



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

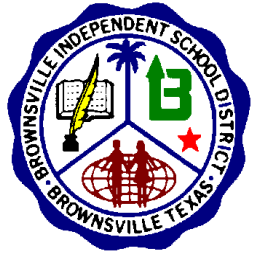
Annual Financial Accountability Management Report



**Presented by Mr. David Robledo,
Chief Financial Officer**

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

**November 2, 2021
Board Room, 5:30 pm**



School **FIRST** Financial Integrity **R**ating **S**ystem of **T**exas

"Superior Achievement"



2020-2021 Ratings based on School Year 2019-2020



Determination of Rating:

If the district fails any of the critical indicators 1, 2, 3 or 4
Then the district's rating is F for Substandard Achievement
regardless of points earned.

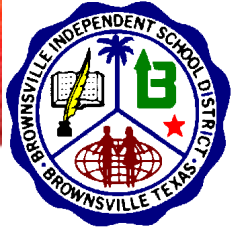
Determine the rating by the applicable number of points.

A = Superior Achievement 90-100

B = Above Standard Achievement 80-89

C = Meets Standard Achievement 70-79

F = Substandard Achievement <70



Ceiling Indicators:

The district must meet the criteria for any of the following ceiling indicators 4, 6, 16, 17 or 20. If so, the district applicable maximum points and rating as disclosed below:

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

Note: An F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.



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 Annual Financial and Compliance Report was submitted to T.E.A. on December 18, 2020*.

**Rating FY 2018-2019
Passed**

**Rating FY 2019-2020
Passed**

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

***Due to the pandemic, the submission of the Annual Financial and Compliance Report was approved by TEA to 60 days from the the November 27 deadline.**



Indicator #2

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 school district received an “unmodified opinion” on the Annual Financial and Compliance Report for fiscal year ended June 30, 2020.

**Rating FY 2018-2019
Passed**

**Rating FY 2019-2020
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 school district had no disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations.

Rating FY 2018-2019

Passed

Rating FY 2019-2020

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: All payroll payment obligations to TRS, TWC and IRS were made for fiscal year ended June 30, 2020.

**Rating FY 2018-2019
Passed**

**Rating FY 2019-2020
Passed (Ceiling indicator)**



Indicator #5

Was the total unrestricted Net Position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Positions greater than zero? (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.)

This indicator is not being scored this year due to the impact of accounting changes implemented by the Governmental Accounting Standards Board.



Indicator #6

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?

Response: The average change in assigned and unassigned fund balances over 3 years were \$144,484,725 for a 9.88%.

**Rating FY 2018-2019
Not scored**

**Rating FY 2019-2020
Passed (Ceiling indicator)**



Indicator #7

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 number of days of cash on hand was 152.9887.

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

**Rating FY 2019-2020
10 of 10 points**



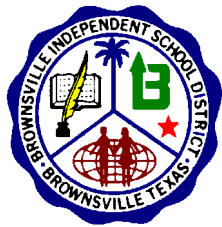
Indicator #8

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

Response: The assets to liabilities ratio was 2.4776 (below the target amount of 3.00 to cover short-term debt).

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

**Rating FY 2019-2020
6 of 10 points**



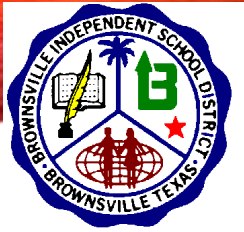
Indicator #9

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 total revenue was \$472,426,939 and \$488,771,074 total expenditures (expenditures did not exceed revenues in General Fund).

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

**Rating FY 2019-2020
10 of 10 points**



Indicator #10

Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?

Response: The school district's average in budgeted revenues to actual revenues was 1.82% (less than 10 percent variance).

Rating FY 2018-2019
Not scored

Rating FY 2019-2020
10 of 10 points



Indicator #11

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 automatically passes this indicator.

Response: The long-term liabilities to assets ratio was 19.26% (below the target of 60% to support long-term solvency).

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

**Rating FY 2019-2020
10 of 10 points**



Indicator #12

Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?

Response: The ratio debt per \$100 of assessed property was 1.065.

Rating FY 2018-2019

Not scored

Rating FY 2019-2020

10 of 10 points



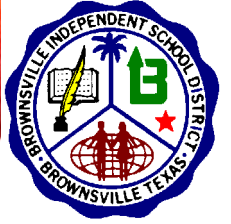
Indicator #13

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

Response: The administrative cost ratio was 6.53% (which was less than the threshold ratio of 8.55%).

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

**Rating FY 2019-2020
10 of 10 points**



Indicator #14

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 decline of students to staff ratio was 3.18% (less than the 15% threshold).

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

**Rating FY 2019-2020
10 of 10 points**



Indicator #15

Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA?

Response: The school district's ADA range was 1.71%.

Rating FY 2018-2019
Not scored

Rating FY 2019-2020
5 of 5 points



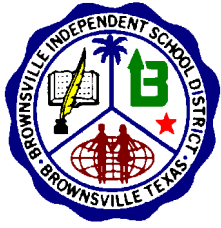
Indicator #16

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 school district had a 0% variance in data reported to PEIMS at June 30, 2020.

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

**Rating FY 2019-2020
Passed (Ceiling indicator)**



Indicator #17

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: The school district had no material weaknesses at June 30, 2020.

**Rating FY 2018-2019
Passed**

**Rating FY 2019-2020
Passed (Ceiling indicator)**



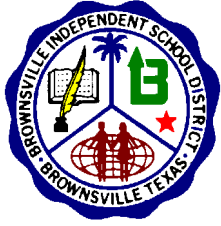
Indicator #18

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 school district had no material weaknesses at June 30, 2020.

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

**Rating FY 2019-2020
10 of 10 points**



Indicator #19

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?

Response: The school district has posted all required financial information on it's website.

**Rating FY 2018-2019
Not scored**

**Rating FY 2019-2020
5 of 5 points**



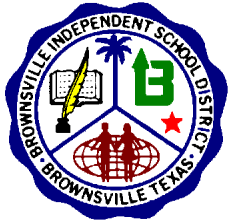
Indicator #20

Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget?

Response: The school district's school board members discussed the property values within the 120 days before the district adopted budget.

Rating FY 2018-2019
Not scored

Rating FY 2019-2020
Passed (Ceiling indicator)

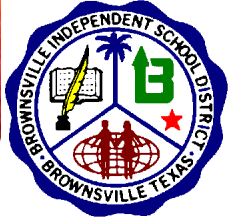


School **FIRST** Financial Integrity **R**ating **S**ystem of **T**exas

Grand total score

2019-2020 Ratings
Based on School Year 2018-2019
100 points of 100 points

2020-2021 Ratings
Based on School Year 2019-2020
96 points of 100 points



INDICATOR #7 - DETERMINATION OF POINTS

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

INDICATOR #8 - 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 #10 - DETERMINATION OF POINTS

10	0
$< 10\%$	$\geq 10\%$

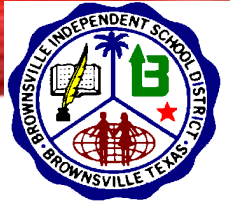


INDICATOR #11 - DETERMINATION OF POINTS

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

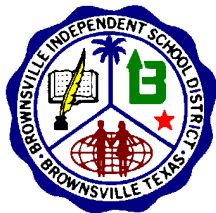
INDICATOR #12 - DETERMINATION OF POINTS

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



INDICATOR #13 - 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



INDICATOR #14 - DETERMINATION OF POINTS

10	0
Yes	No

INDICATOR #15 - DETERMINATION OF POINTS

ADA Size	5	0
10,000 and Above	≤ 0.07	> 0.07
5,000 to 9,999	≤ 0.10	> 0.10
1,000 to 4,999	≤ 0.20	> 0.20
500 to 999	≤ 0.25	> 0.25
Less than 500	≤ 0.30	> 0.30
Sparse	≤ 0.35	> 0.35



DISCLOSURE #1

Superintendent's Current Employment Contract

SUPERINTENDENT'S 2021 EMPLOYMENT CONTRACT

STATE OF TEXAS

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COUNTY OF CAMERON

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KNOW ALL MEN BY THESE PRESENTS:

THE SUPERINTENDENT'S AMENDED EMPLOYMENT CONTRACT ("Contract") is made and entered into effective the 1st day of July 2021, by and between the Board of Trustees (the "Board") of the Brownsville Independent School District (the "District") and Dr. Rene Gutierrez ("Superintendent"). This SUPERINTENDENT'S 2021 EMPLOYMENT CONTRACT is effective on July 1, 2021 and Amends and Restates the SUPERINTENDENT'S AMENDED EMPLOYMENT CONTRACT, dated July 1, 2020.



DISCLOSURE #2

SUPERINTENDENT & BOARD MEMBERS REIMBURSEMENTS

Superintendent and Board Members Reimbursements For Fiscal Year 2020					
Name	Lodging	Meals	Other	Transportation	Total
Dr. René Gutiérrez	\$ 1,052.84	\$ 271.50	\$ 69.00	\$ 1,597.17	\$ 2,990.51
Eddie Garcia	-	-	-	-	\$ -
Dr. Prisci Roca Tipton	-	-	160.00	-	\$ 160.00
Drue Brown	-	40.00	-	-	\$ 40.00
Minerva Peña	-	-	-	-	\$ -
Erasmó Castro	698.91	265.00	425.00	1,019.11	\$ 2,408.02
Philip T. Cowen	419.58	50.00	685.00	668.26	\$ 1,822.84
Laura Perez-Reyes	-	265.00	-	340.60	\$ 605.60
Dr. Sylvia P. Atkinson	-	-	160.00	257.00	\$ 417.00
					\$ 8,443.97

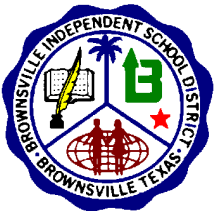


DISCLOSURE #3

OUTSIDE COMPENSATION AND/OR FEES RECEIVED BY THE SUPERINTENDENT FOR PROFESSIONAL CONSULTING AND/OR OTHER PERSONAL SERVICES

**Outside Compensation and/or Fees Received by the Superintendent
Professional Consulting and/or Other Personal Services
in Fiscal Year 2020**

<u>Name(s) of Entity(ies)</u>	<u>Amount</u>
Dr. René Gutiérrez	\$ -
<hr/>	
Total	\$ -



DISCLOSURE #4

GIFTS RECEIVED FROM EXECUTIVE OFFICER & BOARD MEMBERS

**Gifts Received by the Executive Officer(s)
and Board Members in Fiscal Year 2020**

<u>Name</u>	<u>Reported Amount</u>
Dr. René Gutiérrez	\$ -
Eddie Garcia	-
Dr. Prisci Roca Tipton	-
Drue Brown	-
Minerva Peña	-
Erasmus Castro	-
Philip T. Cowen	-
Laura Perez-Reyes	-
Dr. Sylvia P. Atkinson	*
Total	\$ -

*Information not available



DISCLOSURE #5

BUSINESS TRANSACTIONS BETWEEN SCHOOL DISTRICT & BOARD MEMBERS

Business Transactions Between School District and Board Members for Fiscal Year 2020	
Name	Reported Amount
Eddie Garcia	\$ -
Dr. Prisci Roca Tipton	-
Drue Brown	-
Minerva Peña	-
Erasmio Castro	-
Philip T. Cowen	-
Laura Perez-Reyes	-
Dr. Sylvia P. Atkinson	*
Total	\$ -

*Information not available



CONCLUSION OF PRESENTATION

Comments/Questions