



# Schools FIRST

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Denton Independent School District  
October 13, 2009



# What is Schools FIRST?

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Schools

F INANCIAL

I NTEGRITY

R ATING

S YSTEM of

T EXAS



# Primary Goal

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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

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- Superior Achievement
- Above Standard Achievement
- Standard Achievement
- Substandard Achievement
- Suspended-data Quality



# Determination of Rating

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- 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 - continued

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Determine rating by applicable range for the sum of the indicator scores for indicators 7 - 24:

Superior Achievement	75 – 85 and Yes to indicator 7
Above Standard Achievement	65 – 74 or $\geq 75$ and No to indicator 7
Standard Achievement	55 - 64
Substandard Achievement	$< 55$ or 'No' to one default indicator <sub>6</sub>



# Denton ISD's Rating

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- **Superior Achievement**

**2007 -2008**

**District Score - 83**

**2006-2007**

**District Score – 84**

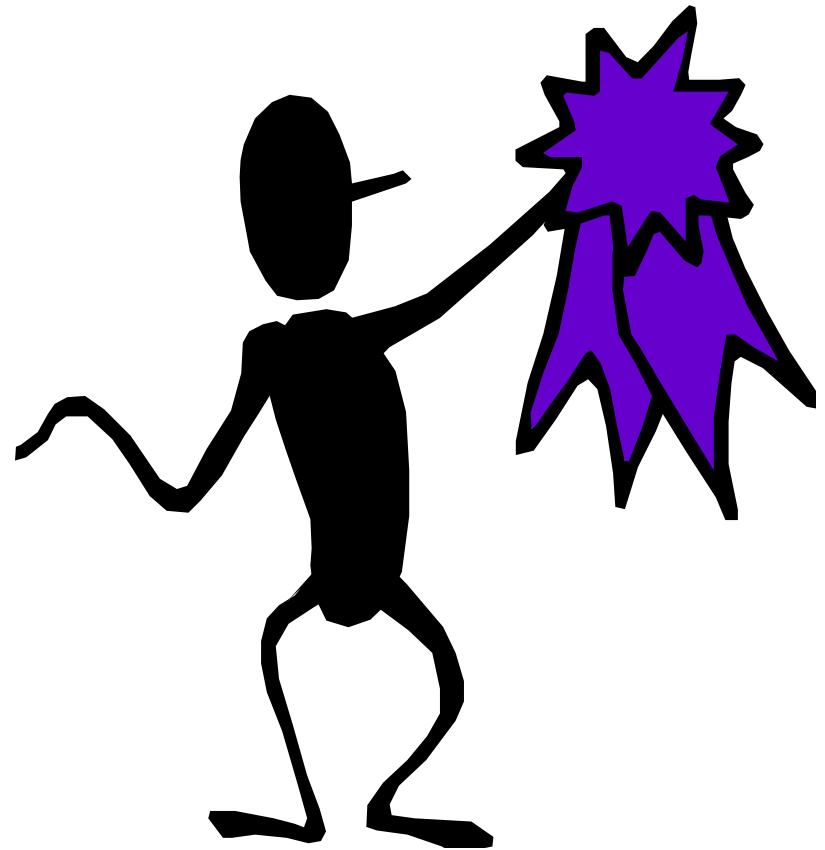
**2005-2006**

**Passed 20 indicators**

**2004-2005 2003-2004**

**2002-2003 2001-2002**

- **Passed all 21 indicators**





# Indicator #1

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Q - Was the Total Fund Balance less Reserved Fund Balance greater than zero in the General Fund?

A - Yes

Total Fund Balance	\$ 55,358,656
Reserves	<u>\$ 645,907</u>
Net Fund Balance	\$ 54,712,749





## Indicator #2

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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 – Student Growth  $> 10\%$  and  
Unrestricted Net Assets Balance  $> 0$



## Indicator #3

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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.



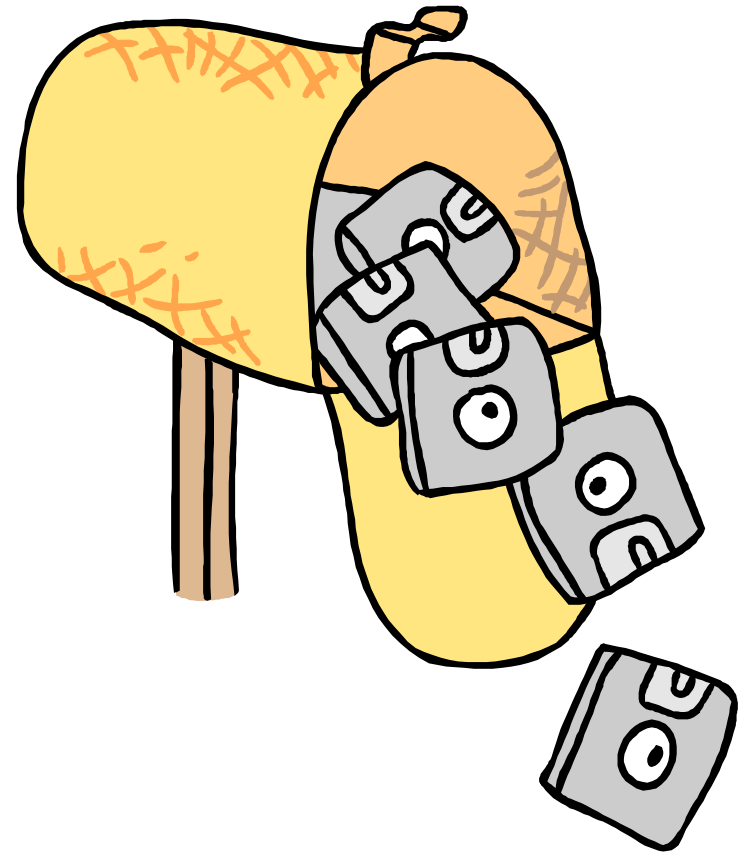
## Indicator #4

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

A – Yes, received by TEA on 11/17/08





## Indicator #5

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

A – Yes



## Indicator #6

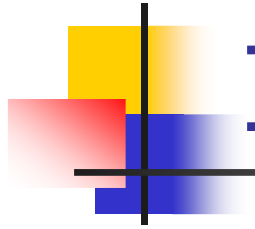
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Q - Did the Annual Financial Report not disclose any instance of **Material Weaknesses in Internal Controls?**

A - None





# Indicator #7

Points - 5

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

A - Yes



# Indicator #8

# Points - 5

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

A - Yes

## ■ Collections

■ 2008	128,049,756
■ 2007	136,365,904
■ 2006	123,772,350
■ Total	388,188,010

## ■ Levy

■ 2008	125,862,539
■ 2007	135,695,504
■ 2006	124,239,325
■ Total	385,797,368

Tax Collection Rate –100.62%



## Indicator #9

Points - 5

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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 = .04%





## Indicator #10

Points - 5

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Q – Were debt related expenditures (Net of IFA and/or EDA Allotment)  $< \$250$  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 #10 continued

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A –

Total Tax Collections	\$ 128,049,756
Total Tax Rate	\$ 1.434
Collections per Penny	\$ 892,955
Collections per Penny Greater than	\$ 200,000



# Indicator #10 continued

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## Enrollment

2008	20,826
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2004	<u>15,948</u>
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Increase	4,878
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% Increase	30.59%
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Five-Year Percent Change Greater Than 7%



## Indicator #10 continued

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### Debt Related Expenditures

Function 71	\$29,917,698
Less EDA Funding	<u>(0)</u>
Net Debt Expenditures	\$29,917,698
2008 Students	20,826
Debt per Student	\$ 1,436.55

Debt-Related Expenditures per Student  
Greater Than \$250



## Indicator #11

Points - 5

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

A – None



## Indicator #12

Points - 5

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

A – Yes



## Indicator #13

Points - 3

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Q - Was the percent of operating expenditures expended for instruction more than 65%?  
(Functions 11, 36, 93, 95)

Phased in over three years:

2006-2007	55%
2007-2008	60%
2008-2009	65%



# Indicator #13 continued

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A – Yes

Expenditures – General, Special Revenue, and Capital  
Projects less SSAs

Function 11, 36, 93, 95 and Object 6112-6499

**\$ 114,626,127**

Expenditures – General, Special Revenue, Capital  
Projects and Child Nutrition less SSAs

Functions 11-61, 93, 95 and Object 6112-6499

**\$ 182,703,149**

**Instructional Expenditures = 62.74%**





## Indicator #14

Points - 3

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- Q – Was the Percent of Operating Expenditures Expended for Instruction more than or equal to 65%?
- (Functions 11, 12, 31, 33, 36, 93, 95)



# Indicator #14 continued

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A – Yes

Expenditures – General, Special Revenue, and Capital  
Projects less SSAs

Function 11, 12, 31, 33, 36, 93, 95

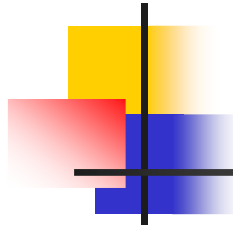
Object 6112-6499 **\$ 127,144,796**

Expenditures – General, Special Revenue, Capital Projects  
and Child Nutrition less SSAs

Functions 11-61, 93, 95 and Object 6112-6499

**\$ 182,703,149**

**Instructional Expenditures = 69.59%**



# Indicator #15

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	\$ 158,993,193
Beginning Fund Balance	<u>\$ 43,933,109</u>
Total	\$ 202,926,302
Budgeted Expenditures	\$ 159,479,170



## Indicator #16

Points - 5

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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	\$ 55,358,656
Capital Projects-Fund Balance	\$186,847,230



## Indicator #17

Points - 5

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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)

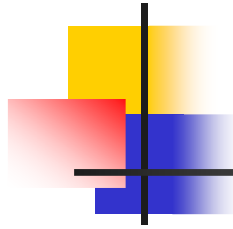


## Indicator #17 continued

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A – Cash/Investments	\$70,540,626
Deferred Revenue in GF	\$ 3,346,616
Property Tax Receivable	<u>\$ 3,300,896</u>
Net	\$ 45,720

Ratio 1,543:1



# Indicator #18

Points - 5

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

A – Yes

District Standard	.1105
Denton ISD	.0620



## Indicator #19

Points - 3

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

A – No

Number of Students	20,826
Number of FTE Teachers	1,630.5365

Points – 3 of 5 – 94.62% of Lower Limit





## Indicator #19 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>12.77</b>



## Indicator #20

Points - 5

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

A – Yes

Number of students	20,826
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Number of FTE Staff	2,948.4652
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Points – 5 of 5 – 100.9% of Lower Limit



## Indicator #20 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	7.06



## Indicator #21

Points - 5

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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?



## Indicator #21 continued

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A –

50% Optimum Fund Balance                      \$ 27,778,647

**99.64% Denton ISD Fund Balance    \$ 55,358,656**

100% Optimum Fund Balance                      \$ 55,557,294

150% Optimum Fund Balance                      \$ 83,335,941



## Indicator #22

Points - 5

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Q – Was the decrease in Undesignated Unreserved Fund Balance  $< 20\%$  over two fiscal years? (If  $1.5 \times \text{Optimum Fund Balance} < \text{Total Fund Balance}$  in General Fund or If  $\text{Total revenues} > \text{Operating Expenditures}$  in the General Fund, then Answer this indicator YES)



## Indicator #22

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A –

2007-2008 Fund Balance	\$ 52,002,671
(Undesignated/Unreserved)	
2005-2006 Fund Balance	<u>\$ 35,923,772</u>
Increase to Fund Balance	\$ 16,078,899

# Indicator #23

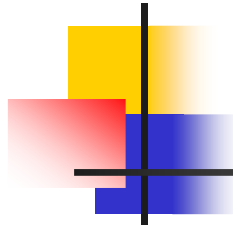
Points - 5

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

A – Yes      \$ 70,540,626







# Indicator #24

Points - 4

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Q – Were investment earnings in all funds more than \$20 per student?

A – Yes

Total investment earnings	\$2,894,903
Number of students	20,826
Earnings per student	\$ 139.00



# Disclosures

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## **Superintendent's Employment Contract**

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



# Disclosures

	Ray Braswell	Charles Stafford	Jim Alexander	Mia Price	Glenna Harris	Curtis Ramsey	Virginia Gallian	Jeanetta Smith	Rudy Rodriguez	Total
<b>Meals</b>	209.69	499.37	313.25	203.76	621.06	317.74	311.58	384.60	50.33	2,911.38
<b>Lodging</b>	760.53	363.75	1,772.68	506.85	1,302.36	2,458.80	1,116.10	1,631.63	506.85	10,419.55
<b>Trans/Fuel</b>	1,037.53	304.78	617.68	0.00	667.48	794.05	442.48	543.50	19.49	4,426.99
<b>Mileage</b>	430.10	70.74	333.30	35.36	38.80	801.16	484.21	35.35	35.35	2,264.37
<b>Other</b>	805.00	330.76	975.00	100.00	1,525.00	990.00	1,200.00	1,535.00	325.00	7,785.76
<b>Total</b>	3,242.85	1,569.40	4,011.91	845.97	4,154.70	5,361.75	3,554.37	4,130.08	937.02	27,808.05



# Disclosures

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No outside compensation has been reported by the Superintendent for the 2007-2008 Fiscal Year.



# Disclosures

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No gifts have been reported by the Superintendent or Board of Trustees for the 2007-2008 Fiscal Year.



# Disclosures

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No business transactions between the Denton ISD and the Board of Trustees have been reported for the 2007-2008 Fiscal Year.



# Questions

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