



Manor Independent School District



2017 – 2018 Texas Education Agency
Schools FIRST Report

Based on 2016-2017 Data



FIRST Report Background

- 16th year of the state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST).
- Ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices.
- Designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.



2017-2018 FIRST Report

- The 2017-2018 Financial Integrity Rating System of Texas is based on analysis of district financial data for fiscal year ended June 30, 2017.
- Ratings were determined using the financial indicators specified in 19 Texas Administrative Code (TAC) §109.1001(e)



FIRST System Requirements

- **Prepare annual financial management report**
 - Compare performance on current indicators to prior year and to state standards
 - Superintendent's current employment contract
 - Summary schedule of reimbursements, compensation in exchange for consulting, gifts of \$250 or more, and business transactions received by the superintendent and Board members for fiscal year
- **Post notice in a newspaper of general circulation in the district**
- **Distribute the financial management report to attendees at a public hearing**



2016-2017 State Ratings

Ratings	# of Districts	% of District	Enrollment	% of Enrollment
A – Superior	837	81.90%	4,370,100	86.32%
B – Above Standard	117	11.45%	518,157	10.24%
C – Meets Standard	63	6.16%	153,177	3.03%
F – Substandard Achievement	5	0.49%	20,967	0.41%
Total	1,022	100.00%	5,062,401	100.00%



Manor ISD FIRST Rating

- **Status: Passed**
- **Passing Score: 60**
- **District Score: 94**
- **Rating: A = Superior**



Manor ISD FIRST Indicators

State Indicator	Indicator Summary	MISD Result
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?	A simple indicator. Was your Annual Financial Report filed by the deadline?	Yes
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.)?	A "modified" version of the auditor's opinion in your annual audit report means that you need to correct some of your reporting or financial controls. A district's goal, therefore, is to receive an "unmodified opinion" on its Annual Financial Report. 2.A. is a simple "Yes" or "No" indicator.	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.)	A clean audit of your Annual Financial Report would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your District not being able to properly account for its use of public funds, and should be immediately addressed. 2.B. is a simple "Yes" or "No" indicator.	No



Manor ISD FIRST Indicators

State Indicator	Indicator Summary	MISD Result
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.)	This indicator seeks to make certain that your district has timely paid all bills/obligations, including financing arrangements to pay for school construction, school buses, photocopiers, etc.	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?	This indicator seeks to make sure the district fulfilled its obligation to the TRS, TWC and IRS to transfer payroll withholdings and to fulfill any additional payroll-related obligations required to be paid by the district	Yes



Manor ISD FIRST Indicators

State Indicator	Indicator Summary	MISD Result
<p>5. Was the total unrestricted Net Position balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Positions 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.)</p>	<p>This indicator simply asks, “Did the district’s total assets exceed the total amount of liabilities (according to the very first financial statement in the annual audit report)?” Fortunately, this indicator recognizes that high-growth districts incur large amounts of debt to fund construction, and that total debt may exceed the total amount of assets under certain scenarios.</p>	<p>Yes</p>
<p>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)?</p>	<p>This indicator measures how long in days after the end of the fiscal the school district could have disbursed funds for its operating expenditures without receiving any new revenues. Did you meet or exceed the target amount in School FIRST?</p>	<p>10</p>
<p>7. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?</p>	<p>This indicator measures whether the school district had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities. Did you meet or exceed the target amount in School FIRST?</p>	<p>10</p>



Manor ISD FIRST Indicators

State Indicator	Indicator Summary	MISD Result
<p>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 7 percent or more, then the school district passes this indicator.)</p>	<p>This question is like asking someone if their mortgage exceeds the market value of their home. Were you below the cap for this ratio in School FIRST? Fortunately, this indicator recognizes that high-growth districts incur additional operating costs to open new instructional campuses.</p>	<p>10</p>
<p>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?</p>	<p>This indicator simply asks, "Did you spend more than you earned?" (the school district will automatically pass this indicator, if the school district had at least 60 days cash on hand.)</p>	<p>10</p>
<p>10. Was the debt service coverage ratio sufficient to meet the required debt service?</p>	<p>This indicator asks about the school district's ability to make debt principal and interest payments that will become due during the year. Did you meet or exceed the target amount in School FIRST?</p>	<p>10</p>
<p>11. Was the school district's administrative cost ratio equal to or less than the threshold ratio?</p>	<p>This indicator measures the percentage of their budget that Texas school districts spent on administration. Did you exceed the cap in School FIRST for districts of your size?</p>	<p>4</p>



Manor ISD FIRST Indicators

State Indicator	Indicator Summary	MISD Result
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.)	If the school district had a decline in students over 3 school years, this indicator asks if the school district decreased the number of the staff on the payroll in proportion to the decline in students. (The school district automatically passes this indicator if there was no decline in students.)	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?	This indicator measures the quality of data reported to PEIMS and in your Annual Financial Report to make certain that the data reported in each case "matches up." If the difference in numbers reported in any fund type is 3 percent or more, your district "fails" this measure.	10



Manor ISD FIRST Indicators

State Indicator	Indicator Summary	MISD Result
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.)	A clean audit of your Annual Financial Report would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your District not being able to properly account for its use of public funds and should be immediately addressed.	10
15. Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an overallocation of Foundation School Program (FSP) funds as a result of a financial hardship?	This indicator asks if the district had to ask for an easy payment plan to return monies to TEA after spending the overpayment from the Foundation School Program state aid.	10
	Total Score	94
	Superior Rating	



FIRST Rating Disclosures

School FIRST Annual Financial Management Report

**MANOR
INDEPENDENT SCHOOL DISTRICT**

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1001(q). Effective 8/1/2018. The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing. The template may not be all inclusive.

Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual School FIRST financial management report, the school district may chose to publish the superintendent's employment contract on the school district's Internet site. If published on the Internet, the contract is to remain accessible for twelve months.



FIRST Rating Disclosures

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended June 30, 2017

<u>Description of Reimbursements</u>	Dr. Royce Avery Superintendent	Janie Serna	John Jonse	Monique Celedon	Marlin Thomas	Johnny Velasco	Ana Cortez	Elmer Fisher
Meals	\$966.02	\$322.00	\$	\$230.00	\$235.61	\$184.00	\$352.35	\$92.00
Lodging	\$2,242.82	\$1,996.20	\$1,130.76	\$1,505.36	\$4,375.07	\$1,044.09	\$1,915.36	\$1,513.51
Transportation	\$1,491.81	\$624.16	\$299.61	\$420.97	\$937.33	\$408.44	\$212.40	\$113.44
Motor Fuel								
Other	\$588.56	\$864.96	\$375.00	\$1,135.00	\$1,959.96	\$375.00	\$375.00	\$1,010.00
Total	\$5,289.21	\$3,807.32	\$1,805.37	\$3,291.33	\$7,507.97	\$2,011.53	\$2,855.11	\$2,728.95

All “reimbursements” expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. Items to be reported per category include:

Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).

Lodging - Hotel charges.

Transportation - Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls).

Motor fuel – Gasoline.

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.



FIRST Rating Disclosures

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

For the Twelve-Month Period
Ended June 30, 2017

Name(s) of Entity(ies)

Amount Received

\$ -

Total

\$0.00

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



FIRST Rating Disclosures

**Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any)
(gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)**

For the Twelve-Month Period
Ended June 30, 2017

	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$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 for local officials.

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended June 30, 2017

	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Amounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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

Manor Independent School District



Marlin Thomas, Board President
Elmer Fisher, Jr., Vice President
Ana Cortez, Secretary

Monique Celedon, Board Trustee
John Jonse, Board Trustee
Janie Serna, Board Trustee
Johnny R. Velasco, Board Trustee

Dr. Royce Avery, Superintendent of Schools