

Financial Management Performance Report



2010-2011

District Status

Public Hearing

October 22, 2012

Kilgore ISD

Financial Accountability Management Report

The Kilgore ISD received a rating of "Superior Achievement" for the fiscal year ended August 31, 2011 on the Schools FIRST financial accountability rating system. The Superior Achievement rating is the state's highest, demonstrating the quality of Kilgore ISD's financial management and reporting system. This is the ninth year of Schools FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. 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 accounting associated with Texas' school finance system.

The Schools FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being "Superior Achievement". The rating system consists of twenty indicators. To receive the "Superior Achievement" rating the district must receive a score of 64 to 70 and have a positive response to indicators one through six. The indicators either have a yes or no compliance factor or are ranked by point value, with some indicators being one point and others being five. Kilgore ISD received a perfect score of 70.

The 2009-2010 District Status report is attached to this report as Exhibit A. The report contains each indicator and the result for the district. Anyone wishing to receive more details in any individual indicator, or any financial matter is asked to contact the Assistant Superintendent of Finances.

The Superior Achievement rating is due to successful efforts of the Board of Trustees, administration, faculty and staff of Kilgore ISD. These groups have successfully utilized resources available to the district to provide a quality education to the students of Kilgore ISD. Kilgore ISD is committed to continuing the efficient and effective use of all resources to maintain the Superior Achievement rating in the future.

Included in the report for the sixth year is information concerning the superintendent and board members and for the second time this year additional information concerning the District's financial solvency.. This information, presented in Exhibit B, is being given in an attempt to comply with the provisions of Title 19, TAC, Section 109.1005, and 39.0822 and is presented in the format recommended by the Texas Education Agency. At the time of this public hearing Kilgore Independent School District is without a superintendent; therefore the contract of the interim superintendent has been included. (Exhibit C)

Exhibit A

2010 – 2011 District Status Detail Report

YEAR 2010-2011

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FIRST

Financial Integrity Rating System of Texas

2010-2011 DISTRICT STATUS DETAIL

Name: KILGORE ISD(092902)		Publication Level 1: 6/28/2012 12:33:14 PM	
Status: Passed		Publication Level 2: 9/20/2012 3:18:39 PM	
Rating: Superior Achievement		Last Updated: 9/20/2012 3:18:39 PM	
District Score: 70		Passing Score: 52	
#	Indicator Description	Updated	Score
1	<u>Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?</u>	6/15/2012 3:24:31 PM	Yes
2	<u>Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)</u>	6/15/2012 3:24:31 PM	Yes
3	<u>Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?</u>	6/15/2012 3:24:31 PM	Yes
4	<u>Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?</u>	6/15/2012 3:24:32 PM	Yes
5	<u>Was There An Unqualified Opinion in Annual Financial Report?</u>	6/15/2012 3:24:32 PM	Yes
6	<u>Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal</u>	6/15/2012 3:24:32 PM	Yes

	<u>Controls?</u>		1 Multiplier Sum
7	<u>Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?</u>	6/15/2012 3:24:32 PM	5
8	<u>Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?</u>	6/15/2012 3:24:33 PM	5
9	<u>Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)</u>	6/15/2012 3:24:33 PM	5
10	<u>Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?</u>	6/15/2012 3:24:33 PM	5
11	<u>Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)</u>	6/15/2012 3:24:34 PM	5
12	<u>Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?</u>	6/15/2012 3:24:34 PM	5
13	<u>If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)</u>	6/15/2012 3:24:34 PM	5
14	<u>Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)</u>	6/15/2012 3:24:35 PM	5
15	<u>Was The Administrative Cost Ratio Less Than The</u>	6/15/2012	5

	<u>Threshold Ratio?</u>	3:24:35 PM	
16	<u>Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?</u>	6/15/2012 3:24:35 PM	5
17	<u>Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?</u>	6/15/2012 3:24:36 PM	5
18	<u>Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If Total Revenues > Operating Expenditures In The General Fund,Then District Receives 5 Points)</u>	6/15/2012 3:24:36 PM	5
19	<u>Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?</u>	6/15/2012 3:24:36 PM	5
20	<u>Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?</u>	6/15/2012 3:24:37 PM	5
			70 Weighted Sum
			1 Multiplier Sum
			70 Score

DETERMINATION OF RATING

A.	Did The District Answer ' No ' To Indicators 1, 2, 3 Or 4? OR Did The District Answer ' No ' To Both 5 and 6? If So, The District's Rating Is Substandard Achievement .	
B.	Determine Rating By Applicable Range For summation of the indicator scores (Indicators 7-20)	
	Superior Achievement	64-70
	Above Standard Achievement	58-63
	Standard Achievement	52-57

Substandard Achievement

<52

INDICATOR 17 & 18 RATIOS

Indicator 17	Ranges for Ratios		Indicator 18	Ranges for Ratios	
District Size - Number of Students Between	Low	High	District Size - Number of Students Between	Low	High
< 500	7	22	< 500	5	14
500-999	10	22	500-999	5.8	14
1000-4999	11.5	22	1000-4999	6.3	14
5000-9999	13	22	5000-9999	6.8	14
=> 10000	13.5	22	=> 10000	7.0	14

OPTIONS

Update Unpassed

Update All

Lower Publication Level

Suspend

Suspension Reason.

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[Select An Option](#)[Help](#)[Home](#)[Log Out](#)**FIRST****Financial Integrity Rating System of Texas****2010-2011 INDICATOR TEST 1**

Name:	KILGORE ISD (092902)
Indicator:	Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?
Status	Passed
Last Updated:	6/15/2012 3:24:31 PM

FORMULA

Field	Value
(
(
Total Fund Balance	10,684,925
- Nonspendable and Restricted Fund Balance	975
)	
)	
> Bankrupt Threshold	0
Mathematical Breakdown: 10,683,950 > 0	

RESULT DETERMINATION REFERENCE

Financial distress avoidance is ascertained when the result of the formula is greater than zero.

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2010-2011 INDICATOR TEST 2

Name:	KILGORE ISD (092902)
Indicator:	Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)
Status	Passed
Last Updated:	6/15/2012 3:24:31 PM

FORMULA

Field	Value
(
(
2011 Total Students	3,884
- 2007 Total Students	3,795
)	
/ 2007 Total Students	3,795
)	
>= Threshold for Five-Year Percent Change in Students	0.1
Or	
(
(
Total Unrestricted Net Asset Balance	12,119,029
+ Accretion of Interest for Capital Appreciation Bonds	0
)	
> 0	
)	
Mathematical Breakdown: 0.0235 >= 0.1 Or 12,119,029 > 0	

RESULT DETERMINATION REFERENCE

This Indicator will be considered PASSED if EITHER of the following CONDITIONS is TRUE:

1. The District's Five-Year Percent Change in Students was 10% or MORE.

---- OR ----

2. On the 'Statement of Net Assets', in the 'Government Activities Column', was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds)

GREATER THAN ZERO?

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Name:	KILGORE ISD (092902)
Indicator:	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?
Status	Passed
Last Updated:	6/15/2012 3:24:31 PM

FORMULA

Field	Value
Not Default Disclosures	false

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if there were no disclosures in the annual financial report and/or other sources of information concerning default on bonded indebtedness obligations.

The district was able to make all bond payments.

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Name:	KILGORE ISD (092902)
Indicator:	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?
Status	Passed
Last Updated:	6/15/2012 3:24:32 PM

FORMULA

Field	Value
Date Received	2011/11/15
\leq Due Date (Fiscal Year End + Deadline in Days After Fiscal Year End)	2012/02/28

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the audit report was on time or filed within 30 days of the deadline.

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Name:	KILGORE ISD (092902)
Indicator:	Was There An Unqualified Opinion in Annual Financial Report?
Status	Passed
Last Updated:	6/15/2012 3:24:32 PM

FORMULA

Field	Value
Clean Audit	true

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the district received a "clean audit" (unqualified opinion).

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Name:	KILGORE ISD (092902)
Indicator:	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?
Status	Passed
Last Updated:	6/15/2012 3:24:32 PM

FORMULA

Field	Value
Not Weak Internal Controls	false

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the external auditor reported no material weaknesses in the audit report.

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2010-2011 INDICATOR TEST 7

Name:	KILGORE ISD (092902)
Indicator:	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?
Result/Points	5
Last Updated:	6/15/2012 3:24:32 PM

FORMULA

Field	Value
(
(
2011 Tax Collections	18,022,466
+ 2010 Tax Collections	18,475,622
+ 2009 Tax Collections	17,765,839
)	
/	
(
2011 Tax Levy	18,165,214
+ 2010 Tax Levy	18,633,649
+ 2009 Tax Levy	17,767,908
)	
)	
> Acceptable Tax Collection Rate	0.98

Mathematical Breakdown: 0.9945 > 0.98

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

--	--	--	--	--	--

5	4	3	2	1	0
> 98%	> 95% =< 98%	> 92% =< 95%	> 89% =< 92%	> 86% =< 89%	< = 86%

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2010-2011 INDICATOR TEST 8

Name:	KILGORE ISD (092902)
Indicator:	Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?
Result/Points	5
Last Updated:	6/15/2012 3:24:33 PM

FORMULA

Field	Value
Sum of Differences	586
/ Denominator	32,775,918
< Acceptable Level of Variance	0.03
Mathematical Breakdown: $0 < 0.03$	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
5	0
< 3%	>= 3%

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2010-2011 INDICATOR TEST 9

Name:	KILGORE ISD (092902)
Indicator:	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)
Result/Points	5
Last Updated:	6/15/2012 3:24:33 PM

FORMULA

Field	Value
If	
(
(
(
2011 Total Students	3,884
- 2007 Total Students	3,795
)	
/ 2007 Total Students	3,795
)	
)	
< Threshold for 5 Year Student Population Growth	0.07
And	
(
(
Total Tax Collection	18,022,466
/	
(
Total Tax Rate	1.1092
* 100	
)	
)	

<	Threshold for Revenue Collection Efficiency	200,000
)		
Then		
(
(
	Function 71 Expenditures	1,298,747
-	IFA and EDA Allotments	0
)		
/	2011 Total Students	3,884
)		

**Mathematical Breakdown: If $0.0235 < 0.07$ And $162,481.6625 < 200,000$
Then 334.3839**

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

5	4	3	2	1	0
< \$350	$\geq \$350$ < \$600	$\geq \$600$ < \$850	$\geq \$850$ < \$1,100	$\geq \$1,100$ < \$1,350	\geq \$1,350

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Name:	KILGORE ISD (092902)
Indicator:	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?
Result/Points	5
Last Updated:	6/15/2012 3:24:33 PM

FORMULA

Field	Value
Not Material Non-Compliance	false

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the Audit Reported No Material Noncompliance.

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Name:	KILGORE ISD (092902)
Indicator:	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)
Result/Points	5
Last Updated:	6/15/2012 3:24:34 PM

FORMULA

Field	Value
Full Accreditation	true

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the district had No Financial Conservator Or Monitor Assigned.

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2010-2011 INDICATOR TEST 12

Name:	KILGORE ISD (092902)
Indicator:	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?
Result/Points	5
Last Updated:	6/15/2012 3:24:34 PM

FORMULA

Field	Value
(
(
Budgeted Appropriations in the General Fund	27,348,900
+Budgeted Other Uses in the General Fund	0
)	
-	
(
Budgeted Revenues in the General Fund	27,614,867
+Budgeted Other Resources in the General Fund	18,000
+Fund Balance In General Fund At July 1 or September 1 Depending On Fiscal Year End	8,879,729
)	
)	
< Standard for Annual Budget Surplus/Margin	0
Mathematical Breakdown: -9,163,696 < 0	

RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the district adopts a balanced budget.

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Financial Integrity Rating System of Texas

2010-2011 INDICATOR TEST 13

Name:	KILGORE ISD (092902)
Indicator:	If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)
Result/Points	5
Last Updated:	6/15/2012 3:24:34 PM

FORMULA

Field	Value
If	
(
Fund Balance In General Fund At July 1 or September 1 Depending On Fiscal Year End	10,684,925
+ Fund Balance In Capital Projects Fund At July 1 or September 1 Depending On Fiscal Year End	0
)	
< Standard Capital Fund Margin	0
Then	
(
Expenditures Function 81 In General Fund and Capital Projects Fund	712,928
- Other Resources For Real Property Financing In General Fund and Capital Projects Fund	712,929
-	
(
Fund Balance In General Fund At July 1 or September 1 Depending On Fiscal Year Start	8,879,729
+ Fund Balance In Capital Projects Fund At July 1 or September 1 Depending On Fiscal Year Start	0
)	
)	

< Standard Construction Margin

0

Mathematical Breakdown: If $10,684,925 < 0$ Then $-8,879,730 < 0$

RESULT DETERMINATION REFERENCE

The district adequately budgeted construction projects.

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2010-2011 INDICATOR TEST 14

Name:	KILGORE ISD (092902)
Indicator:	Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)
Result/Points	5
Last Updated:	6/15/2012 3:24:35 PM

FORMULA

Field	Value
If	
(
(
Deferred Revenue in the General Fund	1,156,762
- Property Tax Receivable Net of Uncollectible	1,156,762
)	
> Standard Deferred Revenue Margin	0
)	
Then	
(
(
Cash in the General Fund	7,598,428
+ Investments in the General Fund	1,822,189
)	
/	
(
Deferred Revenue in the General Fund	1,156,762
- Property Tax Receivable Net of Uncollectible	1,156,762
)	
)	

Mathematical Breakdown: If 0 > 0 Then [Attempted to divide by zero.]

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

5	4	3	2	1	0
≥ 1.00	$\Rightarrow 0.95 < 1.00$	$\Rightarrow 0.90 < 0.95$	$\Rightarrow 0.85 < 0.90$	$\Rightarrow 0.80 < 0.85$	< 0.80

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Financial Integrity Rating System of Texas

2010-2011 INDICATOR TEST 15

Name:	KILGORE ISD (092902)
Indicator:	Was The Administrative Cost Ratio Less Than The Threshold Ratio?
Result/Points	5
Last Updated:	6/15/2012 3:24:35 PM

FORMULA

Field

Acceptable Administrative Cost Ratio

> District Administrative Cost Ratio

Value

0.1401

0.08

Mathematical Breakdown: 0.1401 > 0.08

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

ADA Group	Standard
10,000 and Above	0.1105
5,000 to 9,999	0.1250
1,000 to 4,999	0.1401
500 to 999	0.1561
Less than 500	0.2654
Sparse	0.3614

5	0
Cost Ratio < Threshold	Cost Ratio >= Threshold

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2010-2011 INDICATOR TEST 16

Name:	KILGORE ISD (092902)
Indicator:	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?
Result/Points	5
Last Updated:	6/15/2012 3:24:35 PM

FORMULA

Field	Value
(
Number of Students	3,884
/ Number of FTE Teachers	290.3917
)	
Mathematical Breakdown: 13.375	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

Students	Low	High
< 500	7.0	22
500 - 999	10.0	22
1000 - 4999	11.5	22
5000 -	13.0	22

9999					
=> 10,000	13.5	22			
5	4	3	2	1	0
UL <= 100%	> 100% =< 105%	> 105% =< 110%	> 110% =< 115%	> 115% =< 120%	> 120%
LL => 100%	=> 95% < 100%	=> 90% < 95%	=> 85% < 90%	=> 80% < 85%	< 80%

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2010-2011 INDICATOR TEST 17

Name:	KILGORE ISD (092902)
Indicator:	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?
Result/Points	5
Last Updated:	6/15/2012 3:24:36 PM

FORMULA

Field	Value
(
Number of Students	3,884
/ Number of FTE Staff	579.368
)	
Mathematical Breakdown: 6.7039	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

Students	Low	High
< 500	5.0	14
500 - 999	5.8	14
1000 - 4999	6.3	14
5000 -	6.8	14

9999					
=> 10,000	7.0	14			
5	4	3	2	1	0
UL <= 100%	> 100% =< 105%	> 105% =< 110%	> 110% =< 115%	> 115% =< 120%	> 120%
LL => 100%	=> 95% < 100%	=> 90% < 95%	=> 85% < 90%	=> 80% < 85%	< 80%

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Financial Integrity Rating System of Texas

2010-2011 INDICATOR TEST 18

Name:	KILGORE ISD (092902)
Indicator:	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If Total Revenues > Operating Expenditures In The General Fund,Then District Receives 5 Points)
Result/Points	5
Last Updated:	6/15/2012 3:24:36 PM

FORMULA

Field	Value
If	
(
Total Revenues in the General Fund	28,076,065
- Expenditures in the General Fund in Functions 11-61 and Expenditure Object Codes 6100-6400	25,018,594
> Acceptable Expenditure Revenue Gap	0
)	
Or	
(
Undesignated, Unreserved Fund Balance In General Fund At June 30 or August 31, Depending On Fiscal Year End, Two Fiscal Years Prior	8,100,577
* Maximum Allowable 2 Year Change in Fund	0.8
< Unassigned Fund Balance In General Fund For The Last Fiscal Year	5,683,950
)	
Or	
(
(
Unassigned Fund Balance In General Fund For The Last Fiscal Year	5,683,950
-Undesignated, Unreserved Fund Balance In General Fund At	

June 30 or August 31, Depending On Fiscal Year End, Two
Fiscal Years Prior

8,100,577

)
/ Undesignated, Unreserved Fund Balance In General Fund At
June 30 or August 31, Depending On Fiscal Year End, Two
Fiscal Years Prior

8,100,577

**Mathematical Breakdown: If 3,057,471 > 0 Or 6,480,461.6 < 5,683,950 Or -
0.2983**

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

5	4	3	2	1	0
< 20%	=> 20% < 21%	=> 21% < 22%	=> 22% < 23%	=> 23% < 24%	=> 24%

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Financial Integrity Rating System of Texas

2010-2011 INDICATOR TEST 19

Name:	KILGORE ISD (092902)
Indicator:	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?
Result/Points	5
Last Updated:	6/15/2012 3:24:36 PM

FORMULA

Field	Value
Cash in the General Fund	7,598,428
+ Investments in the General Fund	1,822,189
> Acceptable Lower Limit for Cash and Investments	0
Mathematical Breakdown: $9,420,617 > 0$	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
5	0
> 0	= < 0

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FIRST

Financial Integrity Rating System of Texas

2010-2011 INDICATOR TEST 20

Name:	KILGORE ISD (092902)
Indicator:	Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?
Result/Points	5
Last Updated:	6/15/2012 3:24:37 PM

FORMULA

Field	Value
Investment Earnings In All Funds Except Debt Service Fund and Capital Projects Fund	203,358
/	
(
(
Cash and Investments in All Funds Except Debt Service Fund and Capital projects Fund Current Fiscal Year-End	10,237,880
+Cash and Investments in All Funds Except Debt Service Fund and Capital projects Fund Prior Fiscal Year-End	10,582,557
)	
/ 2	
)	
* 100	
Mathematical Breakdown: 1.9534	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

5

0

$\geq 0.095\%$ $< 0.095\%$

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Exhibit B

First Rating Supplement Information
Superintendent and Board of Trustees

School FIRST Annual Financial Management Report

Kilgore 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 109.1005. Amended to be effective 2/3/11.

Superintendent's Current Employment Contract

At the date of this report and hearing Kilgore ISD does not have a superintendent under contract and accordingly no contract is being included with this report

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended August 31, 2011

Description of Reimbursements	Superintendent	Terry George	Janet Marley	Mark Dickey	Dereck Borders	Dale Sistrunk	Scott Montgomery	Jimmy Kinsey
Meals	251.07	-	-	60.00	-	60.00	60.00	60.00
Lodging	1,830.73	-	449.55	299.70	530.58	530.55	299.70	449.55
Transportation	181.61	-	-	-	-	-	-	-
Motor Fuel	-	-	-	-	-	-	-	-
Other	1,300.00	25.00	320.00	320.00	320.00	320.00	320.00	320.00
Total	3,563.41	25.00	769.55	679.70	850.58	910.55	679.70	829.55

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

For the Twelve-Month Period
Ended August 31, 2010

Name(s) of Entity(ies) Amount Received
\$

None Reported

Total \$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)

For the Twelve-Month Period
Ended August 31, 2010

	Superintendent	Terry George	Janet Marley	Mark Dickey	Dereck Borders	Dale Sistrunk	Scott Montgomery	Jimmy Kinsey
Total	0	0	0	0	0	0	0	0

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended August 31, 2010

	Terry George	Janet Marley	Mark Dickey	Dereck Borders	Dale Sistrunk	Scott Montgomery	Jimmy Kinsey
Amounts	0	0	0	0	0	0	0

Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822

General Fund - First-Quarter Expenditures By Object Code

Report 2011-2012 first-quarter (first three months of fiscal year 2011-2012) GENERAL FUND expenditures by object code using whole numbers.

Payroll- Expenditures for payroll costs	\$ 4,344,452
Contract Costs- Expenditures for services rendered by firms, individuals, and other organizations	\$ 643,700
Supplies and Materials- Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	\$ 301,139
Other Operating- Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	\$ 66,466
Debt Service- Expenditures for debt service	\$
Capital Outlay- Expenditures for land, buildings, and equipment	\$ -

Additional Financial Solvency Questions

1) Districts with a September 1- August 31 fiscal year:

Within the last two years, did the school district

- 1) draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and
- 2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?

Yes No

_____ X
_____ X

2) Has the school district declared financial exigency within the past two years?

_____ X

3) Other financial information

Mean Enroll-to-Teacher Ratio	85% of Mean Enroll-to-Teacher Ratio	School District Size	
8.39	7.13	Under 100	
9.48	8.06	100 to 249	
10.73	9.12	250 to 499	
11.48	9.76	500 to 999	
12.45	10.58	1,000 to 1,599	
13.52	11.50	1,600 to 2,999	
14.29	12.15	3,000 to 4,999	KISD enrollment = 3,887
14.80	12.58	5,000 to 9,999	
14.88	12.65	10,000 to 24,999	
15.01	12.76	25,000 to 49,999	
15.06	12.80	50,000 and Over	

Kilgore ISD Student to Teacher ratio on snapshot day was 13.39, which in comparison to state average above is slightly lower, but greater than the 85% ratio noted by TEA to be an indicator of potential problems.

4) How many superintendents has your school district had in the last five years? 3

5) How many business managers has your school district had in the last five years? 1

ADMINISTRATOR TERM CONTRACT

State of Texas
County of Gregg

Date given Employee **March 19, 2012**
Date returned by Employee 3/26/12

1. **Position.** KILGORE INDEPENDENT SCHOOL DISTRICT (the District) agrees to employ **DENNIS WILLIAMS** (you) as an **Administrator**.
2. **Term.** You will be employed on a **12 month** basis for the **2012-2013** school year, according to the hours and dates set by the District as they exist or may hereafter be amended.
3. **Credentials and Criminal History Review.**
 - 3.1 **Certification.** You agree to provide, before your start date of each school year, the certification, service records, documentation of highly-qualified status, licenses, and other records and information required by law, the Texas Education Agency (TEA), the State Board for Educator Certification (SBEC), or the District. You agree to maintain any required certification or license throughout the term of this Contract. If you fail to fulfill the requirements necessary to extend a temporary or emergency certificate or permit, or if your certification expires, is canceled, or is revoked, the District may provide you with notice that this Contract is void pursuant to Texas Education Code section 21.0031.
 - 3.2 **Highly Qualified Status.** If you are employed as a classroom teacher, you agree to become and remain "highly qualified," as that term is defined under the No Child Left Behind, Act 20 U.S.C. § 7801(23), and by TEA, to the extent required by law.
 - 3.3 **Criminal History Review.** If required by the District, TEA, or SBEC, you agree to submit to a review of your state or national criminal history record information.
4. **Representations.**
 - 4.1 **Beginning of Contract.** You understand that a criminal history record acceptable to the District, at its sole discretion, is a condition of this Contract. You represent that you have disclosed to the District, in writing, any conviction, no contest or guilty plea, deferred adjudication, or other adjudication for any felony or any offense listed at 19 Texas Administrative Code § 249.16(b).
 - 4.2 **During Contract.** You agree that, during the term of this Contract, you will notify the Superintendent in writing of any arrest, indictment, conviction, no contest or guilty plea, deferred adjudication, or other adjudication for any felony or any offense listed at 19 Texas Administrative Code § 249.16(b). You agree to provide the notification within seven calendar days or any shorter period specified in Board policy.
 - 4.3 **False Statements and Misrepresentations.** You represent that any required records or information in your employment application are true and correct. Any false statements, misrepresentations, omissions of requested information or fraud by you concerning any required records or in the employment application may be grounds for termination or nonrenewal, as applicable.
5. **Duties.**
 - 5.1 **General Standard.** You agree to perform the duties of your assigned position, as prescribed by

ADMINISTRATOR TERM CONTRACT

state law and regulations and by the District, with reasonable care, skill, and diligence.

- 5.2 **Rules.** You agree to comply with all Board and District directives, state and federal laws and rules, and District policy and regulations, as they exist or may hereafter be amended.
- 5.3 **Assignment/Reassignment.** You understand that the District has the right to assign or reassign you to positions, duties, or additional duties and to make changes in responsibilities, work, or transfers, at any time during this Contract.
- 5.4 **Supplemental Duty.** You understand that this Contract does not apply to assignments of or payments for supplemental duties. This Contract does not create a property right to continued employment in any supplemental duty. If you are assigned to a supplemental duty, the start and end dates for the supplemental duty may be different from the start and end dates under this Contract.

6. Compensation.

- 6.1 **Salary.** The District shall pay you according to the compensation plan adopted by the Board each school year. Your salary includes consideration for all assigned duties, responsibilities, and tasks, regardless of the actual number of hours or days (including days not designated on the school calendar) that you work during this Contract. Your salary shall be reduced for absences in excess of authorized, paid leave.
- 6.2 **Furloughs.** If the District implements a furlough under Texas Education Code section 21.4021, your salary will be reduced in proportion to the number of furlough days. The reduction will be equally distributed over the remainder of the applicable school year.
- 6.3 **Annualized Salary.** Your salary will be paid out over 12 months, regardless of the work schedule specified in paragraph 2.
- 6.4 **Incentive and Performance Pay.** If you qualify, you may receive incentive pay or pay for performance under the District's compensation plan, federal law, or state law, including Texas Education Code chapter 21, subchapter O. An incentive payment is not an entitlement as part of your salary.
- 6.5 **Overpayments.** You agree that the District may deduct any overpayments under this Contract from one or more of your paychecks.
- 6.6 **Benefits.** The District shall provide you with benefits as provided by state law and Board policy. The District 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.

7. Other Provisions.

- 7.1 **Equipment and Reports.** You agree to satisfactorily submit or account for all grades, reports, school equipment, or other required items upon request from the District.
- 7.2 **Special Funding.** If your position is funded by grants, federal funding, or other special funding, you understand that your employment is expressly conditioned on the availability of full funding for the position. If full funding becomes unavailable, your employment is subject to termination or nonrenewal, as applicable.

ADMINISTRATOR TERM CONTRACT

7.3 **Addenda.** This Contract **Does Not** include one or more Addenda, as follows:

(1) Addendum A:

(2) Addendum B:

8. **Suspension.** In accordance with Texas Education Code chapter 21, the District may suspend you without pay during the term of this contract for good cause as determined by the Board.

9. **Termination and Nonrenewal of Contract.**

9.1 **Termination of Contract.** This Contract will terminate, in accordance with the procedures at Texas Education Code chapter 21, if the Board determines that any of the following exists: good cause, financial exigency, or a program change. This Contract will also terminate if you provide written notice of resignation before the penalty-free resignation date (see Tex. Educ. Code § 21.210).

9.2 **Nonrenewal.** The District may nonrenew this Contract in accordance with Texas Education Code chapter 21, as applicable, and Board policy.

10. **General Provisions.**

10.1 **Amendment.** This Contract may not be amended unless you and the District agree, in writing, to an amendment.

10.2 **Severability.** If any provision in this Contract is held to be invalid, illegal, or unenforceable, the other provisions of the Contract will remain in full force and effect.

10.3 **Entire Agreement.** This Contract supersedes all existing agreements, verbal and written, between you and the District regarding your employment. This Contract does not constitute a "unified contract" with any supplemental duties agreement between the parties.

10.4 **Applicable Law.** Texas law shall govern construction of this Contract.

11. **Notice to Employee.** You agree to keep a current address on file with the District's Human Resources office. Unless Texas Education Code chapter 21 requires a different method, you agree that the District may meet any legal obligation it has to give you written notice regarding your employment by hand-delivering the notice to you or by sending the notice by certified mail, regular mail, and/or express delivery service to your address of record.

12. **Expiration of Offer.** This offer of employment contract shall expire unless you sign and return this Contract, without changes, to the Superintendent on or before **4/2/2012**. If you are currently employed under a contract with the District and you fail to sign and return this Contract, without changes, by the return date, you shall be deemed to have resigned from employment at the end of your existing contract term.

ADMINISTRATOR TERM CONTRACT

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

Employee: Dani D. Waller

Date signed: 3/26/2012

Kilgore Independent School District

By: Jody Clements
Jody Clements, Superintendent

Date signed: March 19, 2012

**SUPPLEMENTAL DUTY AGREEMENT
INTERIM SUPERINTENDENT**

This Supplemental Duty Assignment Agreement is entered into between the Board of Trustees (the "Board") of KILGORE INDEPENDENT SCHOOL DISTRICT (the "District") and DENNIS WILLIAMS ("Employee").

Employee agrees to perform the supplemental duty of Interim Superintendent, beginning September 5, 2012, and continuing for a period of nine (9) months or until the District enters into a contract with a superintendent, whichever occurs first.

For the performance of this supplemental duty, the Board shall pay Employee an annual stipend of \$6,100.00, prorated in accordance with the actual period of time Employee performs the supplemental duty. As additional consideration for the performance of the supplemental duty, the Board shall pay Employee a monthly automobile allowance of \$600 and a monthly technology allowance of \$150 for each month or partial month of performance under this Agreement. The stipend and allowances are provided in addition to the salary that Employee receives for his primary job assignment under his regular employment contract with the District.

This supplemental assignment is at-will and not subject to the terms of Employee's regular employment contract with the District. There is no property right to Employee's continuation of the supplemental assignment. Employee may resign the supplemental duty at any time and the District may reassign or terminate the supplemental duty at any time by providing written notice to the other party.

By signing below, each party represents that he or she has read and understood the foregoing Agreement, has the authority to execute the Agreement, and agrees to abide by its terms and conditions.

EMPLOYEE:

Dennis Williams
Dennis Williams

Date: 9/4/2012

KILGORE INDEPENDENT SCHOOL DISTRICT

By Janet Marley
Janet Marley, President
Board of ~~Directors~~ Trustees

Date: Sept 4, 2012