



# Finance Department

Financial Integrity Rating System of Texas (FIRST)

2021-2022 Report for School Year 2020-2021 Data

*December 12, 2022 - Public Hearing*



# What is Schools FIRST?

- The state's school financial accountability rating system - School Financial Integrity Rating System of Texas (FIRST).
- Ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve these practices
- Designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes
- School districts are required to hold a public meeting to present their financial rating and reports.



# **Lewisville Independent School District Schools FIRST Rating Notice of Public Meeting**

**Published November 20, 2022**

## **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 December 12, 2022, 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.

# Determination of Schools FIRST Rating

- 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.
- 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



## Rating for Lewisville ISD

### 2021-2022 RATINGS BASED ON SCHOOL YEAR 2020-2021 DATA - DISTRICT STATUS DETAIL

Name: <b>LEWISVILLE ISD(061902)</b>	Publication Level 1: 8/2/2022 2:05:39 PM
Status: <b>Passed</b>	Publication Level 2: 8/4/2022 12:15:48 PM
Rating: B = Above Standard Achievement	Last Updated: 11/15/2022 8:02:48 AM
District Score: 81	Passing Score: 70

Lewisville ISD received a Rating B = Above Standard Achievement.

# Lewisville ISD FIRST Rating

- Indicators 1-4, 6, 16-17, and 20 do not award points but are rated as
  - Yes or Ceiling Passed = Pass
  - No or Ceiling Not Passed = Fail
- Indicators 7-9, 11-14, and 18-19 are awarded points based on the individual indicator with a maximum score of 100.
- Indicators 5, 10, and 15 were not scored.

Lewisville ISD's appeal was granted for the clerical error in audit submission.

Lewisville ISD scored a 96.

15 points were deducted due to the clerical error. (Final score of 81 points)

## 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?

2021-22 Report: Yes\*

2020-21 Report: Yes

\*15 points deducted from total score due to the district clerical error.

## 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.)

*Lewisville ISD received an unmodified opinion.*

2021-22 Report: Yes

2020-21 Report: 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.)

*Lewisville ISD made all Bond payments in a timely manner.*

2021-22 Report: Yes

2020-21 Report: 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.)

*Lewisville ISD made timely payments to TRS, TWC, IRS, and other government agencies.*

2021-22 Report: Yes, Ceiling Passed

2020-21 Report: Yes, 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.)

2021-22 Report:

Ceiling Passed

2020-21 Report:

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.)

*Lewisville ISD: 143.1721*

2021-22 Report: 10/10

2020-21 Report: 10/10

### Determination of Points

10	8	6	4	2	0
<b>&gt;=90</b>	<b>&lt;90 &gt;=75</b>	<b>&lt;75 &gt;=60</b>	<b>&lt;60 &gt;=45</b>	<b>&lt;45 &gt;=30</b>	<b>&lt;30</b>

## 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.)

*Lewisville ISD: 2.6808*

2021-22 Report: 8/10

2020-21 Report: 10/10

Determination of Points					
10	8	6	4	2	0
<b><math>\geq 3.00</math></b>	<b><math>&lt; 3.00 \geq 2.50</math></b>	<b><math>&lt; 2.50 \geq 2.00</math></b>	<b><math>&lt; 2.00 \geq 1.50</math></b>	<b><math>&lt; 1.50 \geq 1.00</math></b>	<b><math>&lt; 1.00</math></b>

## 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.)

2021-22 Report: 10/10

2020-21 Report: 10/10

Determination of Points	
10	0
$\geq 0\%$	$< 0\%$

## Indicator #10

“This indicator is not being scored.”

## 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.)

*Lewisville ISD: 0.693*

2021-22 Report: 8/10

2020-21 Report: 6/10

Determination of Points					
10	8	6	4	2	0
<b>&lt;=0.60</b>	<b>&gt;0.60 &lt;=0.70</b>	<b>&gt;0.70 &lt;=0.80</b>	<b>&gt;0.80 &lt;=0.90</b>	<b>&gt;0.90 &lt;=1.00</b>	<b>&gt;1.00</b>

## Indicator #12

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

*Lewisville ISD: 3.0572*

2021-22 Report: 10/10

2020-21 Report: 10/10

Determination of Points					
10	8	6	4	2	0
<=4	>4 <=7	>7 <=10	>10 <=11.5	>11.5 <=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.)

*Lewisville ISD: 0.0709*

2021-22 Report: 10/10

2020-21 Report: 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.

2021-22 Report: 10/10

2020-21 Report: 10/10

## Indicator #15

“This indicator is not being scored.”

## 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.)

2021-22 Report: Ceiling Passed

2020-21 Report: 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.)

2021-22 Report: Ceiling Passed

2020-21 Report: 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.)

2021-22 Report: 10/10

2020-21 Report: 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?

2021-22 Report: 5/5

2020-21 Report: 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.)

2021-22 Report: Ceiling Passed

2020-21 Report: Ceiling Passed

# 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:

<http://www.lisd.net/suptcontract>



# Disclosure #2

## Reimbursements Received by the Superintendent and Board Members For the Twelve-Month Period Ended August 31, 2021

Description of Reimbursements	Superintendent Dr. Rogers	Board Member Buddy Bonner	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
Meals	\$ 714.46	\$ 10.00	\$ -	\$ -	\$ -	\$ 20.00	\$ -	\$ -
Lodging	-	-	-	-	-	-	697.11	-
Transportation	-	201.98	-	-	-	-	69.28	-
Motor Fuel	-	-	-	-	-	-	-	-
Other:								
Conference Fees	1,230.00	1,065.00	820.00	-	760.00	920.00	270.00	920.00
Membership Fees	-	-	-	-	-	-	-	-
Internet Service (Data Plan)	429.75	-	-	-	-	-	-	-
Cell Phone Service	541.13	-	-	-	-	-	-	-
Miscellaneous	5.00	-	5.00	5.00	5.00	5.00	5.00	5.00
Total	\$ 2,920.34	\$ 1,276.98	\$ 825.00	\$ 5.00	\$ 765.00	\$ 945.00	\$ 1,041.39	\$ 925.00

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 off the school district's premises, 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, 2021**

<u>Name(s) of Entity(ies)</u>	<u>Amount Received</u>
None	None
<b>Total</b>	<u>\$ -</u>

# Disclosure #4

## Gifts Received by Executive Officer(s) and Board Members (and First-Degree Relatives, if any)

For the Twelve-Month Period  
Ended August 31, 2021

Superintendent/ Board Member	Position	Gifts - Economic Value of \$250 or more
Kevin Rogers	Superintendent	None
Buddy Bonner	Board Member	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

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, 2021

	Board Member Buddy Bonner	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
For Period Ended August 31, 2021	None	None	None	None	None	None	None
Summary Amounts:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Disclosure #6

### OTHER INFORMATION For the Twelve-Month Period Ended August 31, 2021

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

- Government Finance Officers Association (GFOA)
- Association of School Business Officials International (ASBO)

# Thank You





## Public Comments Concerning the Public Hearing on the Financial Integrity Rating System of Texas (FIRST) Report