



Schools FIRST

Denton Independent School District
October 7, 2008



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, 3 or 4, then the rating is Substandard Achievement.
- If the District answers No to both indicators 5 and 6, then the rating is Substandard Achievement.



Determination of Ratings - continued

Determine rating by applicable range for the sum of the indicator scores for indicators 7 - 24:

| | |
|-------------------------------|---|
| Superior Achievement | 75 – 85 and Yes to indicator 7 |
| Above Standard Achievement | 65 – 74 or ≥ 75 and No to indicator 7 |
| Standard Achievement | 55 - 64 |
| Substandard Achievement | < 55 or 'No' to one default indicator ₆ |



Denton ISD's Rating

- **Superior Achievement**

2006-2007

District Score – 84

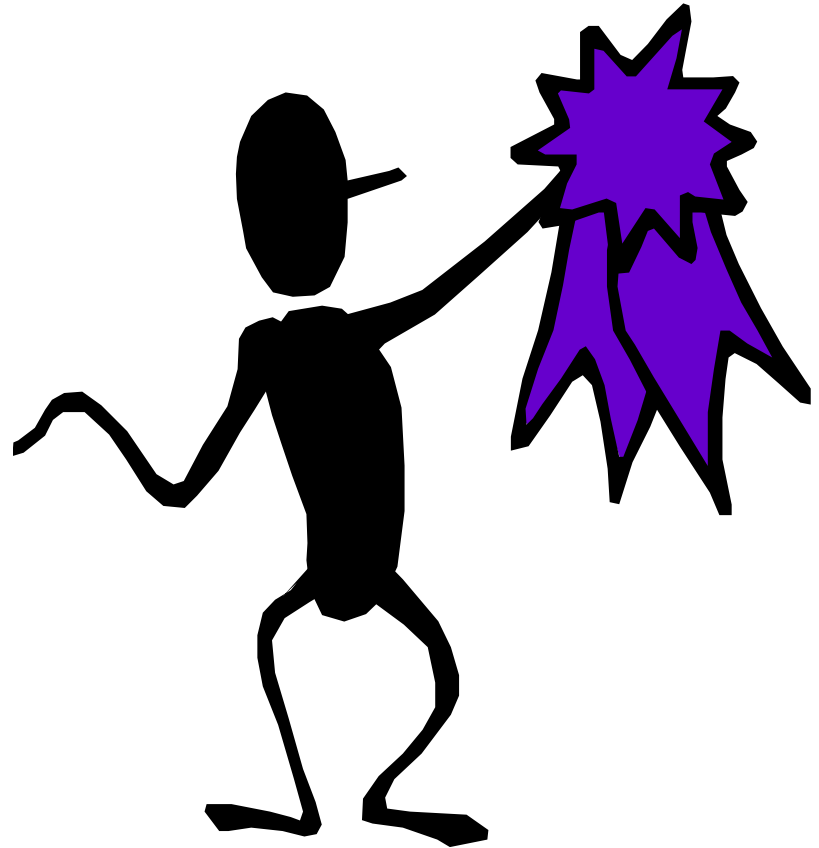
2005-2006

Passed 20 indicators

2004-2005 2003-2004

2002-2003 2001-2002

- **Passed all 21 indicators**





Indicator #1

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

A - Yes

| | |
|--------------------|-------------------|
| Total Fund Balance | \$ 43,933,109 |
| Reserves | <u>\$ 660,205</u> |
| Net Fund Balance | \$ 43,272,904 |



Indicator #2

Q – The District's 5-Year Percent Change in Students was 10% or more.

Or

Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) Greater than Zero?

A – Student Growth $> 10\%$ and
Unrestricted Net Assets Balance > 0



Indicator #3



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

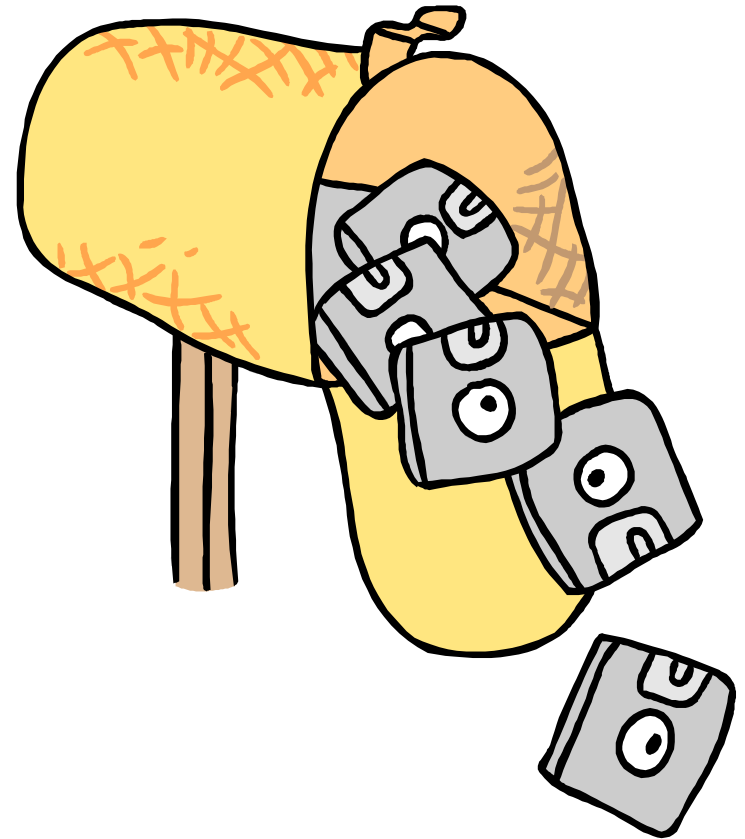
A - No default on bonded indebtedness obligations.

Indicator #4



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

A – Yes, received by TEA on 11/27/07





Indicator #5



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

A – Yes – “Clean Audit”



Indicator #6



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

A - None





Indicator #7

Points - 5

Q – Did the Districts Academic Rating Exceed 'Academically Unacceptable'?

A - Yes



Indicator #8

Points - 5

Q - Was the 3-year percent of total tax collections (including delinquent) greater than 98%?

A - Yes

■ Collections

| | |
|---------|-------------|
| ■ 2007 | 136,365,904 |
| ■ 2006 | 123,772,350 |
| ■ 2005 | 111,334,242 |
| ■ Total | 371,472,496 |

■ Levy

| | |
|---------|-------------|
| ■ 2007 | 135,695,504 |
| ■ 2006 | 124,239,325 |
| ■ 2005 | 111,154,412 |
| ■ Total | 371,089,241 |

Tax Collection Rate –100.10%



Indicator #9

Points - 5

Q – Did the comparisons 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)?

A – Yes – Variance = .0649%



Indicator #10

Points - 5

Q – Were debt related expenditures (Net of IFA and/or EDA Allotment) < \$250 per student? If not, was the district's five year percent change in students \Rightarrow 7%, or property taxes collected per penny of tax effort > \$200,000?



Indicator #10 continued

A –

Total Tax Collections \$ 136,365,904

Total Tax Rate \$ 1.764

Collections per Penny \$ 773,049

Collections per Penny Greater than
\$ 200,000



Indicator #10 continued

Enrollment

| | |
|------|--------|
| 2007 | 19,661 |
|------|--------|

| | |
|------|---------------|
| 2003 | <u>15,147</u> |
|------|---------------|

| | |
|----------|-------|
| Increase | 4,514 |
|----------|-------|

| | |
|------------|--------|
| % Increase | 29.80% |
|------------|--------|

Five-Year Percent Change Greater Than 7%



Indicator #10 continued

Debt Related Expenditures

| | |
|-----------------------|------------------|
| Function 71 | \$24,919,318 |
| Less EDA Funding | <u>(332,584)</u> |
| Net Debt Expenditures | \$24,586,734 |
| 2007 Students | 19,661 |
| Debt per Student | \$ 1,250.53 |

Debt-Related Expenditures per Student

Greater Than \$250



Indicator #11

Points - 5

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

A – None



Indicator #12

Points - 5

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

A – Yes



Indicator #13

Points - 3

Q - Was the percent of operating expenditures expended for instruction more than 65%?
(Functions 11, 36, 93, 95)

Phased in over three years:

| | |
|-----------|-----|
| 2006-2007 | 55% |
| 2007-2008 | 60% |
| 2008-2009 | 65% |



Indicator #13 continued

A – Yes

Expenditures – General, Special Revenue, and Capital
Projects less SSAs

Function 11, 36, 93, 95 and Object 6112-6499

\$ 100,913,774

Expenditures – General, Special Revenue, Capital
Projects and Child Nutrition less SSAs

Functions 11-61, 93, 95 and Object 6112-6499

\$ 163,279,364

Instructional Expenditures = 61.80%



Indicator #14

Points - 3

- Q – Was the Percent of Operating Expenditures Expended for Instruction more than or equal to 65%?
- (Functions 11, 12, 31, 33, 36, 93, 95)



Indicator #14 continued

A – Yes

Expenditures – General, Special Revenue, and Capital
Projects less SSAs

Function 11, 12, 31, 33, 36, 93, 95

Object 6112-6499 **\$ 111,967,638**

Expenditures – General, Special Revenue, Capital Projects
and Child Nutrition less SSAs

Functions 11-61, 93, 95 and Object 6112-6499

\$ 163,279,364

Instructional Expenditures = 68.57%



Indicator #15

Points - 5

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 | \$ 143,338,221 |
|-------------------|----------------|

| | |
|------------------------|----------------------|
| Beginning Fund Balance | <u>\$ 36,933,968</u> |
|------------------------|----------------------|

| | |
|-------|----------------|
| Total | \$ 180,272,189 |
|-------|----------------|

| | |
|-----------------------|----------------|
| Budgeted Expenditures | \$ 141,446,295 |
|-----------------------|----------------|



Indicator #16

Points - 5

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 | \$ 43,933,109 |
| Capital Projects-Fund Balance | \$ 83,454,931 |



Indicator #17

Points - 5

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



Indicator #17 continued

| | |
|-------------------------|---------------------|
| A – Cash/Investments | \$60,163,160 |
| Deferred Revenue in GF | \$ 4,392,459 |
| Property Tax Receivable | <u>\$ 4,335,545</u> |
| Net | \$ 56,914 |

Ratio 1,057:1



Indicator #18

Points - 5

Q - Was the Administrative Cost Ratio less than the threshold ratio?

A – Yes

| | |
|-------------------|-------|
| District Standard | .1105 |
|-------------------|-------|

| | |
|------------|-------|
| Denton ISD | .0651 |
|------------|-------|



Indicator #19

Points - 4

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

A – No

| | |
|--------------------|--------|
| Number of Students | 19,661 |
|--------------------|--------|

| | |
|------------------------|------------|
| Number of FTE Teachers | 1,514.8548 |
|------------------------|------------|

Points – 4 of 5 – 96.15% of Lower Limit



Indicator #19 continued

| 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 | 12.98 |



Indicator #20

Points - 5

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

A – Yes

| | |
|---------------------|-----------|
| Number of students | 19,661 |
| Number of FTE Staff | 2,681.083 |



Indicator #20 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 | 7.33 |



Indicator #21

Points - 5

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 #21 continued

A –

50% Optimum Fund Balance \$ 22,104,781

Denton ISD Fund Balance \$ 43,933,109

Optimum Fund Balance \$ 44,209,562

150% Optimum Fund Balance \$ 66,314,343



Indicator #22

Points - 5

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 $\text{Total revenues} > \text{Operating Expenditures}$ in the General Fund, then Answer this indicator YES)



Indicator #22

A –

| | |
|---------------------------|----------------------|
| 2006-2007 Fund Balance | \$ 42,844,821 |
| (Undesignated/Unreserved) | |
| 2004-2005 Fund Balance | <u>\$ 33,261,574</u> |
| Increase to Fund Balance | \$ 9,583,247 |



Indicator #23

Points - 5

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

A – Yes \$ 60,163,160





Indicator #24

Points - 4

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

A – Yes

| | |
|---------------------------|-------------|
| Total investment earnings | \$3,114,239 |
| Number of students | 19,661 |
| Earnings per student | \$ 158.40 |



Disclosures

Superintendent's Employment Contract

The Superintendent's employment contract is posted on the Denton ISD web page under the Business Office Department and the Reports tab.



Disclosures

| | Ray Braswell | Charles Stafford | Jim Alexander | Mia Price | Glenna Harris | Curtis Ramsey | Virginia Gallian | Jeanetta Smith | Sterling Smith | Jean Schaake | Total |
|-----------------------|-----------------|---------------------|------------------|-----------|------------------|------------------|---------------------|-------------------|-------------------|-----------------|-----------|
| Meals | 673.54 | 283.05 | 388.39 | 235.18 | 16.88 | 825.88 | 289.56 | 29.95 | 380.41 | 160.00 | 3,282.84 |
| Lodging | 2,548.44 | 2,040.66 | 1,740.96 | 1,787.85 | 569.78 | 4,469.19 | 1,586.71 | 1,703.51 | 630.06 | 663.38 | 17,740.54 |
| Transportation | 937.39 | 885.85 | 1,032.00 | 1,122.10 | 158.65 | 856.29 | 512.15 | 253.15 | 687.23 | 556.60 | 7,001.41 |
| Motor Fuel | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other | 2,879.59 | 1,892.19 | 721.70 | 1,186.70 | 465.00 | 1,977.45 | 1,402.19 | 908.34 | 703.33 | 77.70 | 12,214.19 |
| Total | 7,038.95 | 5,101.75 | 3,883.05 | 4,331.83 | 1,210.31 | 8,128.81 | 3,790.61 | 2,894.95 | 2,401.03 | 1,457.68 | 40,238.97 |



Disclosures

Outside Compensation - Superintendent

Texas Woman's University – Adjunct Teacher

- Fall 2006 - \$3,000
ELDR 6903 Section 1
Seminar: The Superintendency
- Spring 2007 - \$3,000
ELDR 6903 Section 1
Seminar: Public Relations in Education



Disclosures

No gifts have been reported by the Superintendent or Board of Trustees for the 2006-2007 Fiscal Year.



Disclosures

No business transactions between the Denton ISD and the Board of Trustees for the 2006-2007 Fiscal Year.



Questions
