7. Multi-employer Defined Benefit Pension Plan

Plan Description

The Academy contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, multiple-employer defined benefit pension plan with one exception; all risks and costs are not shared by the charter school, but are the liability of the State. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government code, Title 8, Chapters 803 and 805, respectively. The State legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701 or by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications Heading.

As part of the Academy's liquidity management, it structures its financial assets to be available as its general expenditures and liabilities become due or as additional funding opportunities are presented by maintaining a significant portion of its assets in cash.

10. Leases

Operating Leases

The Academy leases a copier through a non-cancelable operating lease agreement expiring in January 2023. The Academy also leased office space through a non-cancellable operating lease agreement which expired in August 2022. The Academy entered into a new office space lease beginning in June 2022 and expiring in May 2027. All other leases are paid on a month-to-month basis.

The following is a schedule of future minimum lease payments for the copier and office space for the years ending August 31:

2023	$	84,680
2024		78,000
2025		78,000
2026		78,000
2027		32,500

Lease expense related to these lease agreements totaled $61,940 during the year ended August 31, 2022.

Capital Leases

The Academy leases various equipment totaling $1,021,946 under capital lease obligations at August 31, 2022. Accumulated depreciation on these assets totaled $930,751 at August 31, 2022.

The following is a schedule of functional expenses for the year ended August 31, 2022:

	Payroll Costs	Professional & Contracted Services	Supplies & Materials	Other Operating Costs	Debt	Total
Program Services:						
Instructional and instructional related services	$ 9,160,355	$ 672,661	$ 222,146	$ 939,739	$ 1,408,171	$ 12,403,072
Instructional and school leadership	1,348,068	-	-	6,537	5,017	1,359,622
Support services - Direct student based	629,373	545,935	21,193	78,743	148,798	1,424,042
Support services - Nondirect student based	767,224	1,071,189	499,773	402,358	166,683	2,907,227
Ancillary services	210,804	7,003	4,734	57,252	32,647	312,440
Total program services	12,115,824	2,296,788	747,846	1,484,629	1,761,316	18,406,403
Support Services:						
Instructional and school leadership	-	-	-	78,869	162,243	241,112
Administrative support services	526,212	310,705	13,601	217,517	124,620	1,192,655
Support services - Nondirect student based	-	-	-	78,893	162,293	241,186
Fundraising	2,735	-	-	-	-	2,735
Total support services	528,947	310,705	13,601	375,279	449,156	1,677,688
Total expenses	$ 12,644,771	$ 2,607,493	$ 761,447	$ 1,859,908	$ 2,210,472	$ 20,084,091

13. Subsequent Events

The Academy evaluated subsequent events through the date the financial statements were available to be issued and concluded that no additional disclosures are required.

Legacy21, Inc., dba Legacy Preparatory
Schedule of Assets
August 31, 2022

	Description	Ownership Interest		
		Local	State	Federal
1110	Cash	$ -	$ 5,682,147	$ -
1510	Land	-	2,959,123	-
1520	Buildings and improvements	-	31,894,057	-
1539	Furniture and equipment	-	104,346	-
1549	Furniture and equipment	8,583	556,526	158,039
1559	Furniture and equipment	-	1,021,946	-
		$ 8,583	$ 42,218,145	$ 158,039

Legacy21, Inc., dba Legacy Preparatory
Budgetary Comparison Schedule
Year Ended August 31, 2022

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance from Final Budget
Revenue and other support:				
Local support:				
5740 Other revenue from local sources	$ 769,946	$ 360,743	$ 360,743	$ -
Total local support	769,946	360,743	360,743	-
State program revenue:				
5810 Foundation school program	17,747,240	15,903,255	15,903,255	-
5820 State program revenues distributed by TEA		88,612	88,612	
5830 State program revenues from state government agencies	-	14,046	14,046	-
Total state program revenue	17,747,240	16,005,913	16,005,913	-
Federal program revenue:				
5910 Federal revenue distributed by other Texas agencies	-	2,775,171	2,775,171	-
5920 Federal revenue distributed by TEA	150,859	1,526,037	1,526,037	-
Total federal program revenue	150,859	4,301,208	4,301,208	-
Total revenue and other support	18,668,045	20,667,864	20,667,864	-
Expenses:				
11 Instruction	8,097,282	10,129,465	10,129,465	-
13 Curriculum development and instructional staff development	346,728	1,254,474	1,254,474	-
21 Instructional leadership	94,206	40,559	40,559	
23 School leadership	1,132,499	1,311,607	1,311,607	-
31 Guidance, counseling and evaluation services	360,880	347,305	347,305	-
33 Health services	217,507	193,799	193,799	-
34 Student transportation	3,000	896	896	-
35 Food services	75,000	643,612	643,612	-
36 Extracurricular activities	1,351	17,299	17,299	-
41 General administration	1,162,131	1,007,455	1,007,455	-
51 Facilities maintenance and operations	1,433,577	1,289,802	1,289,802	-
52 Security	116,364	57,702	57,702	-
53 Data processing services	1,385,389	1,312,013	1,312,013	-
61 Community services	96,006	263,923	263,923	-
71 Debt service	2,788,288	2,211,445	2,211,445	-
81 Fundraising	5,653	2,735	2,735	-
Total expenses	17,315,861	20,084,091	20,084,091	-
Change in net assets	1,352,184	583,773	583,773	-
Net assets at beginning of year	3,626,849	3,845,491	3,845,491	-
Net assets at end of year	$ 4,979,033	$ 4,429,264	$ 4,429,264	$ -

Legacy21, Inc., dba Legacy Preparatory
Schedule of Real Property Ownership Interest
Year Ended August 31, 2022

		Total	Ownership Interest		
Description	Property Address	Assessed Value	Local	State	Federal
Legacy 21, Inc DB Legacy Prep Charter Academy COLLIN CREEK VILLAGE - TRACT	601 Accent Dr, Plano, TX 75075	$ 9,100,000		$ 9,100,000	
Skyline Village Sec 3	2727 Military Parkway, Mesquite, TX 75149	$23,660,000		$23,660,000	

Legacy21, Inc., dba Legacy Preparatory
Schedule of Related Party Compensation and Benefits
Year Ended August 31, 2022

Related Party Name	Name of Relation to the Related Party	Relationship	Compensation or Benefit	Payment Frequency	Description	Source of Funds Used	Total Paid During Fiscal Year
None							

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Legacy21, Inc., dba Legacy Preparatory

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Legacy21, Inc., dba Legacy Preparatory (Academy), which comprise the statement of financial position as of August 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 26, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Academy's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Sutton Frost Cary LLP
600 Six Flags Drive, Suite 600 Arlington, Texas 76011
www.sfcllp.com
Phone 817.649.8083

SFC
Certified Public Accountants

Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
Legacy21, Inc., dba Legacy Preparatory

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Legacy21, Inc., dba Legacy Preparatory's (Academy) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Academy's major federal programs for the year ended August 31, 2022. The Academy's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Academy complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effects on each of its major federal programs for the year ended August 31, 2022

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Academy's compliance with the compliance requirements referred to above.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
January 26, 2023

Legacy21, Inc., dba Legacy Preparatory
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2022

Federal Grantor/ Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through entity identifying number	Federal Expenditures
U.S. Department of Education:			
Passed through Texas Education Agency:			
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A200004	884
COVID-19 Special Education Grants to States (IDEA, Part B)	84.027X	H027X210008	6,034
Special Education Grants to States (IDEA, Part B)	84.027A	H027A200008	234,643
Total Special Education Cluster			241,561
Passed through Texas Education Agency/Region 10 Service Center:			
Title I Grants to Local Educational Agencies	84.010	-	567,347
Supporting Effective Instruction State Grants	84.367	-	48,999
English Language Acquisition State Grants	84.365	-	47,783
Student Support and Academic Enrichment Program	84.424	-	28,169
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425D	-	343,898
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425U	S425U210042	228,120
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	-	88,299
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425U	-	1,994,574
Total ALN 84.425			2,654,891
Total U.S. Department of Education			3,588,750
U.S. Department of Agriculture:			
Passed through Texas Education Agency:			
School Breakfast Program	10.553	71402101/71402201	112,090
National School Lunch Program	10.555	71302101/71302201	600,369
Total Child Nutrition Cluster and U.S. Department of Agriculture			712,459
Total Expenditures of Federal Awards			$ 4,301,209

See notes to schedule of expenditures

6-22-2021

Ms. Staci Weaver
2810 Routh Creek Parkway,
Apt. 1131
Richardson, TX, 75082

Re: Offer of At-Will Employment
Position – Interim Superintendent

Dear Ms. Weaver:

Legacy Preparatory Academy (the "School") is pleased to offer you a position as Interim Superintendent. We are dedicated to achieving our mission of preparing students for success in school and in the community, and welcome your contribution to our team. While you will be invited and encouraged to apply for the permanent superintendent position through any search process the Board may undertake, should you not be selected you will be reassigned to your immediately previous position as Senior Director of School Operations based on the same terms and conditions as before.

By signing this Agreement below, you hereby accept this offer of employment subject to the following terms and conditions:

1. **Term**: Your employment shall be on a month-to-month basis with employment commencing on the 1st day of July, 2021. You acknowledge and agree that you are an **employee at-will** under this Agreement. As an at-will employee, you may resign your employment at any time, for any reason. Likewise, the School may terminate your employment at any time for any reason or for no reason, with or without cause. Any change to the at-will nature of your employment must be by a specific, written agreement signed by you and the Board of Directors or the Board's designee.

   You understand and agree that your assignment to a position with a stated wage or salary paid per week, month, or year does not create a contract or entitlement for a fixed term, or for wages during the term of this Agreement, or any period thereafter. During the period of this Agreement, you shall work, as assigned by the School, according to the hours and dates set by the school calendar or as otherwise adopted by the School, and subject to additional assignments from time to time made by the School.

2. **Compensation**: The School agrees to pay you an annual salary of $138,500 to be paid in equal semi-monthly installments of $5770.83. Your salary shall be paid, less applicable withholdings and authorized deductions, in accordance with the School's standard payroll practices. Your salary as stated herein is considered to include consideration and compensation for in-service days, meetings, trainings, conferences, any additional duties, responsibilities, tasks, and assignments as assigned or directed. You understand and agree that you have no right to additional or supplemental compensation or stipend for additional duties, responsibilities, tasks, or assignments.

Should your employment with the School end for any reason, you will receive compensation accrued through the date of separation, in accordance with applicable law and the School's payroll policies and procedures.

You are being assigned to an exempt position under the Fair Labor Standards Act. This means that you are a salaried employee, and not paid by the hour. You may be required to work more than 40 hours in a workweek without receiving additional compensation. The nature of your employment may also necessitate work on the weekends, in the evening, and/or at off-campus locations.

Car Allowance. The Board shall provide the Interim Superintendent with an automobile allowance in the sum of $650 per month, for School-related travel between the three campuses, which payment is in lieu of mileage expense reimbursement and gasoline or other vehicle upkeep charges associated with such travel. This allowance shall be paid in addition to the annual salary set forth in Section 2 above. The Interim Superintendent will be reimbursed by the School on a per mile basis for School related travel in the Interim Superintendent's personal automobile to destinations over and above the travel to the Schools in accordance with Board policy.

3. **Benefits**: During the term of this Agreement, unless terminated by either you or the School as set forth below, you shall be entitled to leave and benefits in accordance with state law and the School's policies and applicable benefit plans. The School reserves the right to amend its policies and benefit plans at any time, to reduce or increase these benefits, at the sole discretion of the School.

Health Insurance Benefit: The School shall provide health insurance benefits to the Interim Superintendent. The benefits shall be the standard health insurance benefits provided to other professional employees of the School. If the Interim Superintendent elects to opt-out of the School's provided health insurance, she shall receive the amount of School's premium payments that her insurance would have cost as additional salary under Section 2.

2727 Military Parkway
Mesquite, Texas 75149
*469-249-1099 * Fax 888-478-2127*

Disability Insurance. The School shall apply for and pay the annual premiums for a long-term disability income policy for the Interim Superintendent, which policy shall provide disability income of Six Thousand and No/100 Dollars ($6,000.00) per month or 60% of the Interim Superintendent's then-current annual salary, whichever is greater, to the Interim Superintendent or the Interim Superintendent's designated beneficiary in the event the Interim Superintendent becomes disabled or incapacitated during the term of this Contract.

Mobile Phone/Broadband. In addition to the compensation provided in 2 above, the School shall, for the duration of this Contract, provide the Interim Superintendent with a stipend for a mobile telephone with data in the sum of Two Hundred Fifty and No/100 Dollars ($250.00) per month. The Interim Superintendent shall maintain a personal account for mobile telephone service and shall not open an account in the name of the School. The Interim Superintendent shall have total responsibility for payment of such personal cell phone account and the School shall have no obligation or responsibility related to such personal account other than the monthly payment to the Interim Superintendent of the mobile telephone stipend stated herein. Due to the advent of a remote work environment. A stronger broadband is needed. An additional stipend in the sum of One Hundred Dollars ($100) a month

4. **Employment**: You shall be employed subject to assignment, reassignment, additional duties, changes in responsibilities, transfers or reclassifications of positions or duties, or transfers of assignment at the sole discretion of the Board of Directors or the Board's designee, at any time.

5. **Duties and Responsibilities**: The Interim Superintendent is the Chief Executive Officer of the School's charter holder, and shall faithfully perform the duties of the Interim Superintendent of the School as prescribed in a job description for that position and/or as may be described in the School's charter, which may be amended from time to time, and as may be assigned by action of the Board. Specifically, it shall be the duty of the Interim Superintendent to communicate with and advise the Board on administrative matters; communicate with the School's administration regarding directives from the Board; negotiate and execute contracts where authorized by the Board; direct, assign, reassign, and oversee the evaluation of all School employees consistent with Board policies and federal and state law; evaluate program effectiveness; seek and create avenues of additional funding; ensure that the School's culture and curriculum follow the School's charter; plan and report to the Board on expansion and facilities; encourage and support development of innovative instructional programs; promote the use of technology in the teaching and learning process; and to develop and establish administrative regulations, rules, and procedures which the Superintendent deems necessary for the efficient and effective operation of the School consistent with the Board's lawful directives, Board policy, the School's charter, and state and federal law.

The Interim Superintendent shall perform her duties with care, diligence, skill, and expertise, and shall devote substantially all of her time, skill, labor, and attention to her employment and the performance of her duties during the term of this Contract. The Interim Superintendent shall further comply with all lawful Board directives, applicable State and Federal law, the School's charter, and School policy, rules, and regulations, as they presently exist or may hereafter be amended.

Board Meeting Attendance. The Interim Superintendent shall be permitted to attend all meetings of the Board, both public and closed, with the exception of those closed meetings involving the consideration or discussion of any action on the Interim Superintendent's At-will Agreement, evaluation of the Interim Superintendent's performance, or the Interim Superintendent's salary, terms, or benefits of employment as set forth in this Contract. The Interim Superintendent may also be excused by the Chairman of the Board from such meetings where the Board is meeting to resolve internal Board conflicts, or when the Board is acting in its capacity as a tribunal.

Criticisms, Complaints, and Suggestions. The Board, individually or collectively, shall refer all substantive criticisms, complaints, and suggestions called to the Board's attention to the Interim Superintendent or her designee for study and appropriate action, and the Interim Superintendent shall either investigate or designate appropriate staff to investigate such matters and inform the Board of the results of such action, if any.

Professional Conduct. Throughout her employment with the School, the Interim Superintendent shall conduct herself in accordance with Board policy and directives, the Code of Ethics of the American Association of School Administrators, and the Code of Ethics and Standard Practices for Texas Educators, as such may be amended.

6. **Termination or Resignation**: Except as otherwise required by law, upon your separation from employment with the School, you agree that all reports, records, school equipment, or other items the property of the School will be properly submitted or returned to the School.

7. **Required Documentation**: You are responsible for providing the following information prior to beginning employment with the School:

   - Verification of your identity and legal authorization to work in the United States through completion of the federal I-9 form (please bring suitable documentation on your first day of work; examples include, but are not limited to, a U.S. passport or both a driver's license and a U.S. Social Security card).

2727 Military Parkway
Mesquite, Texas 75149
469-249-1099 • Fax 888-478-2127

- Verification of the information contained in your employment application, including certifications and satisfactory references.

- Authorization for the School to conduct a criminal history background information check. You understand that state law requires criminal history background checks to be performed for employment with the School. To this end, employment is contingent upon your having executed a separate background check authorization and the completion of a satisfactory background and criminal record check under applicable state law, and as determined by the School. You hereby represent that you have disclosed to the School, in writing, any conviction, no contest, or guilty plea, deferred adjudication, or other adjudication for any felony or other offense listed at 19 Texas Administrative Code § 249.16(c) and Texas Education Code §§ 12.120 and 22.085, or as otherwise required by law. You further agree to notify the School within 48 hours of any arrest, indictment, or conviction for any felony or misdemeanor involving moral turpitude.

- Your written acknowledgement of receipt of the School's Employee Handbook and acceptance of all the policies and terms contained therein.

- For applicants for a position described by Education Code 21.003(a) or (b), a pre-employment affidavit disclosing whether you have ever been charged with, adjudicated for, or convicted of having an inappropriate relationship with a minor. The affidavit must be in a form adopted by the Texas Education Agency.

A false statement in the employment application or in information provided by you and/or any misrepresentations or omissions of requested information may be considered misconduct connected with the work, and grounds for your immediate termination.

Additionally, the School may terminate this Agreement at any time if you are named in the Texas Education Agency's registry of individuals ineligible to work in a public school.

8. **Technology Access.** In further addition to the compensation provided in 2 above, the School shall, for the duration of her employment, provide the Interim Superintendent with a mobile telephone and laptop computer with unrestricted local and national access for both professional and personal use.

9. **Professional Development.** The Interim Superintendent shall devote her time, attention and energy to the direction, administration, and supervision of the School. The Board, however, encourages the continued professional growth of the Interim Superintendent through her active attendance at, and participation in, appropriate professional seminars, courses, or meetings at the local, regional, state, and national levels as approved by the

Board. In its encouragement of the Interim Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Interim Superintendent as the Interim Superintendent and the Board deem appropriate to attend such seminars, courses, or meetings.

10. **Required Training.** The Interim Superintendent shall comply with the requirements contained in Title 19, Texas Administrative Code, section 100.1103 pertaining to training for Chief Executive Officers of open-enrollment charter schools at the expense of the School.

11. **Expenses.** The School shall pay or reimburse the Interim Superintendent for reasonable expenses incurred by the Interim Superintendent in the continuing performance of the Interim Superintendent's duties under this Contract. The School agrees to pay the actual and incidental costs incurred by the Interim Superintendent for travel as per the employee handbook. Such actual or incidental contracts may include, but are not limited to, gasoline, hotels and accommodations, meals, rental car, and other expenses incurred in the performance of the business of the School. The Interim Superintendent shall comply with all expense reimbursement procedures and documentation requirements in accordance with Board policies.

12. **Annual Performance Goals**:

Development of Goals: The Interim Superintendent shall submit to the Board each year, for the Board's consideration and adoption, a preliminary list of goals for the School. The goals approved by the Board shall at all times be reduced to writing and shall be among the criteria on which the Interim Superintendent's performance is reviewed and evaluated.

Performance Review. The Board may conduct annual evaluations of the Interim Superintendent based on accomplishment of measurable goals and objectives as described in Paragraph 12 of this At-Will Agreement, and performance factors established by the Board in the Interim Superintendent's evaluation form.

Confidentiality. Unless the Interim Superintendent expressly requests 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 the Interim Superintendent from sharing the content of the Interim Superintendent's evaluation with their respective legal counsel.

13. **Tenure or Continued Employment**: The School has not adopted any policy, rule, regulation, law, or practice providing for tenure or continued employment. No right of tenure, right of renewal, employment obligation, other expectancy (including but not

2727 Military Parkway
Mesquite, Texas 75149
*469-249-1099 * Fax 888-478-2127*

limited to a right of continued employment), or a claim of entitlement, is intended or created by this at-will Agreement.

14. **Non-Chapter 21 Employment**: This at-Will Agreement is not a Texas Education Code Chapter 21 term, probationary, or continuing contract. This Agreement does not grant you any rights to the procedures or contract terms required by Texas Education Code Chapter 21.

15. **Entire Agreement**: This letter constitutes the entire agreement between you and the School relating to this subject matter and supersedes all prior contemporaneous agreements, understandings, negotiations, or representations, whether oral or written, express or implied, on this subject. This letter may not be modified or amended except by specific, written agreement signed by you and the Superintendent of Schools.

16. **Failure to sign and return this Agreement to the Human Resources Department by 6-28-21 shall result in a rejection of the employment offer for the 2021–2022 school year.**

On behalf of Legacy Preparatory Academy, we are very pleased by the opportunity to have you as a member of our faculty and staff, and look forward to your contribution to the school.

Sincerely,

DocuSigned by:
By: Byron Ricks
C2550A32335A40E...
Byron Ricks, Board President

I have read this Agreement and agree to abide by its terms and conditions. I understand and agree that my employment with Legacy Preparatory Academy is at-will.

DocuSigned by:
Employee: ______________________ Date: 6/23/2021
219985DE83C5409...
Staci Weaver

Legacy Preparatory Academy
DocuSigned by:
By: Rebecca Good Date: 6/23/2021
84D3F0A1428F432...

LEGACY PREPARATORY CHARTER ACADEMY
SUPERINTENDENT'S CONTRACT

THE STATE OF TEXAS	§	
	§	
COUNTY OF DALLAS	§	

THIS SUPERINTENDENT'S CONTRACT ("the Contract") is made and entered into by and between the Governance Board ("the Board") of Legacy Preparatory Charter Academy ("the School") and Staci L. Weaver ("the Superintendent").

WHEREAS, the Board desires to provide the Superintendent with a written Employment Contract in order to enhance administrative stability and continuity within the School, which the Board believes generally improves the quality of its overall education program; and

WHEREAS, the Board and the Superintendent believe that a written Employment Contract is necessary to describe specifically their relationship, and to serve as the basis of effective communication between them;

NOW, THEREFORE, the Board and the Superintendent, for the consideration herein specified, agree as follows:

I. Term

1.1 **Term.** The Board hereby agrees to employ the Superintendent for a term commencing on the 1st day of November, 2022 and ending on the 30th day of June, 2025, unless terminated earlier by mutual consent of both parties or as otherwise permitted under this Contract. Each school year shall require a minimum of 226 days of service by the Superintendent. This Contract is conditioned upon continued funding and appropriations of the School by the State of Texas pursuant to the School's charter.

1.2 **No Tenure.** The Board has not adopted any policy, rule, regulation, or practice providing for tenure. No right of tenure is created by this Contract. No property interest, express or implied, is created in continued employment.

II. Employment

2.1 **Duties.** The Superintendent is the educational leader of the School, and shall faithfully perform the duties of the Superintendent of Schools as prescribed in a job description for that position and/or as may be described in the School's charter, which may be amended from time to time by action of the Board. Specifically, it shall be the duty of the Superintendent to communicate with and advise the Board on administrative matters; communicate with the School's administration regarding directives from the Board; negotiate and execute contracts where authorized by the Board; direct, assign, reassign, and oversee the evaluation of all School employees consistent with Board policies and federal and state law; evaluate program effectiveness; seek and create avenues of additional funding; ensure that the School's culture and curriculum follow the School's charter; plan and report to the Board on expansion and facilities; encourage and support development of innovative instructional programs; promote the use of technology in the teaching and learning process; and to develop and establish administrative regulations, rules, and procedures which the Superintendent deems necessary for the efficient and effective operation of the School consistent with the Board's lawful directives, Board policy, the School's charter, and state and federal law. The Superintendent shall perform her duties with care, diligence, skill, and expertise, and shall devote substantially all of her time, skill, labor, and attention to her employment and the performance of her duties during the term of this Contract.

2.2 **Certification.** The Superintendent shall, at all times during the term of this Contract, hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the State Board for Educator Certification or the Texas Education Agency.

2.3 **Board Meetings.** The Superintendent shall attend all meetings of the Board, both public and closed, with the exception of those closed meetings involving the consideration or discussion of any action on the Superintendent's contract, evaluation of the Superintendent's performance, or consideration of the Superintendent's salary, terms, or benefits of employment, as set forth in this Contract. The Superintendent may also be excused from a closed session by the Board President when the Board is meeting to resolve internal Board conflicts, when the Board is acting in its capacity as a tribunal, or at other times at the discretion of the Board President where the Board President determines such is in the best interest of the corporation. In the event of illness or Board-approved absence, the Superintendent's designee shall attend such meetings.

2.4 **Criticisms, Complaints, and Suggestions.** The Board, individually and collectively, shall refer all substantive criticisms, complaints, and suggestions called to the Board's attention to the Superintendent or her designee for study and appropriate action, and the Superintendent shall either investigate or designate appropriate staff to investigate such matters and inform the Board of the results of such action, if any.

2.5 **Professional Conduct.** Throughout the term of this Contract, the Superintendent shall conduct herself in accordance with Board policy and directives, the Code of Ethics of the American Association of School Administrators, and the Code of Ethics and Standard Practices for Texas Educators, as such may be amended.

2.6 **Indemnification.** The School 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 her in her individual or official capacity as an employee, and as Superintendent, 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 the Superintendent as an employee of the School acting within the course and scope of her employment with the School; 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 that the Superintendent committed a willfully wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the School or by the Superintendent. Selection of the Superintendent's legal counsel shall be with the mutual agreement of the Superintendent and the School if such legal counsel is not also the School'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 be that of the terms of the applicable insurance contract. The provisions of this section shall survive the termination of this Contract.

III. Compensation and Professional Development

3.1 **Salary.** The School shall pay the Superintendent an annual salary of $155,040 to be paid in semi-monthly installments on the School's regularly scheduled pay days each month, for her services rendered during the preceding month, or in accordance with the schedule of salary payments in effect for other employees, at the option of the Superintendent.

3.2 **Receipt of Funds.** The Superintendent's compensation/salary and payment thereof by the School shall be expressly conditioned upon and subject to actual receipt by the School of state and/or federal funds required for the School's operations.

3.3 **Professional Development.** The Superintendent shall devote her time, attention, and energy to the development, direction, and promotion of the School. The Board, however, encourages the continued professional growth of the Superintendent through her active attendance at, and participation in, appropriate professional meetings at the local, regional, state, and national levels as approved by the Board. The Board shall encourage the use of data and information sources, and shall encourage the membership and participation of the Superintendent in pertinent associations, education seminars, conferences, and courses, as well as participation in informational meetings with those individuals whose particular skills, expertise, or backgrounds would serve to improve the capacity of the Superintendent to perform her professional responsibilities for the School. The Superintendent shall devote a reasonable amount of time to attend such seminars, courses, conferences, or meetings at the Superintendent's discretion. The School shall pay the Superintendent's membership dues to the American Association of School Administrators and the Texas Association of School Administrators, as well as other memberships necessary to maintain and improve the Superintendent's professional skills. The School shall bear the reasonable cost and expense for such attendance and membership.

3.4 **Community Involvement.** The Superintendent is further encouraged to participate in community and civic affairs.

3.5 **Consulting Services.** The Superintendent may serve as a consultant or undertake speaking engagements, writing, teaching or other professional duties and obligations outside the School (referred to collectively herein as "Consulting Services") that do not conflict or interfere with the Superintendent's professional responsibilities to the School. The Superintendent may accept a reimbursement of expenses and/or be paid an honorarium for such Consulting Services at no expense to the School. Consulting Services provided by the Superintendent under the terms and conditions of this paragraph must be consistent with state and federal law.

3.6 **Expenses.** The School shall pay or reimburse the Superintendent for reasonable expenses incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract. The School agrees to pay the actual and incidental costs incurred by the Superintendent for travel to destinations outside the School. Such actual or incidental costs may include, but are not limited to, gasoline, hotels and accommodations, meals, parking, rental car, and other expenses incurred in the performance of the business of the School. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies. The Superintendent shall cooperate with the School's external auditors so that the auditors can perform a complete audit of the Superintendent's expenses on a yearly basis and report the audit results to the Board.

3.7 **Car Allowance.** The Board shall provide the Superintendent with an automobile allowance in the sum of $650 per month, that covers all School-related travel between the campuses and any other work-related travel, which payment is in lieu of mileage expense reimbursement and gasoline, or other vehicle upkeep charges associated with such travel. This allowance shall be paid in addition to the annual salary set forth in Section 3.1 above.

3.8 **Personal Leave.** The Superintendent is hereby granted ten (10) days of paid time off (for vacation, sick leave or personal leave) that may be used as needed by the Superintendent. For any unused paid time off, the Superintendent shall receive payment at the current daily rate of pay, for any unused leave days in June of each year. This shall exclude state leave days.

3.9 **Health Insurance Benefit.** The School shall provide health insurance benefits to the Superintendent. The benefits shall be the standard health insurance benefits provided to other professional employees of the School. If the Superintendent elects to opt-out of the School's provided health insurance, she shall receive the amount of School's premium payments that her insurance would have cost as additional salary under Section 3.1.

3.10 **Disability Insurance.** The School shall apply for and pay the annual premiums for a long-term disability income policy for the Superintendent, which policy shall provide disability income of Six Thousand and No/100 Dollars ($6,000.00) per month or 60% of the Superintendent's then-current annual salary, whichever is greater, to the Superintendent or the Superintendent's designated beneficiary in the event the Superintendent becomes disabled or incapacitated during the term of this Contract.

3.11 **Mobile Phone/Broadband.** In addition to the compensation provided in 3.1 above, the School shall, for the duration of this Contract, provide the Superintendent with a stipend for a mobile telephone with data and for high speed broadband internet to her residence in the sum of Three Hundred Fifty and No/100 Dollars ($350.00) per month. The Superintendent shall maintain a personal account for mobile telephone service and shall not open an account in the name of the School. The Superintendent shall have total responsibility for payment of such personal cell phone account and the School shall have no obligation or responsibility related to such personal account other than the monthly payment to the Superintendent of the mobile telephone stipend stated herein.

3.12 **Performance Bonus.** Upon completing the Superintendent's annual performance evaluation for each year of this Contract, the District shall pay the Superintendent as salary, on or before June 30th of each year of the Contract, an additional Salary Performance Incentive between $5,000 and $15,000 per year with the specific amount at the sole discretion of the Board and subject to availability if funds, payable only in the event the Superintendent meets certain goals established by the Board and Superintendent for her work pursuant to Article IV of this Contract.

3.13 **Retirement Annuity**. The School shall annually pay into either a 403b plan or 457f plan, whichever the School may establish, an employer contribution that is equal to the Superintendent's portion of the her member contribution to the Texas Teacher Retirement System ("TRS") beginning November 1, 2022 and continuing for the term of this Contract. Such amounts may be reduced where required by IRS limits or plan requirements.

3.14 **Computer Equipment.** The School shall provide the Superintendent with a laptop computer, iPad, and hot-spot/mobile Internet service for professional use, at the sole cost and expense of the School.

IV. Performance Review

4.1 **Performance Review.** The Board shall evaluate and assess in writing the performance of the Superintendent at least once during the term of this Contract. The Board's evaluation and assessment of the Superintendent shall be reasonably related to the duties of the Superintendent as outlined in the job description or charter for that position, and shall be based in part on the School's progress towards accomplishing the School's goals, as outlined below or as developed by the Board.

4.2 **Development of Goals.** The Superintendent shall submit to the Board each year, for the Board's consideration and approval, a preliminary list of goals for the School. The goals adopted by the Board shall be among the criteria on which the Superintendent's performance is reviewed and evaluated.

4.3 **Confidentiality.** Unless the Superintendent expressly requests 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 the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.

V. Termination of Employment Contract

5.1 **Mutual Agreement.** This Contract shall 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, or upon the retirement or death of the Superintendent.

5.2 **Dismissal for Good Cause.** The Board may dismiss the Superintendent during the term of this Contract for good cause as determined by the Board. The term "good cause" includes:

a) Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;
b) Incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication;
c) Insubordination or failure to comply with lawful directives;
d) Failure to comply with School policies or administrative regulations;
e) Neglect of duties;
f) Drunkenness or excessive use of alcoholic beverages;
g) Illegal use of drugs, hallucinogens, or other substances regulated by State or Federal law;
h) Conviction of a felony or crime involving moral turpitude;
i) Failure to meet the School's standards of professional conduct or the Code of Ethics and Standard Practices for Texas Educators;
j) Failure to comply with the School's reasonable professional development requirements;
k) Disability, not otherwise protected by law, that impairs performance of the required duties of the Superintendent;
l) Immorality, which is conduct the Board determines is not in conformity with the accepted moral standards of the community encompassed by the School. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency, or depravity;
m) Criminal assault on an employee or student;
n) Knowingly falsifying records or documents related to School activities;
o) Conscious misrepresentations of facts to the Board in the conduct of the School's business; and
p) Any other reason constituting "good cause" under applicable law or as determined by the Board in its sole discretion.

5.3 **Termination Procedure.** In the event the Board determines that this Contract should be terminated for good cause before its term expires, the Superintendent shall be afforded reasonable notice and an opportunity to appear before the Board, at which time the Board shall demonstrate its cause(s), and the Superintendent may offer evidence and argument in rebuttal. This opportunity to appear does not limit or restrict either party's right to bring any action to enforce or interpret this Contract in a court of law or equity with appropriate jurisdiction.

5.4 **Resignation.** The Superintendent may resign with the consent of the Board at any time during the term of this Contract.

5.5 **Disability.** In the event the Superintendent shall become physically or mentally unable to perform the essential functions of her job as Superintendent, the Board, at its option, may terminate this Contract and the employment of the Superintendent. Verification of the illness or disability of the Superintendent shall be required whenever a majority of the Board requests it at the Board's sole discretion and the Superintendent shall cooperate with same. Should she fail to cooperate the Board may terminate this Contract for cause.

VI. Miscellaneous

6.1 **Required Training.** The Superintendent shall comply with the requirements contained in Section 100.1103, Title 19, Texas Administrative Code, pertaining to training for chief executive and central administrative officers of open-enrollment charter schools, at the expense of the School.

6.2 **Controlling Law.** This Contract shall be governed by the laws of the State of Texas, and shall be performable in Dallas County, Texas, unless otherwise provided by law.

6.3 **Complete Agreement.** All existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent have been superseded by this Contract. Accordingly, this Contract embodies the entire agreement between the parties hereto, unless amended pursuant to the terms of this Contract.

6.4 **Savings Clause.** In the event any one or more of the provisions contained in this Contract shall, for any reason, be held to be invalid, illegal, or unenforceable, then in lieu of each such invalid, illegal, or unenforceable provision there shall be added automatically as a part of this Contract a valid, legal, and enforceable substitute provision that most nearly reflects the original intent of the parties and all other provisions hereof shall remain in full force and effect and shall be liberally construed in order to carry out the intentions of the parties hereto as nearly as may be possible.

6.6 **Assignment.** This Contract shall inure to the benefit of and shall be binding upon the Board and the Superintendent, but may not be assigned by the Superintendent.

6.6 **Governmental Immunity.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS CONTRACT, THE SUPERINTENDENT ACKNOWLEDGES, STIPULATES, AND AGREES THAT NOTHING IN THIS CONTRACT SHALL BE CONSTRUED AS A WAIVER OF ANY STATUTORY OR GOVERNMENTAL IMMUNITY FROM SUIT AND LIABILITY AVAILABLE TO THE SCHOOL UNDER APPLICABLE LAW.

Approved in final form by action of the Governance Board of Legacy Preparatory Charter Academy at a lawfully called meeting on the 29th day of November, 2022 and EXECUTED in triplicate originals by the last party to sign on the 29th day of November, 2022.

DocuSigned by:
Byron Ricks
C2550A32335A40E...
Chair of the Governance Board of
Legacy Preparatory Charter Academy

DocuSigned by:
Vincent Vittatoe
EF7F3737CC214EA...

Secretary of the Governance Board of
Legacy Preparatory Charter Academy

DocuSigned by:
S Weaver
97C275829D4B402...

Staci Weaver, Superintendent
Legacy Preparatory Charter Academy