School FIRST
Financial Integrity Rating System of Texas

2010 – 2011 Rating Presentation

Presented by
Steven L. Korby
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

- Superior Achievement
  - 6 Yes / No indicators: Dallas ISD - 5 Yes; 1 No
  - 14 indicators with points: Dallas ISD total points - 64 (maximum 70)
  - Required points for Superior Achievement rating – 64 to 70
School FIRST Areas for Improvement

- Material weaknesses in internal controls.
- Material noncompliance found in Single Audit findings.
- Received 4 points out of a possible 5 due to percentage of tax collected to tax levied.
School FIRST Required Disclosures

- The Superintendent’s current employment contract is available on the District’s Web site at the following link: http://www.dallasisd.org/cms/lib/TX01001475/centricity/domain/5920/milescontractweb.pdf

- For the year ended June 30, 2011, the Superintendent received no outside compensation and/or fees for professional consulting and/or other personal services.

- For the year ended June 30, 2011, there were no gifts received by the Superintendent and/or Board Members (and First Degree Relatives, if any) from any district vendors.
School FIRST Required Disclosures

- There were no Business Transactions between the District and Board Members except for payments of $15,625 made to TD Industries. The payments were made for services rendered under contracts previously approved by the Board of Trustees. Jack Lowe is the Chairman Emeritus of TD Industries.

- The following schedule details the reimbursements for business expenses received by the Superintendent and Board Members from the District for the year ended June 30, 2011.
## 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>$1,443.79</td>
<td>-0-</td>
<td>-0-</td>
<td>$1,600.00</td>
<td>$225.00</td>
<td>$725.00</td>
<td>$675.00</td>
<td>$375</td>
<td>$750.00</td>
<td>$1,875.00</td>
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<tr>
<td>Lodging</td>
<td>$6,694.75</td>
<td>-0-</td>
<td>$348.54</td>
<td>$3,354.97</td>
<td>$160.72</td>
<td>$2,633.67</td>
<td>$755.39</td>
<td>$564.15</td>
<td>$2,032.78</td>
<td>$3,862.22</td>
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<tr>
<td>Transportation</td>
<td>$10,472.65</td>
<td>-0-</td>
<td>$239.50</td>
<td>$2,549.65</td>
<td>-0-</td>
<td>$918.65</td>
<td>$662.22</td>
<td>$239.50</td>
<td>$804.70</td>
<td>$1,932.92</td>
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<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>$2,101.34</td>
<td>$160.00</td>
<td>-0-</td>
<td>$2,369.68</td>
<td>$645.00</td>
<td>$1,290.00</td>
<td>$1,664.95</td>
<td>$365.00</td>
<td>$2,754.33</td>
<td>$1,129.86</td>
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<tr>
<td>Total</td>
<td>$20,712.53</td>
<td>$160.00</td>
<td>$588.04</td>
<td>$9,874.30</td>
<td>$1,030.72</td>
<td>$5,567.32</td>
<td>$3,757.56</td>
<td>$1,543.65</td>
<td>$6,341.81</td>
<td>$8,800.00</td>
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</table>
General Fund Expenditures for the Three Months Ended September 30, 2011 (in millions):

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>6100</td>
<td>Payroll and related costs</td>
<td>$179.3</td>
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<tr>
<td>6200</td>
<td>Contracted services</td>
<td>27.8</td>
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<tr>
<td>6300</td>
<td>Supplies and materials</td>
<td>8.4</td>
</tr>
<tr>
<td>6400</td>
<td>Other operating</td>
<td>2.5</td>
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<tr>
<td>6500</td>
<td>Debt service</td>
<td>1.2</td>
</tr>
<tr>
<td>6600</td>
<td>Capital expenditures</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$220.4</td>
</tr>
</tbody>
</table>
School FIRST Required Disclosures

- In the two fiscal years ended June 30, 2011 and 2012, the District drew funds from a short term financing note during the period between July and October in each year.
- For the year ended June 30, 2011, the General Fund balance exceeded 2% of the total expenditures of Functions 11 through 61.
- The District has not declared financial exigency at any time during the two years ended June 30, 2012.
- The District has had one Superintendent and one Interim Superintendent during the five years ended June 30, 2012.
School FIRST Required Disclosures

- The District has had five “Business Managers” during the five year period ended June 30, 2012.
- The District does not have student-to-staff ratios significantly (more than 85%) 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, 2011 and the 2012-2013 Adopted Budget (Version 4.1) and related schedules.
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Q&A