Beaumont ISD
Preparing Our Next Generation

2024

ANNUAL FINANCIAL MANAGEMENT REPORT

2023-2024 RATINGS BASED ON 2022-23 SCHOOL YEAR DATA

SCHOOL FIRST
FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

www.bmtisd.com

Table of Contents

Overview 3

Two Year Comparison 4

The TEA Ratings Worksheet

2023-2024 RATINGS BASED ON SCHOOL YEAR 2022-2023 DATA-DISTRICT STATUS DETAIL ... 5

DETERMINATION OF RATING 8

CEILING INDICATORS 9

Superintendent's Current Employment Contract 10

Other Required Information

Summary Schedule of Total Reimbursements 11

Compensation and/or Fees 12

Gifts Received by the Executive Officers 13

Business Transactions with Board Members 14

Glossary of Terms 15

Overview

The Financial Integrity Rating System of Texas (School 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.

During the 77th 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 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 83rd 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 in the Texas Administrative Code beginning with ratings year 2020-2021. The Schools FIRST rating system for the rating year 2023-2024 (based on 2022-2023 data) consists of 21 base indicators of which two 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.

Beaumont Independent School District currently has a rating of "**Superior Achievement**" for the 2023-2024 fiscal year. This is the 6th year in a row that the District has achieved the highest rating.

Two Year Comparison

BEAUMONT INDEPENDENT SCHOOL DISTRICT

FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS (FIRST)

Based on Data from Fiscal Year Ended August 31, 2023

School Year		2022-2023		2021-2022	
#	Criteria Description	Yes/No	Score	Yes/No	Score
1	Was the annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending upon the district's fiscal year end date of June 30 or August 31, respectively?	Yes		Yes	
2	Was there an unmodified opinion in the AFR on the financial statements as a whole?	Yes		Yes	
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?	Yes		Yes	
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		Yes	Ceiling Passed
5	Was the total net position in the governmental activities column in the Statement of Net Position greater than zero?		Ceiling Passed	Not Rated	
6	Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25% decrease or did the current year's assigned and unassigned fund balances exceed 75 dyas of operational expenditures?	Yes	Ceiling Passed	Yes	Ceiling Passed
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)?	Yes	10	Yes	10
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	Yes	8	Yes	6
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?	Yes	10	Yes	10
10	This indicator is not being evaluated.		10		10
11	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?	Yes	10	Yes	10
12	Was the debt per $100 of assessed property value ratio sufficient to support future debt repayments?	Yes	10	Yes	10
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	Yes	6	Yes	6
14	Did the school district not have a 15 percent decline in the students to staff ratio over 3 years?	Yes	10		10
15	This indicator is not being evaluated.		5		5
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 varaiance of less than 3 percent of all expenditures by function?	Yes	Ceiling Passed	Yes	Ceiling Passed
17	Did the external independent auditor report that the AFR was free of any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	Yes	Ceiling Passed	Yes	Ceiling Passed
18	Did the external independent auditor indicate the AFR was free of any instances of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	Yes	10	Yes	10
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?	Yes	5	Yes	5
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?	Yes	Ceiling Passed	Yes	Ceiling Passed
21	Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of a financial hardship?	Yes	Ceiling Passed	Not Rated	
	TOTAL SCORE (Total Possible = 100)		94		92

The TEA Ratings Worksheet

The following pages contain the 2023-2024 School FIRST rating worksheet detailing the district's performance on each of the twenty-one indicators as published by the Texas Education Agency. The worksheet is followed by an explanation of the indicators and information as to how ratings are assessed.

Financial Integrity Rating System of Texas

2023-2024 RATINGS BASED ON SCHOOL YEAR 2022-2023 DATA - DISTRICT STATUS DETAIL

Name: BEAUMONT ISD(123910)	**Publication Level 1:** 8/8/2024 6:33:40 PM
Status: Passed	**Publication Level 2:** 8/8/2024 6:33:40 PM
Rating: A = Superior Achievement	**Last Updated:** 8/20/2024 1:49:38 PM
District Score: 94	**Passing Score:** 70

#	Indicator Description	Updated	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?	4/19/2024 6:26:15 PM	Yes
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.)	4/19/2024 6:26:15 PM	Yes
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.)	4/19/2024 6:26:15 PM	Yes

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? (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.)	4/19/2024 6:26:15 PM	Yes Ceiling Passed
			1 Multiplier Sum
5	Was the total net position in the governmental activities column in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero? (If it is not, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement, unless the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership. If the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)	4/19/2024 6:26:15 PM	Ceiling Passed
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? (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.)	4/19/2024 6:26:15 PM	Ceiling Passed
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)? See ranges below in the Determination of Points section.	4/19/2024 6:26:15 PM	10
8	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.	4/19/2024 6:26:15 PM	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? See ranges below in the Determination of Points section.	4/19/2024 6:26:15 PM	10

10	This indicator is not being evaluated.		10
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 or 1,000 or more students in membership, then the school district passes this indicator.)	4/19/2024 6:26:15 PM	10
12	What is the correlation between future debt requirements and the district's assessed property value?	8/20/2024 1:49:37 PM	10
13	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.	8/20/2024 1:49:38 PM	6
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.	4/19/2024 6:26:15 PM	10
15	This indicator is not being evaluated.		5
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? (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.)	4/19/2024 6:26:15 PM	Ceiling Passed
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 and free from substantial doubt about the school district's ability to continue as a going concern? (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.)	4/19/2024 6:26:15 PM	Ceiling Passed
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.)	4/19/2024 6:26:15 PM	10
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?	4/19/2024 6:26:15 PM	5

20	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?	4/19/2024 6:26:15 PM	Ceiling Passed
21	Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of a financial hardship?	4/19/2024 6:26:15 PM	Ceiling Passed
			94 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			94 Score

DETERMINATION OF RATING

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? 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.	
	A = Superior Achievement	90-100
	B = Above Standard Achievement	80-89
	C = Meets Standard Achievement	70-79
	F = Substandard Achievement	<70

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.

The school district receives an **F** 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.

CEILING INDICATORS

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 6, 16, 17, 20, or 21? 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**
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 *No*.	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is *No*.	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 21 (FSP Repayment Plan) - Response to indicator is *Yes*.	70	C = Meets Standard Achievement

Superintendent's Current Employment Contract

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the School FIRST hearing in calendar year 2024. In lieu of publication in the School FIRST financial management report, the school district may choose to publish the superintendent's employment contract on the school district's website. If published on the internet, the contract is to remain assessable for twelve months.

www.bmtisd.com>Departments>Superintendent>Superintendent's Contract

Disclosures

Summary Schedule of Total Reimbursements

Beaumont ISD Superintendent and Board Member Reimbursements
for the Twelve-Month Period Ended June 30, 2023

	Meals	Lodging	Registration	Transportation	Other	Total
Dr. Shannon Allen	$ 753.00	$ 2,173.56	$ 1,970.00	$ 6,826.98	$ 451.33	$ 12,174.87
Tillie Hickman	414.00	2,526.38	893.33	416.65	208.87	4,459.23
Stacey Lewis, Jr.	206.00	1,677.74	175.00	682.40	153.94	2,895.08
Denise Wallace-Spooner	561.00	3,305.33	893.33	1,143.69	107.27	6,010.62
Robert C. Dunn	650.00	3,871.29	1,068.33	1,143.69	362.45	7,095.76
Joe Evans, Jr.	414.00	1,022.57	893.33	771.65	166.59	3,268.14
Kevin W. Reece	295.00	2,713.79	468.33	476.19	58.72	4,012.03
Woodrow Reece, II	532.00	1,638.47	893.33	1,143.69	121.31	4,328.80
Thomas Sigee, Sr.	-	-	-	-	-	-

Note – The spirit of the rule is to capture all "reimbursements" for fiscal year 2024, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

- Meals – Meals consumed off the school district's premises, and in-district meals at area restaurants (excludes catered meals for board meetings).
- Lodging – Hotel charges
- Transportation – Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.
- Other – Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

Compensation and/or Fees

Outside Compensation and/or Fees Received by Superintendent Allen for Professional Consulting and/or Other Personal Services for the Twelve-Month Period Ended June 30, 2024

Name(s) of Entity(ies)	Amount Received
NONE	$0

Gifts Received by the Executive Officers and Board Members

Summary Schedule of Total Dollar Amount by Superintendent and Board Members (and First-Degree Relatives, if any) in Fiscal Year 2024

MEMBER	TOTAL
Superintendent Dr. Shannon Allen	$0
District 1 – Joe Evans, Jr.	$0
District 2 – Stacey Lewis, Jr.	$0
District 3 – Woodrow Reece II	$0
District 4 – Thomas Sigee	$0
District 5 – Matilda "Tillie" Hickman	$0
At Large – Denise Wallace-Spooner	$0
At Large – Robert C. Dunn, Sr.	$0

Business Transactions with Board Members

Business Transactions Between School District and Board Members for Fiscal Year 2024

MEMBER	TOTAL
Superintendent Dr. Shannon Allen	$0
District 1 – Joe Evans, Jr.	$0
District 2 – Stacey Lewis, Jr.	$0
District 3 – Woodrow Reece II	$0
District 4 – Thomas Sigee	$0
District 5 – Matilda "Tillie" Hickman	$0
At Large – Denise Wallace-Spooner	$0
At Large – Robert C. Dunn, Sr.	$0

Note – The summary amounts reported under this disclosure are not to duplicate the items reported in the summary schedule of reimbursements received by board members.

Glossary of Terms

Annual Financial Report (AFR): The audited annual financial report required by TEC section 44.008, that is due to TEA by no later than 150 days after the close of a school district's or an open-enrollment charter school's fiscal year.

Ceiling indicator: An upper limit (the maximum score) at which a score from a standard limit of a specific indicator will result regardless of overall points.

Debt: An amount of money owed to a person, bank, company, or other organization.

Electronic submission: The TEA electronic data feed format required for use by school districts, open-enrollment charter schools, and regional education service centers (ESCs).

Financial Integrity Rating System of Texas (FIRST): The financial accountability rating system administered by the TEA in accordance with the TEC sections 39.082 and 39.085. The system provides additional transparency to public education finance and meaningful financial oversight and improvement for school districts (School FIRST) and open-enrollment charter schools and charter schools operated by a public institution of higher education under TEC, Chapter 12, Subchapters D and E (Charter FIRST).

Fiscal Year: The fiscal year of a school district or an open-enrollment charter school, which begins on July 1 or September 1 of each year, as determined by the board of trustees of the district or the governing body of the charter holder in accordance with the TEC, §44.0011.

Foundation School Program (FSP): The program established under the TEC, Chapters 46, 48, and 49 or any successor program of state appropriated funding for school districts in this state.

Summary of Finances (SOF) report: The document of record for FSP allocations. An SOF report is produced for each school district and open enrollment charter school by the TEA division responsible for state funding that describes the school district's or open-enrollment charter school's funding elements and FSP state aid.

Texas Student Data System Public Education Information Management System (TSDS PEIMS): The system that school districts and open-enrollment charter schools use to load, validate, and submit their data to the TEA.

Warrant hold: The process by which state payments issued to payees indebted to the state, or payees with a tax delinquency, are held by the Texas Comptroller of Public Accounts until the debt is satisfied in accordance with the Texas Government Code section 403.055.