



# Schools FIRST

---

Denton Independent School District  
September 25, 2012



# 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

## Prior Year - 2009-2010

Determine rating by applicable range for the sum of the indicator scores for indicators 7 - 22:

Superior Achievement	72 – 80 and Yes to indicator 7
Above Standard Achievement	64 – 71 or $\geq 72$ and No to indicator 7
Standard Achievement	56 – 63
Substandard Achievement	$< 56$ or 'No' to one default indicator <sub>6</sub>

# Determination of Ratings

## 2010-2011

Determine rating by applicable range for the sum of the indicator scores for indicators 7 - 20:

Superior Achievement	64 – 70
Above Standard Achievement	58 – 63
Standard Achievement	52 – 57
Substandard Achievement	< 52 or 'No' to one default indicator <sub>7</sub>



# Denton ISD's Rating

---

## ■ Superior Achievement

2010-2011 – District Score – 69 of 70

2009-2010 – District Score – 73 of 80

2008-2009 – District Score – 77 of 80

2007-2008 – District Score – 83 of 85

2006-2007 – District Score – 84 of 85

2005-2006 – Passed 20 indicators

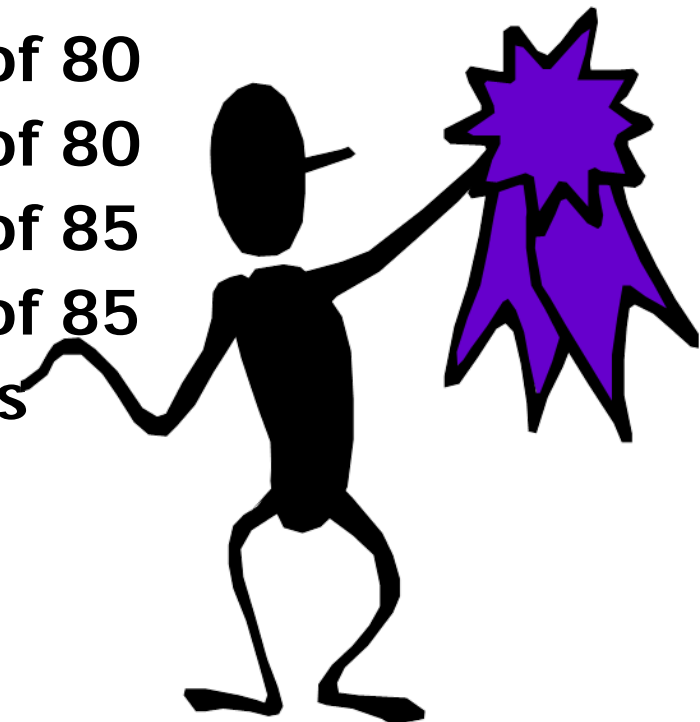
Passed all 21 indicators

2004-2005

2003-2004

2002-2003

2001-2002







# Indicator #1

---

Q - Was the Total Fund Balance less  
Nonspendable and Restricted Fund Balance  
greater than zero in the General Fund?

A - Yes

Total Fund Balance	\$ 63,858,411
Nonspendable	<u>\$ 559,534</u>
Net Fund Balance	\$ 63,298,877



## 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 – Yes - Student Growth - 21.21% and  
Unrestricted Net Assets Balance - \$43,355,229



## 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.



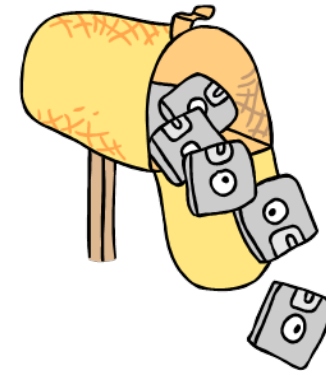
# Indicator #4

---



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

A – Yes, received by TEA on 11/21/2011





## Indicator #5

---



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

A – Yes



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

A - Yes

## ■ Collections

■ 2011	145,435,925
■ 2010	143,761,145
■ 2009	<u>139,214,074</u>
■ Total	428,411,144

## ■ Levy

■ 2011	145,428,842
■ 2010	142,291,518
■ 2009	<u>140,161,197</u>
■ Total	427,881,557

Tax Collection Rate –100.12%



## Indicator #8

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 = .0085%





## Indicator #9

Points - 5

---

Q – Were debt related expenditures (Net of IFA and/or EDA Allotment)  $< \$350$  per student? If not, was the district's five year percent change in students  $= > 7\%$ , or property taxes collected per penny of tax effort  $> \$200,000$ ?



## Indicator #9 continued

---

A –

Total Tax Collections      \$ 145,435,925

Total Tax Rate              \$            1.53

Collections per Penny      \$            950,562

Collections per Penny Greater than  
\$            200,000



# Indicator #9 continued

---

## Enrollment

2011	23,832
------	--------

2007	<u>19,661</u>
------	---------------

Increase	4,171
----------	-------

% Increase	21.21%
------------	--------

Five-Year Percent Change Greater Than 7%



## Indicator #9 continued

---

### Debt Related Expenditures

Function 71	\$43,032,008
Less EDA Funding	<u>(0)</u>
Net Debt Expenditures	\$43,032,008
2011 Students	23,832
Debt per Student	\$ 1,805.64

Debt-Related Expenditures per Student  
Greater Than \$350



## Indicator #10

Points - 5

---

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

A – None



## Indicator #11

Points - 5

---

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

A – Yes



## Indicator #12

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	\$ 187,833,865
Beginning Fund Balance	<u>\$ 55,645,333</u>
Total	\$ 243,479,198
Budgeted Expenditures	\$ 185,323,959



## Indicator #13

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	\$ 63,858,411
Capital Projects-Fund Balance	\$ 37,160,041





## Indicator #14

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  $\Rightarrow$  1:1? (If deferred revenues  $<$  net delinquent taxes receivable, then answer this indicator YES)



## Indicator #14 continued

---

A – Cash/Investments	\$79,622,275
Deferred Revenue in GF	\$ 3,297,195
Property Tax Receivable	<u>\$ 3,271,715</u>
Net	\$ 25,480

Ratio 3,124.89:1



## Indicator #15

Points - 5

---

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

A – Yes

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

Denton ISD	.053
------------	------



## Indicator #16

Points - 4

---

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

A – No

Number of Students	23,832
--------------------	--------

Number of FTE Teachers	1,835.4555
------------------------	------------

Points – 4 of 5 – 96.18% of Lower Limit



# Indicator #16 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	<b>12.98</b>



## Indicator #17

Points - 5

---

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

A – Yes

Number of students	23,832
Number of FTE Staff	3,266.0545
Students to Staff	7.29



# Indicator #17 continued

District Size	Low	High	Denton ISD
< 500	5.0	14	
500-999	5.8	14	
1,000-4,999	6.3	14	
5,000-9,999	6.8	14	
= > 10,000	7.0	14	<b>7.29</b>



## Indicator #18

Points - 5

---

Q – Was the decrease in Undesignated Unreserved Fund Balance  $< 20\%$  over two fiscal years? (If Total Revenues  $>$  Operating Expenditures in the General Fund, then Answer this indicator YES)





# Indicator #18

---

A – Yes

2010-2011 Fund Balance	\$ 56,673,908
------------------------	---------------

(Unassigned)

2008-2009 Fund Balance	<u>\$ 47,274,807</u>
------------------------	----------------------

(Undesignated/Unreserved)

Increase to Fund Balance	\$ 9,399,101
--------------------------	--------------



# Indicator #19

# Points - 5

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

A – Yes      \$ 79,622,275





## Indicator #20

Points - 5

---

Q – Did investment earnings in all funds  
(excluding Debt Service and Capital Projects)  
meet or exceed the 3-Month Treasury Bill Rate?

A – Yes

Total investment earnings	\$ 137,764
Current Year Cash & Investment	\$78,072,318
Prior Year Cash & Investment	\$71,023,988
Calculated Earnings Rate	.1848%
3 Month Treasury Bill Rate	.095%



# Disclosures

---

## **Superintendent's Employment Contract**

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



# Disclosures

---

	<b>Dr. Ray Braswell</b>	<b>Mr. Charles Stafford</b>	<b>Dr. Jim Alexander</b>	<b>Ms. Mia Price</b>	<b>Dr. Glenna Harris</b>	<b>Dr. Curtis Ramsey</b>	<b>Dr. Jeanetta Smith</b>	<b>Dr. Rudy Rodriguez</b>	<b>Total</b>
Meals	639.24	444.72	754.09	78.85	415.97	857.83	336.72	752.37	4,279.79
Lodging	2,660.44	2,201.35	3,104.76	1,193.19	3,237.62	3,320.18	2,442.14	2,412.61	20,572.29
Trans/Fuel	2,449.15	913.46	1,313.10	568.60	757.63	1,619.79	947.92	1,169.16	9,738.81
Mileage	416.69	926.17	48.80	15.00	668.07	27.56	95.01	964.16	3,161.46
Other	876.10	1,858.20	2,263.66	1,404.00	2,002.00	2,917.37	1,800.00	1,428.43	14,549.76
<b>Total</b>	<b>7,041.62</b>	<b>6,343.90</b>	<b>7,484.41</b>	<b>3,259.64</b>	<b>7,081.29</b>	<b>8,742.73</b>	<b>5,621.79</b>	<b>6,726.73</b>	<b>52,302.11</b>



# Disclosures

---

No outside compensation has been reported by the Superintendent for the 2010-2011 Fiscal Year.



# Disclosures

---

No gifts have been reported by the Superintendent or Board of Trustees for the 2010-2011 Fiscal Year.



# Disclosures

---

No business transactions between the Denton ISD and the Board of Trustees have been reported for the 2010-2011 Fiscal Year.





Indicator #7

---

Points - 5

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

**Removed for 2010-2011**



## Indicator #19

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?

**Removed in 10-11**



# Indicator #19 continued

---

A –

50% Optimum Fund Balance                      \$ 38,853,650

**71.61% Denton ISD Fund Balance    \$ 55,645,333**

100% Optimum Fund Balance                      \$ 77,707,300

150% Optimum Fund Balance                      \$116,560,950

**Removed in 10-11**



# Questions

---