



Schools FIRST

Denton Independent School District
September 14, 2004



What is Schools FIRST?

Schools

F INANCIAL

I NTEGRITY

R ATING

S YSTEM of

T EXAS



Primary Goal

Achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.



Ratings

- Superior Achievement
- Above Standard Achievement
- Standard Achievement
- Substandard Achievement
- Suspended-data Quality



Determination of Rating



- If the District answers NO to indicators 1, 2 or 3, then the rating is Substandard Achievement.
- If the District answers No to both indicators 4 and 5, then the rating is Substandard Achievement.



Determination of Ratings - continued

Determine rating by applicable range for the number of indicators answered 'NO':

Superior Achievement	0 - 2
Above Standard Achievement	3 - 4
Standard Achievement	5 - 6
Substandard Achievement	7 + or 'No' to one default indicator

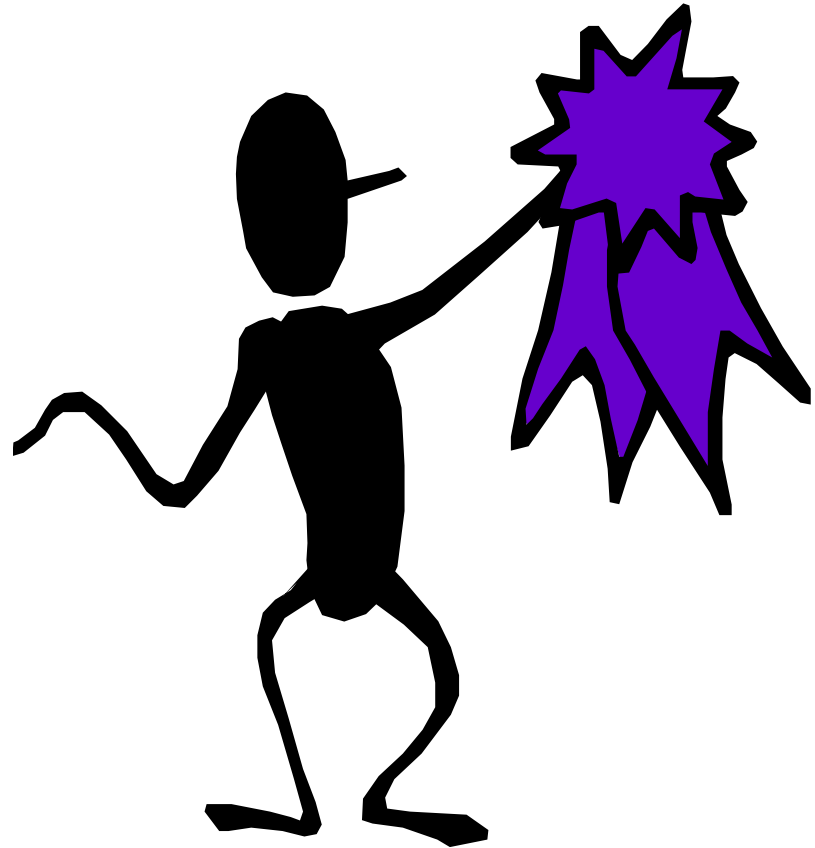


Denton ISD's Rating

- **Superior
Achievement**

Passed all 21 indicators

- **2001-2002**
- **2002-2003**





Indicator #1

Q - Was the Total Fund Balance less Reserved Fund Balance greater than zero in the General Fund?

A - Yes

Total Fund Balance	\$ 25,157,399
Reserves	<u>\$ 899,713</u>
Net Fund Balance	\$ 24,257,686



Indicator #2



Q - Were there no disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?

A - No default on bonded indebtedness obligations.

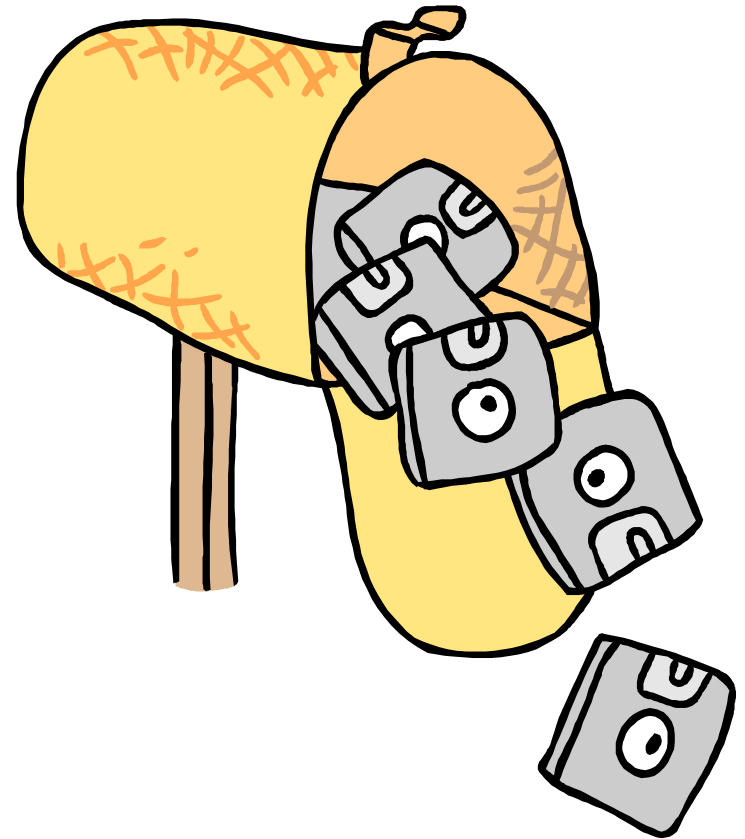


Indicator #3



Q - Was the Annual Financial Report filed within one month after November 27?

A – Yes, received by TEA on 11/19/03





Indicator #4



Q – Was there an unqualified opinion in Annual Financial Report?

A – Yes – “Clean Audit”



Indicator #5



Q - Did the Annual Financial Report not disclose any instance of **Material Weaknesses in Internal Controls?**

A - None





Indicator #6

Q - Was the percent of total tax collection (including delinquent) greater than 96%?

A – Yes

Total levy	\$ 90,116,563
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Tax Collections	\$ 89,729,426
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Percentage	99.57%
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Indicator #7

Q – Did the comparisons of PEIMS data to like information in Annual Financial Report result in an aggregate variance of less than 4 percent of expenditures per fund type (data quality measure)?

A – Yes – Variance = .18% or .0018



Indicator #8

Q – Were debt related expenditures (Net of IFA and/or EDA Allotment) $< \$770$ per student? (If the district's five year percent change in students $=> 2\%$, or if property taxes collected per penny of tax effort $> \$100,000$, then answer this indicator YES.



Indicator #8 continued

A –

Total Tax Collections	\$ 89,729,426
Total Tax Rate	\$ 1.864
Collections per Penny	\$ 481,381



Indicator #8 continued

Enrollment

2003	15,147
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1999	<u>12,975</u>
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Increase	2,172
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% Increase	17%
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Indicator #8 continued

Debt Related Expenditures

Function 71	\$19,386,440
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Less EDA Funding	<u>(1,647,768)</u>
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Net Debt Expenditures	\$17,738,672
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2003 Students	15147
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Debt per Student	\$ 1,171.10
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Indicator #9

Q - Was there no disclosure in the Annual Audit Report of **Material Noncompliance**?

A - None



Indicator #10

Q – Did the District have full accreditation status in relation to financial management practices? (e.g. No master or monitor assigned)

A - Yes



Indicator #11

Q - Was the percent of operating expenditures expended for instruction more than 54%?

A – Yes

Expenditures – (General, Special Revenue, and Capital Projects less SSAs) Function 11 and Object 6112-6499 \$ 64,287,866

Expenditures – (General, Special Revenue, Capital Projects and Child Nutrition less SSAs) Functions 11-61 and Object 6112-6499
\$109,520,716

Function 11, Object 6112-6499 = 58.7%



Indicator #12

Q – Was the aggregate of budgeted expenditures and other uses less than the aggregate of total revenues, other resources and fund balance in General Fund?

A – Yes

Budgeted Revenues	\$ 96,460,672
Beginning Fund Balance	<u>\$ 23,517,592</u>
Total	\$119,978,264
Budgeted Expenditures	\$ 98,373,018



Indicator #13

Q – 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)

A – General Fund-Fund Balance	\$ 25,157,399
Capital Projects-Fund Balance	\$109,991,652



Indicator #14

Q – Was the ratio of cash and investments to deferred revenues (excluding amount equal to net delinquent taxes receivables) in the General Fund \Rightarrow 1:1? (If deferred revenues $<$ net delinquent taxes receivable, then answer this indicator YES)



Indicator #14 continued

A – Cash/Investments	\$31,931,774
Deferred Revenue in GF	\$ 3,567,942
Property Tax Receivable	<u>\$ 3,556,353</u>
Net	\$ 11,589

Ratio 2,755:1



Indicator #15

Q - Was the Administrative Cost Ratio less than the standard in state law?

A – Yes

District Standard	.1105
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Denton ISD	.0699
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Indicator #16

Q – Was the ratio of students to teachers within the ranges according to district size?

A – Yes

Number of Students	15,147
Number of FTE Teachers	1,098.4024



Indicator #16

District Size	Low	High	Denton ISD
<500	7	22	
500-999	10	22	
1,000-4,999	11.5	22	
5,000-9,999	13	22	
=> 10,000	13.5	22	13.79



Indicator #17

Q – Was the ratio of students to total staff within the range according to district size?

A – Yes

Number of students	15,147
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Number of FTE Staff	2,030.1742
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Indicator #17 continued

District Size	Low	High	Denton ISD
< 500	4	14	
500-999	5.5	14	
1,000-4,999	6	14	
5,000-9,999	6.5	14	
=> 10,000	6.6	14	7.46



Indicator #18

Q – Was the Total Fund Balance in the General Fund more than 50% and less than 150% of Optimum according to the Fund Balance and Cash Flow Calculation Worksheet in the Annual Financial Report?



Indicator #18 continued

A – Optimum Fund Balance \$ 30,022,104

50% Optimum Fund Balance \$ 15,011,052

Denton ISD Fund Balance \$ 25,157,399

150% Optimum Fund Balance \$ 45,033,156



Indicator #19

Q – Was the decrease in Undesignated Unreserved Fund Balance $< 20\%$ over two fiscal years? (If $1.5 \times \text{Optimum Fund Balance} < \text{Total Fund Balance}$ in General Fund or If Total revenues $>$ Operating Expenditures in the General Fund, then Answer this indicator YES)



Indicator #19

A –

2002-2003 Fund Balance (undesignated/Unreserved)	\$ 24,140,131
2000-2001 Fund Balance	<u>\$ 14,813,841</u>
Increase to Fund Balance	\$ 9,326,290



Indicator #20

Q – Was the aggregate total of cash and investments in the General Fund more than zero?

A – Yes

\$ 31,931,774





Indicator #21

Q – Were investment earnings in all funds more than \$15 per student?

A – Yes

Total investment earnings	\$1,646,438
Number of students	15,147
Earnings per student	\$ 108.70



Questions
