2020 School FIRST
Annual Financial Management Report

December 17, 2020
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)
2020 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
• 2020 ratings are based on fiscal 2019 data
• 2019 ratings are based on fiscal 2018 data
## Statewide 2020 FIRST Rating Statistics

### 2020 FIRST Rating

<table>
<thead>
<tr>
<th>2020 FIRST Rating</th>
<th>Point Range</th>
<th>District Count</th>
<th>Percent of Total</th>
<th>Enrollment</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A = Superior</td>
<td>90-100</td>
<td>898</td>
<td>88.04%</td>
<td>4,811,053</td>
<td>94.44%</td>
</tr>
<tr>
<td>B = Above Standard Achievement</td>
<td>80-89</td>
<td>81</td>
<td>7.94%</td>
<td>180,967</td>
<td>3.55%</td>
</tr>
<tr>
<td>C = Meets Standard Achievement</td>
<td>60-79</td>
<td>32</td>
<td>3.14%</td>
<td>52,465</td>
<td>1.03%</td>
</tr>
<tr>
<td>F = Substandard Achievement</td>
<td>&lt; 60</td>
<td>9</td>
<td>0.88%</td>
<td>49,684</td>
<td>0.98%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,020</td>
<td>100.00%</td>
<td>5,094,169</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

### 2019 FIRST Rating

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

Source: Texas Education Agency
Dallas ISD’s 2020 FIRST Rating

- Dallas ISD rating: **A = Superior** (highest possible rating)
- 9th consecutive year to achieve top rating
- Score of 98 of possible 100 points (last year scored 98)
- 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
2020 Critical Indicators & Result

• #1 - Was the annual financial report submitted to TEA within 180 days of fiscal year end?
  2020    Yes    2019    Yes

• #2 (A+B) - Was there an unmodified opinion in the annual financial report on the financial statements?
  2020    Yes    2019    Yes

• #3 - Was the district compliant with the payment terms of all debt agreements at fiscal year end?
  2020    Yes    2019    Yes

• #4 - Did the district make timely payments to TRS, TWC, IRS, and other government agencies?
  2020    Yes    2019    Yes
2020 Critical Indicators & Result

• #5 – TEA no longer scores this indicator since 2019

• Discontinued due to GASB Statement No. 75 – “Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions”

• GASB 75 has caused many LEAs to report a negative Unrestricted Net Position balance in the Statement of Net Position

• TEA is considering possible replacement indicators

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Not</td>
<td>Scored</td>
</tr>
<tr>
<td>Not</td>
<td>Scored</td>
</tr>
</tbody>
</table>
2020 Solvency Indicators

• #6 - Was there sufficient cash and current investments in the general fund to cover operating expenditures?
  
• #7 - Was the ratio of current assets to current liabilities sufficient to cover short-term debt?

• #8 - Was the ratio of long-term liabilities to total assets sufficient to support long-term solvency?

• #9 - Did general fund revenues equal or exceed expenditures, excluding facilities acquisition and construction?

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 pts</td>
<td>10 pts</td>
</tr>
<tr>
<td>10 pts</td>
<td>10 pts</td>
</tr>
<tr>
<td>8 pts</td>
<td>8 pts</td>
</tr>
<tr>
<td>10 pts</td>
<td>10 pts</td>
</tr>
</tbody>
</table>
2020 Solvency Indicators

- #10 - Was the debt service coverage ratio sufficient to meet the required debt service?
  
- #11 - Was the district’s administrative cost ratio equal to or less than the threshold ratio?
  
- #12 - Did the school district not have a 15 percent decline in the total enrollment to total staff ratio over 3 years?

<table>
<thead>
<tr>
<th></th>
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<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>#10</td>
<td>10 pts</td>
<td>10 pts</td>
</tr>
<tr>
<td>#11</td>
<td>10 pts</td>
<td>10 pts</td>
</tr>
<tr>
<td>#12</td>
<td>10 pts</td>
<td>10 pts</td>
</tr>
</tbody>
</table>
2020 Financial Competence Indicators

• #13 - Did PEIMS data and annual financial report data differ by less than 3% of all expenditures by function?

• #14 - Was the annual financial report free of instances of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?

• #15 - Did the district not receive an adjusted repayment schedule for an over allocation of FSP funds as a result of a financial hardship?

2020  2019
10 pts  10 pts
10 pts  10 pts
10 pts  10 pts
• Additional information on Dallas ISD Public Information Portal at [http://www.dallasisd.org/pip](http://www.dallasisd.org/pip)
  > Annual Financial Management Reports
  > Comprehensive Annual Financial Reports
  > Adopted Budgets
  > District Check Registers
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
  • None received in FY19
Required Disclosures for FY19

• Gifts received from District vendors in FY19
  • Board members and Superintendent reported no gifts received

• Business transactions between Board members and the District in FY19
  • Board members reported no such business transactions

• Reimbursements paid to, and amounts paid on behalf of, Board members and the Superintendent during FY19 included: (next slide)
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.