

# 2023 F.I.R.S.T. REPORT



## LUFKIN INDEPENDENT SCHOOL DISTRICT

### A FINANCIAL MANAGEMENT REPORT

2022 – 2023 RATINGS

BASED ON SCHOOL YEAR 2021 – 2022 DATA – DISTRICT STATUS DETAIL

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**LUFKIN INDEPENDENT SCHOOL DISTRICT**

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

November 6, 2023

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 an "A" Rating (Superior Achievement) for 2022, which is the highest rating that can be achieved. A district can be assigned one of five ratings: A= Superior Achievement, B = Above Standard Achievement, C = Meets Standard, and F = Substandard Achievement, and Suspended-Data Quality. The District also received an "A" rating for the prior 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 LUFKIN DAILY NEWS

Greg Weatherbee, *Publisher*  
P.O. Box 1089, Lufkin, Texas 75902-1089  
936-692-6631 • Fax 936-692-6655

THE STATE OF TEXAS  
COUNTY OF ANGELINA

BEFORE ME, the undersigned, a Notary Public, this day personally came Greg Weatherbee, who was sworn according to law that he is the Publisher for THE LUFKIN DAILY NEWS.

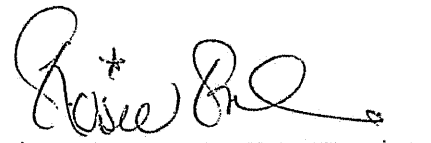
THE PUBLISHER of THE LUFKIN DAILY NEWS, a daily newspaper published in Lufkin, Texas, in said County and State, attests that the attached printed material was published in said newspaper

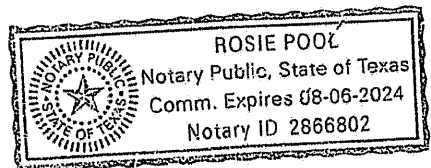
11/17/23

  
Greg Weatherbee, *Publisher*

LUSD  
Rating  
Meeting  
Ad placed  
By Tim H.

SUBSCRIBED AND SWORN TO BEFORE ME THIS  
THE 20th DAY OF November 2023

  
Rosie Pool, Notary Public  
State of Texas



Account Name & Number: Lufkin ISD  
Acct # 2400743

# The Lufkin Daily News Classifieds

## LEGAL NOTICES

### FOR PUBLIC RELEASE RE: THARSO PLACE, INC PUBLIC HEARING

Pursuant to Texas Human Resources Code section 42.0461, Tharso Place, Inc. is providing the following statutory required information per HRC, sec. 42.0461(b) (1) in regards to the upcoming public hearing concerning a residential child care facility.

1.) Name and Address of permit holder: Chase and Jennifer Nielsen  
218 E. Ln Lufkin, TX 75904

2.) Name and Address of Child Care Operator: Tharso Place, Inc.  
3896 FM 2497 Lufkin, TX 75904

3.) Public Hearing Date, Time, & Location: December 1, 2023  
9:30 am to 1:15 pm @ Tharso Place, Inc. 3896 FM 2497 Lufkin, Texas, 75904

4.) Designated Licensing Inspector: Ms. Jalin Pape, Region V Inspector IV  
409-273-5943  
papej@texas.gov  
or  
Purposes of Mailed Correspondence: Ms. Leslie Gaddy of the Texas Health and Human Services Commission Child Care Regulation Supervisor 8105 Executive Blvd. Beaumont, TX 77705

Please note that a person may submit written comments to the Inspector listed above concerning the application. This may be done instead of or in addition to appearing at the public hearing.

The population to be served will be females from ages 10-17, at a maximum capacity of twenty-five (25).

Tharso Place, Inc. will provide therapeutic services designed to identify and provide assistance for emotional disorders within said population as outlined above.

### NOTICE OF PUBLIC MEETING

Lufkin ISD will hold a public meeting at 11:30 am, December 12, 2023 in the Administration Building Board Room at 101 Cotton Square, Lufkin, TX 75904 to discuss Lufkin ISD's rating on the State's Financial Accountability System.

### Request for Proposal

Diboll ISD is requesting proposal for the following project: Video Surveillance & Access Control Equipment. To request a packet, contact Christy Starns, Purchasing Support Specialist at 936-626-0022. Sealed proposals must be received by 10:00 am on December 6, 2023. The bid documents will be publicly opened and read aloud at this time. Proposals can be mailed or hand-delivered to 215 North Temple, Diboll, Texas 75841.

### LEGAL NOTICE

**CITATION BY PUBLICATION-CIVIL**  
CAUSE NO. 207-23-CV

Clerk of the Court: Amy Fincher  
P.O. Box 908  
Lufkin, Texas 75902-9008

Attorney Requesting Service: Hunter McKinley  
P.O. Box 12548  
Austin, Texas 78711

THE STATE OF TEXAS  
COUNTY OF ANGELINA

TO: T. MITCHELL GIBSON A/K/A THOMAS MITCHELL GIBSON, WHOSE WHEREABOUTS ARE UNKNOWN, OR IF HE BE DECEASED, HIS UNKNOWN HEIRS

You are hereby notified the State of Texas filed a *Petition for Condemnation* with the Judge of the County Court at Law #1 of Angelina County, Texas, on the 18<sup>th</sup> day of July, 2023, in Cause No. 207-23-CV, and filed a *First Amended Petition for Condemnation* on the 27<sup>th</sup> day of September, 2023 in said Court.

You are each hereby notified that a hearing will be held at 10:00 o'clock a.m., on the first Monday after the expiration of forty-two (42) days from the date of issuance hereof, that is to say Monday, the 18th day of December, 2023, to assess the damages of the owner of the property being condemned.

The undersigned special commissioners appointed to assess the damages in the above proceedings, having met on this date to set a time and place for hearing the parties to said proceeding, find that the 18th day of December, 2023 is the earliest practicable date for hearing the parties; that the most convenient place in this County to hold the hearing is the Angelina County Courthouse, Courtroom 85, 215 E. Lufkin Ave., Lufkin, Texas 75901; and that the hearing shall commence at 10:00 o'clock a.m.

Participants who are unable to attend in person may attend via a concurrent telephone or video conference.

Said telephone or video conference may be accessed by calling 346.248.7799 and entering access code 885.0281.2469 followed by the pound (8) symbol.

Said telephone or video conference may also be accessed on the internet using the information below:  
Meeting specific URL: <https://au12web.zoom.us/j/88502812469?pwd=b3k0T2p2WzZvOWlPbVlGd0VhQzRlZjZlUT09>  
Meeting number: 885.0281.2469  
Meeting password: 903822

This hearing may be recorded or transcribed. The State of Texas filed a *Petition for Condemnation* with the Judge of the County Court at Law No. 1 of Angelina County, Texas, on 18<sup>th</sup> day of July, 2023, and filed a *First Amended Petition for Condemnation* on the 27<sup>th</sup> day of September, 2023, in Cause No. 207-23-CV which is styled *The State of Texas v. Benjamin F. Gibson, et al.*, et al. The Plaintiff is the State of Texas. The Defendants are: Benjamin F. Gibson; Margaret F. Gibson; Joseph L. Gibson; Bethanna B. Gibson; T. Mitchell Gibson A/K/A Thomas Mitchell Gibson, whose whereabouts are unknown, or if he be deceased, his unknown heirs; Mark C. Gibson; and Sarah E. Gibson.

The names and address of the attorney for Plaintiff is Hunter McKinley, Assistant Attorney General, P.O. Box 12548, Austin, Texas 78711-2548.

This suit is an eminent domain proceeding in which the State of Texas is condemning a tract of land located in Angelina County, Texas, containing the property fully described in Exhibit "A" of Plaintiff's *First Amended Petition for Condemnation* filed under the above-referenced cause number. The interests of these Defendants are that they either own or claim an interest in said property, subject to unpaid accrued taxes. You are further notified that you may appear at the hearing before the special commissioners and present evidence you desire on the issue of damages to be assessed by the State. If you do not appear at the hearing, the Special Commissioners may proceed to assess the damages for the owner of the property being condemned.

If this Citation is not served within ninety (90) days after its issuance, it shall be returned forthwith.

Issued and given under my hand and the Seal of said Court, at office in Lufkin Texas, on this the 2nd day of November, 2023.

Amy Fincher, County Clerk  
Angelina County, Texas  
By *Samantha Johnson*

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## LEGAL NOTICE

**Mailroom Staff**

The Lufkin Daily News has full-time positions available in the mailroom. Drivers License required. Must pass Drug Test & Background Check.

Please drop off resumes at the front desk or email to [donnie.giacone@lufkindailynews.com](mailto:donnie.giacone@lufkindailynews.com)

THE LUFKIN DAILY NEWS  
No phone calls please.  
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## LEGAL NOTICE

### NOTICE BY PUBLICATION

THE STATE OF TEXAS  
COUNTY OF ANGELINA

TO: T. MITCHELL GIBSON A/K/A THOMAS MITCHELL GIBSON, WHOSE WHEREABOUTS ARE UNKNOWN, OR IF HE BE DECEASED, HIS UNKNOWN HEIRS

You are each hereby notified that a hearing will be held at 10:00 o'clock a.m., on the first Monday after the expiration of forty-two (42) days from the date of issuance hereof, that is to say Monday, the 18th day of December, 2023, and at Angelina County Courthouse, Courtroom 85, 215 E. Lufkin Ave., Lufkin, TX 75901, to assess the damages of the owner of the property being condemned.

The undersigned special commissioners appointed to assess the damages in the above proceedings, having met on this date to set a time and place for hearing the parties to said proceeding, find that the 18th day of December, 2023, is the earliest practicable date for hearing the parties; that the most convenient place in this County to hold the hearing is the Angelina County Courthouse, Courtroom 85, 215 E. Lufkin Ave., Lufkin, TX 75901; and that the hearing shall commence at 10:00 o'clock A.M.

Participants who are unable to attend in person may attend via a concurrent telephone or video conference.

Said telephone or video conference may be accessed by calling 346.248.7799 and entering access code 885.0281.2469 followed by the pound (8) symbol.

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The State of Texas filed a *Petition for Condemnation* with the Judge of the County Court at Law No. 1 of Angelina County, Texas, on the 18<sup>th</sup> day of July, 2023, and filed a *First Amended Petition for Condemnation* on the 27<sup>th</sup> day of September, 2023, in Cause No. 207-23-CV, which is styled *The State of Texas v. Benjamin F. Gibson, et al.*, et al. The Plaintiff is the State of Texas. The Defendants are: T. Mitchell Gibson A/K/A Thomas Mitchell Gibson, whose whereabouts are unknown, or if he be deceased, his unknown heirs, and, if any of them be deceased, their respective heirs and legal representatives, if any; Benjamin F. Gibson; Margaret F. Gibson; Joseph L. Gibson; Bethanna B. Gibson; Mark C. Gibson; and Sarah E. Gibson.

The name and address of the attorney for Plaintiff is Hunter McKinley, Assistant Attorney General, P.O. Box 12548, Austin, Texas 78711-2548.

This suit is an eminent domain proceeding in which the State of Texas is condemning a tract of land located in Angelina County, Texas, containing a 1.289 acre tract of land situated in the Juan Antonio Langario Survey, Abstract No. 24, City of Lufkin, Angelina County, Texas, said 1.289 acre tract of land being a portion of a called a tract of land described as "Third Tract" in a Quit Claim Deed to Thomas Mitchell Gibson, filed May 6, 1987 and recorded in Volume 680, Page 632, Deed Records, Angelina County, Texas, such property being fully described in Exhibit "A" of Plaintiff's *Petition for Condemnation* filed under the above-referenced cause number.

The interests of these Defendants are that they either own or claim an interest in said property, subject to unpaid accrued taxes.

You are further notified that you may appear at the hearing before the special commissioners and present evidence you desire on the issue of damages to be assessed against the State. If you do not appear at the hearing, the Special Commissioners may proceed to assess the damages of the owner of the property being condemned.

If this Notice is not served within ninety (90) days after its issuance, it shall be returned forthwith.

ISSUED this 21st day of October, 2023.

Don Chalkley  
Mickey Cowser  
SPECIAL COMMISSIONERS

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936-366-0335

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936-240-7684  
Reagan Finnell, Owner



# To the Administrator Addressed

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

<b>DATE:</b>	<b>November 6, 2023</b>
<b>SUBJECT:</b>	<b>Official Notification of the 2022–2023 Release of Final FIRST Ratings</b>
<b>CATEGORY:</b>	<b>Information Update</b>
<b>NEXT STEPS:</b>	<b>Required Reporting</b>

Final 2022–2023 Financial Integrity Rating System of Texas (FIRST) ratings based on fiscal year 2022 are now publicly available on the Texas Education Agency (TEA) website:

- [School districts](#)
- [Open-enrollment charter schools and charter schools operated by Institutions of Higher Education \(IHEs\)](#)

A previous “To the Administrator Addressed” [letter dated August 7, 2023](#), instructed your school district or charter school (local educational agency or LEA) to view its *preliminary* FIRST rating. The letter also provided information about the data the TEA analyzes to produce the rating and described the appeal process available to your LEA. This appeals process is now complete, and the FIRST ratings are final.

### Required Reporting

Within two months of the release of its final FIRST rating, your LEA must announce and hold a public meeting to distribute a financial management report that explains the LEA’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 Texas Administrative Code \(TAC\) §109.1001\(q\)\(3\)](#). We encourage your LEA to include in the report additional information that will be beneficial to stakeholders, especially information explaining any special circumstances that may have affected the LEA’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 LEA 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 LEA can use in developing its financial management report, see the TEA [School FIRST](#) web page for school districts or [Charter FIRST](#) web page for charter schools.

### Accreditation Status

Please note that the TEA considers an LEA’s 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 LEA’s FIRST rating, please contact [financialaccountability@tea.texas.gov](mailto:financialaccountability@tea.texas.gov).

David Marx, CPA  
Director, Financial Compliance Division  
School Finance Department



## 2022-2023 RATINGS BASED ON SCHOOL YEAR 2021-2022 DATA - DISTRICT STATUS DETAIL

<b>Name:</b> LUFKIN ISD(003903)	<b>Publication Level 1:</b> 8/4/2023 12:02:16 PM
<b>Status:</b> Passed	<b>Publication Level 2:</b> 8/7/2023 3:01:39 PM
<b>Rating:</b> A = Superior Achievement	<b>Last Updated:</b> 8/7/2023 3:01:39 PM
<b>District Score:</b> 100	<b>Passing Score:</b> 70

#	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>	7/13/2023 6:18:32 PM	Yes
2	<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>	7/13/2023 6:18:32 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>	7/13/2023 6:18:32 PM	Yes
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? (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.)</u>	7/13/2023 6:18:32 PM	Yes  Ceiling Passed
5	This indicator is not being evaluated.		
			1 Multiplier Sum
6	<u>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.)</u>	7/13/2023 6:18:32 PM	Ceiling Passed

7	<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 in the Determination of Points section.</u>	7/13/2023 6:18:32 PM	10
8	<u>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.</u>	7/13/2023 6:18:32 PM	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? See ranges below in the Determination of Points section.</u>	7/13/2023 6:18:32 PM	10
10	This indicator is not being evaluated.		10
11	<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 or 1,000 or more students in membership, then the school district passes this indicator.)</u>	7/13/2023 6:18:32 PM	10
12	<u>What is the correlation between future debt requirements and the district's assessed property value?</u>	7/13/2023 6:18:32 PM	10
13	<u>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.</u>	7/13/2023 6:18:32 PM	10
14	This indicator is not being evaluated.		10
15	This indicator is not being evaluated.		5
16	<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? (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.)</u>	7/13/2023 6:18:32 PM	Ceiling Passed
17	<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 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.)</u>	7/13/2023 6:18:32 PM	Ceiling Passed
18	<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>	7/13/2023 6:18:32 PM	10
19	<u>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?</u>	7/13/2023 6:18:32 PM	5
20	<u>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?</u>	7/13/2023 6:18:32 PM	Ceiling Passed
			100 Weighted Sum
			1 Multiplier Sum



	(100 Ceiling)
	100 Score

**DETERMINATION OF RATING**

<b>A.</b>	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.	
<b>B.</b>	Determine the rating by the applicable number of points.	
	<b>A = Superior Achievement</b>	90-100
	<b>B = Above Standard Achievement</b>	80-89
	<b>C = Meets Standard Achievement</b>	70-79
	<b>F = Substandard Achievement</b>	<70
<p><b>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.</b></p> <p>The school district receives an <b>F</b> 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.</p>		

**CEILING INDICATORS**

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 6, 16, 17, or 20? 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
<b>Indicator 4</b> (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
<b>Indicator 6</b> (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 16</b> (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 17</b> (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
<b>Indicator 20</b> (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement



### 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 1

<b>Name:</b>	<b>LUFKIN ISD (003903)</b>
<b>Indicator:</b>	<b>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?</b>
<b>Status</b>	Passed
<b>Last Updated:</b>	7/13/2023 6:18:32 PM

#### FORMULA

Field	Value
Date Received	2023/01/23
<= Due Date (Fiscal Year End + Deadline in Days After Fiscal Year End)	2023/02/27

#### RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the audit report was on time or filed within 30 days of the deadline.

Home Page: [Financial Compliance | Texas Education Agency](#) | Send comments or suggestions to [FinancialAccountability@tea.texas.gov](mailto:FinancialAccountability@tea.texas.gov)

THE **TEXAS EDUCATION AGENCY**  
1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734



Financial Integrity Rating System of Texas

## 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 2

<b>Name:</b>	<b>LUFKIN ISD (003903)</b>
<b>Indicator:</b>	<b>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.)</b>
<b>Status</b>	Passed
<b>Last Updated:</b>	7/13/2023 6:18:32 PM

### FORMULA

Field	Value
Unmodified Opinion	true

### RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the district received an unmodified opinion in the AFR.

Home Page: [Financial Compliance | Texas Education Agency](#) | Send comments or suggestions to [FinancialAccountability@tea.texas.gov](mailto:FinancialAccountability@tea.texas.gov)

THE **TEXAS EDUCATION AGENCY**  
 1701 NORTH CONGRESS AVENUE • AUSTIN, TEXAS, 78701 • (512) 463-9734

FIRST 5.14.3.3



### 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 3

<b>Name:</b>	<b>LUFKIN ISD (003903)</b>
<b>Indicator:</b>	<b>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.)</b>
<b>Status</b>	Passed
<b>Last Updated:</b>	7/13/2023 6:18:32 PM

#### FORMULA

Field	Value
Not Default Disclosures	false

#### RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if there were no disclosures in the annual financial report and/or other sources of information concerning default on debt agreements.

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### 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 4

<b>Name:</b>	<b>LUFKIN ISD (003903)</b>
<b>Indicator:</b>	<b>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.)</b>
<b>Status</b>	Passed
<b>Ceiling</b>	Passed
<b>Last Updated:</b>	7/13/2023 6:18:32 PM

#### FORMULA

Field	Value
Timely Payments to Government Agencies	true

#### CEILING FORMULA

Field	Value
Warrant Hold Issued	false

#### RESULT DETERMINATION REFERENCE

This indicator will be considered PASSED if the district made timely payments to the TRS, TWC, IRS, and other government agencies.

#### CEILING DETERMINATION

This indicator will be considered PASSED for the Ceiling if the district was not issued a warrant hold.



## 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 6

<b>Name:</b>	<b>LUFKIN ISD (003903)</b>
<b>Indicator:</b>	<b>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.)</b>
<b>Ceiling</b>	Passed
<b>Last Updated:</b>	7/13/2023 6:18:32 PM

### FORMULA

Field	Value
(	
(	
(	
2019-2020 Assigned and Unassigned Fund Balances	28,063,290
- 2018-2019 Assigned and Unassigned Fund Balances	23,218,956
)	
/ 2018-2019 Assigned and Unassigned Fund Balances	23,218,956
)	
+	
(	
(	
2020-2021 Assigned and Unassigned Fund Balances	29,768,176
- 2019-2020 Assigned and Unassigned Fund Balances	28,063,290
)	
/ 2019-2020 Assigned and Unassigned Fund Balances	28,063,290
)	
+	
(	
(	
2021-2022 Assigned and Unassigned Fund Balances	28,510,826
- 2020-2021 Assigned and Unassigned Fund Balances	29,768,176
)	
/ 2020-2021 Assigned and Unassigned Fund Balances	29,768,176
)	
)	
/ 3	
>= Threshold for Three-Year Percent Change in Fund Balances	-0.25
Or	
2021-2022 Assigned and Unassigned Fund Balances	28,510,826
>	
(	

(	2021-2022 Total Expenditures	82,964,228
-	2021-2022 Capital Outlay	2,595,162
)		
/	365	
*	75	
)		

Mathematical Breakdown:  $0.0757 \geq -0.25$  Or  $28,510,826 > 16,514,191.6438$

## RESULT DETERMINATION REFERENCE

### CEILING DETERMINATION

This indicator will be considered PASSED for the Ceiling if the average change in fund balances over 3 years had less than a 25 percent decrease or the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures.

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FIRST 5.14.3.3



## 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 7

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 in the Determination of Points section.
Result/Points	10
Last Updated:	7/13/2023 6:18:32 PM

### FORMULA

Field	Value
(	
(	
Cash and Equivalents	29,422,085
+ Current Investments	0
)	
/	
(	
Total Expenditures	82,964,228
- Facilities Acquisition and Construction	2,595,162
)	
)	
* 365	
<b>Mathematical Breakdown: 133.6218</b>	

### RESULT DETERMINATION REFERENCE

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

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## 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 8

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 in the Determination of Points section.
Result/Points	10
Last Updated:	7/13/2023 6:18:32 PM

### FORMULA

Field	Value
Current Assets	62,630,774
/ Current Liabilities	16,333,982
Mathematical Breakdown: 3.8344	

### RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
$\geq 3.00$	$< 3.00 \geq 2.50$	$< 2.50 \geq 2.00$	$< 2.00 \geq 1.50$	$< 1.50 \geq 1.00$	$< 1.00$

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### 2022-2023 RATINGS BASED ON 2021-2022 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? See ranges below in the Determination of Points section.
Result/Points	10
Last Updated:	7/13/2023 6:18:32 PM

### FORMULA

Field	Value
( Total Revenue	81,089,000
/	
( Total Expenditures	82,964,228
- Facilities Acquisition and Construction	2,595,162
)	
- 1	
)	
>= 0	
Or	
(	
( Cash and Equivalents	29,422,085
+ Current Investments	0
)	
/	
( Total Expenditures	82,964,228
- Facilities Acquisition and Construction	2,595,162
)	
)	
* 365	
>= Acceptable Days Cash on Hand	60

Mathematical Breakdown: 0.009 >= 0 Or 133.6218 >= 60

### RESULT DETERMINATION REFERENCE

### DETERMINATION OF POINTS

10

0

$\geq 0\%$

$< 0\%$

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FIRST 5.14.3.3



**2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 11**

<b>Name:</b>	<b>LUFKIN ISD (003903)</b>
<b>Indicator:</b>	<b>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.)</b>
<b>Result/Points</b>	10
<b>Last Updated:</b>	7/13/2023 6:18:32 PM

**FORMULA**

Field	Value
( Long Term Liabilities	104,112,437
/ Total Assets	193,172,067
<= 1	
) Or	
( ( 2022 Total Students	7,318
- 2018 Total Students	7,953
)	
/ 2018 Total Students	7,953
>= Threshold for Five-Year Percent Increase in Students	0.07
) Or	
( Change in Students	-635
>= Threshold for five year numerical Increase in Students	1,000
)	
<b>Mathematical Breakdown: 0.539 &lt;= 1 Or -0.0798 &gt;= 0.07 Or -635 &gt;= 1,000</b>	

**RESULT DETERMINATION REFERENCE**

<b>DETERMINATION OF POINTS</b>					
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



**2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 12**

<b>Name:</b>	<b>LUFKIN ISD (003903)</b>
<b>Indicator:</b>	<b>What is the correlation between future debt requirements and the district's assessed property value?</b>
<b>Result/Points</b>	10
<b>Last Updated:</b>	7/13/2023 6:18:32 PM

**FORMULA**

Field	Value
(	
Total Local and Intermediate Sources	7,649,056
/ Total Revenue	7,877,796
)	
* Long Term Liabilities	104,112,437
* 100	:
/ Assessed Property Value	2,872,461,448
<b>Mathematical Breakdown: 3.5193</b>	

**RESULT DETERMINATION REFERENCE**

<b>DETERMINATION OF POINTS</b>					
10	8	6	4	2	0
<b>&lt;= 4</b>	<b>&gt; 4 &lt;= 7</b>	<b>&gt; 7 &lt;= 10</b>	<b>&gt; 10 &lt;= 11.5</b>	<b>&gt; 11.5 &lt;= 13.5</b>	<b>&gt; 13.5</b>

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## 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 13

Name:	LUFKIN ISD (003903)
Indicator:	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.
Result/Points	10
Last Updated:	7/13/2023 6:18:32 PM

### FORMULA

Field	Value
District Administrative Cost Ratio	0.0975
And	
ADA	6,463.785
Or	
Sparse	FALSE

### RESULT DETERMINATION REFERENCE

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
5,000 to 9,999	<= 0.1000	> 0.1000 <= 0.1250	> 0.1250 <= 0.1500	> 0.1500 <= 0.1750	> 0.1750 <= 0.2000	> 0.2000
1,000 to 4,999	<= 0.1151	> 0.1151 <= 0.1401	> 0.1401 <= 0.1651	> 0.1651 <= 0.1901	> 0.1901 <= 0.2151	> 0.2151
500 to 999	<= 0.1311	> 0.1311 <= 0.1561	> 0.1561 <= 0.1811	> 0.1811 <= 0.2061	> 0.2061 <= 0.2311	> 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



### 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 16

<b>Name:</b>	<b>LUFKIN ISD (003903)</b>
<b>Indicator:</b>	<b>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.)</b>
<b>Ceiling:</b>	Passed
<b>Last Updated:</b>	7/13/2023 6:18:32 PM

#### FORMULA

Field	Value
Sum of Differences	1,667
/ Denominator	82,962,625
< Acceptable Level of Variance	.03

**Mathematical Breakdown:  $0 < 0.03$**

#### RESULT DETERMINATION REFERENCE

##### CEILING DETERMINATION

This indicator will be considered PASSED for the Ceiling if the comparison of PEIMS expenditure data to AFR data has a total variance of less than 3 percent.

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### 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 17

<b>Name:</b>	<b>LUFKIN ISD (003903)</b>
<b>Indicator:</b>	<b>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.)</b>
<b>Ceiling</b>	Passed
<b>Last Updated:</b>	7/13/2023 6:18:32 PM

### FORMULA

Field	Value
Not Material Weakness or Going Concern	false

### RESULT DETERMINATION REFERENCE

<p><b>CEILING DETERMINATION</b></p> <p>This indicator will be considered PASSED for the Ceiling if the external auditor reported no material weaknesses or a going concern in the audit report.</p>
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### 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 18

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:	7/13/2023 6:18:32 PM

#### FORMULA

Field	Value
Not Material Non-Compliance	false

#### RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No

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### 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 19

Name:	LUFKIN ISD (003903)
Indicator:	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?
Result/Points	5
Last Updated:	7/13/2023 6:18:32 PM

#### FORMULA

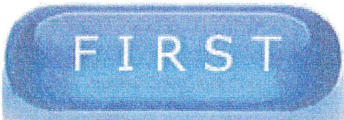
Field	Value
Required Financial Postings	true

#### RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
5	0
Yes	No

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### 2022-2023 RATINGS BASED ON 2021-2022 SCHOOL YEAR DATA INDICATOR TEST 20

Name:	LUFKIN ISD (003903)
Indicator:	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?
Ceiling	Passed
Last Updated:	7/13/2023 6:18:32 PM

#### FORMULA

Field	Value
Impact to Funding Discussion	true

#### RESULT DETERMINATION REFERENCE

##### CEILING DETERMINATION

This indicator will be considered PASSED for the Ceiling if the school district's administration and school board members discussed any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget.

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## **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</u>	COMMISSIONER'S RULES CONCERNING
<u>AA</u>	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."

(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."

(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."

(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 April 2020 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.

(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 October 2021 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.

(6) The financial accountability rating indicators for rating year 2021-2022 are based on fiscal year 2021 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated October 2021 for rating year 2021-2022." The financial accountability rating indicators for rating years after 2021-2022 will use the same calculations and scoring method provided in the figure in this paragraph.

(7) The financial accountability rating indicators for rating year 2022-2023 are based on fiscal year 2022 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated June 2023 for rating year 2022-2023." The financial accountability rating indicators for rating years after 2022-2023 will use the same calculations and scoring method provided in the figure in this paragraph.

(8) 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."

(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."

(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."

(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 April 2020 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.

(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 October 2021 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.

(6) The financial accountability rating indicators for rating year 2021-2022 are based on fiscal year 2021 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated October 2021 for rating year 2021-2022." The financial accountability rating indicators for rating years after 2021-2022 will use the same calculations and scoring method provided in the figure in this paragraph.

(7) The financial accountability rating indicators for rating year 2022-2023 are based on fiscal year 2022 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated June 2023 for rating year 2022-2023." The financial accountability rating indicators for rating years after 2022-2023 will use the same calculations and scoring method provided in the figure in this paragraph.

(8) 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 June 2019 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.

(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 June 2019 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.

(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:

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(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.

(3) C for 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 C rating if it scores within the applicable range established by the commissioner for a C rating.



(4) F for substandard 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 F rating if it scores within the applicable range established by the commissioner for an F rating.

(5) No Rating. Beginning with the financial accountability rating for rating year 2016-2017 and all subsequent rating years, in accordance with the procedures established in this section, a school district receiving territory due to an annexation order by the commissioner under the TEC, §13.054, or consolidation under the TEC, Chapter 49, Subchapter H, will not receive a rating for two consecutive rating years beginning with the rating year that is based on financial data from the fiscal year in which the order of annexation becomes effective. After the second rating year, the receiving district will be subject to the financial accountability rating system established by the commissioner in this section.

(j) The types of financial accountability ratings that charter schools operated by public IHEs may receive for the rating year 2016-2017 and all subsequent rating years are as follows.

(1) P for pass. Beginning with the financial accountability rating for rating year 2016-2017 and all subsequent rating years, in accordance with the procedures established in this section, a charter school operated by a public IHE 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. Beginning with the financial accountability rating for rating year 2016-2017 and all subsequent rating years, in accordance with the procedures established in this section, a charter school operated by a public IHE will receive an F rating if it scores within the applicable range established by the commissioner for an F rating.

(k) The commissioner may lower a financial accountability rating based on the findings of an action conducted under the TEC, Chapter 39 or 39A, or change a financial accountability rating in cases of disaster, flood, extreme weather conditions, fuel curtailment, or another calamity.

(l) A financial accountability rating remains in effect until replaced by a subsequent financial accountability rating.

(m) The TEA will issue a preliminary financial accountability rating to a school district, an open-enrollment charter school, or a charter school operated by a public IHE on or before August 8 of each year. The TEA will base the financial accountability rating for a rating year on the data from the fiscal year preceding the rating year.

(1) The TEA will not delay the issuance of the preliminary or final rating if a school district, an open-enrollment charter school, or a charter school operated by a public IHE fails to meet the statutory deadline under the TEC, §44.008, for submitting the AFR. Instead, the school district, open-enrollment charter school, or charter school operated by a public IHE will receive an F rating for substandard achievement.

(2) If the TEA receives an appeal of a preliminary rating, described by subsection (n) of this section, the TEA will issue a final rating to the school district, open-enrollment charter school, or charter school operated by a public IHE no later than 60 days after the deadline for submitting appeals.

(3) If the TEA does not receive an appeal of a preliminary rating, described by subsection (n) of this section, the preliminary rating automatically becomes a final rating 31 days after issuance of the preliminary rating.

(n) A school district, an open-enrollment charter school, or a charter school operated by a public IHE may appeal its preliminary financial accountability rating through the following appeals process.

(1) The TEA division responsible for financial accountability must receive a written appeal no later than 30 days after the TEA's release of the preliminary rating. The appeal must include adequate evidence and additional information that supports the position of the school district, open-enrollment charter school, or charter school operated by a public IHE. Appeals received 31 days or more after TEA issues a preliminary rating will not be considered.

(2) A data error attributable to the TEA is a basis for an appeal. If a preliminary rating contains a data error attributable to the TEA, a school district or an open-enrollment charter school may submit a written appeal requesting a review of the preliminary rating.

(3) A school district, an open-enrollment charter school, or a charter school operated by a public IHE may appeal any other adverse issue it identifies in the preliminary rating.

(4) The TEA will only consider appeals that would result in a change of the preliminary rating.

(5) The TEA division responsible for financial accountability will select an external review panel to independently oversee the appeals process.

(6) The TEA division responsible for financial accountability will submit the information provided by the school district, open-enrollment charter school, or charter school operated by a public IHE to the external review panel members for review.

(7) Each external review panel member will examine the appeal and supporting documentation and will submit his or her recommendation to the TEA division responsible for financial accountability.

(8) The TEA division responsible for financial accountability will compile the recommendations and forward them to the commissioner.

(9) The commissioner will make a final ratings decision.

(A) The commissioner may adjust a score for an indicator or the overall score upon appeal of the indicator(s) by the school district, open-enrollment charter school, or charter school operated by a public IHE.

(B) Upon appeal of the indicator for the timely submission of a complete AFR, the commissioner may adjust the overall score and rating as described in clauses (i)-(iii) of this subparagraph if the certificate of the board and the audit opinion letter from the external auditor for the school district's or charter school's AFR were signed on or before the due date of the AFR as required in TEC, §44.008.

(i) For a school district or charter school that has a failed preliminary FIRST rating with 85 to 100 points, deduct 15 points from the total points for an overall passing score if no other critical indicators were failed.

(ii) For a school district or charter school that has a failed preliminary FIRST rating with 70 to 84 points, adjust the overall score to 70 points for an overall passing score if no other critical indicators were failed.

(iii) For a school district or charter school that has a failed preliminary FIRST rating with total points less than the threshold for an overall passing score and/or the school district or

charter school failed any other critical indicators, no adjustment to the points will be made for the overall score.

(o) A final rating issued by the TEA under this section may not be appealed under the TEC, §7.057, or any other law or rule.

(p) A financial accountability rating by a voluntary association is a local option of the school district, open-enrollment charter school, or charter school operated by a public IHE, but it does not substitute for a financial accountability rating by the TEA.

(q) Each school district, open-enrollment charter school, and charter school operated by a public IHE is required to report information and financial accountability ratings to parents, taxpayers, and other stakeholders by implementing the following reporting procedures.

(1) Each school district, open-enrollment charter school, and charter school operated by a public IHE must prepare and distribute an annual financial management report in accordance with this subsection.

(2) Each school district, open-enrollment charter school, and charter school operated by a public IHE must provide the public with an opportunity to comment on the report at a public hearing.

(3) The annual financial management report for a school district, an open-enrollment charter school, or a charter school operated by a public IHE must include:

(A) a description of its financial management performance based on a comparison, provided by the TEA, of its performance on the indicators established by the commissioner and reflected in this section. The report will contain information that discloses:

(i) state-established standards; and

(ii) the financial management performance of the school district, open-enrollment charter school, or charter school operated by a public IHE under each indicator for the current and previous year's financial accountability ratings;

(B) any descriptive information required by the commissioner, including:

(i) a copy of the superintendent's current employment contract or other written documentation of employment if no contract exists. This must disclose all compensation and benefits paid to the superintendent. The school district, open-enrollment charter school, or charter school operated by a public IHE may publish the superintendent's employment contract on its website instead of publishing it in the annual financial management report;

(ii) a summary schedule for the fiscal year (12-month period) of expenditures paid on behalf of the superintendent and each board member and total reimbursements received by the superintendent and each board member. This includes transactions on the credit card(s), debit card(s), stored-value card(s), and any other similar instrument(s) of the school district, open-enrollment charter school, or charter school operated by a public IHE to cover expenses incurred by the superintendent and each board member. The summary schedule must separately report reimbursements for meals, lodging, transportation, motor fuel, and other items. The summary schedule of total reimbursements should not include reimbursements for supplies and materials that were purchased for the operation of the school district, open-enrollment charter school, or charter school operated by a public IHE;

(iii) a summary schedule for the fiscal year of the dollar amount of compensation and fees received by the superintendent from an outside school district, open-enrollment charter school, charter school operated by a public IHE, or any other outside entity in exchange for professional consulting or other personal services. The schedule must separately report the amount received from each entity;

(iv) a summary schedule for the fiscal year of the total dollar amount of gifts that had a total economic value of \$250 or more received by the executive officers and board members. This reporting requirement applies only to gifts received by the executive officers and board members (and their immediate family as described by Government Code, Chapter 573, Subchapter B, Relationships by Consanguinity or by Affinity) of the school district, open-enrollment charter school (or charter holder), or charter school operated by a public IHE (or charter holder) from an outside entity that received payments from the school district, open-enrollment charter school (or charter holder), or charter school operated by a public IHE (or charter holder) in the prior fiscal year and to gifts from competing vendors that were not awarded contracts in the prior fiscal year.

This reporting requirement does not apply to reimbursement by an outside entity for travel related expenses when the purpose of the travel was to investigate matters

directly related to an executive officer's or board member's duties or to investigate matters related to attendance at education-related conferences and seminars with the primary purpose of providing continuing education (this exclusion does not apply to trips for entertainment purposes or pleasure trips). This reporting requirement excludes an individual gift or a series of gifts from a single outside entity that had a total economic value of less than \$250 per executive officer or board member; and

(v) a summary schedule for the fiscal year of the dollar amount received by board members for the total amount of business transactions with the school district, open-enrollment charter school (or charter holder), or charter school operated by a public IHE (or charter holder). This reporting requirement is not to duplicate the items disclosed in the summary schedule of reimbursements received by board members; and

(C) any other information the board of trustees of the school district, open-enrollment charter school, or charter school operated by a public IHE determines to be useful.

(4) The board of trustees of each school district, open-enrollment charter school, or charter school operated by a public IHE must hold a public hearing on the annual financial management report within two months after receiving a final financial accountability rating. The public hearing must be held at a location in the facilities of the school district, open-enrollment charter school, or charter school operated by a public IHE. The board must give notice of the hearing to owners of real estate property in the geographic boundaries of the school district, open-enrollment charter school, or charter school operated by a public IHE and to parents of school district, open-enrollment charter school, or charter school operated by a public IHE students. In addition to other notice required by law, the board must provide notice of the hearing:

(A) to a newspaper of general circulation in the geographic boundaries of the school district, each campus of an open-enrollment charter school, or each campus of a charter school operated by a public IHE in one posting prior to holding the public meeting, providing the time and place of the hearing. The notice in the newspaper may not be earlier than 30 days or later than 10 days before the date of the hearing. If no newspaper is published in the county in which the district's central administration office is located or within the geographic boundaries of an open-enrollment charter school's campus or campus of a charter school operated by a public IHE, then the board must publish the notice in the county nearest to the county seat of the county in which the district's central administration office is located or in which the campus of the open-enrollment charter school or the campus of a charter school operated by a public IHE is located; and

(B) through electronic mail to the mass communication media serving the school district, open-enrollment charter school, or charter school operated by a public IHE, including, but not limited to, radio and television.

(5) At the hearing, the school district, open-enrollment charter school, or charter school operated by a public IHE must provide the annual financial management report to the attending parents and taxpayers.

(6) The school district, open-enrollment charter school, or charter school operated by a public IHE must retain the annual financial management report for at least three years after the public hearing and make it available to parents and taxpayers upon request.

(7) Each school district, open-enrollment charter school, or charter school operated by a public IHE that received an F rating must file a corrective action plan with the TEA, prepared in accordance with instructions from the commissioner, within one month after the public hearing of the school district, open-enrollment charter school, or charter school operated by a public IHE. The commissioner may require certain information in the corrective action plan to address the factor(s) that may have contributed to the F rating for a school district, open-enrollment charter school, or charter school operated by a public IHE.

# 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, 2022

Description of Reimbursements	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	Lynn Torres	Scott Skelton	Delphina Maxie	Allyson Langston	Joe Ceasar	Kristi Gay	George (Hall) Henderson IV	Matt Knight
Meals	\$103.71	\$0.00		\$0.00		\$0.00	\$0.00	\$0.00
Lodging	\$0.00	\$0.00		\$0.00		\$0.00	\$0.00	\$0.00
Transportation	\$0.00	\$0.00		\$0.00		\$0.00	\$0.00	\$0.00
Motor Fuel	\$649.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$214.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$967.61	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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 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.

## 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, 2022

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, 2022

	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	Lynn Torres	Scott Skelton	Delphina Maxie	Allyson Langston	Joe Ceasar	Kristi Gay	George (Hall) Henderson IV	Matt Knight
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, 2022

	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	Lynn Torres	Scott Skelton	Delphina Maxie	Allyson Langston	Joe Ceasar	Kristi Gay	George (Hall) Henderson IV	Matt Knight
Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$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.