



Finance Department



Financial Integrity Rating System of Texas (FIRST)

PUBLIC HEARING
November 8, 2021



Lewisville Independent School District Schools FIRST Rating Notice of Public Meeting

Published October 24, 2021

LEGAL NOTICE

Notice of Public Meeting to Discuss Lewisville Independent School District's (LISD) State Financial Accountability Rating

LISD will hold a public hearing at 7 p.m. on November 8, 2021, at the Lewisville ISD Administrative Center, 1565A W. Main Street, Lewisville, Texas. The purpose of this meeting is to discuss LISD's rating on the state's financial accountability system.





RATING FOR LEWISVILLE ISD

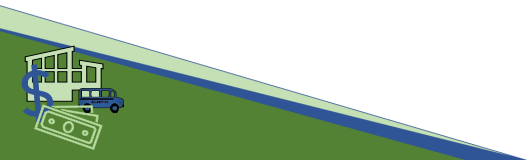
Financial Integrity Rating System of Texas

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

Name: LEWISVILLE ISD(061902)	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: 96	Passing Score: 70

Lewisville ISD received the highest rating available:

A = Superior Achievement



Indicator #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?

Score: Yes



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.)

Score: Yes



Indicator #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.)

Score: Yes



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? (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.

Score: Yes, and
Ceiling Passed



Indicator #5

“This indicator is not being scored.”



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.)

Score: Ceiling Passed



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)? (See ranges below.)

Score: 10/10

Determination of Points

10	8	6	4	2	0
≥ 90	$< 90 \geq 75$	$< 75 \geq 60$	$< 60 \geq 45$	$< 45 \geq 30$	< 30



Indicator #8

Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)

Score: 10/10

Determination of Points

10	8	6	4	2	0
≥ 3.00	$< 3.00 \geq 2.50$	$< 2.50 \geq 2.00$	$< 2.00 \geq 1.50$	$< 1.50 \geq 1.00$	< 1.00



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? (See ranges below.)

Score: 10/10

Determination of Points

10	0
$\geq 0\%$	$< 0\%$



Indicator #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? (See ranges below.)

Score: 10/10

Determination of Points

10	0
<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, then the school district automatically passes this indicator. (See ranges below.)

Score: 6/10

Determination of Points

10	8	6	4	2	0
≤ 0.60	$>0.60 \leq 0.70$	$>0.70 \leq 0.80$	$>0.80 \leq 0.90$	$>0.90 \leq 1.00$	>1.00



Indicator #12

Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? (See ranges below.)

Score: 10/10

Determination of Points

10	8	6	4	2	0
≤ 4	$>4 \leq 7$	$>7 \leq 10$	$>10 \leq 11.5$	$>11.5 \leq 13.5$	>13.5



Indicator #13

Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)

Score: 10/10

Determination of Points

ADA Size	10	8	6	4	2	0
10,000 and Above	≤ 0.0855	> 0.0855 ≤ 0.1105	> 0.1105 ≤ 0.1355	> 0.1355 ≤ 0.1605	> 0.1605 ≤ 0.1855	> 0.1855



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.

Score: 10/10



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? (See ranges below.)

Score: 5/5

Determination of Points

ADA Size	5	0
10,000 and Above	≤ 0.07	> 0.07



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.)

Score: Ceiling Passed



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.)

Score: Ceiling Passed



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? (The AICPA defines material noncompliance.)

Score: 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?

Score: 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.)

Score: Ceiling Passed



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.

(Lewisville ISD passed each of these indicators.)

- B. Determine the rating by the applicable number of points.

(Indicators 7-15, 18, and 19)

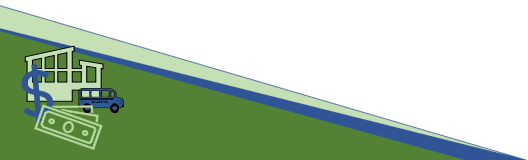
A = Superior Achievement 90-100

(Lewisville ISD scored 96 points.)

B = Above Standard Achievement 80-89

C = Meets Standard Achievement 70-79

F = Substandard Achievement <70



Ceiling Indicators

Did the school district meet the criteria for any of the following ceiling indicators 4, 6, 16, 17, or 20?

(Lewisville ISD passed each of these indicators.)





DISCLOSURE #1

Superintendent's Current Employment Contract

In lieu of publication of the superintendent's employment contract in the School FIRST rating report, the contract is accessible on the school district's internet site located at:

www.lisd.net/suptcontract



DISCLOSURE #2

Reimbursements Received by the Superintendent and Board Members For the Twelve-Month Period Ended August 31, 2020

Description of Reimbursements	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	Dr. Rogers	Angie Cox	Kristi Hassett	Allison Lassahn	Tracy Scott Miller	Jenny Proznik	Katherine Sells	Kronda Thimesch
Meals	\$ 1,138.98	\$ 186.25	\$ 156.25	\$ 229.51	\$ 365.93	\$ 156.25	\$ 146.25	\$ 105.00
Lodging	1,907.32	-	-	940.38	1,236.88	-	-	-
Transportation	1,838.24	-	-	639.70	305.37	-	-	40.00
Motor Fuel	-	-	-	-	-	-	-	-
Other:								
Conference Fees	2,353.16	945.00	620.00	1,640.00	1,445.00	557.50	557.50	425.00
Membership Fees	90.00	-	-	-	-	-	-	-
Internet Service (Data Plan)	456.40	-	-	-	-	-	-	-
Cell Phone Service	605.42	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total	\$ 8,389.52	\$ 1,131.25	\$ 776.25	\$ 3,449.59	\$ 3,353.18	\$ 713.75	\$ 703.75	\$ 570.00

Note - All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase orders are to be reported.

Items to be reported per category include:

Meals - Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).

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.



DISCLOSURE #3

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, 2020

Name(s) of Entity(ies)	Amount Received
None	None
Total	\$ -

Note: Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.



DISCLOSURE #4

**Gifts Received by Executive Officers and Board Members
(and First-Degree Relatives, if any)**

**For the Twelve-Month Period
Ended August 31, 2020**

Superintendent/ Board Member	Position	Gifts>\$250 aggregate value
Dr. Kevin Rogers	Superintendent	None
Angie Cox	Board Member	None
Kristi Hassett	Board Member	None
Allison Lassahn	Board Member	None
Tracy Scott Miller	Board Member	None
Jenny Proznik	Board Member	None
Katherine Sells	Board Member	None
Kronda Thimesch	Board Member	None

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.



DISCLOSURE #5

Business Transactions Between School District and Board Members For the Twelve-Month Period Ended August 31, 2020

	Board Member Angie Cox	Board Member Kristi Hassett	Board Member Allison Lassahn	Board Member Tracy Scott Miller	Board Member Jenny Proznik	Board Member Katherine Sells	Board Member Krona Thimesch
For Period Ended August 31, 2020	None	None	None	None	None	None	None
Summary Amounts:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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.



DISCLOSURE #6

OTHER INFORMATION For the Twelve-Month Period Ended August 31, 2020

Lewisville Independent School District Received the Certificate of Achievement for Excellence in Financial Reporting from:

- Government Finance Officers Association
- Association of School Business Officials International



2019-2020 Ratings for Lewisville ISD

Based on School Year 2018-2019 Data

Previous year's financial accountability ratings

2019-2020 RATINGS BASED ON SCHOOL YEAR 2018-2019 DATA - DISTRICT STATUS DETAIL

Name: LEWISVILLE ISD (061902)	Publication Level 1: 8/6/2020 9:26:37 AM
Status: Passed	Publication Level 2: 8/6/2020 11:17:34 AM
Rating: A = Superior	Last Updated: 8/6/2020 11:17:34 AM
District Score: 96	Passing Score: 60

#	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>	3/30/2020 1:00:19 PM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	<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>	3/30/2020 1:00:19 PM	Yes
2.B	<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.)</u>	3/30/2020 1:00:20 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>	3/30/2020 1:00:20 PM	Yes

#	Indicator Description	Updated	Score
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?</u>	3/30/2020 1:00:20 PM	Yes
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<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.)</u>	3/30/2020 1:00:21 PM	10
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	3/30/2020 1:00:22 PM	10
8	<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 passes this indicator. See ranges below.</u>	3/30/2020 1:00:22 PM	6
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?</u>	3/30/2020 1:00:22 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	3/30/2020 1:00:24 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/30/2020 1:00:25 PM	10
12	<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>	3/30/2020 1:00:26 PM	10
13	<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?</u>	3/30/2020 1:00:28 PM	10

#	Indicator Description	Updated	Score
14	<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>	3/30/2020 1:00:28 PM	10
15	<u>Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?</u>	3/30/2020 1:00:28 PM	10
			96 Weighted Sum
			1 Multiplier Sum
			96 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, or 2.A? 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. (Indicators 6-15)	
	A = Superior	90-100
	B = Above Standard	80-89
	C = Meets Standard	60-79
	F = Substandard Achievement	<60
<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>		

