

Denton ISD

2023 Annual Financial Management Report
For the Year Ending June 30, 2022





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 2023 FIRST Rating

DISD 2023 FIRST Rating

A - Superior Achievement

21st 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

20 FIRST Rating Indicators

Critical

5 Indicators

1 thru 5

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

Solvency

9 Indicators

6 thru 14

Indicators designed to detect early signs of solvency related issues

Financial Competence

6 Indicators

15 thru 20

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

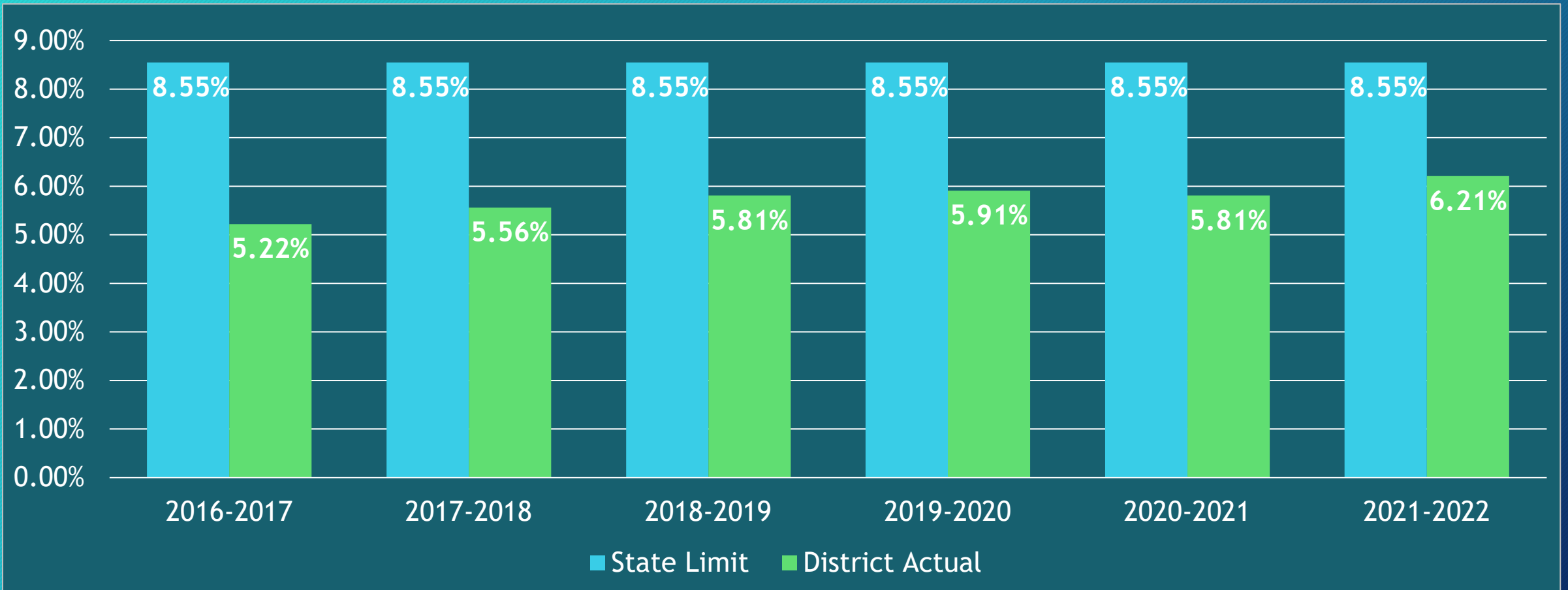
Critical and Ceiling Indicators

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
Indicator 5 - Unrestricted Net Position Greater Than Zero (Not Scored)	N/A

Ceiling Indicators	Maximum Points	Passed
Indicator 4 - Timely Payments	95	✓
Indicator 5 - Unrestricted Net Position Greater than Zero (Not Scored)	N/A	N/A
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	✓

Indicator 13

Administrative Cost Ratio Chart



Statewide FIRST Results

	2021-2022 FIRST Rating		2022-2023 FIRST Rating	
Districts Passing	1013	99.41%	1010	99.21%
Districts Failing	6	.59%	8	.79%
A = Superior	890	87.34%	919	90.28%
B = Above Standard	87	8.54%	50	4.91%
C = Meets Standard	36	3.53%	41	4.03%
F = Substandard	7	.59%	8	.79%
Total	1019	100%	1018	100%

Data as of 11/22/2022

Data as of 08/03/2023

Questions