



SHERMAN

INDEPENDENT SCHOOL DISTRICT

Financial Integrity Rating System of Texas 2022-23 Ratings

SUPERIOR RATING!

**Based on data from the 2021-22 school
year**

Mandi Lewis, Chief Financial Officer

December 18, 2023





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

The state’s school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of financial management practices and that they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

First set of questions must be answered with a YES:

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? **11/17/2022**
- 2a. Was there an unmodified opinion in the AFR on the financial statements as a whole? **YES** – The auditor expressed an opinion that financial statements were presented, in all material respects, in accordance with applicable financial reporting framework.





Financial Integrity Rating System of Texas

Sherman ISD Received “SUPERIOR” Rating

First set of questions must be answered with a YES:

- 2b. 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? **YES** – There was no Material Weakness for Internal Controls.
3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? **YES**
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? **YES**





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

5. Was the total unrestricted net asset balance in the governmental activities column in the Statement of Net Assets greater than zero?

This indicator is not being scored by TEA for school districts in Texas.

SISD passed in previous years





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

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?

Yes, the average change was +11% and FB has 138 days of operating.

- This indicator measures strength of fund balance.





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

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)?

Yes, at 95.7 days – 10 out of 10 points

- This indicator measures how long in days after the end of the fiscal year the District could have disbursed funds for its operating expenditures without receiving any new revenues.

*Formula: (Cash and Equivalents of \$21,267,272 Plus Current Investment of \$761,025)
Divided by (Total Expenditures of \$84,007,043 Minus Facilities Acquisitions and
Construction of \$0) Multiplied by 365 Equals ~95.7 (10 out of 10 Points)*





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

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

Yes with a 2.8223 ratio – 8 out of 10 points

- This indicator measures whether the school district has sufficient short-term assets to pay off its short-term liabilities.

Formula: Current Assets of \$70,253,378 Divided by Current Liabilities of \$24,892,228 Equals 2.8223 (8 out of 10 Points)





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

9. Did the school district’s general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)?

Yes, Revenue Exceeded Expenditures with 60 Days Cash on Hand
10 out of 10 points

- This indicator simply asks “did you earn more than you spent?”
- SISD maintained revenue that exceeded expenditures, as well as 95.7 days cash on hand, which exceeded the required 60 days.





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

10. Did the school average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?

This indicator is not being scored by TEA for school districts in Texas.

SISD passed in previous years





Financial Integrity Rating System of Texas

Sherman ISD Received “SUPERIOR” Rating

11. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?

0.6841 ratio – 8 out of 10 points

- This indicator measures whether the school district had sufficient assets to cover its long-term liabilities.
- This indicator does not favor schools in the midst of a bond project.

Formula: Long Term Liabilities of \$210,767,209 *Divided by* Total Assets of \$308,116,131
Equals 0.6841 (8 out of 10 Points)





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

12. Was the debt per \$100 assessed property value ratio sufficient to support future debt repayments?

YES – 8 out of 10 points

- This indicator asks about the school district’s ability to make debt principal and interest payments. Did we meet or exceed the target amount set for the School FIRST program? This is another indicator that does not favor bond programs.

Formula: (Total Local and Intermediate Sources divided by Total Revenue), multiplied by Long Term Liabilities, multiplied by 100, and divided by Assessed Property

$(\$18,691,684 \div \$18,831,641) \times 228,883,869 \times 100 \div \$4,052,299,659 = 5.6064 = 8 \text{ points}$





Financial Integrity Rating System of Texas

Sherman ISD Received “SUPERIOR” Rating

13. Was the school district’s administrative cost ratio equal to or less than the threshold ratio?

YES with a 0.0728 ratio – 10 out of 10 points

- This indicator measures the percentage of the budget that the District spent on administration versus established State ranges.





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

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)? (Note: Increase in enrollment automatically passes.)

This indicator is not being scored by TEA for school districts in Texas.

SISD passed in previous years





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

15. Was the school district’s ADA within the allotted range of the district’s biennial pupil projection(s) submitted to TEA?

This indicator is not being scored by TEA for school districts in Texas.

SISD passed in previous years





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

16. Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district’s Annual Financial Report (AFR) result in a total variance of less than 3 percent of all expenditures by function?

PEIMS varied from AFR by 0.00006% (Much less than 3%)

Formula: Sum of Differences of \$5,091 ÷ (Total Expenditures – Sum of Differences of \$84,001,960) Equals 0.00006%





Financial Integrity Rating System of Texas Sherman ISD Received “SUPERIOR” Rating

17. Did the external independent auditor 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?

YES (Ceiling passed)

18. Did the external independent auditor indicate 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 noncompliance.)

YES (10 out of 10 Points)





Financial Integrity Rating System of Texas

Sherman ISD Received “SUPERIOR” Rating

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?

YES (5 out of 5 Points)

20. Did the school district’s administration school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?

YES (Ceiling Passed)





Required Supplemental Disclosures

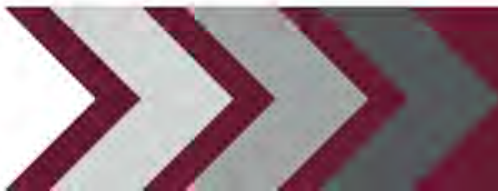
For the Twelve-Month Period Ended June 30, 2022

Description	David Hicks Supt	Tyson Bennett Supt	Adam Cernero Board	Hillary Clark Board	Tim Millerick Board	Brad Morgan Board	Jennifer Shelby Board	Chanel Stiggers Board	Sean Vanderveer Board	Wendy Vellotti Board	Anna Wylie Board
Meals	\$808.97	\$0.00	\$70.07	\$12.50	\$13.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lodging	\$6,071.28	\$0.00	\$591.00	\$750.00	\$591.00	\$0.00	\$0.00	\$0.00	\$0.00	\$591.00	\$539.32
Transportation	\$3,098.03	\$0.00	\$72.83	\$130.80	\$124.84	\$0.00	\$0.00	\$0.00	\$0.00	\$72.83	\$75.03
Motor Fuel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$2,908.00	\$460.00	\$1,120.00	\$710.00	\$710.00	\$460.00	\$460.00	\$1,120.00	\$460.00	\$1,120.00	\$1,170.00
Total	\$12,886.28	\$460.00	\$1,853.90	\$1,603.30	\$1,439.60	\$460.00	\$460.00	\$1,120.00	\$460.00	\$1,783.83	\$1,784.35

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2022

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2022, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

- Meals – Meals consumed off of the school district’s premises, and in-district meals at area restaurants (excludes catered meals for board meetings).
- 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 members not defined above.





Required Supplemental Disclosures

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

For the Twelve-Month Period
Ended June 30, 2022

Name(s) of Entity(ies)	Amount Received
	\$0
Total	\$0.00

Note – 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 Executive Officers and Board Members (and First-Degree Relatives, if any) (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)

For the Twelve-Month Period
Ended June 30, 2022

	Superintendent	Board Adam Cernero	Board Hillary Clark	Board Tim Millerick	Board Brad Morgan	Board Jennifer Shelby	Board Channel Stiggers	Board Sean Vanderveer	Board Wendy Vellotti	Board Anna Wylie
Totals	\$0	\$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 for local officials.

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended June 30, 2022

	Board Adam Cernero	Board Hillary Clark	Board Tim Millerick	Board Brad Morgan	Board Jennifer Shelby	Board Channel Stiggers	Board Sean Vanderveer	Board Wendy Vellotti	Board Anna Wylie
Totals	\$0	\$0	\$0	\$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.





Required Supplemental Disclosures

Superintendent Term Contract

This Contract is entered into between the Board of Trustees (the "Board") of SHERMAN INDEPENDENT SCHOOL DISTRICT (the "District") and Dr. David Hicks (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 September 1, 2020 and ending December 31, 2025. 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 void.
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 or her 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. 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 or her employment application are true and correct. Any 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.
 - 3.4 **Reside in District:** The Superintendent agrees that his principal residence shall be established within the boundaries of the District and shall continue within the boundaries of the District during the term or any extension of the Contract.
4. **Duties.** The Superintendent shall be the educational leader and chief executive officer of the District. The Superintendent cannot be reassigned from the position of Superintendent to

another position without the Superintendent's written consent. The Superintendent agrees to perform his or her 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. 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 or her full time and energy to the performance of his or her duties. The Superintendent shall perform his or her 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.
5. **Compensation.** The District shall pay the Superintendent an annual salary as follows:
 - 5.1 **Salary:**

The Superintendent shall be paid an annual base salary of Two Hundred Twenty Thousand Dollars (\$220,000.00) predicated on two hundred and twenty-six (226) or more work days per fiscal year. This annual salary shall be paid to the Superintendent in equal installments consistent with Board policies.

 - (a) **Salary Increase.** Beginning with the 2021-2022 school year, the Superintendent will receive yearly salary increases equal to the percentage increase given to teachers at the midpoint of the District's salary schedule, if any. The Board of Trustees may, in its sole discretion, review and adjust the Superintendent's salary if both the Board and the Superintendent agree, in writing, to an alternative amount.
 - (b) **Widespread Salary Reduction.** If the Board implements a widespread salary reduction under Texas Education Code section 21.4023, 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. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase these benefits, at the Board's sole discretion.
 - 5.3 **Transportation:** Out of District travel shall be reimbursed according to the District policy.
 - 5.4 **Texas Teacher Retirement System:** The District shall supplement the Superintendent's annual base salary by an amount equal to the Superintendent's portion of the monthly member contribution to the Texas Teacher Retirement System ("TRS")

continuing for the term of this Contract, with any extensions made by the Board for performance of Superintendent duties. This supplement shall include both the retirement and TRS-Care parts of the TRS member contribution, as applicable. This additional salary supplement shall be paid to the Superintendent in regular monthly payroll installments and shall be reported as "creditable compensation" by the District for purposes of TRS, to the extent permitted by TRS.

- 5.5 **Supplemental Retirement Plan.** For each payroll period beginning September 1, 2020 and for each year thereafter during the term of this Contract, the District shall add to the monthly base salary of the Superintendent the amount needed each month to contribute 20% of maximum base salary reduction contribution permitted by the Code for a 403(b) and 457(b) plan, including, if applicable, the additional deferral allowed for plan participants who are age 50 or older ("Additional Salary") by the end of the calendar year. This additional salary shall increase on September 1 of each contract year by the following amounts:

- (a) September 1, 2021: 30% of maximum base salary reduction contribution permitted by the Code for a 403(b) and 457(b) plan, including, if applicable, the additional deferral allowed for plan participants who are age 50 or older by the end of the calendar year.
- (b) September 1, 2022: 40% of maximum base salary reduction contribution permitted by the Code for a 403(b) and 457(b) plan, including, if applicable, the additional deferral allowed for plan participants who are age 50 or older by the end of the calendar year.
- (c) September 1, 2023: 50% of maximum base salary reduction contribution permitted by the Code for a 403(b) and 457(b) plan, including, if applicable, the additional deferral allowed for plan participants who are age 50 or older by the end of the calendar year.
- (d) September 1, 2024: 60% of maximum base salary reduction contribution permitted by the Code for a 403(b) and 457(b) plan, including, if applicable, the additional deferral allowed for plan participants who are age 50 or older by the end of the calendar year.
- (e) September 1, 2025: 70% of maximum base salary reduction contribution permitted by the Code for a 403(b) and 457(b) plan, including, if applicable, the additional deferral allowed for plan participants who are age 50 or older by the end of the calendar year.

In the event the Superintendent executes a salary deferral agreement in accordance with the requirements of Sections 403(b) and/or 457(b) of the Internal Revenue Code (the "Code") in at least the amount of the Additional Salary, the Additional Salary shall be paid as a salary deferral contribution ("Salary Deferral Contribution"). Under and pursuant to applicable Internal Revenue Service rules the Superintendent shall have the option to elect to receive the Additional Salary in cash rather than as a Salary Deferral Contribution. All such Salary Deferral Contributions contemplated herein shall be paid to a plan established by the District under Section 403(b) and/or Section 457(b) of the Code. Such plans shall include investments as allowed under Sections 403(b), 403(b)(7) and/or 457(b) of the Code, respectively, and the investments for the Superintendent's accounts shall be solely at his discretion. The Superintendent shall at all times be 100% vested in his account under the 403(b) and/or 457(b) plan. The Salary Deferral Contributions contemplated herein shall be treated as salary deferrals under the Code and shall be reported as "creditable compensation" by the District for purposes of the Teacher Retirement System of Texas. No payments under this Section shall be made after the Superintendent's employment terminates.





Required Supplemental Disclosures

- 5.6 **Longevity Pay.** In order to encourage continuity of leadership in the District, the District wishes to provide additional compensation to the Superintendent as a reward for reaching certain longevity goals. These longevity payments shall be made as follows and shall be reported as creditable compensation to TRS:
- (a) If on September 1, 2020 the Superintendent has completed 4.5 years of service with the District, the District shall pay the Superintendent 2.5% of his total monthly base salary each month for twelve months beginning on September 1, 2020.
 - (b) If on September 1, 2021 the Superintendent has completed 5 years of service with the District, the District shall pay the Superintendent 3.5% of his total monthly base salary each month for twelve months beginning on January 1, 2021.
 - (c) If on September 1, 2022 the Superintendent has completed 6 years of service with the District, the District shall pay the Superintendent 4.5% of his total monthly base salary each month for twelve months beginning on January 1, 2022.
 - (d) If on September 1, 2023 the Superintendent has completed 7 years of service with the District, the District shall pay the Superintendent 5.5% of his total monthly base salary each month for twelve months beginning on January 1, 2023.
 - (e) If on September 1, 2024 the Superintendent has completed 8 years of service with the District, the District shall pay the Superintendent 6.5% of his total monthly base salary each month for twelve months beginning on January 1, 2024.
 - (f) If on September 1, 2025 the Superintendent has completed 9 years of service with the District, the District shall pay the Superintendent 7.5% of his total monthly base salary each month for twelve months beginning on January 1, 2025.
6. **Indemnification** To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code, 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 the Superintendent in the Superintendent's individual or official capacity as Superintendent of the District, acting within the course and scope of the Superintendent's employment excluding, however, any such demand, defense, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that the Superintendent failed to follow Board instruction(s) or directive(s), 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. 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. This indemnity provision shall survive the termination of this Contract.
7. **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.
8. **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.
9. **General Provisions.**
- 9.1 **Amendment:** This Contract may not be amended except by written agreement of the Parties.
 - 9.2 **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.
 - 9.3 **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.
 - 9.4 **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.
 - 9.5 **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.
 - 9.6 **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.
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.

David Hicks Dr. David Hicks

Date signed: 9/1/20

Sherman Independent School District

By: [Signature]
President, Board of Trustees

Date signed: 9/1/20





Required Supplemental Disclosures

Superintendent Term Contract

This Contract is entered into between the Board of Trustees (the "Board") of SHERMAN INDEPENDENT SCHOOL DISTRICT (the "District") and Dr. Daniel Tyson Bennett (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 for three (3) years, beginning May 17, 2022 and ending December 31, 2025. 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 void.
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 or her 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. 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 or her employment application are true and correct. Any 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.
 - 3.4 **Reside in District:** The Superintendent agrees that his principal residence shall be established within the boundaries of the District and shall continue within the boundaries of the District during the term or any extension of the Contract.
4. **Duties.** The Superintendent shall be the educational leader and chief executive officer of the District. The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's written consent. The Superintendent agrees to perform his or her 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. 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 or her full time and energy to the performance of his or her duties. The Superintendent shall perform his or her 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.
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 Two Hundred Twenty-Five Thousand Dollars (\$225,000.00) for the first one-year period, and a salary to be fixed by the Board for each of the remaining years of this Contract. The salary for each remaining year shall not be less than the salary for the first year. No increase is guaranteed.
 - 5.2 **Salary Increase.** Beginning with the 2022-2023 contract year and continuing for the term of this Contract, including any extensions thereof, the Superintendent, contingent upon a favorable review by the Board, will receive the yearly salary increase equal to the percentage increase given to teachers at the midpoint of the District's salary schedule, if any. The Board of Trustees may, in its sole discretion, review and adjust the Superintendent's salary if both the Board and the Superintendent agree, in writing, to an alternative amount.
 - 5.3 **Widespread Salary Reduction.** If the Board implements a widespread salary reduction under Texas Education Code section 21.4023, 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.
 - 5.4 **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.
 - 5.5 **Unused Days.** Superintendent shall be paid for unused "flex days" at the end of each budget year at his current daily rate of pay. The daily rate shall be based upon 5.1 above.
 - 5.6 **Benefits:** The District shall provide benefits to the Superintendent as provided by state law and Board policies, including benefits common to SISD employees such as longevity supplement and incentive pay paid to staff. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase these benefits, at the Board's sole discretion.
6. **Indemnification.** To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code, 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 the Superintendent in the Superintendent's individual or official capacity as Superintendent of the District, acting within the course and scope of the Superintendent's employment excluding, however, any such demand, defense, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that the Superintendent failed to follow Board instruction(s) or directive(s), 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. 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. This indemnity provision shall survive the termination of this Contract.
7. **Insurance Supplement.** The District shall pay up to Two Thousand Dollars (\$2,000.00) per year for premium reimbursements for life, disability and/or health insurance.
8. **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.
9. **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.
10. **General Provisions.**
 - 10.1 **Amendment:** This Contract may not be amended except by written agreement of the Parties.
 - 10.2 **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.
 - 10.3 **Entire Agreement:** All existing agreements and contracts, both verbal and written,
- 5.7 **Transportation:** The District shall provide the Superintendent with a transportation allowance in the sum of Four Hundred Fifty Dollars (\$450.00) per month. This payment is in lieu of mileage expense reimbursement, fuel, insurance or other charges or expenses associated with travel on District business. Out of District travel shall be reimbursed according to the District policy.





Required Supplemental Disclosures

between the Parties regarding the employment of the Superintendent are superseded by this Contract. This Contract constitutes the entire agreement between the Parties.

- 10.4 **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.
- 10.5 **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.
- 10.6 **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.

11. Notices.

- 11.1 **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.
- 11.2 **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.

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

Superintendent: Daniel T. Bennett

Dr. Daniel Tyson Bennett

Date signed: 5-5-2022

Sherman Independent School District

By: Anthony Z. Clark
President, Board of Trustees

Date signed: 5-5-2022





SHERMAN

INDEPENDENT SCHOOL DISTRICT

Financial Integrity Rating System of Texas 2022-23 Ratings

SUPERIOR RATING!

Questions?

December 18, 2023

