

2018 F.I.R.S.T. REPORT



LUFKIN INDEPENDENT SCHOOL DISTRICT

A FINANCIAL MANAGEMENT REPORT
FOR THE YEAR ENDED AUGUST 31, 2017

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LUFKIN INDEPENDENT SCHOOL DISTRICT

P. O. Box 1407
LUFKIN, TEXAS 75902
936/634-6696
Fax: 936/634-3611

November 18, 2018

To The Citizens of Lufkin Independent School District:

We are pleased to present to you the FIRST report and rating as required by Title 19, Texas Administrative Code, Section 109. FIRST is an acronym meaning "Financial Integrity Rating System of Texas". This rating system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes. This will result in student success and the Business Office is committed to supporting the instructional and operational goals of the District to result in student success.

The District is required to hold a public hearing to distribute a financial management report that explains the rating received. This rating is based upon student, staff and financial data provided to TEA through several different sources. In addition to the FIRST report, the District is required to also provide supplementary disclosures and those are attached at the end of the report.

Lufkin ISD received a Superior rating for 2016-2017 with a score of 100, which is the highest rating that can be achieved. A district can be assigned one of four ratings: A = Superior, B = Above Standard, C = Meets Standard and F = Substandard Achievement. The District also received a Superior rating for the previous year.

We are pleased with this rating and we will strive to continue to provide financial excellence to the school district.

Sincerely,

Charlotte Bynum, M.S., RTSBA
Chief Financial Officer
Lufkin Independent School District

THE STATE OF TEXAS
COUNTY OF ANGELINA

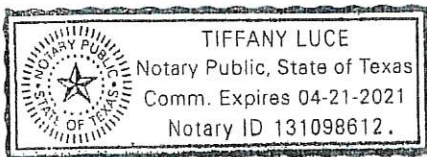
BEFORE ME, the undersigned, a Notary Public, this day personally came *Jennifer Ricks*, who has sworn according to law that she is the publisher for *THE LUFKIN DAILY NEWS*.

THE PUBLISHER of *The LUFKIN DAILY NEWS*, a daily newspaper published in Lufkin, Texas, in said County and State, attests that the attached printed material was published in said newspaper September 25 + October 2, 2018.

Jennifer Ricks

Jennifer Ricks, Publisher

SUBSCRIBED AND SWORN TO BEFORE ME THIS
THE 2nd DAY OF October 2018



Tiffany Luce

Tiffany Luce, Notary Public
State of Texas

Account Name & Number: Lufkin ISD-2400743

THE LUFKIN NEWS

Classified

GARAGE SALES
Runs 3 consecutive days.
1-6 Lines 7-12 Lines
\$18 \$23

MERCHANDISE
Runs 30 consecutive days.
Starting at 3 Lines
\$28

AUTO • BOAT • ATV • RV
Runs 30 consecutive days.
Starting at 3 Lines
\$35

HOMES FOR SALE

3 bdrm 2 1/2 bath on .85 acres in Apple Springs, 3 yrs old. 1925 sq ft. \$169,000 possible owner finance. 6324 FM 357 936-831-2502

UNFURNISHED HOUSES

3BR-2BA Duplex w/Garage Call 936-635-1067
Brookhollow Schools 3BR-2BA \$1100/mo \$1100 Dep 936-637-3421

LEGALS

Building, 301 Cotton Square, Lufkin, Texas 75902. The Trade Services Bld Form by category and Bld documents are available at www.lufkinisd.org Departments Purchasing.

TRANSPORTATION/LOGISTICS

Route Salesman 40hrs Weekly Some Overtime, Class A or B CDL Needed, Tanker and Hazmat Endorsements. Apply at Staffords Liquigas, 1404 N Raguet Lufkin

MISCE FOR

GE Wind Dryer Washer gal. Compl 936-

AMERICAN REALTY

936-632-7000

Forsale/Rent: 1320sqft, 3B2ba in Central \$129,500; 3B2ba DW mobile home in Huntington 3850 mo. 936-853-2762

UNFURNISHED HOUSES

2BR 1BA 601 E Lynn in Huntington \$600/mo \$600/dep 936-674-5697

LEGALS

3 bdrm 2 1/2 bath on .85 acres in Apple Springs, 3 yrs old. 1925 sq ft \$1250 mo/\$1750 deposit 6324 FM 357 936-831-2502

3BR 2BA Brick Call For Details: 936-676-7492



3BR 2BA Brick CSD, Rural/Private

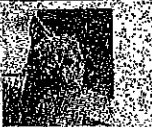
LEGALS

Lufkin Independent School District will be holding a public meeting at 6:00 p.m. on October 18, 2018 in the Administration Building Board Room, 101 Cotton Square, Lufkin, TX 75904. The purpose of this meeting is to discuss Lufkin Independent School District's rating on the 2016-2017 School FIRST (Financial Integrity Rating System of Texas)

REQUEST FOR PROPOSALS

The Lufkin Independent School District is accepting proposals for various Trade Services to be secured on an as needed basis. Proposals are due on October 3, 2018 at 10:00 a.m. at the Lufkin ISD Administration

LOST & FOUND



This is Junies. He went Missing or was Picked up on Old Union Rd. on Sept 18th. Please Help me Find Him 936-564-8186 ask for Kandice 936-414-3435 936-414-7702

CLASSIFIED ATTIC

Salad Master Grater Comes with stand, 5 cones, and stainless bowl. \$75 936-414-2292

FURNITURE/HOUSEHOLD

Coffee & End Tables, TV Cabinets, Sofa, Recliners, Chesters, Dressers, Beds \$600. 936-635-2758

LAWN/GARDEN



John Deere 2040 Tractor Refurbished Paint Job \$4500, and Long B Wide Tiller \$700. Serious Inquiries Only Call 936-275-2260

EMPLOYMENT

CONSTRUCTION

Welders needed in Camden tx for per outage work and outage work \$35.00 per hour regular time \$47.00 per hour over time \$100.00 per day per diem call 282-532-0930

GE Wind Dryer Washer gal. Compl 936-
14inch details zly.com Delux
Anil Edition Excel Appro use Ov Mobil bank includ call 936-
Trailer 2500, 4 man w Reloat dies shells \$250
Miss Fore area white 93
2013 Ino askm

CHARM



August 8, 2018

Important Accreditation Information

To the Administrator Addressed:

Subject: Official Notification of Preliminary 2017–2018 School FIRST Rating

Your school district's preliminary 2017–2018 School Financial Integrity Rating System of Texas (FIRST) rating is now available online. To access your district's School FIRST rating:

- access the Texas Education Agency (TEA) website: <http://tea.texas.gov/>,
- click the Finance and Grants webpage tab link: http://tea.texas.gov/Finance_and_Grants/,
- click the Financial Accountability link,
- click the School FIRST link, and
- click the School District FIRST Ratings link.

Basis for School FIRST Rating

Your district's rating is based on an analysis of the district's financial data for fiscal year 2017 (the fiscal period ended June 30, 2017, or August 31, 2017, depending on the ending date of your district's fiscal year). We determined your district's rating using the financial indicators specified in 19 Texas Administrative Code (TAC) §109.1001(e).

Please carefully review your district's preliminary School FIRST rating and the data associated with each of the 15 indicators.

Opportunity for Appeal

If your district wants to appeal an adverse issue it identifies in the preliminary rating, your district may submit a written appeal with supporting evidence to the Financial Accountability Section. For the appeal to be considered, we must receive it by **September 10, 2018**. Send any appeal to the following address:

Texas Education Agency
Financial Compliance
Financial Accountability Section
1701 North Congress Avenue
Austin, TX 78701

Please see 19 TAC §109.1001(n) for the rules regarding the filing of an appeal. As stated in that section, we will consider only an appeal that would result in a change to your district's rating. **If no appeal is submitted by your district, the preliminary rating becomes final on the 31st day after the preliminary rating are released.**

Final School FIRST Rating and Required Reporting

We will issue final ratings to school districts after we have reviewed any submitted appeals. Final 2017–2018 School FIRST ratings are anticipated to be released in October 2018.

Within two months of the release of its final School FIRST rating, your district must announce and hold a public meeting to distribute a financial management report that explains the district's rating and its performance under each indicator for the current and previous year's ratings. The report also must provide the financial information described in 19 TAC §109.1001(q)(3). We encourage your district to include in the report additional information that will be beneficial to stakeholders, especially information explaining any special circumstances that may have affected the district's performance under one or more of the indicators.

The required newspaper notice to inform taxpayers of the meeting must be published no more than 30 days and no fewer than 10 days before the public meeting. Your district may combine the meeting with a scheduled regular meeting of the board of trustees.

For full requirements related to the report and meeting, see 19 TAC §109.1001(q). For a template that your district can use in developing its financial management report, see the [TEA School FIRST web page](#).

Accreditation Status

Please note that the TEA considers a district's School FIRST rating when assigning an accreditation status, as required by the accreditation status rules in 19 TAC §97.1055.

Contact for Further Information

If you have questions about your district's School FIRST rating, please contact Rita Bunton at (512) 936-3712 or by email at Rita.Bunton@tea.texas.gov or Yolanda Walker at (512) 463-0947 or by email at Yolanda.Walker@tea.texas.gov.

Sincerely,

David Marx
Director
Financial Compliance



Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON SCHOOL YEAR 2016-2017 DATA - DISTRICT STATUS DETAIL

Name: LUFKIN ISD(003903)		Publication Level 1: 8/6/2018 2:48:24 PM	
Status: Passed		Publication Level 2: 8/8/2018 12:11:29 PM	
Rating: A = Superior		Last Updated: 8/8/2018 12:11:29 PM	
District Score: 100		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>	4/20/2018 8:03:25 AM	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>	4/20/2018 8:03:25 AM	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>	4/20/2018 8:03:26 AM	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>	4/20/2018 8:03:26 AM	Yes
4			Yes

	<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>	4/20/2018 8:03:26 AM	
5	<u>Was the total unrestricted net position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Position greater than zero? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)</u>	4/20/2018 8:03:26 AM	Yes
			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>	4/20/2018 8:03:26 AM	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>	4/20/2018 8:03:27 AM	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 change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.) (See ranges below.)</u>	4/20/2018 8:03:27 AM	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?</u>	4/20/2018 8:03:27 AM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	4/20/2018 8:03:28 AM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	4/20/2018 8:03:28 AM	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>	6/19/2018 11:01:32 AM	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>	4/20/2018 8:03:29 AM	10
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>	4/20/2018 8:03:29 AM	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>	4/20/2018 8:03:29 AM	10

		100 Weighted Sum
		1 Multiplier Sum
		100 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, 5, 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>		



Financial Integrity Rating System of Texas

**2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 1**

Name:	LUFKIN ISD (003903)
Indicator:	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?
Status	Passed
Last Updated:	4/20/2018 8:03:25 AM



Financial Integrity Rating System of Texas

**2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 2.A**

Name:	LUFKIN ISD (003903)
Indicator:	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.)
Status	Passed
Last Updated:	4/20/2018 8:03:25 AM



Financial Integrity Rating System of Texas

**2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 2.B**

Name:	LUFKIN ISD (003903)
Indicator:	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.)
Status	Passed
Last Updated:	4/20/2018 8:03:26 AM



Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA INDICATOR TEST 3

Name:	LUFKIN ISD (003903)
Indicator:	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.)
Status	Passed
Last Updated:	4/20/2018 8:03:26 AM



Financial Integrity Rating System of Texas

**2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 4**

Name:	LUFKIN ISD (003903)
Indicator:	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?
Status	Passed
Last Updated:	4/20/2018 8:03:26 AM



Financial Integrity Rating System of Texas

**2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 5**

Name:	LUFKIN ISD (003903)
Indicator:	Was the total unrestricted net position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Position greater than zero? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)
Status	Passed
Last Updated:	4/20/2018 8:03:26 AM

FORMULA

Field	Value
(
(
2016-2017 Total Membership	8,176
- 2012-2013 Total Membership	8,494
)	
/ 2012-2013 Total Membership	8,494
>= Threshold for Five-Year Percent Change in Students	0.07
)	
Or	
(
(
Total Unrestricted Net Position Balance	14,401,886
+ Accretion of Interest for Capital Appreciation Bonds	512,429
+ Net Pension Liability	15,023,180
)	
> 0	
)	
Mathematical Breakdown: -0.0374 >= 0.07 Or 29,937,495 > 0	

2. The sum of Total Unrestricted Net Asset Balance in the governmental activities column in the Statement of Net Assets, Accretion of Interest for Capital Appreciation Bonds, and Net Pension Liability, as applicable, was GREATER THAN ZERO.



Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 6

Name:	LUFKIN ISD (003903)
Indicator:	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.)
Result/Points	10
Last Updated:	4/20/2018 8:03:26 AM

FORMULA

Field	Value
(
(
Cash and Equivalents	24,593,023
+ Current Investments	0
)	
/	
(
Total Expenditures	69,677,940
- Facilities Acquisition and Construction	4,082,744
)	
)	
* 365	
Mathematical Breakdown: 136.8462	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
>=90	<90 >=75	<74 >=60	<60 >=45	<45 >=30	<30



Financial Integrity Rating System of Texas

**2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 7**

Name:	LUFKIN ISD (003903)
Indicator:	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)
Result/Points	10
Last Updated:	4/20/2018 8:03:27 AM

FORMULA

Field	Value
Current Assets	33,251,597
/ Current Liabilities	7,799,913
Mathematical Breakdown: 4.2631	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
>=3.00	<3.00 >=2.50	<2.50 >=2.00	<2.00 >=1.50	<1.50 >=1.00	<1.00



Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 8

Name:	LUFKIN ISD (003903)
Indicator:	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 change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.) (See ranges below.)
Result/Points	10
Last Updated:	4/20/2018 8:03:27 AM

FORMULA

Field	Value
(
Long Term Liabilities	46,911,531
/	
Total Assets	108,756,197
<= 1	
)	
Or	
(
(
2017 Total Students	8,176
- 2013 Total Students	8,494
)	
/	
2013 Total Students	8,494
>= Threshold for Five-Year Percent Change in Students	0.07
)	
Mathematical Breakdown: 0.4313 <= 1 Or -0.0374 >= 0.07	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
<=0.60	>0.60 <=0.70	>0.70 <=0.80	>0.80 <=0.90	>0.90 <=1.00	>1.00



Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 9

Name:	LUFKIN ISD (003903)
Indicator:	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?
Result/Points	10
Last Updated:	4/20/2018 8:03:27 AM

FORMULA

Field	Value
(
Total Revenue	71,156,629
/	
(
Total Expenditures	69,677,940
- Facilities Acquisition and Construction	4,082,744
)	
- 1	
)	
>= 0	
Or	
(
(
Cash and Equivalents	24,593,023
+ Current Investments	0
)	
/	
(
Total Expenditures	69,677,940
- Facilities Acquisition and Construction	4,082,744
)	
)	
* 365	
>= Acceptable Days Cash on Hand	60

Mathematical Breakdown: 0.0848 >= 0 Or 136.8462 >= 60

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
$\geq 0\%$	$< 0\%$



Financial Integrity Rating System of Texas

**2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 10**

Name:	LUFKIN ISD (003903)
Indicator:	Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)
Result/Points	10
Last Updated:	4/20/2018 8:03:28 AM

FORMULA

Field	Value
(
Total Revenues (in the General Fund and Debt Service Fund)	72,791,386
- Total Expenditures (in the General Fund and Debt Service Fund)	74,590,867
+Debt Service function codes 71, 72, and 73 (in the General Fund and Debt Service Fund)	5,398,840
+Fund Code 599 (Ending Debt Service fund balance)	71
+Function Code 81	4,082,744
)	
/ Debt Service function codes 71, 72, and 73 (in the General Fund and Debt Service Fund)	5,398,840
Mathematical Breakdown: 1.4229	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
>=1.20	<1.20 >=1.15	<1.15 >=1.10	<1.10 >=1.05	<1.05 >=1.00	<1.00



Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 11

Name:	LUFKIN ISD (003903)
Indicator:	Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)
Result/Points	10
Last Updated:	4/20/2018 8:03:28 AM

FORMULA

Field	Value
District Administrative Cost Ratio	0.0855
And	
ADA	7,462.46
Or	
Sparse	FALSE

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS						
ADA Size	10	8	6	4	2	0
10,000 and Above	\leq 0.0855	> 0.0855 \leq 0.1105	> 0.1105 \leq 0.1355	> 0.1355 \leq 0.1605	> 0.1605 \leq 0.1855	$>$ 0.1855
5,000 to 9,999	\leq 0.1000	> 0.1000 \leq 0.1250	> 0.1250 \leq 0.1500	> 0.1500 \leq 0.1750	> 0.1750 \leq 0.2000	$>$ 0.2000
1,000 to 4,999	\leq 0.1151	> 0.1151 \leq 0.1401	> 0.1401 \leq 0.1651	> 0.1651 \leq 0.1901	> 0.1901 \leq 0.2151	$>$ 0.2151
500 to 999	\leq 0.1311					$>$ 0.2311

		> 0.1311 <= 0.1561	> 0.1561 <= 0.1811	> 0.1811 <= 0.2061	> 0.2061 <= 0.2311	
Less than 500	<= 0.2404	> 0.2404 <= 0.2654	> 0.2654 <= 0.2904	> 0.2904 <= 0.3154	> 0.3154 <= 0.3404	> 0.3404
Sparse	<= 0.3364	> 0.3364 <= 0.3614	> 0.3614 <= 0.3864	> 0.3864 <= 0.4114	> 0.4114 <= 0.4364	> 0.4364



Financial Integrity Rating System of Texas

**2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 12**

Name:	LUFKIN ISD (003903)
Indicator:	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.)
Result/Points	10
Last Updated:	6/19/2018 11:01:32 AM

FORMULA

Field	Value
(
2016-2017 Total Enrollment	8,216
/	
2016-2017 Number of FTE Staff	1,268.224
)	
/	
(
2014-2015 Total Enrollment	8,348
/	
2014-2015 Number of FTE Staff	1,239.9927
)	
- 1	
> Threshold for Three-Year Percent Change in Ratio	-0.15
Or	
2016-2017 Total Enrollment	8,216
-	
2014-2015 Total Enrollment	8,348
> 0	
Mathematical Breakdown: -0.0377 > -0.15 Or -132 > 0	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No



Financial Integrity Rating System of Texas

**2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 13**

Name:	LUFKIN ISD (003903)
Indicator:	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?
Result/Points	10
Last Updated:	4/20/2018 8:03:29 AM

FORMULA

Field	Value
Sum of Differences	66
/ Denominator	69,677,934
< Acceptable Level of Variance	.03

Mathematical Breakdown: $0 < 0.03$

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
< 3%	>= 3%



Financial Integrity Rating System of Texas

**2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA
INDICATOR TEST 14**

Name:	LUFKIN ISD (003903)
Indicator:	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.)
Result/Points	10
Last Updated:	4/20/2018 8:03:29 AM

FORMULA

Field	Value
Not Material Non-Compliance	false

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No



Financial Integrity Rating System of Texas

2017-2018 RATINGS BASED ON 2016-2017 SCHOOL YEAR DATA INDICATOR TEST 15

Name:	LUFKIN ISD (003903)
Indicator:	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?
Result/Points	10
Last Updated:	4/20/2018 8:03:29 AM

FORMULA

Field	Value
No Adjusted Repayment Schedule	true

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No

Texas Administrative Code

<u>TITLE 19</u>	EDUCATION
<u>PART 2</u>	TEXAS EDUCATION AGENCY
<u>CHAPTER 109</u>	BUDGETING, ACCOUNTING, AND AUDITING
<u>SUBCHAPTER AA</u>	COMMISSIONER'S RULES CONCERNING FINANCIAL ACCOUNTABILITY
RULE §109.1001	Financial Accountability Ratings

(a) The following words and terms, when used in this section, have the following meanings, unless the context clearly indicates otherwise.

(1) Annual Financial Report (AFR)--The audited annual report required by the Texas Education Code (TEC), §44.008, that is due to the Texas Education Agency (TEA) by no later than 150 days after the close of a school district's or an open-enrollment charter school's fiscal year.

(2) Ceiling indicator--An upper limit (the maximum score) at which a score from a standard limit of a specific indicator will result regardless of overall points.

(3) Debt--An amount of money owed to a person, bank, company, or other organization.

(4) Electronic submission--The TEA electronic data feed format required for use by school districts, open-enrollment charter schools, and regional education service centers (ESCs).

(5) Financial Integrity Rating System of Texas (FIRST)--The financial accountability rating system administered by the TEA in accordance with the TEC, §39.082 and §39.085. The system provides additional transparency to public education finance and meaningful financial oversight and improvement for school districts (School FIRST) and open-enrollment charter schools and charter schools operated by a public institution of higher education under TEC, Chapter 12, Subchapters D and E (Charter FIRST).

(6) Fiscal year--The fiscal year of a school district or an open-enrollment charter school, which begins on July 1 or September 1 of each year, as determined by the board of trustees of the district or the governing body of the charter holder in accordance with the TEC, §44.0011.

(7) Foundation School Program (FSP)--The program established under the TEC, Chapters 41, 42, and 46, or any successor program of state-appropriated funding for school districts in this state.

(8) Open-enrollment charter school--A charter school authorized by the commissioner of education under TEC, Chapter 12, Subchapter D.

(9) Public institution of higher education (IHE)--A public college or university eligible to operate a school district; an open-enrollment charter school; or a TEC, Chapter 12, Subchapter E, charter school authorized by the commissioner.

(10) Summary of Finances (SOF) report--The document of record for FSP allocations. An SOF report is produced for each school district and open-enrollment charter school by the TEA division

responsible for state funding that describes the school district's or open-enrollment charter school's funding elements and FSP state aid.

(11) Texas Student Data System Public Education Information Management System (TSDS PEIMS)--The system that school districts and open-enrollment charter schools use to load, validate, and submit their data to the TEA.

(12) Warrant hold--The process by which state payments issued to payees indebted to the state, or payees with a tax delinquency, are held by the Texas Comptroller of Public Accounts until the debt is satisfied in accordance with the Texas Government Code, §403.055.

(b) The TEA will assign a financial accountability rating to each school district, open-enrollment charter school, and charter school operated by a public IHE under TEC, Chapter 12, Subchapters D and E, as required by the TEC, §39.082.

(c) The commissioner will evaluate the rating system every three years as required by the TEC, §39.082, and may modify the system in order to improve the effectiveness of the rating system. If the rating system has been modified, the TEA will communicate changes to ratings criteria and their effective dates to school districts, open-enrollment charter schools, and charter schools operated by public IHEs.

(d) The TEA will use the following sources of data in calculating the financial accountability indicators for school districts, open-enrollment charter schools, and charter schools operated by public IHEs:

(1) AFR. For each school district, open-enrollment charter school, and charter school operated by a public IHE, the TEA will use audited financial data in the district's or charter's AFR. The AFR, submitted as an electronic submission through the TEA website, must include data required in the Financial Accountability System Resource Guide (FASRG) adopted under §109.41 of this title (relating to Financial Accountability System Resource Guide);

(2) TSDS PEIMS. The TEA will use TSDS PEIMS data submitted by the school district, open-enrollment charter school, or charter school operated by a public IHE in the calculation of the financial accountability indicators.

(3) Warrant holds. The TEA will use warrant holds as reported by the Texas Comptroller of Public Accounts in the calculation of the financial accountability indicators.

(4) FSP. The TEA will use the average daily attendance (ADA) information used for FSP funding purposes for the school district, open-enrollment charter school, or charter school operated by a public IHE in the calculation of the financial accountability indicators.

(e) The TEA will base the financial accountability rating of a school district on its overall performance on the financial measurements, ratios, and other indicators established by the commissioner, as shown in the figures provided in this subsection. Financial accountability ratings for a rating year are based on the data from the immediate prior fiscal year.

(1) The financial accountability rating indicators for rating year 2014-2015 are based on fiscal year 2014 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated August 2015 for rating year 2014-2015."

[Attached Graphic](#)

(2) The financial accountability rating indicators for rating year 2015-2016 are based on fiscal year 2015 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated August 2015 for rating year 2015-2016."

[Attached Graphic](#)

(3) The financial accountability rating indicators for rating year 2016-2017 are based on fiscal year 2016 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated December 2016 for rating year 2016-2017."

[Attached Graphic](#)

(4) The financial accountability rating indicators for rating years 2017-2018, 2018-2019, and 2019-2020 are based on financial data from fiscal years 2017, 2018, and 2019, respectively, and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated February 2018 for rating years 2017-2018 through 2019-2020." The financial accountability rating indicators for rating years 2017-2018, 2018-2019, and 2019-2020 will use the same calculations and scoring method provided in the figure in this paragraph.

[Attached Graphic](#)

(5) The financial accountability rating indicators for rating year 2020-2021 are based on fiscal year 2020 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated February 2018 for rating year 2020-2021." The financial accountability rating indicators for rating years after 2020-2021 will use the same calculations and scoring method provided in the figure in this paragraph.

[Attached Graphic](#)

(6) The specific calculations and scoring methods used in the financial accountability rating worksheets for school districts for rating years prior to 2014-2015 remain in effect for all purposes with respect to those rating years.

(f) The TEA will base the financial accountability rating of an open-enrollment charter school on its overall performance on the financial measurements, ratios, and other indicators established by the commissioner, as shown in the figures provided in this subsection. Financial accountability ratings for a rating year are based on the data from the immediate prior fiscal year.

(1) The financial accountability rating indicators for rating year 2014-2015 are based on fiscal year 2014 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated August 2015 for rating year 2014-2015."

[Attached Graphic](#)

(2) The financial accountability rating indicators for rating year 2015-2016 are based on fiscal year 2015 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated August 2015 for rating year 2015-2016."

[Attached Graphic](#)

(3) The financial accountability rating indicators for rating year 2016-2017 are based on fiscal year 2016 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated August 2015 for rating year 2016-2017."

[Attached Graphic](#)

(4) The financial accountability rating indicators for rating years 2017-2018, 2018-2019, and 2019-2020 are based on financial data from fiscal years 2017, 2018, and 2019, respectively, and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated February 2018 for rating year 2017-2018." The financial accountability rating indicators for rating years 2017-2018, 2018-2019, and 2019-2020 will use the same calculations and scoring method provided in the figure in this paragraph.

[Attached Graphic](#)

(5) The financial accountability rating indicators for rating year 2020-2021 are based on fiscal year 2020 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated February 2018 for rating year 2020-2021." The financial accountability rating indicators for rating years after 2020-2021 will use the same calculations and scoring method provided in the figure in this paragraph.

[Attached Graphic](#)

(6) The specific calculations and scoring methods used in the financial accountability rating worksheets for open-enrollment charter schools for rating years prior to 2014-2015 remain in effect for all purposes with respect to those rating years.

(g) The TEA will base the financial accountability rating of a charter school operated by a public IHE on its overall performance on the financial measurements, ratios, and other indicators established by the commissioner, as shown in the figures provided in this subsection. Financial accountability ratings for a rating year are based on the data from the immediate prior fiscal year.

(1) The financial accountability rating indicators for rating year 2016-2017 are based on fiscal year 2016 financial data and are provided in the figure in this paragraph entitled "IHE Charter FIRST - Rating Worksheet Dated February 2018 for rating years 2016-2017 through 2019-2020." The financial accountability rating indicators for rating years 2016-2017 through 2019-2020 will use the same calculations and scoring method provided in the figure in this paragraph.

[Attached Graphic](#)

(2) The financial accountability rating indicators for rating year 2020-2021 are based on fiscal year 2020 financial data and are provided in the figure in this paragraph entitled "IHE Charter FIRST - Rating Worksheet Dated February 2018 for rating year 2020-2021." The financial accountability rating indicators for rating years after 2020-2021 will use the same calculations and scoring method provided in the figure in this paragraph.

[Attached Graphic](#)

(h) The types of financial accountability ratings that school districts or open-enrollment charter schools may receive for the rating year 2014-2015 are as follows.

(1) P for pass. This rating applies only to the financial accountability rating for rating year 2014-2015 based on fiscal year 2014 financial data. In accordance with the procedures established in this section, a school district or an open-enrollment charter school will receive a P rating if it scores within the applicable range established by the commissioner for a P rating.

(2) F for substandard achievement. This rating applies to the financial accountability rating for rating year 2014-2015 based on fiscal year 2014 financial data. In accordance with the procedures established in this section, a school district or an open-enrollment charter school will receive an F rating if it scores within the applicable range established by the commissioner for an F rating.

(i) The types of financial accountability ratings that school districts or open-enrollment charter schools may receive for the rating year 2015-2016 and all subsequent rating years are as follows.

(1) A for superior achievement. Beginning with the financial accountability rating for rating year 2015-2016 and all subsequent rating years, in accordance with the procedures established in this section, a school district or an open-enrollment charter school will receive an A rating if it scores within the applicable range established by the commissioner for an A rating.

(2) B for above standard achievement. Beginning with the financial accountability rating for rating year 2015-2016 and all subsequent rating years, in accordance with the procedures established in this section, a school district or an open-enrollment charter school will receive a B rating if it scores within the applicable range established by the commissioner for a B rating.

School FIRST Annual Financial Management Report



Superintendent's Current Employment Contract

The Superintendent's current contract is posted on the LISD website and will remain accessible for 12 months.

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended August 31, 2017

Description of Reimbursements	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	Dr. LaTonya Goffney	Andro Branch	Allyson Langston	Don Muhlbach	Andra Self	Scott Skelton	Kristi Gay	George (Hall) Henderson IV
Meals	\$ 198.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lodging	\$ 1,855.05	\$ 1,225.08	\$ 220.89	\$ 650.73	\$ 369.91	\$ 650.73	0.00	0.00
Transportation	\$ 2,212.66	\$ 306.02	\$ 179.37	\$ 308.14	\$ 484.51	\$ 282.83	0.00	0.00
Other	\$ 211.43	0.00	\$ 129.63	0.00	0.00	0.00	0.00	\$ 666.76
Motor Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	\$4,477.75	\$1,531.10	\$529.89	\$958.87	\$854.42	\$933.56	\$0.00	\$666.76

All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. Items to be reported per category include:

Meals – Meals consumed out of

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/fax services and any other reimbursements not defined above.

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, 2017

Name(s) of Entity(ies)	Amount Received
None reported	\$0.00
Total	\$0.00

Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any) (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)

For the Twelve-Month Period
Ended August 31, 2017

	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	Dr. Latonya Goffney	Andro Branch	Allyson Langston	Don Muhlbach	Andra Self	Scott Skelton	Kristi Gay	George (Hall) Henderson IV
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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.

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended August 31, 2017

Amounts	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	Dr. Latonya Goffney	Andro Branch	Kristi Gay	Allyson Langston	Don Muhlbach	Andra Self	Scott Skelton	George (Hall) Henderson IV
	\$0.00	\$0.00	\$0.00	\$0.00	\$732.00	\$0.00	\$0.00	\$0.00

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.