

Brazosport
Independent School District

**2014 Annual Financial
Management Report –
School FIRST**

For the Year Ending August 31, 2013



**Karin Holacka,
Superintendent of Schools**

**Daniel Schaefer,
Chief Financial & Governmental Affairs Officer**

**BRAZOSPORT INDEPENDENT SCHOOL DISTRICT
SCHOOL FIRST REPORT**

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Introduction

During the 77th regular session of the Texas Legislature (2001), Senate Bill 218 was passed and signed it into law shortly thereafter. This law requires every school district to prepare an annual financial accountability report. The primary goal of School FIRST is to improve the management of school districts' financial resources. The primary objective of the rating system is to assess the quality of financial management in Texas public schools. A secondary objective is to measure and report the extent of which financial resources in Texas public schools assure the maximum allocation possible for direct instructional purposes. Other objectives reflect the implementation of a rating system that fairly and equitably evaluates the quality of financial management decisions. Ratings are based on analysis of staff and student data and on budgetary and actual financial data for the fiscal year.

Many business-related issues are covered in this report. The primary reporting tool, however, is the Financial Accountability Ratings Worksheet. Representatives of the Texas Education Agency (TEA), the Texas Business & Education Council (TBEC) and the Texas Association of School Business Officials (TASBO) developed this worksheet. It is administered by TEA and calculated on information submitted to the Agency via our PEIMS submission each year and other documentation procured by TEA. The accuracy of PEIMS data has always been critical on the student side of the submission, and this reporting requirement adds a high degree of importance to our finance submission each year.

Starting in the 2005-06 fiscal year, the financial management report issued at the School FIRST hearing must contain certain required disclosures, in accordance with Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules concerning Financial Accountability Rating System. Those disclosures are as follows: (1) a copy of the Superintendent's current employment contract, (2) a summary schedule for the fiscal year of total reimbursements received by the superintendent and each board member, (3) a summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services, (4) a summary schedule for the fiscal year of the total dollar amount by the executive officers and board members and board members of gifts that had an economic value of \$250 or more, (5) a summary schedule for the fiscal year of the dollar amount by board member for the aggregate amount of business transaction with the school district.

Another change for the 2006-07 fiscal year is one indicator was moved, three indicators were deleted, one indicator was added, and three indicators were modified. Also in 2009-10 fiscal year two indicators were deleted. In 2010-11 fiscal year two more indicators were deleted (related to academic rating and fund balance requirements) and two were modified (tax collections are now measured on a three year average instead of one and investment earnings baseline is the 3-Month Treasury Bill instead of \$20 per student.)

Brazosport ISD's rating under School FIRST for the year ended August 31, 2013 was "Superior Achievement," with a perfect score of 70 of 70 or 100 percent. This report briefly describes data used to calculate the rating and what each indicator means.



Financial Integrity Rating System of Texas

2012-2013 DISTRICT STATUS DETAIL

Name: BRAZOSPORT ISD(020905)	Publication Level 1: 6/18/2014 8:04:42 AM
Status: Passed	Publication Level 2: 9/5/2014 4:00:21 PM
Rating: Superior Achievement	Last Updated: 9/5/2014 4:00:21 PM
District Score: 70	Passing Score: 52

#	Indicator Description	Updated	Score
1	Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?	4/28/2014 12:14:55 PM	Yes
2	Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)	4/28/2014 12:14:55 PM	Yes
3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	4/28/2014 12:14:56 PM	Yes
4	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?	4/28/2014 12:14:56 PM	Yes

5	Was There An Unqualified Opinion in Annual Financial Report?	4/28/2014 12:14:56 PM	Yes
6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	4/28/2014 12:14:57 PM	Yes
			1 Multiplier Sum
7	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	4/28/2014 12:14:57 PM	5
8	Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?	4/28/2014 12:14:58 PM	5
9	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)	5/15/2014 11:44:19 AM	5
10	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	4/28/2014 12:14:58 PM	5
11	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)	4/28/2014 12:14:59 PM	5
12	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?	4/28/2014 12:14:59 PM	5
13	If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)	4/28/2014 12:15:00 PM	5

14	Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)	4/28/2014 12:15:00 PM	5
15	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	4/28/2014 12:15:00 PM	5
16	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?	4/28/2014 12:15:01 PM	5
17	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	4/28/2014 12:15:02 PM	5
18	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If Total Revenues > Operating Expenditures In The General Fund,Then District Receives 5 Points)	4/28/2014 12:15:02 PM	5
19	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?	4/28/2014 12:15:02 PM	5
20	Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?	5/14/2014 12:13:54 PM	5
			70 Weighted Sum
			1 Multiplier Sum
			70 Score

DETERMINATION OF RATING

A	Did The District Answer ' No ' To Indicators 1, 2, 3 Or 4? OR Did The District Answer ' No ' To Both 5 and 6? If So, The District's Rating Is Substandard Achievement .	
B	Determine Rating By Applicable Range For summation of the indicator scores (Indicators 7-20)	
	Superior Achievement	64-70
	Above Standard Achievement	58-63
	Standard Achievement	52-57
	Substandard Achievement	<52

INDICATOR 16 & 17 RATIOS

Indicator 16	Range		Indicator 17	Range	
District Size - Number of Students Between	Low	High	District Size - Number of Students Between	Low	High
< 500	7	22	< 500	5	14
500-999	10	22	500-999	5.8	14
1000-4999	11.5	22	1000-4999	6.3	14
5000-9999	13	22	5000-9999	6.8	14
=> 10000	13.5	22	=> 10000	7.0	14

RATING:

SUPERIOR ACHIEVEMENT

Overview of the Worksheet

Indicator # 1 – Was total Fund Balance less Reserved Fund Balance greater than zero in the General Fund?

School districts must legally have a fund balance to ensure adequate funding for operations. This indicator is designed to ensure that our district has a positive amount of fund balance that is not designated or “reserved” for a special purpose. In other words, “Does our district have funds set aside for operational needs and cash flow?”

Brazosport ISD’s fund balance in the General Fund after reduction for reserves at August 31, 2013 was \$27,244,106.

Indicator # 2 – Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest for Capital Appreciation Bonds) in the Governmental Activities Column in the Statement of Net Assets Greater than Zero?

This indicator simply asks, “Did the district’s total assets exceed the total amount of liabilities (according to the very first financial statement in the annual audit report)?

Brazosport ISD’s total assets did exceed the total amount of liabilities.

Indicator # 3 – Were there No disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?

This indicator seeks to make certain that the District has paid its bills/obligations on bonds issued to pay for school construction, etc.

Brazosport ISD has had no instances of default on bonded indebtedness obligations.

Indicator # 4 – Was the Annual Financial Report filed within one month after the November 27 or January 28 deadline depending on the district’s fiscal year end date (June 30 or August 31)?

Brazosport ISD’s Annual Financial Report for the fiscal year ended August 31, 2013 was filed with the Texas Education Agency before the deadline date in January 2014.

Indicator # 5 – Was there an Unqualified Opinion in the Annual Financial Report?

The opinion expressed by Brazosport ISD’s independent auditor on the August 31, 2013 Annual Financial Report was unqualified which means it is a clean audit. A “qualification” on our financial report would have meant that corrections were needed in reporting of financial controls.

Indicator # 6 – Did the Annual Financial Report not disclose any instance(s) of material weaknesses in internal controls?

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

Brazosport ISD had no internal weaknesses.

Indicator # 7 – Was the three year average percent of total tax collections (including delinquent) greater than 98 percent?

This indicator measures a district's success in collecting the taxes owed by the community's businesses and homeowners, placing a 98 percent minimum collections standard. Over a three year period the District must collect 98 percent or more of taxes, including any delinquent taxes owed from past years.

Brazosport ISD has surpassed the required percentage. For the last three school years (2011-2013), the collection percentage was 102.56 percent.

Indicator # 8 – Did the comparisons of PEIMS data to like information in the Annual Financial Report result in an aggregate variance of less than 3 percent of expenditures per fund type (Data Quality Measure)?

This indicator measures the quality of data reported to TEA through the Public Education Information Management System (PEIMS) and in the Annual Financial Report to make certain that the data reported in each case "matches up". If the difference in numbers reported in any fund type is more than 3 percent, the district "fails" this measure.

Brazosport ISD's data quality measure fell well below the allowable 3 percent variation, to 0 percent.

Indicator # 9 – Were Debt-Related Expenditures (net of IFA and/or EDA allotment) less than \$350 per student? (If the district's five-year percent change in students was a 7 percent increase or more, or if property taxes collected per penny of tax effort were more than \$200,000 per student.)

This indicator show the Legislature's intent for school districts to focus spending money on education, by limiting the amount of money districts can spend on debt (to construct buildings, etc.) to \$350 per student.

Brazosport ISD received five points because our debt-related expenditures were within range based on taxable values.

Indicator # 10 – Was there No disclosure in the Annual Audit Report of Material Noncompliance?

No disclosure means the Annual Audit Report included no disclosure indicating that the school district failed to comply with laws, rules and regulations for a government entity.

Brazosport ISD's Annual Audit Report for the year ended August 31, 2013 had no such disclosure.

Indicator # 11 – Did the district have full accreditation status in relation to financial management practices?

Brazosport ISD has full accreditation status.

Indicator # 12 – Was the Aggregate of Budgeted Expenditures and Other Uses less than the aggregate of Total Revenues, Other Resources and Fund Balance in the General Fund?

If a district's total expenditures and other uses for the fiscal year exceeded its total funds available, the district would receive a negative rating on this measure. A negative rating would indicate that the District had overspent its budget.

Brazosport ISD's aggregated budget total revenues, other resources and fund balance exceeded expenditures and other uses by \$25,334,921 in the General Fund.

Indicator # 13 – If the district's Aggregate Fund Balance in the General Fund and Capital Projects Fund was less than zero, were construction projects adequately financed? (Were construction projects adequately financed or adjusted by change orders or other legal means to avoid creating or adding to the fund balance deficit situation?)

This indicator measures the District's ability to construct facilities without damaging our Fund Balance.

Brazosport ISD's aggregate fund balance as of August 31, 2013 in the General Fund and Capital Projects Fund totaled \$43,791,592.

Indicator # 14 – Was the ratio of Cash and Investments to Deferred Revenues (excluding amount equal to net Delinquent Taxes Receivable) in the General Fund greater than or equal to 1:1? (If Deferred Revenues are less than Delinquent Taxes Receivable, then answer this indicator YES.)

This indicator measures whether or not the District has sufficient cash and investments to balance Fund Balance Monies such as TEA overpayments (deferred Revenues). In other words, the District should have fund balance monies of its own that are at least equal to those dollars that are there due to overpayments from TEA, and should not be spending "next year's" monies this year.

As of August 31, 2013, Brazosport ISD had cash in the General Fund of \$31,689,340, Deferred Revenues of \$1,337,662 and Property Tax Receivable of \$654,909.

Indicator # 15 – Was the Administrative Cost Ratio less than the standard in State Law?

TEA and state law sets a cap on the percentage of their budget that Texas school districts can spend on administration based on district size.

For districts in Brazosport ISD's category, the administrative cost ratio should fall below 11.05 percent. Brazosport ISD's ratio for the 2012-2013 school year was 6.34 percent, or 4.71 percent below the state cap.

Indicator # 16 – Was the Ratio of Students to Teachers within the ranges shown below according to district size?

This indicator measures our pupil-teacher ratio to ensure that it is within TEA recommended ranges for districts of our student population range. For example, districts like Brazosport, with a student population over 10,000 should have no more than 22 students per teacher and no fewer than 13.5 students per teacher.

For the 2012-2013 school year Brazosport ISD had 16.66 students per teacher.

Indicator # 17 – Was the Ratio of Students to Total Staff within the range shown below according to district size?

This indicator measures our pupil-staff ratio to ensure that it is within TEA-recommended ranges for districts of our student population range. For this indicator, districts of Brazosport's size, with a student population over 10,000 should have no more than 14 students per staff member and no fewer than 7 students per district employee.

For the 2012-2013 school year Brazosport ISD had 8.297 students per District employee.

Indicator # 18 – Was the decrease in Undesignated Unreserved Fund Balance less than 20 percent over two Fiscal Years? (If 1.5 times Optimum Fund balance in General Fund or if Total Revenues exceeded Operating Expenditures in the General Fund.)

This indicator attempts to identify districts that are utilizing fund balance to pay for salaries or other district operating expenses. Rapid decreases in Undesignated Fund Balance (those dollars not designated for construction or other purposes) could indicate a district is borrowing to pay for recurring cost that will continue to deplete the district's reserve.

Brazosport ISD's total revenues have not exceeded operating expenditures (Functions 11-61). Total Revenues in General Fund were \$86,233,924 and Expenditures in General Fund (Functions 11-61) were \$78,813,753. Recapture expenditure was not included in the calculation.

Indicator # 19 – Was the Aggregate Total of Cash and Investments in the General Fund more than \$0?

This indicator simply verifies that we have funds in the bank and/or investments.

At August 31, 2013, Brazosport ISD had General Fund cash and investments totaling \$31,689,340.

Indicator # 20 – Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?

Verifying that investments earnings met or exceeded the 3-month Treasury bill rate indicates that the District is investing its funds wisely.

For the year ended August 31, 2013, Brazosport ISD’s investment earnings exceeded the 3-month Treasury bill rate.

OVERALL STATISTICS

2012-2013 STATUS COUNTS

Status	Count	% Total	Enrollment	% Total Enrollment
Passed	1,011	98.63 %	4,837,594	99.26 %
Failed	14	1.37 %	35,829	0.74 %
Total	1,025	100.00 %	4,873,423	100.00 %

2012-2013 RATING COUNTS

Ratings	Count	% Total	Enrollment	% Total Enrollment
Superior Achievement	912	88.98 %	4,754,747	97.56 %
Above Standard Achievement	83	8.10 %	74,394	1.53 %
Standard Achievement	16	1.56 %	8,453	0.17 %
Substandard Achievement	12	1.17 %	14,474	0.30 %
Total	1,025	100.00 %	4,873,423	100.00 %

2012-2013 ALL RESULTS BY INDICATOR

Indicator	Result	Count	% of Districts	Enrollment	% Total Enrollment
1	Yes	1019	99.41 %	4,851,504	99.55 %
	No	6	0.59 %	21,919	0.45 %
2	Yes	1020	99.51 %	4,852,979	99.58 %
	No	5	0.49 %	20,444	0.42%
3	Yes	1024	99.90 %	4,871,898	99.97 %
	No	1	0.10 %	1,525	0.03 %
4	Yes	1019	99.41 %	4,840,581	99.33 %
	No	6	0.59 %	32,842	0.67 %
5	Yes	1019	99.41 %	4,834,732	99.21 %
	No	6	0.59 %	38,691	0.79%
6	Yes	989	96.49 %	4,634,969	95.11 %
	No	36	3.51 %	238,454	4.89 %
7	5	919	89.66 %	4,732,968	97.12 %
	4	89	8.68 %	116,099	2.38 %
	3	10	0.98 %	12,741	0.26 %
	2	5	0.49 %	9,938	0.20 %
	1	1	0.10 %	1,440	0.03 %

	0	1	0.10 %	237	0.00 %
8	5	1001	97.66 %	4,775,031	97.98 %
	0	24	2.34 %	98,392	2.02 %
9	5	629	61.37 %	4,289,846	88.03 %
	4	117	11.41 %	182,283	3.74 %
	3	95	9.27 %	153,839	3.16 %
	2	66	6.44 %	104,275	2.14 %
	1	44	4.29 %	66,239	1.36 %
	0	74	7.22 %	76,941	1.58 %
10	5	987	96.29 %	4,580,650	93.99 %
	0	38	3.71 %	292,773	6.01 %
11	5	1025	100.00 %	4,873,423	100.00 %
12	5	1020	99.51 %	4,843,593	99.39 %
	0	5	0.49 %	29830	0.61 %
13	5	1025	100.00 %	4,873,,423	100.00 %
14	5	1020	99.51 %	4,863,872	99.80 %
	4	2	0.20 %	9,070	0.19 %
	0	3	0.29 %	481	0.01 %
15	5	971	94.73 %	4,813,847	98.78 %

	0	54	5.27 %	59,576	1.22 %
16	5	985	96.10 %	4,849,611	99.51 %
	4	18	1.76 %	16,577	0.34 %
	3	10	0.98 %	3,800	0.08 %
	2	2	0.20 %	1,187	0.02 %
	1	6	0.59 %	1,423	0.03 %
	0	4	0.39 %	825	0.02 %
17	5	844	82.34 %	4,559,282	93.55 %
	4	72	7.02 %	232,456	4.77 %
	3	38	3.71 %	47,205	0.97 %
	2	27	2.63 %	12,615	0.26 %
	1	12	1.17 %	16,440	0.34 %
	0	32	3.12 %	5,425	0.11 %
18	5	988	96.39 %	4,825,302	99.01 %
	2	1	0.10 %	97	0.00 %
	1	2	0.20 %	1,009	0.02 %
	0	34	3.32 %	47,015	0.96 %
19	5	1019	99.41 %	4,850,544	99.53 %

	0	6	0.59 %	22,879	0.47 %
20	5	994	96.98 %	4,783,263	98.15 %
	0	31	3.02 %	90,160	1.85 %

2012-2013 ANSWERS BY INDICATOR

Indicator	Yes	No	5	4	3	2	1	0	Total
1	1019	6	x	x	x	x	x	x	1025
2	1020	5	x	x	x	x	x	x	1025
3	1024	1	x	x	x	x	x	x	1025
4	1019	6	x	x	x	x	x	x	1025
5	1019		x	x	x	x	x	x	1025
6	989	36	x	x	x	x	x	x	1025
7	x	x	919	89	10	5	1	1	1025
8	x	x	1001	x	x	x	x	24	1025
9	x	x	629	117	95	66	44	74	1025
10	x	x	987	x	x	x	x	38	1025
11	x	x	1025	x	x	x	x	x	1025
12	x	x	1020	x	x	x	x	5	1025
13	x	x	1025	x	x	x	x	x	1025
14	x	x	1020	x	x	x	x	3	1025

15	x	x	971	x	x	x	x	54	1025
16	x	x	985	18	10	2	6	4	1025
17	x	x	844	72	38	27	12	32	1025
18	x	x	988	x	x	1	2	34	1025
19	x	x	1019	x	x	x	x	6	1025
20	x	x	994	x	x	x	x	31	1025

Superintendent's Employment Contract

**THIRD AMENDMENT TO
SUPERINTENDENT'S EMPLOYMENT CONTRACT**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BRAZORIA §

WHEREAS, the Board of Trustees ("Board") of the Brazosport School District, met on May 9, 2014;

WHEREAS, at the meetings on May 9, 2014, the District, pursuant to her Contract of Employment ("Contract"), offered Dr. Karin Holacka an amendment to her Contract;

WHEREAS, Dr. Holacka accepted the amendment to the Contract;

NOW, THEREFORE, pursuant to the authority of § 11.201 of the Texas Education Code, the general laws of the state of Texas and Section 8.2 of the Contract, the Board and Dr. Holacka agree as follows:

I.

Section 1.1. of the Superintendent's Contract of Employment executed on May 17, 2011 is amended as follows:

- 1.1 Employment. The Board, by and on behalf of the District, does hereby employ the Superintendent and the Superintendent does hereby accept employment as Superintendent of Schools for the District for a term beginning on May 9, 2014, and ending on January 1, 2017. Each contract year shall consist of 230 days, beginning July 1st and ending June 30th of each respective year. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this agreement as permitted by state law.

Section 3.1. of the Superintendent's Contract of Employment executed on May 17, 2011 is amended as follows:

3.1 Salary. Effective July 1, 2014, the Board agrees to pay the Superintendent a percentage increase on top of her current salary of \$162,000 (One Hundred Sixty Two Thousand Dollars and No/100 Dollars). The percentage increase shall be the average median percentage salary increase provided to the Brazosport ISD teaching staff during the summer of 2014. This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies.

This Amendment is effective July 1, 2014 upon final execution of the signatures listed below.

EXECUTED this 27 day of May 2014.

BRAZOSPORT INDEPENDENT
SCHOOL DISTRICT

By: Jim Koch
Jim Koch
President, Board of Trustees

By: Karin Holacka
Karin Holacka, Ed.D.
Superintendent of Schools

**SECOND AMENDMENT TO
SUPERINTENDENT'S EMPLOYMENT CONTRACT**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BRAZORIA §

WHEREAS, the Board of Trustees ("Board") of the Brazosport School District, met on May 7, 2013, and June 4, 2013;

WHEREAS, at the meetings on May 7, 2013, and June 4, 2013, the District, pursuant to her Contract of Employment ("Contract"), offered Dr. Karin Holacka an amendment to her Contract;

WHEREAS, Dr. Holacka accepted the amendment to the Contract;

NOW, THEREFORE, pursuant to the authority of § 11.201 of the Texas Education Code, the general laws of the state of Texas and Section 8.2 of the Contract, the Board and Dr. Holacka agree as follows:

I.

Section 1.1. of the Superintendent's Contract of Employment executed on May 17, 2011 is amended as follows:

- 1.1 Employment. The Board, by and on behalf of the District, does hereby employ the Superintendent and the Superintendent does hereby accept employment as Superintendent of Schools for the District for a term beginning on July 1, 2013, and ending on June 30, 2016. Each contract year shall consist of 230 days, beginning July 1st and ending June 30th of each respective year. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this agreement as permitted by state law.

Section 3.1. of the Superintendent's Contract of Employment executed on May 17, 2011 is amended as follows:

3.1 Salary. Effective July 1, 2013, the Board agrees to pay the Superintendent an annual salary in the amount of \$162,000 (One Hundred Sixty Two Thousand Dollars and No/100 Dollars). This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies.

This Amendment is effective July 1, 2013 upon final execution of the signatures listed below.

EXECUTED this 7th day of June 2013.

BRAZOSPORT INDEPENDENT
SCHOOL DISTRICT

By: Jim Koch

President, Board of Trustees

By: Karin Holacka
Karin Holacka, Ed.D.
Superintendent of Schools

FIRST AMENDMENT TO
SUPERINTENDENT'S EMPLOYMENT CONTRACT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BRAZORIA §

WHEREAS, the Board of Trustees ("Board") of the Brazosport School District, met on September 4, 2012;

WHEREAS, at the meeting on September 4, 2012, the District, pursuant to her Contract of Employment ("Contract"), offered Ms. Karin Holacka an amendment to her Contract;

WHEREAS, Ms. Holacka accepted the amendment to the Contract;

NOW, THEREFORE, pursuant to the authority of § 11.201 of the Texas Education Code, the general laws of the state of Texas and Section 8.2 of the Contract, the Board and Ms. Holacka agree as follows:

I.

Section 3.1. of the Superintendent's Contract of Employment executed on May 17, 2012 is amended as follows:

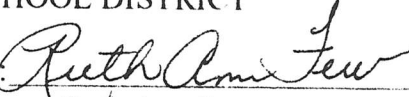
3.1 Salary. Effective August 1, 2012, the Board agrees to pay the Superintendent an annual salary in the amount of \$152,294 (One Hundred Fifty Two Thousand and Two Hundred and Ninety Four Dollars and No/100 Dollars). This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies.


Sections 3.6 (Insurance) and 3.7. (Relocation Expense) of the Superintendent's Contract of Employment executed on May 17, 2012 are deleted.

This Amendment is effective September 4, 2012 upon final execution of the signatures listed below.

EXECUTED this 19th day of October, 2012.

BRAZOSPORT INDEPENDENT
SCHOOL DISTRICT

By: 
Ruth Ann Few
President, Board of Trustees

By: 
Karin Holacka, Ed.D.
Superintendent of Schools

EMPLOYMENT CONTRACT

THE STATE OF TEXAS §
 §
 §
COUNTY OF §
BRAZORIA §

THIS AGREEMENT is made and entered into by and between the Board of Trustees (the "Board") of the **Brazosport Independent School District** (the "District") and **Karin Holacka** (the "Superintendent").

NOW THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to the authority of Chapter 21 and Section 11.201(b) of the Texas Education code, have agreed, and do hereby agree, as follows:

1. TERM

- 1.1 Employment. The Board, by and on behalf of the District, does hereby employ the Superintendent and the Superintendent does hereby accept employment as Superintendent of Schools for the District for a term beginning on July 1, 2011, and ending on June 30, 2014. Each contract year shall consist of 230 days, beginning July 1st and ending June 30th of each respective year. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this agreement as permitted by state law.
- 1.2 No Right of Tenure. The Board has not adopted any policy, rule, regulation, law or practice providing for tenure. No right of tenure, contractual obligation, expectancy of continued employment, or claim of entitlement is created beyond the contract term.

2. EMPLOYMENT

- 2.1 Duties. The Superintendent is the chief executive administrator for the District and shall faithfully perform the duties of the Superintendent of Schools for the district as prescribed in the job description and as may be assigned by the Board, and shall comply with all Board directives, state and federal law, district policy, rules, and regulations as they exist or may hereafter be adopted or amended. The Superintendent shall perform the duties of the Superintendent of Schools for the District with reasonable care, skill and

expertise and in a thorough, prompt and efficient manner. The Superintendent agrees to devote her time, skill, labor and attention to performing her duties.

- 2.2 Professional Certification and Records. This Agreement is conditioned on the Superintendent's providing the necessary certification and experience records, medical records, oath of office and other records required for the personnel files or payroll purposes. Failure to provide necessary certification shall render this Agreement void. Any material and intentional misrepresentation may be grounds for dismissal.
- 2.3 Reassignment. The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's expressed written consent.
- 2.4 Consultant Activities. The Superintendent may, with board approval, undertake consulting work, speaking engagements, lecturing, training and other professional duties.
- 2.5 Professional Growth. The Board encourages the Superintendent to attend, actively participate in, and/or join professional and civic organizations at the local and state levels. The District shall pay \$2,000 per year for membership fees and dues of the Superintendent.
- 2.6 Board/Superintendent Relations. The members of the Board, individually and collectively, shall promptly refer all criticisms, complaints and suggestions called to their attention to the Superintendent for study and recommendation. The Superintendent shall investigate and respond to the Board concerning all such matters referred to her in a reasonable and timely manner. The Superintendent shall have the right to attend all Board meetings, public and closed, with the exception of closed meetings devoted to consideration of any action or inaction on the Superintendent's contract, salary, benefits, evaluation, interpersonal relationships between or among individual Board members or for any other reason as agreed upon between the parties.

3. COMPENSATION

- 3.1 Salary. The District shall provide the Superintendent with an annual salary in the sum of one hundred forty five thousand dollars (\$145,000). This annual salary rate shall be paid to the Superintendent in installments consistent with the Board's policies.
- 3.2 Salary Adjustments. At any time during the term of this Agreement, the Board may, in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth in Section 3.1 of this Agreement.

- 3.3 Expenses. The District shall pay or reimburse the Superintendent for reasonable expenses directly incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Agreement. The District agrees to pay the actual and incidental costs incurred by the Superintendent plus out of district expenses; such costs may include, but are not limited to, district-approved mileage rate, hotels and accommodations, meals, rental car, airfare and other expenses incurred in the performance of the business of the District. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies and state law.
- 3.4 Intra-district Travel. The District shall provide the superintendent with an intra-district travel stipend of seven thousand two hundred dollars (\$7,200) per year paid in monthly increments of six hundred dollars (\$600). This allowance shall cover all travel within the boundaries of the district. Travel outside this area will be reimbursed within the terms described in 3.3 above.
- 3.5 Communications Allowance. The District shall provide the Superintendent with a cellular phone for business and reasonable personal use. Additionally, the Superintendent is authorized to use District equipment such as computer and telephone for a reasonable amount of personal use.
- 3.6 Insurance. The District shall pay full premiums for health insurance, TRS ActiveCare 3, for the Superintendent. The district shall also pay full premiums for dental and vision for the Superintendent pursuant to the group health care plan offered by the District.
- 3.7 Relocation Expense. The district shall provide a one-time payment of five thousand dollars (\$5,000) for moving and relocation expenses. This will be paid within fifteen business days (15) of when the Superintendent establishes a permanent residence in the district.
- 3.8 Residency Requirement. As a condition of this contract, the Superintendent shall establish and maintain permanent residence within the boundaries of the Brazosport Independent School District on or before December 31, 2011.

4. REVIEW OF PERFORMANCE

- 4.1 Time and Basis of Evaluation. The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this Contract.
- 4.2 Evaluation Format and Procedure. The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law.

5. RENEWAL OF PERFORMANCE

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

6. TERMINATION OF EMPLOYMENT

- 6.1 Mutual Agreement. This Agreement may be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as may be mutually agreed upon. After the Superintendent has returned the signed contract, the Superintendent shall not be released from this Agreement without the written consent of the Board.
- 6.2 Death/Retirement. This Agreement shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement under the Teacher Retirement System of Texas.
- 6.3 Dismissal for Good Cause. The Board may dismiss the Superintendent at any time for good cause.
- 6.4 Termination Procedure. In the event that the Board terminates this Agreement for good cause, the Superintendent shall be afforded all the rights set forth in the Board's policies and state and federal law.

7. PROFESSIONAL LIABILITY

- 7.1 The District shall indemnify, defend, and hold the Superintendent harmless regarding any claims, demands, duties, actions or other legal proceedings against the Superintendent, or damages incurred by the Superintendent, including court costs and attorney's fees, in her individual or official capacity for any act or failure to act involving the exercise of judgment and discretion within the normal course and scope of her duties as Superintendent of the District, to the extent and to the limits permitted by law. This paragraph does not apply if the Superintendent is found to have materially breached this Contract, to have acted with gross negligence or with intent to violate a person's clearly established legal rights, or to have engaged in official misconduct or criminal conduct, nor does it apply to criminal investigations or proceedings. The District may, at its discretion, fulfill its obligation under this paragraph by purchasing appropriate insurance coverage for the benefit of the Superintendent or by including the Superintendent as a covered party under any insurance contract providing errors and omissions insurance coverage purchased for the protection of the Board and the professional employees of the District. The Board may retain attorneys to represent the Superintendent in

any proceeding for which she could seek indemnification under this paragraph, to the extent that damages are recoverable or a defense is provided, under any such contract of insurance. No individual member of the Board shall be personally liable for indemnifying and defending the Superintendent under this paragraph. This District's obligation under this paragraph shall continue after the termination of this Contract for qualifying acts for failures to act occurring during the term of this Contract or any extension thereof.

- 7.2 The Board shall not be required to pay any costs of any legal proceedings in the event the Board and the Superintendent are adverse to each other in any such proceedings.
- 7.3 The Superintendent shall fully cooperate with the District in the defense of any and all demands, claims, suits, actions and legal proceedings brought against the District. The Superintendent's obligation under this paragraph shall continue after the termination of this Contract.

8. MISCELLANEOUS

- 8.1 Controlling Law. This Contract shall be governed by the laws of the State of Texas. and it shall be performable in Brazoria County, Texas unless otherwise provided by law. Venue for any dispute concerning the interpretation and/or enforcement of this Contract shall be in Brazoria County, Texas.
- 8.2 Amendment. This Contract embodies the entire agreement between the parties and cannot be amended except by written agreement of the parties.
- 8.3 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, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

EXECUTED this, the 17th day of May, 2011.

BRAZOSPORT INDEPENDENT SCHOOL DISTRICT

By: 
Jay Bart Luce, President, Board of Trustees

By: *Bob J. Sharp*
Secretary, Board of Trustees

SUPERINTENDENT

Karin Holacka
Karin Holacka, Ed.D.

Reports
Required
By
Texas Education
Agency

**Superintendent and School Board Member Travel Reimbursements - Summary Report
For the Twelve Month Period Ended August 31, 2013**

	Meals	Lodging	Transp.	Mileage/ Motor Fuel	Other (parking, fee tolls, etc.)	Total Travel Reimbursement
Superintendent						
Superintendent	527.24	3,454.17	711.56	2,360.61	365.60	7,419.18
Board Member						
Board Member 1	0.00	231.92	0.00	264.18	0.00	
						496.10
Board Member 2	81.70	601.68	0.00	207.92	45.00	
						936.30
Board Member 3	83.25	1,036.38	0.00	523.10	42.00	
						1,684.73
Board Member 4	74.00	842.25	0.00	472.10	75.00	
						1,463.35
Board Member 5	56.68	601.68	0.00	0.00	0.00	
						658.36
Board Member 6	119.63	601.68	0.00	354.82	41.88	
						1,118.01
Board Member 7	72.35	601.68	0.00	354.82	75.00	
						1,103.85
TOTAL	1,014.85	7,971.44	711.56	4,537.55	644.48	14,879.88

**Gifts Received by the Executive Officer(s) and Board Members
(and First Degree Relatives, if any)
For the Twelve Month Period Ended August 31, 2013**

Superintendent	
Superintendent	None
Board Member	
Board Member 1	None
Board Member 2	None
Board Member 3	None
Board Member 4	None
Board Member 5	None
Board Member 6	None
Board Member 7	None
TOTAL	0.00

**Outside Compensation and/or Fees received by Superintendent for Professional
Consulting and/or Other Personal Services
For the Twelve Month Period Ended August 31, 2013**

Name(s) of Entity(ies)	\$\$
Not Applicable	

**Business Transactions Between School District and Board Members
For the Twelve Month Period Ended August 31, 2013**

Superintendent	
Superintendent	Not Applicable
Board Member	
Board Member 1	Not Applicable
Board Member 2	Not Applicable
Board Member 3	Not Applicable
Board Member 4	Not Applicable
Board Member 5	Not Applicable
Board Member 6	Not Applicable
Board Member 7	Not Applicable
TOTAL	0.00