

SUPERIOR RATING!!!



*Sherman
Independent School District*

Financial Integrity Rating System of Texas 2020-21 Ratings

Based on data from the 2019-20 school year.

REPORT AND PUBLIC HEARING PROVIDED TO SISD BOARD ON DECEMBER 13, 2021
DR. TYSON BENNETT, ASSISTANT SUPERINTENDENT FOR FINANCE & OPERATIONS
POSTED IN HERALD DEMOCRAT (9B) ON NOVEMBER 30, 2021



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 their 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? **11/19/2020**
- 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



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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, there was no decrease in FB and 148 days of operating.

- This indicator measures strength of fund balance.

Formula: Current Year FB – Prior Year FB or Total Expenditures/FB.



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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 82 days = 8 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 \$15,263,102 Plus Current Investments of \$507,557) Divided by (Total Expenditures of \$70,144,482 Minus Facilities Acquisition and Construction of \$0) Multiplied by 365 Equals ~82 (8 out of 10 Points)



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

YES with a 4.0228 ratio = 10 out of 10 points

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

Formula:

Current Assets of \$120,768,225

Divided by Current Liabilities of \$30,020,969

Equals 4.0228 (10 out of 10 points)



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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 82 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 82 days cash on hand, which exceeded the required 60 days.



Financial Integrity Rating System of Texas

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

YES with only a 1.97% difference = 10 out of 10 points

- This indicator measures how accurately the district forecasts projected revenue.

Formula:

Budgeted 3 Year Revenue of ~\$200M

Divided by Actual Revenue of ~204M (minus 1)

Equals 1.97% (10 out of 10 points)



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?

0.7273 ratio = 6 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 \$236,226,687

Divided by Total Assets of \$324,814,282

Equals 0.7273 (6 out of 10 points)



Financial Integrity Rating System of Texas

Sherman ISD Received "SUPERIOR" Rating

12. Was the debt per \$100 of 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 Value

$$(\$16,969,588 \div \$17,137,015) \times 236,226,687 \times 100 \div \$3,675,348,475 = \underline{6.3645} = 8 \text{ Points}$$



Financial Integrity Rating System of Texas

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

YES with a .0808 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

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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.)

Student Enrollment Increased (10 out of 10 points)

Formula:

2017-18 Total Enrollment 7,497

2019-20 Total Enrollment 7,545 (**increase**)



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

YES with a .0069 ratio = 5 out of 5 points

- This indicator measures how well the district was able to project average daily attendance for the coming biennium for payment purposes.

Formula:

(Actual ADA of 6,866.393 minus Projected ADA of 6,914.042)

Divided by Projected ADA equals -.0069 (5 out of 5 points)

Note: Must be less than .07.



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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 .00000% (Much Less Than 3%)

Formula:

Sum of Differences \$72

Divided by Denominator \$70,144,444

Equals .00000%



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17. Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?

YES (10 out of 10 Points)

18. 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.)

YES (10 out of 10 Points)



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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 board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget?

PASSED



Financial Integrity Rating System of Texas

Additional Disclosures: Superintendent Contract

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.



Financial Integrity Rating System of Texas

Additional Disclosures: Superintendent Contract

- 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.

Required Supplemental Disclosures

For the Twelve-Month Period Ended June 30, 2020

Description	David Hicks	Tim Millerick	Brad Morgan	Juston Dobbs	Rob Wilson	Hillary Clark	Anna Wylie	Chanel Stiggers
	Superintendent	Board	Board	Board	Board	Board	Board	Board
Meals	\$723.07							
Lodging	\$3,128.52	\$508.02	\$254.01		\$969.47	\$300.95	\$762.03	
Transportation	\$5,248.22	\$235.42	\$182.12	\$105.56	\$97.33	\$182.12	\$295.28	\$105.56
Motor Fuel	\$20.51							
Other	\$4,903.97	\$480.48	\$425.00		\$450.53	\$425.00	\$475.00	\$425.00
Total	\$14,024.29	\$1,223.92	\$861.13	\$105.56	\$1,517.33	\$908.07	\$1,532.31	\$530.56

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2020

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2020, 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.



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, 2020

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, 2020

	Superintendent	Board Hillary Clark	Board Juston Dobbs	Board Tim Millerick	Board Brad Morgan	Board Chanel Stiggers	Board Rob Wilson	Board Anna Wylie	
Totals	\$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, 2020

	Board Hillary Clark	Board Juston Dobbs	Board Tim Millerick	Board Brad Morgan	Board Chanel Stiggers	Board Rob Wilson	Board Anna Wylie	
Totals	\$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.

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

Name: SHERMAN ISD(091906)	Publication Level 1: 8/4/2021 2:00:38 PM
Status: Passed	Publication Level 2: 8/6/2021 11:10:55 AM
Rating: A = Superior Achievement	Last Updated: 8/6/2021 11:10:55 AM
District Score: 92	Passing Score: 70

#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	6/8/2021 3:31:50 PM	Yes
2	<u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u>	6/8/2021 3:31:50 PM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	6/8/2021 3:31:50 PM	Yes
4	<u>Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	7/1/2021 9:03:55 AM	Yes Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/28/2021 11:07:11 AM	Ceiling Passed

7	<u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? See ranges below in the Determination of Points section.</u>	6/8/2021 3:31:51 PM	8
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	6/8/2021 3:31:51 PM	10
9	<u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? See ranges below in the Determination of Points section.</u>	6/8/2021 3:31:51 PM	10
10	<u>Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?</u>	7/2/2021 1:21:34 PM	10
11	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.</u>	6/8/2021 3:31:52 PM	6
12	<u>Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.</u>	6/8/2021 3:31:53 PM	8
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/8/2021 3:31:53 PM	10
14	<u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? If the student enrollment did not decrease, the school district will automatically pass this indicator.</u>	6/8/2021 3:31:53 PM	10
15	<u>Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.</u>	6/8/2021 3:31:53 PM	5
16	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/8/2021 3:31:53 PM	Ceiling Passed
17	<u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	6/8/2021 3:31:54 PM	Ceiling Passed
18	<u>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</u>	6/8/2021 3:31:54 PM	10
19	<u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u>	6/8/2021 3:31:54 PM	5
20	<u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/8/2021 3:31:54 PM	Ceiling Passed
			92 Weighted



Financial Integrity Rating System of Texas

Sherman ISD Received “SUPERIOR” Rating

QUESTIONS/COMMENTS

about

***Sherman ISD Receiving “SUPERIOR” Rating
by TEA for the Schools FIRST program?***