



# HORNETS

ERA INDEPENDENT SCHOOL DISTRICT

FIRST

Financial Integrity Rating System of Texas



## 2019 School FIRST Report

December 16, 2019  
6:00 PM



## Financial Accountability Rating System

### History & Purpose:

- ❖ FIRST (Financial Integrity Rating System of Texas) was originated by SB 875 in the 76<sup>th</sup> 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 2017-18 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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**Era ISD**

## 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 11-16-2018**



## Indicator #2.A

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

**Era ISD**

**YES = passed**



**Era ISD**

## 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**



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## Indicator #3

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

**Era ISD**

**YES = passed**



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**Era ISD**

## 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 2019 FIRST report per TEA

Prior Year 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**



**Era ISD**

Cash & Equivalents +  
Current Investments

\$884,116

÷

Facilities Acquisition &  
Construction

\$4,543,429

x

365

=

71.0262  
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**



**Era ISD**

<b>Current Assets</b>		<b>Current Liabilities</b>		
\$2,357,641	÷	\$529,831	=	4.4498 ratio

Determination of Points – Ratio

<b>10</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>0</b>
> =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**



**Era ISD**

**Long Term Liabilities**

**Total Assets**

**\$4,893,791**

÷

**\$10,072,403**

=

**0.4858 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**



**Era ISD**

<u>Total Revenue</u>		<u>Total Expenditures – Facilities Acquisition &amp; Construction</u>		
\$4,670,822	÷	\$4,543,429	=	0.0281 ratio
		OR		
Cash & Equivalents		Total Expenditures		
\$884,116	÷	\$4,543,429	x 365	= 71.0262
				Acceptable Days Cash on Hand is 60

### Determination of Points – Ratio

<b>10</b>	<b>0</b>
> = 0	< = 0



# Indicator #10

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

**10 points**



**Era ISD**

Total Revenue	\$5,008,834		
- Total Expenditures	4,926,350		
+ Debt Service (71,72,73)	337,800		
+ Fund Code 599	486,963		
+ Function 81	45,121		
/ Debt Service	337,800	=	<b>2.8193 Ratio</b> Greater than 1.20 ratio

### Determination of Points – Ratio

<b>10</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>0</b>
<b>&gt; =1.20</b>	<b>&lt; 1.20 &gt;=1.15</b>	<b>&lt; 1.15 &gt;=1.10</b>	<b>&lt; 1.10 &gt;=1.05</b>	<b>&lt; 1.05 &gt;=1.00</b>	<b>&lt; 1.00</b>



# Indicator #11

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

**10 points**



**Era ISD**

<b>District Administrative Cost Ratio</b>	<b>0.1608</b>
<b>ADA</b>	<b>460.732</b>

### Determination of Points – Ratio

ADA Size	10	8	6	4	2	0
Less than 500	$\leq 0.2404$	$> 0.2404 \leq 0.2654$	$> 0.2654 \leq 0.2904$	$> 0.2904 \leq 0.3154$	$> 0.3154 \leq 0.3404$	$> 0.3404$



# 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**



**Era ISD**

2017-2018 Total Enrollment	479	
2017-2018 Number of FTE Staff	60.6345	
2015-2016 Total Enrollment	483	
2015-2016 Number of FTE Staff	63.205	0.0338 > -0.15
2017-2018 Total Enrollment	479	
2015-2016 Total Enrollment	483	-4 > 0

### Determination of Points – Ratio

<b>10</b>	<b>0</b>
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**



**Era ISD**

Sum of Differences	4
Denominator	\$4,588,554
Actual Variance	0
Acceptable Level of Variance	0.03
	$0 < 0.03$

Determination of Points – Ratio

<b>10</b>	<b>0</b>
< 3%	> = 3%



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## 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.



**Era ISD**

### Determination of Points – Ratio

<b>10</b>	<b>0</b>
YES	NO



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## 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.

**Era ISD**

### Determination of Points – Ratio

<b>10</b>	<b>0</b>
YES	NO

# Disclosure Reports



**Era ISD**

- ❖ **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**



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## **Disclosure #1**

- ❖ **Superintendent Current Contract**

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**Posted at [www.eraisd.net](http://www.eraisd.net)**



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# Disclosure #2

## ❖ Reimbursements to Superintendent & School Board Members



12 month period ending June 30, 2019	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
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

12 month period ending June 30, 2019	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
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

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# Disclosure #3

## ❖ Outside Compensation/Fees received by Superintendent

Outside compensation and/or fees received by the Superintendent for Professional consulting and/or other personal services in Fiscal Year 2019 ending June 30, 2019.

12 month period ending June 30, 2019	Dr. Jeremy Thompson Superintendent
Name of Entity (ies)	Amount
ESC XI	\$250.00
Alpha Sights	\$20.00
<b>TOTAL</b>	<b>\$270.00</b>

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



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# 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 2019 ending June 30, 2019. (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)



12 month period ending June 30, 2019	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
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

12 month period ending June 30, 2019	Todd Reiter Board Member	Jeffrey Stevens Board Member	James Eaton Board Member
Amount	0	0	0
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

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 2019 ending June 30, 2019.

12 month period ending June 30, 2019	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
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

12 month period ending June 30, 2019	Todd Reiter Board Member	Jeffrey Stevens Board Member	James Eaton Board Member
Amount	0	0	0
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

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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