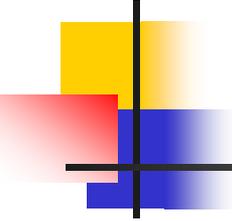


Schools FIRST

Denton Independent School District
September 25, 2012



What is Schools FIRST?

Schools

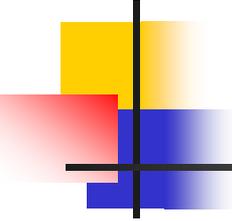
F INANCIAL

I NTEGRITY

R ATING

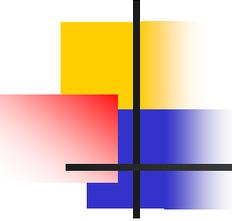
S YSTEM of

T EXAS



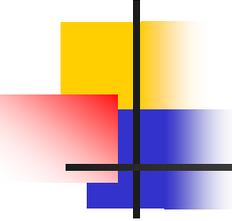
Primary Goal

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:

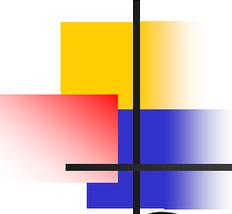
Superior Achievement	72 – 80 and Yes to indicator 7
Above Standard Achievement	64 – 71 or ≥ 72 and No to indicator 7
Standard Achievement	56 – 63
Substandard Achievement	< 56 or 'No' to one default indicator ₆

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 ₇



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

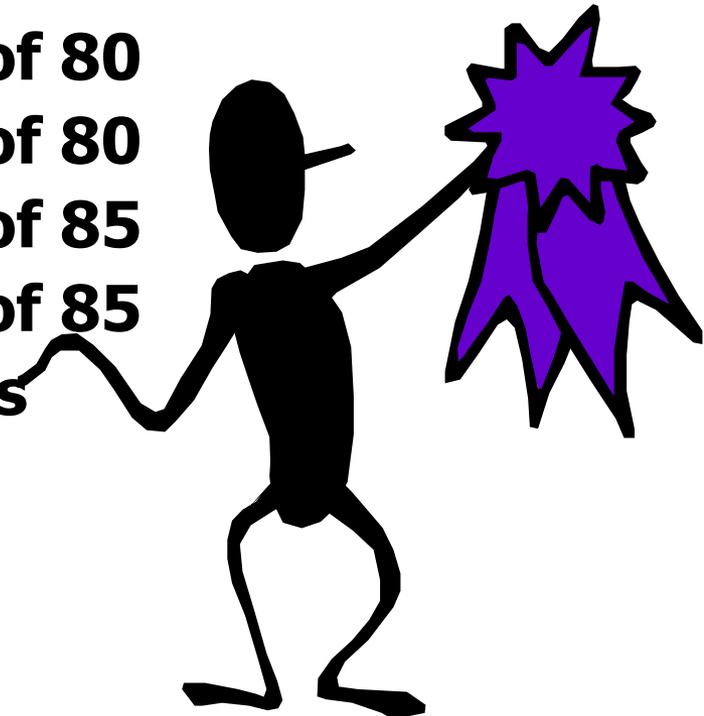
Passed all 21 indicators

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



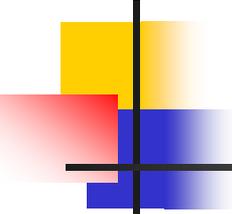
Indicator #2

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

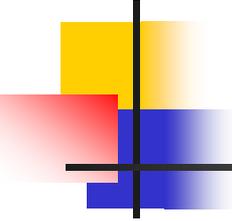


Indicator #3



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.

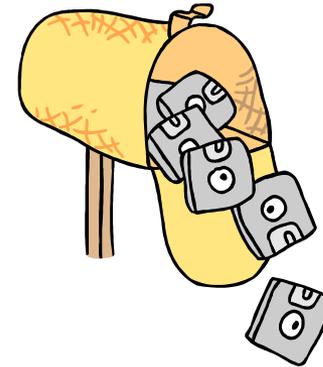


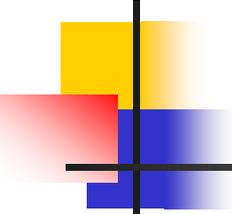
Indicator #4



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

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



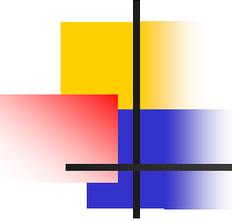


Indicator #5



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

A – Yes



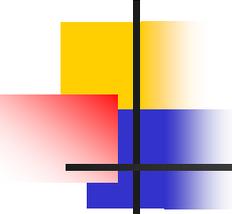
Indicator #6



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

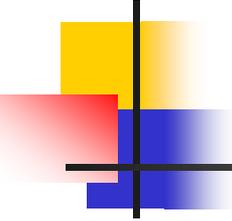
■ Collections

■ 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%

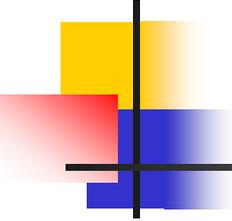


Indicator #8

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)?

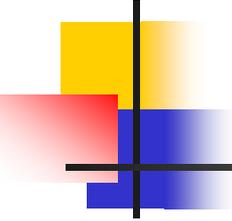
A – Yes – Variance = .0085%



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 \Rightarrow 7%, or property taxes collected per penny of tax effort > \$200,000?



Indicator #9 continued

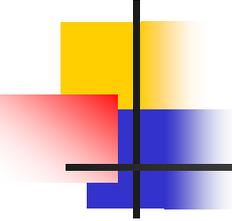
A –

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

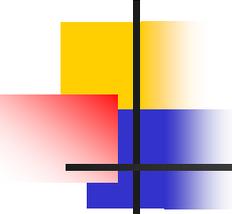
2011	23,832
------	--------

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

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

% Increase	21.21%
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Five-Year Percent Change Greater Than 7%



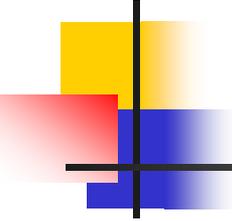
Indicator #9 continued

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

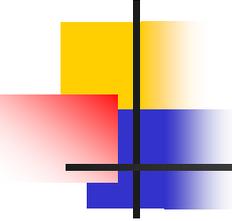


Indicator #10

Points - 5

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

A – None

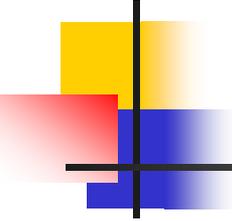


Indicator #11

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?

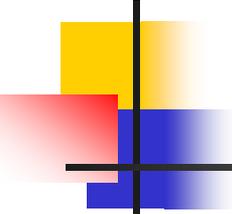
A – Yes

Budgeted Revenues	\$ 187,833,865
-------------------	----------------

Beginning Fund Balance	<u>\$ 55,645,333</u>
------------------------	----------------------

Total	\$ 243,479,198
-------	----------------

Budgeted Expenditures	\$ 185,323,959
-----------------------	----------------

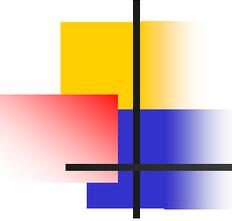


Indicator #13

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)

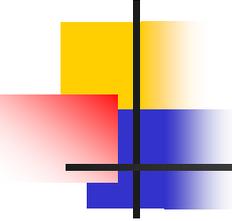
A – General Fund-Fund Balance	\$ 63,858,411
Capital Projects-Fund Balance	\$ 37,160,041



Indicator #14

Points - 5

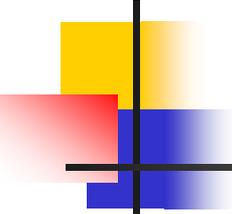
Q – Was the ratio of cash and investments to deferred revenues (excluding amount equal to net delinquent taxes receivables) in the General Fund \Rightarrow 1:1? (If deferred revenues $<$ net delinquent taxes receivable, then answer this indicator YES)



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

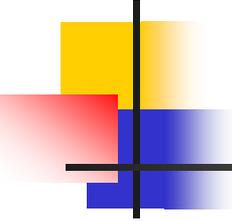
Points - 5

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

A – Yes

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

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



Indicator #16

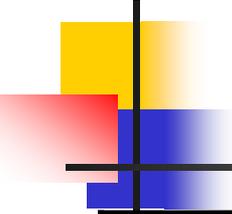
Points - 4

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

A – No

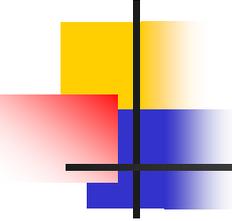
Number of Students	23,832
Number of FTE Teachers	1,835.4555

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	12.98



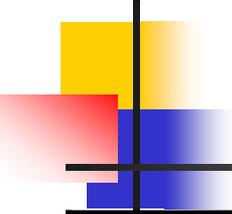
Indicator #17

Points - 5

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

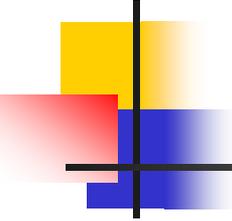
A – Yes

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



Indicator #17 continued

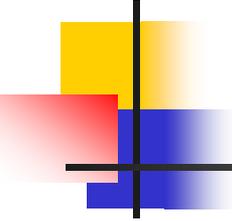
District Size	Low	High	Denton ISD
< 500	5.0	14	
500-999	5.8	14	
1,000-4,999	6.3	14	
5,000-9,999	6.8	14	
=> 10,000	7.0	14	7.29



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 \$ 47,274,807

(Undesignated/Unreserved)

Increase to Fund Balance \$ 9,399,101

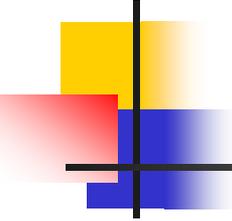
Indicator #19

Points - 5

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

A – Yes \$ 79,622,275





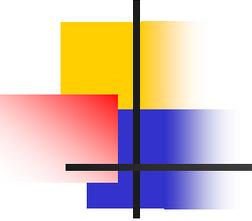
Indicator #20

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

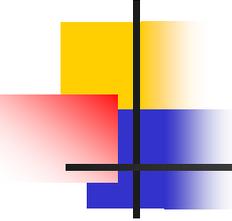
Total investment earnings	\$ 137,764
Current Year Cash & Investment	\$78,072,318
Prior Year Cash & Investment	\$71,023,988
Calculated Earnings Rate	.1848%
3 Month Treasury Bill Rate	.095%



Disclosures

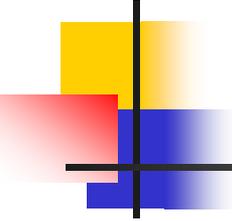
Superintendent's Employment Contract

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



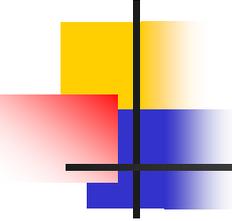
Disclosures

	Dr. Ray Braswell	Mr. Charles Stafford	Dr. Jim Alexander	Ms. Mia Price	Dr. Glenna Harris	Dr. Curtis Ramsey	Dr. Jeanetta Smith	Dr. Rudy Rodriguez	Total
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
Total	7,041.62	6,343.90	7,484.41	3,259.64	7,081.29	8,742.73	5,621.79	6,726.73	52,302.11



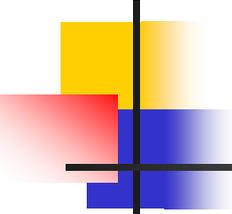
Disclosures

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



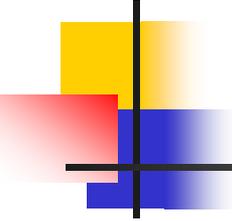
Disclosures

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.

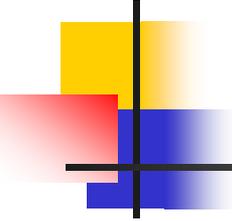


Indicator #7

Points - 5

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

Removed for 2010-2011

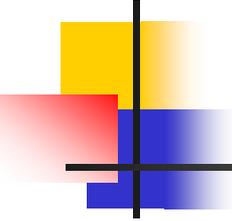


Indicator #19

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 –

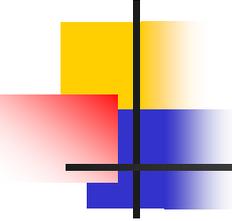
50% Optimum Fund Balance \$ 38,853,650

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

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

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

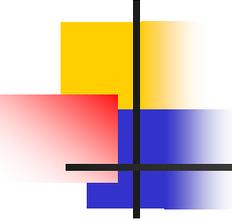
Removed in 10-11



Financial Solvency Provisions

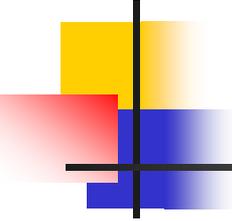
- 1st Quarter of 2011-2012

■ Payroll Costs	\$19,587,728
■ Contract Costs	\$ 5,686,137
■ Supplies and Materials	\$ 1,038,026
■ Other Operating Costs	\$ 695,411
■ Debt Service	\$ -0-
■ Capital Outlay	\$ 6,449
■ Other Uses	\$ 4,970
Total Expenditures	\$ 27,018,721



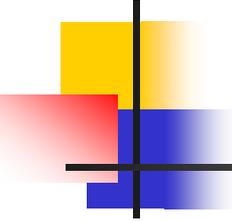
Financial Solvency Provisions

1. During the last 2 years
 1. Did the district draw funds from a short-term note between the months of July and October? **No**
 2. Did the district have a General Fund balance of less than 2 percent of total expenditure for function codes 11-61? (unaudited) **No**



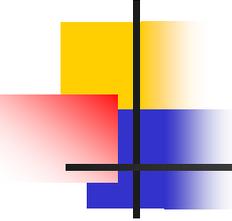
Financial Solvency Provisions

2. Has the school district declared financial exigency within the past two years? **No**



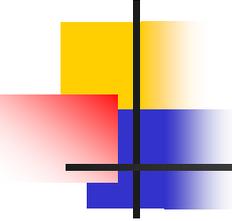
Financial Solvency Provisions

3. Explanations for student-to-staff ratios significantly below the norm, rapid depletion of General Fund Balances or significant discrepancies between actual budget and revenue and expenditures.



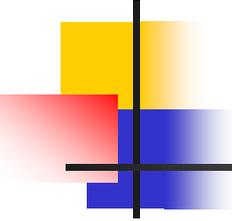
Financial Solvency Provisions – Revenue Review

- The Tax Collection % improved over the prior year. In addition, the certified values and supplemental tax rolls exceeded the budgeted projections.
- The district presented a balanced budget prior to the notice of award for EduJobs funding.
- SHARS funding was not originally budgeted
- Began utilizing the Indirect Cost reimbursement for the Child Nutrition Fund



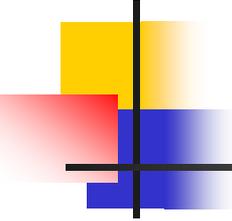
Financial Solvency Provisions – Expenditure Review

- Saving from move to TRS ActiveCare from our self-funded health insurance plan
- Savings in utility costs



Financial Solvency Provisions

4. How many superintendents has your school district had in the last five years? 2
5. How many business managers has your school district had in the last five years? 1



Questions
