



2024

LUFKIN INDEPENDENT SCHOOL DISTRICT

A FINANCIAL MANAGEMENT REPORT

2023 – 2024 RATINGS

BASED ON SCHOOL YEAR 2022 – 2023 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

October 1, 2024

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 2024, 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,

Jill Gaston
Chief Financial Officer
Lufkin Independent School District

THE LUFKIN DAILY NEWS

P.O. Box 1089
Lufkin, TX 75902
936-632-6631

Receipt

Date: 09/24/24

User: JGARRETT

CUSTOMER INFORMATION:

Account: 10085
Name: Chyrl Smithhart
Company: Lufkin I.S.D.
Address: P.O. Box 1407
Lufkin, TX 75902
Telephone: (936) 630-4325

NOTICE OF PUBLIC MEETING

Lufkin ISD will hold a public meeting at 11:30 a.m., October 15, 2024 on the campus of Trout Primary, 1014 Allendale Drive, Lufkin, Texas 75904 to discuss Lufkin ISD's Rating on the State's Financial Accountability System.

AD INFORMATION:

Start Date: 10/04/24
Stop Date: 10/04/24
Package: Classified Legal
Class: 1005
Ad ID: 1259446
Ad Taken By: JGARRETT
Sales Person: Payton Trego-Seedor
Column: 1
Depth: 1.333
Lines: 14
Words: 40
Description: NOTICE OF PUBLIC MEETING Lufkin
ISD

CHARGES / PAYMENT DETAIL:

Ad Price: \$69.55
Payment Date:
Payment Type:
CC Last 4 #:

Amount Paid:
Approval Code:
Amount Due: \$69.55

We Appreciate Your Business!
Thank You!

DATE:	August 8, 2024
SUBJECT:	Preliminary 2023–2024 FIRST Ratings
CATEGORY:	Accreditation Information
NEXT STEPS:	Share with appropriate staff

Texas’s school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), provides accountability for Texas public schools on the quality of their financial management practices and that they improve these practices. The purpose of this letter is to inform Texas public school systems that their preliminary 2023–2024 FIRST rating is now available online. To access your school system’s FIRST rating, click the [Financial Integrity Rating System of Texas](#) link. Then, click the appropriate link as follows:

- School districts should use the School District FIRST Ratings link.
- Charter schools should use the Charter FIRST Ratings link.

Basis for FIRST Rating

Your school system’s rating is based on an analysis of the school system’s financial data for fiscal year 2023 (the fiscal period ended June 30, 2023, or August 31, 2023, depending on the ending date of your school system’s fiscal year). TEA determined your school system’s rating using the financial indicators specified in:

- [19 Texas Administrative Code \(TAC\) §109.1001\(e\)\(8\)](#) for school districts; and
- [19 TAC §109.1001\(f\)\(8\)](#) or [19 TAC §109.1001\(g\)\(2\)](#) for charter schools, depending upon the type of charter school operated.

Please carefully review your school system’s preliminary FIRST rating and the data associated with each of the indicators.

Opportunity for Appeal

If your school system wishes to appeal an adverse issue it identifies in the preliminary rating, your school system may submit a written appeal with supporting evidence to the TEA Financial Compliance Division. For the appeal to be considered, TEA must receive it by **September 9, 2024**. Send your appeal and supporting documentation to the following email address: FinancialAccountability@tea.texas.gov.

Please note, all appeal requests, including supporting documentation, must be submitted via email to FinancialAccountability@tea.texas.gov on or before September 9, 2024. Appeals and supporting documentation that are not submitted to the Financial Accountability email address by the required deadline will not be considered or processed.

Please see [19 TAC §109.1001\(n\)](#) for the rules regarding the filing of an appeal. As stated in that section, TEA will consider only an appeal that would result in a change to your school system’s rating. If no appeal is submitted by your school system, your school system’s preliminary rating becomes final on the 31st day after the preliminary ratings are released (September 10, 2024).

Final FIRST Rating and Required Reporting

We will issue final ratings to school districts and charter schools after we have reviewed any submitted appeals. Final 2023–2024 School FIRST and Charter FIRST ratings are anticipated to be released in November 2024.

Within two months of the release of your LEA's final School FIRST or Charter FIRST rating, your school system must announce and hold a public meeting to distribute a financial management report that explains the school system's rating and its performance under each indicator for the current and previous year's ratings. If your school system does not submit an appeal, your school system may choose to use the date that the rating automatically became final as a basis for the two-month deadline to hold the public hearing.

The report also must provide the financial information described in [19 TAC §109.1001\(q\)\(3\)](#). TEA encourages school systems to include additional information in the report that will be beneficial to stakeholders, especially information explaining any special circumstances that may have affected the school system's performance under one or more of the indicators.

The required newspaper notices 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 or charter school may combine the meeting with a scheduled regular meeting of the board of trustees or governing board, respectively.

For full requirements related to the report and meeting, see [19 TAC §109.1001\(q\)](#). For a template that your school system can use in developing its financial management report:

- districts should see the TEA [School FIRST](#) web page and
- charter schools should see the TEA [Charter FIRST](#) web page.

To access additional rules concerning financial accountability ratings, please see [19 TAC §109.1001](#).

Accreditation Status

Please note that the TEA considers a school system'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 school system's FIRST rating, you may send an email to FinancialAccountability@tea.texas.gov or you may contact:

- Robin Aldridge at (512) 463-3940 or by email at Robin.Aldridge@tea.texas.gov for School FIRST
- Roger Seemion at (512) 936-3712 or by email at Roger.Seemion@tea.texas.gov for Charter FIRST



Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON SCHOOL YEAR 2022-2023 DATA - DISTRICT STATUS DETAIL

Name: LUFKIN ISD(003903)		Publication Level 1: 8/8/2024 6:33:40 PM	
Status: Passed		Publication Level 2: 8/8/2024 6:33:40 PM	
Rating: A = Superior Achievement		Last Updated: 8/20/2024 1:27:36 PM	
District Score: 94		Passing Score: 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>	4/19/2024 6:25:46 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>	4/19/2024 6:25:46 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>	4/19/2024 6:25:46 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>	4/19/2024 6:25:46 PM	Yes Ceiling Passed
			1 Multiplier Sum
5	<u>Was the total net position in the governmental activities column in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero? (If it is not, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement, unless the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership. If the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	4/19/2024 6:25:46 PM	Ceiling Passed
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</u>	4/19/2024 6:25:46 PM	Ceiling Passed

	<u>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	<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>	4/19/2024 6:25:46 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>	4/19/2024 6:25:46 PM	6
9	<u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? See ranges below in the Determination of Points section.</u>	4/19/2024 6:25:46 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>	4/19/2024 6:25:46 PM	10
12	<u>What is the correlation between future debt requirements and the district's assessed property value?</u>	8/20/2024 1:27:35 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>	8/20/2024 1:27:36 PM	8
14	<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>	4/19/2024 6:25:46 PM	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>	4/19/2024 6:25:46 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>	4/19/2024 6:25:46 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>	4/19/2024 6:25:46 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>	4/19/2024 6:25:46 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>	4/19/2024 6:25:46 PM	Ceiling Passed
21	<u>Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of a financial hardship?</u>	4/19/2024 6:25:46 PM	Ceiling Passed
			94 Weighted Sum
	6		1 Multiplier

		Sum
		(100 Ceiling)
		94 Score

DETERMINATION OF RATING

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

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.

The school district receives an **F** 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.

The school district receives an **F** 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.

CEILING INDICATORS

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 6, 16, 17, 20, or 21? 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
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 21 (FSP Repayment Plan) - Response to indicator is <i>Yes</i> .	70	C = Meets Standard Achievement



Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 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:	4/19/2024 6:25:46 PM

FORMULA

Field	Value
Date Received	2024/01/23
\leq Due Date (Fiscal Year End + Deadline in Days After Fiscal Year End)	2024/02/27

RESULT DETERMINATION REFERENCE

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

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FIRST 5.15.6.0



Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 SCHOOL YEAR DATA INDICATOR TEST 2

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:	4/19/2024 6:25:46 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.

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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 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:	4/19/2024 6:25:46 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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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 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? (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.)
Status	Passed
Ceiling	Passed
Last Updated:	4/19/2024 6:25:46 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.

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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 SCHOOL YEAR DATA INDICATOR TEST 5

Name:	LUFKIN ISD (003903)
Indicator:	Was the total net position in the governmental activities column in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero? (If it is not, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement, unless the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership. If the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)
Ceiling	Passed
Last Updated:	4/19/2024 6:25:46 PM

FORMULA

Field	Value	Percent Variance
(
(
Total Net Position	12,615,930	
+ Accretion of Interest for Capital Appreciation Bonds	0	
+ Net Pension Liability	29,562,742	
+ Net Other Post-Employment Benefits	16,711,199	
)		
> 0		
)		
And		
(
No matter what below conditions are	true	
Or		
(
(
2022-2023 Total Membership	7,119	
-2018-2019 Total Membership	7,827	
)		
/ 2018-2019 Total Membership	7,827	
>= Threshold for Five-Year Percent Increase in Students	0.07	
)		
Or		
(
Change in Students	-708	-9.05
>= Threshold for Five-Year Numerical Increase in Students	1,000	
)		
)		
Mathematical Breakdown: $58,889,871 > 0$ And (true Or $-0.0905 \geq 0.07$ Or $-708 \geq 1,000$)		

RESULT DETERMINATION REFERENCE

1. This indicator will be considered PASSED if the following CONDITION is TRUE:

The sum of Total Net Position, Net Pension Liability, and Net Other Post-Employment Benefits in the governmental activities column in the Statement of Net Position and Accretion of Interest for Capital Appreciation Bonds is greater than zero.

2. If the CONDITION above is not TRUE and:

a. The school district did not have an increase of students in membership over 5 years of 7% or more or 1,000 or more students, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.

b. The school district had an increase of students in membership over 5 years of 7% or more or 1,000 or more students, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.

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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 SCHOOL YEAR DATA INDICATOR TEST 6

Name:	LUFKIN ISD (003903)
Indicator:	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.)
Ceiling	Passed
Last Updated:	4/19/2024 6:25:46 PM

FORMULA

Field	Value
(
(
(
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
)	
+	
(
(
2022-2023 Assigned and Unassigned Fund Balances	19,942,767
- 2021-2022 Assigned and Unassigned Fund Balances	28,510,826
)	
/ 2021-2022 Assigned and Unassigned Fund Balances	28,510,826
)	
)	
/ 3	
>= Threshold for Three-Year Percent Change in Fund Balances	-0.25
Or	
2022-2023 Assigned and Unassigned Fund Balances	19,942,767
>	
(
(
2022-2023 Total Expenditures	88,169,982

- 2022-2023 Capital Outlay

497,378

)

/ 365

* 75

)

Mathematical Breakdown: $-0.094 \geq -0.25$ Or $19,942,767 > 18,014,918.6301$

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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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 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:	4/19/2024 6:25:46 PM

FORMULA

Field	Value
(
(
Cash and Equivalents	25,569,675
+ Current Investments	0
)	
/	
(
Total Expenditures	88,169,982
- Facilities Acquisition and Construction	497,378
)	
)	
* 365	
Mathematical Breakdown: 106.4521	

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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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 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	6
Last Updated:	4/19/2024 6:25:46 PM

FORMULA

Field	Value
Current Assets	50,202,769
/ Current Liabilities	21,540,150
Mathematical Breakdown: 2.3307	

RESULT DETERMINATION REFERENCE

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

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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 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:	4/19/2024 6:25:46 PM

FORMULA

Field	Value
(Total Revenue	78,624,423
/	
(Total Expenditures	88,169,982
- Facilities Acquisition and Construction	497,378
)	
- 1	
)	
>= 0	
Or	
(
(Cash and Equivalents	25,569,675
+ Current Investments	0
)	
/	
(Total Expenditures	88,169,982
- Facilities Acquisition and Construction	497,378
)	
)	
* 365	
>= Acceptable Days Cash on Hand	60

Mathematical Breakdown: $-0.1032 \geq 0$ Or $106.4521 \geq 60$

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

10

0

>=0%

<0%

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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 SCHOOL YEAR DATA INDICATOR TEST 11

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 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.)
Result/Points	10
Last Updated:	4/19/2024 6:25:46 PM

FORMULA

Field	Value
(
Long Term Liabilities	99,542,144
/	
Total Assets	184,273,226
<= 1	
)	
Or	
(
(
2023 Total Students	7,119
-	
2019 Total Students	7,827
)	
/	
2019 Total Students	7,827
>= Threshold for Five-Year Percent Increase in Students	0.07
)	
Or	
(
Change in Students	-708
>= Threshold for five year numerical Increase in Students	1,000
)	
Mathematical Breakdown: 0.5402 <= 1 Or -0.0905 >= 0.07 Or -708 >= 1,000	

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

2023-2024 RATINGS BASED ON 2022-2023 SCHOOL YEAR DATA INDICATOR TEST 12

Name:	LUFKIN ISD (003903)
Indicator:	What is the correlation between future debt requirements and the district's assessed property value?
Result/Points	10
Last Updated:	8/8/2024 2:50:42 PM

FORMULA

Field	Value
(
Total Local and Intermediate Sources	7,049,837
/ Total Revenue	7,338,488
)	
* Long Term Liabilities	99,542,144
* 100	
/ Assessed Property Value	3,335,428,617
Mathematical Breakdown: 2.867	

RESULT DETERMINATION REFERENCE

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

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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 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	8
Last Updated:	6/22/2024 8:33:28 AM

FORMULA

Field	Value
District Administrative Cost Ratio	0.1200847172
And	
ADA	6,439.86
Or	
Sparse	false

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS						
ADA Size	10	8	6	4	2	0
10,000 and Above	≤ 0.0855	$> 0.0855 \leq 0.1105$	$> 0.1105 \leq 0.1355$	$> 0.1355 \leq 0.1605$	$> 0.1605 \leq 0.1855$	> 0.1855
5,000 to 9,999	≤ 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	≤ 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	≤ 0.1311	$> 0.1311 \leq 0.1561$	$> 0.1561 \leq 0.1811$	$> 0.1811 \leq 0.2061$	$> 0.2061 \leq 0.2311$	> 0.2311
Less than 500	≤ 0.2404	$> 0.2404 \leq 0.2654$	$> 0.2654 \leq 0.2904$	$> 0.2904 \leq 0.3154$	$> 0.3154 \leq 0.3404$	> 0.3404
Sparse	≤ 0.3364	$> 0.3364 \leq 0.3614$	$> 0.3614 \leq 0.3864$	$> 0.3864 \leq 0.4114$	$> 0.4114 \leq 0.4364$	> 0.4364



Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 SCHOOL YEAR DATA INDICATOR TEST 14

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:	4/19/2024 6:25:46 PM

FORMULA

Field	Value
(
2022-2023 Total Enrollment	7,164
/	
2022-2023 Number of FTE Staff	1,317.1891
)	
/	
(
2020-2021 Total Enrollment	7,432
/	
2020-2021 Number of FTE Staff	1,319.772
)	
- 1	
> Threshold for Three-Year Percent Change in Ratio	-0.15
Or	
2022-2023 Total Enrollment	7,164
- 2020-2021 Total Enrollment	7,432
> 0	
Mathematical Breakdown: $-0.0342 > -0.15$ Or $-268 > 0$	

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No



Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 SCHOOL YEAR DATA INDICATOR TEST 16

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? (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.)
Ceiling	Passed
Last Updated:	4/19/2024 6:25:46 PM

FORMULA

Field	Value
Sum of Differences	7,579
/ Denominator	88,162,529
< Acceptable Level of Variance	.03
Mathematical Breakdown: $0.0001 < 0.03$	

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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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 SCHOOL YEAR DATA INDICATOR TEST 17

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 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.)
Ceiling	Passed
Last Updated:	4/19/2024 6:25:46 PM

FORMULA

Field	Value
Not Material Weakness or Going Concern	false

RESULT DETERMINATION REFERENCE**CEILING DETERMINATION**

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.

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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 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:	4/19/2024 6:25:46 PM

FORMULA

Field	Value
Not Material Non-Compliance	false

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
10	0
Yes	No

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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 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:	4/19/2024 6:25:46 PM

FORMULA

Field Required Financial Postings	Value true
--------------------------------------	---------------

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS	
5	0
Yes	No

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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 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:	4/19/2024 6:25:46 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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Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON 2022-2023 SCHOOL YEAR DATA INDICATOR TEST 21

Name:	LUFKIN ISD (003903)
Indicator:	Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of a financial hardship?
Ceiling	Passed
Last Updated:	4/19/2024 6:25:46 PM

FORMULA

Field	Value
Adjusted Repayment Plan	false

RESULT DETERMINATION REFERENCE

CEILING DETERMINATION

The indicator will be considered PASSED for the Ceiling if the district does not receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of a financial hardship.

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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:

(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, 2023

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	\$283.29	\$0.00		\$0.00		\$0.00	\$0.00	\$0.00
Lodging	\$1,034.91	\$0.00	\$840.93	\$840.93	\$840.93	\$840.93	\$840.93	\$0.00
Transportation	\$0.00	\$0.00	\$221.27	\$221.27	\$221.27	\$221.27	\$221.27	\$0.00
Motor Fuel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$1,318.20	\$0.00	\$1,062.20	\$1,062.20	\$1,062.20	\$1,062.20	\$1,062.20	\$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, 2023

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, 2023

	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.