



2019 School FIRST Annual Financial Management Report

December 19, 2019

Overview

- TEA produces annual financial accountability rating for each LEA
 - Financial Integrity Rating System of Texas (FIRST)
- Districts compile data on Board and Superintendent reimbursements, gifts, business transactions, and outside compensation, if any
- Districts combine the above into an “annual financial management report” and disclose via public hearing
- Detailed requirements described in CFA (Legal)

2019 School FIRST Performance

School FIRST Background

- Measures districts' financial performance
- Primary goal is to improve districts' financial management
- Encourages resource allocation to direct instructional purposes
- Districts are required to compare current year versus prior year performance
- 2019 ratings are based on fiscal 2018 data
- 2018 ratings are based on fiscal 2017 data

Statewide 2019 FIRST Rating Statistics

2019 FIRST Rating	Point Range	District Count	Percent of Total	Enrollment	Percent of Total
A= Superior	90-100	906	88.82%	4,640,546	91.61%
B = Above Standard Achievement	80-89	71	6.96%	301,150	5.95%
C = Meets Standard Achievement	60-79	33	3.24%	101,529	2.00%
F= Substandard Achievement	< 60	10	0.98%	22,323	0.44%
Total		1,020	100.00%	5,065,548	100.00%

2018 FIRST Rating	Point Range	District Count	Percent of Total	Enrollment	Percent of Total
A= Superior	90-100	846	82.78%	4,485,533	88.60%
B = Above Standard Achievement	80-89	110	10.76%	405,382	8.01%
C = Meets Standard Achievement	60-79	62	6.07%	151,551	2.99%
F= Substandard Achievement	< 60	4	0.39%	19,935	0.39%
Total		1,022	100.00%	5,062,401	100.00%

Source: Texas Education Agency

Dallas ISD's 2019 FIRST Rating

- Dallas ISD rating: **A = Superior** (highest possible rating)
- 8th consecutive year to achieve top rating
- Score of 98 of possible 100 points (last year scored 94)
- Rating system has 15 indicators
- Performance by rating indicator:
 - > 5 Critical – Pass/Fail – District passed all (one not scored)
 - > 7 Solvency - Earned 68 of 70 possible points
 - > 3 Financial Competence – Earned all 30 possible points

2019 Critical Indicators & Result

	<u>2019</u>	<u>2018</u>
• #1 - Was the annual financial report submitted to TEA within 180 days of fiscal year end?	Yes	Yes
• #2 (A+B) - Was there an unmodified opinion in the annual financial report on the financial statements?	Yes	Yes
• #3 - Was the district compliant with the payment terms of all debt agreements at fiscal year end?	Yes	Yes
• #4 - Did the district make timely payments to TRS, TWC, IRS, and other government agencies?	Yes	Yes

2019 Critical Indicators & Result

	<u>2019</u>	<u>2018</u>
<ul style="list-style-type: none">#5 - Was the total Unrestricted Net Position balance (net of the accretion of interest for capital appreciation bonds and the net pension liability) in the governmental activities column in the Statement of Net Position greater than zero?<ul style="list-style-type: none">TEA did not score indicator #5 statewide for 2019Many ISDs ended 2019 with negative unrestricted net positionResult of GASB Statement No. 75 - Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions	<i>Not Scored</i>	<i>Yes</i>

2019 Solvency Indicators

	<u>2019</u>	<u>2018</u>
• #6 - Was there sufficient cash and current investments in the general fund to cover operating expenditures?	10pts	10pts
• #7 - Was the ratio of current assets to current liabilities sufficient to cover short-term debt?	10pts	10pts
• #8 - Was the ratio of long-term liabilities to total assets sufficient to support long-term solvency?	8pts	6pts
• #9 - Did general fund revenues equal or exceed expenditures, excluding facilities acquisition and construction?	10pts	10pts

2019 Solvency Indicators

	<u>2019</u>	<u>2018</u>
• #10 - Was the debt service coverage ratio sufficient to meet the required debt service?	10pts	10pts
• #11 - Was the district's administrative cost ratio equal to or less than the threshold ratio?	10pts	8pts
• #12 - Did the school district <i>not</i> have a 15 percent decline in the total enrollment to total staff ratio over 3 years?	10pts	10pts

2019 Financial Competence Indicators

- | | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| • #13 - Did PEIMS data and annual financial report data differ by less than 3% of all expenditures by function? | 10pts | 10pts |
| • #14 - Was the annual financial report free of instances of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? | 10pts | 10pts |
| • #15 - Did the district <i>not</i> receive an adjusted repayment schedule for an over allocation of FSP funds as a result of a financial hardship? | 10pts | 10pts |

Public Information Portal

- Additional information on Dallas ISD Public Information Portal at <http://www.dallasisd.org/pip>
 - > Annual Financial Management Reports
 - > Comprehensive Annual Financial Reports
 - > Adopted Budgets
 - > District Check Register

Other Required Disclosures

Required Disclosures

- The Superintendent's contract, available on the District's website at <http://www.dallasisd.org/Page/38808>
- Compensation or fees received by the Superintendent for consulting / other personal services from an outside entity in fiscal 2018 included the following:
 - EdPro Consultants \$2,250.00

Required Disclosures for FY18

- Gifts received from District vendors in FY18
 - Board members and Superintendent reported no gifts received
- Business transactions between Board members and the District in FY18
 - Board members reported no such business transactions
- Reimbursements paid to, and amounts paid on behalf of, Board members and the Superintendent during FY18 included the following: (next slide)

FY18 Reimbursements & Payments On-Behalf

Amounts Paid On-Behalf

Description	Board Member									Superintendent Hinojosa
	1-Flores	2-Marshall	3-Micciche	4-Resendez	5-Blackburn	6-Foreman	7-Pinkerton	8-Solis	9-Nutall	
Meals	-	-	-	-	-	-	-	-	-	-
Lodging	-	-	-	-	2,319.10	1,177.61	274.66	-	780.05	8,216.33
Transportation	-	-	-	-	1,722.77	1,020.88	172.98	1,171.39	575.93	5,340.40
Motor Fuel	-	-	-	-	-	-	-	-	-	-
Other	624.24	654.24	375.00	561.06	2,962.00	680.00	954.24	30.00	2,255.12	5,307.62
Employee Allowances/Benefits	-	-	-	-	-	-	-	-	-	93,507.83
Paid On-Behalf Subtotal	624.24	654.24	375.00	561.06	7,003.87	2,878.49	1,401.88	1,201.39	3,611.10	112,372.18

Reimbursements Paid To

Description	Board Member									Superintendent Hinojosa
	1-Flores	2-Marshall	3-Micciche	4-Resendez	5-Blackburn	6-Foreman	7-Pinkerton	8-Solis	9-Nutall	
Meals	-	-	-	-	1,197.20	1,746.15	192.00	-	320.00	-
Lodging	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	242.27	711.80	492.93	-	1,437.07	1,084.24
Motor Fuel	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Employee Allowances/Benefits	-	-	-	-	-	-	-	-	-	-
Paid To Subtotal	-	-	-	-	1,439.47	2,457.95	684.93	-	1,757.07	1,084.24
Total	624.24	654.24	375.00	561.06	8,443.34	5,336.44	2,086.81	1,201.39	5,368.17	113,456.42

Note: Amounts paid on-behalf and amounts reimbursed are broken out as separate subtotals for clarity. In prior years, these were reported as combined amounts under each expense type.

Questions?

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