Financial Management Performance Report

KILGORE
Independent School District

2022-2023

District Status

Public Meeting

September 30, 2024

Kilgore ISD

Financial Accountability Management Report

This is the 21st year of School FIRST (Financial Accountability Rating System of Texas), a financial accountability system for Texas school districts developed of the Texas Education Agency in response to Senate Bill 875 of the 76th Legislature in 1999. The primary goal of School 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 School FIRST accountability Rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being "A" for "Superior Achievement", "B" for "Above Standard Achievement", "C" for "Standard Achievement" and "F" for "Substandard Achievement." Districts that receive the "Substandard Achievement" ratings under School FIRST must file a corrective action plan with the Texas Education Agency. The Kilgore ISD received a rating of "A."

The rating system for the prior 20 years has varied. In each of these years Kilgore Independent School District has secured the systems highest rating available for each year.

The current system has twenty-one, 21, indicators with a possible score of 100. Kilgore Independent School District received a score of 94.

The "2023-2024 Ratings Based on School Year 2022-2023 Data" 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 District's Chief Financial Officer or may find the data on The Texas Education Agency website.

The Superior 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.

Included in the report is information concerning the superintendent and board members and 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 109.1001 and is presented in the format recommended by the Texas Education Agency. The contract of the superintendent is available on the district website and noted in Exhibit C.

Exhibit A

2023-2024 Ratings

Based on School Year 2022-2023 Data

Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON SCHOOL YEAR 2022-2023 DATA - DISTRICT STATUS DETAIL

Name: **KILGORE ISD**(**092902**)	**Publication Level 1:** 8/8/2024 6:33:40 PM
Status: **Passed**	**Publication Level 2:** 8/8/2024 6:33:40 PM
Rating: A = Superior Achievement	**Last Updated:** 8/20/2024 1:42:56 PM
District Score: 94	**Passing Score:** 70

#	Indicator Description	Updated	Score
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?	4/19/2024 6:26:06 PM	Yes
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.)	4/19/2024 6:26:06 PM	Yes
3	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.)	4/19/2024 6:26:06 PM	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? (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.)	4/19/2024 6:26:06 PM	Yes Ceiling Passed
			1 Multiplier Sum
5	Was the total net position in the governmental activities column in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero? (If it is not, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement, unless the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership. If the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)	4/19/2024 6:26:06 PM	Ceiling Passed
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.)	4/19/2024 6:26:06 PM	Ceiling Passed
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)? See ranges below in the Determination of Points section.	4/19/2024 6:26:06 PM	10
8	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.	4/19/2024 6:26:06 PM	10
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? See ranges below in the Determination of Points section.	4/19/2024 6:26:06 PM	10
10	This indicator is not being evaluated.		10
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.)	4/19/2024 6:26:06 PM	8
12	What is the correlation between future debt requirements and the district's assessed property value?	8/20/2024 1:42:55 PM	6
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.	8/20/2024 1:42:56 PM	10
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.	4/19/2024 6:26:06 PM	10
15	This indicator is not being evaluated.		5
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.)	4/19/2024 6:26:06 PM	Ceiling Passed

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 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.)	4/19/2024 6:26:06 PM	Ceiling Passed
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.)	4/19/2024 6:26:06 PM	10
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?	4/19/2024 6:26:06 PM	5
20	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?	4/19/2024 6:26:06 PM	Ceiling Passed
21	Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of a financial hardship?	4/19/2024 6:26:06 PM	Ceiling Passed
			94 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			94 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

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.

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.

CEILING INDICATORS

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 5, 6, 16, 17, 20, or 21? 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 5 (Total Net Position) - Negative total net position and do not have 7% or more or 1,000 or more increase in growth in students in membership over 5 years.	79	C = Meets Standard Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is *No*.	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 21 (FSP Repayment Plan) - Response to indicator is *Yes*.	70	C = Meets Standard Achievement

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

On District Website

Reimbursements Received by the Superintendent and Board Members for the Fiscal Year Ending 08/31/2023

For the Twelve-Month Period
Ended August 31, 2023

Description of Reimbursements	Superintendent Andy Baker	Dereck Borders	Jason Smith	Reggie Henson	Rachel Harrington	Alan Clark	Lloyd Vanderwater	Dana Sneed
Meals	74.69		-	-	-	-		
Lodging	1,719.31	797.53	840.93	1,115.82	797.63	711.03	892.23	711.03
Transportation	-			-				
Motor Fuel								
Other-SLI Registration	1,530.00	485.00	-	485.00	485.00	485.00	485.00	485.00
Total	3,324.00	1,282.53	840.93	1,600.82	1,282.63	1,196.03	1,377.23	1,196.03

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, 2023

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, 2023

	Superintendent Andy Baker	Dereck Borders	Jason Smith	Reggie Henson	Rachel Harrington	Alan Clark	Lloyd Vanderwater	Dana Sneed
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended August 31, 2023

	Dereck Borders	Jason Smith	Reggie Henson	Rachel Harrington	Alan Clark	Lloyd Vanderwater	Dana Sneed
Amounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Exhibit C

Superintendent Contract

Superintendent's Contract Available on KISD Website