



Brownsville Independent School District

Annual Financial Accountability Management Report

Dr. René Gutiérrez, Superintendent of Schools
Dr. Nereida Cantu, Deputy Superintendent

Presented by Mr. David Robledo,
Chief Financial Officer

December 8, 2020
Board Room, 5:30 pm



School **FIRST**
Financial Integrity Rating System of Texas



Superior



Achievement

2019-2020 Ratings based on School Year 2018-2019



Data calculation rating:

A negative response to indicators 1, 3, 4 or 2.A results in the district receiving a rating of “F” for Substandard Achievement. Indicators 6th through 15th are determine by the rating of applicable number of points:

- | | |
|------------------------------|--------|
| 1. A=Superior | 90-100 |
| 2. B=Above Standard | 80-89 |
| 3. C=Meets Standard | 60-79 |
| 4. F=Substandard Achievement | <60 |



Indicator #1

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?

Response: The Brownsville I.S.D. Annual Financial and Compliance Report was submitted to T.E.A. on November 21, 2019.

Rating FY 2017-2018

Passed

Rating FY 2018-2019

Passed



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 indicates 2.A and 2.B.



Indicator #2.A

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.)

Response: The Brownsville I.S.D. received an “unmodified opinion” on the Annual Financial and Compliance Report for fiscal year ended June 30, 2019.

Rating FY 2017-2018
Passed

Rating FY 2018-2019
Passed



Indicator #2.B

Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)

Response: No material weaknesses in internal controls were disclosed in the Brownsville I.S.D. Annual Financial and Compliance Report for fiscal year ended June 30, 2019.

Rating FY 2017-2018
Passed

Rating FY 2018-2019
Passed



Indicator #3

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.)

Response: The Brownsville I.S.D. had no disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations.

Rating FY 2017-2018

Passed

Rating FY 2018-2019

Passed



Indicator #4

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?

Response: The Brownsville I.S.D. made all payroll payment obligations to TRS, TWC and IRS for fiscal year ended June 30, 2019.

**Rating FY 2017-2018
Passed**

**Rating FY 2018-2019
Passed**



Indicator #5

This indicator is not being scored.



Indicator #6

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)?

Response: The Brownsville I.S.D. number of days of cash on hand was 160.7179.

**Rating FY 2017-2018
10 of 10 points**

**Rating FY 2018-2019
10 of 10 points**



Indicator #7

Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

Response: The Brownsville I.S.D. assets to liabilities ratio was 3.0835 (above the target amount of 3.00 to cover short-term debt).

**Rating FY 2017-2018
10 of 10 points**

**Rating FY 2018-2019
10 of 10 points**



Indicator #8

Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)

Response: The Brownsville I.S.D. long-term liabilities to assets ratio was 24.00% (below the target of 60% to support long-term solvency).

**Rating FY 2017-2018
10 of 10 points**

**Rating FY 2018-2019
10 of 10 points**



Indicator #9

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?

Response: The Brownsville I.S.D. had \$473,815,050 total revenue and \$476,811,855 total expenditures (expenditures did not exceed revenues in General Fund).

**Rating FY 2017-2018
10 of 10 points**

**Rating FY 2018-2019
10 of 10 points**



Indicator #10

Was the debt service coverage ratio sufficient to meet the required debt service?

Response: The Brownsville I.S.D. debt service coverage ratio was 2.3318 (which exceeded the required service ratio of 1.20).

**Rating FY 2017-2018
10 of 10 points**

**Rating FY 2018-2019
10 of 10 points**



Indicator #11

Was the school district's administrative cost ratio equal to or less than the threshold ratio?

Response: The Brownsville I.S.D. cost ratio was 6.00% (which was less than the threshold ratio of 8.55%).

**Rating FY 2017-2018
10 of 10 points**

**Rating FY 2018-2019
10 of 10 points**



Indicator #12

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.)

Response: The Brownsville I.S.D. had a decline of students to staff of 2.04% (less than the 15% threshold).

**Rating FY 2017-2018
10 of 10 points**

**Rating FY 2018-2019
10 of 10 points**



Indicator #13

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?

Response: The Brownsville I.S.D. had a 0% variance in data reported to PEIMS at June 30, 2019.

**Rating FY 2017-2018
10 of 10 points**

**Rating FY 2018-2019
10 of 10 points**



Indicator #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.)

Response: The Brownsville I.S.D. had no material weaknesses at June 30, 2019.

**Rating FY 2017-2018
10 of 10 points**

**Rating FY 2018-2019
10 of 10 points**



Indicator #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?

Response: The Brownsville I.S.D. did not receive an adjusted repayment schedule from T.E.A. at June 30, 2019.

**Rating FY 2017-2018
10 of 10 points**

**Rating FY 2018-2019
10 of 10 points**



School **FIRST** Financial Integrity Rating System of Texas

Grand total score

Rating FY 2018-2019
100 points of 100 points

Rating FY 2019-2020
100 points of 100 points



INDICATOR #6 - DETERMINATION OF POINTS

10	8	6	4	2	0
≥ 90	$< 90 \geq 75$	$< 74 \geq 60$	$< 60 \geq 45$	$< 45 \geq 30$	< 30

INDICATOR #7 - 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

INDICATOR #8 - 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



INDICATOR #10 - DETERMINATION OF POINTS

10	8	6	4	2	0
≥ 1.20	$< 1.20 \geq 1.15$	$< 1.15 \geq 1.10$	$< 1.10 \geq 1.05$	$< 1.05 \geq 1.00$	< 1.00

INDICATOR #11 - 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



DISCLOSURE #2

SUPERINTENDENT & BOARD MEMBERS REIMBURSEMENTS

Superintendent and Board Members Reimbursements					
For Fiscal Year 2019					
Name	Lodging	Meals	Other	Transportation	Total
Dr. Esperanza Zendejas	\$ 528.84	\$ 437.25	\$ 160.00	\$ 1,645.94	\$ 2,772.03
Minerva M. Peña	358.76	225.00	935.00	597.60	\$ 2,116.36
Dr. Sylvia P. Atkinson	477.42	50.00	2,740.00	581.53	\$ 3,848.95
Dr. Prisci Roca Tipton	-	-	300.00	-	\$ 300.00
Philip T. Cowen	2,186.58	120.00	3,313.11	757.98	\$ 6,377.67
Drue Brown	-	-	300.00	-	\$ 300.00
Erasmus Castro	3,850.72	810.00	3,635.00	1,390.87	\$ 9,686.59
Laura Perez-Reyes	4,172.12	650.00	3,089.00	2,256.77	\$ 10,167.89
Carlos Elizondo	358.76	-	425.00	731.60	\$ 1,515.36
Cesar Lopez	1,075.42	285.00	830.00	982.97	\$ 3,173.39
Joe Rodriguez	-	-	50.00	-	\$ 50.00
	\$ 13,008.62	\$ 2,577.25	\$ 15,777.11	\$ 8,945.26	\$ 40,308.24



DISCLOSURE #4

GIFTS RECEIVED FROM EXECUTIVE OFFICER & BOARD MEMBERS

Gifts Received by the Executive Officer(s) and Board Members in Fiscal Year 2019	
Name	Reported Amount
Dr. René Gutiérrez	\$ -
Minerva M. Peña	-
Dr. Sylvia P. Atkinson	-
Dr. Prisci Roca Tipton	-
Philip T. Cowen	-
Drue Brown	-
Erasmó Castro	-
Laura Perez-Reyes	-
Carlos Elizondo	*
Cesar Lopez	*
Joe Rodriguez	*
Total	\$ -

*Information not available



DISCLOSURE #5

BUSINESS TRANSACTIONS BETWEEN SCHOOL DISTRICT & BOARD MEMBERS

Business Transactions Between School District and Board Members for Fiscal Year 2019	
Name	Reported Amount
Minerva M. Peña	\$ -
Dr. Sylvia P. Atkinson	-
Dr. Prisci Roca Tipton	-
Philip T. Cowen	-
Drue Brown	-
Erasmus Castro	-
Laura Perez-Reyes	-
Carlos Elizondo	*
Cesar Lopez	*
Joe Rodriguez	*
Total	\$ -

*Information not available



Conclusion of Presentation

Comments/Questions