



Schools FIRST

Denton Independent School District
September 13, 2016



What is Schools FIRST?

Schools

F INANCIAL

I NTEGRITY

R ATING

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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.



Determination of Rating



- If the District answers NO to indicators 1, 2.A, 3, 4, or 5, then the rating is F for Substandard Achievement regardless of points earned.



Determination of Ratings

2014-2015

Determine rating by applicable range for the sum of the indicator scores for indicators 6 - 15:

A = Superior	70 – 100
B = Above Standard	50 – 69
C = Meets Standard	31 – 49
F = Substandard Achievement	< 31

Denton ISD's Rating

- **Pass**

2014-2015 – District Score – 100

2013-2014 – District Score – 30 of 30

- **Superior Achievement**

2012-2013 – District Score – 70 of 70

2011-2012 – District Score – 70 of 70

2010-2011 – District Score – 69 of 70

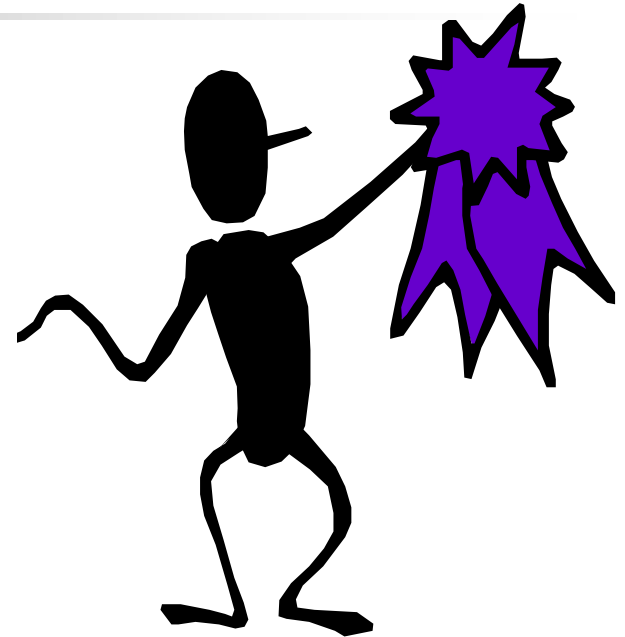
2009-2010 – District Score – 73 of 80

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

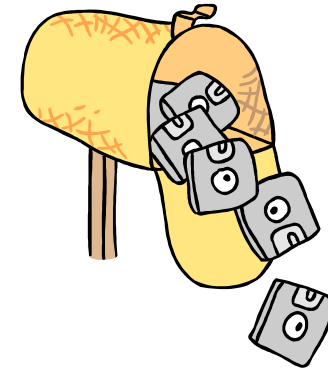
2001-2002



Indicator #1



Q - Was the complete Annual Financial Report and data submitted to TEA within 30 days of November 27?



A – Yes, received by TEA on 11/16/2015



Indicator #2.A

Q – Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?

A – Pass



Indicator #2.B

Q – Did the external independent auditor report that the Annual Financial Report was free of any instance of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?

A – Pass



Indicator #3



Q – Was the school district in compliance with the payment terms of all debt agreements at fiscal year-end?

A - Pass





Indicator #4



Q – Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?

A – Pass



Indicator #5



Q – Was the total unrestricted net asset balance (net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero?

(If the school district's change of students in membership over 5 years was 10% or more, then the school district passes this indicator.)

A – Pass



Indicator #5 continued

2014-2015

Unrestricted Net Asset Balance \$ 5,281,231

Accretion of Interest for Capital

Appreciation Bonds \$ 46,609,286

Pension Expense \$ 2,843,339

Net Pension Liability \$ 30,761,310

Total \$ 85,495,163

Total is greater than \$0



Indicator #5 continued

Enrollment

2015	26,746
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2011	<u>23,832</u>
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Increase	2,914
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% Increase	12.23%
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Five-Year Percent Change Greater Than 10%



Indicator #6

Points - 10

Q – Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures?

A – Yes

of Days Cash on Hand

155.32

≥ 90

10 Points



Indicator #7

Points - 10

Q – Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

A – Yes

Current Assets	\$325,040,386
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Current Liabilities	\$ 77,377,780
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Ratio	4.2007
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≥ 3.00	10 Points
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Indicator #8

Points - 10

Q – Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? If the change of student membership over 5 years was 10 percent or more, then the district passes this indicator.

A – Yes



Indicator #8 continued

Long-term Debt	\$854,415,964
Less:	
Net Pension Liability	<u>(\$ 30,761,310)</u>
Net Long-term Debt	\$823,654,654
Total Assets	\$928,244,365
Ratio	.8873
<= 1.00	10 Points



Indicator #8 continued

Enrollment

2015	26,746
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2011	<u>23,832</u>
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Increase	2,914
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% Increase	12.23%
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Five-Year Percent Change Greater Than 10%



Indicator #9

Points - 10

Q – Did the school district’s general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the district’s number of days of cash on hand greater than or equal to 60 days?

A – Yes



Indicator #9 continued

Total Revenue	\$216,223,245
Total Expenditures	\$212,211,345
Less: Facilities Acquisition and Construction	<u>(\$ 99,218)</u>
Net Expenditures	\$212,112,127
Net Revenue less Expenditures	\$ 4,111,118
# of Days Cash on Hand	155.32



Indicator #10

Points - 10

Q – Was the debt service coverage ratio sufficient to meet the required debt service?

A – Yes

Total Revenue (General and Debt)	\$275,920,291
Total Expenditures (General and Debt)	(\$269,554,640)
Debt Service – 71, 72, 73	\$ 57,343,295
Fund 511 Fund Balance	\$ 59,552,880
Function Code 81	<u>\$ 99,218</u>
Total	\$123,361,044
Divided by Debt Service – 71, 72, 73	\$ 57,343,295
Ratio	2.1513
>= 1.2	10 Points



Indicator #11

Points - 10

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

A – Yes

District Standard for 10 points	.0855
Denton ISD	.0479



Indicator #12

Points - 10

Q – Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? If the enrollment did not decrease the district will automatically pass this indicator.

A – Yes

Enrollment Increased

1,245



Indicator #13

Points - 10

Q – Did the comparisons of PEIMS data to like information in Annual Financial Report result in a total variance of less than 3 percent of expenditures by function?

A – Yes – Variance = .000001%



Indicator #14

Points - 10

Q – Did the external independent auditor indicate the Annual Financial Report was free of any instance of material noncompliance for grants, contracts and laws related to local, state, or federal funds?

A – Yes



Indicator #15

Points - 10

Q – Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?

A – Yes



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. Jamie Wilson	Charles Stafford	Jim Alexander	Mia Price	Glenna Harris	Barbara Burns	Jeanetta Smith	Dorothy Martinez	Total
Meals	\$ 1,203.92	\$ 46.55	\$ 431.58	\$ 148.88	\$ 478.57	\$ 344.10	\$ 159.16	\$ 207.81	\$ 3,020.57
Lodging	\$ 7,687.63	\$ 428.18	\$ 3,405.57	\$ 2,552.12	\$ 5,008.12	\$ 3,327.23	\$ 1,452.45	\$ 2,611.04	\$ 26,472.34
Air, gas, rental	\$ 3,933.96	\$ -	\$ 893.10	\$ 442.90	\$ 902.23	\$ 679.60	\$ 889.72	\$ 126.20	\$ 7,867.71
Mileage	\$ 3,023.96	\$ -	\$ 44.66	\$ 31.05	\$ 396.22	\$ 695.07	\$ -	\$ 609.86	\$ 4,800.82
Registration/ other	\$ 4,137.61	\$ 225.00	\$ 3,063.90	\$ 2,005.00	\$ 2,889.93	\$ 2,575.95	\$ 2,352.16	\$ 1,950.15	\$ 19,199.70
Total	\$ 19,987.08	\$ 699.73	\$ 7,838.81	\$ 5,179.95	\$ 9,675.07	\$ 7,621.95	\$ 4,853.49	\$ 5,505.06	\$ 61,361.14



Disclosures

No outside compensation has been reported by the Superintendent for the 2014-2015 Fiscal Year.



Disclosures

No gifts have been reported by the Superintendent or Board of Trustees for the 2014-2015 Fiscal Year.



Disclosures

No business transactions between the Denton ISD and the Board of Trustees have been reported for the 2014-2015 Fiscal Year.



Questions
