

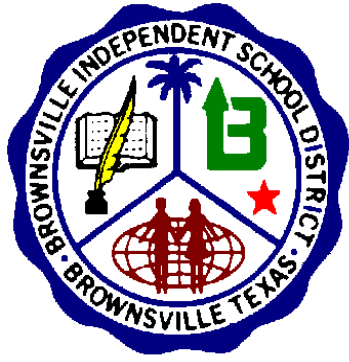
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

Annual Financial Accountability Management Report

Presented by Mr. Alejandro Cespedes,
Chief Financial Officer

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

November 14, 2023
Board Room, 5:30 pm



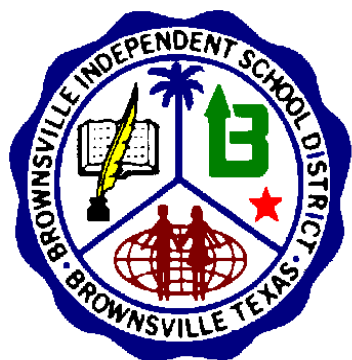
School **FIRST** Financial Integrity Rating System of Texas

“Superior Achievement”



2022-2023 Ratings based on School Year 2021-2022



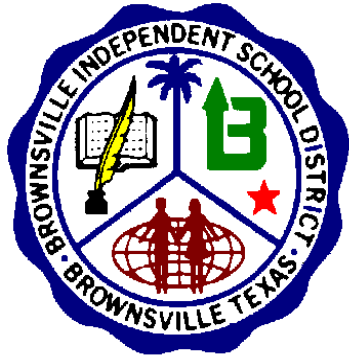


Determination of Rating:

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.

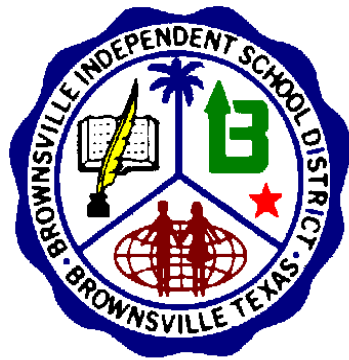
A = Superior Achievement	90-100
B = Above Standard Achievement	80-89
C = Meets Standard Achievement	70-79
F = Substandard Achievement	<70



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 B = Above Standard
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	Standard Achievement B = Above Standard
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement B = Above Standard
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	Standard Achievement



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?

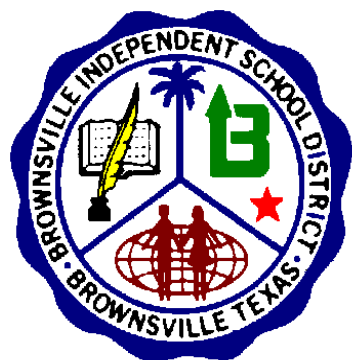
Response: The Annual Financial and Compliance Report was submitted to T.E.A. on November 18, 2022.

Rating FY 2020-2021

Passed

Rating FY 2021-2022

Passed



Indicator #2

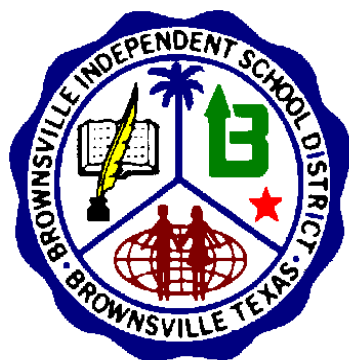
Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)

Response: The school district received an “unmodified opinion” on the Annual Comprehensive Financial Report for fiscal year ended June 30, 2022.

**Rating FY 2020-2021
Passed**

**Rating FY 2021-2022
Passed**

Indicator #3

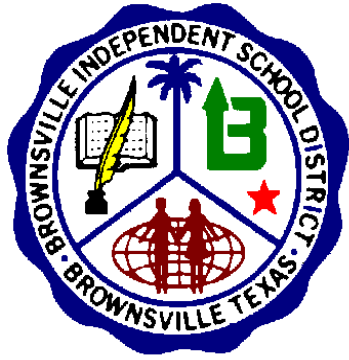


Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments 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 2020-2021
Passed**

**Rating FY 2021-2022
Passed**



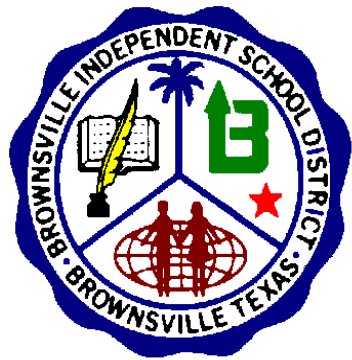
Indicator #4 (Ceiling Indicator)

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, 2022.

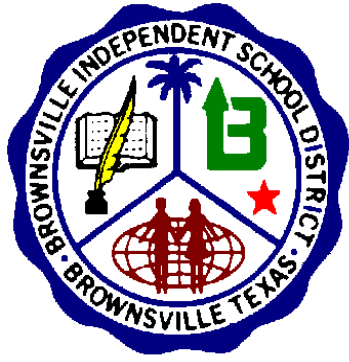
**Rating FY 2020-2021
Passed**

**Rating FY 2021-2022
Passed**



Indicator #5

This indicator is not being scored



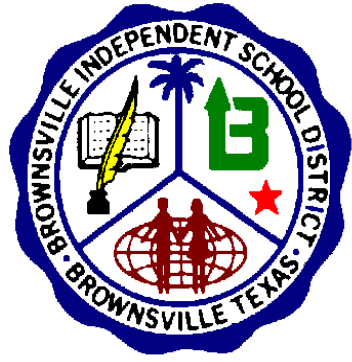
Indicator #6 (Ceiling Indicator)

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 was 15.88%.

**Rating FY 2020-2021
Passed**

**Rating FY 2021-2022
Passed**



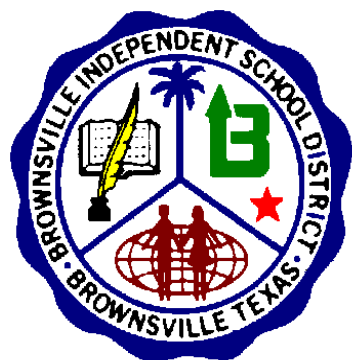
Indicator #7

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 157.6812.

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

**Rating FY 2021-2022
10 of 10 points**



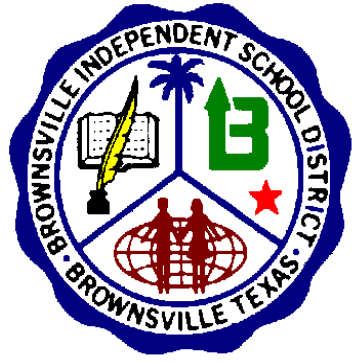
Indicator #8

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 3.012.

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

**Rating FY 2021-2022
10 of 10 points**



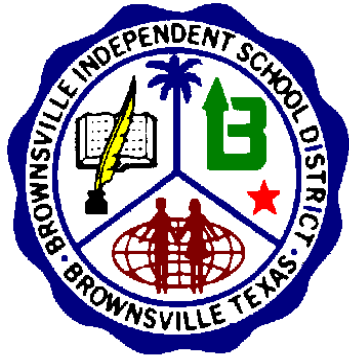
Indicator #9

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: Total revenues was \$471,014,445 and total expenditures were \$442,081,757 (revenues exceed expenditures in General Fund).

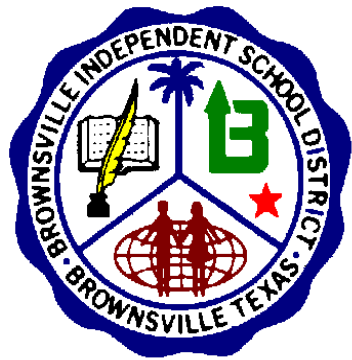
**Rating FY 2020-2021
10 of 10 points**

**Rating FY 2021-2022
10 of 10 points**



Indicator #10

This indicator is not being scored



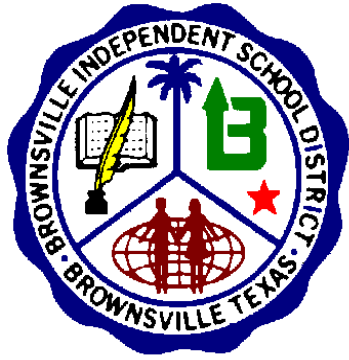
Indicator #11

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 11.51% (below the target of 60% to support long-term solvency).

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

**Rating FY 2021-2022
10 of 10 points**



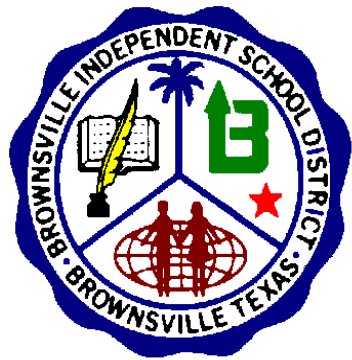
Indicator #12

What is the correlation between future debt requirements and the district's assessed property value?

Response: The debt per \$100 of assessed property was 0.7645.

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

**Rating FY 2021-2022
10 of 10 points**



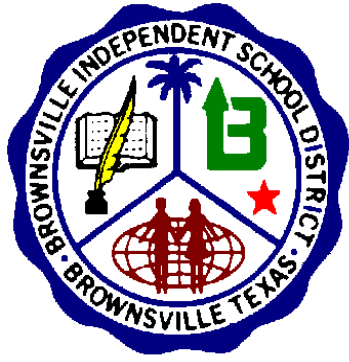
Indicator #13

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

Response: The administrative cost ratio was 7.10% (less than the threshold ratio of 8.55%).

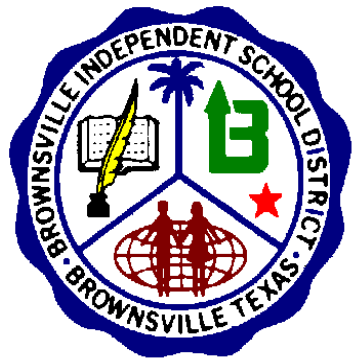
**Rating FY 2020-2021
10 of 10 points**

**Rating FY 2021-2022
10 of 10 points**



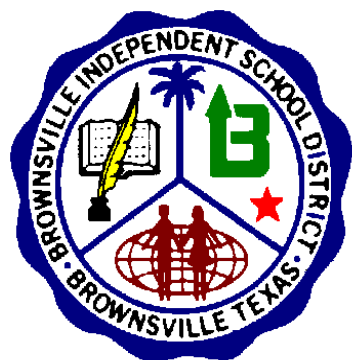
Indicator #14

This indicator is not being scored



Indicator #15

This indicator is not being scored



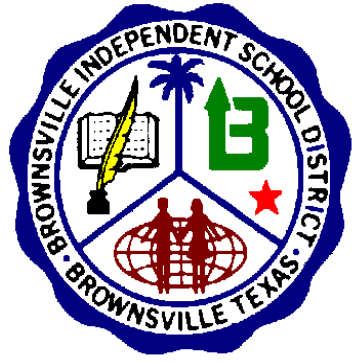
Indicator #16 (Ceiling Indicator)

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, 2022.

**Rating FY 2020-2021
Passed**

**Rating FY 2021-2022
Passed**



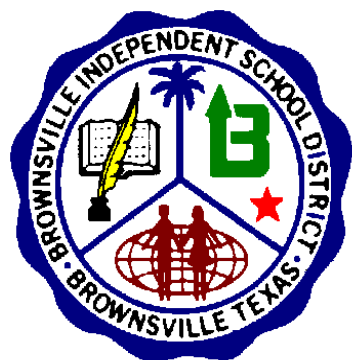
Indicator #17 (Ceiling Indicator)

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 and free from substantial doubt about the school district's ability to continue as a going concern? (The AICPA defines material weakness.)

Response: The school district had no material weaknesses at June 30, 2022.

**Rating FY 2020-2021
Passed**

**Rating FY 2021-2022
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, 2022.

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

**Rating FY 2021-2022
10 of 10 points**



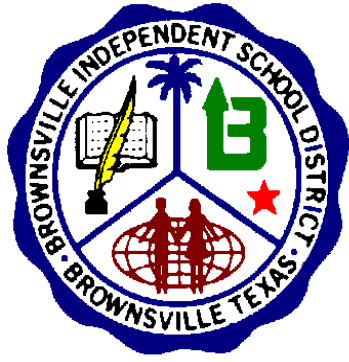
Indicator #19

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 its website.

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

**Rating FY 2021-2022
5 of 5 points**



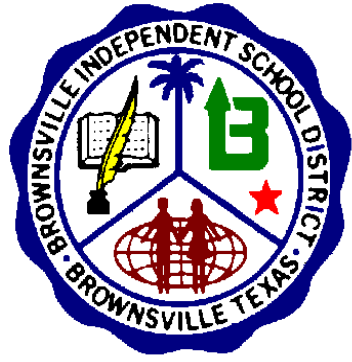
Indicator #20 (Ceiling Indicator)

Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding 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 2020-2021
Passed**

**Rating FY 2021-2022
Passed**

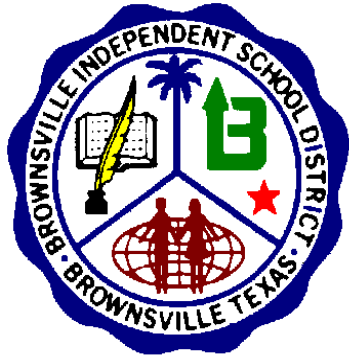


School **FIRST**
Financial Integrity Rating System of Texas

Grand total score

2021-2022 Ratings
Based on School Year 2020-2021
98 points of 100 points

2022-2023 Ratings
Based on School Year 2021-2022
100 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

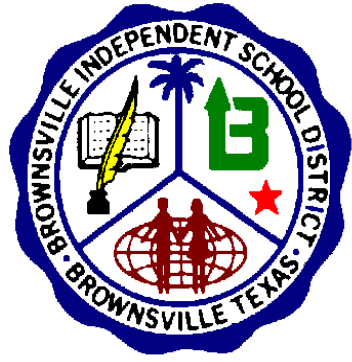
10	8	6	4	2	0
≥ 3.00	$< 3.00 \geq 2.50$	$< 2.50 \geq 2.00$	$< 2.00 \geq 1.50$	$< 1.50 \geq 1.00$	< 1.00

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

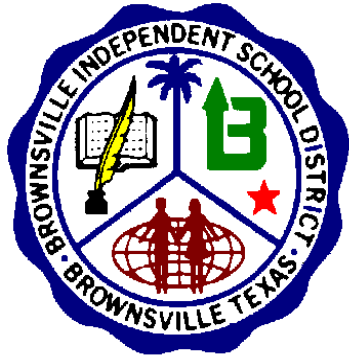


INDICATOR #12 - DETERMINATION OF POINTS

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

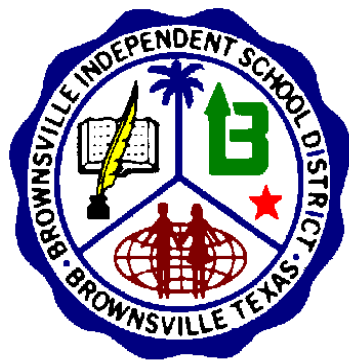


INDICATOR #18 - DETERMINATION OF POINTS

10	0
Yes	No

INDICATOR #19 - DETERMINATION OF POINTS

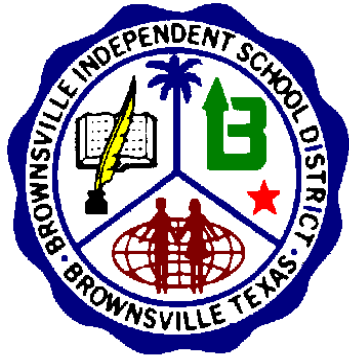
5	0
Yes	No



TITLE 19 TEXAS ADMINISTRATIVE CODE CHAPTER 109 REQUIRED DISCLOSURE #1

Superintendent's Current Employment Contract

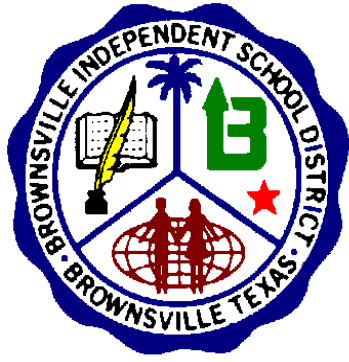
A copy of the superintendent's current employment contract will be posted in the Finance Department website along with the School FIRST Annual Financial Accountability Management Report.



TITLE 19 TEXAS ADMINISTRATIVE CODE CHAPTER 109 REQUIRED DISCLOSURE #2

SUPERINTENDENT & BOARD MEMBERS REIMBURSEMENTS FOR FISCAL YEAR 2022

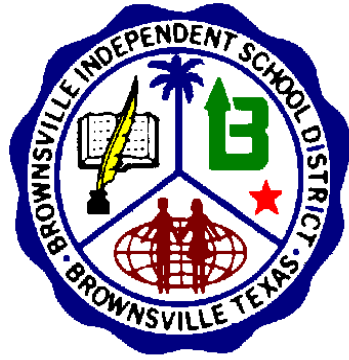
Name	Lodging	Meals	Other	Transportation	Total
Dr. René Gutiérrez	\$ 2,081.84	\$ 248.51	\$ 600.66	\$ 2,227.87	\$ 5,158.88
Jessica Gonzalez	\$ -	\$ -	\$ 250.00	\$ -	\$ 250.00
Daniella Lopez Valdez	\$ 504.84	\$ 195.00	\$ 725.00	\$ 339.00	\$ 1,763.84
Denise Garza	\$ 717.06	\$ 210.00	\$ 475.00	\$ 535.96	\$ 1,938.02
Eddie Garcia	\$ -	\$ -	\$ -	\$ -	\$ -
Minerva Peña	\$ -	\$ -	\$ 250.00	\$ 67.28	\$ 317.28
Dr. Prisci Roca Tipton	\$ -	\$ -	\$ 250.00	\$ -	\$ 250.00
Drue Brown	\$ -	\$ -	\$ 250.00	\$ -	\$ 250.00
					\$ 9,928.02



TITLE 19 TEXAS ADMINISTRATIVE CODE CHAPTER 109 REQUIRED DISCLOSURE #4

GIFTS RECEIVED FROM EXECUTIVE OFFICER & BOARD MEMBERS IN FISCAL YEAR 2022

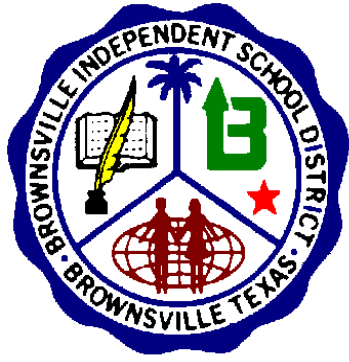
<u>Name</u>	<u>Reported Amount</u>
Dr. René Gutiérrez	\$ -
Jessica Gonzalez	
Daniella Lopez Valdez	
Denise Garza	
Eddie Garcia	-
Minerva Peña	
Dr. Prisci Roca Tipton	-
Drue Brown	-
Total	\$ -



TITLE 19 TEXAS ADMINISTRATIVE CODE CHAPTER 109 REQUIRED DISCLOSURE #5

BUSINESS TRANSACTIONS BETWEEN SCHOOL DISTRICT & BOARD MEMBERS FOR FISCAL YEAR 2022

<u>Name</u>	<u>Reported Amount</u>
Jessica Gonzalez	\$ -
Daniella Lopez Valdez	-
Denise Garza	-
Eddie Garcia	-
Minerva Peña	-
Dr. Prisci Roca Tipton	-
Drue Brown	-
Total	\$ -



Conclusion of Presentation

Comments/Questions