

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 7, 2022
Board Room, 5:30 pm**



School FIRST
Financial Integrity Rating System of Texas



"Superior Achievement"



2021-2022 Ratings based on School Year 2020-2021



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.

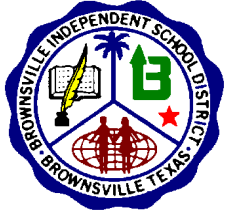
Determine the rating by the applicable number of points.

A = Superior Achievement 90-100

B = Above Standard Achievement 80-89

C = Meets Standard Achievement 70-79

F = Substandard Achievement <70

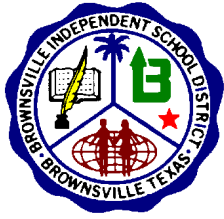


Ceiling Indicators:

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 November 19, 2021.

**Rating FY 2019-2020
Passed**

**Rating FY 2020-2021
Passed**



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 Comprehensive Financial Report for fiscal year ended June 30, 2021.

**Rating FY 2019-2020
Passed**

**Rating FY 2020-2021
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 Comprehensive Financial Report and/or other sources of information concerning default on bonded indebtedness obligations.

Rating FY 2019-2020
Passed

Rating FY 2020-2021
Passed



Indicator #4 (Ceiling 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?

Response: All payroll payment obligations to TRS, TWC and IRS were made for fiscal year ended June 30, 2021.

**Rating FY 2019-2020
Passed**

**Rating FY 2020-2021
Passed**



Indicator #5

This indicator is not being scored



Indicator #6 (Ceiling 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?

Response: The average change in assigned and unassigned fund balances over 3 years were \$164,901,445 for a 2.50%.

**Rating FY 2019-2020
Passed**

**Rating FY 2020-2021
Passed**



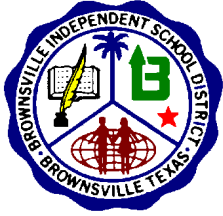
Indicator #7

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 154.5665.

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

**Rating FY 2020-2021
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 2.8865 (below the target amount of 3.00 to cover short-term debt).

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

**Rating FY 2020-2021
8 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: Total revenues was \$476,800,227 and total expenditures were \$458,119,357 (revenues exceed expenditures in General Fund).

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

**Rating FY 2020-2021
10 of 10 points**



Indicator #10

This indicator is not being scored



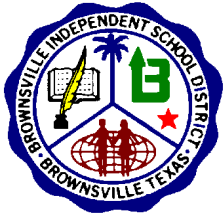
Indicator #11

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 15.48% (below the target of 60% to support long-term solvency).

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

**Rating FY 2020-2021
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 1.0211.

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

**Rating FY 2020-2021
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 6.52% (less than the threshold ratio of 8.55%).

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

**Rating FY 2020-2021
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 3.07% (less than the 15% threshold).

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

**Rating FY 2020-2021
10 of 10 points**



Indicator #15

This indicator is not being scored



Indicator #16 (Ceiling 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?

Response: The school district had a .0% variance in data reported to PEIMS at June 30, 2021.

**Rating FY 2019-2020
Passed**

**Rating FY 2020-2021
Passed**



Indicator #17 (Ceiling 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? (The AICPA defines material weakness.)

Response: The school district had no material weaknesses at June 30, 2021.

**Rating FY 2019-2020
Passed**

**Rating FY 2020-2021
Passed**



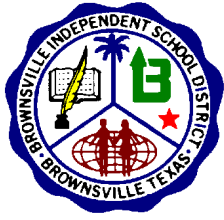
Indicator #18

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, 2021.

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

**Rating FY 2020-2021
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 2019-2020
5 of 5 points**

**Rating FY 2020-2021
5 of 5 points**



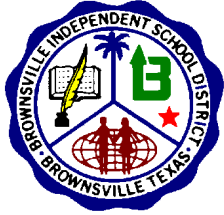
Indicator #20 (Ceiling Indicator)

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 2019-2020
Passed**

**Rating FY 2020-2021
Passed**



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

Grand total score

2020-2021 Ratings

Based on School Year 2019-2020

96 points of 100 points

2021-2022 Ratings

Based on School Year 2020-2021

98 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

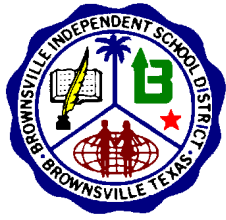
10	8	6	4	2	0
≥ 3.00	$< 3.00 \geq 2.50$	$< 2.50 \geq 2.00$	$< 2.00 \geq 1.50$	$< 1.50 \geq 1.00$	< 1.00

INDICATOR #9 - DETERMINATION OF POINTS

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

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 #18 - DETERMINATION OF POINTS

10	0
Yes	No

INDICATOR #19 - DETERMINATION OF POINTS

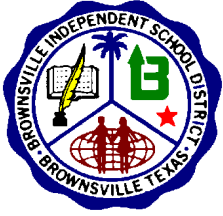
5	0
Yes	No



TITLE 19 TEXAS ADMINISTRATIVE CODE CHAPTER 109 REQUIRED DISCLOSURE #1

Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract will be posted in the Finance Department website along with the School FIRST Annual Financial Accountability Management Report.



TITLE 19 TEXAS ADMINISTRATIVE CODE CHAPTER 109 REQUIRED DISCLOSURE #2

SUPERINTENDENT & BOARD MEMBERS REIMBURSEMENTS FOR FISCAL YEAR 2021

Name	Lodging	Meals	Other	Transportation	Total
Dr. René Gutiérrez	\$ 595.70	\$ 105.00	\$ -	\$ 613.21	\$ 1,313.91
Eddie Garcia	\$ -	\$ -	\$ 150.00	\$ -	\$ 150.00
Dr. Prisci Roca Tipton	\$ -	\$ -	\$ 150.00	\$ -	\$ 150.00
Denise Garza	\$ -	\$ -	\$ 150.00	\$ -	\$ 150.00
Daniella Lopez Valdez	\$ -	\$ -	\$ 150.00	\$ -	\$ 150.00
Drue Brown	\$ -	\$ -	\$ 150.00	\$ -	\$ 150.00
Jessica Gonzalez	\$ -	\$ -	\$ 150.00	\$ -	\$ 150.00
Minerva Peña	\$ -	\$ -	\$ -	\$ -	\$ -
Laura Perez Reyes	\$ -	\$ -	\$ -	\$ -	\$ -
Philip T. Cowen	\$ -	\$ -	\$ 425.00	\$ -	\$ 425.00
Dr. Sylvia P. Atkinson	\$ -	\$ -	\$ -	\$ -	\$ -
					\$ 2,638.91



TITLE 19 TEXAS ADMINISTRATIVE CODE CHAPTER 109 REQUIRED DISCLOSURE #3

OUTSIDE COMPENSATION AND/OR FEES RECEIVED BY THE SUPERINTENDENT FOR PROFESSIONAL CONSULTING AND/OR OTHER PERSONAL SERVICES IN FISCAL YEAR 2021

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



TITLE 19 TEXAS ADMINISTRATIVE CODE CHAPTER 109 REQUIRED DISCLOSURE #4

GIFTS RECEIVED FROM EXECUTIVE OFFICER & BOARD MEMBERS IN FISCAL YEAR 2021

<u>Name</u>	<u>Reported Amount</u>
Dr. René Gutiérrez	\$ -
Eddie Garcia	-
Dr. Prisci Roca Tipton	-
Denise Garza	-
Daniella Lopez Valdez	-
Drue Brown	-
Jessica G. Gonzalez	-
Minerva Peña	-
Laura Perez Reyes	-
Philip T. Cowen	-
Dr. Sylvia P. Atkinson	*
Total	\$ -

*Information not available



TITLE 19 TEXAS ADMINISTRATIVE CODE CHAPTER 109 REQUIRED DISCLOSURE #5

BUSINESS TRANSACTIONS BETWEEN SCHOOL DISTRICT & BOARD MEMBERS FOR FISCAL YEAR 2021

<u>Name</u>	<u>Reported Amount</u>
Dr. René Gutiérrez	\$ -
Eddie Garcia	-
Dr. Prisci Roca Tipton	-
Denise Garza	-
Daniella Lopez Valdez	-
Drue Brown	-
Jessica G. Gonzalez	-
Minerva Peña	-
Laura Perez Reyes	-
Philip T. Cowen	-
Dr. Sylvia P. Atkinson	*
Total	\$ -

*Information not available



Conclusion of Presentation

Comments/Questions