



HORNETS

ERA INDEPENDENT SCHOOL DISTRICT



2020 School FIRST Report

December 14, 2020
6:00 PM





Financial Accountability Rating System

History & Purpose:

- ❖ FIRST (Financial Integrity Rating System of Texas) was originated by SB 875 in the 76th Legislature in 1999 with the intent to expand the public education accountability system in Texas to the financial services area.
- ❖ The primary goal is to improve management of school district financial resources.
- ❖ The system measures and reports allocations of financial resources for direct instructional purposes, evaluates the quality of financial management decisions and reports the result to the general public.



Scoring for RATINGS

- ❖ Based on 2018-19 fiscal year data
- ❖ Based on 15 indicators
- ❖ Range of scores for the 15 indicators

| | |
|-----------------------------|--------|
| A = Superior | 90-100 |
| B = Above Standard | 80-89 |
| C = Meets Standard | 60-79 |
| F = Substandard Achievement | <60 |

ERA ISD rating A = Superior--96



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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?

YES = passed

Received 11-19-2019



Indicator #2.A

Was there an unmodified opinion in the AFR on the financial statements as a whole?

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YES = passed



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Indicator #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?

YES = passed



Indicator #3

Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

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YES = passed



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Indicator #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 = passed



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Indicator #5—not scored in the 2020 FIRST report per TEA

Prior Years (2 yrs ago) Indicator--Was the total unrestricted net position balance (Net of the accretion of interest for capital appreciation bonds) in the government activities column in the Statement of Net Position greater than zero? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)

Indicator #6

Was the number of days of cash on hand and current investments in the general fund for this school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?

6 points



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Cash & Equivalents +
Current Investments

\$895,963

÷

Facilities Acquisition &
Construction

\$5,051,614

x

365

=

65.1517
days

Determination of Points – Days

10

> =90

8

< 90 >=75

6

< 74 >=60

4

< 60 >=45

2

< 45 >=30

0

< 30

Indicator #7

Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

10 points



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Current Assets

Current Liabilities

\$2,604,213

÷

\$762,183

=

3.4168 ratio

Determination of Points – Ratio

10

8

6

4

2

0

> =3.00 < 3.00 >=2.50 < 2.50 >=2.00 < 2.00 >=1.50 < 1.50 >=1.00 < 1.00

Indicator #8

Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?

10 points



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Long Term Liabilities

Total Assets

\$4,678,859

÷

\$10,250,285

=

0.4565 ratio

Less than 0.60

Determination of Points – Ratio

10

8

6

4

2

0

<=0.60

>0.60 <=0.70

>0.70 <=0.80

>0.80 <=0.90

>0.90 <=1.00

>1.00

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?

10 points



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| | | | | |
|----------------------|---|---|---|---------------|
| <u>Total Revenue</u> | | <u>Total Expenditures – Facilities Acquisition & Construction</u> | = | 0.0521 ratio |
| \$5,280,992 | ÷ | \$5,051,614 | | |
| | | OR | | |
| Cash & Equivalents | | Total Expenditures | x | 365 = 65.1517 |
| \$895,963 | ÷ | \$5,051,614 | | |

Acceptable Days Cash on Hand is 60

Determination of Points – Ratio

| | |
|-----------|----------|
| 10 | 0 |
| > = 0 | < = 0 |

Indicator #10

Was the debt service coverage ratio sufficient to meet the required debt service?

10 points



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| | | | |
|---------------------------|-------------|---|--|
| Total Revenue | \$5,620,336 | | |
| - Total Expenditures | 5,388,814 | | |
| + Debt Service (71,72,73) | 337,200 | | |
| + Fund Code 599 | 475,930 | | |
| + Function 81 | 32,150 | | |
| | | | |
| / Debt Service | 337,200 | = | 3.1934 Ratio Greater than 1.20 ratio |

Determination of Points – Ratio

| | | | | | |
|-------------------|------------------|------------------|------------------|------------------|------------------|
| 10 | 8 | 6 | 4 | 2 | 0 |
| > =1.20 | < 1.20 | >=1.15 | < 1.15 | >=1.10 | < 1.10 |
| >=1.05 | < 1.05 | >=1.00 | < 1.00 | | |

Indicator #11

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

10 points



| | |
|---|----------------|
| District Administrative Cost Ratio | 0.1835 |
| ADA | 468.761 |

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| <u>Determination of Points – Ratio</u> | | | | | | |
|--|-----------|-------------|------------|------------|-------------|----------|
| ADA Size | 10 | 8 | 6 | 4 | 2 | 0 |
| Less than | < =0.2404 | > 0.2404 <= | >0.2654 <= | >0.2904 <= | > 0.3154 <= | > 0.3404 |
| 500 | | 0.2654 | 0.2904 | 0.3154 | 0.3404 | |

Indicator #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 points



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| | | |
|-------------------------------|---------|----------------|
| 2018-2019 Total Enrollment | 485 | |
| 2018-2019 Number of FTE Staff | 60.3374 | |
| 2016-2017 Total Enrollment | 468 | |
| 2016-2017 Number of FTE Staff | 63.6315 | 0.0929 > -0.15 |
| 2018-2019 Total Enrollment | 485 | |
| 2016-2017 Total Enrollment | 468 | 17 > 0 |

Determination of Points – Ratio

| | |
|-----------|----------|
| 10 | 0 |
| YES | NO |

Indicator #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 points



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| | |
|------------------------------|-------------|
| Sum of Differences | 3 |
| Denominator | \$5,051,611 |
| Actual Variance | 0 |
| Acceptable Level of Variance | 0.03 |
| | $0 < 0.03$ |

Determination of Points – Ratio

| | |
|-----------|----------|
| 10 | 0 |
| < 3% | > = 3% |

Indicator #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?

10 points

The district does not have any material noncompliance instances.

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Determination of Points – Ratio

| | |
|-----------|----------|
| 10 | 0 |
| YES | NO |

Indicator #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 points

The district did not receive an adjusted repayment schedule for any reason.

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Determination of Points – Ratio

| | |
|-----------|----------|
| 10 | 0 |
| YES | NO |

Disclosure Reports



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- ❖ **Superintendent Current Contract**
- ❖ **Reimbursements to Superintendent & School Board Members**
- ❖ **Outside Compensation/Fees received by Superintendent**
- ❖ **Gifts received by Executive Officers & School Board Members**
- ❖ **Business Transactions with School Board Members**



Disclosure #1

- ❖ Superintendent Current Contract

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Posted at www.eraisd.net

Disclosure #2

❖ Reimbursements to Superintendent & School Board Members



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| 12 month period ending June 30, 2020 | Dr. Jeremy Thompson Superintendent | KD Weaver Board Member | Jennifer Hunter Board Member | Jeff Brown Board Member | Chad Greer Board Member |
|--------------------------------------|---------------------------------------|---------------------------|---------------------------------|----------------------------|----------------------------|
| Summary of: | | | | | |
| Meals | 0 | 0 | 0 | 0 | 0 |
| Lodging | 0 | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 | 0 |
| Motor Fuel | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| Total | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| 12 month period ending June 30, 2020 | Todd Reiter Board Member | Jeffrey Stevens Board Member | James Eaton Board Member |
|--------------------------------------|-----------------------------|---------------------------------|-----------------------------|
| Summary of: | | | |
| Meals | 0 | 0 | 0 |
| Lodging | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 |
| Motor Fuel | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| Total | \$0.00 | \$0.00 | \$0.00 |

Disclosure #3

❖ Outside Compensation/Fees received by Superintendent



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Outside compensation and/or fees received by the Superintendent for Professional consulting and/or other personal services in Fiscal Year 2020 ending June 30, 2020.

| 12 month period ending June 30, 2020 | Dr. Jeremy Thompson Superintendent |
|--------------------------------------|------------------------------------|
| Name of Entity (ies) | Amount |
| | |
| | |
| | |
| | |
| TOTAL | \$0.00 |

Note: Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

Disclosure #4

❖ Gifts received by Executive Officers & School Board Members

Gifts received by the executive officer(s) and board members (and first degree relatives, if any) in Fiscal Year 2020 ending June 30, 2020. (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)



| 12 month period ending June 30, 2020 | Dr. Jeremy Thompson Superintendent | KD Weaver Board Member | Jennifer Hunter Board Member | Jeff Brown Board Member | Chad Greer Board Member |
|--------------------------------------|---------------------------------------|---------------------------|---------------------------------|----------------------------|----------------------------|
| Amount | 0 | 0 | 0 | 0 | 0 |
| Total | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| 12 month period ending June 30, 2020 | Todd Reiter Board Member | Jeffrey Stevens Board Member | James Eaton Board Member |
|--------------------------------------|-----------------------------|---------------------------------|-----------------------------|
| Amount | 0 | 0 | 0 |
| Total | \$0.00 | \$0.00 | \$0.00 |

Note: An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. Gifts received by first degree relatives, if any, will be reported under the applicable school official.

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Disclosure #5

❖ Business Transactions with School Board Members



Business transactions between school district and board members for fiscal year 2020 ending June 30, 2020.

| 12 month period ending June 30, 2020 | Dr. Jeremy Thompson Superintendent | KD Weaver Board Member | Jennifer Hunter Board Member | Jeff Brown Board Member | Chad Greer Board Member |
|--------------------------------------|---------------------------------------|---------------------------|---------------------------------|----------------------------|----------------------------|
| Amount | 0 | 0 | 0 | 0 | 0 |
| Total | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| 12 month period ending June 30, 2020 | Todd Reiter Board Member | Jeffrey Stevens Board Member | James Eaton Board Member |
|--------------------------------------|-----------------------------|---------------------------------|-----------------------------|
| Amount | 0 | 0 | 0 |
| Total | \$0.00 | \$0.00 | \$0.00 |

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

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