Beaumont ISD
Preparing Our Next Generation

ANNUAL FINANCIAL MANAGEMENT REPORT

2017

INTRODUCTION

INTRODUCTION

The School Financial Integrity Rating System of Texas (FIRST) was developed by the Texas Education Agency (TEA) in response to senate Bill 875 of the 76th 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.

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 School FIRST system were implemented by the TEA in August 2015 that combines financial indicators with financial solvency indicators, in accordance with House Bill 5 of the 83rd Texas Legislature in 2013. The changes to the School FIRST system implemented by the TEA in August 2015 are being phased-in over three years. The School FIRST rating system for the rating year 2016-17 (based on 2015-16 data) consists of 15 base indicators.

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

Beaumont Independent School District currently has a rating of "Above Standard" for the 2016-17 fiscal year.

FIRST

(Financial Integrity Rating System of Texas)
2016-2017 Ratings Based on 2015-16
School Year Data

Financial Integrity Rating System of Texas

2016-2017 RATINGS BASED ON SCHOOL YEAR 2015-2016 DATA - DISTRICT STATUS DETAIL

Name: BEAUMONT ISD(123910)

Status: Passed

Rating: B = Above Standard

District Score: 88	**Passing Score:** 60

#	Indicator Description	Score
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?	Yes
2	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 indicators 2.A and 2.B.	
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.)	Yes
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.)	No
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	Yes

	debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)	
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?	Yes
5	Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)	Yes
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)? (See ranges below.)	10
7	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)	4
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 10 percent or more, then the school district passes this indicator.) (See ranges below.)	8
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?	10
10	Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)	10
11	Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)	6
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.)	10
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?	10

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.)	10
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?	10
		88 SCORE

DETERMINATION OF RATING

A.	Did the district answer '**No**' to Indicators 1, 3, 4, 5, or 2.A? If so, the school district's rating is **F for Substandard Achievement** regardless of points earned.	
B.	Determine the rating by the applicable number of points. (Indicators 6-15)	
	A = Superior	90-100
	B = Above Standard	80-89
	C = Meets Standard	60-79
	F = Substandard Achievement	<60

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.

SUPERINTENDENT'S CONTRACT

BISD
Preparing Our Next Generation

Superintendent's Current Employment Contract

- The Superintendent's contract has been posted on the district website at www.bmtisd.com

- The contract will remain posted for the next twelve months

OTHER REQUIRED INFORMATION

BISD
Preparing Our Next Generation

Reimbursements Received by the Superintendent and Board of Managers
Fiscal Year Ending June 30, 2017

	Meals	Lodging	Registration	Transportation	Other	Total
Dr. John Frossard	$ 137	$ 754	$ 245	$ 546		$ 1,682
Dr. Jimmy Simmons						
Joe Domino						
Robert Turner						
A.B. Bernard						
Lenny Caballero						
Jack Carroll						
Vernice Monroe						

Outside Compensation and/or Fees Received by the Superintendent
Fiscal Year Ending June 30, 2017

The Superintendent did not receive any outside compensation

BISD
Preparing Our Next Generation

Gifts Received by the Superintendent and Board of Managers

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

Fiscal Year Ending June 30, 2017

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

Business Transactions Between BISD and the Board of Managers

Fiscal Year Ending June 30, 2017

No business transactions occurred between BISD and the Board of Managers