

Sherman ISD
FIRST Management Report
Fiscal Year 2014



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Introduction



Sherman ISD has received the highest rating of “P” for “Passed” for the 2014 fiscal year with a perfect score of 30 out of 30 possible points.

Schools FIRST is a financial rating system developed by the Texas Education Agency. The primary goal of Schools FIRST is to achieve quality performance in the management of school districts’ financial resources, a goal made more significant due to the complexity of the accounting associated with Texas’ school finance system.

The Schools FIRST accountability rating ensures that Texas school districts are accountable not only for student learning, but also for achieving these results cost-effectively and efficiently.

District Data Detail 2013-14

9/23/15

District Status Detail

User: Randy Reid
User Role: District

RATING YEAR 2014-2015 Select An Option



Financial Integrity Rating System of Texas

2014-2015 RATINGS BASED ON SCHOOL YEAR 2013-2014 DATA - DISTRICT STATUS DETAIL

Name: SHERMAN ISD(091906)	Publication Level 1: 8/20/2015 11:24:40 AM
Status: Passed	Publication Level 2: 8/20/2015 11:24:40 AM
Rating: Pass	Last Updated: 8/20/2015 11:24:40 AM
District Score: 30	Passing Score: 16

#	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>	4/6/2015 2:46:30 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>	4/6/2015 2:46:31 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>	4/6/2015 2:46:31 PM	Yes
4	<u>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.)</u>	7/30/2015 12:19:17 PM	Yes
			1 Multiplier Sum
5	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	7/15/2015 11:52:53	10

		AM	
6	<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?</u>	8/17/2015 5:48:54 PM	10
7	<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.)</u>	4/6/2015 2:46:33 PM	10
			30 Weighted Sum
			1 Multiplier Sum
			30 Score

DETERMINATION OF RATING

A.	Did The District Answer 'No' To Indicators 1, 2, 3, Or 4? If So, The District's Rating Is Substandard Achievement .	
B.	Determine Rating By Applicable Range For Summation of the Indicator Scores (Indicators 5-7)	
	Pass	16-30
	Substandard Achievement	<16

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THE **TEXAS EDUCATION AGENCY**
1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734

Required Supplemental Disclosures

STATE OF TEXAS

COUNTY OF GRAYSON

SUPERINTENDENT'S EMPLOYMENT CONTRACT

THIS Superintendent's Employment Contract ("Agreement") is made and entered into by and between the Board of Trustees (the "Board") of the Sherman Independent School District (the "District") and Dr. Al Hambrick (the "Superintendent").

NOW THEREFORE, the Board and the Superintendent, for and in consideration of the terms stated in this Agreement and pursuant to Section 11.201 and Chapter 21, Subchapter E of the Texas Education Code do hereby agree, as follows:

1. The Board agrees to employ the Superintendent on a 12-month basis for three (3) years and approximately four (4) months, beginning October 9, 2006 and ending January 31, 2010. For purposes of this Agreement, a contract year shall be February 1 of each year through January 31 of the following year. The Superintendent's annual salary shall be prorated for the period beginning October 9, 2006 to January 31, 2007.

2. This Agreement is conditioned on the Superintendent's satisfactorily providing the necessary certification and experience records, medical records, and other records required by law, district policy, State Board for Educator Certification rules, and Texas Education Agency rules. Failure to provide necessary certification shall render this Agreement void. Any material misrepresentation by Superintendent in such records may be grounds for dismissal.

3. (A) The Superintendent shall perform the duties of Superintendent of Schools for the District as prescribed in state law, the job description, and as may be lawfully assigned by the Board. The Superintendent shall perform those duties with reasonable care, skill, and diligence. The Superintendent shall comply with all lawful Board directives, state and federal law and rules, district policy, and regulations as they exist or may hereafter be amended. Texas law shall govern construction of this Agreement. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

(B) The Superintendent shall attend, and shall be required to attend, all meetings of the Board, both public and closed, unless otherwise notified by the Board's presiding officer 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.

(C) 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.

4. The Superintendent agrees to devote his time, skill, labor, and attention to performing his duties, but may, with prior written consent of the Board receive payment and reimbursement from outside entities for consulting work, speaking engagements, writing, lecturing, and other professional duties and obligations that do not conflict or interfere with the Superintendent's professional responsibilities to the District. No reimbursements or payments made to Superintendent under this paragraph will be paid from Sherman ISD funds.

5. The Board agrees to pay the Superintendent an annual salary and other compensation as follows:

(a) The District shall provide the Superintendent with an annual salary in the sum of One Hundred Thirty-Four Thousand dollars (\$134,000.00), which sum includes any doctoral stipend to which the Superintendent might otherwise be entitled. This annual salary rate shall be paid to the Superintendent in installments, consistent with the Board's policies.

(b) At any time during the term of this Agreement, the Board may, in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth in Section 5(a) of this Agreement. Approximate date of the review is set in the Board/Staff activity calendar. Such adjustments, if any, shall be made pursuant to a lawful Board resolution. In such event, the Parties will agree to revise the contract by amendment (if only salary amount or contract term dates changed) or to execute a new contract (if the Parties are negotiating substantially new agreement terms).

(c) Expenses. The District shall pay or reimburse the Superintendent for reasonable expenses directly incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Agreement. The District agrees to pay the actual and incidental costs incurred by the Superintendent for travel; such costs may include, but are not limited to, gasoline, hotels and accommodations, meals, rental cars, 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 policy.

(d) Professional Growth. In its encouragement of the Superintendent to grow professionally, the District shall permit a reasonable amount of release time for the Superintendent, as the Board deems appropriate, to attend seminars, courses, or meetings that fit within the District's guidelines in Policies BJA and BJCB. Reasonable expenses, as approved by the Board in the District's budget, of such professional growth activities shall be borne by the District to a maximum of Fifteen thousand dollars (\$15,000.00) each district fiscal year. This maximum ceiling may be increased by the Board if need be.

(e) Insurance. The District shall pay the premiums for hospitalization, major medical, and dental insurance coverage for the Superintendent pursuant to the group health care plan(s) provided by the District for its administrative employees.

(f) Automobile. The District shall provide the Superintendent with mileage expense reimbursement, for Superintendent's use of the Superintendent's personal automobile for District's business. The mileage traveled by the Superintendent in the Superintendent's personal automobile while performing the Superintendent's duties will be reimbursed at the per mile rate set by the District for its administrative employees.

(g) Vacations, Holidays, and Sick Leave Options. The Superintendent may take the same number of days of vacation authorized by policies adopted by the Board for administrative employees on 12-month contracts, the days to be in a single period or at different times. The vacation days taken by the Superintendent will be taken at such times as will least interfere with the performance of the Superintendent's duties as set forth in this Agreement. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on 12-month contracts. The Superintendent is hereby granted the same number of illness benefits and leave as authorized by board policies for administrative employees on 12-month contracts. The Superintendent shall inform the Board's presiding officer in advance of any vacation absences from the district that exceed three consecutive business days.

(h) Civic Activities. The Superintendent is encouraged to participate in community and civic affairs. The reasonable expense of such activities shall be reimbursed or borne by the District.

(i) Professional Dues. The Board shall pay the Association dues of the Superintendent for the American Association of School Administrators and the Texas Association of School Administrators.

6. The Superintendent cannot be reassigned from the position of Superintendent by the School Board to another position without the Superintendent's written consent.
7. The Superintendent and the Board shall work together as a Team of Eight each year to develop a list of goals for the District. The goals approved by the Board shall at all times be reduced to writing and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated. The Board shall evaluate and assess in writing the Superintendent's performance at least twice each year during the term of this Agreement. The evaluation format and procedure shall comply with Section 7 of this Agreement, Board policy and state and federal law. The approximate dates for these activities are set in the Board/Staff Calendar. In the event the Board deems that the evaluation instrument, format and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated. Unless the Superintendent expressly requests otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in executive session and 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 with their respective legal counsel.
8. The Board may dismiss the Superintendent at any time for good cause in accordance with Texas Education Code Sections 21.211, 21.212(d), and Board policy. In the event that the Board terminates this Contract for "good cause," the Superintendent shall be afforded all the rights as set forth in the Board's policies and state and federal law.
9. This Agreement shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement under the Teacher Retirement System of Texas.
10. The Superintendent and the Board may agree in writing to terminate this Agreement pursuant to any mutually agreed-upon terms and conditions.
11. Renewal or nonrenewal of this Agreement shall be in accordance with Texas Education Code Chapter 21, Subchapter E, and Board policy.
12. At any time during the term of this Agreement, the Board may, in its discretion, reissue the contract for an extended term. Failure to reissue the contract for an extended term shall not constitute nonrenewal under Board policy. The approximate date of this activity is set in the Board/Staff Calendar.
13. 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. The

resignation must be addressed to the Board and filed 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.

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

15. The Superintendent agrees to have a comprehensive medical examination, at District expense, by a licensed physician selected by the Superintendent, once a year, and to obtain a statement certifying that the Superintendent is physically able to perform his or her essential job functions with or without reasonable accommodation. This statement shall be filed with the president of the Board.

16. The Board contracts that the District shall defend, hold harmless and indemnify Dr. Al Hambrick from any and all demands, claims, suits, actions, judgments, expenses and attorney's fees incurred in any legal proceedings brought against Dr. Al Hambrick in his individual capacity or in his official capacity providing the incident(s) to which is (are) the basis of any claim or lawsuit arose while Dr. Al Hambrick was acting within the course and scope of his employment with the District. The District shall provide insurance coverage to protect Dr Al Hambrick as set forth herein. The District's obligation to indemnify, defend and hold Dr. Al Hambrick harmless under this paragraph survives the termination of the Contract.

17. Dr. Al Hambrick agrees that his principal residence shall be within the boundaries of the Sherman Independent School District, and shall continue within the boundaries of the Sherman Independent School District during the term of this Contract.

18. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All prior agreements and resolutions and all existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent have been superseded by this Agreement, and this Agreement constitutes the entire agreement between the parties. This Agreement may not be amended except by written agreement of the parties.

19. Successors and Assigns. This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns, including any change of membership of the Board.

20. Although drawn by counsel for the Board, this Contract has been reviewed by Dr. Al Hambrick, who has had an opportunity to consult with his own counsel, and the Contract shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party. Said Contract is subject to the laws of the State of Texas and is performable in Grayson County, Texas.

21. In the event of any conflict between the terms, conditions, and provisions of this Agreement and the provisions of the Board's policies, then unless otherwise prohibited by law, the terms of this Agreement shall take precedence over the provisions of the Board's policies during the term of the Agreement.

22. The District shall provide the Superintendent with a laptop computer and a mobile telephone (with Treo or other comparable technology) for both professional and personal use, at the sole cost and expense of the District. Any identifiable charges, i.e. those outside of the calling plan, as reflected on the mobile telephone bill provided to the Superintendent each month, directly attributable to personal calls by the Superintendent shall be promptly reimbursed by the Superintendent.

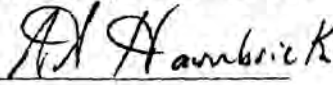
23. This offer will expire unless signed and returned to the Board or its authorized representative by 5:00p.m. the 23rd day of October, 2006.

24. Record of Authorization for Contract. This contract was approved by the Board at a properly posted meeting dated November 6, 2006. Such approval shall be reflected in the official minutes of such meeting, which shall be available for review by the public upon request.

Signed this 9 day of November, 2006. Signed this 9 day of November 2006



Sue Frazier
President, Board of Trustees
Sherman Independent School District



Dr. Al Hambrick
Superintendent

Addendum to Superintendent's Contract

The Board of Trustees (the "Board") of SHERMAN INDEPENDENT SCHOOL DISTRICT and Dr. Al Hambrick (the "Superintendent") agree to extend and amend the Superintendent's Contract (the "Contract") entered into between the Board and the Superintendent on October 9, 2006 and amended January 22, 2008 as follows:

I. Paragraph 5 (f) of the Contract is changed to include an additional paragraph:

District-provided vehicle: The District shall provide the Superintendent with a late-model vehicle. The District shall pay all operating expenses for the vehicle, including gasoline costs. The district shall fully maintain the vehicle in a safe and good working condition and maintain an automobile liability insurance policy on the vehicle with the Superintendent as a named insured. The Superintendent is permitted to use the vehicle for business and reasonable personal use.

The Board and the Superintendent agree that there have been no oral modifications to the Superintendent's Contract. All other terms and conditions of the Contract, as amended, shall remain in full force and effect.

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

Superintendent: _____

Date signed: _____

Sherman Independent School District

By: _____
President, Board of Trustees

Date signed: _____

Addendum to Superintendent's Contract

The Board of Trustees (the "Board") of SHERMAN INDEPENDENT SCHOOL DISTRICT and Dr. Al Hambrick (the "Superintendent") agree to amend the Superintendent's Contract (the "Contract") entered into between the Board and the Superintendent on October 9, 2006 and amended August 6, 2007, January 14, 2008 and January 22, 2008 as follows:

1. The District shall pay the amount of \$3,500 to Dr. Hambrick during the August 2008 payroll as consideration for his foregoing his vacation and working on Sherman High School issues during the summer of 2008.

2. The District shall increase Dr. Hambrick's base salary to the amount of \$150,358 for the 2008-09 school year, effective August 4, 2008.

3. Beginning with the 2008-09 school year, if District business requires Dr. Hambrick, in his sole judgment and discretion, to conduct District business in lieu of vacation days to which he is entitled under Board policy and the Contract, the District agrees to pay Dr. Hambrick an additional amount equal to his normal daily rate of pay for all days worked in lieu of vacation days up to a maximum of five (5) days. The District agrees that the compensation paid pursuant to this paragraph is in addition to the salary and other financial benefits to which Dr. Hambrick is entitled under Board policy and the Contract and is additional consideration for additional work. Dr. Hambrick acknowledges and agrees that the maximum amount of this additional compensation for conducting District business in lieu of vacation is the equivalent of five (5) days at his normal daily rate of pay.

4. The District agrees to increase Dr. Hambrick's salary to the amount of \$153,296 if, and only if, the Tax Ratification Election is successful. This additional raise will be effective, if at all, on October 5, 2008.

The Board and the Superintendent agree that there have been no oral modifications to the Superintendent's Contract. All other terms and conditions of the Contract, as amended, shall remain in full force and effect.

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

Superintendent: Al Hambrick

Date signed: 8-18-08

Sherman Independent School District

By: John A. Hendricks
President, Board of Trustees

Date signed: August 18, 2008

Extension Addendum to Superintendent's Contract

The Board of Trustees (the "Board") of SHERMAN INDEPENDENT SCHOOL DISTRICT and Dr. Al Hambrick (the "Superintendent") agree to extend and amend the Superintendent's Contract (the "Contract") entered into between the Board and the Superintendent on October 9, 2006 and amended January 6, 2014 as follows:

1. Paragraph 1 of the Contract is changed to extend the ending date of employment under the Contract from January 31, 2014 to January 31, 2017.

The Board and the Superintendent agree that there have been no oral modifications to the Superintendent's Contract. All other terms and conditions of the Contract, as amended, shall remain in full force and effect.

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

Superintendent: Al Hambrick

Date signed: 1-7-14

Sherman Independent School District
By: Don Walter
President, Board of Trustees

Date signed: 1-10-14

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

For the Twelve-month Period Ended June 30, 2014								
Description of Reimbursements	Superintendent	Lynn Mitchusson	Tim Millerick	Marc Miller	Kiki Osterman	Cathy Renshaw	Kate Whitfield	Rob Wilson
Meals	\$147.18	\$75.00	\$75.00	\$50.00	\$75.00	\$75.00	\$75.00	\$87.50
Lodging	\$1,158.03	\$611.22	\$672.96	\$448.64	\$769.40	\$672.96	\$769.40	\$769.40
Transportation	\$1,639.78	\$338.00	\$88.00	\$88.00	\$348.00	\$88.00	\$348.00	\$348.00
Motor Fuel	\$							
Other		\$350.00	\$350.00	\$290.00	\$350.00	\$350.00	\$350.00	350.00
Total	\$3,294.99	\$1,374.22	\$1,185.96	\$876.64	\$1,542.40	\$1,185.96	\$1,542.40	\$1,554.90

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2014, 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 member not defined above.

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2014

For the Twelve-Month Period Ended June 30, 2014	
Name(s) of Entity(ies)	
N/A	\$0.00
Total	\$0.00

Note – Compensation does not include business revenues from the superintendent’s livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.

Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2014

For the Twelve-Month Period Ended June 30, 2014								
	Superintendent	Lynn Mitchusson	Tim Millerick	Marc Miller	Kiki Osterman	Cathy Renshaw	Kate Whitfield	Rob Wilson
Summary Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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.)

Business Transactions Between School District and Board Members for Fiscal Year 2014

For the Twelve-Month Period Ended June 30, 2014							
	Lynn Mitchusson	Tim Millerick	Marc Miller	Kiki Osterman	Cathy Renshaw	Kate Whitfield	Rob Wilson
Summary Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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.