

Denton ISD

2024 Annual Financial Management Report
For the Year Ending June 30, 2023





F

Financial

I

Integrity

R

Rating

S

System

T

Texas

Rating Year and Data



Schools FIRST Background

- Enacted by Legislature in 2001 - Senate Bill 218 passed during the 77th Texas Legislative Session
- Purpose:
 - Hold districts accountable for quality of their financial management practices
 - Provide maximum allocation for direct instructional purposes
 - Evaluates quality of financial management decisions
- Requirements
 - Prepare FIRST Financial Management Report
 - Include disclosures in report
 - Advertise Public Meeting
 - Hold public hearing to discuss rating

Denton ISD 2024 FIRST Rating

DISD 2024 FIRST Rating

A - Superior Achievement

22nd Year of Highest Possible Rating

Four - Tier Rating System

A = Superior Achievement 90-100 Points

B = Above Standard Achievement 80-89 Points

C = Meets Standard Achievement 70-79 Points

F = Substandard Achievement <70 Points

Why is a FIRST Rating important

- A high FIRST rating creates confidence from our stakeholders.
- In determining the accreditation status of a school district, the commissioner evaluates and considers performance under the financial accountability rating system. “FIRST”
- A potential down grade in the district’s bond ratings. This could affect the interest rate for future bond sales.

20 FIRST Rating Indicators

Critical

4 Indicators

1 thru 4

A “No” answer to any critical indicator will result in an automatic failure on FIRST

Solvency

10 Indicators

5 thru 14

Indicators designed to detect early signs of solvency related issues

Financial Competence

7 Indicators

15 thru 21

Indicators designed to show quality of district management decisions and financial management practices

Critical and Ceiling Indicators

Critical Indicators	
Indicator 1 - Timely filing of the Annual Financial Report	Yes
Indicator 2 - Unmodified auditor opinion in the AFR	Yes
Indicator 3 - Compliance with the payment terms of all debt agreements	Yes
Indicator 4 - Timely payment of all payroll-related obligations	Yes

Ceiling Indicators	Maximum Points	Passed
Indicator 4 - Timely Payments	95	✓
Indicator 5 - Unrestricted Net Position Greater than Zero	89	✓
Indicator 6 - Average Change in Fund Balance	89	✓
Indicator 16 - PEIMS to AFR Variance	89	✓
Indicator 17 Material Weakness	79	✓
Indicator 20 - Property Values Board Discussion	89	✓

Indicators to Monitor Closely

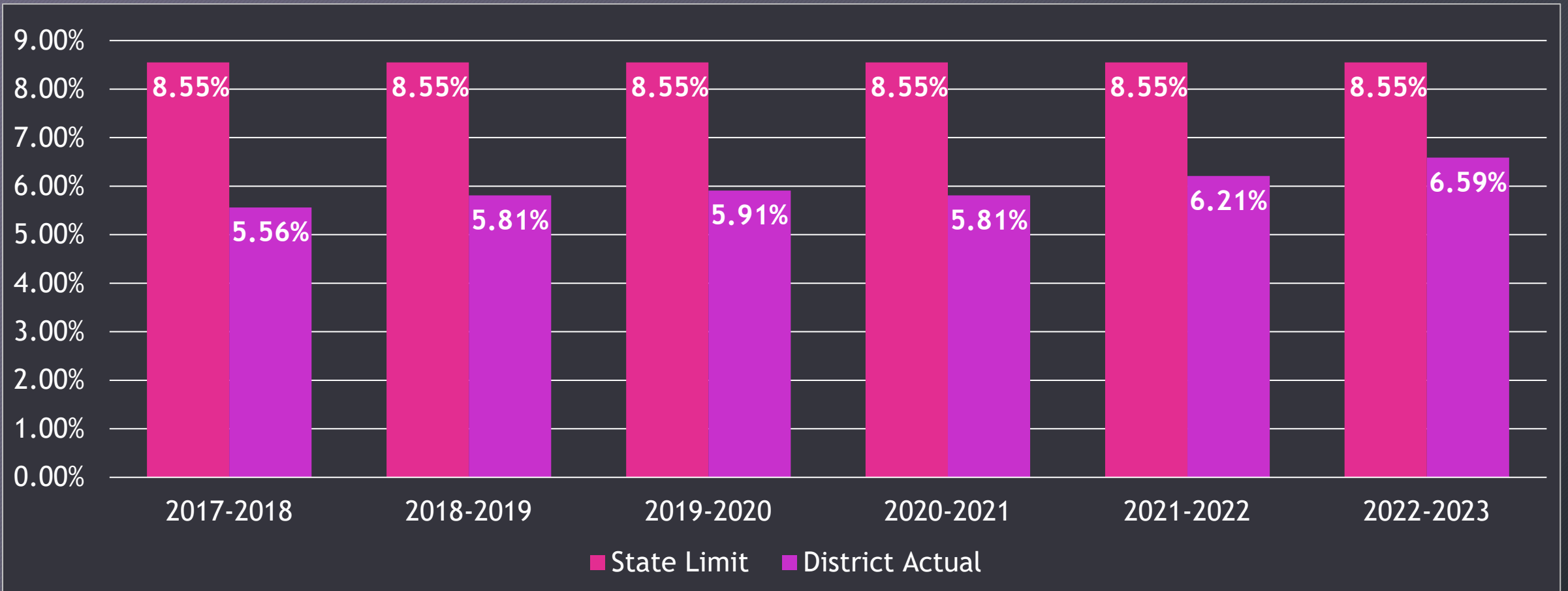
Indicator #6: Change in fund balance - Was the average change in fund balance over 3 years less than a 25% decrease or did the current year's fund balance exceed 75 days cash on hand.

Indicator #7: Number of Days Cash on Hand - Was the number of days cash on hand and current investments in the general fund sufficient to cover operating expenditures.

Indicator #9: Revenue vs Expenditures - Did the district's general fund revenues exceed expenditures. If not, was the number of days cash on hand greater than 60 days.

Indicator 13

Administrative Cost Ratio Chart



Statewide FIRST Results

	2021-2022 FIRST Rating		2022-2023 FIRST Rating	
Districts Passing	1013	99.41%	1002	98.53%
Districts Failing	6	.59%	15	1.47%
A = Superior	890	87.34%	870	85.55%
B = Above Standard	87	8.54%	82	8.06%
C = Meets Standard	36	3.53%	50	4.92%
F = Substandard	7	.59%	15	1.47%
Total	1019	100%	1017	100%

Data as of 11/22/2022

Data as of 09/30/2024

NOTE: as of 10/01/2024 the state overview data is not available for the 2023-2024 Ratings



Questions