School FIRST
Financial Integrity Rating System of Texas

2009 – 2010 Rating Presentation

Presented by
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Executive Director – Financial Services
School FIRST Background

- Expands the public education accountability system in Texas to Financial Services.
- Originated by SB875 of the 76th Texas Legislature in 1999.
- Primary goal is to improve the management of the school district’s financial resources.
School FIRST Stated Objectives

- Assess the quality of financial management in Texas public schools.
- Measure and report the extent to which financial resources are allocated for direct instructional purposes.
- Fairly evaluate the quality of financial management decisions.
- Openly report results to the general public.
School FIRST Rating Categories

- Superior Achievement
- Above Standard Achievement
- Standard Achievement
- Substandard Achievement
Dallas ISD School FIRST Rating

- **Above Standard Achievement** (for the full report, go to http://tuna.tea.state.tx.us/First/forms/District.aspx?year=2009&district=057905)

- 6 Yes / No indicators: Dallas ISD - 5 Yes; 1 No

- 18 indicators with points: Dallas ISD total points - 64 (maximum 80)

- Required points for Above Standard Achievement rating – 64 to 71
School FIRST Areas for Improvement

- Material weaknesses in internal controls.
- Material noncompliance found in Single Audit findings.
- General Operating Fund balance less than 150% of optimum.
- Investment earnings less than $20.00 per student
School FIRST Required Disclosures

- The Interim Superintendent of Schools does not have an employment contract.

- The Superintendent received no outside compensation and/or fees for professional consulting and/or other personal services.

- There were no gifts received by the Superintendent and/or Board Members (and First Degree Relatives, if any) from any district vendors.
There were no Business Transactions between the District and Board Members except for payments of $449,202 made to TDIndustries. The payments were made for services rendered under contracts previously approved by the Board of Trustees. Jack Lowe is the Chairman Emeritus of TDIndustries.

The following schedule details the reimbursements for business expenses received by the Superintendent and Board Members from the District.
## Expense Reimbursements

<table>
<thead>
<tr>
<th>Description of Reimbursement</th>
<th>Superintendent</th>
<th>Board Member District 1</th>
<th>Board Member District 2</th>
<th>Board Members District 3</th>
<th>Board Member District 4</th>
<th>Board Member District 5</th>
<th>Board Member District 6</th>
<th>Board Member District 7</th>
<th>Board Member District 8</th>
<th>Board Members District 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meals</td>
<td>$1,118.00</td>
<td>-0-</td>
<td>-0-</td>
<td>$500.00</td>
<td>-0-</td>
<td>$1,025.00</td>
<td>$675.00</td>
<td>$150.00</td>
<td>$1,175.00</td>
<td>$1,436.00</td>
</tr>
<tr>
<td>Lodging</td>
<td>$3,863.08</td>
<td>-0-</td>
<td>$183.69</td>
<td>$1,284.43</td>
<td>-0-</td>
<td>$2,070.31</td>
<td>$1,264.83</td>
<td>$182.03</td>
<td>$2,163.06</td>
<td>$2,229.34</td>
</tr>
<tr>
<td>Transportation</td>
<td>$9,494.32</td>
<td>-0-</td>
<td>-0-</td>
<td>$1,879.10</td>
<td>-0-</td>
<td>$1,780.55</td>
<td>$976.75</td>
<td>-0-</td>
<td>$2,211.55</td>
<td>$2,140.90</td>
</tr>
<tr>
<td>Motor Fuel</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td>Other</td>
<td>$953.42</td>
<td>-0-</td>
<td>$285.00</td>
<td>$1,240.00</td>
<td>$100.00</td>
<td>$2,502.45</td>
<td>$1,684.89</td>
<td>$275.00</td>
<td>$1,615.00</td>
<td>$1,559.90</td>
</tr>
<tr>
<td>Total</td>
<td>$15,428.82</td>
<td>-0-</td>
<td>$468.69</td>
<td>$4,903.53</td>
<td>$100.00</td>
<td>$7,378.31</td>
<td>$4,601.47</td>
<td>$607.03</td>
<td>$7,164.61</td>
<td>$7,366.14</td>
</tr>
</tbody>
</table>
## School FIRST Required Disclosures

General Fund Expenditures for the Three Months Ended September 30, 2010 (in millions):

<table>
<thead>
<tr>
<th>Expenditure Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>6100 Payroll and related costs</td>
<td>$178.2</td>
</tr>
<tr>
<td>6200 Contracted services</td>
<td>29.2</td>
</tr>
<tr>
<td>6300 Supplies and materials</td>
<td>12.4</td>
</tr>
<tr>
<td>6400 Other operating</td>
<td>3.1</td>
</tr>
<tr>
<td>6500 Debt service</td>
<td>1.9</td>
</tr>
<tr>
<td>6600 Capital expenditures</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$225.1</strong></td>
</tr>
</tbody>
</table>
School FIRST Required Disclosures

- In the two fiscal years ended June 30, 2010 and 2011, the District drew funds from a short term financing note during the period between July and October in each year.
- The District has not declared financial exigency at any time during the two years ended June 30, 2011.
- The District has had one Superintendent during the five years ended June 30, 2011.
- The District has had five “Business Managers” during the five year period ended June 30, 2011.
School FIRST Required Disclosures

- The District does not have student-to-staff ratios significantly below the norm.
- For additional information regarding the financial condition of the District, please refer to the Annual Financial Report for the year ended June 30, 2010 and the 2011-2012 Adopted Budget Version 6.1 and related schedules.
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Q&A