

Denton ISD

2022 Annual Financial Management Report
For the Year Ending June 30, 2021



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 2022 FIRST Rating

DISD 2022 FIRST Rating

A - Superior Achievement

19th 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

10 Indicators

6 thru 15

Indicators designed to detect early signs of solvency related issues

Financial Competence

5 Indicators

16 thru 20

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

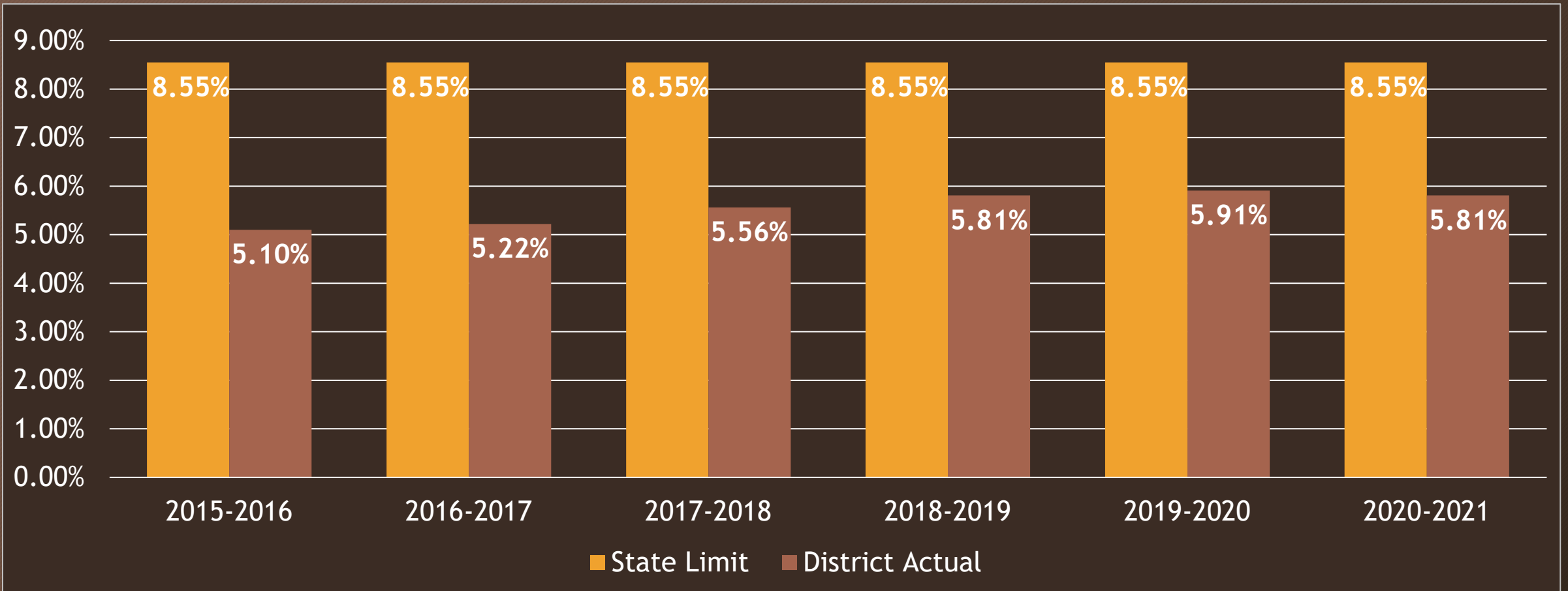
Critical and Ceiling Indicators

| 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

| | 2020-2021 FIRST Rating | | 2021-2022 FIRST Rating | |
|--------------------|---------------------------|--------|---------------------------|--------|
| Districts Passing | 1,007 | 98.73% | 1013 | 99.31% |
| Districts Failing | 13 | 1.27% | 7 | .69% |
| A = Superior | 845 | 82.84% | 880 | 86.27% |
| B = Above Standard | 119 | 11.67% | 103 | 10.10% |
| C = Meets Standard | 43 | 4.22% | 30 | 2.94% |
| F = Substandard | 13 | 1.27% | 7 | .69% |

Data as of 08/10/2021

Data as of 09/05/2022

Questions