



Duncanville ISD

Schools FIRST Management Report

Financial Data for 2005-2006

Presented
October 15, 2007

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT Management Report

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Section One: Comparison to Prior Year

Financial Integrity Rating System of Texas
Duncanville ISD

<p>2004-2005 Rating: Superior Achievement</p> <p>2005-2006 Rating: Superior Achievement</p>			
#	Indicator Description	2004-2005 Result	2005-2006 Result
1	Was The Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?	Yes	Yes
2	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	Yes	Yes
3	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?	Yes	Yes
4	Was There An Unqualified Opinion In Annual Financial Report?	Yes	Yes
5	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	Yes	Yes
6	Was The Percent Of Total Tax Collections (Including Delinquent) Greater Than 96%?	Yes	Yes
7	Did The Comparisons Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 4 Percent Of Expenditures Per Fund Type (Data Quality Measure)?	Yes	Yes
8	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$770.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 2%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$100,000, Then Answer This Indicator Yes)	Yes	Yes
9	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	Yes	Yes
10	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Master Or Monitor Assigned)	Yes	Yes
11	Was The Percent Of Operating Expenditures Expended For Instruction More Than 54%?	Yes	Yes
12	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?	Yes	Yes
13	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)	Yes	Yes
14	Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivables) In The General Fund = Or > 1:1? (If Deferred Revenues < Net Delinquent Taxes Receivable, Then Answer This Indicator Yes)	Yes	Yes
15	Was The Administrative Cost Ratio Less Than The Standard In State Law?	Yes	Yes
16	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?	Yes	Yes

#	Indicator Description	2004-2005 Result	2005-2006 Result
17	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	Yes	Yes
18	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?	Yes	Yes
19	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If 1.5 Times Optimum Fund Balance < Total Fund Balance In General Fund Or If Total Revenues > Operating Expenditures In The General Fund, Then Answer This Indicator Yes)	No	No
20	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?	Yes	Yes
21	Were Investment Earnings In All Funds More Than \$15 Per Student?	Yes	Yes
		Indicators Answered YES:	20
		Indicators Answered NO:	1

Determination Of Rating

A. Did The District Answer No To Indicators 1, 2, Or 3? Or Did The District Answer No To Both 4 and 5? If Answered No To Either, The District's Rating Is Substandard Achievement .		
B. Determine Rating By Applicable Range For The Number Of Indicators Answered No :		
	Superior Achievement	0-2
	Above Standard Achievement	3-4
	Standard Achievement	5-6
	Substandard Achievement	7+ Or No To One Default Indicator

Indicator 16 & 17 Ratios

Indicator 16		Ranges for Ratios		Indicator 17		Ranges for Ratios	
District Size - Number of Students Between		Low	High	District Size - Number of Students Between		Low	High
< 500		7	22	< 500	4	14	
500-999		10	22	500-999	5.5	14	
1000-4999		11.5	22	1000-4999	6	14	
5000-9999		13	22	5000-9999	6.5	14	
=> 10000		13.5	22	=> 10000	6.6	14	

Section Two: Superintendent and Board Disclosures

2005-2006 Superintendent and Board Member Disclosures

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2006										
For the Twelve-month Period Ended August 31, 2006		Superintendent Dr. Ken English	Board Member Terry Barnard	Board Member Dr. Deborah Harris	Board Member John Johansen	Board Member Tom Kennedy	Board Member Louis McElroy	Board Member Marshal Wesley	Board Member Dorothy Wolverton	
Description of Reimbursements		\$	\$	\$	\$	\$	\$	\$	\$	
Meals		1,419.00	55.00	22.23	55.00	105.00	155.00	97.00	75.00	
Lodging		2,851.47	204.00	321.24	138.75	775.53	539.58	686.56	521.11	
Transportation		2,949.06	-	232.60	-	347.03	335.50	193.52	234.60	
Motor Fuel		-	-	-	-	-	-	-	-	
Other		1,617.65	-	245.00	-	360.00	302.00	427.97	315.00	
Total		\$ 8,837.18	\$ 259.00	\$ 821.07	\$ 193.75	\$ 1,587.56	\$ 1,332.08	\$ 1,406.05	\$ 1,145.71	

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2006

For the Twelve-month Period Ended August 31, 2006		Superintendent Dr. Ken English
Name(s) of Entity(ies)		\$
Not Reported		
Total		\$

Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2006

For the Twelve-month Period Ended August 31, 2006					
Superintendent Dr. Ken English	Board Member Terry Barnard	Board Member Dr. Deborah Harris	Board Member John Johansen	Board Member Tom Kennedy	Board Member Louis McElroy
\$	\$	\$	\$	\$	\$
Summary Amounts					

Business Transactions Between School District and Board Members for Fiscal Year 2006

For the Twelve-month Period Ended August 31, 2006					
Superintendent Dr. Ken English	Board Member Terry Barnard	Board Member Dr. Deborah Harris	Board Member John Johansen	Board Member Tom Kennedy	Board Member Louis McElroy
\$	\$	\$	\$	\$	\$
Summary Amounts					

Section Three:

How Ratings are Assessed



HOW RATINGS ARE ASSESSED

Rating Worksheet

The questions a school district must address in completing the worksheet used to assess its financial management system can be confusing to non-accountants. The following is a layman's explanation of what the questions mean—and what your district's answers can mean to its rating.

1. Was total Fund Balance less Reserved Fund Balance greater than zero in the General Fund?

School districts must legally have a fund balance to ensure adequate funding for operations. This indicator is designed to ensure that your district has a positive amount of fund balance cash (savings) that is not designated or "reserved" for a specific purpose. In other words, "Does your district have funds set aside for a rainy day?"

2. Were there NO disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?

This indicator seeks to make certain that your district has paid your bills/obligations on bonds issued to pay for school construction, etc.

3. Was the Annual Financial Report filed within one month after the November 27 or January 28 deadline depending upon the district's Fiscal Year end date (June 30 or August 31)?

A simple indicator. Was your Annual Financial Report filed by the deadline?

4. Was there an Unqualified Opinion in the Annual Financial Report?

A "qualification" on your financial report means that you need to correct some of your reporting or financial controls. A district's goal, therefore, is to receive an "unqualified opinion" on its Annual Financial Report. This is a simple "Yes" or "No" indicator.

5. Did the Annual Financial Report NOT disclose any instance(s) of material weakness in internal controls?

A clean audit of your Annual Financial Report would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your District not being able to properly account for its use of public funds, and should be immediately addressed.



HOW RATINGS ARE ASSESSED

6. Was the percent of total tax collections (including delinquent) greater than 96 percent?

This indicator measures your district's success in collecting the taxes owed to you by your community's businesses and homeowners, placing a 96 percent minimum collections standard. You must collect 96 percent or more of your taxes, **including** any delinquent taxes owed from past years.

7. Did the comparison of PEIMS data to like information in the Annual Financial Report result in an aggregate variance of less than 4 percent of expenditures per fund type (Data Quality Measure)?

This indicator measures the quality of data reported to PEIMS and in your Annual Financial Report to make certain that the data reported in each case "matches up." If the difference in numbers reported in any fund type is more than 4 percent, your district "fails" this measure.

8. Were Debt-Related Expenditures (net of IFA and/or EDA allotment) less than \$770 per student? (If the district's five-year percent change in students was a 2 percent increase or more, or if property taxes collected per penny of tax effort were more than \$100,000, then answer this indicator YES.)

This indicator shows the Legislature's intent for school districts to spend money on education, rather than fancy buildings, by limiting the amount of money district's can spend on debt to \$770 per student. Fortunately, the Legislature did allow for fast-growth schools to exceed this cap.

9. Was there NO disclosure in the Annual Audit Report of Material Noncompliance?

NO disclosure means the Annual Audit Report includes no disclosure indicating that the school district failed to comply with laws, rules and regulations for a government entity.

10. Did the district have full accreditation status in relation to financial management practices? (e.g. no conservator or monitor assigned)

Did TEA take over control of your district due to financial issues such as fraud or having a negative fund balance? If not, you pass this indicator.

11. Was the percentage of Operating Expenditures expended for Instruction more than 54 percent?

This indicator shows your district's ability to focus the majority of its funding so that it directly pays for student instruction. Only items such as salaries of classroom teachers and classroom supplies qualify as "Instruction" expenditures in this calculation (Function 11).



HOW RATINGS ARE ASSESSED

12. Was the aggregate of Budgeted Expenditures and Other Uses LESS THAN the aggregate of Total Revenues, Other Resources and Fund Balance in General Fund?

Was the budgetary plan to spend until bankruptcy resulted? If the district planned to keep spending until a negative fund balance resulted then the lowest School FIRST rating would have been assigned to the district.

13. If the district's Aggregate Fund Balance in the General Fund and Capital Projects Fund was LESS THAN zero, were construction projects adequately financed? (Were construction projects adequately financed or adjusted by change orders or other legal means to avoid creating or adding to the fund balance deficit situation?)

Did you over-spend on school buildings or other capital projects? This indicator measures your district's ability to construct facilities without damaging your Fund Balance.

14. Was the ratio of Cash and Investments to Deferred Revenues (excluding amount equal to net Delinquent Taxes Receivable) in the General Fund greater than or equal to 1:1? (If Deferred Revenues are less than Net Delinquent Taxes Receivable, then answer this indicator YES.)

This indicator measures whether or not your district has sufficient cash and investments to balance Fund Balance monies such as TEA overpayments (deferred revenues). In other words, your District should have fund balance monies of its own that are at least equal to those dollars that are there due to overpayments from TEA, and you should not be spending "next year's" monies this year.

15. Was the Administrative Cost Ratio less than the standard in State Law?

This indicator measures the percentage of their budget that Texas school districts spent on administration. Did you exceed the cap in School FIRST for districts of your size?

16. Was the Ratio of Students to Teachers within the ranges shown below according to district size?

This indicator measures your pupil-teacher ratio to ensure that it is within TEA recommended ranges for district's of your student population range. For example, districts with a student population between 500 and 1,000 should have no more than 22 students per teacher and no fewer than 10 students per teacher.

Indicator 16 District Size – No. of Students Between	Ranges for Ratios	
	Low	High
<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



HOW RATINGS ARE ASSESSED

17. Was the Ratio of Students to Total Staff within the ranges shown below according to district size?

This indicator measures your pupil-staff ratio to ensure that it is within TEA-recommended ranges for district's of your student population range. For example, districts with a student population between 500 and 1,000 should have no more than 14 students per staff member and no fewer that 5.5 students per district employee.

Indicator 17		Ranges for Ratios	
District Size – No. of Students Between		Low	High
<500		4	14
500 – 999		5.5	14
1,000 – 4,999		6	14
5,000 – 9,999		6.5	14
=> 10,000		6.6	14

18. Was the Total Fund Balance in the General Fund more than 50 percent and less than 150 percent of Optimum according to the Fund Balance and Cash Flow Calculation Worksheet in the Annual Financial Report?

Your district's audit provides an optimum General Fund "Fund Balance" for your district. Your district should have no less than one-half and no more than one and one-half times this amount in your Fund Balance, counting both reserved and unreserved fund balances.

19. Was the decrease in Undesignated Unreserved Fund Balance less than 20 percent over two Fiscal Years? (If 1.5 times Optimum Fund balance is less than total Fund Balance in General Fund or if Total Revenues the General exceeded Operating Expenditures in Fund, then answer this indicator YES.)

Are you "feeding off of your Fund Balance" to pay for salaries or other district operating expenses? This indicator notes rapid decreases in your undesignated Fund Balance (those dollars not designated as a "land fund" or "construction fund") or emergency fund.

20. Was the Aggregate Total of Cash and Investments in the General Fund more than \$0?

Does your district have cash in the bank, and/or investments?

21. Were Investment Earnings in all funds more than \$15 per student?

Are you using your cash or reserve fund (Fund Balance) monies wisely?

Section Four: Indicator Tests

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Financial Integrity Rating System of Texas

2005-2006 INDICATOR TEST 1

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was The Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
(
(
Total Fund Balance	6,119,965
- Reserves	586,551
)	
)	
> Bankrupt Threshold	0
Mathematical Breakdown: 5,533,414 > 0	

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Financial Integrity Rating System of Texas

2005-2006 INDICATOR TEST 2

Name:	DUNCANVILLE ISD (057907)
Indicator:	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
Not Default Disclosures	false

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2005-2006 INDICATOR TEST 3

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
Date Received	<input type="text" value="2007/01/22"/>
\leq Due Date (Fiscal Year End + Deadline in Days After Fiscal Year End)	<input type="text" value="2007/02/28"/>

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2005-2006 INDICATOR TEST 4

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was There An Unqualified Opinion in Annual Financial Report?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
Clean Audit	true

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**Financial Integrity Rating System of Texas****2005-2006 INDICATOR TEST 5**

Name:	DUNCANVILLE ISD (057907)
Indicator:	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
Not Weak Internal Controls	false

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Name:	DUNCANVILLE ISD (057907)
Indicator:	Was The Percent Of Total Tax Collections (Including Delinquent) Greater Than 96%?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value	
Tax Collections	55,427,662	
/ Tax Levy	54,458,311	
> Acceptable Tax Collection Rate	0.96	
Mathematical Breakdown: $1.0178 > 0.96$		

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2005-2006 INDICATOR TEST 7

Name:	DUNCANVILLE ISD (057907)
Indicator:	Did The Comparisons Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 4 Percent Of Expenditures Per Fund Type (Data Quality Measure)?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value	
Sum of Differences	136	?
/ Denominator	122,249,259	?
< Acceptable Level of Variance	0.04	?
Mathematical Breakdown: $0 < 0.04$		

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2005-2006 INDICATOR TEST 8

Name:	DUNCANVILLE ISD (057907)
Indicator:	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$770.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 2%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$100,000, Then Answer This Indicator Yes)
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
(
(
2006 Total Students	12,327
- 2002 Total Students	10,795
)	
/ 2002 Total Students	10,795
>=Threshold for 5 Year Student Population Growth	0.02
)	
Or	
(
Total Tax Collection	55,427,662
/	
(
Total Tax Rate	1.866
*100	
)	
> Threshold for Revenue Collection Efficiency	100,000

)		
Or		
(
(
Function 71 Expenditures	17,040,764	2
- IFA and EDA Allotments	3,476,959	2
)		
/ 2006 Total Students	12,327	2
< Maximum Standard for Debt-Related Expenditures per Student	770	2
)		

Mathematical Breakdown: 0.1419 >= 0.02 Or 297,039.9893 > 100,000 Or 1,100.333 < 770

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2005-2006 INDICATOR TEST 9

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
Not Material Non-Compliance	false

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Financial Integrity Rating System of Texas

2005-2006 INDICATOR TEST 10

Name:	DUNCANVILLE ISD (057907)
Indicator:	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Master Or Monitor Assigned)
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
Full Accreditation	true

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2005-2006 INDICATOR TEST 11

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was The Percent Of Operating Expenditures Expended For Instruction More Than 54%?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
Expenditures in General, Special Revenue and Capital Projects Funds (Excluding SSA Fund Codes) in Function 11 and Object Codes 6112-6499	50,452,745
/ Expenditures in General Fund, Special Revenue Fund (Excluding SSA Fund Codes), Capital Project Fund, Enterprise Fund 701 (Child Nutrition Program), Functions 11-61 and Object Codes 6112-6499	92,682,438
> Standard for Instruction Expenditures	0.54
Mathematical Breakdown: 0.5444 > 0.54	

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2005-2006 INDICATOR TEST 12

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
Budgeted Revenues in the General Fund	77,603,455
+ Budgeted Other Resources in the General Fund	0
+ Fund Balance in the General Fund as of the Fiscal Year Start	7,738,209
- Budgeted Appropriations in the General Fund	78,451,845
- Budgeted Other Uses in the General Fund	0
> Standard for Budget Surplus	0
Mathematical Breakdown: 6,889,819 > 0	

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2005-2006 INDICATOR TEST 13

Name:	DUNCANVILLE ISD (057907)
Indicator:	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)
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
(
Fund Balance in the General Fund as of the Fiscal Year End	6,119,965
+ Fund Balance in the Capital Projects Fund as of the Fiscal Year End	9,725,659
> Standard Capital Fund Margin	0
)	
Or	
(
Function 81 Expenditures in the General Fund and Capital Projects Fund	10,116,704
- Other Resources for Real Property Financing in the General Fund and the Capital Projects Fund	1,511,699
-	
(
Fund Balance in the General Fund as of the Fiscal Year Start	7,738,209
+ Fund Balance in the Capital Projects Fund as of District Fiscal Year Start	19,955,278
)	
< Standard Construction Margin	

0

)

Mathematical Breakdown: $15,845,624 > 0.00$ Or $-19,088,482 < 0$

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Financial Integrity Rating System of Texas

2005-2006 INDICATOR TEST 14

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivables) In The General Fund = Or > 1:1? (If Deferred Revenues < Net Delinquent Taxes Receivable, Then Answer This Indicator Yes)
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
(
Deferred Revenue in the General Fund	<input type="text" value="3,024,870"/>
- Property Tax Receivable Net of Uncollectible	<input type="text" value="3,024,870"/>
<= Standard Deferred Revenue Margin	<input type="text" value="0"/>
)	
Or	
(
Standard Ratio of Cash and Investments to Deferred Revenue	<input type="text" value="1"/>
<=	
(
Cash in the General Fund	<input type="text" value="6,623,522"/>
+Investments in the General Fund	<input type="text" value="0"/>
)	
/	
(
Deferred Revenue in the General Fund	<input type="text" value="3,024,870"/>
- Property Tax Receivable Net of Uncollectible	<input type="text" value="3,024,870"/>

)
)

Mathematical Breakdown: 0 <= 0 Or 1 <= [Attempted to divide by zero.]

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Financial Integrity Rating System of Texas

2005-2006 INDICATOR TEST 15

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was The Administrative Cost Ratio Less Than The Standard In State Law?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
Acceptable Administrative Cost Ratio	0.1105
> District Administrative Cost Ratio	0.0883

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Financial Integrity Rating System of Texas

2005-2006 INDICATOR TEST 16

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
(
Number of Students	12,327
/	
Number of FTE Teachers	771.788
>= Standard Lower Limit Ratio of Students to Teachers	13.5
)	
And	
(
Number of Students	12,327
/	
Number of FTE Teachers	771.788
<= Standard Upper Limit Ratio of Students to Teachers	22
)	
Mathematical Breakdown: 15.972 >= 13.5 And 15.972 <= 22	

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Financial Integrity Rating System of Texas

2005-2006 INDICATOR TEST 17

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
(
Number of Students	12,327
/	
Number of FTE Staff	1,564.6744
>= Standard Lower Limit Ratio of Students to Staff	6.6
)	
And	
(
Number of Students	12,327
/	
Number of FTE Staff	1,564.6744
<= Standard Upper Limit Ratio of Students to Staff	14
)	
Mathematical Breakdown: 7.8783 >= 6.6 And 7.8783 <= 14	

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Financial Integrity Rating System of Texas

2005-2006 INDICATOR TEST 18

Name:	DUNCANVILLE ISD (057907)
Indicator:	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?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
(
Total General Fund Balance as of the Fiscal Year End	6,119,965
> Minimum Fund Balance	0.5
*	
(
Total Reserved Fund Balance in the General Fund	586,551
+ Total Designated Fund Balance in the General Fund	815,000
+ Estimated Amount to Cover Fall Cash Flow Deficit in the General Fund	0
+ Estimate of One Month's Cash Disbursement Amount During the Regular School Session	6,764,175
)	
)	
And	
(
Total General Fund Balance as of the Fiscal Year End	6,119,965
< Maximum Fund Balance	1.5
*	

(Total Reserved Fund Balance in the General Fund	586,551	2
	+ Total Designated Fund Balance in the General Fund	815,000	2
	+ Estimated Amount to Cover Fall Cash Flow Deficit in the General Fund	0	2
	+ Estimate of One Month's Cash Disbursement Amount During the Regular School Session	6,764,175	2

)

)

Mathematical Breakdown: 6,119,965 > 4,082,863 And 6,119,965 < 12,248,589

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FIRST

Financial Integrity Rating System of Texas

2005-2006 INDICATOR TEST 19

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If 1.5 Times Optimum Fund Balance < Total Fund Balance In General Fund Or If Total Revenues > Operating Expenditures In The General Fund, Then Answer This Indicator Yes)
Status:	Failed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
(
Expenditures in the General Fund in Functions 11-61 and Expenditure Object Codes 6100-6400	79,122,851
- Total Revenues in the General Fund	78,670,693
< Acceptable Expenditure Revenue Gap	0
)	
Or	
(
(
Total Reserved Fund Balance in the General Fund	586,551
+Total Designated Fund Balance in the General Fund	815,000
+Estimated Amount to Cover Fall Cash Flow Deficit in the General Fund	0
+Estimate of One Month's Cash Disbursement Amount During the Regular School Session	6,764,175
)	
* Optimum Fund Balance Multiplier	1.5

(
< Total General Fund Balance in the General Fund 6,119,965
)
Or
(
Undesignated, Unreserved Fund Balance in General Fund - 2 7,160,135
Years Prior
*
(
1
- Maximum Allowable 2 Year Percentage Decrease in Fund 0.2
Balance that Still Qualifies as Stable
)
< Undesignated, Unreserved Fund Balance in General Fund 4,718,414
)

Mathematical Breakdown: $452,158 < 0$ Or $12,248,589 < 6,119,965$ Or $5,728,108 < 4,718,414$

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Financial Integrity Rating System of Texas

2005-2006 INDICATOR TEST 20

Name:	DUNCANVILLE ISD (057907)
Indicator:	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
Cash in the General Fund	6,623,522
+ Investments in the General Fund	0
> Acceptable Lower Limit for Cash and Investments	0
Mathematical Breakdown: $6,623,522 > 0$	

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Financial Integrity Rating System of Texas

2005-2006 INDICATOR TEST 21

Name:	DUNCANVILLE ISD (057907)
Indicator:	Were Investment Earnings In All Funds More Than \$15 Per Student?
Status:	Passed
Last Updated:	6/14/2007 10:47:23 AM

FORMULA

Field	Value
Investment Earnings	1,753,512
/ Number of Students	12,327
> Acceptable Level of Earnings Per Student	15
Mathematical Breakdown: $142.2497 > 15$	

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Section Five: Statewide Statistics

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Financial Integrity Rating System of Texas

OVERALL STATISTICS

2005-2006 STATUS COUNTS

Status	Count	% Total	Enrollment	% Total Enrollment
Passed	1,009	97.39 %	4,334,486	97.74 %
Failed	25	2.41 %	100,225	2.26 %
Error	2	0.19 %		0.00 %
Total	1,036	100.00 %	4,434,711	100.00 %

2005-2006 RATING COUNTS

Ratings	Count	% Total	Enrollment	% Total Enrollment
Superior Achievement	943	91.20 %	4,263,456	96.14 %
Above Standard Achievement	63	6.09 %	69,675	1.57 %
Standard Achievement	3	0.29 %	1,355	0.03 %
Substandard Achievement	24	2.32 %	100,225	2.26 %
Suspended Due to Data Quality	1	0.10 %		0.00 %
Total	1,034	100.00 %	4,434,711	100.00 %

2005-2006 NO ANSWERS BY INDICATOR

--	--	--	--	--

Overall Statistics

Indicator	Count	% of No Answers	% of Districts	Enrollment	% Total Enrollment
1	10	1.06 %	0.97 %	9264	0.21 %
3	13	1.38 %	1.25 %	90582	2.04 %
4	3	0.32 %	0.29 %	13212	0.30 %
5	15	1.59 %	1.45 %	267463	6.03 %
6	55	5.83 %	5.31 %	79344	1.79 %
7	20	2.12 %	1.93 %	31948	0.72 %
8	48	5.08 %	4.63 %	33925	0.76 %
9	29	3.07 %	2.80 %	246534	5.56 %
11	255	27.01 %	24.61 %	358403	8.08 %
12	10	1.06 %	0.97 %	9598	0.22 %
13	2	0.21 %	0.19 %	685	0.02 %
14	4	0.42 %	0.39 %	8253	0.19 %
15	68	7.20 %	6.56 %	65814	1.48 %
16	49	5.19 %	4.73 %	109882	2.48 %
17	121	12.82 %	11.68 %	222416	5.02 %
18	178	18.86 %	17.18 %	383598	8.65 %
19	42	4.45 %	4.05 %	69266	1.56 %
20	9	0.95 %	0.87 %	15831	0.36 %
21	13	1.38 %	1.25 %	40057	0.90 %

Last Updated: Tuesday, September 18, 2007 9:24:15 AM

Section Six: Glossary



GLOSSARY

Academic Excellence Indicator

System (AEIS): The Texas Education Agency pulls together a wide range of information on the performance of students in each school and district in Texas every year. This information is put into the annual AEIS reports, which are available each year in November. The performance indicators include:

- TAKS passing rate by grade, by subject, student subpopulation, and by all grades tested;
- SDAA performance
- Attendance rate for the full year;
- Dropout rate (by year);
- Completion and dropout rates (4-year longitudinal);
- Percent of high school students completing an advanced course;
- Percent of graduates completing the Recommended High School Program;
- AP and IB examination results;
- TAAS / TASP equivalency rate; and
- SAT and ACT examination – participation and results.

Accountability Rating: The rating assigned by the Academic Rating System to a school district or campus. The four indicators used to determine the accountability rating for a campus or district are their performance on (1) TAKS, (2) SDAA, (3) Completion rate and (4) Annual dropout rate. Based on these indicators every campus and district is assigned one of the following: District and Campus Ratings: Exemplary, Recognized, Academically Acceptable, Academically Unacceptable, Not Rated: Alternative Education, Not Rated: Other, and Not Rated: Data Integrity Issues. Although registered alternative education campuses and charters will not be rated in 2004 based on academic performance, the commissioner of education has the authority to assign an *Academically Unacceptable* rating to address problems identified through Accountability System Safeguards, Performance-Based Monitoring, or other monitoring and compliance investigations.

Accounting: A standard school fiscal accounting system must be adopted and

installed by the board of trustees of each school district. The accounting system must conform to generally accepted accounting principles. This accounting system must also meet at least the minimum requirements prescribed by the state board of education, subject to review and comment by the state auditor.

Ad Valorem Property Tax: Literally the term means "according to value." Ad valorem taxes are based on a fixed proportion of the value of the property with respect to which the tax is assessed. They require an appraisal of the taxable subject matter's worth. General property taxes are almost invariably of this type. Ad valorem property taxes are based on ownership of the property, and are payable regardless of whether the property is used or not and whether it generates income for the owner (although these factors may affect the assessed value).

Adopted Tax Rate: The tax rate set by the school district to meet its legally adopted budget for a specific calendar year.

All Funds: A school district's accounting system is organized and operated on a fund basis where each fund is a separate fiscal entity in the school district much the same as various corporate subsidiaries are fiscally separate in private enterprise. All Funds refers to the combined total of all the funds listed below:

- The General Fund
- Special Revenue Funds (Federal Programs, Federally Funded Shared Services, State Programs, Shared State/Local Services, Local Programs)
- Debt Service Funds
- Capital Projects Funds
- Enterprise Funds for the National School Breakfast and Lunch Program

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Auditing: Accounting documents and records must be audited annually by an independent auditor. Texas Education Agency (TEA) is charged with review of the independent audit of the local education agencies.

Beginning Fund Balance: The General Fund balance on the first day of a new school year.



GLOSSARY

For most school districts this is equivalent to the fund balance at the end of the previous school year.

Budget: The projected financial data for the current school year. Budget data are collected for the general fund, food service fund, and debt service fund.

Budgeting: Not later than August 20 of each year, the superintendent (or designee) must prepare a budget for the school district if the fiscal year begins on September 1. (For those districts with fiscal years beginning July 1, this date would be June 20.) The legal requirements for funds to be budgeted are included in the Budgeting module of the TEA Resource Guide. The budget must be adopted before expenditures can be made, and this adoption must be prior to the setting of the tax rate for the budget year. The budget must be itemized in detail according to classification and purpose of expenditure, and must be prepared according to the rules and regulations established by the state board of education. The adopted budget, as necessarily amended, shall be filed with TEA through the Public Education Information Management System (PEIMS) as of the date prescribed by TEA.

Capital Outlay: This term is used as both a Function and an Object. Expenditures for land, buildings, and equipment are covered under Object 6600. The amount spent on acquisitions, construction, or major renovation of school district facilities are reported under Function 80.

Capital Project Funds: Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds.)

Cash: The term, as used in connection with cash flows reporting, includes not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

Chapter 41: A key "equity" chapter in the Texas Education Code (TEC) is Chapter 41. This chapter is devoted to wealth equalization through the mechanism of recapture, the recovery of financial resources from districts defined by the state as high property wealth. Resources are recovered for the purpose of sharing them with low-wealth districts. Districts that are subject to the provisions of Chapter 41 must make a choice among several options in order to reduce their property wealth and share financial resources.

Comptroller Certified Property Value: The district's total taxable property value as certified by the Comptroller's Property Tax Division (Comptroller Valuation).

Debt Service Fund: Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Services: Two function areas (70 and 71) and one Object (6500) are identified using this terminology "debt services." Function 70 is a major functional area that is used for expenditures that are used for the payment of debt principal and interest including Function 71. Expenditures that are for the retirement of recurring bond, capital lease principal, and other debt, related debt service fees, and for all debt interest fall under Function 71. Object 6500 covers all expenditures for debt service.

Deferred Revenue: Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

Designated Fund Balance: The designated fund balance represents tentative plans for the future use of financial resources. Designations require Board action to earmark fund balance for bona fide purposes that will be fulfilled within a reasonable period of time.

Effective Tax Rate: Provides the unit with approximately the same amount of revenue it had the year before on properties taxes in both years. A comparison of the effective tax rate to



GLOSSARY

the taxing unit's proposed tax rate shows if there will be a tax increase.

Ending Fund Balance: The amount of unencumbered surplus fund balance reported by the district at the end of the specified school year. For most school districts this will be equivalent to the fund balance at the beginning of the next school year.

Excess (Deficiency): Represents receivables due (excess) or owed (deficiency) at the end of the school year. This amount is reported as in the Annual Financial and Compliance Report.

Existing Debt Allotment (EDA): Is the amount of state funds to be allocated to the district for assistance with existing debt.

Federal Revenues: Revenues paid either directly to the district or indirectly through a local or state government entity for Federally-subsidized programs including the School Breakfast Program, National School Lunch Program, and School Health and Related Services Program. This amount is recorded as Revenue Object 59XX.

Fiscal Year: A period of 12 consecutive months legislatively selected as a basis for annual financial reporting, planning, and budgeting. The fiscal year may run September 1 through August 31 or July 1 through June 30.

Foundation School Program (FSP) Status: The Foundation School Program (FSP) is the shared financial arrangement between the state and the school district, where property taxes are blended with revenues from the state to cover the cost of basic and mandated programs. The nature of this arrangement falls in one of the following status categories: Regular, Special Statutory, State Administered, Education Service Center, or Open Enrollment Charter School District.

FTE: Full-Time Equivalent measures the extent to which one individual or student occupies a full-time position or provides instruction, e.g., a person who works four hours a day or a student that attends a half of a day represents a .5 FTE.

Function: Function codes identify the expenditures of an operational area or a group

of related activities. For example, in order to provide the appropriate atmosphere for learning, school districts transport students to school, teach students, feed students and provide health services. Each of these activities is a function.

The major functional areas are:

- Instruction and Instructional-Related Services
- Instructional and School Leadership
- Support Services - Student
- Administrative Support Services
- Support Services; Non-Student Based
- Ancillary Services
- Debt Service
- Capital Outlay
- Intergovernmental Charges

Fund Balance: The difference between assets and liabilities reported in a governmental fund.

General Administration: The amount spent on managing or governing the school district as an overall entity. Expenditures associated with this functional area are reported under Function 41.

General Fund: This fund finances the fundamental operations of the district in partnership with the community. All revenues and expenditures not accounted for by other funds are included. This is a budgeted fund and any fund balances are considered resources available for current operations.

I&S Tax Rate: The tax rate calculated to provide the revenues needed to cover Interest and Sinking (I&S) (also referred to as Debt Service). I&S includes the interest and principal on bonds and other debt secured by property tax revenues.

Incremental Costs: The amount spent by a school district with excess wealth per WADA on the purchase of attendance credits either from the state or from other school district(s). Expenditures associated with this functional area are reported under Function 92.

Instruction: The amount spent on direct classroom instruction and other activities that deliver, enhance or direct the delivery of learning situations to students regardless of location or medium. Expenditures associated with this functional area are reported under Function 11.



GLOSSARY

Instructional Facilities Allotment (IFA):

(State Aid) Provides assistance to school districts in making debt service payments on qualifying bonds and lease-purchase agreements. Proceeds must be used for the construction or renovation of an instructional facility.

Intergovernmental Charges:

"Intergovernmental" is a classification used when one governmental unit transfers resources to another. In particular, when a Revenue Sharing District purchases WADA or where one school district pays another school district to educate transfer students. Expenditures associated with this functional area are reported under Function 90.

Investments in Capital Assets, Net of Related Debt:

One of three components of net assets that must be reported in both government-wide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the government.

Local & Intermediate Revenues: All revenues from local taxes and other local and intermediate revenues. For specifics, see the definitions for Local Tax and Other Local & Intermediate Revenues. This amount is recorded under Object 57XX.

Local Tax: This is all revenues from local real and personal property taxes, including recaptured funds under Chapter 41, Texas Education Code.

M&O Tax Rate: The tax rate calculated to provide the revenues needed to cover Maintenance & Operations (M&O). M&O includes such things as salaries, utilities, and day-to-day operations.

Object: An object is the highest level of accounting classification used to identify either the transaction posted or the source to which the associated monies are related. Each object is assigned a code that identifies in which of the following eight major object groupings it belongs:

- 1000 Assets
- 2000 Liabilities

- 3000 Fund Balances
- 5000 Revenue
- 6000 Expenditures/Expenses
- 7000 Other Resources/NonOperating Revenue
- 8000 Other Uses/NonOperating Expense

Operating Expenditures: A wide variety of expenditures necessary to a district's operations fall into this category with the largest portion going to payroll and related employee benefits and the purchase of goods and services.

Operating Expenditures/Student: Total Operating Expenditures divided by the total number of enrolled students.

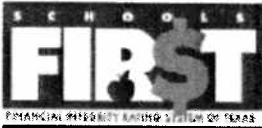
Operating Revenues and Expenses: Term used in connection with the proprietary fund statement of revenues, expenses, and changes in net assets. The term is not defined as such in the authoritative accounting and financial reporting standards, although financial statement preparers are advised to consider the definition of operating activities for cash flows reporting in establishing their own definition.

Other Local & Intermediate Revenues: All local and intermediate revenues NOT from local real and personal property taxes including:

- Revenues Realized as a Result of Services Rendered to Other School Districts
- Tuition and Fees
- Rental payments, interest, investment income
- Sale of food and revenues from athletic and extra/co-curricular activities
- Revenues from counties, municipalities, utility districts, etc.

Other Operating Costs: Expenditures necessary for the operation of the school district that are NOT covered by Payroll Costs, Professional and Contracted Services, Supplies and Materials, Debt Services, and Capital Outlay fall into this category and include travel, insurance and bonding costs, election costs, and depreciation. This amount is recorded as Expenditure/Expense Object 64XX.

Other Resources: This amount is credited to total actual other resources or non-operating



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revenues received or residual equity transfers in. This amount is recorded under Object 79XX.

Payments for Shared Services

Arrangements: Payments made either from a member district to a fiscal agent or payments from a fiscal agent to a member district as part of a Shared Services Arrangement (SSA). The most common types of SSAs relate to special education services, adult education services, and activities funded by the Elementary and Secondary Education Act (ESEA). Expenditures associated with this functional area are reported under Function 93.

Payroll: Payroll costs include the gross salaries or wages and benefit costs for services or tasks performed by employees at the general direction of the school district. This amount is recorded as Expenditure/Expense Object 61XX. *(NOTE: Payroll amounts do not include salaries for contract workers, e.g., for food service and maintenance. Therefore, this figure will vary significantly between districts and campuses that use contract workers and those that do not.)*

PEIMS: A state-wide data management system for public education information in the State of Texas. One of the basic goals of PEIMS, as adopted by the State Board of Education in 1986, is to improve education practices of local school districts. PEIMS is a major improvement over previous information sources gathered from aggregated data available on paper reports. School districts submit their data via standardized computer files. These are defined in a yearly publication, the PEIMS Data Standards.

Plant Maintenance & Operations: The amount spent on the maintenance and operation of the physical plant and grounds and for warehousing and receiving services. Expenditures associated with this functional area are reported under Function 51.

Property /Refined ADA: The district's Comptroller Certified Property Value divided by its total Refined ADA.

Property/WADA: The district's Comptroller Certified Property Value divided by its total WADA.

Qualified Opinion: Term used in connection with financial auditing. A modification of the independent auditor's report on the fair presentation of the financial statements indicating that there exists one or more specific exceptions to the auditor's general assertion that the financial statements are fairly presented.

Refined ADA: Refined Average Daily Attendance (also called RADA) is based on the number of days of instruction in the school year. The aggregate eligible days attendance is divided by the number of days of instruction to compute the refined average daily attendance.

Reserve Fund Balance: This is that portion of fund equity which is not available for appropriation or has been legally separated for a specific purpose.

Revenues: Any increase in a school district's financial resources from property taxes, foundation fund entitlements, user charges, grants, and other sources. Revenues fall into the three broad sources of revenues: Local & Intermediate; State; and Federal.

Robin Hood Funds: See Wealth Equalization Transfer.

Rollback Tax Rate: Provides the unit with approximately the same amount of tax revenue it spent the previous year for day-to-day operations plus an extra 8 percent cushion, and sufficient funds to pay its debts in the coming year. For school districts, the cushion is six cents per \$100 of property value, not 8 percent. School districts calculate the rollback rate necessary to generate the same amount of state and local funds per weighted average daily attendance (WADA) as was available to the districts in the preceding school year, using estimated WADA for the upcoming year, plus six cents, plus the current year's debt rate. The rollback rate is the highest rate that the taxing unit may adopt before voters can petition for an election to roll back the adopted rate to the rollback rate. For school districts, no petition is required; it's an automatic election if the adopted rate exceeds the rollback rate.

School Year: The twelve months beginning September 1 of one year and ending August 31 of the following year or beginning July 1 and ending June 30. Districts now have two options.



GLOSSARY

Special Revenue Fund: A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.

State Revenues: Revenues realized from the Texas Education Agency, other state agencies, shared services arrangements, or allocated on the basis of state laws relating to the Foundation School Program Act. This amount is recorded as Revenue Object 58XX.

Undesignated Unreserved Fund Balances: Available expendable financial resources in a governmental fund that are not the object of tentative management plans (i.e., designations). One primary criterion of rating agencies for school bonds is the relative amount of undesignated unreserved fund balance. Bond rating agencies view undesignated unreserved fund balances as a reflection of the financial strength of school districts and show concern when district fund balances decrease.

Unqualified Opinion: An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

WADA: A Weighted Average Daily Attendance (WADA) is used to measure the extent students are participating in special programs. The concept of WADA in effect converts all of a school district's students with their different weights to a calculated number of regular students required to raise the same amount of revenue. The greater the number of students eligible for special entitlements, the greater a school district's WADA will be.

Wealth Equalization Transfer: The amount budgeted by districts for the cost of reducing their property wealth to the required equalized wealth level (Function 91). Sometimes referred to as Robin Hood Funds.

DISCLAIMER

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