

**Sweeny Independent School District
Sweeny, Texas**

**2021 Annual Financial
Management Report – Schools FIRST
(Based on Fiscal Year 2019-2020 Data)**



**Dr. Tory C. Hill
Superintendent of
Schools**

**Amy Carter
Chief Financial Officer**

Introduction

The purpose of the financial accountability rating system is to ensure that the school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial resources. 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. An evaluation of the long-term effectiveness of the system should disclose a measurable improvement in the quality of Texas public schools' financial decision-making processes. (Texas Administrative Code, Chapter 109)

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.

Background Information:

4 Ratings as of 2021

- A – Superior Achievement (90-100 points)
- B – Above Standard (80-89 points)
- C – Meets Standard (60-79 points)
- F – Substandard Achievement (less than 60 points)

Sweeny ISD's 2021 rating under School FIRST for 2021 was "**A = Superior Achievement**," with a score of 96 of 100 or 96 percent. This report briefly describes data used to calculate the rating and what each indicator means.

Financial Management Report

Every school district is required to prepare a Financial Management Report, present the report at a public hearing, and distribute the report to the district's parents present at the meeting. The Financial Management Report must include the:

- Schools Financial Integrity Rating System of Texas (FIRST)
- Disclosures
 - Copy of the Superintendent's current Employment Contract
 - Summary schedule of all reimbursements received by the Superintendent and each Board Member for the 2019-2020 fiscal year. This summary should include all travel expenses by category, such as lodging, meals, registration, etc.

- Summary schedule of the dollar amount of compensation and/or fees received by the Superintendent from another district or any other outside entity for professional consulting and/or personal services during the 2019-2020 fiscal year.
- Summary schedule of the total dollar amount of gifts [with an economic value of \$250 or more in the aggregate] received by the Superintendent and each Board Member during the 2019-2020 fiscal year. This requirement also includes the immediate family of the Superintendent and each Board Member.
- Summary schedule of the dollar amount by Board Member for the aggregate amount of business transactions with the school district.

RATING YEAR **2020-2021**DISTRICT NUMBER **district #****Select An Option****Help****Home****Financial Integrity Rating System of Texas**

2020-2021 RATINGS BASED ON SCHOOL YEAR 2019-2020 DATA - DISTRICT STATUS DETAIL

Name: SWEENY ISD (020906)	Publication Level 1: 8/4/2021 2:00:38 PM
Status: Passed	Publication Level 2: 8/6/2021 11:10:55 AM
Rating: A = Superior Achievement	Last Updated: 8/6/2021 11:10:55 AM
District Score: 96	Passing Score: 70

#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	6/8/2021 3:08:09 PM	Yes
2	<u>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.)</u>	6/8/2021 3:08:09 PM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	6/8/2021 3:08:09 PM	Yes
4	<u>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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	7/1/2021 8:58:30 AM	Yes Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<u>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? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/28/2021 11:01:29 AM	Ceiling Passed

7	<u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? See ranges below in the Determination of Points section.</u>	6/8/2021 3:08:10 PM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	6/8/2021 3:08:10 PM	10
9	<u>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? See ranges below in the Determination of Points section.</u>	6/8/2021 3:08:10 PM	10
10	<u>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?</u>	7/2/2021 1:00:31 PM	10
11	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.</u>	6/8/2021 3:08:11 PM	10
12	<u>Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.</u>	6/8/2021 3:08:11 PM	10
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/8/2021 3:08:12 PM	6
14	<u>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.</u>	6/8/2021 3:08:12 PM	10
15	<u>Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.</u>	6/8/2021 3:08:12 PM	5
16	<u>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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/8/2021 3:08:12 PM	Ceiling Passed
17	<u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	6/8/2021 3:08:12 PM	Ceiling Passed
18	<u>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</u>	6/8/2021 3:08:12 PM	10
19	<u>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?</u>	6/8/2021 3:08:13 PM	5
20	<u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/8/2021 3:08:13 PM	Ceiling Passed
			96 Weighted

		Sum
		1 Multiplier Sum
		(100 Ceiling)
		96 Score

DETERMINATION OF RATING

A.	Did the school 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.								
B.	Determine the rating by the applicable number of points.								
	<table> <tr> <td>A = Superior Achievement</td><td>90-100</td></tr> <tr> <td>B = Above Standard Achievement</td><td>80-89</td></tr> <tr> <td>C = Meets Standard Achievement</td><td>70-79</td></tr> <tr> <td>F = Substandard Achievement</td><td><70</td></tr> </table>	A = Superior Achievement	90-100	B = Above Standard Achievement	80-89	C = Meets Standard Achievement	70-79	F = Substandard Achievement	<70
A = Superior Achievement	90-100								
B = Above Standard Achievement	80-89								
C = Meets Standard Achievement	70-79								
F = Substandard Achievement	<70								
<p>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</p> <p>The school district receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.</p>									

CEILING INDICATORS

Did the school district meet the criteria for any of the following ceiling indicators 4, 6, 16, 17, or 20? 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.		
Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

THE [TEXAS EDUCATION AGENCY](#)

1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734

FIRST 5.11.6.0

DETERMINATION OF RATING

A	Did the school 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.	
B	Determine the rating by the 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

No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.

The school district receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.

CEILING INDICATORS

Did the school district meet the criteria for any of the following ceiling indicators 4, 6, 16, 17, or 20? 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.

Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i>.	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i>.	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i>.	79	C = Meets Standard Achievement

Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i>.	89	B = Above Standard Achievement
--	-----------	---------------------------------------

RATING:

SUPERIOR ACHIEVEMENT

Overview of the Worksheet

Indicator # 1 – Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?

Sweeny ISD's Annual Financial Report for the fiscal year ended August 31, 2020 was filed with the Texas Education Agency before the deadline date in January 2021.

Indicator # 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.)

The opinion expressed by Sweeny ISD's independent auditor on the August 31, 2020 Annual Financial Report was unmodified which means it is a clean audit. A "modification" on our financial report would have meant that corrections were needed in reporting of financial controls.

Indicator # 3 – Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)

This indicator seeks to make certain that the District has paid its bills/obligations on debt obligations issued to pay for school construction and the like.

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

Indicator # 4 – Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)

This indicator simply asks, “Did the District meet the various timelines for payments to various governmental agencies?”

Sweeny ISD made timely payments to all listed governmental agencies.

Indicator # 5 - Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district’s change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)

This indicator is not being scored.

Indicator # 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? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)

The District’s average change in fund balance did not decrease over a 3 year period and assigned and unassigned fund balance exceeded 75 days of operational expenditures.

Indicator # 7 – Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (See ranges below.)

To receive the maximum of 10 points, districts must have enough cash and equivalents to cover at least 90 days of expenditures. Sweeny ISD had enough to cover 327 days.

Indicator # 8 – Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

To receive the maximum of 10 points, districts current assets must be 3 times greater than current liabilities. Sweeny ISD’s ratio of current assets to current liabilities was 3.3874 earning 10 points for this indicator.

Indicator # 9 – Did the school district’s general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district’s number of days of cash on hand greater than or equal to 60 days?

The District met the acceptable days of cash on hand earning 10 points.

Indicator # 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?

Yes, the District average for the last 3 fiscal years was 6.84%.

Indicator # 11 – Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)

To receive the maximum of 10 points, districts' ratio of long term liabilities to total assets must be no greater than .60. Sweeny ISD's ratio of long-term liabilities to total assets was .4847 earning 10 points for this indicator.

Indicator # 12 - Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.

To receive the maximum of 10 points, districts' debt per \$100 of assessed property value ratio must be no greater than 4. Sweeny ISD's debt per \$100 of assessed property value ratio was 2.591 earning 10 points for this indicator.

Indicator # 13 – Was the school district's administrative cost ratio equal to or less than the threshold ratio?

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 Sweeny ISD's size category, the administrative cost ratio should fall below 11.51 percent. Sweeny ISD's ratio for the year was 14.13 percent, exceeding the state cap. Sweeny ISD earned 6 out of 10 points on this indicator.

Indicator # 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.)

Enrollment increased from 1,962 in 2018 to 2,029 in 2020. District received 10 points.

Indicator # 15 - Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.

The District's biennial pupil projections had to be within 20% of actual, and SISD scored 1.26%.

Indicator # 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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)

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.

Sweeny ISD’s data quality measure was 0%, which fell well below the allowable 3% variation.

Indicator # 17 - Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)

Sweeny ISD’s external auditors reported no material weaknesses in internal controls.

Indicator # 18 – Did the external independent auditor report that the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material weakness.)

Sweeny ISD’s external auditors reported no material noncompliance.

Indicator # 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?

Sweeny ISD posted all required financial information on its website.

Indicator # 20 - Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)

Yes, Sweeny ISD school board members did discuss district’s property values at a Board meeting before the district adopted its budget.



Sweeny Independent School District

Texas Education Agency

Required Disclosures





2021 Financial Integrity Rating System of Texas

Disclosures Based on 2019-2020 Data

Reporting requirements for the financial management report for Schools FIRST public hearing are found in **Title 29 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System**. This rule describes requirements for the five (5) disclosures explained below that are to be presented as appendices in the Schools FIRST management report.

1. Superintendent's Employment Contract

The school district is to provide a copy of the superintendent's contract that is effective on the date of the Schools FIRST hearing. In lieu of publication in the Schools FIRST financial management report, the school district may choose to publish the superintendent's employment contract on the school district's Internet site. **If published on the Internet**, the contract is to remain accessible for twelve months.

Most recent contract is attached.

Superintendent Term Contract

This Contract is entered into between the Board of Trustees (the "Board") of Sweeny Independent School District (the "District") and Tory Hill (the "Superintendent").

The Board and the Superintendent, for and in consideration for the terms stated in this Contract, hereby agree as follows:

1. **Term.** The Board agrees to employ the Superintendent on a twelve-month basis per school year, beginning March 19, 2019 and ending June 30, 2022. The Board and the Superintendent (the "Parties") may extend the term of this Contract by agreement.
2. **Certification.** The Superintendent agrees to maintain the required certification throughout the term of employment with the District. If the Superintendent's certification expires, is canceled, or is revoked, this Contract is voidable.
3. **Representations.** The Superintendent makes the following representations:
 - 3.1 **Beginning of Contract:** At the beginning of this Contract, and at any time during this Contract, the Superintendent specifically agrees to submit to a review of his national criminal history record information (NCHRI) if required by the District, TEA, or SBEC. The Superintendent understands that a criminal history record acceptable to the Board, at its sole discretion, is a condition precedent to this Contract.
 - 3.2 **During Contract:** The Superintendent also agrees that, during the term of this Contract, the Superintendent will notify the Board in writing of any arrest or of any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent involving a felony, a crime defined as moral turpitude under the Texas Penal Code, or any other offense specified in Board Policy. The Superintendent agrees to provide such notification in writing within seven calendar days of the event or any shorter period specified in Board policy.
 - 3.3 **False Statements and Misrepresentations:** The Superintendent represents that any records or information provided in connection with his employment application are true and correct. Any knowing or conscious false statements, misrepresentations, omissions of requested information, or fraud by the Superintendent in or concerning any required records or in the employment application may be grounds for termination or nonrenewal, as applicable.
4. **Duties.** The Superintendent shall be the educational leader and chief executive officer of the District. The Superintendent agrees to perform his duties as follows:
 - 4.1 **Authority:** The Superintendent shall perform such duties and have such powers as may be prescribed by the law and the Board. The Board shall have the right to assign additional duties to the Superintendent and to make changes in responsibilities or work at any time during the contract term consistent with state law and Board policy. All duties assigned by the Board shall be appropriate to and consistent with the

professional role and responsibility of the Superintendent.

- 4.2 **Standard:** Except as otherwise permitted by this Contract, the Superintendent agrees to devote his full time and energy to the performance of his duties. The Superintendent shall perform his duties with reasonable care, skill, and diligence. The Superintendent shall comply with all Board directives, state and federal laws and rules, Board policy, and regulations as they exist or may hereafter be amended, including but not limited to Board policy DH (Exhibit) which is the Educators' Code of Ethics.

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

- 5.1 **Salary:** The District shall pay the Superintendent an annual salary of One Hundred Seventy-Three Thousand and Five Hundred Twenty-Five AND NO/100 DOLLARS (\$173,525.00). The annual salary shall be paid to the Superintendent in equal monthly installments consistent with the Board's policies. At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent. Such adjustments, if any, shall be effective on the July 1 following approval of the adjustment and shall be in the form of a written addendum to this contract or a new contract shall be executed. Except as provided below, the Superintendent shall not be paid less than the salary set forth in this Section 5.1 of the Contract.

(a) **Raises and One-Time Payments.** The Superintendent's salary shall be increased by the same percentage of raise, if any, approved by the Board for the District's professional employee salaries. The Superintendent shall also be paid the same amount of any one-time payments to the District's professional employees, as approved by the Board. This provision does not apply to salary increases or one-time payments approved for specific positions, departments or categories of professional employees.

(b) **Widespread Salary Reduction.** If the Board implements a widespread salary reduction under Texas Education Code section 21.4032, the Superintendent's annual salary shall be reduced by the percent or fraction of a percent that is equal to the average percent or fraction of a percent by which teacher salaries have been reduced.

(c) **Furlough.** If the Board implements a furlough under Texas Education Code section 21.4021, the Superintendent shall be furloughed for the same number of days as other contract personnel and the Superintendent's salary shall be reduced in proportion to the number of furlough days.

- 5.2 **Benefits:** The District shall provide benefits to the Superintendent as provided by state law and Board policies, including health insurance benefits. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase those benefits, at the Board's sole discretion.

- 5.3 **TRS Salary Supplement:** The District shall supplement the Superintendent's annual salary through the term of this Contract by an amount equal to the Superintendent's

required monthly contribution to the Texas Teacher Retirement System (TRS), including the required contribution for TRS Care. This additional salary supplement shall be paid to the Superintendent by regular monthly payroll installments and shall be reported as creditable compensation by the District for purposes of TRS.

- 5.4 **Additional Retirement Supplement:** The Superintendent has contributed to a qualified tax-sheltered plan ("Annuity") established under Section 403(b) of the Internal Revenue Code (IRC). The Annuity is a registered investment product from a provider certified by TRS, and was established under written plan documents that meet the requirements of the Code. The District shall supplement the Superintendent's annual salary through the term of this Contract by a specific amount determined in accordance with the supplement schedule below. This additional salary supplement shall be paid to the Superintendent by regular monthly payroll installments during each contract year (July 1 – June 30) and shall be reported as creditable compensation by the District for purposes of TRS. The Superintendent shall use this supplement to contribute to the Annuity.

- (A) Eight percent (8%) of Superintendent's annual salary will be paid as a salary supplement for the 2019-2020 contract year.
- (B) Nine percent (9%) of Superintendent's annual salary will be paid as a salary supplement for the 2020-2021 contract year.
- (C) Ten percent (10%) of Superintendent's annual salary will be paid as a salary supplement for the 2021-2022 contract year and each contract year thereafter.

The Board may suspend this benefit or freeze the supplement schedule at any time and for any lawful reason. Such action by the Board in regards to this provision shall take effect on the July 1 immediately following the action.

- 5.5 **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 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.

- 5.6 **Professional Organizations:** The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance and participation in

appropriate professional meetings, seminars, conferences, or courses at the local, regional, state, and national level. In its encouragement of the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent as the Superintendent and the Board deem appropriate, to attend such meetings, seminars, conferences, or courses. The District does hereby agree to provide in the District's budget per contract year an amount to be used for registration, travel, meals, lodging, and other related expenses. The District shall pay for the Superintendent's membership dues to the Texas Association of School Administrators and one other professional organization selected by the Superintendent. The District shall bear the reasonable cost and expense for registration, travel, meals, lodging, and other related expenses for such attendance and membership.

- 5.7 **Residence in District:** As a condition of employment with the Sweeny Independent School District, the Superintendent shall reside within the geographic boundaries of the District at all times while employed by the District. If not immediate, the Superintendent's initial relocation to residing within the District shall be within one hundred and eighty (180) days of the Superintendent's first day of employment with the District, or within another reasonable period of time as mutually agreed upon by the Superintendent and the Board.
- 5.8 **Vacation, Holiday and Personal Leave:** Except as provided below, the Superintendent is hereby granted the same personal leave benefits as authorized by Board policies for administrative employees on twelve-month contracts. During each contract year (July 1 – June 30) the Superintendent may take, at the Superintendent's choice, the greater of twenty (20) 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 in a single period or at different times. The vacation days taken by the Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Contract. Unused vacation days shall not accrue or rollover to the following contract year. At the end of each contract year, the District shall reimburse the Superintendent for up to ten (10) unused vacation days, using the Superintendent's current daily rate of pay. Amounts paid by the District for reimbursement of unused vacation days shall not be reported to TRS as creditable compensation. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts.
- 5.9 **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 travel, which may include, but is not limited to, gasoline, hotels and accommodations, meals, rental car, mileage for travel outside of the District, 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.
- 5.10 **Indemnification.** To the extent it may be permitted to do by applicable law, 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 8.10 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 8.10 shall survive the termination of this Contract.

6. **Suspension.** In accordance with Texas Education Code chapter 21, the Board may suspend the Superintendent without pay during the term of this Contract for good cause as determined by the Board.
7. **Termination and Nonrenewal of Contract.** Termination or nonrenewal of this contract, or resignation under this contract, will be pursuant to Texas Education Code Chapter 21 and other state and federal laws and Board policies.
 - 7.1 **Resignation:** The Superintendent may resign 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.
8. **General Provisions.**
 - 8.1 **Amendment:** This Contract may not be amended except by written agreement of the Parties.
 - 8.2 **Severability:** If any provision in this Contract is, for any reason, held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of the Contract. This Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been a part of the Contract.
 - 8.3 **Entire Agreement:** All existing agreements and contracts, both verbal and written, between the Parties regarding the employment of the Superintendent are superseded by this Contract. This Contract constitutes the entire agreement between the Parties.

- 8.4 **Applicable Law and Venue:** Texas law shall govern construction of this Contract. The Parties agree that venue for any litigation relating to the Superintendent's employment with the District, including this Contract, shall be the county in which the District's administration building is located. If litigation is brought in federal court, the Parties agree that venue shall be the federal district and division in which the district's administration building is located.
- 8.5 **Paragraph Headings:** The headings used at the beginning of each numbered paragraph in this Contract are not intended to have any legal effect; the headings do not limit or expand the meaning of the paragraphs that follow them.
- 8.6 **Legal Representation:** Both Parties have been represented by legal counsel of their choice, or have had the opportunity to consult with legal counsel, in the negotiation and execution of this Contract.
- 8.7 **Reassignment:** The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.
- 8.8 **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.
- 8.9 **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 review 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.
- 8.10 **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. Review of Performance.

- 9.1 **Development of Goals:** The Superintendent shall submit to the Board a preliminary list of goals for the District each year 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. The goals approved by the Board shall at all times be reduced to writing ("District Goals") 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 achieving the District Goals.

- 9.2 **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. The Board's evaluation and assessment of the Superintendent shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and on the District's progress towards accomplishing the District Goals. The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law. The evaluation shall include recommendations as to areas of improvement in instances where the Board deems performance to be unsatisfactory. A copy of the written evaluation shall be delivered to the Superintendent, and the Superintendent shall have the right to make a written response to the evaluation within thirty (30) days of receipt of the written evaluation, which shall become a permanent attachment to the evaluation in the Superintendent's personnel file. The Superintendent's evaluation shall be treated as confidential, in accordance with applicable state law.

10. **Notices.**

- 10.1 **To Superintendent:** The Superintendent agrees to keep a current address on file with the District's human resources office and the Board President. The Superintendent agrees that the Board may meet any legal obligation it has to give the Superintendent written notice regarding this Contract or the Superintendent's employment by hand-delivery, or by certified mail, regular mail, and/or express delivery service to the Superintendent's address of record.
- 10.2 **To Board:** The Board agrees that the Superintendent may meet any legal obligation to give the Board written notice regarding this Contract or the Superintendent's employment by providing one copy of the notice to the President of the Board and one copy to the Vice President of the Board. The Superintendent may provide such notices by hand delivery, or by certified mail, regular mail, and/or express delivery service, to the Board President and Vice President's addresses of record, as provided to the District.

[SIGNATURES ON FOLLOW PAGE]

I have read this Contract and agree to abide by its terms and conditions:



Tory Hill, Ed.D., Superintendent

Date signed: 3/19/19

By: 

President, Board of Trustees

Date signed: 03/19/19

Witnessed by: 

Secretary, Board of Trustees

Date signed: 03/19/19

2. Superintendent and School Board Member Travel Reimbursements
For the Twelve Month Period Ending August 31, 2020

	Registration	Meals	Lodging	Transp.	Mileage/ Motor Fuel	Other (parking, toll fees, etc.)	Total Travel Reimbursement
SUPERINTENDENT							
Tory C Hill	\$ 1,167.50	\$ 155.69	\$ 2,705.11	\$640.88	\$ 245.10	\$ 73.82	\$ 4,988.10
BOARD MEMBER							
Earl Mathis	\$ 172.50	\$ -	\$		\$	\$	\$ 172.50
Connie McAda	\$ 477.50	\$	\$		\$	\$	\$ 477.50
Donna Bohlar-Schroeder	\$ 417.50		\$		\$	\$	\$ 417.50
Peggy Ellis	\$ 112.50	\$	\$		\$	\$	\$ 112.50
Jan Reddoch	\$ 397.50		\$		\$	\$	\$ 397.50
Debra Fields-Bell	\$ 367.50		\$		\$	\$	\$ 367.50
Bryan Douget	\$ 172.50	\$ 21.00	\$		\$	\$	\$ 193.50
GRAND TOTAL	\$ 3,285.00	\$ 176.69	\$ 2,705.11	\$ 640.88	\$ 245.10	\$ 73.82	\$ 7,126.60



**2021 Financial Integrity Rating System of Texas
Disclosures Based on 2019-2020 Data**

**3. Outside Compensation and/or Fees Received by the Superintendent
and/or Other Personal Services.**

**For the Twelve-Month Period
Ended August 31, 2020**

<u>Name(s) of Entity(ies)</u>	Amount Received
None	\$0

Total	<u>\$0.00</u>
--------------	----------------------

Note: Revenues generated from a family business that have no relationship to school district business



2021 Financial Integrity Rating System of Texas Disclosures Based on 2019-2020 Data

4. Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any) For the Twelve-Month Period Ended August 31, 2020

Superintendent	None
Board Member Fields-Bell	None
Board Member McAda	None
Board Member Douget	None
Board Member Ellis	None
Board Member Reddoch	None
Board Member Mathis	None
Board Member Bohlar-Schroeder	None
Total	None

Note - An executive officer is defined as the Superintendent, unless the Board of Trustees or the District Administration names additional staff under this classification. (Any gifts received by their immediate family as described in Government Code, Chapter 573, Subchapter B, Relationships by Consanguinity or by Affinity will be reported under the applicable school official.)



2021 Financial Integrity Rating System of Texas Disclosures Based on 2019-2020 Data

5. Business Transactions Between School District and Board Members For the Twelve-Month Period Ended August 31, 2020

Superintendent	None
Board Member Fields-Bell	None
Board Member McAda	None
Board Member Douget	None
Board Member Ellis	None
Board Member Reddoch	None
Board Member Mathis	None
Board Member Bohlar-Schroeder	None
Total	\$0

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