



MEMORANDUM

TO: James E. Wilcox, Ed., Superintendent

DATE: December 2, 2020

FROM: Joey Jones, Assistant Superintendent for Finance

RE: Financial Integrity Rating Systems of Texas (FIRST)
2019-2020 Ratings Based on School Year 2018-2019 Data

We are pleased to report our 19-20 Financial Integrity Rating (FIRST) as **SUPERIOR**. The state's school financial accountability rating system ensures that Texas public schools are held accountable for the quality of their financial management practices and they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes. Enclosed you will find a copy of our district's report and a maximum score of 10 was achieved with the following two exceptions:

Indicator Test 8

Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? The long term liabilities include the principal of our bonded indebtedness & our OPEB (State Employee Pension Plan) liabilities. The district's current ratio of long term liabilities to assets is .6002959 and $\leq .60$ was the cutoff for a 10 point score. In the last five years our ratio has improved from a .67789 to the current rate of .6002959.

Indicator Test 11

Was the school district's administrative cost ratio equal to or less than the threshold ratio? The administrative cost ratio includes the sum of amounts in the General Fund 199 function codes 21 & 41 divided by the sum of function codes 11,12,13,& 31. This formula yields a ratio of .1009 and the cutoff for a district our size was $\leq .1000$.

In sum, we are pleased with a **SUPERIOR** rating.

Enclosure: 19-20 LISD FIRST REPORT

RATING YEAR DISTRICT NUMBER



Financial Integrity Rating System of Texas

2019-2020 RATINGS BASED ON SCHOOL YEAR 2018-2019 DATA - DISTRICT STATUS DETAIL

Name: LONGVIEW ISD(092903)	Publication Level 1: 8/6/2020 9:26:37 AM
Status: Passed	Publication Level 2: 8/6/2020 11:17:34 AM
Rating: A = Superior	Last Updated: 8/6/2020 11:17:34 AM
District Score: 96	Passing Score: 60

#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	3/30/2020 1:22:11 PM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A, or to both indicators 2.A and 2.B.		
2.A	<u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u>	3/30/2020 1:22:12 PM	Yes
2.B	<u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)</u>	3/30/2020 1:22:12 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>	3/30/2020 1:22:12 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?</u>	3/30/2020 1:22:12 PM	Yes
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (See ranges below.)</u>	3/30/2020 1:22:13 PM	10
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	3/30/2020 1:22:13 PM	10
8	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district passes this indicator. See ranges below.</u>	3/30/2020 1:22:14 PM	8
9	<u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?</u>	3/30/2020 1:22:14 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	3/30/2020 1:22:16 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/30/2020 1:22:17 PM	8
12	<u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)</u>	3/30/2020 1:22:18 PM	10
13	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?</u>	3/30/2020 1:22:22	10

		PM	
14	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.)	3/30/2020 1:22:22 PM	10
15	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	3/30/2020 1:22:22 PM	10
			96 Weighted Sum
			1 Multiplier Sum
			96 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, or 2,A? If so, the school district's rating is F for Substandard Achievement regardless of points earned.	
B.	Determine the rating by the applicable number of points. (Indicators 6-15)	
	A = Superior	90-100
	B = Above Standard	80-89
	C = Meets Standard	60-79
	F = Substandard Achievement	<60

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.

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

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

FIRST 5.9.1.0

DISTRICT NUMBER



Financial Integrity Rating System of Texas

2019-2020 RATINGS BASED ON 2018-2019 SCHOOL YEAR DATA INDICATOR TEST 8

Name:	LONGVIEW ISD (092903)
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, then the school district passes this indicator. See ranges below.
Result/Points	5
Last Updated:	3/30/2020 1:22:14 PM

FORMULA

Field	Value
Long Term Liabilities	214,078,494
Total Assets	358,821,020
1	
Or	
(
2019 Total Students	8,600
-	
2015 Total Students	8,742
)	
2015 Total Students	8,742
=	
Threshold for Five-Year Percent Increase in Students	0.07

Mathematical Breakdown: $0.6003 \leq 1$ Or $-0.0152 \geq 0.07$

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS					
10	8	6	4	2	0
≤ 0.60	$>0.60 \leq 0.70$	$>0.70 \leq 0.80$	$>0.80 \leq 0.90$	$>0.90 \leq 1.00$	>1.00

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DISTRICT NUMBER



Financial Integrity Rating System of Texas

2019-2020 RATINGS BASED ON 2018-2019 SCHOOL YEAR DATA INDICATOR TEST 11

Name:	LONGVIEW ISD (092903)
Indicator:	Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)
Result/Points	5
Last Updated:	3/30/2020 1:22:17 PM

FORMULA

Field	Value
District Administrative Cost Ratio	<input type="text" value="0.1009"/>
And	
ADA	<input type="text" value="7.974028"/>
Or	
Sparse	<input type="text" value="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

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FIRST 5.9.1.0

School FIRST Annual Financial Management Report

INDEPENDENT SCHOOL DISTRICT

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1001(q). Effective 8/1/2019. The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing. The template may not be all inclusive.

Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual School FIRST financial management report, the school district may choose to publish the superintendent's employment contract on the school district's Internet site. If published on the Internet, the contract is to remain accessible for twelve months.

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
 Ended June 30 or August 31, 2019

Description of Reimbursements	Tubb		Weige		Mack		Northcutt		Bauer		Beard		Simmons				
	Member 1	Member 2	Member 3	Member 4	Member 5	Member 6	Member 7	Member 8	Member 9	Member 10	Member 11	Member 12	Member 13	Member 14			
Meals	\$2,476.83	\$274.00	\$281.00	\$0	\$660.00	\$373.00	\$0.00	\$340.00	\$15,334.19	\$43.02	\$1,291.13	\$0	\$2,365.38	\$1,492.43	\$0.00	\$0.00	\$1,119.64
Lodging	\$1,472.81	\$390.00	\$155.34	\$0	\$1,241.72	\$566.89	\$0	\$257.49	\$8,127.06	\$272.00	\$435.00	\$0	\$895	\$786.00	\$0	\$895.00	\$0
Transportation	\$20,136.66	\$935.00	\$2,185.00	\$0	\$2,240.00	\$2,090.00	\$125.00	\$1,615.00	\$47,547.55	\$1,914.02	\$4,347.47	\$0.00	\$7,402.10	\$5,308.32	\$125.00	\$125.00	\$4,227.13
Motor Fuel																	
Other																	
Total																	

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 June 30 or August 31, 2019
Name(s) of Entity(ies)

Amount Received

Primerica Financial Services

\$50,000

Total

\$50,000

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) (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)

For the Twelve-Month Period
 Ended June 30 or August 31, 2019

Superintendent	Tubb Member 1	Welge Member 2	Mack Member 3	Northcutt Member 4	Bauer Member 5	Beard Member 6	Simmons Member 7
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total							

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 June 30 or August 31, 2019

Amounts	Tubb Member 1	Welge Member 2	Mack Member 3	Northcutt Member 4	Bauer Member 5	Beard Member 6	Simmons Member 7
\$350	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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.

November 19, 2020

- I did **not** receive any gifts of \$250 or more in aggregate during the 2018-19 school year.
- I did receive gifts of \$250 or more in aggregate during the 2018-19 school year.

List vendor name and gift.

Board Member Name: Ginia Northcutt
Board Member Signature: Ginia Northcutt

November 19, 2020

- I do **not** own a company that has transacted business with LISD during the 2018-19 school year.
- I own a company that has transacted business with LISD during the 2018-19 school year.

List company name and amount.

Board Member Name: Ginia Northcutt
Board Member Signature: Ginia Northcutt

November 19, 2020

- I did **not** receive any gifts of \$250 or more in aggregate during the 2018-19 school year.
- I did receive gifts of \$250 or more in aggregate during the 2018-19 school year.

List vendor name and gift.

Board Member Name: Shan Bauer
Board Member Signature: Shan Bauer

November 19, 2020

- I do **not** own a company that has transacted business with LISD during the 2018-19 school year.
- I own a company that has transacted business with LISD during the 2018-19 school year.

List company name and amount.

Board Member Name: Shan Bauer
Board Member Signature: Shan Bauer

November 19, 2020

- I did **not** receive any gifts of \$250 or more in aggregate during the 2018-19 school year.
- I did receive gifts of \$250 or more in aggregate during the 2018-19 school year.

List vendor name and gift.

Board Member Name:

Ava Welge

Board Member Signature:

Ava A. Welge

November 19, 2020

- I do **not** own a company that has transacted business with LISD during the 2018-19 school year.
- I own a company that has transacted business with LISD during the 2018-19 school year.

List company name and amount.

Board Member Name:

Ava Welge

Board Member Signature:

Ava A. Welge

November 19, 2020

I did **not** receive any gifts of \$250 or more in aggregate during the 2018-19 school year.

I did receive gifts of \$250 or more in aggregate during the 2018-19 school year.

List vendor name and gift.

Board Member Name: TED BEARD

Board Member Signature:



November 19, 2020

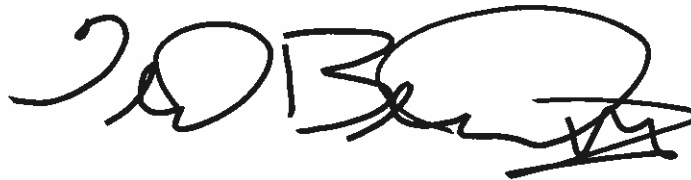
I do **not** own a company that has transacted business with LISD during the 2018-19 school year.

I own a company that has transacted business with LISD during the 2018-19 school year.

List company name and amount.

Board Member Name: TED BEARD

Board Member Signature:



November 19, 2020

- I did **not** receive any gifts of \$250 or more in aggregate during the 2018-19 school year.
- I did receive gifts of \$250 or more in aggregate during the 2018-19 school year.

List vendor name and gift.

Board Member Name:

Chris Mack

Board Member Signature:

Chris Mack

November 19, 2020

- I do **not** own a company that has transacted business with LISD during the 2018-19 school year.
- I own a company that has transacted business with LISD during the 2018-19 school year.

List company name and amount.

Board Member Name:

Chris Mack

Board Member Signature:

Chris Mack

November 19, 2020

- I did not receive any gifts of \$250 or more in aggregate during the 2018-19 school year.
- I did receive gifts of \$250 or more in aggregate during the 2018-19 school year.

List vendor name and gift.

Board Member Name: Troy Simmons
Board Member Signature: Troy Simmons

November 19, 2020

- I do not own a company that has transacted business with LISD during the 2018-19 school year.
- I own a company that has transacted business with LISD during the 2018-19 school year.

List company name and amount.

Board Member Name: Troy Simmons
Board Member Signature: Troy Simmons

November 19, 2020



I did not receive any gifts of \$250 or more in aggregate during the 2018-19 school year.

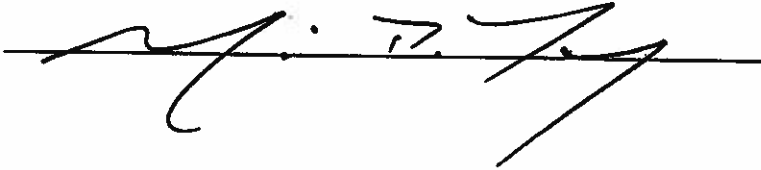
I did receive gifts of \$250 or more in aggregate during the 2018-19 school year.

List vendor name and gift.

Board Member Name:

Michael D. Tubb

Board Member Signature:



November 19, 2020

I do not own a company that has transacted business with LISD during the 2018-19 school year.



I own a company that has transacted business with LISD during the 2018-19 school year.

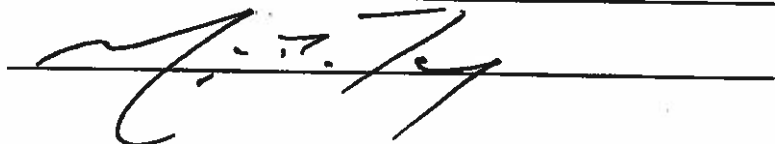
List company name and amount.

-Gans & Smith Insurance provided a General Liability Policy and an Umbrella policy for Longview Independent School District for the East Texas Manufacturing Academy, Longview Chamber, and 401 Investments, per their required contract. Premiums were \$1,500 & \$2,000 with total commission received at \$350.

Board Member Name:

Michael D. Tubb

Board Member Signature:



November 19, 2020

- I did **not** receive outside compensation and/or fees for professional consulting and/or other personal services during the 2018-19 fiscal year.

- I did receive outside compensation and/or fees for professional consulting and/or other personal services during the 2018-19 fiscal year.

List service provider name and gross amount.

Principia 50K

Superintendent Signature: G. Wilcox