



Manor Independent School District



# 2022-2023 Texas Education Agency Schools FIRST Ratings Report

Based on 2020-2021 Data



# FIRST Report Background

- 20<sup>th</sup> 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.



# 2022-2023 FIRST Report

- The 2022-2023 Financial Integrity Rating System of Texas is **based on analysis of district financial data for fiscal year ended June 30, 2021** (17 months ago).
- Ratings were determined using the financial indicators specified in Title 19 Texas Administrative Code (TAC) §109.1001(q)



# 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**





# Manor ISD FIRST Indicators

Indicator	Indicator Description	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?	Yes
2	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



# Manor ISD FIRST Indicators

Indicator	Indicator Description	Score
3	<p>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.)</p>	Yes



# Manor ISD FIRST Indicators

Indicator	Indicator Description	Score
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.)	Yes Ceiling Passed





# Manor ISD FIRST Indicators

Indicator	Indicator Description	Score
5	This indicator is not being evaluated.	
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.)	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.	10



# Manor ISD FIRST Indicators

Indicator	Indicator Description	Score
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.	10
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.	10
10	This indicator is not being evaluated.	



# Manor ISD FIRST Indicators

Indicator	Indicator Description	Score
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.)	6
12	What is the correlation between future debt requirements and the district's assessed property value?	8
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.	6



# Manor ISD FIRST Indicators

Indicator	Indicator Description	Score
14	This indicator is not being evaluated.	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.)	Ceiling Passed





# Manor ISD FIRST Indicators

Indicator	Indicator Description	Score
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.)	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.)	10



# Manor ISD FIRST Indicators

Indicator	Indicator Description	Score
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?	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?	Passed



# Indicator Test 11

**Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (6 out of a possible 10 points – previously 4)**

- Our long-term liabilities are composed of our bonds. Our total assets are mostly composed of cash in the bank (mostly unspent bond proceeds) and the book value of our real estate holdings such as land and buildings (what we know to be our campuses).
- Our ratio of long-term liabilities to total assets improved from 81.39% to 78.80%, which resulted in an increased score of six (6) out of 10.
- The Indicator Test is looking for an ideal ratio under 60% which we could achieve by either increasing assets or decreasing liabilities (most of which are bonds).
- As noted last year, if we were to reduce the ratio from 81.39% to 79.99%, we would earn two (2) additional points that would improve our rating from a “B” to an “A” (which we exceeded). Defeasement of bonds is the primary method to improve our ratio.



# Indicator Test 12

**Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? (8 out of a possible 10 points – previously 6)**

- This calculation resulted in a reduced ratio of 6.2256 (down from 7.9841). A ratio greater than 10% and less than or equal to 11.5% results in eight (8) points. If we can get to under 4%, we would earn 10 points.
- This Indicator Test is calculated by taking our Total Local and Intermediate Revenue Sources and dividing it by our Total Revenue. This ratio is multiplied by our long-term liabilities (mostly our bonds) and then divided by the assessed property values divided by \$100. As the values of properties in the district increase in value, this ratio should decrease.





# Indicator Test 13

**Was the school district's administrative cost equal to or less than the threshold ratio?  
(6 out of a possible 10 points – previously 8)**

- For a school district with an ADA size between 5,000 and 9,999, to receive a full 10 points, the ratio needs to be less than or equal to 10%.
- For Manor ISD, our District Administrative Cost Ratio for 2021-2022 was 12.6% (up from 11.75%).
- This ratio resulted in six (6) out of 10 points for this Indicator Test per the FIRST Determination of Points.
- In order to increase our points, we would need to reduce our administrative cost burden, which is heavily dependent on salaries.
- When our ADA exceeds 10,000, the upper ratio will drop even further from 10% to 8.55%. If that was the case already, we would have received only four (4) points and our overall rating would have reduced from an A to a B.



# FIRST Rating Disclosures

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.

<b>Superintendent's Current Employment Contract</b>							
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.							

A copy of the Superintendent of Schools' employment contract is available on the MISD website at:  
<https://www.manorisd.net/site/handlers/filedownload.ashx?moduleinstanceid=1900&dataid=328&FileName=Executed%20Superintendents%20Contract%202020.pdf>



# FIRST Rating Disclosures

## Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period  
Ended June 30, 2022

	<b>Dr. Andre Spencer</b>	<b>Janie</b>	<b>Maltildy</b>	<b>Monique</b>	<b>Temeika</b>	<b>Johnny</b>	<b>Ana</b>	<b>Elmer</b>
<u>Description of Reimbursements</u>	<b>Superintendent</b>	<b>Guerrero</b>	<b>Samaripa</b>	<b>Celedon</b>	<b>Durden</b>	<b>Velasco</b>	<b>Cortez</b>	<b>Fisher</b>
Meals	-	791.56	43.00	573.42	150.00	298.00		
Lodging	1,728.16	3,883.28	735.48	3,521.14	735.48	2,310.81	1,946.80	1,253.43
Transportation	894.66	1,096.10	40.95	388.30	208.00	333.00	1,151.19	
Motor Fuel	-							
Other*	2,780.00	2,340.00	460.00	1,585.00	50.00	910.00	2,575.00	460.00
<b>Total</b>	<b>\$5,402.82</b>	<b>\$8,110.94</b>	<b>\$1,279.43</b>	<b>\$6,067.86</b>	<b>\$1,143.48</b>	<b>\$3,851.81</b>	<b>\$5,672.99</b>	<b>\$1,713.43</b>

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.

\* Other includes relocation expenses.



# 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, 2022

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, 2022

	<b>Dr. Andre Spencer</b>	<b>Janie</b>	<b>Maltildy</b>	<b>Monique</b>	<b>Temeika</b>	<b>Johnny</b>	<b>Ana</b>	<b>Elmer</b>
	<b>Superintendent</b>	<b>Guerrero</b>	<b>Samaripa</b>	<b>Celedon</b>	<b>Durden</b>	<b>Velasco</b>	<b>Cortez</b>	<b>Fisher</b>
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, 2022

	<b>Janie</b>	<b>Maltildy</b>	<b>Monique</b>	<b>Temeika</b>	<b>Johnny</b>	<b>Ana</b>	<b>Elmer</b>
	<b>Guerrero</b>	<b>Samaripa</b>	<b>Celedon</b>	<b>Durden</b>	<b>Velasco</b>	<b>Cortez</b>	<b>Fisher</b>
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 ISD FIRST Rating Scale

<b>A = Superior Achievement</b>	90-100
<b>B = Above Standard Achievement</b>	80-89
<b>C = Meets Standard Achievement</b>	70-79
<b>F = Substandard Achievement</b>	<70



# Manor ISD FIRST Rating

Financial Integrity Rating System of Texas

## 2022-2023 RATINGS BASED ON SCHOOL YEAR 2021-2022 DATA - DISTRICT STATUS DETAIL

Name: **MANOR ISD(227907)**

Publication Level 1: 8/4/2023 12:02:16 PM

Status: **Passed**

Publication Level 2: 8/7/2023 3:01:39 PM

Rating: A = Superior Achievement

Last Updated: 8/7/2023 3:01:39 PM

District Score: 90

Passing Score: 70

# Manor Independent School District



Monique Celedon, Board President

Janie Guerrero, Vice President

Ana Cortez, Secretary

Temeika Durden, Board Trustee

Fabian Martinez, Board Trustee

Stephanie Rodriguez-Barnett, Board Trustee

Dr. Mary Thomas, Board Trustee

Dr. Robert Sormani, Superintendent of Schools