



Annual Financial Management Report
Financial Integrity Rating System of Texas (FIRST)
2025 - 2026

Using Data for the Fiscal Year Ended August 31, 2025



The Financial Accountability Rating System of Texas (FIRST) was developed by the Texas Education Agency (TEA) in response to Senate Bill 875 of the 76th Texas Legislature in 1999. FIRST is administered by TEA and calculated on information submitted to TEA via our Public Education Information Management System (PEIMS) submissions and the district's annual financial audit report.

During the 77th regular session of the Texas Legislature in 2001, Senate Bill 218 was passed and signed into law by Governor Perry shortly thereafter. This law requires each school district to prepare an annual financial accountability report, within two months of receiving the official ratings. The primary goal of FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

The 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 to 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.

Major changes to the Schools FIRST system were implemented by the TEA in August 2015 that combined financial indicators with financial solvency indicators, in accordance with House Bill 5 of the 83rd Texas Legislature in 2013. The changes to the FIRST system implemented by the TEA in August 2015 were phased-in over three years. The Commissioner of Education made several changes to FIRST in the Texas Administrative Code beginning with ratings year 2020-2021. The FIRST rating system for the rating year 2025-2026 (based on 2024-2025 data) consists of 21 base indicators of which one indicator was not scored by the TEA.

The FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts as follows:

- A = Superior Achievement
- B = Above Standard Achievement
- C = Meets Standard Achievement
- F = Substandard Achievement

Killeen Independent School District earned a rating of "Superior Achievement" for the 2024-2025 fiscal year, with 21 out of 21 indicators receiving the highest possible number of points. This is the 24th year of the Schools FIRST rating system. The District has achieved the highest rating, with a perfect score of 100, for all of the previous years.

The "Superior Achievement" rating demonstrates the quality of Killeen ISD's financial management and reporting system. This rating shows that KISD is making the most of our taxpayers' dollars and that our schools are accountable not only for student learning, but also for achieving these results cost effectively and efficiently.

Each school district must announce and hold a public hearing to distribute a financial management report that explains the District's performance under each of the 21 base indicators, the District's rating, and other business-related disclosures.

Financial Integrity Rating System of Texas (FIRST)

Fiscal Year 2025-26 (Using Data for Fiscal Year Ended August 31, 2025)

Killeen ISD

Indicator	Result	Measure	Points
1 Was the complete annual financial report (AFR) and data submitted to the TEA on or before February 27, 2026?	Y	2/27/2026	
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.)	Y	Unmodified Opinion	
3 Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? 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.)	Y	No Default Disclosures	
4 Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Y	Timely Payments Made	
5 Was the total net position in the governmental activities column in the Statement of Net Position (Net of accretion of interest and premiums for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero?	Y	\$787,168,405	
6 Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease; or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures?	Y	2.64% avg decr 117.5 days of oper exp	Ceiling Passed
7 Was the number of days cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (Goal: ≥ 90 days)	Y	121.65 days	10
8 Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (Goal: ≥ 3.00)	Y	5.6239	10
9 Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? Number of days of cash on hand greater than or equal to 60 days?	Y	\$11,674,361 121.65 days	10
10 Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?	Y	1.44% avg variance	10
11 Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (Goal: ≤ 0.60) OR Five-year percent change in students $\geq 7\%$ or $> 1,000$?	Y	0.3116 -2.2%, -948	10
12 What is the correlation between future debt requirements and the district's assessed property value? (Goal: ≤ 4.0)	Y	2.5705	10
13 Was the school district's administrative cost ratio equal to or less than the threshold ratio?	Y	This indicator is not being scored	10
14 Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.) Change in student enrollment over 3 years?	Y	3.78% decr 22 23: 7.007 24-25: 6.743 1,052 decr	10
15 Was the school district's ADA within the allotted range of the district's biennial ADA projection submitted to TEA by the school district? If the district did not submit pupil projections to TEA, did it certify TEA's projections? (Goal: $\leq 7.0\%$)	Y	1.72%	5
16 Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?	Y	No Variance	Ceiling Passed
17 Did the external independent auditor report that the AFR was free of any instances(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds and free from substantial doubt about the school district's ability to continue as a going concern? (The AICPA defines material weakness.)	Y	No Material Weaknesses or Going Concern Doubts	Ceiling Passed

Indicator	Result	Measure	Points
18 Did the external independent auditor indicate the AFR was free of any instances(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)	Y	No Material Noncompliance	10
19 Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Y	Required Financial Postings	5
20 Did the school district's administration and school board members discuss and changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?	Y	Funding Impact Discussion Held	Passed
21 Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of a financial hardship?	Y	No Repayment Schedule Necessary	Passed

Totals Points Awarded **100**

RATING

A = Superior Achievement

Determination of District Rating

A.	Did the district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is F for Substandard Achievement regardless of points earned.	<u>Points</u>
B.	Determine rating by applicable number of points.	
	A = Superior Achievement	90 - 100
	B = Above Standard Achievement	80 - 89
	C = Meets Standard Achievement	70 - 79
	F = Substandard Achievement	< 70

Ceiling Indicators

A.	Did the school district fail to meet the criteria for any of the following ceiling indicators 4, 5, 6, 16, 17, 20, or 21? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.	<u>Maximum Points</u>	<u>Maximum Rating</u>
B.	Determination of rating based on meeting ceiling criteria.		
	Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
	Indicator 5 (Total Net Position) - Negative total net position and do not have 7% or more or 1,000 or more increase in growth in students in membership over 5 years.	79	C = Meets Standard Achievement
	Indicator 6 (Average Change in Fund Balance) - Response to Indicator is "No".	89	B = Above Standard Achievement
	Indicator 16 (PEIMS to AFR) - Response to indicator is "No".	89	B = Above Standard Achievement
	Indicator 17 (Material Weaknesses) - Response to indicator is "No".	79	C = Meets Standard Achievement
	Indicator 20 (Property Values and Tax Discussion) - Response to indicator is "No".	89	B = Above Standard Achievement
	Indicator 21 (FSP Repayment Plan) - Response to indicator is "Yes".	70	C = Meets Standard Achievement

Reimbursements received by the superintendent and board members

Superintendent		Interim Supt	Board Members						
For the twelve-month period ended August 31, 2025:	Jo Ann Fey	King Davis	Brenda Adams	Tina Capito	Rodney Gilchrist	Susan Jones	Oliver Mintz	Marvin Rainwater	Brett Williams
Description of Reimbursements									
Meals	\$ 1,102.25	\$ -	\$ 377.00	\$ 150.00	\$ 170.00	\$ 724.00	\$ 281.00	\$ 122.00	\$ 153.00
Lodging	2,739.32	-	1,506.35	876.42	748.71	4,741.76	1,972.38	868.71	748.71
Transportation	4,735.65	239.12	-	689.46	205.80	315.56	216.20	208.60	830.90
Motor Fuel	-	-	-	-	-	-	-	-	-
Other	2,551.92	-	1,704.00	1,331.00	1,390.00	3,599.41	1,640.20	1,360.00	1,875.00
Total	\$ 11,129.14	\$ 239.12	\$ 3,587.35	\$ 3,046.88	\$ 2,514.51	\$ 9,380.73	\$ 4,109.78	\$ 2,559.31	\$ 3,607.61

All "reimbursements" expenses, regardless of the manner of payment, including direct pay,

credit card, cash, and purchase order are to be reported. Items to be reported per category include:

Meals: Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).

Lodging: Hotel charges.

Transportation: Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls).

Motor fuel: Gasoline.

Other: Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

Detail of reimbursements reported for the superintendent and board members

These are not reimbursements, but are paid by the district to the organization and must be included in the FIRST reporting.

Greater Killen Chamber of Commerce Banquet and Luncheons	\$	325.00
Harker Heights Annual Community Celebration		87.50
NAACP Annual Freedom Fund Banquet		43.75
Longhorn Council Boy Scouts		93.75
Starmaker's Banquet (Scholars & Stars)		75.00
Included as "Meals" for each board member	\$	625.00

Registration fees included in "Other":

TABSE Conference	\$	364.00	Brenda Adams
NAFIS Fall 2024 Conference	\$	397.67	Susan Jones
NAFIS Fall 2024 Conference	\$	835.20	Oliver Mintz
NAFIS Spring 2025 Conference	\$	21.00	Tina Capito
NAFIS Spring 2025 Conference	\$	1,219.99	Susan Jones
NAFIS Fall 2025 Conference Registration	\$	746.75	Susan Jones
TASA/TASB txEDUCON Convention 2025	\$	485.00	Brett Williams
TASB Required Training	\$	30.00	Brenda Adams, Oliver Mintz
TASB Summer Leadership Institute 2025	\$	685.00	Brenda Adams, Tina Capito, Rodney Gilchrist, Brett Williams
TASB Summer Leadership Institute 2025	\$	80.00	Rodney Gilchrist, Brett Williams
TASB Summer Leadership Institute 2025	\$	610.00	Susan Jones
TASB Summer Leadership Institute 2025	\$	150.00	Oliver Mintz

Outside compensation and/or fees received by the superintendent for professional consulting and/or other personal services

		Superintendent	Interim Supt
For the twelve-month period ended August 31, 2025		Jo Ann Fey	King Davis
Name(s) of entity(ies)		Amount Received	Amount Received
Undisclosed		\$2,000	\$0
Total		\$2,000	\$0

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

Gifts received by the executive officer(s) 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)

		Superintendent	Interim Supt	Board Members						
For the twelve-month period ended August 31, 2025		Jo Ann Fey	King Davis	Brenda Adams	Tina Capito	Rodney Gilchrist	Susan Jones	Oliver Mintz	Marvin Rainwater	Brett Williams
Summary amounts		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note - An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification.

Business transactions between school district and board members

		Board Members					
For the twelve-month period ended August 31, 2025		Brenda Adams	Tina Capito	Rodney Gilchrist	Susan Jones	Oliver Mintz	Marvin Rainwater
Summary amounts		\$0	\$0	\$0	\$0	\$0	\$0

Note - The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.

STATE OF TEXAS §
§
COUNTY OF BELL §

SUPERINTENDENT'S TERM CONTRACT

Pursuant to §11.201 of the Texas Education Code, this Superintendent's Term Contract is entered into by and between the KILLEEN INDEPENDENT SCHOOL DISTRICT ("KISD" or "the District") and Dr. King Davis ("Superintendent"). The District and the Superintendent, for and in consideration of the terms stated in this Contract, do hereby agree to the following terms and conditions of employment of the Superintendent:

NOW, THEREFORE, pursuant to Chapter 11, Subchapters D and E, Section 11.201 and Chapter 21 of the Texas Education Code and in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

I. Term

1.1 Term. 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 of five (5) years, commencing on November 18, 2025, and ending on June 30, 2030.

1.2 Extension. KISD may, by action of the Board and with the consent of the Superintendent, extend the term of this term Contract. The parties agree to consider extending this contract at the conclusion of the third year (June 30, 2028). Any extension is contingent upon mutual agreement of the parties.

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

II. Employment

2.1 Duties. The Superintendent is the educational leader and chief executive of the District and shall faithfully perform the duties of the Superintendent of Schools for KISD, as prescribed by Texas law and in the adopted job description. The Superintendent may be assigned additional duties, or his job responsibilities may be changed by action of the Board, subject to applicable law; all duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent. The Superintendent shall comply with all lawful Board directives, state and federal law, district policy, rules, and regulations as they exist or may hereafter be amended. The Superintendent shall perform the duties of the Superintendent of Schools for KISD with reasonable care, diligence, skill, and expertise, and shall, except as set forth herein, devote substantially all of his time, skill, labor, and attention to his employment and the performance of these duties during the term of this term Contract.

2.2 Professional Certification. The Superintendent shall at all times during employment by KISD hold a valid certificate required of a Superintendent by the State of Texas and issued by the Texas Education Agency or the State Board of Educator Certification and all other certificates required by law. This Contract is void if the Superintendent's certification expires, is cancelled, or is revoked.

2.3 Representations. The Superintendent represents that any records or information provided in connection with his employment application are true and correct. Any false statements, misrepresentations, omissions of requested information, intentionally made, or fraud by the Superintendent in or concerning any required records or the employment application, may be grounds for termination or nonrenewal, as applicable.

2.4 Criminal History. The Superintendent agrees that, during the term of this Contract, the Superintendent will notify the Board in writing of any arrest or of any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent for any class B misdemeanor offense or higher offense. The Superintendent agrees to provide such notification in writing within the period specified in Board policy.

2.5 Board Meetings. The Superintendent shall attend all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, or the Superintendent's evaluation, or for purposes of resolving conflicts between individual Board members, or when the Board is acting in its capacity as a tribunal. In the event of illness or Board approved absence, the Superintendent's designee shall attend such meetings. In accordance with section 11.051(a-1) of the Education Code, the Board shall provide the Superintendent an opportunity to provide oral or written recommendation(s) and/or information as to each of the items of business considered and voted on by the Board at each Board meeting.

2.6 Criticisms or Complaints. 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.

2.7 Residence. Superintendent shall have until April 1, 2026, to establish a residence within the District. Thereafter, the Superintendent agrees to live within the District boundaries while employed as Superintendent of the District.

III. Compensation and Benefits

3.1 Salary. The District shall provide the Superintendent with an annual base salary in the sum of Three Hundred Seventy Thousand and No/100 Dollars (\$370,000.00). The annual base salary shall be paid to the Superintendent in equal monthly installments consistent with the Board's policies. If the Superintendent is employed by the District on December 1, 2028, the District shall increase the Superintendent's salary equal to ten percent (10%) of the Superintendent's monthly salary per month beginning on January 1, 2029, through the end of this Contract. On July 1st of each year during this Contract, beginning July 1, 2026, the

Superintendent shall receive the greater of (1) the same percentage salary increase as granted to the category of professional employees (teachers and certified administrators) of the District or (2) the Salary Adjustment made in accordance with Section 3.2 of this agreement. This increase will take effect the same pay period as the salary increase awarded to professional employees.

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. The Board will consider all compensation regularly and determine if increases are warranted by performance, longevity, and general economic conditions, but in no event shall the Superintendent be paid less than the salary set forth in Section 3.1 of this Contract, except by mutual agreement of the two parties. Such adjustments, if any, shall be in the form of a written addendum to this term Contract or a new contract shall be issued. Subject to and without waiving any constitutional and/or other legal challenges by the Superintendent, the Superintendent acknowledges that the District may have certain rights pursuant to Education Code Sections 21.4021 and/or 21.4032.

3.3 Vacation, Holidays, Leave Benefit. The Superintendent may take, at the Superintendent's choice, the greater of ten (10) vacation days or the same number of days of vacation authorized by policies adopted by the Board for administrators on twelve-month contracts, the days to be taken in a single period or at different times. The vacation days taken by the Superintendent will be taken at times that will not substantially interfere with the performance of the Superintendent's duties as set forth in this Contract. Accrued but unused vacation days shall accumulate and carry forward from year to year during the term of this Contract, up to a maximum of ten (10) days. At the sole option of the Superintendent, either on or before the end of each year of the term of this Contract (June 30), at retirement, or when the Contract is terminated, either voluntarily or involuntarily, the District shall pay in a lump sum to the Superintendent any accrued but unused vacation, non-duty days at the Superintendent's daily rate of pay as of the payment date. The daily rate shall be calculated by dividing the Superintendent's TRS creditable compensation by 226. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts. The Superintendent is hereby granted the same personal leave benefits as authorized by Board policies for administrative employees on twelve-month contracts, the days to be taken in a single period or at different times during the term of this Contract.

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 at and participation in appropriate professional meetings at the local, regional, state, and national levels. The Board encourages the use of data and information sources, and shall encourage the participation of the Superintendent in pertinent education seminars and courses offered by public or private institutions or by educational associations, as well as the participation in 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 Board shall permit a reasonable amount of release time for the Superintendent, as the Superintendent and the Board deem appropriate to attend such seminars, courses, or meetings. The Superintendent will provide advance notice to the Board President regarding his participation in professional growth

activities. The District agrees to provide in the District's budget during the term of this Contract, for the benefit of the Superintendent, a professional development budget per contract year to be used for registration, travel, meals, lodging, and other related expenses. The District shall pay the Superintendent's membership dues to the Texas Association of School Administrators, and one other comparable professional organization membership to maintain and improve the Superintendent's professional skills. The District shall pay the Superintendent's membership dues for other memberships necessary to maintain and improve the Superintendent's professional skills, subject to advanced Board approval. The District shall bear the reasonable cost and expense for registration, travel, meals, lodging, and other related expenses for such attendance and membership.

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. Prior to engaging in these activities, the Superintendent will notify the Board in writing of the activity. The Board will notify the Superintendent if the activity presents a conflict or interferes with the performance of her duties as Superintendent. The District shall reimburse the Superintendent for the cost of membership of up to four (4) local civic organizations in which the Superintendent participates and related travel outside of the District, subject to advance Board approval.

3.6 Outside Consultant Activities. 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. Consulting Services provided by the Superintendent under the terms and conditions of this paragraph must be consistent with state and federal law.

3.7 Business Expenses. The District shall 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 travel outside the District in performance of his duties. Such actual or incidental costs may include, but are not limited to mileage, hotels and accommodations, meals, rental car, 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.

3.8 Automobile Allowance. The District shall reimburse the Superintendent for out-of-District travel incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract. The reimbursement will be at the highest rate allowed by IRS rules at the time the expense was incurred for miles traveled. In addition, the Superintendent shall receive a monthly travel stipend of six hundred dollars (\$600.00) to be paid in twelve (12) equal monthly installments.

3.9 Cell Phone Allowance. The District shall pay the Superintendent a monthly cell phone allowance of One Hundred Fifty and No/100 Dollars (\$150.00) for the purchase and maintenance of a cell phone used, in whole or in part, in the performance of the Superintendent's duties. This payment is in lieu of reimbursement for similar expenses associated with the Superintendent's cell phone.

3.10 Insurance - Professional Legal Liability. The District shall obtain, if available, and provide Professional Legal Liability Insurance coverage with the Superintendent as the named insured, against liability in a limit of not less than \$2,000,000 aggregate, and the District shall pay the deductible for any claim made against the Superintendent under such policy. The Superintendent shall be named as an insured under the District's Errors and Omissions General Liability Insurance Policy, and the District shall pay the deductible for any claim made against the Superintendent under such policy excluding, however, any such demand, claim, suits, actions, where it is determined that the 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.

3.12 Indemnification. To the extent it may be permitted to do so by applicable law, including, but not limited to the Texas Civil Practice & Remedies Code, the District agrees 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 the Superintendent in the Superintendent's individual or official capacity as Superintendent of the District while acting within the course and scope of the Superintendent's employment with the District; excluding, however, any such demand, claim, suits, actions, judgments, expenses, and attorneys' fees where it is determined that the 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 the Superintendent. In no event will any individual Board member be considered personally liable for indemnifying the Superintendent against such demand, claims, suits, actions, or legal proceedings. The District's obligation to indemnify does not apply to criminal investigations or criminal proceedings. Likewise, the District shall not be required to pay any costs of any legal proceeding in the event the District and the Superintendent are adverse parties. The selection of the Superintendent's legal counsel shall be with the mutual agreement of the Superintendent and the District if such legal counsel is not also the District'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 him will depend on the terms of the applicable insurance contract. To the extent this Section 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 shall survive the termination of this Contract.

3.13 Texas Teacher Retirement System Surcharges. The Superintendent agrees to allow the District to reduce his monthly paychecks by 8.25% of the amount of compensation subject to the TRS pension surcharge. This reduction in compensation is intended to reimburse the District for one half of the TRS pension surcharge to be paid to TRS as a result of the Superintendent's status as a TRS retiree. However, any TRS health insurance surcharges

incurred by the District due to the Superintendent's retirement status with TRS will be fully paid by the District and will not be deducted from the Superintendent's monthly compensation.

3.14 **Personal Protection.** The District shall, at its expense, provide to the Superintendent such personal protection as the Board may deem necessary. In the event the life or safety of the Superintendent or the Superintendent's family is threatened or otherwise appears in danger due to the performance of the Superintendent's professional duties, the District shall pay the reasonable and necessary costs incidental to the protection of the Superintendent and the Superintendent's family as the Board may deem necessary; provided, however, that such protection will initially be sought from the police/sheriff's department or the appropriate governmental authority having jurisdiction in the District.

3.15 **Relocation.** The District agrees to pay the Superintendent a one-time payment for the cost of moving and relocating to Killeen, Texas, of Fifteen Thousand and 00/100 Dollars (\$15,000.00).

3.16 **Benefits.** In addition to the benefits expressly set forth herein, the District shall provide other benefits to the Superintendent as provided to District employees by state law and Board policies. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase the other benefits not expressly provided herein, at the Board's sole discretion.

IV. Annual Goals

4.1 **Development of Goals.** The Superintendent will meet with the Board to initiate the Annual District Goal Setting process. The Superintendent and staff will work in coordination with the District-Level Planning and Decision-Making Committee to develop a proposed list of District Goals and plan for implementation for the Board's consideration. The final goals approved by the Board will be memorialized in writing ("District Goals") and reflected in Board minutes and will be among the criteria on which the Superintendent's annual written evaluation is reviewed and evaluated. The District Goals approved by the Board shall be specific, definitive, and objectively measurable, to the extent feasible. The Board agrees to work with and support the Superintendent in achieving the District Goals.

V. Review of Performance

5.1 **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 term Contract. The evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and shall be based on the District's progress towards accomplishing the District Goals. The Board, at its discretion, may evaluate and assess the performance of the Superintendent as many times during the year as it deems appropriate.

5.2 **Confidentiality.** Unless the Superintendent expressly requests otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in closed meeting and the evaluation instrument 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 instrument with their respective legal counsel.

5.3 Evaluation Format and Procedure. The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law. If the Board determines that the performance of the Superintendent is unsatisfactory in any respect, it shall inform the Superintendent in a timely manner. 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. That response shall become a permanent attachment to the evaluation in the Superintendent's personnel file. The Board shall meet with the Superintendent to discuss each written evaluation. The Board shall devote at least a portion of one executive session annually to a discussion of the working relationship between the Superintendent and the Board. If 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, such modifications must be adopted with input from the Superintendent and the Superintendent shall be provided a reasonable period to demonstrate such expected performance before being evaluated.

VI. Suspension, Nonrenewal, or Termination of Contract

6.1 Mutual Agreement. This Contract may be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as are mutually agreed.

6.2 Resignation. The Superintendent may leave the employment of the District at the end of a school year without penalty by filing a written resignation with the Board, not later than the 45th day before the first day of instruction of the following school year. The Superintendent may resign with the consent of the Board at any other time.

6.3 Renewal/Nonrenewal. Contract renewal or nonrenewal shall be in accordance with Board policy and Chapter 21 of the Texas Education Code.

6.4 Suspension. In accordance with Chapter 21 of the Texas Education Code, the Board may suspend the Superintendent without pay during the term of this Contract for good cause as determined by the Board.

6.5 Termination. The Board may dismiss the Superintendent during the term of this Contract for good cause as determined by the Board as provided by Chapter 21 of the Texas Education Code.

6.6 Retirement or Death. This Contract shall be terminated upon the retirement or death of the Superintendent.

VII. Miscellaneous

7.1 Controlling Law. This Contract shall be governed by the laws of the State of Texas and shall be performed in Bell County, Texas, unless otherwise provided by law.

7.2 Complete Agreement. This Contract embodies the entire understanding between the parties and cannot be varied or amended except by written agreement of the undersigned parties

and Board approval of the new or additional writing at a lawfully called meeting. All existing term contracts, both oral and written, between the parties regarding the employment of the Superintendent for the term set forth herein are superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to this paragraph or other specific terms of this term Contract.

7.3 **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, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law, unless otherwise prohibited by law.

7.4 **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, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been included.

7.5 **Legal Representation.** Both parties have had the opportunity to consult with legal counsel in the negotiation and execution of this Contract.

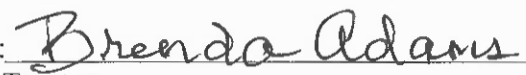
7.6 **Paragraph Headings.** The headings used at the beginning of each numbered paragraph in this Contract are not intended to have any legal effect; the headings do not limit or expand the meaning of the paragraphs that follow them.

EXECUTED at Killeen, Texas, pursuant to action of the Board of Trustees at a lawfully called meeting held on November 17, 2025.

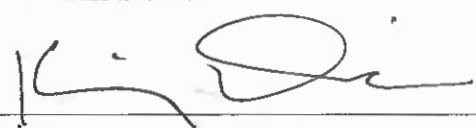
KILLEEN INDEPENDENT SCHOOL DISTRICT

By:  Brett E.
Williams: President, Board of Trustees

ATTEST:

By:  Brenda Adams, Secretary, Board of
Trustees

SUPERINTENDENT

By:  Dr. King
Davis

Executed this 17th day of November 2025.