

HORNETS

ERA INDEPENDENT SCHOOL DISTRICT

2020 -21 Budget Presentation

May 18, 2020
6:00 PM





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ERA INDEPENDENT SCHOOL DISTRICT

Key Facts for Budget Development

Revenue :

- Property Values (\$**186** million) major factor – tax rate & collections
- Enrollment (**472** students) major factor – state funding formula

Expenditure :

- Employee Compensation
- Employee Benefits
- Program Requirements
- Facility Maintenance
- General increase in operational cost

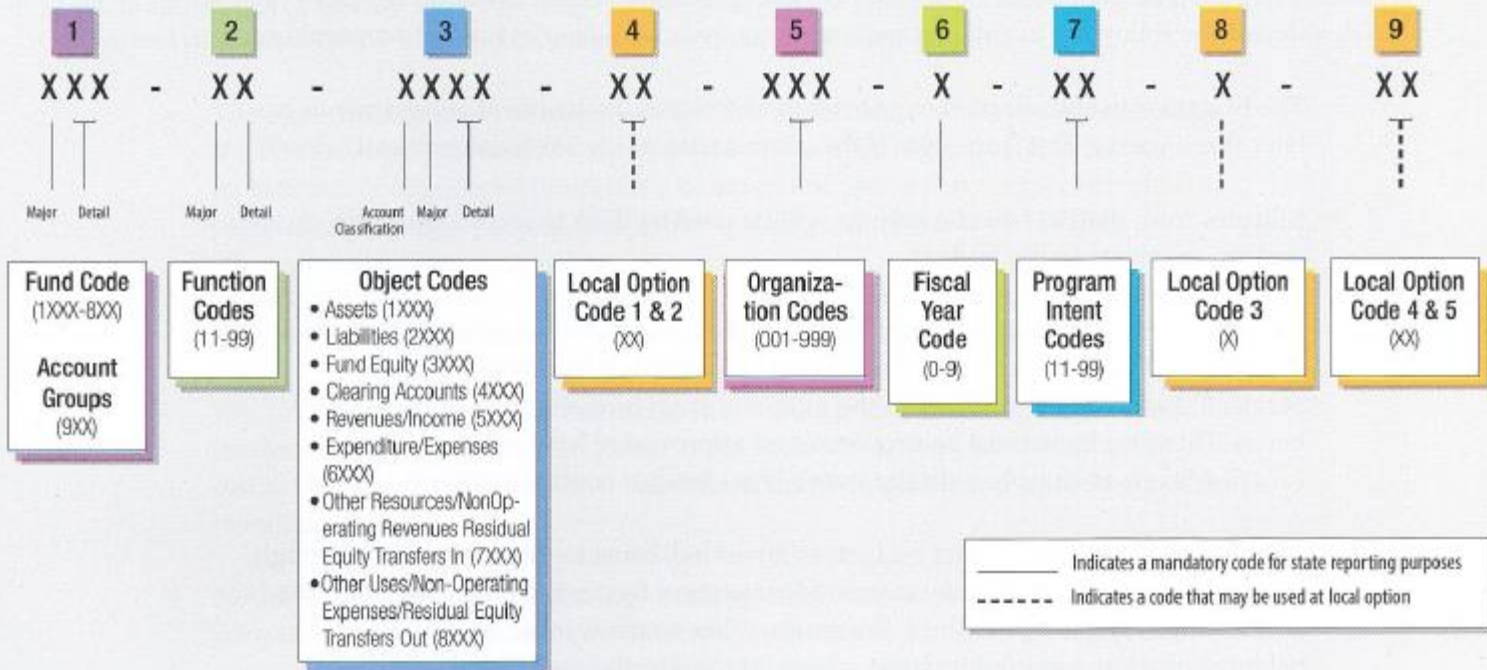
Board Approved Funds/Function

The following funds are required to be approved by the School Board at the function level (Section 44.0041 Education Code & Texas Education Agency Financial Accountability Resource Guide, Budgeting Legal Requirements 2.6):

- **General Fund (1xx):** to account for general operating proceeds and expenditures.
- **Debt Service Fund (5xx):** to account for the payment of general long-term debt.
- **Child Nutrition Fund (240):** to account for the resources and expenditures for Era ISD's federal child nutrition program.
- **Function Level Expenditures:** to classify and identify the purpose of the expenditure. (example: function 11 is to identify expenditures directly related to the instruction of a student)

Accounting Code Structure

A major purpose of the following accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes may be used as local options, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all public and charter schools.



1 Fund Code - A mandatory three-digit code is to be used for all financial transactions to identify the fund group and specific fund. The first digit refers to the fund group and the second and third digits specify the fund (Fund Codes = 1xx – 8xx) (Account Groups = 9xx).

2 Function Code - A mandatory two-digit code applied to expenditures/expenses that identifies the purpose of the transaction. The first digit identifies the major class and the second digit refers to the specific function within the area (11-99).

3 Object Code - A mandatory four-digit code identifying the nature and object of an account, a transaction or a source. The first of the four digits identify the type of account or transaction, the second digit identifies the major area and the third and fourth digits provide further sub-classifications (Assets = 1xxx; Liabilities = 2xxx; Fund Equity = 3xxx; Clearing Accounts = 4xxx; Revenue/Income = 5xxx; Expenditure/Expenses = 6xxx; Other Resources/Non-Operating Revenues/Residual Equity Transfers In = 7xxx; Other Uses /Non-Operating Expenses/Residual Equity Transfers Out = 8xxx).

4 Optional Codes 1 and 2 (Sub-Object Code) - A two-digit code for optional use to provide special accountability at the local level (two-digit code assigned and defined at the local level).

5 Organization Code - A mandatory three-digit code identifying the organization, i.e., high school, middle school, elementary school, superintendent's office, etc. An organization code does not necessarily correspond with a physical location. The activity, not the location, defines the organization. Campuses are examples of organization codes and are specified for each school district in the Texas School Directory (001-999 codes).

6 Fiscal Year Code - A mandatory single-digit code that identifies the fiscal year of the transaction or the project year of inception of a grant project (0-9 – Example: 2009-2010 = 0).

7 Program Intent Code - A two-digit code used to designate the intent of a program provided to students. These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The intent (the student group toward which the instructional or other service is directed) determines the program intent code, not the demographic makeup of the students served (11-99).

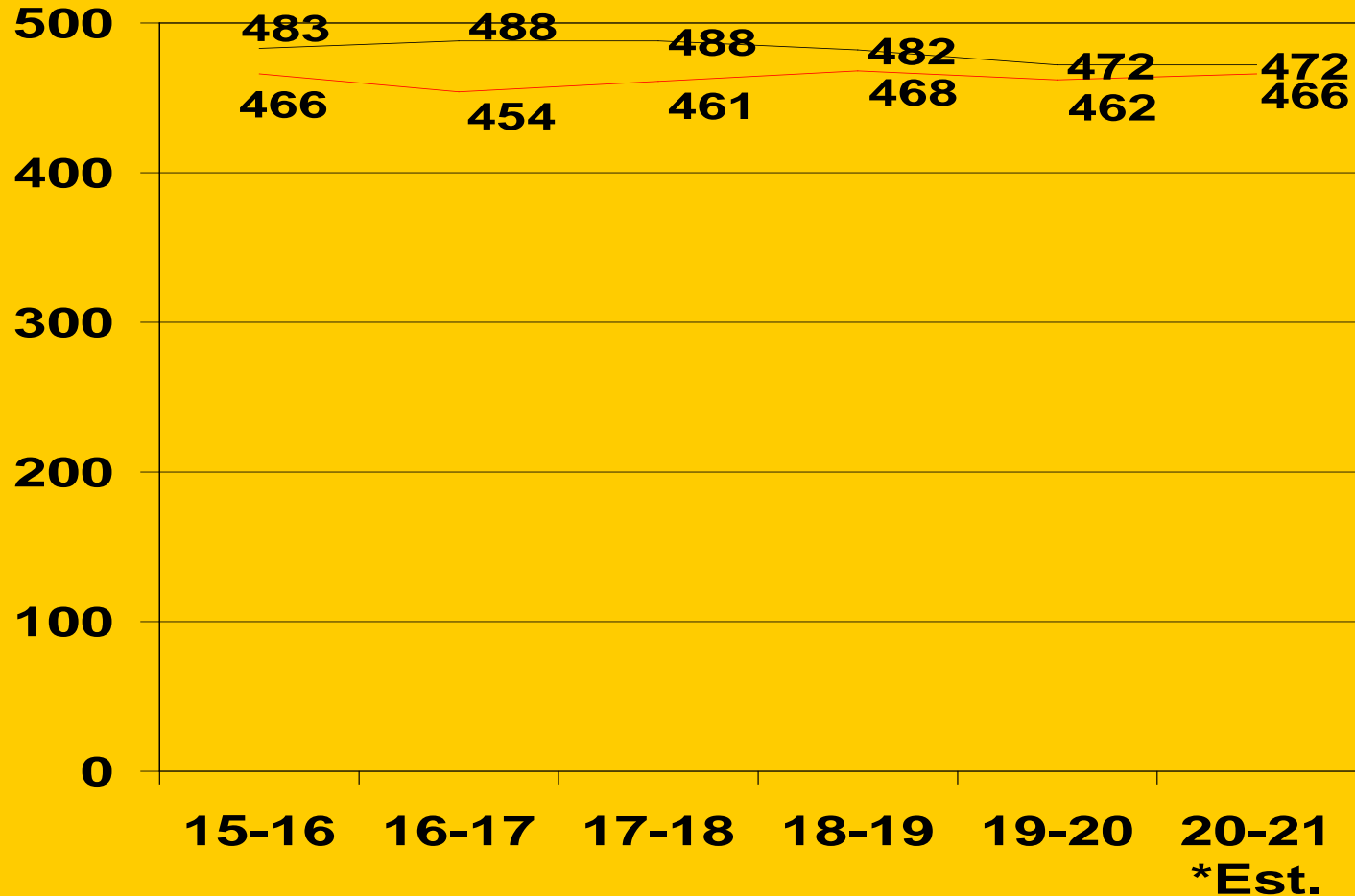
8 Optional Code 3 - A single code that is used at the local option (assigned and defined at the local level).

9 Optional Codes 4 and 5 - An optional two-digit code that may be used at the local level to further describe the transaction (assigned and defined at the local level).



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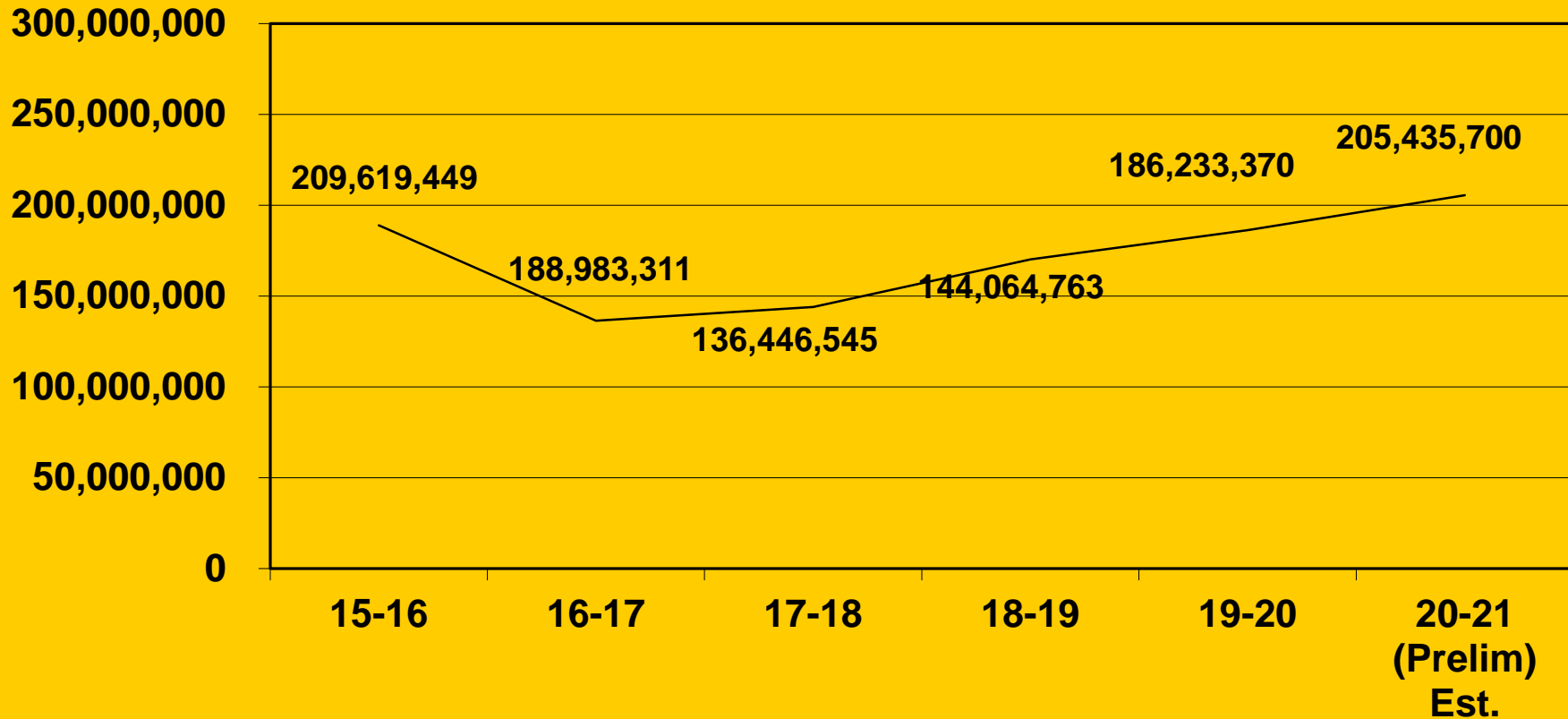
- Enrollment - ADA



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PROPERTY TAX VALUE HISTORY





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Gen-Op 199 Revenue Sources

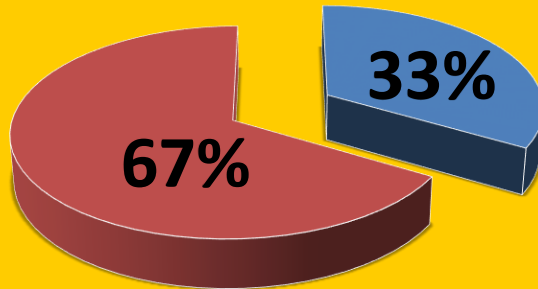
- Local revenue—Property Values utilizing the adopted M & O tax rate
- State revenue—Foundation School Fund (FSF) and Available School Fund (ASF) through the TEA Foundation School Program—Currently under review in HB3



2 Major General Fund Revenue Sources

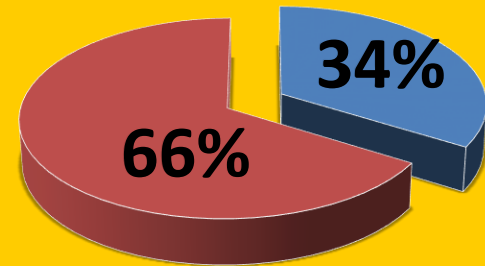
Major Revenue	2019-20 Initial Approved Budget	2020-21 Proposed Budget	Change
Local	\$1,871,136	\$1,953,635	4 %
State	\$3,724,556	\$3,830,923	2 %
Total Revenue	\$5,595,692	\$5,784,558	3 %

2019-20



State-Funding Formula

2020-21



Local-Property Tax



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Pay Grade	Midpoint 20-21	3%	3.29%
TCH-183/187	\$45,600.00 **new local scale midpoint		\$1,500
AP1-207	\$41,870.00	\$1,256	
AP2-207	\$53,664.00	\$1,610	
AP2-217	\$56,256.00	\$1,688	
AP3-216	\$70,248.00	\$2,107	
AP3-217	\$70,573.00	\$2,117	
AP3-226	\$73,500.00	\$2,205	
AP4-226	\$79,500.00	\$2,385	
AP4-231	\$81,259.00	\$2,438	
CP1-185/187	\$19,448.00	\$583	
CP2-185/187	\$21,288.00	\$639	
CP3-197	\$25,216.00	\$756	
CP3-206	\$26,368.00	\$791	
CP3-216	\$27,648.00	\$829	
CP4-226	\$41,584.00	\$1,248	
AX1	\$12.50	\$0.38	
AX2	\$13.44	\$0.40	
AX3	\$14.38	\$0.43	
AX4	\$19.64	\$0.59	



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General Operating Fund

Major changes from prior year:

**Preliminary estimates based on 2nd year of HB3 compression tax calculations and increased property values based on trend analysis for the past 3 years.

Appropriations increased mainly due to:

Projected salary increase of 3%.

Total Revenue, Expenditures, & Change in Fund Bal (FB)	2019-20 Initial Approved Budget	2020-21 Proposed Budget	Change from Prior Year's Initial Budget
Estimated Revenue	\$5,595,692	\$5,784,558	\$188,866
Appropriations (Expenses)	\$5,573,692 \$8,318(CN)	\$5,625,757 \$7,628 (CN)	\$52,065 (\$690)

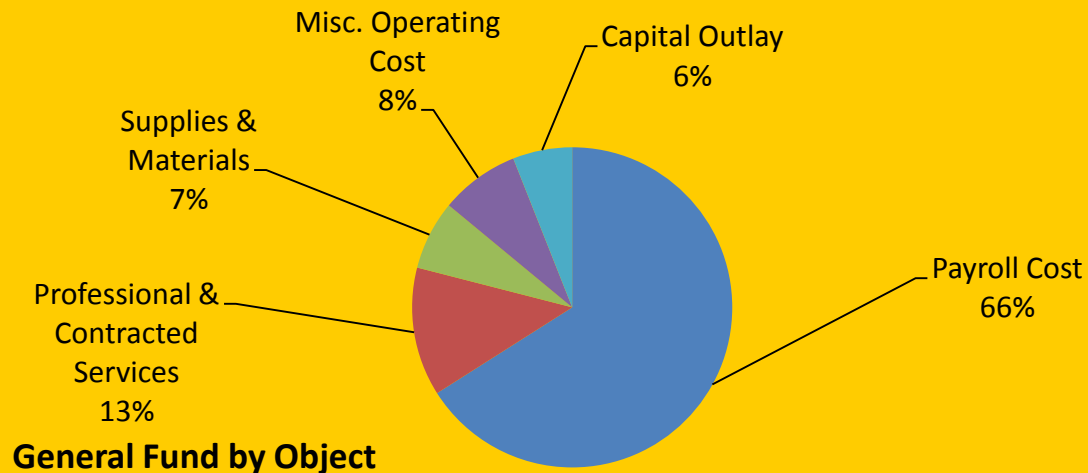


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Expenditures by Object—General Fund

Payroll Cost-6100		66%
Professional & Contracted Services-6200		13%
Supplies & Materials-6300		7%
Misc. Operating Costs-6400		8%
Capital Outlay-6600		6%
Total General Fund Expenditures		100%





HORNET PARK OPENING DAY

Debt Service Fund

Debt Service Fund Revenue & Expenditures	2019-20 Initial Budget	\$ per Student 462.938 (4-30-20 SOF)	2020-21 Proposed Budget	\$ per Student 462.938 (4-30-20 SOF)
Total Revenue	\$320,483	\$692	\$335,230	\$724
71—Debt Service Payments	\$335,050	\$724	\$336,250	\$726
Budgeted Surplus/(deficit)	(\$14,567)	-	(\$1,020)	-

- Outstanding debt: \$5,633,750 = \$12,090 per student
 (\$4,170,000 principal \$1,463,375 interest)**



Child Nutrition Fund

Child Nutrition Fund Revenue & Expenditures	2019-20 Adopted Budget	\$ per Student 462.938 (4-30-20 SOF)	2020-21 Proposed Budget	\$ per Student 462.938 (4-30-20 SOF)	% Change
Revenue	\$245,297 \$8,318 (GO)	\$525 \$17.96(GO)	\$262,074 \$7,628 (GO)	\$566 \$16.47(GO)	7.5%
35-CN Expenditures	\$253,827	\$548	\$269,702	\$583	6.0%
Budgeted surplus/(deficit)	\$0	-	\$0	-	-

Major change proposed vs. prior year:

Projected expenditures include 3% to midpoint for salary increases in 2020-21 and increased food costs.

Fund balance as of 6-30-19--\$6,601