EAGLE MOUNTAIN-SAGINAW INDEPENDENT SCHOOL DISTRICT

Annual Financial Management Report

(A report on the School FIRST Accountability Rating System)

For the 2013-2014 School Year

TABLE OF CONTENTS

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

This is the tenth year of Schools FIRST, a financial accountability system for Texas school districts developed by the Texas Education Agency (TEA) in response to Senate Bill 875 of the 76th Texas Legislature in 1999. Every school district in Texas is required to prepare an annual financial management report to disclose the district's financial management performance rating provided by TEA based on its comparison with financial measurements, ratios, and other indicators established by the Commissioner of Education for the State's Financial Accountability System. The rating is based on financial data for the 2013-2014 school year.

The primary goal of Schools FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system. Its purpose is also to ensure that school districts will be held accountable for the quality of their financial management practices. The system is designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes. The system will also disclose the quality of local management and decision-making processes that impact the allocation of financial resources in Texas public schools.

The Schools FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being "Superior Achievement," followed by "Above-Standard Achievement," "Standard Achievement" and "Substandard Achievement." Districts with serious data quality problems may receive the additional rating of "Suspended- Data Quality." Those districts that receive a substandard or data quality rating must file a corrective action plan with TEA and could face sanctions by the Commissioner of Education.

In order to achieve a superior achievement rating the district must have a score of 64-70. Above Standard Achievement would require a score of 58-63. Standard Achievement would be for a score of 52-57 and Substandard is less than 52 or "No" to any one Indicator 1, 2, 3, or 4, or "No" to both 5 and 6.

EMS Independent School District's Rating

Eagle Mountain-Saginaw ISD's 2012-2013 School FIRST rating: **Superior Achievement**

Of the 20 indicators for the financial period ended August 31, 2014 the district had all "Yes" answers on questions 1 through 6 and received the score of 70 out of 70 points on questions 7 through 20. The report generated by TEA for the Eagle Mountain-Saginaw ISD based on 2013-2014 district data follows along with the overall result for all districts in the state. A copy of the district's report for 2012-2013 is included for comparative purposes.

FIRST

Financial Integrity Rating System of Texas

2013-2014 RATINGS BASED ON SCHOOL YEAR 2012-2013 DATA - DISTRICT STATUS DETAIL

Name: EAGLE MT-SAGINAW ISD(220918)	**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 4:17:46 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 4:17:47 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 4:17:47 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 4:17:48 PM	Yes
5	Was There An Unqualified Opinion in Annual Financial Report?	4/28/2014 4:17:48 PM	Yes
6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	4/28/2014 4:17:49 PM	Yes
			1 Multiplier Sum
7	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	4/28/2014 4:17:49 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 4:17:50 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 12:07:10 PM	5
10	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	4/28/2014 4:17:51 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 4:17:51 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 4:17:51 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 4:17:52 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 4:17:52 PM	5
15	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	4/28/2014 4:17:53 PM	5
16	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?	4/28/2014 4:17:53 PM	5
17	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	4/28/2014 4:17:53 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 4:17:54 PM	5
19	Was The Aggregate Total Of Cash And Investments In The General Fund More Than $0?	4/28/2014 4:17:54 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 12:36:07 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	Ranges for Ratios		**Indicator 17**	Ranges for Ratios	
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

FIRST

Financial Integrity Rating System of Texas

2012-2013 RATINGS BASED ON SCHOOL YEAR 2011-2012 DATA - DISTRICT STATUS DETAIL

Name: EAGLE MT-SAGINAW ISD(220918)	**Publication Level 1:** 2/28/2014 3:35:06 PM
Status: Passed	**Publication Level 2:** 2/28/2014 3:36:22 PM
Rating: Superior Achievement	**Last Updated:** 2/28/2014 3:36:22 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?	4/26/2013 6:04:06 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)	4/26/2013 6:04:06 PM	Yes
3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	4/26/2013 6:04:07 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)?	4/26/2013 6:04:07 PM	Yes
5	Was There An Unqualified Opinion in Annual Financial Report?	4/26/2013 6:04:07 PM	Yes
6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	4/26/2013 6:04:07 PM	Yes
			1 Multiplier Sum
7	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	4/26/2013 6:04:08 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)?	4/26/2013 6:04:08 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)	4/26/2013 6:04:09 PM	5
10	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	4/26/2013 6:04:09 PM	5
11	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)	4/26/2013 6:04:09 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?	4/26/2013 6:04:10 PM	5
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15	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	4/26/2013 6:04:11 PM	5
16	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?	4/26/2013 6:04:11 PM	5
17	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	4/26/2013 6:04:12 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)	4/26/2013 6:04:12 PM	5
19	Was The Aggregate Total Of Cash And Investments In The General Fund More Than $0?	4/26/2013 6:04:12 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?	4/26/2013 6:04:12 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**.	
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=> 10000	13.5	22	=> 10000	7.0	14

Disclosures (Additional Report Requirements):

- Superintendent's Current Employment Contract
- Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2014
- Other Compensation Received by the Superintendent
- Disclosure of Gifts from Vendors to Board and Employees
- Board Member Business Transactions with the District

Superintendent’s Current Employment Contract

SUPERINTENDENT'S EMPLOYMENT CONTRACT

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

THIS SUPERINTENDENT'S EMPLOYMENT CONTRACT ("Contract") is made and entered into effective the 15th day of December, 2014; by and between the Board of Trustees, ("Board") of the Eagle Mountain-Saginaw Independent School District ("District") and Jim F. Chadwell ("Superintendent").

I.

TERM OF EMPLOYMENT

The Board, by and on behalf of the District, does hereby employ the Superintendent under Section 11.201(b) and Section 21.201 *et seq.* of the Texas Education Code as Superintendent of the District, and the Superintendent does hereby accept employment as Superintendent of Schools for the District for a term commencing on December 15, 2014 and ending on June 30, 2018. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend or renegotiate the Contract to a term permitted by state law. This Contract creates no property interest of any kind beyond the period of time stated in the Contract.

II.

EMPLOYMENT

2.1. **Duties.** The Superintendent shall be the chief executive officer and educational leader of 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 lawfully assigned by the Board, and shall administer the School District in accordance with all lawful Board directives, state and federal law, and District policy, rules and regulations, as they exist or may hereafter be amended, such laws, policies, rules, and regulations being expressly made a part of this Contract.

Specifically, it shall be the duty of the Superintendent to recommend for employment or hire all new personnel for the District subject to and consistent with the Board's policies and state and federal law. It shall be the further duty of the Superintendent to direct, assign, reassign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. It shall further be the duty of the Superintendent to organize, reorganize and arrange the staff of the District subject to Board policies and state and federal law and to develop and establish administrative regulations, rules and procedures which the Superintendent deems necessary for the efficient and effective operation of the District and which are consistent with the Board policies and state and federal law. It shall be the further duty of the Superintendent to accept all resignations of employees of the District, consistent with the Board's policies, except that the Superintendent's resignation must be accepted by the Board. The Superintendent shall perform his duties for the

District to the best of his ability. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

2.2. **Board Meetings**. The Superintendent shall attend all meetings of the Board, both public and closed, and shall participate in the deliberations of the Board on all matters with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, to the Superintendent's salary and benefits as set forth in the Contract and/or the Superintendent's evaluation, to the resolving of conflicts between individual Board members, or when the Board is acting in its capacity as a tribunal and the Superintendent has appeared as a party or presented on behalf of the District in the hearing. In the event of illness or Board-approved absence, the Superintendent's designee shall attend such meetings.

2.3. **Board Committee Meetings**. The Superintendent shall be an ex-officio member of all committees of the Board and shall attend all Board Committee Meetings and Board-authorized and approved citizen committee meetings. Further, the Superintendent shall provide recommendation(s) and/or information as to each of the items of business considered at each meeting as needed or requested by the Board.

2.4. **Criticisms, Complaints, and Suggestions**. The Board, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints, and suggestions called to the Board's attention either: (a) to the Superintendent for study and/or appropriate action, and the Superintendent shall refer such matter(s) to the appropriate District employee or shall investigate such matter(s) and shall within a reasonable time inform the Board of the results of such efforts; or, (b) to the appropriate complaint resolution procedure as established by District Board policies.

2.5. **Professional Certification**. The Superintendent shall at all time during the term of this Contract, and any renewal or extension thereof, hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the Texas Education Agency.

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

2.7 **Indemnification**. To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District does hereby agree to defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Superintendent in the Superintendent's individual or official capacity as an employee and as Superintendent of the District, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees, arose or does arise in the future from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment with the District; excluding, however, any such demand, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that Superintendent committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross

negligence, or acted in bad faith; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the District or by Superintendent. The selection of Superintendent's legal counsel shall be with the mutual agreement of Superintendent and the District if such legal counsel is not also District's legal counsel. A legal defense may be provided through insurance coverage, in which case Superintendent's right to agree to legal counsel provided for him will depend on the terms of the applicable insurance contract. To the extent this Section 2.7 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this Section 2.7 shall survive the termination of this Contract.

III.

COMPENSATION

3.1. **Salary**. The District shall provide the Superintendent with an annual salary in the sum of TWO HUNDRED TWENTY THREE THOUSAND AND EIGHT AND NO/100 DOLLARS ($223,008.00). This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies, and on a pro-rated basis for any partial contract year (July 1 of each year to June 30 of the following year). This salary provision shall replace and supersede immediately any salary provision in previous contracts between the parties.

3.2. **Salary Adjustments**. At any time during the term of this Contract, 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 pursuant to Section 3.1 of this Contract. Such adjustments, if any, shall be in the form of a written addendum to this Contract or a new contract, and such adjustment shall be exclusive of any insurance policy or other benefits, unless specifically provided in the addendum or new contract. If such adjustments are made during a contract year, the new salary shall not become effective until the beginning of the next full contract year unless made effective at a different time by action of the Board.

3.3. **Other Benefits**

3.3.1. **Expenses**. The District 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 District agrees to pay the actual and incidental costs incurred by the Superintendent for the reasons of district-related travel to destinations outside of Tarrant County, Denton County, Wise County and Dallas County; such costs may include, but are not limited to, gasoline, mileage, hotels and accommodations, meals, rental car and other expenses incurred in the performance of the business of the District. Superintendent shall provide documentation for such expenses in accordance with District policy.

3.3.2. **Health Stipend**. Both parties recognize that it is in the best interest of the District for the Superintendent to be in good health. Accordingly the District will provide the Superintendent a monthly health stipend of $1200.00.

3.3.3 **Vacations, Holidays, Sick Leave**. The Superintendent shall be privileged to take, at the Superintendent's choice, the same number of days of vacation authorized by policies adopted by the Board for administrative employees on twelve-month contracts, the days to be in a single period or at different times. The vacation days taken by the Superintendent will be taken at such times or times as will least interfere with the performance of the Superintendent's duties as set forth in the Contract.

The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts. The term "legal holiday(s)" includes days for which the District's central administration office is closed. The Superintendent is hereby granted the same number of illness benefits and leave as authorized by Board policies for administrative employees on twelve-month contracts.

3.3.4. **Professional Growth**. The Superintendent shall devote the Superintendent's time, attention and energy to the direction, administration and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance and participation in appropriate professional meetings at the local, regional, state and national levels. The Board shall also encourage the participation of the Superintendent in pertinent education seminars and courses by public or private institutions or by educational associations, as well as the participation in the informational meetings with those individuals whose particular skills, expertise or backgrounds would serve to improve the capacity of the Superintendent to perform the Superintendent's professional responsibilities for the District. In its encouragement of the Superintendent to grow professionally, the District shall permit a reasonable amount of release time for the Superintendent, as the Superintendent and Board deem appropriate, to attend such seminars, courses or meetings. The District 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 which the Superintendent and Board mutually agree are necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable costs and expenses for such attendance or membership.

3.3.5. **Civic Activities**. The Board encourages the Superintendent to become a member of and participate in community and civic affairs, including the chamber of commerce, civic clubs, governmental committees, and educational organizations. The Board concludes that such participation will serve a legitimate purpose related to the educational mission of the District. The Superintendent may hold offices or accept responsibilities in these professional organizations, provided that such responsibilities do not interfere with the performance of his duties as Superintendent. The Superintendent will communicate with the Board regarding such activities. The Board shall notify the Superintendent if the activity presents a conflict or interferes with the performance of his duties as Superintendent. The District shall reimburse the Superintendent for the cost of membership in all local civic organizations in which the Superintendent participates and related travel outside of the District, subject to advance Board approval.

3.3.6. **Outside Employment and Consulting Activity**. The Superintendent may serve as a consultant or undertake speaking engagements, writing, teaching or other professional duties and obligations outside the District (referred to collectively herein as "Consulting Services") that do not conflict or interfere with the Superintendent's professional responsibilities to the District. Any Consulting Services of the Superintendent requires Board approval in advance of accepting such Consulting Services. To the extent allowed by law, the Superintendent may accept a reimbursement of expenses for such Consulting Services at no expense to the District. Prior to the Superintendent leaving the District for consulting purposes, the Superintendent shall notify the Board President regarding the dates and length of time the Superintendent will be out of the District for each consultation. Consulting Services provided by the Superintendent under the terms and conditions of this paragraph must be consistent with state and federal law.

3.3.7 **Car Allowance**. Due to the nature of the responsibilities and duties of the Superintendent as the Chief Administrator and Executive Officer of the District and in lieu of mileage expense reimbursement for travel in Tarrant County, Denton County, Wise County and Dallas County, the District shall provide Superintendent with an automobile allowance in the sum of $550.00 per month, to be paid each month in a lump sum payment.

3.3.8. **Cell Phone Allowance**. The District shall provide the Superintendent with a communications allowance in the sum of One Hundred and No/100 Dollars ($100.00) per month. The Superintendent shall maintain a personal account for mobile telephone service and shall not open an account in the name of the District. The Superintendent shall have total responsibility for payment of such personal account and the District shall have no obligation or responsibility related to such personal account other than the monthly payment to the Superintendent of the mobile telephone allowance stated herein

3.3.9 **Employee Benefit Plans**. The Superintendent shall be entitled to participate in 401(a) and 457 Employee Benefit Plans established by the District under the same terms and conditions set out in the plan document for such plans applicable to all employees of the District. The Superintendent may participate in a salary reduction agreement with the District as provided by Section 403(b) of the Internal Revenue Code and guidelines established by the Texas Teacher Retirement System.

3.3.10 **Teacher Retirement System.** The District shall make the Superintendent's portion of the monthly contribution to the Teacher Retirement System on behalf of the Superintendent in the percentage amount required by the Teacher Retirement System for the account of the Superintendent.

3.3.11 **Life Insurance**. The District shall reimburse the Superintendent up to $165.00 per month for a life insurance policy to be purchased and administered by the Superintendent. Ownership of any policy purchased is vested in the Superintendent and the Superintendent shall have the sole right to select the beneficiary(ies) under the policy.

3.3.12 **Education Stipend.** The District shall provide the Superintendent with an education allowance in the sum of One Thousand Five Dollars and 45/100 Dollars ($1005.45) per month beginning in January 2015 and expiring after December 2015. This stipend is for the expressed purpose of compensating the Superintendent for educational expenses. The Superintendent shall have total responsibility for payment of such personal account(s) and the District shall have no obligation or responsibility related to such personal account(s) other than the monthly payment to the Superintendent of the education stipend.

3.4 **Nepotism.** Superintendent and District agree that Superintendent shall not employ persons related to Superintendent within the degree of relationship set forth in Chapter 573.002 of the Texas Government Code, as further defined by Chapter 573.

IV.

PHYSICAL CONDITION AND DISABILITY

4.1 **Annual Physical Examination**. The Superintendent shall undergo an annual physical examination performed by a licensed physician of the Superintendent's choice. The Board authorizes the Superintendent to undergo the Standard Cooper Clinic Physical Fitness Exam provided by the Cooper Clinic on an annual basis. The physician shall submit a confidential statement to the Board verifying the Superintendent's fitness to perform the Superintendent's duties and copies of all such statements shall be maintained in the Superintendent's personnel file. The District shall pay all costs of the annual physical examination.

4.2 **Disability**.

a. **Disability Procedure**. Should the Superintendent be unable to perform any or all of the essential functions of the material duties of his position by reason of illness, accident, etc., following complete exhaustion of all accrued vacation and sick leave, the Superintendent shall be placed on unpaid leave from the District upon a determination of Long Term or Permanent Disability as hereinafter provided; provided, however, that the Board, in its discretion, may continue to pay the Superintendent the amount for a period the Board deems appropriate.

b. **Long Term or Permanent Disability**. Long Term or Permanent Disability means a disability which renders the Superintendent incapable of performing any or all of the essential functions of the Superintendent's material duties or obligations of employment for a period which exceeds one hundred and eighty (180) business days or such an incapacity that is irreparable.

c. **Determination of Long Term or Permanent Disability**. The determination of Long Term or Permanent Disability will be made by the Board based on a physical examination performed by a licensed physician selected by the Superintendent. The Board may obtain a second opinion from another licensed physician. The costs of the physical examinations provided for herein shall be paid by the District.

d. **Action of the Board**. In the event that the disability of the Superintendent is a Long Term or Permanent Disability, as defined in subparagraph (b) of the paragraph, the Board, may, in its discretion, and upon a re-determination of disability under subparagraph (c), terminate this Contract by providing the Superintendent with written notice of such termination.

e. **Disability Insurance.** The District shall pay the premiums for Disability Insurance for a plan offered by the District that provides coverage for the Superintendent after 180 days of "Long Term or Permanent Disability" as defined in Section 4.2(b) of this contract.

V.

ANNUAL PERFORMANCE GOALS

5.1. **Annual Goals**. The Superintendent shall submit to the Board a preliminary list of goals for the District in January of each year, or at another time agreed to by the Board and Superintendent, for the Board's consideration and adoption. The Superintendent and the Board shall then meet, and the Board shall approve or revise the list of goals. The Superintendent shall submit to the Board for its approval a plan to implement the goals. The Superintendent and the Board shall meet biannually to assess the goals and may adjust or revise the goals either by action of the Board or upon recommendation of the Superintendent and approval of the Board.

5.2. **Performance Criteria**. The goals developed by the Superintendent and approved by the Board shall at all times be reduced to writing and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated. The Board agrees to work with and support the Superintendent in implementing these goals.

VI.

REVIEW OF PERFORMANCE

6.1. **Time and Basis of Evaluation**. The Board shall evaluate and assess in writing the performance of the Superintendent during the month of November each year during the term of this Contract, or at another time agreed to by the Board and Superintendent. The evaluation and assessment shall be reasonably related to the duties of the Superintendent and the goals and objectives approved by the Board for the year of evaluation.

6.2. **Confidentiality**. The evaluation of the Superintendent shall at all times be conducted in executive session unless a public hearing is requested by the Superintendent, and the evaluation and information concerning the evaluation, of whatever nature, shall be considered confidential information, as provided 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.

6.3. **Evaluation Format and Procedure**. The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law. In the event that the Board determines that the performance of the Superintendent is unsatisfactory in any respect, it shall describe in writing, in reasonable detail, specific instances of unsatisfactory performance. The evaluation shall include recommendations as to areas of improvement in all instances where the Board deems performance to be unsatisfactory. A copy of the written evaluation shall be delivered to the Superintendent. The Superintendent shall have the right to make a written response to the evaluation within thirty (30) days of his receipt of the evaluation. That response shall become a permanent attachment to the evaluation in the Superintendent's personnel file. Within thirty (30) days of the delivery of the written evaluation to the Superintendent, the Board shall meet with the Superintendent to discuss the evaluation. The Board shall devote a portion of, or all of, one executive session annually to a discussion of the working relationship between the Superintendent and the Board. It is also agreed that the Superintendent and Board will hold at least a semi-annual evaluation conference in June of each year, or at another time agreed to by the Board and Superintendent, with a format agreeable to both sides. In the event the Board deems that the evaluation instrument, format, and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

VII.

RENEWAL/NONRENEWAL OF EMPLOYMENT CONTRACT

7.1. **Extension**. Following the annual evaluation of the Superintendent, the Board may consider extension of the Superintendent's contract.

7.2. **Non-renewal**. Non-renewal shall be in accordance with Board policy and applicable state and federal law, and the Superintendent shall be afforded all applicable rights as set forth in Board policies and state and federal law.

7.3. **Non-renewal Procedure**. In the event the Board proposes to not renew this Contract, the Superintendent shall be afforded all applicable rights as set forth in the Board's policies and state and federal law. Notwithstanding anything to the contrary in Section 21.212(a) of the Texas Education Code, the Superintendent shall be entitled to written notice, containing reasonable notice of the reason for the proposed nonrenewal, not later than 90 days before the last day of the contract term.

VIII.

TERMINATION OF EMPLOYMENT CONTRACT

8.1. **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.

8.2. **Retirement, Death**. This Contract shall be terminated upon the retirement or death of the Superintendent.

8.3. **Resignation**. The Superintendent may relinquish the position and duties of the Superintendent and leave the employment of the District at the end of any school year without penalty, provided the Superintendent submits a resignation in writing to the Board ninety (90) days prior to the first day of instruction of the following school year.

8.4. **Dismissal for Good Cause**. The Board may dismiss the Superintendent at any time for good cause. Good cause shall include, but shall not be limited to, those reasons set forth in Board policy BJCF (LOCAL) and the following:

(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 from the Board; provided, however, the terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent a reasonable opportunity to remediate any incompetency or inefficiency;
(c) Insubordination or failure to comply with lawful written Board directives;
(d) Failure to comply with the Board's policies or the District's 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 the Texas Controlled Substances Act;
(h) Conviction of a felony or crime involving moral turpitude;
(i) Failure to meet the District's standards of professional conduct;
(j) Failure to comply with reasonable District professional development requirements regarding advanced course work or professional development;
(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 District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency, or depravity;
(m) Assault on an employee or student;
(n) Knowingly falsifying records or documents related to the District's activities;
(o) Conscious misrepresentation of facts to the Board or other District officials in the conduct of the District's business;

(p) Failure to fulfill requirements for superintendent certification; or,

(q) Any other reason constituting "good cause" under Texas law.

8.5. **Termination Procedure**. In the event that the Board terminates this Contract, the Superintendent shall be afforded all the rights as set forth in the Board's policies and state and federal law.

IX.

MISCELLANEOUS

9.1. **Controlling Law**. The Contract shall be governed by the laws of the State of Texas and shall be performable in Tarrant County, Texas. Venue for any legal action arising under this Agreement shall be in a state court of competent jurisdiction in Tarrant County, Texas, unless state or federal laws require a different venue.

9.2. **Complete Agreement**. This Contract embodies the entire agreement between the parties hereto and cannot be varied except by written agreement of the undersigned parties.

9.3 **Conflicts**. In the event of any conflict between the terms, conditions, and provisions of this Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.

9.4. **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, 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. 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, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.

EXECUTED on this 15th day of December, 2014.

EAGLE MOUNTAIN-SAGINAW
INDEPENDENT SCHOOL DISTRICT

By: _____
Dick Elkins, President, Board of Trustees
Address: 1200 Old Decatur Road
Fort Worth, TX 76179

SUPERINTENDENT

_____
Jim F. Chadwell
Address: 1200 Old Decatur Road
Fort Worth, TX 76179

2013-2014 Financial Solvency Survey per the Texas Education Code, §39.0822

Summary Schedule of Data under the Financial Solvency Provisions of TEC §39.0822

General Fund - First-Quarter Expenditures By Object Code

Report 2013-2014 first-quarter (first three months of fiscal year 2013-2014) GENERAL FUND expenditures by object code using whole numbers.

Payroll-	Expenditures for payroll costs	object codes 6110-6149	$ 25,435,431
Contract Costs-	Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	$ 4,399,582
Supplies and Materials-	Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6300	$ 1,304,396
Other Operating-	Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	$ 1,187,106
Debt Service-	Expenditures for debt service	object code series 6500	$
Capital Outlay-	Expenditures for land, buildings, and equipment	object code series 6600	$ 103,770
			$ 32,430,285

Additional Financial Solvency Questions

	Yes	No
1) Districts with a September 1- August 31 fiscal year Within the last two years, did the school district 1) draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and 2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?	X	
2) Has the school district declared financial exigency within the past two years?		X

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

No relevant comments reported

Mean Enroll-to-Teacher Ratio	85% of Mean Enroll-to-Teacher Ratio	School District Size
8.39	7.13	Under100
9.48	8.06	100 to 249
10.73	9.12	250 to 499
11.48	9.76	500 to 999
12.45	10.58	1,000 to 1,599
13.52	11.50	1,600 to 2,999
14.29	12.15	3,000 to 4,999
14.80	12.58	5,000 to 9,999
14.88	12.65	10,000 to 24,999
15.01	12.76	25,000 to 49,999
15.06	12.80	50,000 and Over

EM-SISD ratio is not below the norm of 14.88 by more than 15% criteria

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

5) How many business managers has your school district had in the last five years? 1

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2014

For the Twelve-month Period Ended August 31, 2014 Description of Reimbursements	Dr. Jim Chadwell	Rob Franklin	Donna Webb	Steven G. Newcom	Tim Dennis
Business Lunches	28.41				
Travel Meals	57.50	94.14	93.44	54.00	61.50
Lodging	135.16				
*Transportation	660.20			47.46	67.63
Registration					
Other	548.00				
Total	**$1,429.27**	**$94.14**	**$93.44**	**$101.46**	**$129.13**

*As stipulated in the contract, reimbursements are for district related travel costs outside of Tarrant County, Denton County, Wise County, and Dallas County.

Other Compensation Received by the Superintendent

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.

For the Twelve-Month Period Ended August 31, 2014

Names(s) of Entities	Amount Received
None	$ 0.00

Note: Money's earned at Region XI are remitted to the Education Foundation.

Disclosure of Gifts from Vendors to Board and Employees

None Reported

Business transactions between school district and board members for fiscal year 2014

For the Twelve-month Period Ended August 31, 2014

Name	Business	Total
Dick Elkins	Elkins Hardware	6,254.22
Tim Dennis	Willow Creek Signs/Renewable Energy	11,261.50