



Kerrville

Independent School District's



report

November 13, 2023

RATING YEAR

2022-2023

DISTRICT NUMBER

district #

Select An Option

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Financial Integrity Rating System of Texas

2022-2023 RATINGS BASED ON SCHOOL YEAR 2021-2022 DATA - DISTRICT STATUS DETAIL

Name: KERRVILLE ISD(133903)	Publication Level 1: 8/4/2023 12:02:16 PM
Status: Passed	Publication Level 2: 8/7/2023 3:01:39 PM
Rating: A = Superior Achievement	Last Updated: 8/7/2023 3:01:39 PM
District Score: 100	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>	7/13/2023 6:19:21 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>	7/13/2023 6:19:21 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>	7/13/2023 6:19:21 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>	7/13/2023 6:19:21 PM	Yes Ceiling Passed
5	This indicator is not being evaluated.		
			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>	7/13/2023 6:19:21 PM	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>	7/13/2023 6:19:21 PM	10
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>	7/13/2023 6:19:21 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>	7/13/2023 6:19:21 PM	10
10	This indicator is not being evaluated.		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 or 1,000 or more students in membership, then the school district passes this indicator.)</u>	7/13/2023 6:19:21 PM	10
12	<u>What is the correlation between future debt requirements and the district's assessed property value?</u>	7/13/2023 6:19:21 PM	10
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>	7/13/2023 6:19:21 PM	10
14	This indicator is not being evaluated.		10
15	This indicator is not being evaluated.		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>	7/13/2023 6:19:21 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 and free from substantial doubt about the school district's ability to continue as a going concern? (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>	7/13/2023 6:19:21 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>	7/13/2023 6:19:21 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>	7/13/2023 6:19:21 PM	5
20	<u>Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?</u>	7/13/2023 6:19:21 PM	Ceiling Passed
			100 Weighted Sum
			1 Multiplier Sum

		(100 Ceiling)
		100 Score

DETERMINATION OF RATING

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? 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.	
	A = Superior Achievement	90-100
	B = Above Standard Achievement	80-89
	C = Meets Standard Achievement	70-79
	F = Substandard Achievement	<70
<p>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</p> <p>The school district receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.</p>		

CEILING INDICATORS

Did the school district meet the criteria for any of the following ceiling indicators 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.		
Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

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

INDICATOR 1

Was the complete annual financial report (AFR) and data submitted to TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end of June 30 or August 31, respectively?

	2019-20	2020-21	2021-22
ACHIEVEMENT	PASSED	PASSED	PASSED
DISTRICTS PASSING	99.90%	98.85%	99.71%

Submission Date	Dec 14, 2020	Dec 14, 2021	Dec 14, 2022
Due Date	Jan 28, 2021	Jan 28, 2022	Jan 28, 2023

INDICATOR 2

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.)

	2019-20	2020-21	2021-22
ACHIEVEMENT	PASSED	PASSED	PASSED
DISTRICTS PASSING	99.80%	99.91%	99.71%

STANDARD

Unmodified

Unmodified

Unmodified

Unmodified

INDICATOR 3

Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

	2019-20	2020-21	2021-22
ACHIEVEMENT	PASSED	PASSED	PASSED
DISTRICTS PASSING	100.00%	100.00%	100.00%

STANDARD

No Disclosures

No Disclosures No Disclosures No Disclosures

INDICATOR 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?

	2019-20	2020-21	2021-22
ACHIEVEMENT	PASSED	PASSED	PASSED
DISTRICTS PASSING	100.00%	99.91%	99.90%

STANDARD

Timely Payments

Yes

Yes

Yes

INDICATOR 5

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.)

	2019-20	2020-21	2021-22
ACHIEVEMENT	NOT SCORED	NOT SCORED	NOT SCORED
DISTRICTS PASSING	N/A	N/A	N/A

Range/Points

INDICATOR 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? (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.)

ACHIEVEMENT	PASSED	PASSED	PASSED
DISTRICTS PASSING	100.00%	99.52%	98.92%

Points	10.00	10.00	10.00
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INDICATOR 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)?

	2019-20	2020-21	2021-22
ACHIEVEMENT	PASSED	PASSED	PASSED
DISTRICTS PASSING	90.78%	91.22%	92.24%

Points

10

10

10

INDICATOR 8

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

	2019-20	2020-21	2021-22
ACHIEVEMENT	PASSED	PASSED	PASSED
DISTRICTS PASSING	80.39%	66.50%	85.85%

Points

10

10

10

INDICATOR 9

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?

	2019-20	2020-21	2021-22
ACHIEVEMENT	PASSED	PASSED	PASSED
DISTRICTS PASSING	98.82%	98.94%	99.21%

Points

10

10

10

INDICATOR 10

Was the debt service coverage ratio sufficient to meet the required debt service?

	2019-20	2020-21	2021-22
ACHIEVEMENT	PASSED	PASSED	PASSED
DISTRICTS PASSING	86.18%	100.00%	100.00%

Points

10

10

10

INDICATOR 11

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 or 1,000 or more students in membership, then the school district passes this indicator.)

	2019-20	2020-21	2021-22
ACHIEVEMENT	PASSED	PASSED	PASSED
DISTRICTS PASSING	86.18%	78.80%	85.07%

Points

10

10

10

INDICATOR 12

What is the correlation between future debt requirements and the district's assessed property value?

	2019-20	2020-21	2021-22
ACHIEVEMENT	PASSED	PASSED	PASSED
DISTRICTS PASSING	70.78%	91.30%	74.26%

Points

10

10

10

INDICATOR 13

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.

	2019-20	2020-21	2021-22
ACHIEVEMENT	Passed	Passed	Passed
DISTRICTS PASSING	98.00%	98.16%	80.55%

Points

10

10

10

INDICATOR 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)? If the student enrollment did not decrease, the school district will automatically pass this indicator.

	2019-20	2020-21	2021-22
ACHIEVEMENT	Not Scored	PASSED	PASSED
DISTRICTS PASSING	99.80%	99.01%	100.00%

Points	10	10	10
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INDICATOR 15

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?

	2019-20	2020-21	2021-22
ACHIEVEMENT	Not Scored	PASSED	PASSED
DISTRICTS PASSING	99.22%	100.00%	100.00%
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Points	5	5	5

INDICATOR 16

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.)

	2019-20	2020-21	2021-22
ACHIEVEMENT	Not Scored	PASSED	PASSED
DISTRICTS PASSING	N/A	95.00%	98.33%

INDICATOR 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? (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.)

	2019-20	2020-21	2021-22
ACHIEVEMENT	Not Scored	PASSED	PASSED
DISTRICTS PASSING	97.25%	95.00%	95.97%

INDICATOR 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?

	2019-20	2020-21	2021-22
ACHIEVEMENT	Not Scored	PASSED	PASSED
DISTRICTS PASSING	99.71%	99.62%	95.48%

Points

10

10

10

INDICATOR 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?

	2019-20	2020-21	2021-22
ACHIEVEMENT	Not Scored	PASSED	PASSED
DISTRICTS PASSING	99.50%	99.90%	99.90%

Points

5

5

5

INDICATOR 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? (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.)

	2019-20	2020-21	2021-22
ACHIEVEMENT	Not Scored	PASSED	PASSED
DISTRICTS PASSING	99.50%	99.90%	100.00%
