

Lewisville ISD

Financial Integrity Rating System of Texas (FIRST)
Hearing
November 9, 2015

Changes to FIRST

- Changes in the Commissioner's Rule were authorized by HB 5, Section 49, 83rd Texas Legislature, Regular Session, 2013. HB 5 requires the commissioner of education to include processes in the financial accountability rating system for anticipating the future financial solvency of each school district.
- Implementation of the new financial rating system is being phased in over a three-year period.
- The FIRST accountability rating system assigns one of two financial accountability ratings with the highest being "P" for "Passed" and the other rating being "F" for "Substandard Achievement." LISD received a "P" rating.

Reporting

- School district must prepare and distribute an annual financial management report which must include:
 - The district's financial performance rating.
 - Reimbursements received by the Superintendent and Board members for fiscal year 2014.
 - Report the current Superintendent's contract in the annual report or post to the internet. The current superintendent's contract is posted on the Lewisville ISD website.
- Public hearing to provide an opportunity to comment.



Financial Integrity Rating System of Texas

2014-2015 RATINGS BASED ON SCHOOL YEAR 2013-2014 DATA - DISTRICT STATUS DETAIL

Name: LEWISVILLE ISD(061902)	Publication Level 1: 8/7/2015 11:59:38 AM
Status: Passed	Publication Level 2: 8/7/2015 11:59:38 AM
Rating: Pass	Last Updated: 8/7/2015 11:59:38 AM
District Score: 30	Passing Score: 16

#	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>	4/6/2015 2:39:00 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>	4/6/2015 2:39:00 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>	4/6/2015 2:39:00 PM	Yes
4	<u>Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)</u>	4/6/2015 2:39:01 PM	Yes
			1 Multiplier Sum

5	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	7/31/2015 1:03:52 PM	10
6	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?</u>	4/6/2015 2:39:03 PM	10
7	<u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)</u>	4/6/2015 2:39:03 PM	10
			30 Weighted Sum
			1 Multiplier Sum
			30 Score

DETERMINATION OF RATING

A.	Did The District Answer 'No' To Indicators 1, 2, 3, Or 4? If So, The District's Rating Is Substandard Achievement .	
B.	Determine Rating By Applicable Range For Summation of the Indicator Scores (Indicators 5-7)	
	Pass	16-30
	Substandard Achievement	<16

**Reimbursements Received by the Superintendent and Board Members
For the Twelve-Month Period
Ended August 31, 2014**

Description of Reimbursements	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Ex-Board Member *	Ex-Board Member *
	Dr. Waddell	Angie Cox	Kathy Duke	Kristi Hassett	Brenda Latham	Tracy Scott Miller	Trisha Sheffield	Kris Vaughn		Carol Kver	Mike McDaniel
Meals	\$ 1,216.19	\$ 137.51	\$ 232.63	\$ -	\$ -	\$ -	\$ 294.20	\$ 291.54		\$ 297.70	\$ 20.00
Lodging	2,181.10	684.63	1,688.48	-	-	-	1,551.42	2,020.41		1,498.67	-
Transportation	2,732.54	711.61	711.61	54.00	-	-	967.74	783.75		850.93	-
Other:											
Conference Fees	1,540.00	1,225.00	1,590.00	500.00	655.00	500.00	1,785.00	1,785.00		1,285.00	-
Membership Fees	-	-	-	-	-	-	-	-		-	-
Internet Service	-	-	-	-	-	-	-	-		-	-
Cell Phone Service	2,100.00	-	-	-	144.33	-	578.29	384.29		382.63	-
Miscellaneous	-	-	-	-	-	-	-	-		-	-
Total	\$ 9,769.83	\$ 2,758.75	\$ 4,222.72	\$ 554.00	\$ 799.33	\$ 500.00	\$ 5,176.65	\$ 5,264.99		\$ 4,314.93	\$ 20.00

* Term expired May 2014

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

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

Lodging - Hotel charges.

Transportation - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.

Motor fuel - Gasoline.

Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

**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, 2014**

**Name(s) of
Entity(ies)** _____

Amount Received

Total

\$ -

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

**Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any)
and Business Transactions Between School District and Board Members
For the Twelve-Month Period
Ended August 31, 2014**

Superintendent/ Board Member	Position	Gifts > \$250 aggregate value	Business Transactions with District
Dr. Stephen Waddell	Superintendent	None	None
Angie Cox	Board Member	None	None
Kathy Duke	Board Member	None	None
Kristi Hassett	Board Member	None	None
Brenda Latham	Board Member	None	None
Tracy Scott Miller	Board Member	None	None
Trisha Sheffield	Board Member	None	None
Kris Vaughn	Board Member	None	None

Note - An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials.