

**Dallas
Independent
School
District**



2014 School FIRST Rating and Required Disclosures

Public Hearing

October 22, 2014 at 5:30PM



Presented by

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Executive Director – Finance & Accounting Services

School FIRST Background

- Financial Integrity Rating System of Texas
- Annual rating issued by TEA for each district
- Measures districts' financial performance
- Primary goal is to improve districts' financial management
- Ratings are based on 2012-2013 fiscal year data
- Public notice and hearing mandated by CFA (Legal)
- Report published on Dallas ISD Public Information Portal

Statewide 2014 FIRST Rating Statistics

2014 FIRST Rating	District Count	% Total	Enrollment	% Total Enrollment
Superior Achievement	912	89.0%	4,754,747	97.6%
Above Standard Achievement	83	8.1%	74,394	1.5%
Standard Achievement	16	1.5%	8,453	0.2%
Substandard Achievement	12	1.2%	14,474	0.3%
Suspended Due to Data Quality	2	0.2%	21,355	0.4%
Total	1,025	100.0%	4,873,423	100.0%

Source: Texas Association of School Business Officials

Dallas ISD's 2014 FIRST Rating

- Dallas ISD Rating: **Superior Achievement** (highest rating)
- 3rd consecutive year to achieve top rating
- Rating system includes 20 separate indicators
- Performance by rating indicator:
 - 6 Yes / No indicators: Dallas ISD - 5 Yes; 1 No
 - 14 indicators with points: Dallas ISD – 65 points out of possible 70; Superior Achievement requires 64 – 70

School FIRST Areas for Improvement

- One Single Audit finding that caused:
 - Material weakness in internal controls
 - Material noncompliance to grant requirements

- If not for this Single Audit finding, the District would have received a perfect FIRST score

School FIRST Required Disclosures

- Superintendent's current employment contract available on District's website at: <http://www.dallasisd.org/Page/27482>
- Must disclose whether Superintendent received outside compensation for consulting / other personal services
 - Received \$7,200 in July 2012 from Focal Point LLC for consulting services (allowed per Amendment 1 of Superintendent's original contract)
- During fiscal 2013, there were no gifts reported as received by the Superintendent, Board Members, and their First Degree Relatives from any district vendors

School FIRST Required Disclosures

- During fiscal 2013, there were no Business Transactions (aside from expense reimbursements) between the District and Board Members
- During fiscal 2013, reimbursements received by Board Members and the Superintendent, and allowances & benefits received by the Superintendent were:

School FIRST Required Disclosures

Description	District 1 Board Member	District 2 Board Member	District 3 Board Member	District 4 Board Member	District 5 Board Member
Meal reimbursements	\$ 85	\$ 85	\$ -	\$ 75	\$ 795
Lodging reimbursements	\$ 1,045	\$ 206	\$ 618	\$ -	\$ 1,993
Transportation reimbursements	\$ 910	\$ -	\$ -	\$ -	\$ 1,866
Motor fuel reimbursements	\$ -	\$ -	\$ -	\$ -	\$ -
Other reimbursements	\$ 5,373	\$ -	\$ 295	\$ 295	\$ 1,967
Total	\$ 7,413	\$ 291	\$ 913	\$ 370	\$ 6,622

Description	District 6 Board Member	District 7 Board Member	District 8 Board Member	District 9 Board Member	Superintendent of Schools
Meal reimbursements	\$ 1,235	\$ 85	\$ 235	\$ 1,200	\$ 19
Lodging reimbursements	\$ 3,532	\$ -	\$ 564	\$ 2,873	\$ 3,296
Transportation reimbursements	\$ 2,253	\$ -	\$ 347	\$ 2,684	\$ 2,554
Motor fuel reimbursements	\$ -	\$ -	\$ -	\$ -	\$ -
Other reimbursements	\$ 1,680	\$ -	\$ 855	\$ 3,171	\$ 11,361
Employee allowances/benefits	\$ -	\$ -	\$ -	\$ -	\$ 50,767
Total	\$ 8,700	\$ 85	\$ 2,001	\$ 9,928	\$ 67,997

School FIRST Required Disclosures

General Fund Expenditures for the Three Months Ended
September 30, 2013:

<u>Object Expenditure Type</u>		<u>Quarterly Expenditures</u>
6100 Payroll & Related	\$	189,125,665
6200 Contracted Services	\$	29,448,661
6300 Supplies and Materials	\$	8,348,673
6400 Other Operating	\$	2,574,731
6500 Debt Services	\$	108,600
6600 Capital Outlay	\$	1,277,889
6XXX TOTAL	\$	230,884,219

School FIRST Required Disclosures

- Five “Business Managers” (Chief Financial Officers) during the last five years (2009 to 2014)
- Within the last two years:
 - has **not** defaulted on any debts, and
 - has **not** drawn funds from a short-term financing note
- For the prior fiscal year, has **not** reduced General fund balance below 2% of total expenditures for function codes 11 to 61
 - (includes virtually all functions except debt service, facility acquisition, and intergovernmental)

School FIRST Required Disclosures

- Has **not** experienced typical indicators of financial solvency issues:
 - An excessively low student-to-teacher ratio
 - A precipitous General Fund balance decrease
 - A significant negative change in projected General Fund revenues and expenditures versus the official budget
 - Costly construction projects to be paid from the General Fund

School FIRST Required Disclosures

- Additional information on Dallas ISD Public Information Portal at <http://www.dallasisd.org/pip>
 - 2013 Comprehensive Annual Financial Report
 - 2014-2015 Adopted Budget and related schedules

2014 School FIRST Rating and Required Disclosures



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RATING YEAR



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FIRST

Financial Integrity Rating System of Texas**2013-2014 RATINGS BASED ON SCHOOL YEAR
2012-2013 DATA - DISTRICT STATUS DETAIL**

Name: DALLAS ISD (057905)		Publication Level 1: 6/18/2014 8:04:42 AM	
Status: Passed		Publication Level 2: 9/5/2014 4:00:21 PM	
Rating: Superior Achievement		Last Updated: 9/5/2014 4:00:21 PM	
District Score: 65		Passing Score: 52	
#	Indicator Description	Updated	Score
1	<u>Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?</u>	4/28/2014 12:37:06 PM	Yes
2	<u>Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)</u>	4/28/2014 12:37:06 PM	Yes
3	<u>Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of</u>	4/28/2014 12:37:07 PM	Yes

	<u>Information Concerning Default On Bonded Indebtedness Obligations?</u>		
4	<u>Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?</u>	4/28/2014 12:37:08 PM	Yes
5	<u>Was There An Unqualified Opinion in Annual Financial Report?</u>	4/28/2014 12:37:08 PM	Yes
6	<u>Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?</u>	4/28/2014 12:37:08 PM	No
			1 Multiplier Sum
7	<u>Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?</u>	4/28/2014 12:37:09 PM	5
8	<u>Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?</u>	4/28/2014 12:37:11 PM	5
9	<u>Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)</u>	5/15/2014 11:47:57 AM	5
10	<u>Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?</u>		0

		4/28/2014 12:37:12 PM	
11	<u>Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)</u>	4/28/2014 12:37:12 PM	5
12	<u>Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?</u>	4/28/2014 12:37:14 PM	5
13	<u>If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)</u>	4/28/2014 12:37:14 PM	5
14	<u>Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)</u>	4/28/2014 12:37:15 PM	5
15	<u>Was The Administrative Cost Ratio Less Than The Threshold Ratio?</u>	4/28/2014 12:37:15 PM	5
16	<u>Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?</u>	4/28/2014 12:37:16 PM	5
17			5

	<u>Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?</u>	4/28/2014 12:37:18 PM	
18	<u>Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If Total Revenues > Operating Expenditures In The General Fund,Then District Receives 5 Points)</u>	4/28/2014 12:37:19 PM	5
19	<u>Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?</u>	4/28/2014 12:37:19 PM	5
20	<u>Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?</u>	5/14/2014 12:17:33 PM	5
			65 Weighted Sum
			1 Multiplier Sum
			65 Score

DETERMINATION OF RATING

A.	Did The District Answer ' No ' To Indicators 1, 2, 3 Or 4? OR Did The District Answer ' No ' To Both 5 and 6? If So, The District's Rating Is Substandard Achievement.	
B.	Determine Rating By Applicable Range For summation of the indicator scores (Indicators 7-20)	
	Superior Achievement	64-70
	Above Standard Achievement	58-63

Standard Achievement	52-57
Substandard Achievement	<52

INDICATOR 16 & 17 RATIOS

Indicator 16	Ranges for Ratios		Indicator 17	Ranges for Ratios	
	Low	High		Low	High
District Size - Number of Students Between			District Size - Number of Students Between		
< 500	7	22	< 500	5	14
500-999	10	22	500-999	5.8	14
1000-4999	11.5	22	1000-4999	6.3	14
5000-9999	13	22	5000-9999	6.8	14
=> 10000	13.5	22	=> 10000	7.0	14

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