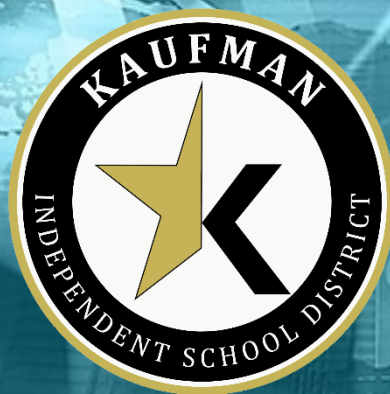


KAUFMAN ISD

2023 – 2024

Financial Management Report

* 2023 – 2024 Rating Based on 2022 – 2023 Financial Data *



About FIRST

Financial Integrity Rating System

- Developed in 1999 in Response to Senate Bill 875 of the 76th Legislature.
- Expanded the public education accountability system in Texas to Financial Services.
- Amended two times to include critical indicators as well as financial solvency information.
- Provided by TEA based on indicators established by the Commissioner of Education.



About FIRST

Financial Integrity Rating System

- Designed to hold school districts accountable for the quality of their financial management practices.
- Measures and reports the extent to which financial resources are allocated for direct instructional purposes.
- Creates transparency and discloses the quality of local processes the district uses concerning financial resources received by the district.



About FIRST

Financial Integrity Rating System

Includes 4 Different Ratings:

A = Superior	(90-100 points)
B = Above Standard	(80-89 points)
C = Meets Standard	(70-79 points)
F = Substandard	(0-69 points)

*Scoring Based on 21 Indicators



Critical Indicators

These are Pass/Fail indicators.

Failing one will automatically cause a district to fail the rating.

Indicator 1

Was the annual financial report filed within 30 days of January 28th?

- Passed : AFR filed on 01/26/24.

Indicator 2

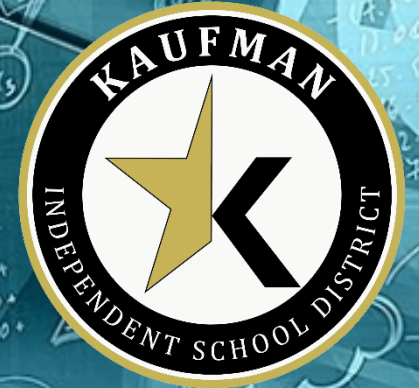
Was there an unmodified opinion on the financial statement as a whole?

- Passed : District received a “clean audit” (unmodified opinion).

Indicator 3

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

- Passed : There were no default disclosures.



Ceiling Indicators

These are Pass/Fail indicators with ceilings.

Each indicator has a max score that can be obtained if the ceiling is not met.

Indicator 4

Did the district make timely payments to the Teacher Retirement System, Texas Workforce Commission, IRS, and other government agencies?

- Ceiling Passed : District made timely payment to all agencies.

Indicator 5

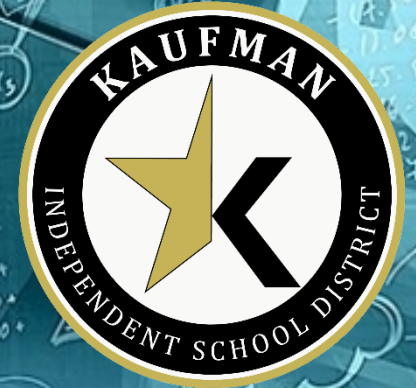
Was the total net position in the governmental activities column in the Statement of Net Position greater than zero?

- Ceiling Passed : \$49,048,591 > 0

Indicator 6

Was the average change in fund balance over 3 years less than a 25 percent decrease or did the fund balance exceed 75 days of operating expenses?

- Ceiling Passed : \$19,823,974 (Actual) > \$8,508,154 (75 days operating)



Solvency Indicators

Solvency Indicators have a maximum point value of 10 points.
The range in points received depends on the indicator value.

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 expenses?

$$(\text{Cash} + \text{Investments}) / (\text{Total Expenses} - \text{Construction}) \times 365 = 175.5279$$

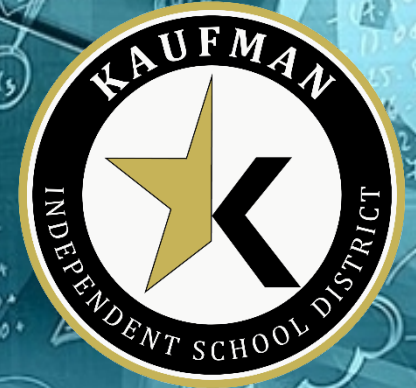
- $\underline{175.5279} > 90 = 10$ points

Indicator 8

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

$$\text{Assets} / \text{Liabilities} = 5.3236$$

- $\underline{5.3236} > 3.00 = 10$ points



Solvency Indicators

Solvency Indicators have a maximum point value of 10 points.
The range in points received depends on the indicator value.

Indicator 9

Did the school district's general fund revenues equal or exceed expenses (excluding construction)?

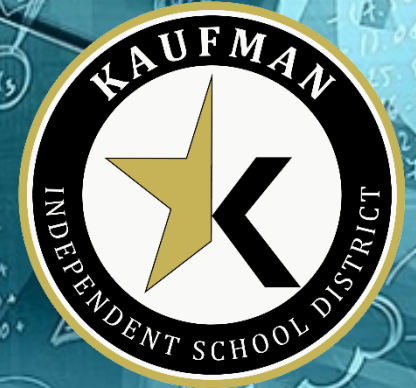
Revenue / (Total Expenses - Construction) = 0.0872

- $0.0872 > 0 = 10$ points

Indicator 10

Budgeted Revenue to Actual Revenue Comparison - Indicator not scored.

- 10 points received



Solvency Indicators

Solvency Indicators have a maximum point value of 10 points.
The range in points received depends on the indicator value.

Indicator 11

Was the ratio of long-term liabilities to total assets for the school district sufficient to support long term solvency?

Long Term Liabilities (Debt) / Assets = 0.5367

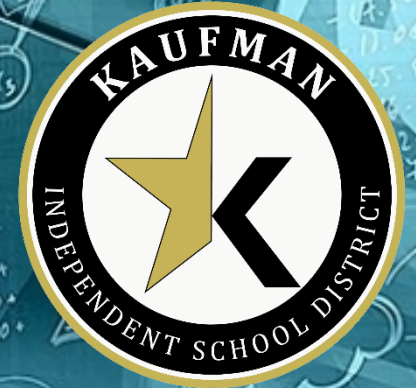
- $0.5367 < 0.60 = 10$ points

Indicator 12

Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?

$(\text{Total Local Income} / \text{Total Revenue}) \times (\text{Long Term Liabilities} \times 100) / \text{Assessed Property Value} = 4.4297$

- $4 < 4.4297 < 7 = 8$ points



Solvency Indicators

Solvency Indicators have a maximum point value of 10 points.
The range in points received depends on the indicator value.

Indicator 13

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

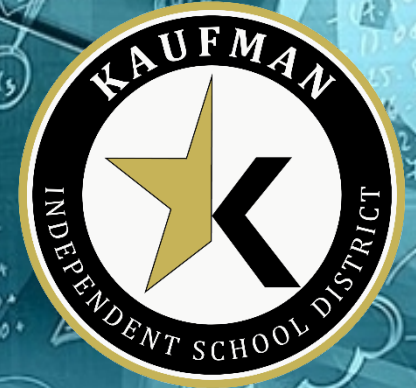
- $0.0537 < 0.1151 = 10$ points

Indicator 14

Did the school district not have a 15 percent decline in the students to staff ratio over 3 years?

$(2022-2023 \text{ Total Enrollment} / 2022-2023 \text{ Number of FTE Staff}) /$
 $(2020-2021 \text{ Total Enrollment} / 2020-2021 \text{ Number of FTE Staff}) - 1 = 0.0496$

- $0.0496 > -0.15 = 10$ points



Ceiling Indicators

These are Pass/Fail indicators with ceilings.

Each indicator has a max score that can be obtained if the ceiling is not met.

Indicator 15

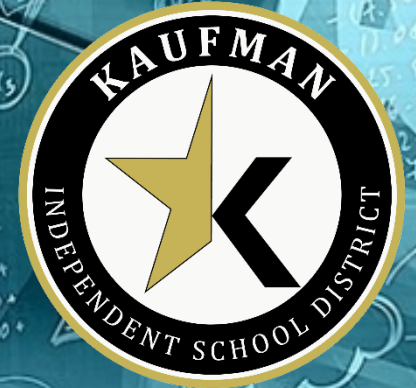
Biennial Pupil Projection Submission - Indicator not scored.

- 5 points received (max)

Indicator 16

Did the comparison of PEIMS data to like information in the AFR result in a total variance of less than 3% of all Expenses by function?

- Yes = Ceiling Passed



Ceiling Indicators

These are Pass/Fail indicators with ceilings.

Each indicator has a max score that can be obtained if the ceiling is not met.

Indicator 17

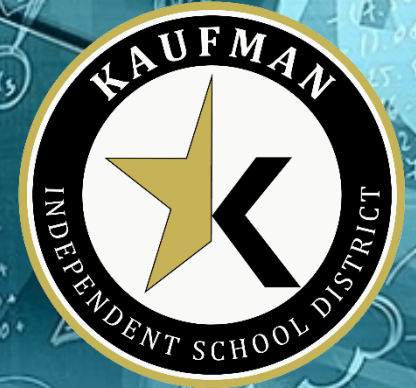
Did the external independent auditor report that the AFR was free of any instance of material weakness in internal controls over financial reporting for all funds?

- Yes = Ceiling Passed

Indicator 18

Did the external independent auditor indicate the AFR was free of any instance of material noncompliance for grants, contracts, and laws related to all funds?

- Yes = 10 Points



Ceiling Indicators

These are Pass/Fail indicators with ceilings.

Each indicator has a max score that can be obtained if the ceiling is not met.

Indicator 19

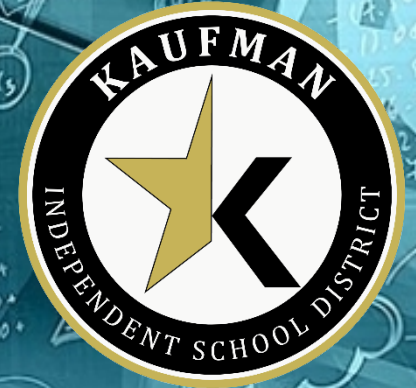
Did the school district post the required information on its website in accordance with Government Code, Local Government Code, Texas Education Code, and Texas Administrative Code and other statutes, laws, and rules that were in effect at year end?

- Yes = 5 points (max)

Indicator 20

Did the school district's administration and school board members discuss any changes and/or impact of local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?

- Yes = Ceiling Passed



Ceiling Indicators

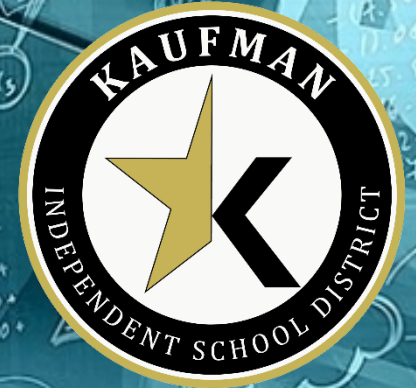
These are Pass/Fail indicators with ceilings.

Each indicator has a max score that can be obtained if the ceiling is not met.

Indicator 21

Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program funds because of a financial hardship?

- No = Ceiling Passed



KAUFMAN ISD

Superior Achievement

2023 – 2024

Financial Integrity Ratings System of Texas

22nd Consecutive Year!!!

Additional Reporting Requirements

Reimbursements received by the Superintendent and Board Members for fiscal year ending August 31, 2023.

	Dr. Lori Blaylock	Byron Gregg	Casey Townsend	Drew Peterson	Elizabeth O'Donnell	Christine Borders	Lindsey Abell	Linda Mott
Meals	\$0	\$750.17	\$0	\$0	\$0	\$0	\$0	\$0
Lodging	\$0	\$9,040.66	\$1,016.97	\$946.62	\$0	\$2,017.15	\$0	\$1,583.47
Transportation	\$77.29	\$546.71	\$0	\$0	\$0	\$0	\$0	\$64.96
Fuel	\$0	\$248.15	\$0	\$0	\$0	\$90.39	\$0	\$0
Other	\$0	\$525.00	\$0	\$225.00	\$0	\$0	\$0	\$0
Total	\$77.29	\$11,110.69	\$1,016.97	\$1,171.62	\$0	\$2,107.54	\$0	\$1,648.43

Additional Reporting Requirements

Outside Compensation

- ✓ The Superintendent did not receive payment for consulting or other personal service.

Superintendent and Board Member Gifts

- ✓ The Superintendent and Board Members did not receive any gifts with an economic value of \$250 or more.

Business Transactions

- ✓ There were no business transactions between the school district and any board member.

KAUFMAN ISD

Superior Achievement

2023 – 2024

Financial Integrity Ratings System of Texas

