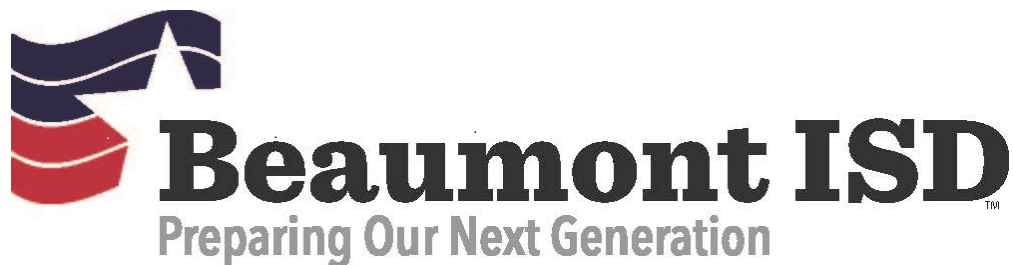


# **2022 ANNUAL FINANCIAL MANAGEMENT REPORT**

***Fiscal Year Ended June 30, 2021***



## INTRODUCTION

The Financial Integrity Rating System of Texas (Schools FIRST) was developed by the Texas Education Agency (TEA) in response to senate Bill 875 of the 76<sup>th</sup> Texas Legislature in 1999. It is administered by TEA and calculated on information submitted to TEA via our Public Education Information Management System (PEIMS) submission each year.

During the 77<sup>th</sup> regular session of the Texas Legislature in 2001, Senate Bill 218 was passed and signed into law by Governor Perry shortly thereafter. This law requires each school district to prepare an annual financial accountability report and hold a public hearing within two months of the receiving the official ratings. The primary goal of Schools FIRST is to achieve quality performance in the management of school district's financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

The primary objective of the rating system is to assess the quality of financial management in Texas public schools. A secondary objective is to measure and report the extent to which financial resources in Texas public schools assure the maximum allocation possible for direct instructional purposes. Other objectives reflect the implementation of a rating system that fairly and equitably evaluates the quality of financial management decisions.

Major changes to the Schools FIRST system were implemented by the TEA in August 2015 that combined financial indicators with financial solvency indicators, in accordance with House Bill 5 of the 83<sup>rd</sup> Texas Legislature in 2013. The changes to the Schools FIRST system implemented by the TEA in August 2015 were phased in over three years. The Commissioner of Education made several changes to Schools FIRST rating system for the rating year 2021-2022 (based on 2020-2021 data) consists of 20 base indicators of which three indicators were not scored by the TEA.

The School FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts: "A" for "Superior Achievement"; "B" for "Above Standard Achievement"; "C" for "Meets Standard Achievement"; and "F" for "Substandard Achievement". Districts that receive the "Substandard Achievement" ratings under the School FIRST must file a corrective action plan with TEA.

This is the 20<sup>th</sup> year of the Schools FIRST rating system. Beaumont Independent School District currently has a rating of "**Superior Achievement**" for the 2021-2022 fiscal year, with 18 out of 20 indicators receiving the highest possible number of points. This is the fourth year in a row that the District has achieved the highest rating.



## Financial Integrity Rating System of Texas

### 2021-2022 RATINGS BASED ON SCHOOL YEAR 2020-2021 DATA - DISTRICT STATUS DETAIL

<b>Name:</b> <b>BEAUMONT ISD(123910)</b>		<b>Publication Level</b> <b>1:</b> 8/2/2022 2:05:39 PM
<b>Status:</b> <b>Passed</b>		<b>Publication Level</b> <b>2:</b> 8/4/2022 12:15:48 PM
<b>Rating:</b> A = Superior Achievement		<b>Last Updated:</b> 8/4/2022 12:15:48 PM
<b>District Score:</b> 96		<b>Passing Score:</b> 70

#	Indicator Description	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>	Yes
2	<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>	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>	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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	Yes  Ceiling Passed
5	This indicator is not being scored.	

		1 Multiplier Sum
6	<u>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? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	Ceiling Passed
7	<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 in the Determination of Points section.</u>	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	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? See ranges below in the Determination of Points section.</u>	10
10	This indicator is not being scored.	10
11	<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 automatically passes this indicator. See ranges below in the Determination of Points section.</u>	10
12	<u>Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.</u>	10
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	8
14	<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>	10
15	This indicator is not being scored.	5
16	<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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	Ceiling Passed
17	<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.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	Ceiling Passed

18	<u>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.)</u>	10
19	<u>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?</u>	5
20	<u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	Ceiling Passed
		96 Weighted Sum
		1 Multiplier Sum
		(100 Ceiling)
		96 Score

## DETERMINATION OF RATING

<b>A.</b>	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.	
<b>B.</b>	Determine the rating by the applicable number of points.	
	<b>A = Superior Achievement</b>	90-100
	<b>B = Above Standard Achievement</b>	80-89
	<b>C = Meets Standard Achievement</b>	70-79
	<b>F = Substandard Achievement</b>	<70
<p><b>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.</b></p> <p>The school district receives an <b>F</b> if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.</p>		

## CEILING INDICATORS

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.

Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
<b>Indicator 4</b> (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
<b>Indicator 6</b> (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 16</b> (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 17</b> (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
<b>Indicator 20</b> (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

## OTHER REQUIRED INFORMATION



## **Superintendent's Current Employment Contract**



The Superintendent's contract has been posted on the district website at [www.bmtisd.com](http://www.bmtisd.com)



The contract will remain posted for the next twelve months





**Reimbursements Received by the Superintendent and Board of Trustees**  
**Fiscal Year Ending June 30, 2022**

	Meals	Lodging	Registration	Transportation	Other	Total
Dr. Shannon Allen	\$ 356.00	\$ 2,253.18	\$ 1,020.00	\$ 1,117.31	\$ 400.05	\$ 5,146.54
Robert C. Dunn	696.00	2,768.06	2,331.03	1,046.11		\$ 6,841.20
Woodrow Reece, II	461.00	2,488.48	2,231.30	960.06	167.62	\$ 6,308.46
Stacey Lewis, Jr.	483.00	1,585.39	2,026.30	751.22	57.00	\$ 4,902.91
Joe Evans, Jr.	143.00	684.30	1,396.30	325.92	96.00	\$ 2,645.52
Tillie Hickman	93.00	456.20	1,131.30	168.20	-	\$ 1,848.70
Kevin Reece	80.00	776.20	1,507.14	325.92	38.00	\$ 2,727.26
Denise Wallace-Spooner	503.00	2,208.07	1,748.26	998.67	412.02	\$ 5,870.02

**Outside Compensation and/or Fees Received by the Superintendent**  
**Fiscal Year Ending June 30, 2022**



The Superintendent did not receive any outside compensation



## **Gifts Received by the Superintendent and Board of Trustees**

**(Gifts that had an economic value of \$250 or more in the aggregate)**

**Fiscal Year Ending June 30, 2022**



The Superintendent and the Board of Trustees did not receive gifts that totaled \$250 or more

## **Business Transactions Between BISD and the Board of Trustees**

**Fiscal Year Ending June 30, 2022**



No business transactions occurred between BISD and the Board of Trustees