

SPRING HILL INDEPENDENT SCHOOL DISTRICT

SCHOOL FIRST REPORT

FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

2015-2016 RATINGS

BASED ON SCHOOL YEAR 2014-2015 DATA

RATING: SUPERIOR

SCORE: 96-Of POSSIBLE 100 RATING

User: Stephanie Pleasant
 User Role: District

RATING YEAR **2015-2016**



Financial Integrity Rating System of Texas

2015-2016 RATINGS BASED ON SCHOOL YEAR 2014-2015 DATA - DISTRICT STATUS DETAIL

Name: SPRING HILL ISD(092907)	Publication Level 1: 8/8/2016 6:20:16 PM
Status: Passed	Publication Level 2: 8/8/2016 6:20:16 PM
Rating: A = Superior	Last Updated: 8/8/2016 6:20:16 PM
District Score: 96	Passing Score: 31

#	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>	3/16/2016 3:40:44 PM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	<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>	3/16/2016 3:40:44 PM	Yes
2.B	<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</u>	3/16/2016 3:40:45 PM	Yes

	<u>material weakness.)</u>		
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>	3/16/2016 3:40:45 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?</u>	3/16/2016 3:40:45 PM	Yes
5	<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>	3/16/2016 3:40:45 PM	Yes
			1 Multiplier Sum
6	<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.)</u>	8/4/2016 1:40:07 PM	10
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	6/30/2016 1:26:16 PM	10

8	<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 change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.) (See ranges below.)</u>	8/4/2016 1:40:07 PM	6
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?</u>	8/4/2016 1:40:08 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	8/4/2016 1:40:08 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/16/2016 3:40:48 PM	10
12	<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>	3/16/2016 3:40:48 PM	10
13	<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>	3/16/2016 3:40:48 PM	10
14	<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>	3/25/2016 2:02:21 PM	10
15	<u>Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?</u>	3/24/2016 4:29:38 PM	10
			96 Weighted

		Sum
		1 Multiplier Sum
		96 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, 5, or 2.A? 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. (Indicators 6-15)	
	A = Superior	70-100
	B = Above Standard	50-69
	C = Meets Standard	31-49
	F = Substandard Achievement	<31

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

FIRST 4.2.8.0

School FIRST Annual Financial Management Report

Spring Hill Independent School District

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1001(o). Effective 8/6/2015. The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing. The template may not be all inclusive.

Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual School 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.

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended August 31, 2015

Description of Reimbursements	Richard Flanagan	Steven Snell	Claudine Giffin	Traci Wallis	Mark White	John Borens	Jason Holt	Frank Bufkin	Karen Wright
Meals	\$47.62	\$91.91							
Lodging	\$648.03	\$619.27			\$869.49	\$412.02		\$802.34	
Transportation		\$576.20							
Motor Fuel									
Other	\$450.00	\$7,725.00	\$325.00	\$325.00	\$735.00	\$350.00	\$325.00	\$325.00	\$325.00
Total	\$1,145.65	\$9,012.38	\$325.00	\$325.00	\$1,604.49	\$762.02	\$1,127.34	\$325.00	\$325.00

All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. Items to be reported per category include:
 Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).
 Lodging - Hotel charges.
 Transportation - Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls).
 Motor fuel – Gasoline.
 Other: - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

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

For the Twelve-Month Period		
August 31, 2015		
<u>Name(s) of Entity(ies)</u>	Richard Flanagan	Steven Snell
	Amount Received	Amount Received
	\$	

Total \$0.00 \$0.00

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								
August 31, 2015								
	Richard Flanagan	Steven	Claudine	Traci	Mark	John	Jason	Frank
	Superintendent	Snell	Giffin	Walls	White	Borens	Holt	Bufkin
Total	\$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 for local officials.

Business Transactions Between School District and Board Members

For the Twelve-Month Period								
August 31, 2015								
	Claudine	Traci	Mark	John	Jason	Frank	Karen	
	Giffin	Walls	White	Borens	Holt	Bufkin	Wright	
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 disclosed in the summary schedule of reimbursements received by board members.

**SPRING HILL INDEPENDENT SCHOOL DISTRICT
SUPERINTENDENT TERM CONTRACT**

**STATE OF TEXAS §
 §
COUNTY OF GREGG §**

This Contract is entered into between the Board of Trustees (the "Board") of SPRING HILL INDEPENDENT SCHOOL DISTRICT (the "District") and MR. STEVEN SNELL (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 December 1, 2014 and ending June 30, 2017. This is a term contract for two years and seven months. The Board and the Superintendent (the "Parties") may extend the term of this Contract by written 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 represents and specifically agrees that at the beginning of this Contract, and at any time during this Contract, the Superintendent shall 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.
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 lawful 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 and with the Superintendent's job description as set forth in Board Policy.
 - 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 lawful Board directives, state and federal laws and rules, Board policy, and regulations as they exist or may hereafter be amended.

- 4.3 **Reassignment.** The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.
5. **Compensation.** The District shall pay the Superintendent an annual salary as follows:
- 5.1 **Salary:** ONE HUNDRED EIGHTEEN THOUSAND Dollars (\$118,000.00) per year.
- a) One time relocation reimbursement expense up to \$5,000.00 upon presentation of proper receipts.
 - b) Reimbursement for reasonable business expenses incurred on official district business.
- 5.2 **Benefits:** The District shall provide benefits to the Superintendent as provided by state law and Board policies. The Board shall pay the cost of dental and health insurance for the Superintendent as a member of the same group plan and with the same benefits as other employees of this District. The Superintendent may observe the same legal holidays as provided by the Board policy for other professional staff on twelve-month contract, and shall be allowed the same number of days of vacation and sick leave as provided by Board policy for all professional staff on twelve-month contract. 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 Chapter 102, the District does hereby agree to defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Superintendent in the Superintendent's individual or official capacity as an employee and as Superintendent of the District, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees, arose or does arise in the future from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment with the District; excluding, however, any such demand, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that Superintendent committed official misconduct, or committed a willful or wrongful act or

omission, or an act or omission constituting gross negligence, or acted in bad faith; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the District or by Superintendent. The selection of Superintendent's legal counsel shall be with the mutual agreement of Superintendent and the District if such legal counsel is not also District's legal counsel. A legal defense may be provided through insurance coverage, in which case Superintendent's right to agree to legal counsel provided for him will depend on the terms of the applicable insurance contract. To the extent this Section 2.6 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this Section 2.6 shall survive the termination of this contract.

7. Annual Review and Appraisal.

7.1 Time and Basis of Evaluation. The Board of Trustees shall have one (or more) closed meetings of the Board annually for the purpose of reviewing and appraising the respective roles and the Superintendent-Board relationship. The Superintendent shall participate fully in the deliberations of this meeting which shall be held on the date of a regular or special meeting of the Board in the month of January of each year, provided the Board may excuse the Superintendent from the meeting while the Board discusses the performance of the Superintendent. In addition to the foregoing, 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 shall be based on the District's progress towards accomplishing the District Goals.

7.2 Confidentiality. 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.

7.3 Evaluation Format and Procedures. The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law. In the event that the Board determines that the performance of the Superintendent is unsatisfactory in any respect, it shall describe in writing, in reasonable detail, specific instances of unsatisfactory performance. The evaluation shall include recommendations as to areas of improvement in all instances where the Board deems performance to be unsatisfactory. A copy of the written evaluation shall be delivered to the

Superintendent. The Superintendent shall have the right to make a written response to the evaluation within thirty (30) days of receipt of the written evaluation from the board. That response shall become a permanent attachment to the evaluation in the Superintendent's personnel file. Within sixty (60) days of the delivery of the written evaluation to the Superintendent, the Board shall meet with the Superintendent to discuss the evaluation. 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.

- 7.4 **Board/Superintendent Relationship.** The members of the Board, individually and collectively, shall promptly refer all criticisms, complaints and suggestions called to their attention to the Superintendent for study and recommendation. The Superintendent shall investigate and respond to the Board concerning all such matters referred to him in a reasonable and timely manner. The Superintendent shall have the right to attend all Board meetings and all Board and citizen committee meetings, except closed meetings of the Board involving the evaluation of the Superintendent, the Superintendent's salary and benefits as set forth in this Contract, consideration of any action of lack of action on this Contract, duties of the members of the Board, the Board's role as a tribunal to hear and resolve any complaint, or in accordance with the Board's request. The Board and the Superintendent agree that the working relationship between the Board and the Superintendent is of paramount importance and the Board and the Superintendent agree to work together to maintain a good working relationship and a relationship of trust between the parties. Failure to maintain such a relationship is grounds for termination.
- 7.5 **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.

8. **Cellular Telephone.** The Superintendent shall be responsible for obtaining a cellular telephone for his own personal and/or business use, as he so chooses. The Superintendent will be allotted \$100.00 per month for any and all charges connected with such cellular telephone.
9. **Professional Activities.** The Superintendent may attend and participate in appropriate professional meetings at the local, state and national level upon advice to and consent by the Board. The District shall pay the Superintendent's membership dues to two professional organizations of Superintendent's choice. The District shall bear the reasonable cost and expense for registration, travel, meals, lodging, and other related expenses for such attendance and membership. The Board approves attendance of the Superintendent to local civic organizations.
10. **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.
11. **False Statements and Misrepresentations:** The Superintendent represents that any records or information provided in connection with his employment application are true and correct. Any false statements, misrepresentations, omissions of requested information, 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.
12. **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.
13. **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.
14. **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 under and pursuant to applicable Texas law.
15. **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.

16. General Provisions.

16.1 Amendment: This Contract may not be amended except by written agreement of the Parties.

16.2 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.

16.3 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.

64 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 Gregg County, Texas, which is where the District's administration building is located. If litigation is brought in federal court, the Parties agree that venue shall be the Eastern District of Texas and the division in which the district's administration building is located.

16.5 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.

16.6 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.

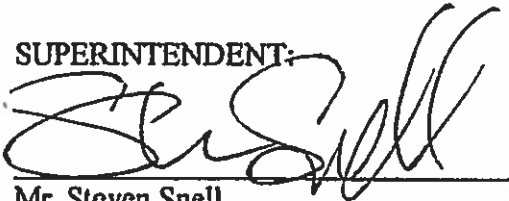
17. Notices.

17.1 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.

17.2 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:

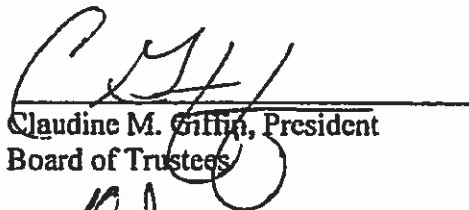


Mr. Steven Snell

Date signed: November 13, 2014

SPRING HILL INDEPENDENT SCHOOL DISTRICT

By:



Claudine M. Gillip, President
Board of Trustees

By:



Mark White, Secretary
Board of Trustees

Date signed: November 13, 2014


EXTENSION ADDENDUM AGREEMENT TO SUPERINTENDENT'S CONTRACT

The Board of Trustees of the SPRING HILL INDEPENDENT SCHOOL DISTRICT and STEVEN SNELL ("the Superintendent") agree to extend and amend the Superintendent's Contract entered into between the Board and the Superintendent on November 13, 2014 and amend the Contract as follows:

- I. Paragraph 1 of the Contract referencing the term of employment of the Superintendent by the School District is changed to extend the ending date of employment under the Contract to June 30, 2018.

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.



STEVEN SNELL, Superintendent

9/10/15
Date

SPRING HILL INDEPENDENT SCHOOL DISTRICT

By: 

MARK WHITE, President
Board of Trustees

9-21-15
Date

ADDENDUM TO SUPERINTENDENT'S CONTRACT

The Board of Trustees of the Spring Hill Independent School District and Steven Snell, Superintendent, agree to the following addendums to the Contract entered into between the Board and the Superintendent on November 13, 2014 and amend the Contract as follows:

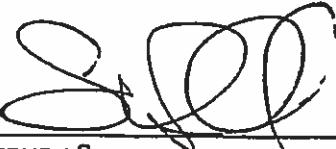
1. Paragraph 1 of the Contract referencing the term of employment of the Superintendent by the District is changed to extend the ending date of employment under the Contract to June 30, 2019. The Contract remains a three-year term contract.

2. Paragraph 5.1 of the Contract is changed to provide for a salary of \$132,000.00 per year. The salary change will become effective on July 1, 2016.

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



STEVEN SNELL

2-6-16

DATE SIGNED

SPRING HILL INDEPENDENT SCHOOL DISTRICT

BY: 

MARK WHITE, PRESIDENT
BOARD OF TRUSTEES

2-15-16

DATE SIGNED