



Fort Worth
INDEPENDENT SCHOOL DISTRICT
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FORT WORTH ISD
**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

FISCAL YEAR ENDED
JUNE 30, 2014

FORT WORTH INDEPENDENT SCHOOL DISTRICT
FORT WORTH, TEXAS



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



Prepared by
Elsie Schiro, Acting Chief Financial Officer
Lori Boswell, Controller
Linda Vaughan, Assistant Controller



Fort Worth
INDEPENDENT SCHOOL DISTRICT

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
FORT WORTH, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014**

Exhibit
Number

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**FORT WORTH INDEPENDENT SCHOOL DISTRICT
FORT WORTH, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2014**

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INTRODUCTORY SECTION



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



November 11, 2014

The Comprehensive Annual Financial Report of the Fort Worth Independent School District (hereinafter referred to as “the District”) is hereby submitted. This report has been prepared to provide the Board of Education (hereinafter referred to as “the Board”), representatives of financial institutions, the citizenry, and other interested parties information concerning the financial condition of the District.

Responsibility for the report’s accuracy, completeness, fairness of presentation, and its disclosures rests with the District. To the best of our knowledge and belief, the enclosed information is accurate in all material aspects. This data is reported in a manner designed to fairly present the financial and operational results of the District as measured by the financial activities of its various funds. Disclosures necessary to enable the reader to gain understanding of such financial operations have been included. The Management’s Discussion and Analysis (MD&A) section provides a brief overview of these financial reports. This transmittal letter is designed to be read in conjunction with the MD&A.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133. Information related to this single audit, including the

schedule of expenditures of federal awards, findings and questioned costs, and the independent auditors’ reports on internal control and compliance, with applicable requirements, are included in a separate report.

This report includes all funds of the District. By way of information, the District is not a component unit nor does it have component units. A component unit is a legally separate organization that a primary government must include as part of its financial reporting entity for fair presentation in conformity with GAAP.



The District is a public school system offering full pre-kindergarten through grade twelve educational opportunities for all students that reside within its geographic boundaries. The District is governed by a nine member Board with decision making authority and responsibility over the fiscal matters of the District with assistance from Administration.

GENERAL INFORMATION

The District was organized by a special act of the Texas State Legislature in March of 1925. In October of 2011, the Board approved a new redistricting map made up of nine single-member districts. Under the new plan, the Board chooses a President among the nine trustees. The new District 9 takes in part of the old Districts 1 and 8. All positions are filled by biennial elections with individual positions coming to the voters on a rotating basis. All candidates must be qualified voters and residents of the District and/or single-member district which they represent.

Regular and special meetings or work sessions of the Board are posted and advertised as prescribed under state law so that the Board may meet to fulfill its charge to the students, parents, staff, and taxpayers of the District. The Board has final control over all school matters except as limited by state law, the courts, and the will of its citizenry as expressed in elections. The Board's responsibilities generally include setting policy for the District to ensure efficient operations; to select and evaluate the Superintendent of Schools; to adopt an annual budget and its supporting tax rate; and to foster good community relations and communications.



The District provides a well-rounded program of public education from pre-kindergarten through grade twelve. The District is fully accredited by the Texas Education Agency. In order to serve its current enrollment of 84,588 students, the District provides regular, special education, vocational, gifted and talented, and bilingual/ESL curriculums. A broad range of elective, extracurricular and concentrated high academic programs are also evidenced. The District has ushered in a new era with winning opportunities for every student giving them power to choose courses of study based on

personal interests and passions in the Gold Seal Programs of Choice--one of the most comprehensive redesigns of secondary school education in the nation. Every Fort Worth ISD high school offers rigorous courses of study based on students' interests as well as the needs of the modern workplace.

Gold Seal Program categories include everything from aviation technology, to biomedical science, to culinary arts, to digital gaming and much more. Each program provides an extraordinary learning opportunity for every student as well as opportunities to earn certificates, licenses, and up to 60 hours of transferrable college credits while still in high school. All of the programs are tied to core instruction in math, science, and English language arts.



STATISTICAL & AREA INFORMATION, DEMOGRAPHICS, AND OTHER INFORMATION



Introduction

Fort Worth, incorporated in 1873, is a political subdivision and municipal corporation of the State of Texas, located in Tarrant, Denton, Parker, and Wise Counties. The City covers approximately 350 square miles and serves a population of 781,000. Fort Worth is named for Major General William Jenkins Worth who was placed in command of the Department of Texas in 1849. Major Worth proposed a line of ten forts to safeguard the western Texas frontier from Eagle Pass to the forks of the Trinity River. After Major Worth died in May of 1849, a camp on the bank of the Trinity River was named Camp Worth in his honor. In August of 1849, Fort Worth was relocated to the north facing bluff which overlooked the mouth of the Clear Fork of the Trinity River. Since that time, Fort Worth has flourished into the 16th largest city in the Nation.

The official 2010 U.S. Census has determined that the population of the Dallas-Fort Worth Metroplex had grown to 6,371,773 people, increasing by about 1.2 million people since the last census was administered in 2000. The estimated population as of 2014 is approximately 6,985,579. The DFW Metroplex is, by population, the largest metropolitan area in Texas, the largest in the South, and the fourth-largest in the United States. Fort Worth is consistently ranked among the top places in the nation to live, work, and play. With a growing workforce, top educational facilities, low cost of doing business, high quality of life, and prime location and climate, the City is an attractive choice for companies looking to expand their operations.



Once dependent on agriculture, oil, and defense, Fort Worth has transitioned into a major center for industry, technology, distribution, and transportation. The City of Fort Worth's Comprehensive Plan establishes a common vision to make Fort Worth recognized as the most livable city in Texas by 2020. The City's leaders identified the key values that are essential in achieving this vision. These include: *Preservation of Western Heritage, Friendly, Small Town Atmosphere,*

Quality and Ethnic diversity of Cultural Life, The Arts, Neighborhood Vitality, Preservation of Historic Buildings and Districts, Efficiency and Equity in Delivery of Quality Public Services, Educational and Economic Opportunity, Aviation History and Technology, Can-Do Attitude, Promotion of Free Enterprise, Protection of Property Rights, Mobility, Children and Youth, Conservation of Natural Resources, Inclusive and Cooperation: "The Fort Worth Way"

Quality of Life

Fort Worth residents enjoy the area's affordable, easy-going lifestyle, thriving business environment, outstanding educational system, active arts community, and a dynamic downtown named "Sundance Square" that offers restaurants, theaters, hotels and nightspots that entertain locals and tourists alike. Downtown Fort Worth's Bass Performance Hall is a world renowned performance venue and hosts performers from around the world.

In Fort Worth's celebrated cultural district, visitors can explore museums that are acclaimed for their architecture, the quality of their collections, and the programs they offer. The museums are situated in a relaxing, park-like setting one mile west of downtown. These include the Kimbell Arts Museum, the Amon Carter Museum of Art, and the Fort Worth Modern Museum of Art. With over 109 acres of museum space, Fort Worth has the second largest number of accredited museums within walking distance of each other, second only to Washington DC. Additionally, the city's cultural district, ranked the third largest in the U.S., provides rich opportunities for visitors of all ages, including the Museum of Science and History, the Fort Worth Botanical Gardens and the Fort Worth Zoo. The zoo, which opened in 1909, is recognized as the first zoo in Texas, and is acknowledged as the best in Texas, and is further recognized as one of the top five zoos in the nation.



Not forgetting the city's western heritage, the National Cowgirl Museum and Hall of Fame have joined other museums in the Cultural District. And, to the north of downtown, the Historic Stockyards District further celebrates Fort Worth's western heritage and is a popular entertainment destination for both tourists and locals. The world famous Will Rogers Coliseum is home to the annual Fort Worth Stock Show and Rodeo as well as a host of events organized by the Professional Rodeo Cowboys Association, Professional Bull Riders Association, and the National Cutting Horse Association just to name a few.



North Texas is one of the few metropolitan regions that have professional football, baseball, basketball, and hockey teams. Dallas is the home of the 2011 NBA Champions, The Dallas Mavericks, and the National Hockey League's Dallas Stars. Nearby Arlington is the home of the American League baseball team Texas Rangers, who were the 2010 and 2011 American League Champions, and the National Football League's Dallas Cowboys. Another popular entertainment destination is the theme park Six Flags over Texas also located in Arlington. The Texas Motor Speedway, located in Fort Worth, is the second largest sports facility in the nation. It hosts two NASCAR races each year, as well as IRL events. Nearby Lone Star Park in Grand Prairie host live quarter horse and thoroughbred racing throughout the year.

Public Safety

In 1995, the citizens of Fort Worth voted to establish a Crime Control and Prevention District (CCPD). The voters elected to renew this District in 2000, 2005, 2009 and most recently in 2014 for another five-year period. Fort Worth's Part I Crime Rate has declined 40% since 1995, while the population continues to increase. Revenue from the one-half cent sales tax serves in



Tax monies fund a variety of successful initiatives, including Citizens on Patrol, Neighborhood Policing Districts and Neighborhood Police Officers. It also pays for aggressive code enforcement, a police gang unit and numerous educational and community outreach programs. The mission of the CCPD is to “enhance Fort Worth’s ability to provide quality service and to work in partnership with the community to reduce crime and to create a safe environment for all.

Public Transportation

Scheduled public bus service throughout Fort Worth is provided by the Fort Worth Transportation Authority, known as the “T”. The “T” is able to partner with different companies, as well as Dallas Area Rapid Transit (DART) through the Trinity Railway Express (TRS), to meet employee transportation needs. Typical commutes for persons working and living in the Fort Worth area are 15 to 20 minutes. Commutes between Dallas and Fort Worth are usually 30-45 minutes.

Air transportation in Fort Worth is unsurpassed. DFW International Airport (the third busiest airport in the world) and Dallas Love Field are both major hubs. Alliance Airport is billed as the world’s first 100% industrial airport and home to FedEx, American Airlines, Galaxy Aerospace, Intel, the Drug Enforcement Agency and many other operations. Meacham Airport offers private aircraft convenient access to the city, and Spinks Flight Center is rapidly becoming home to area flight schools.

In early 2009, the City of Fort Worth developed a comprehensive bicycle transportation plan to provide a safe and attractive alternative mode of transportation in response to the city’s population growth and congestion. The plan incorporated on and off street facilities, policies, and programs to improve bicycling conditions for people to use their bicycles instead of vehicles for transportation other than recreation. On Earth Day 2013 the City of Fort Worth celebrated by launching the first bike-sharing program in North Texas. Bike sharing is a new, environmentally friendly mode of transportation based on shared use of public bicycles. Bikes are available for check-out from 35 bike share stations.



Labor Force

Fort Worth’s labor force is large and diverse, providing a sufficient supply of employees at all skill levels. Fort Worth is a bustling metropolitan area with excellent education and training opportunities. The cost of living is low, helping to keep wage rates competitive. The absence of state or local income taxes is always a plus for workers in Texas. The presence of 16 colleges and universities with over 53,000 students, together with the region’s substantial active and retired military population, further enhance the labor force. North Texas benefits from one of the most educated talent pools in the country with more than 850,000 individuals with a bachelor’s degree and nearly 400,000 with a graduate or higher degree residing in the metroplex. Because



Fort Worth recognizes that a solid education is the foundation for a strong workforce, the business community and educational institutions have established numerous programs to support high school completion, college access and career preparation.

The Economy and 2014 Economic Outlook



Fort Worth is the 16th largest city in the United States of America and the fifth-largest city in Texas; and, according to Forbes.com, ranks as the fourth best big city for US job growth. Aggressive, forward-thinking city government and modern amenities make Fort Worth -an ideal place for business prosperity. The Dallas-Fort Worth metroplex has the 4th highest concentration of Fortune 500 headquarters in the United States and is renowned for its pro-business culture, transportation, and highly skilled workforce. One of the most diverse high-tech manufacturing locations in Texas, Fort Worth is home to a variety of high tech

corporations, including Lockheed Martin, Bell Helicopter and Alcon Laboratories. A number of international corporations are also headquartered here, including American Airlines, BNSF Railway, RadioShack and XTO Energy. The City of Fort Worth embraces economic development by cultivating collaborations that will facilitate business growth by identifying financial incentives to support businesses relocating or expanding in the Fort Worth area. Fort Worth businesses represent a diverse range of industries including life sciences, manufacturing, construction, logistics, energy, retail, professional services and insurance and real estate.

The District's Motto:

“Singleness of Purpose”

In January of 2013, sixteen teams of stakeholders including students, teachers, administrators, school board trustees, community members, governmental leaders, members of faith-based organizations, chambers of commerce, higher education representatives, and others met to give input and insight that culminated in a new plan that will guide the course of the District for next five years. As a result, a new strategic plan was developed that incorporates the needs of the students and community. The Board of Trustees approved the new Fort Worth ISD 2013-2018 Strategic Plan on May 14, 2013. The five year strategic plan will guide district-wide actions and distribution of resources. The district plan, department plans and campus education plans will be aligned with the overall district strategic plan allowing greater accountability and results-oriented planning.

The District's Mission:

“Preparing students for success in college, career and community leadership”

The District's Vision: "Igniting in Every Child a Passion for Learning"

District Values:

- **Value 1: Student Achievement**
- **Value 2: Leadership Development**
- **Value 3: Stakeholder Collaboration**
- **Value 4: Respect for Diversity**
- **Value 5: Equity in Access**
- **Value 6: Perseverance & Commitment**
- **Value 7: Continuous Improvement**

2013-2018 Strategic Goals

1. **Increase Student Achievement**
2. **Improve Operational Effectiveness and Efficiency**
3. **Enhance Family and Community Engagement**
4. **Develop a Workforce that is Student and Customer-Centered**



CAPITAL IMPROVEMENT PROGRAM

With the successful completion of the 2007 CIP program, Straight to the Classroom, the voters answered the District's request for continuous improvement by overwhelmingly approving the District's new \$489.9 million initiative, Commitment to Classrooms by more than 72% in the November 2013 election. The voters approved all three propositions including funding for District-wide security and technology upgrades, District-wide Pre-kindergarten, classroom additions, kitchen and cafeteria renovations, two new elementary schools, new field houses, Wi-Fi study areas and renovations to existing facilities, a Performing and Fine Arts Academy, a Science, Technology, Engineering and Math, (STEM) Academy in addition to refreshing of school buses, musical instruments, uniforms, furniture and fixtures. Upon approval by the voters, work began immediately on the 2013 CIP program with \$53.9 million of budgeted funds utilized in 2014.



FINANCIAL INFORMATION

Overview:

The administration of the Fort Worth Independent School District is responsible for establishing and maintaining internal controls that are designed to ensure that the assets of the District are protected from loss, theft, and misuse. The administration is also charged to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Accounting Department of the District has not only fulfilled these needs, but has been honored with both the Government Finance Officers Association's and the Association of School Business Officials International's prestigious awards for "Excellence in Financial Reporting".

Internal controls are designed to provide reasonable, but not absolute, assurance that the above objectives are being met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

The District employs a full time Internal Audit Department. Its responsibility is to provide assistance for ensuring the public's trust.

Single Audit. As a recipient of federal, state and local financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to provide compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the internal audit staff of the District. As a part of the District's single audit process, tests are made to determine the adequacy of the internal controls, including that portion related to federal awards programs, as well as to determine the District's compliance with applicable laws and regulations.

Budgetary Controls. The District maintains budgetary controls throughout all of its financial systems. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated (official) budget adopted by the Board, in the General Fund, Debt Service Fund, and Food Service Enterprise Fund. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) are monitored at the fund-function-object code levels. However, District systems can exercise budgetary controls at varying combinations of the account code structure. The Texas accounting system for school districts, as codified in Texas Education Agency Financial Accountability System Resource Guide, requires the usage of a twenty-digit account code structure and requires budgetary control through the fund-function level. A local education agency can expand the account code structure, as required for local definition or to accommodate financial software systems, which the District has elected to do. Oversight control of all the District's expenditures is maintained at this level by the budget staff.

The District also utilizes an encumbrance accounting system to maintain budgetary control through a transaction's life cycle. Outstanding encumbrances at the end of a fiscal year are no longer reported separately on the face of the balance sheet in accordance with GASB 54. If the requirements for commitment or assignment of funds are met, then those encumbrances would be reported accordingly, but not as "committed or assigned for encumbrances." The District did not commit or assign encumbrances for the period ended June 30, 2014.

Independent Audit. State law and District policy require an annual audit by independent certified public accountants. The annual audit was performed by Weaver and Tidwell LLP for the year ended June 30, 2014.

In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act of 1996 and related OMB Circular A-133. The independent auditors' report on the basic financial statements and the Management's Discussion and Analysis report are included in the financial section of this report. The independent auditors' reports relating specifically to the single audit are included in a separate report.

AWARDS

The Association of School Business Officials International ("ASBO") awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the twenty-eighth consecutive year that the District has received these prestigious awards. In order to be awarded these Certificates, the District published an easily readable and efficiently organized comprehensive annual financial report, which satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificates are valid for a period of one year only. The District believes that this current Comprehensive Annual Financial Report continues to meet both Certificate programs' requirements, and it will be submitted for review to both ASBO and GFOA to determine its eligibility for another certificate.

The District is also the recipient of a Superior Achievement Rating on the 2013-2014 FIRST, Financial Integrity Rating System of Texas based on the reporting period of Fiscal Year 2012-2013. The District received a perfect score of 70 on the twenty (20) defined indicators.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated efforts of the entire staff of the Accounting and Business and Finance Departments. Sincere appreciation for everyone's time and effort in this endeavor is hereby expressed. Also, special thanks needs to be extended to the Board and the District's Audit Committee for their interest and support in the District's financial departments. Their concern that the business operations of the District be conducted efficiently and responsibly and their recognition of the importance of such services makes such tasks rewarding for the staff as a whole.


Lori Boswell
Controller


Elsie I Schiro
Acting Chief Financial Officer


Patricia Linares, Ph.D.
Interim Superintendent

Certificate of Board

Fort Worth Independent District

Fort Worth, Texas

Name of School

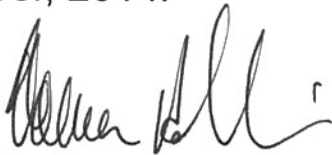
Tarrant

County

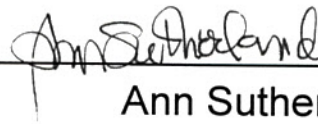
220-905

Co.-Dist. Num.

We, the undersigned, do hereby certify that the attached auditors' report of the above named school district was reviewed and approved disapproved (check one) for the year ended June 30, 2014, at the meeting of the board of school trustees of such school district on the 11th day of November, 2014.



Norman Robbins
Board President



Ann Sutherland
Board Secretary



Fort Worth
INDEPENDENT SCHOOL DISTRICT



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Fort Worth
Independent School District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Fort Worth Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Terrie S. Simmons".

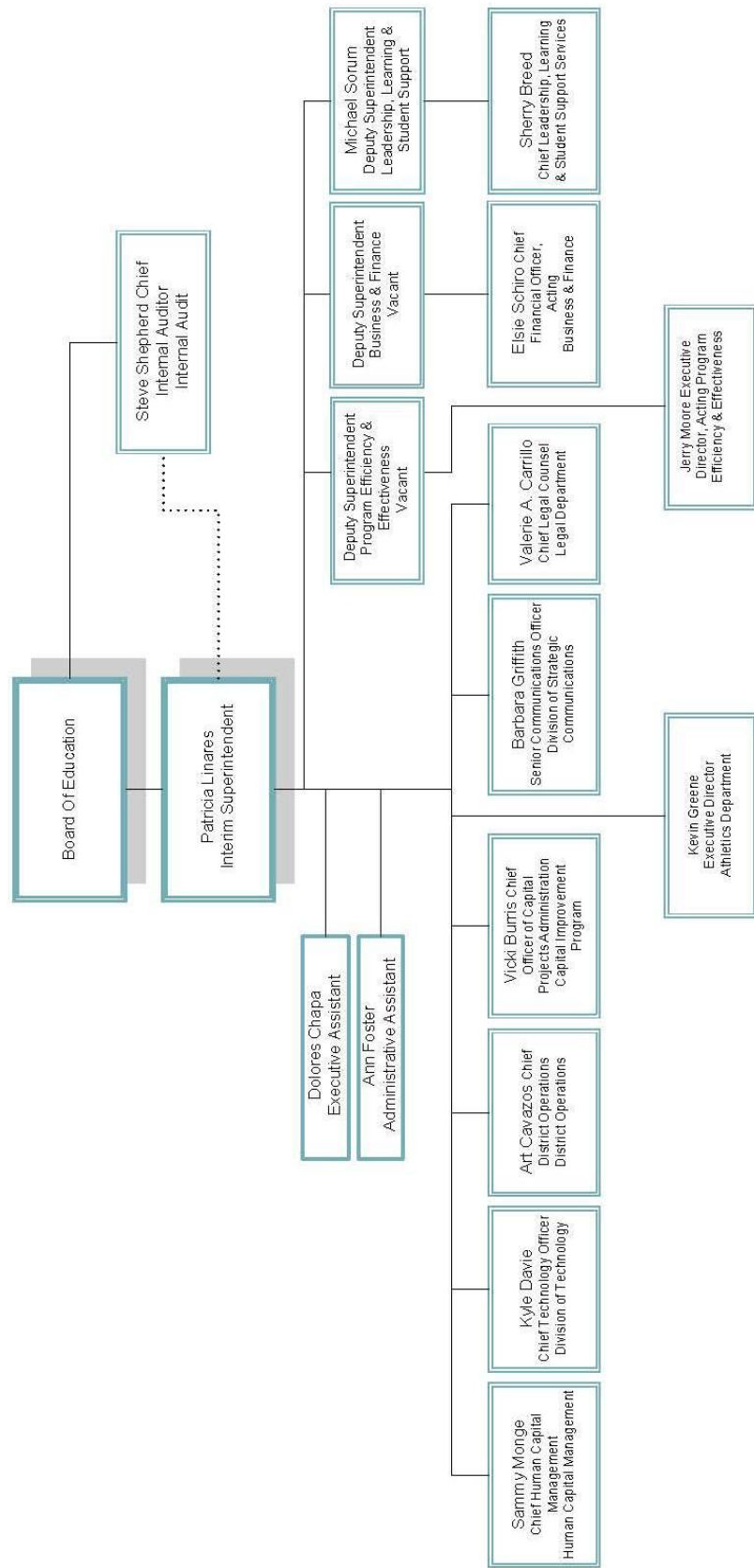
Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading "John D. Musso".

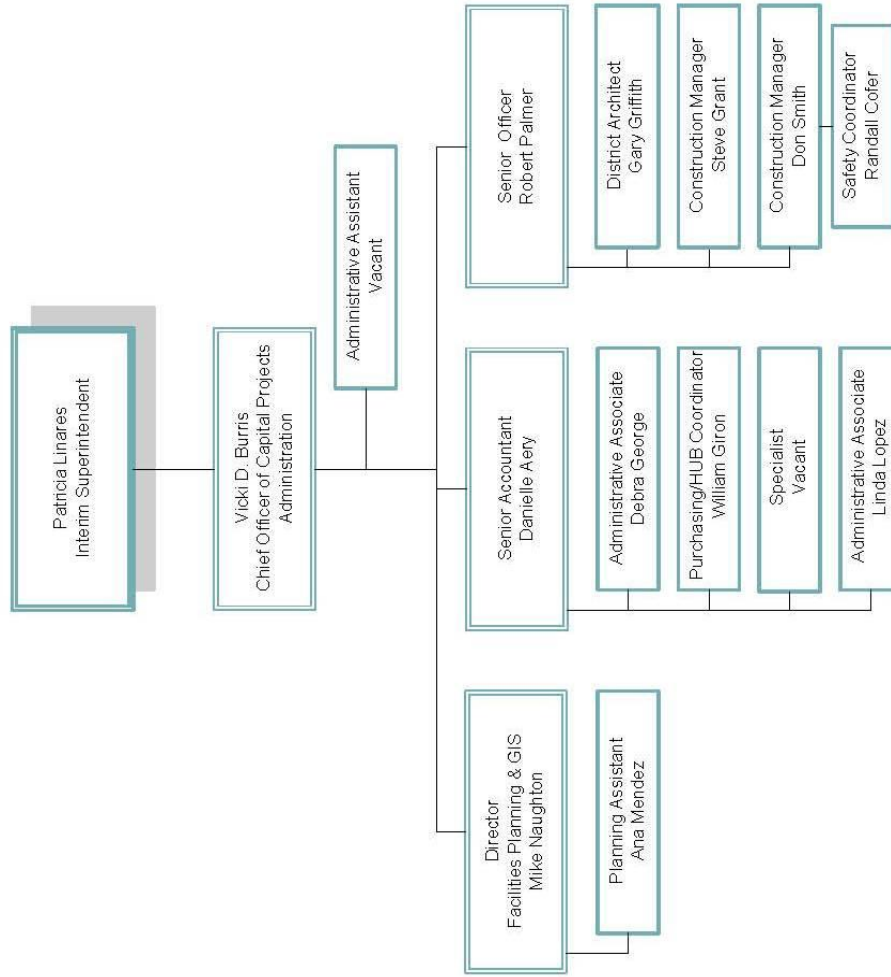
John D. Musso, CAE, RSBA
Executive Director

Fort Worth Independent School District

ORGANIZATIONAL CHART

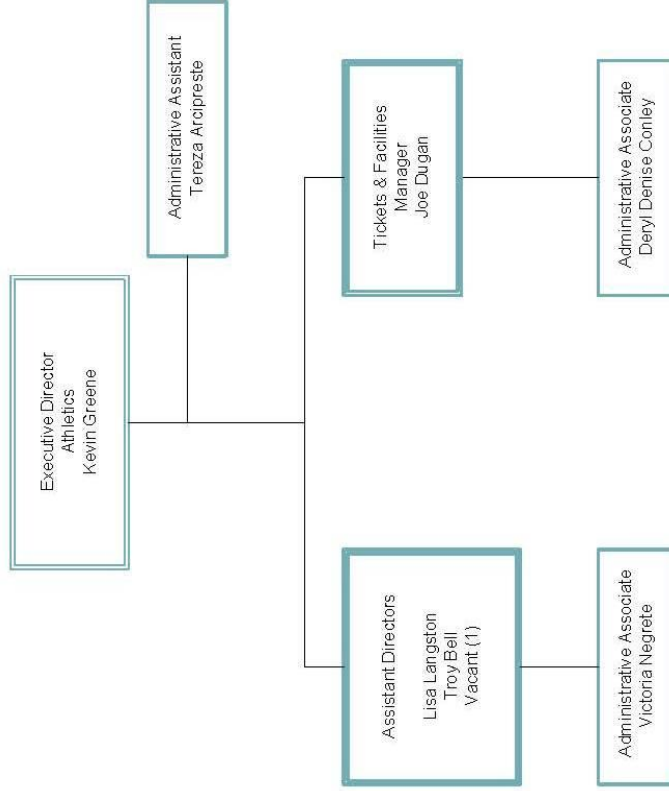


Capital Improvement Program ORGANIZATIONAL CHART



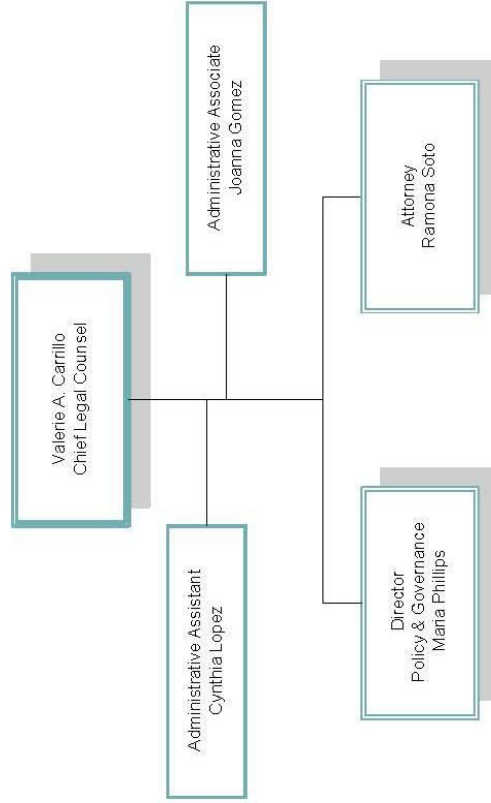
Athletics

ORGANIZATIONAL CHART



Legal Services

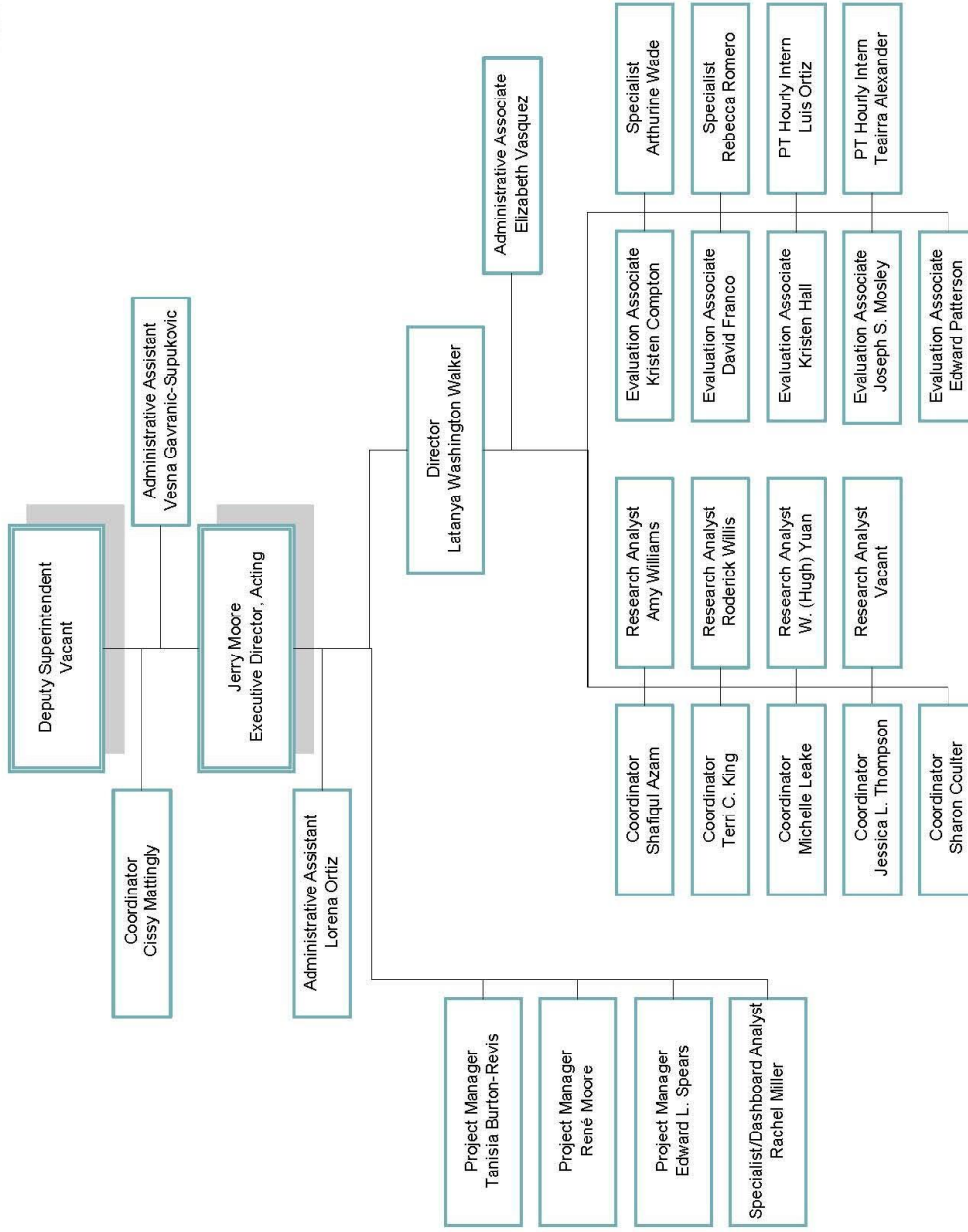
ORGANIZATIONAL CHART



Program Efficiency, Effectiveness & Sustainability

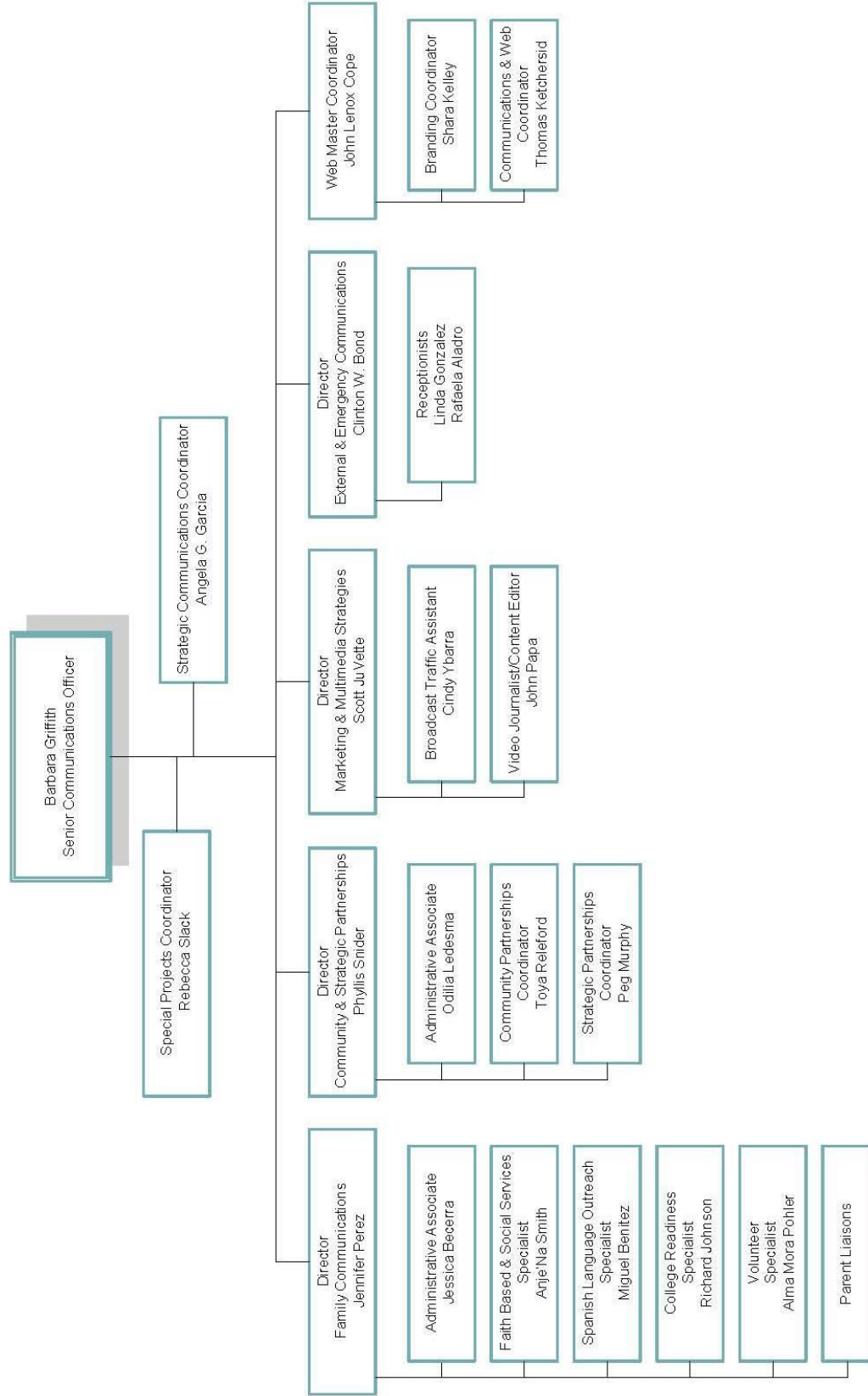


ORGANIZATIONAL CHART

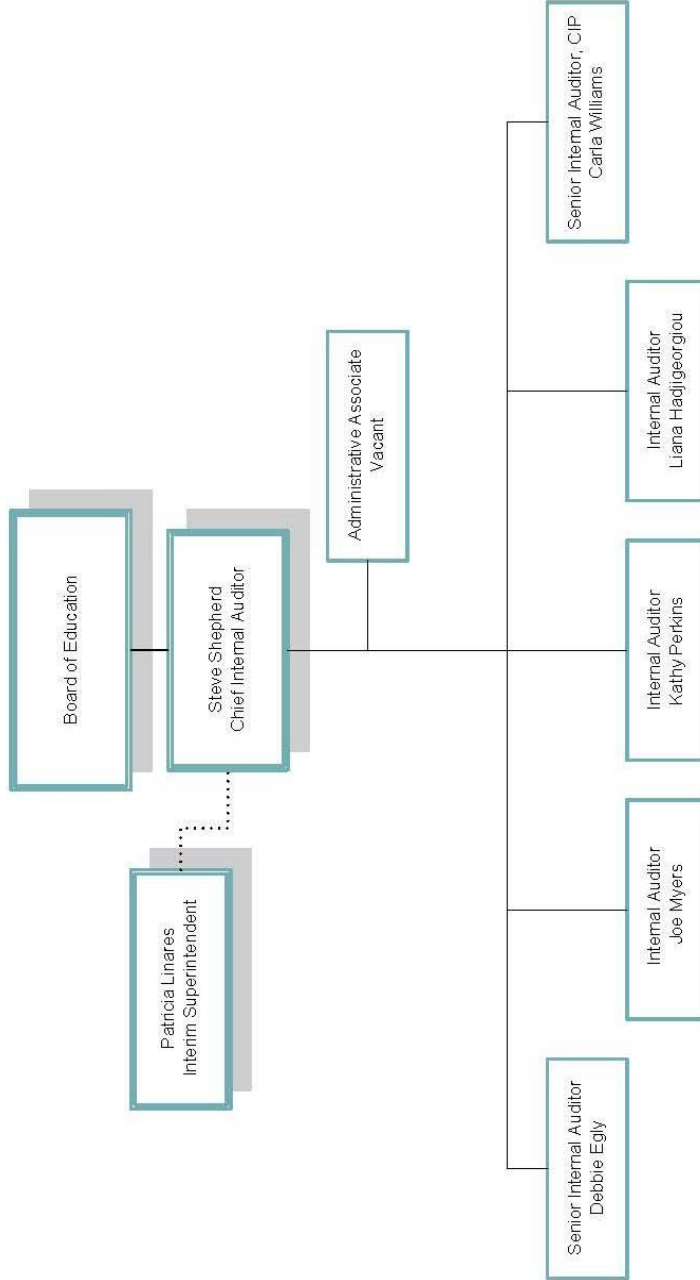


Division of Strategic Communications

ORGANIZATIONAL CHART

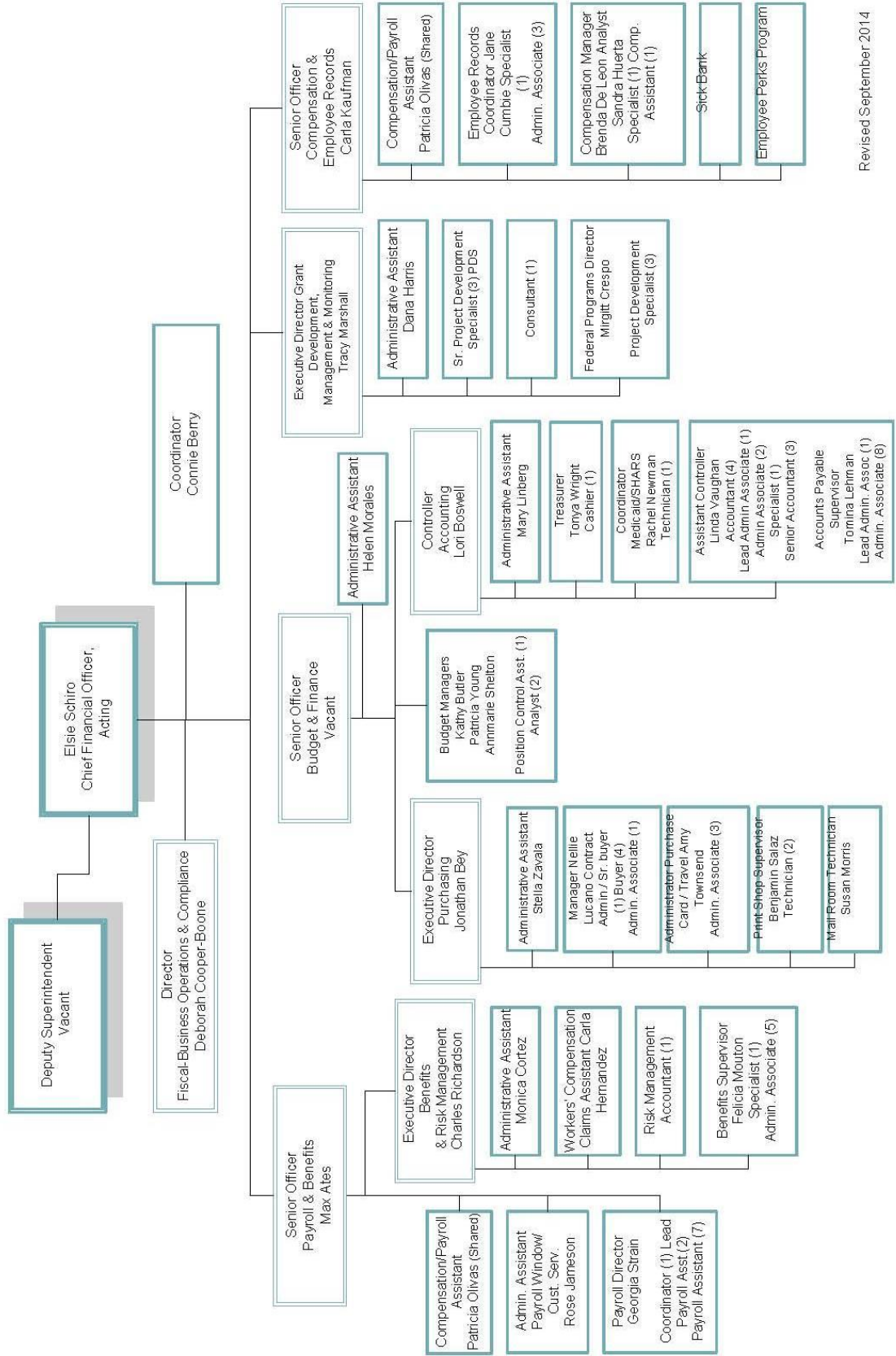


Internal Audit ORGANIZATIONAL CHART



Business & Finance

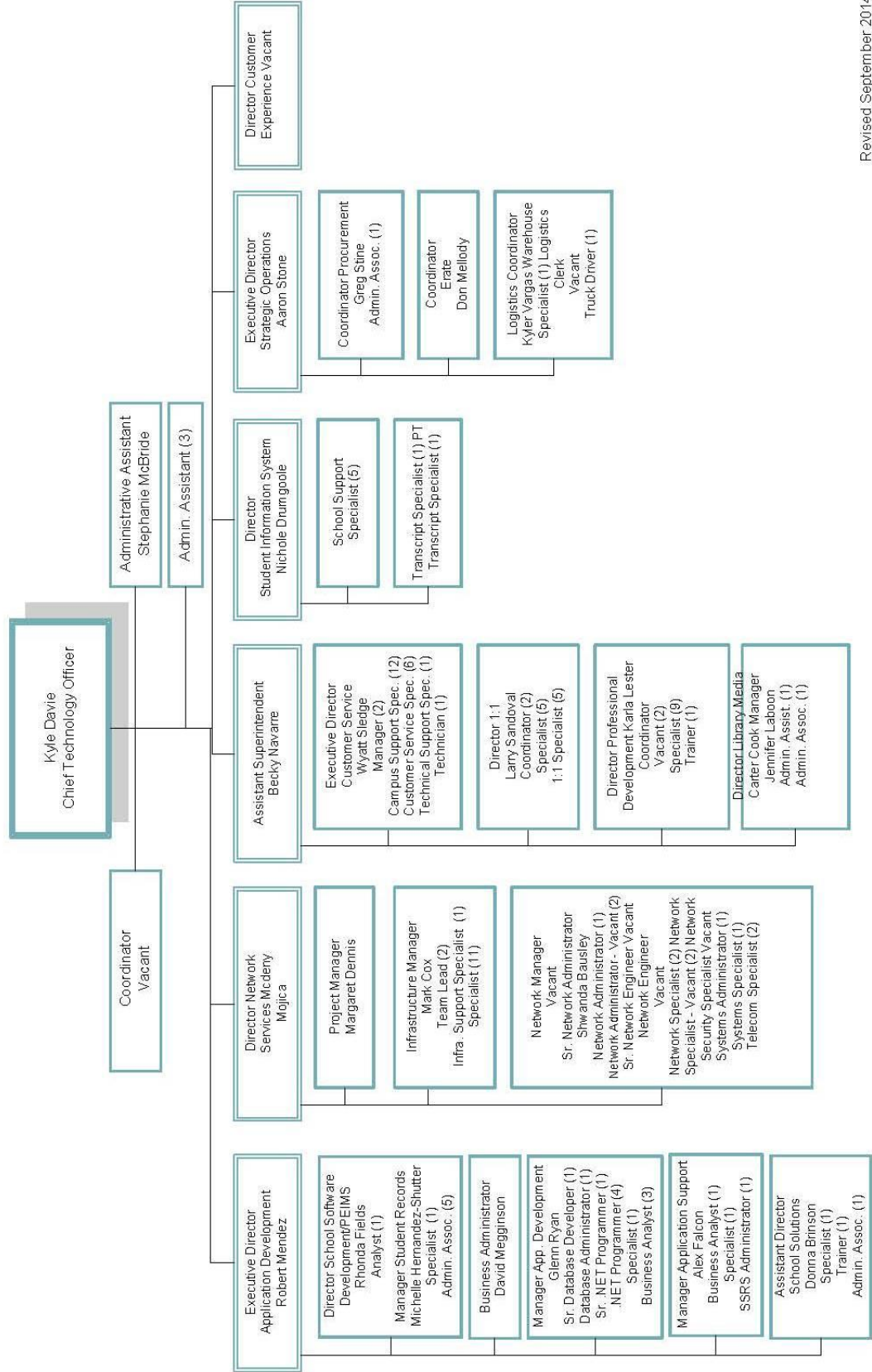
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Revised September 2014

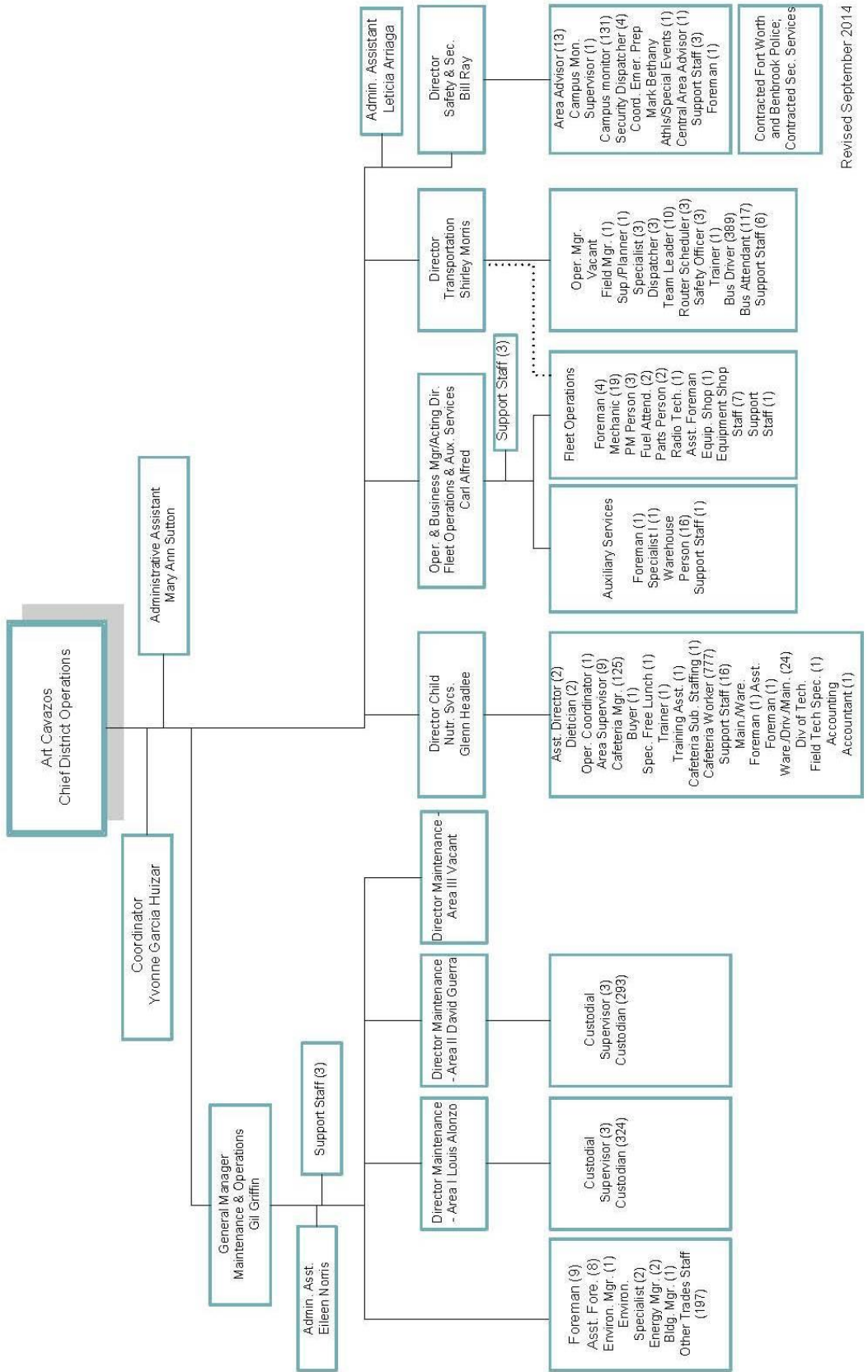
Division of Technology

ORGANIZATIONAL CHART



District Operations

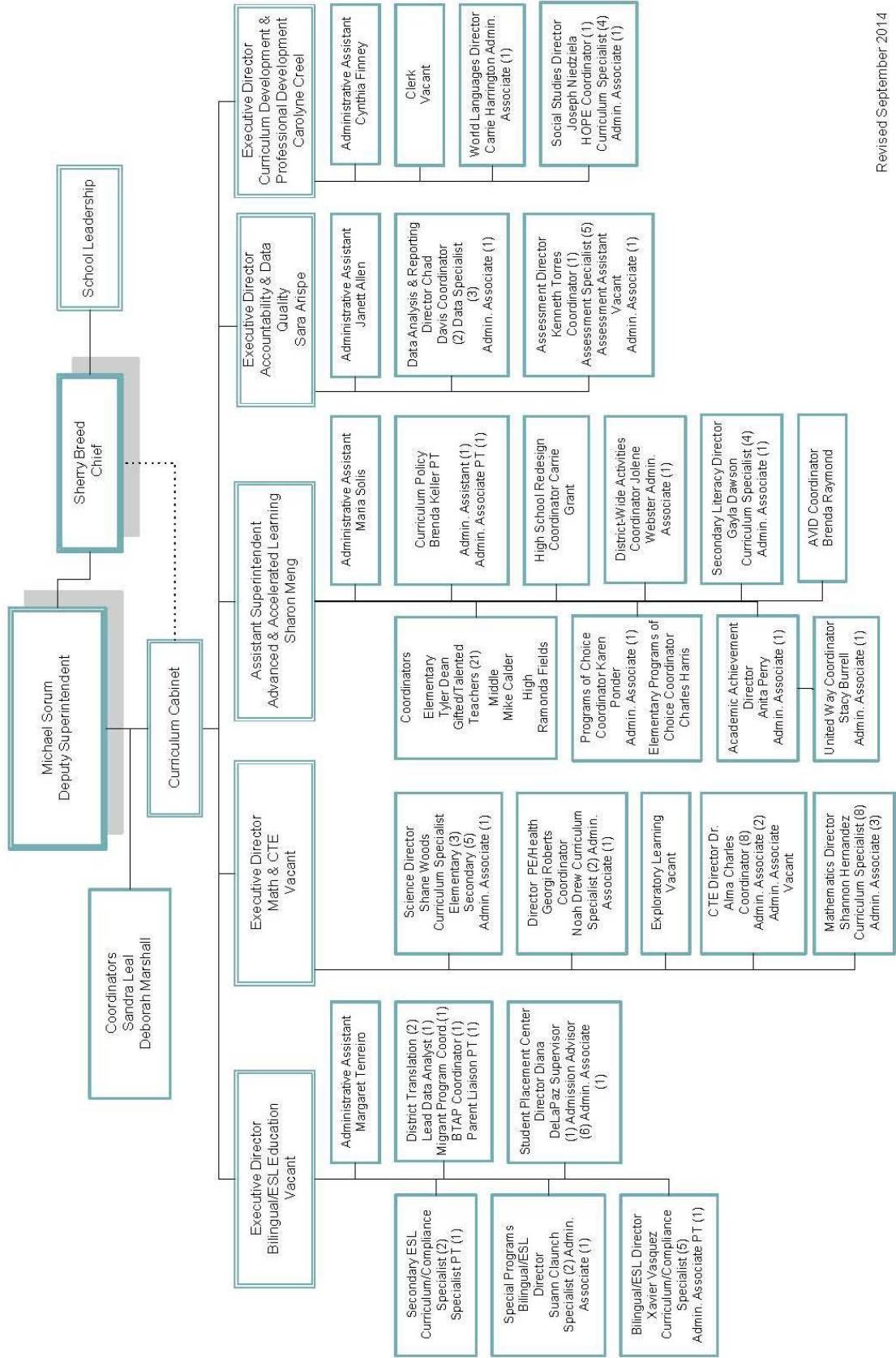
ORGANIZATIONAL CHART



Revised September 2014

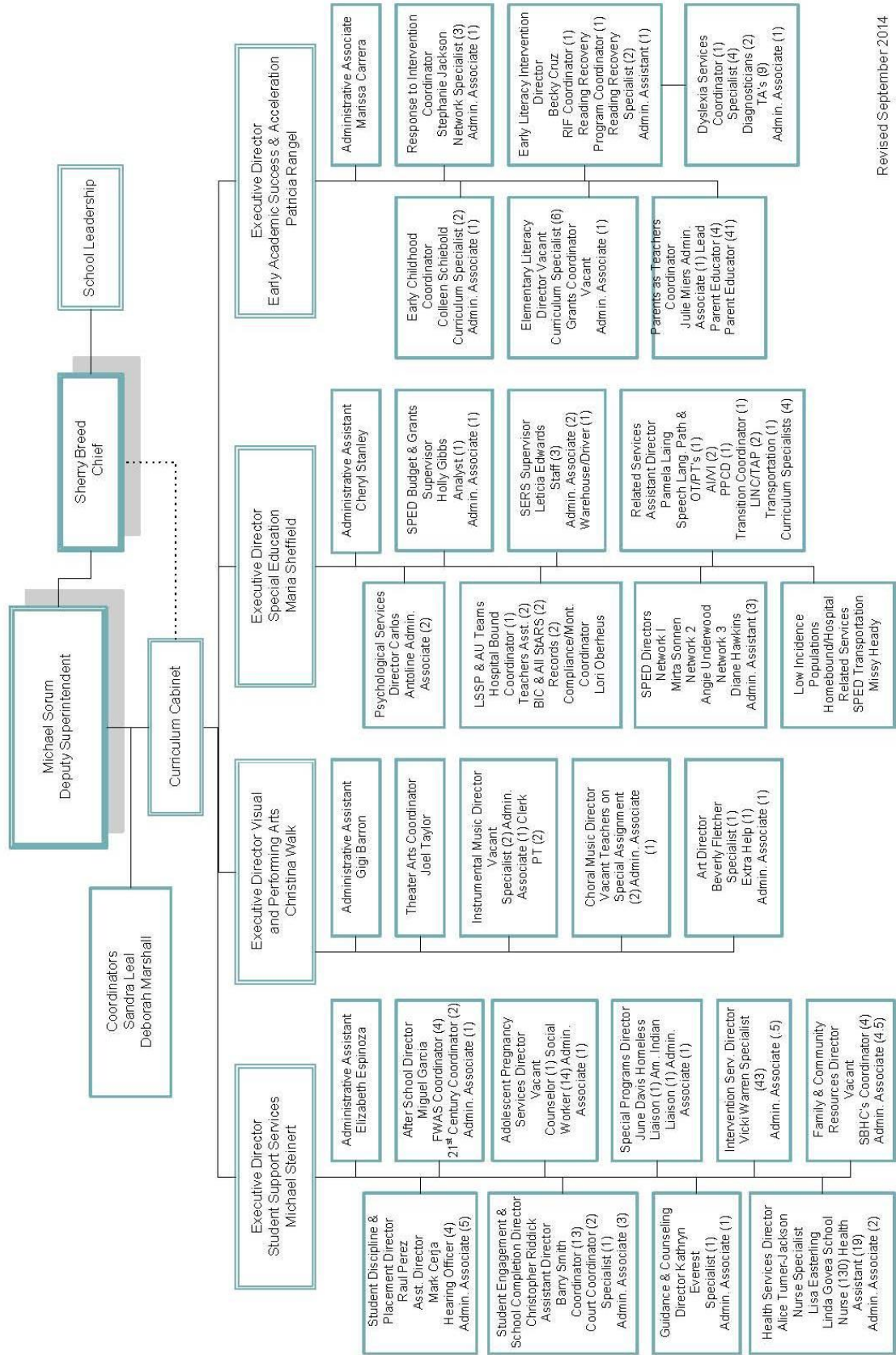
Leadership, Learning & Student Support

ORGANIZATIONAL CHART



Leadership, Learning & Student Support

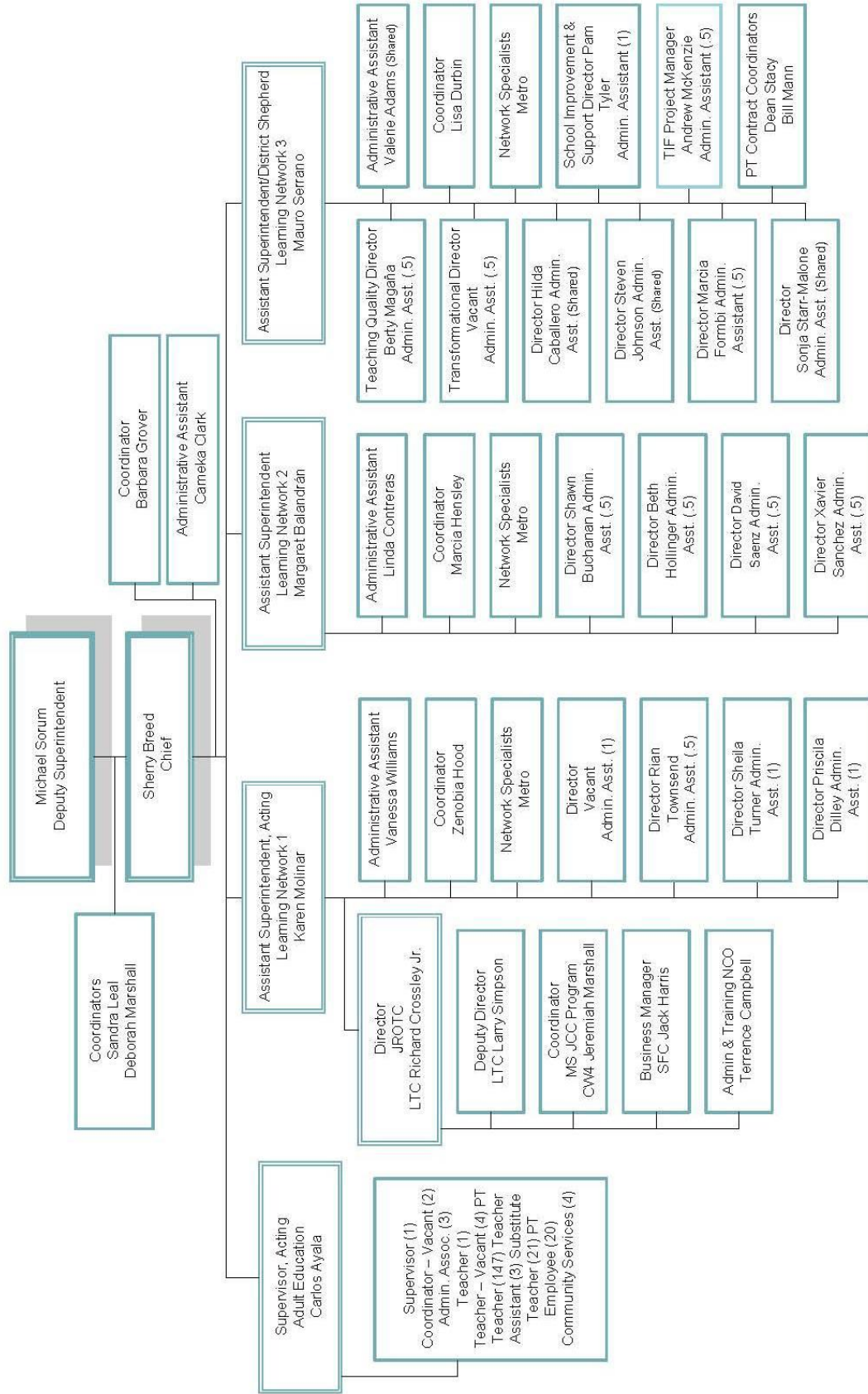
ORGANIZATIONAL CHART



Revised September 2014

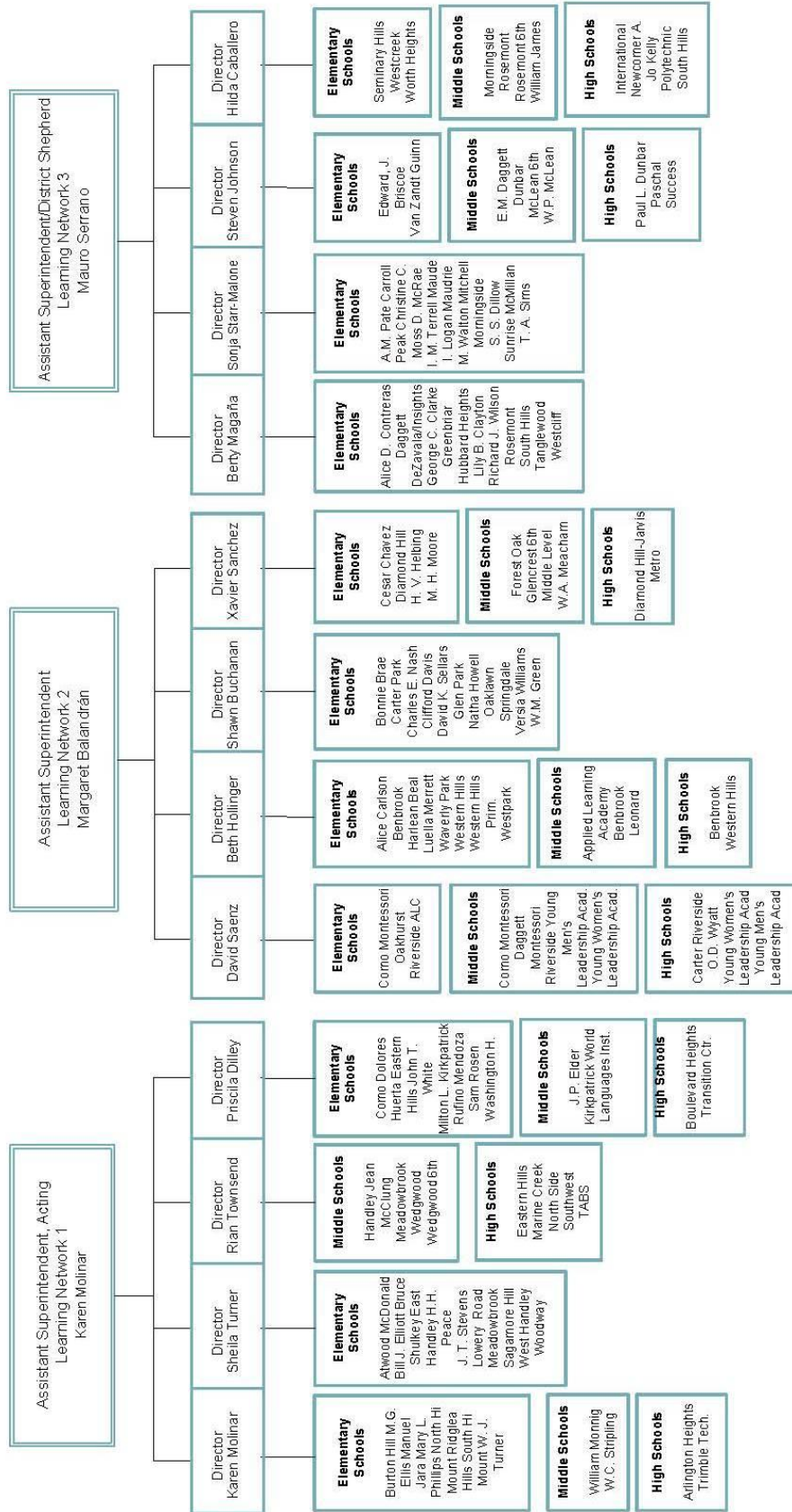
Leadership, Learning & Student Support

ORGANIZATIONAL CHART



Leadership, Learning & Student Support

School Assignments by Leadership Director



BOARD MEMBERS AND THEIR DISTRICTS

T. A. SIMS SR.

Board 1st Vice President
 District 4
 First elected 1983
 Pharmacist
 Term Expires 2017
 4421 Kingsdale Drive
 76119, (817) 534-6406
ta.sims@fwisd.org



ANN SUTHERLAND

Board Secretary
 District 6
 Elected 2010
 Educator, Budget Analyst
 Term Expires 2015
 4028 Aragon Drive
 76133, (817) 504-3360
ann.sutherland@fwisd.org



TOBI JACKSON

District 2
 Elected 2010
 Professional Educator
 Term Expires 2015
 2108 Yosemite Court
 76112, (817) 457-7816
tobi.jackson@fwisd.org



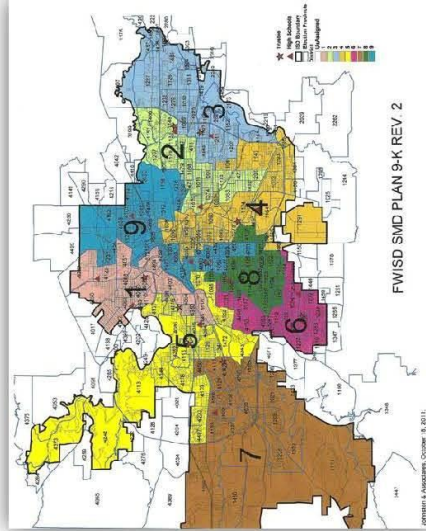
MATTHEW AVILA

District 8
 First elected 2013
 Business Executive
 Term Expires 2017
 1929 Chatburn Court
 76110, (817) 946-8080
matthew.avila@fwisd.org



NORMAN ROBBINS

Board President
 District 7
 Elected 2004
 Sr. Mgr. Community Relations
 Term Expires 2017
 6144 Plum Valley Place
 76116, (817) 851-4392
norman.robbins@fwisd.org



PATRICIA LINARES, Ph.D.

Interim Superintendent
 (817) 814-1900
patricia.linares@fwisd.org

JACINTO RAMOS, JR.

Board 2nd Vice President
 District 1
 First elected 2013
 TCJS, Restitution Supervisor
 Term Expires 2017
 1817 Harrington Ave.
 76164, (817) 971-8328
jacinto.ramos@fwisd.org



CHRISTENE C. MOSS

District 3
 Elected 1990
 Long term care RN
 Consultant
 Term Expires 2015
 5625 Eisenhower
 76112, (817) 429-9071
christene.moss@fwisd.org



JUDY NEEDHAM

District 5
 Elected 1996
 Fundraising Consultant
 Term Expires 2015
 7579 Surfside Drive
 76135, (817) 223-0552
judy.needham@fwisd.org



ASHLEY PAZ

District 9
 First elected 2013
 Event Mgmt Consultant
 Term Expires 2017
 2000 Hurley Ave
 76110, (817) 965-1253
ashley.paz@fwisd.org



SUPERINTENDENT'S CABINET

Dr. Patricia Linares..... Interim Superintendent
Vacant Deputy Superintendent, Program Efficiency & Effectiveness
Michael Sorum Deputy Superintendent, Leadership, Learning & Student Support
Vacant Deputy Superintendent, Finance, Business, & Operations
Valerie A. Carrillo Chief Legal Counsel, Legal Department
Sherry Breed Chief Leadership, Learning & Student Support Services
Kyle Davie Chief Technology Officer, Division of Technology
Art Cavazos Chief District Operations, District Operations
Sammy Monge Chief Human Capital Management, Human Capital Management
Barbara Griffith Senior Communications Officer, Communications Department
Elsie I. Schiro Acting Chief Financial Officer, Business & Finance

BUSINESS/FINANCE DEPARTMENT

Lori Boswell Controller
Linda Vaughan Assistant Controller

INTERNAL AUDIT

Steven Shepherd Chief Internal Auditor

ACCOUNTANTS AND ADVISORS

Weaver and Tidwell, L. L. P. Independent Auditors
Fort Worth, Texas
Kelly, Hart and Hallman Bond Counsel
Fort Worth, Texas
First Southwest Company Financial Advisors
Dallas, Texas



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Board of Education
Fort Worth Independent School District
Fort Worth, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fort Worth Independent School District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

During 2014, as discussed in Notes 1 and 19 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) No. 65, *Items Previously Reported as Assets and Liabilities*. Beginning net position has been restated to reflect the change in accounting principle resulting from GASB No. 65. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–21 and 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

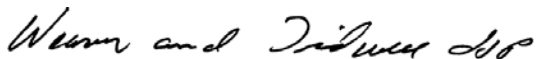
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 11, 2014



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

In this section of the Comprehensive Annual Financial Report, the Fort Worth Independent School (the District) discusses and analyzes its financial performance for the period ended June 30, 2014. This section should be read in conjunction with the transmittal letter, the independent auditors' report, and the District's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- Total combined net position for the District amounted to \$480.8 million as of June 30, 2014. This was an increase of 3.2% from the previous year.
- Total primary government expenses totaled \$821.8 million up by 6.2% from the prior year. Of this amount total Governmental Activities totaled \$779.1 million and Business-Type Activities totaled \$42.6 million.
- Net position of the enterprise fund (business-type activities) increased by \$1.2 million to \$12.7 million, an increase of 10.0%.
- The total available general fund balance increased by \$3.3 million from last year to \$164.1 million.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$133.7 million, or 21.5% of total general fund expenditures

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The two major categories of statements are the government-wide statements and the fund financial statements.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole and provide both long-term and short-term information about the overall financial status.

The fund financial statements focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending. Proprietary funds statements offer short and long-term financial information about the activities the government operates like businesses, such as food service. Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information contained in the financial statements and provide more detailed information and data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The remainder of this overview section of the MD&A explains the structure and contents of each of the statements.

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position, deferred outflows and change in net position. Net position—the difference between the District's assets, deferred outflows, liabilities and deferred inflows—is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating.
- To assess the overall health of the District, additional non-financial factors such as changes in the District's tax base must be considered.

The government-wide financial statements of the District include the Governmental Activities and Business-Type Activities. Most of the District's basic services are included in the Governmental Activities, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Business-type activities include those services for which fees are charged to help cover the cost of the services. The District's food service enterprise fund is included here.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The District has three kinds of funds:

- *Governmental Funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements, or on the subsequent page that explains, the relationship (or differences) between them.

- *Proprietary Funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.

The District uses the food service enterprise fund to report activities related to the school lunch and breakfast program. The District also established the Leadership Learning Center in 2014 as a new enterprise fund to not only serve programs of the District, but other school districts, organizations, as well as the community.

Internal service funds are used to report activities that provide supplies and services for the District's other programs and activities—such as the District's self-funded Workers' Compensation and Unemployment Insurance Fund, the Print Shop Fund and the Research and Evaluation Fund.

- *Fiduciary Funds*—The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's *combined* net position were \$480.8 million on June 30, 2014 (See Table A-1).

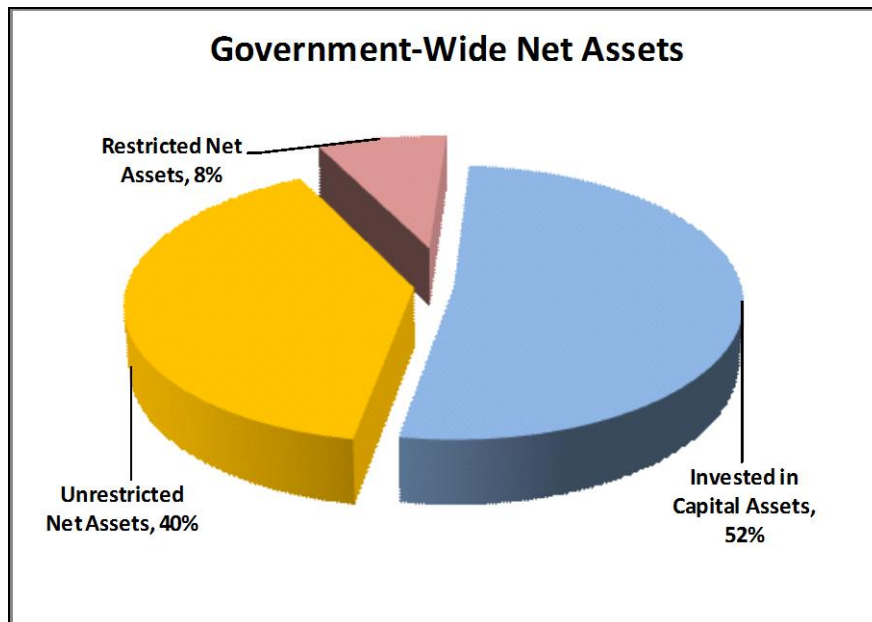
Some of the District's net position from governmental activities are either restricted as to the purpose they can be used for or they are invested in capital assets. The unrestricted net position of the governmental activities of the District total \$186.5 million. The district had \$242.4 million net investment in capital assets.

The net assets of the business-type activities totaled \$12.7 million. These resources cannot be used for governmental activities. The District can generally only use these net assets to finance the continuing operations of its business activities in food service and the Leadership Learning Center.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Table A-1
The District's Net Assets
(in millions of dollars)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current Assets	\$ 532.2	\$ 387.1	\$ 13.1	\$ 12.8	\$ 545.3	\$ 399.9
Capital Assets	913.7	922.9	1.0	0.5	914.7	923.4
Total Assets	1,445.9	1,310.0	14.1	13.3	1,460.0	1,323.3
Deferred loss on Refunding						
Total Deferred outflow of resources	6.8	8.3	-	-	6.8	8.3
Current Liabilities	216.5	169.0	1.4	1.7	217.9	170.7
Non-Current Liabilities	768.1	694.8	-	-	768.1	694.8
Total liabilities	984.6	863.8	1.4	1.7	986.0	865.5
Net Assets:						
Net Invested in capital assets	242.4	229.7	1.0	0.5	243.4	230.2
Restricted Net Assets	39.2	31.2	11.7	11.1	50.9	42.3
Unrestricted Net Assets	186.5	193.6	-	-	186.5	193.6
Total Net Assets	\$ 468.1	\$ 454.5	\$ 12.7	\$ 11.6	\$ 480.8	\$ 466.1



Reviewing Table A-1 reveals an increase in governmental activities current assets from the prior year by \$145.1 million. This was largely attributed to an increase in cash and investments largely attributed to proceeds from the issuance \$122,825,000 in Unlimited Tax School Building Bonds in January of 2014 as a result of the 2013 CIP program approved by voters in November

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

of 2013 as well as an increase in revenue generated from the Medicaid Administrative Claiming, (MAC) program. With the completion of the 2007 CIP, there was a \$9.1 million decrease in capital assets. This decrease was also attributed to a portion of the District's bus fleet reaching full depreciation. Non-current liabilities increased due to increased debt resulting from the January 2014 bond issuance. At June 30, 2014, the District maintained \$186.5 million in unrestricted net assets available to fund on-going projects of the District. The District further had invested \$242.4 million in capital assets, net of related debt—an increase of \$12.7 million from the prior year due to capital additions.

Business-type activities current assets increased by \$0.3 million over last year mainly driven by increase in food service inventory. Capital assets increased slightly due to the upgrade in food service equipment. Total liabilities decreased from the prior year as a result of a decrease in accounts payable at year-end due to increased efficiencies in processing invoices. The increase in total assets was the result of revenues exceeding expenses in the food service program by \$1.2 million for the 2013-2014 school year attributed to the increase in local revenue coupled with increases in state matching, NSLP reimbursements, and USDA Commodities. (See Exhibit D-2 at page 42).

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Total Program Revenues: The District's total revenues were \$840.9 million, broken down into governmental activities totaling \$797.0 million and business type activities totaling \$43.8 million. The decrease in total revenue this reporting period over last year (\$3.2 million) is the result of decreased revenue from state aid.

Total Program Expenses: The District's total expenses were \$821.8 million, broken down into governmental activities totaling \$779.1 million and business type activities totaling \$42.6 million. The increase in total expenditures this reporting period over last year (\$48.2 million) is the result of approved budget enhancements and additions approved by the Board of Trustees when the 2013-2014 budget was adopted.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Key elements of program revenues and expenses are listed below, together with an analysis as noted on the following page (See Table B-1).

**Table B-1
Change in Net Assets
(in millions of dollars)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
PROGRAM REVENUES:						
Charges for services	\$ 6.4	\$ 6.1	\$ 4.5	\$ 4.2	\$ 10.9	\$ 10.3
Operating Grants and Contributions	128.6	131.0	39.2	37.5	167.8	168.5
General Revenue:						
Property taxes - Maintenance & Operations	285.4	277.8	-	-	285.4	277.8
Property taxes - Debt Service	77.0	75.1	-	-	77.0	75.1
State aid - formula grants	294.0	306.8	-	-	294.0	306.8
Investment earnings	0.2	0.5	-	-	0.2	0.5
Miscellaneous	5.4	5.1	-	-	5.4	5.1
Total Revenues	797.0	802.4	43.7	41.7	840.7	844.1
EXPENSES						
11 Instruction	439.1	415.9	-	-	439.1	415.9
12 Instructional resources and media services	12.1	11.7	-	-	12.1	11.7
13 Curriculum development and instructional staff development	28.2	25.1	-	-	28.2	25.1
21 Instructional leadership	15.6	12.8	-	-	15.6	12.8
23 School leadership	46.4	45.7	-	-	46.4	45.7
31 Guidance, counseling and evaluation services	37.7	34.1	-	-	37.7	34.1
32 Social work services	4.1	4.4	-	-	4.1	4.4
33 Health services	7.7	7.8	-	-	7.7	7.8
34 Student (pupil) transportation	19.6	18.7	-	-	19.6	18.7
35 Food services	0.8	0.2	42.5	40.3	43.3	40.5
36 Cocurricular/Extracurricular activities	11.4	10.8	-	-	11.4	10.8
41 General administration	15.8	15.0	-	-	15.8	15.0
51 Plant maintenance and operations	76.5	69.8	-	-	76.5	69.8
52 Security and monitoring services	11.3	10.5	-	-	11.3	10.5
53 Data processing services	10.4	9.4	-	-	10.4	9.4
61 Community services	6.3	5.6	-	-	6.3	5.6
71 Debt service	30.2	29.5	-	-	30.2	29.5
93 Payments to fiscal agent	0.1	0.1	-	-	0.1	0.1
95 Payments to juvenile justice alternative education programs	0.1	0.3	-	-	0.1	0.3
97 Payments to tax increment fund	3.7	3.8	-	-	3.7	3.8
99 Other intergovernmental charges	2.0	2.1	-	-	2.0	2.1
Leadership learning center	-	-	0.1	-	0.1	-
Total Expenses	779.1	733.3	42.6	40.3	821.7	773.6
Increase in Net Position	17.9	69.1	1.1	1.4	19.0	70.5
Beginning Net Position	454.5	385.4	11.6	10.2	466.1	395.6
Change in Accounting Principle	(4.3)	-	-	-	(4.3)	-
Ending Net Position	\$ 468.1	\$ 454.5	\$ 12.7	\$ 11.6	\$ 480.8	\$ 466.1

(Notes: Investment earnings for Business Type Activities was less than one million dollars; actual amount \$4,780).

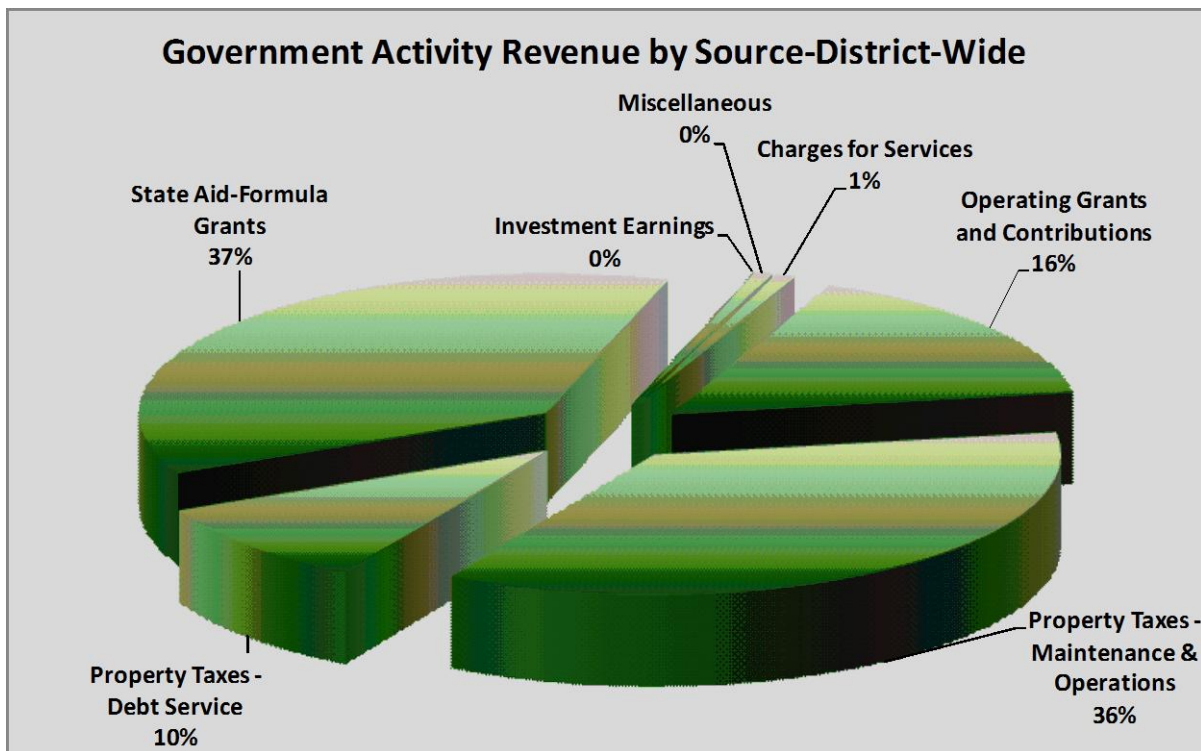
*Differences in Table from other Exhibits due to rounding.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Government Activities Revenue:

A significant portion, 45.5%, of the District's governmental activities revenue came from property taxes (35.8% for Maintenance and Operations and 9.7% for Debt Service). Maintenance and Operations (M & O) and Interest and Sinking (I & S) tax revenue collections increased from the prior year. Property values increased over the prior year, resulting in a 2.7% increase in current tax collections during this reporting period.

State aid and state and federal grants and contributions were also a significant part of the District's operations, representing 53.0% of the District's revenue (36.9% from State aid-formula grants and 16.1% from Operating Grants and Contributions). Revenues generated from the state foundation program totaled \$294.0 million, a decrease of \$12.8 million largely due to the change in estimates for the ESL/Bilingual ADA. Investment income, charges for services and other revenue make up the remaining 1.5% portion of the District's total governmental activities revenue. District investment income was lower from prior years due to continued decline in rates of return on investments.

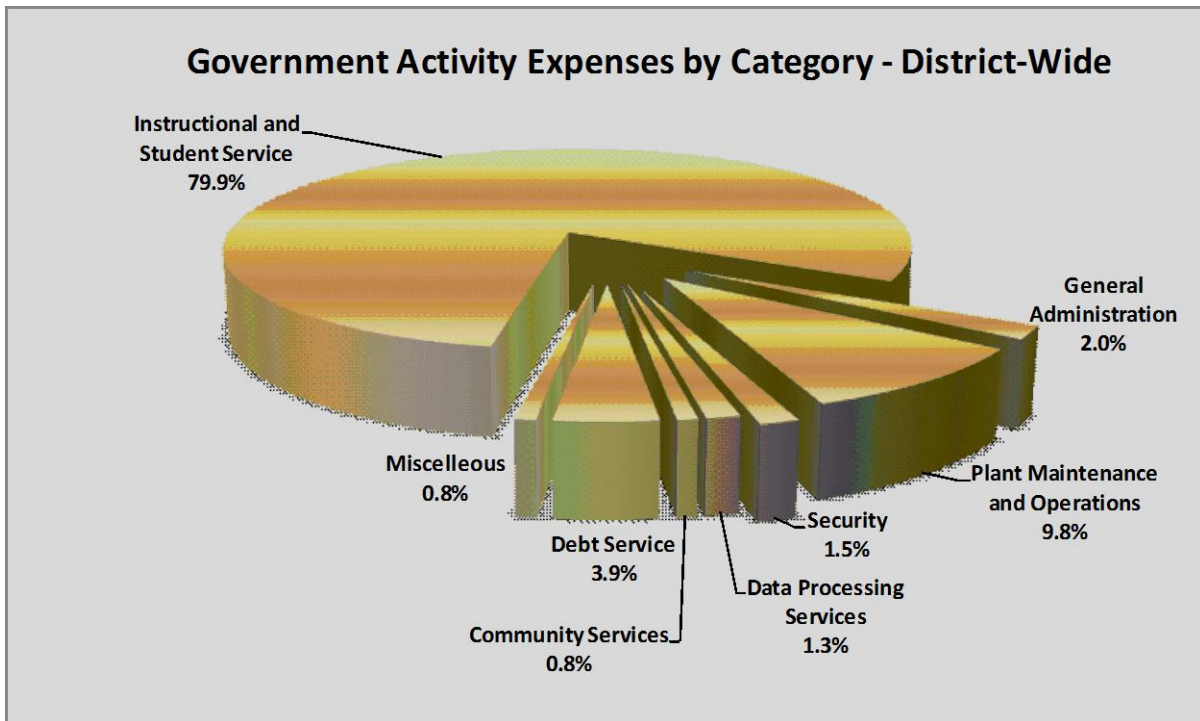


*Note: Differences in percentages from other Exhibits due to rounding

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Government Activities Expenses:

The majority of the District's governmental activities expenses (80.0%) pay for direct instructional and student services and for plant maintenance and operations (9.8%), which includes utilities and upkeep of the buildings. The remainder (10.2%) is divided into general administration, security, data processing services, debt service payments, community related services, and miscellaneous expenses as reflected in the graph below.



Note: Differences in percentages from other Exhibits due to rounding

Government activities expenses increased from the prior year by \$46.0 million or 6.3%, primarily due to the 4% approved salary increase for all employees across the District. Other significant increases were in instruction related expenses due to the addition of 130 new teaching positions coupled with budget enhancements that included additional high school counselors, safety and security measures, and funding for the extended day program and College and Career Readiness.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Category	2014 Percentage	2013 Percentage	Variance
Instructional and Student Service	80.00%	80.08%	-0.08%
General administration	2.00%	2.05%	-0.05%
Plant maintenance and oper	9.80%	9.52%	0.28%
Security	1.50%	1.43%	0.07%
Data processing services	1.30%	1.28%	0.02%
Community services	0.80%	0.76%	0.04%
Debt service	3.90%	4.02%	-0.12%
Miscellaneous	0.80%	0.86%	-0.06%
Total	100%	100%	0.100%

Business Type Activities Revenue:

Business type activities revenue totaled \$43.8 million up by \$2.1 million from last year. The business type activities were funded primarily with operating grants, which totaled \$39.3 million or 89.7% of the total, with the remaining \$4.5 million coming from charges for services. The increase in operating grants and contributions revenue was the result of increased revenue from the National School Breakfast and Lunch grants.

Business Type Activities Expenses:

Business type activities expenses totaled \$42.6 million up by \$2.3 million from the prior year. Business type activities expenses are incurred in the operation of the District's food service enterprise fund which includes the cost of operating District's school cafeterias, including personnel costs. In 2014 the District added the Leadership Learning Center enterprise fund which includes the cost of operating the District's outdoor learning center. The increased costs were offset by additional business type activities revenue, which resulted in a net increase in net assets of \$1.2 million.

FUND BALANCE OF THE DISTRICT'S FUNDS

GASB 54 established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. For further details on the various fund balance classifications, refer to Exhibit F, Notes to the Financial Statements, Note 1.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FUND BALANCE COMPARISON

Fund 199	2014 GASB 54	2013 GASB 54	Net Change
Non-Spendable:			
Inventory	\$ 956,109	\$ 860,913	\$ 95,196
Prepaid Items	125,848	50,000	75,848
Spendable:			
Assigned Budgetary Deficit	29,280,093	9,499,372	19,780,721
Unassigned	133,696,933	150,376,643	(16,679,710)
Totals	164,058,983	160,786,928	3,272,055
Funds 500 - 599			
Spendable			
Restricted Retirement, Long Term Debt	46,956,130	39,734,052	7,222,078
Totals	46,956,130	39,734,052	7,222,078
Funds 600 - 699			
Spendable:			
Restricted for Construction	125,388,225	14,773,715	110,614,510
Totals	125,388,225	14,773,715	110,614,510
Funds 380 - 499			
Spendable:			
Restricted Grant Funds	2,278,744	2,278,744	-
Committed Campus Activity Funds	2,100,810	2,162,272	(61,462)
Totals	4,379,554	4,441,016	(61,462)
Grand Totals	\$ 340,782,892	\$ 219,735,711	\$ 121,047,181

At the end of the current fiscal year, the Board of Education did not commit a portion of fund balance for any specified purpose in the general fund. In accordance with GASB 54, the Board, by adopting a budget deficit for 2014-2015 in the sum of \$29.3 million, assigned those funds for that purpose. As a result, unassigned fund balance in the General Fund totaled \$133.7 million after considering non-spendable inventory and prepaid items, understanding encumbrances are no longer a designation, unless specifically committed or assigned for that purpose.

The federal grant funds (Funds 200-379) have no fund balance since the majority of revenue realized from these funds is on a reimbursement method or, where applicable, unused balances are returned to the grantor at the close of the specified project periods.

The debt service fund balance (Funds 500-599) increased by more than \$7.2 million totaling \$47.0 million. This balance is managed as an integral part of the District's debt service program

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

to pay the principal and interest due on voter approved bonds if current year revenue falls short for that purpose.

The capital projects fund balance (Funds 600-699) increased by \$110.6 million. This increase was due to the issuance of bonds in January of 2014 for the Capital Improvement Program approved in November of 2013. At the end of 2014, the capital projects fund balance was \$125.4 and will continue to support the ongoing projects approved by voters.

The non-major funds (Funds 380-499) have a combined \$4.4 million fund balance down slightly from the prior year. With GASB 54, fund balances in state and local funds are restricted by the granting agency as specified in the grant award, and campus activity funds are committed pursuant to board policy for the purposes intended within the funds.

The total fund balances available to the District at June 30, 2014, was \$340.8 million. Of this amount, \$164.1 million is available in the General Fund. The overall fund balance increased by \$121.0 million largely due to the first issuance of the bonds approved by the voters for the 2013 Capital Improvement Program and the increase in state aid for the Existing Debt Allotment, EDA.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised its budget. These budget amendments generally fell into 4 categories:

- Supplemental appropriations to reflect encumbrances and unspent site-based carryovers from the previous year;
- Revenue adjustments to reflect changes in property tax and state aid revenues based on updated information;
- Line item transfers between functional categories;
- Final amendments to reflect any projected/potential budget overruns.

The Budget to Actual Comparison Table that follows is illustrative of the changes in the District's 2013-2014 budget from initial adoption by the Board to the final approved amendment prior to the end of the fiscal year. The table also reflects actual revenues by revenue type and expenditures by function. This comparison is also presented with fund balance presentation in Exhibit G-1 on page 77.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Budget to Actual Comparison

	BUDGETED AMOUNTS		GENERAL FUND	VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL AMOUNTS	FINAL BUDGET OVER (UNDER)
Resources (inflows):				
5700 Local and intermediate sources	\$ 284,581,126	\$ 296,631,126	\$ 291,171,598	\$ (5,459,528)
5800 State program revenues	337,913,939	347,046,126	319,976,389	(27,069,737)
5900 Federal program revenues	6,500,000	7,900,000	10,191,800	2,291,800
Amounts available for appropriation	\$ 628,995,065	\$ 651,577,252	\$ 621,339,787	\$ (30,237,465)
Charges to appropriations (outflows)				
11 Instruction	\$ 367,793,527	\$ 369,157,604	\$ 359,391,574	\$ 9,766,030
12 Instructional resources and media services	10,212,419	10,183,890	9,708,152	475,738
13 Curriculum development and instructional personnel development	9,784,745	8,754,903	7,889,193	865,710
21 Instructional administration	14,131,563	13,899,566	13,268,100	631,466
23 School administration	44,854,849	44,209,282	42,017,047	2,192,235
31 Guidance and counseling services	32,683,589	33,234,033	32,410,994	823,039
32 Attendance and social work services	4,065,659	3,957,332	3,048,739	908,593
33 Health services	7,846,587	7,897,703	7,250,730	646,973
34 Student (pupil) transportation	19,826,902	19,823,287	18,487,431	1,335,856
35 Food services	220,440	298,758	196,393	102,365
36 Cocurricular/Extracurricular activities	11,034,028	11,165,813	10,568,349	597,464
41 General administration	14,452,198	16,232,318	15,031,359	1,200,959
51 Plant maintenance and operations	72,996,891	74,647,563	71,635,364	3,012,199
52 Security and monitoring services	10,030,748	10,626,200	10,624,740	1,460
53 Data processing services	13,765,232	13,739,643	11,294,228	2,445,415
61 Community services	4,820,191	4,710,005	4,221,114	488,891
81 Facilities Acquisition & Construction	300,000	1,763,860	71,464	1,692,396
95 Juvenile Justice Alternative Education	350,000	350,000	127,680	222,320
97 Tax Increment Financing	2,800,000	2,883,780	2,883,780	-
99 Other Intergovernmental Charges	2,274,871	2,274,871	1,998,394	276,477
Total charges to appropriations	\$ 644,244,439	\$ 649,810,411	\$ 622,124,825	\$ 27,685,586

At the close of the fiscal year, actual expenditures were \$27.7 million less than the final budgeted appropriations of \$649.8 million, and actual revenues and other sources were \$30.2 million less than the final budgeted estimated revenues of \$651.6 million. The major variances from the original budget to the final approved budget and/or from the final approved budget to actual expenditures are explained as follows:

Revenue:

State – State aid decreased due to the adjustment made to correct the Bilingual/ESL ADA. State Aid was originally budgeted on 39,392 Bilingual/ESL ADA but decreased to the final Bilingual/ESL refined ADA of 22,477.

Federal – Federal revenue was higher than anticipated due to refined processes in SHARS and MAC to maximize revenue and by claiming the maximum amount authorized by TEA in in-direct costs to federal, state and local grants where applicable.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Expenditures:

Function 13 – Variance due to overestimate in the need for extra duty, substitute and part time hourly personnel needed for professional development. The District was able to utilize special revenue dollars for qualified staff development.

Function 32 – Variance due to overestimate of salaries for professional personnel due to vacant positions. The use of miscellaneous contracted services was also less than originally budgeted due to the renegotiated contract for truancy court and reduced child care expenses for adolescent pregnancy students.

Function 35 – Variance due to overestimate of salaries for cafeteria monitors.

Function 41 – Variance due to lapse salaries for vacant positions and terminations. Miscellaneous services decreased due to over estimation of election costs and general liability insurance.

Function 53 – Variance due to budgeted funds originally appropriated for E-rate purchases did not occur during the 2013-2014 fiscal year. Additionally, the new student information system software, FOCUS maintenance costs were less than anticipated for this fiscal year due to the delay in implementation.

Function 61 – Variance due to lapse salaries for vacant and terminated positions. The most significant variance, however is due to the decision to use social media to communicate to parents regarding summer school in lieu of the traditional parent meeting.

Function 81 – Variance due to the decision to purchase a new chiller for the Administration Building in 2015 instead of 2014 as planned.

Function 95 – Variance due to less student attendance.

Function 99 – Variance due to over estimation of tax collections.

Budget amendments were performed routinely and in accordance with Board Policy CE throughout the 2013-2014 fiscal year. The majority of transfers between functions resulted from campus and department owner requests to transfer site based and department budgets between function in the normal course of operations. More notable budget amendments during the year included:

1. In August of 2013, the Board approved a budget amendment transferring 1.5 million from function 11 to function 51 to fund projects in progress at June 30, 2013
2. In October of 2013, the Board approved a budget amendment increasing State Revenue by \$298,632 for the additional funds appropriated for supplemental prekindergarten provided by the 83rd Texas Legislature.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

3. In April of 2014, the Board approved a budget amendment increasing overall revenue by \$16.5 million and increasing overall expenses by \$5.6 million eliminating the budget deficit.

The adjustments to revenues are as follows:

- Local Revenue was adjusted \$6.3 million for increased property tax collections
- State Revenue was adjusted \$8.8 million for enrollment growth and additional state aid.
- Revenue was adjusted \$1.4 million for increase in the number of students that were Medicaid eligible and claims filed with Medicaid Administrative Claiming (MAC) and School Health and Related Services. (SHARS)

The adjustments to expenses are as follows:

- Function 11 was increased \$3.7 million for the purchase of instructional materials.
- Function 41 was increased \$500,000 for the upgrade of technology in the Board Room and Board Conference Room.
- Function 81 was increased \$1.4 million for a chiller replacement at the Central Administration Building and upgrade and repair of the Wilkerson-Grienes gym arena and floor.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014, the District had invested \$913.7 million (net of accumulated depreciation) in a broad range of capital assets, including land, buildings and improvements, and furniture and equipment in the governmental activities funds. During the 2013-2014 school year, the district completed the designated projects under its 2007 Capital Improvement Program(CIP) while beginning work on the 2013 Capital Improvement Program. As indicated in the Capital Asset Table that follows, the district added over \$27.5 million in building improvements to the district's capital assets during the 2013-2014 school year. The \$27.5 million increase in buildings and improvements is the result of the completion of the 2007 Capital Improvement Program.

The decrease to construction in progress in the 2013-2014 school year was \$11.1 million due to conversion to capital assets following the completion of the 2007 CIP. The ending balance is \$4.7 which is the result new projects under the 2013 CIP.

Business-type activities capital assets had no significant reportable changes from the prior year. (See Note 7 to the Financial Statements for more detailed analysis of the year's capital asset activity)

District's Capital Assets
(in millions of dollars)

	Governmental Activities		Business-type Activities	
	2014	2013	2014	2013
Land	\$ 44.6	\$ 43.4	\$ -	\$ -
Buildings and Improvements	1,194.5	1,167.0	-	-
Furniture and Equipment	122.1	118.8	12.8	12.2
Construction in Progress	4.7	15.8	-	-
Totals at Historical Cost	<u>1,365.9</u>	<u>1,345.0</u>	<u>12.8</u>	<u>12.2</u>
Total Accumulated Depreciation	<u>(452.2)</u>	<u>(422.0)</u>	<u>(11.9)</u>	<u>(11.7)</u>
Net Capital Assets	<u>\$ 913.7</u>	<u>\$ 923.0</u>	<u>\$ 0.9</u>	<u>\$ 0.5</u>

Note: Differences in Table from other Exhibits due to rounding.

Debt Administration:

The District issued \$122,825,000 in Unlimited Tax School Building Bonds in January of 2014 in order to fund the approved Capital Improvement Program. The Long Term Debt Table below shows the comparison of the District's Long Term Debt from the prior year. The increase in bonds payable is the result of this issuance.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**District's Long Term Debt
(in millions of dollars)**

	Governmental Activities	
	2014	2013
Bonds Payable		
Current Year Portion	\$ 54.66	\$ 44.54
Long Term Portion	696.77	628.58
Total Bonds Payable	751.43	673.12
Other Bond Related Liabilities		
Premium on Long Term Debt	52.70	43.75
Total Other Bond Related Liabilities	52.70	43.75
Compensation Payable		
Current Year Portion	6.10	6.06
Long Term Portion	12.09	16.37
Total Compensation Payable	18.19	22.43
Workers' Comp Losses-Accrued Expenses		
Current Year Portion	3.73	3.56
Long Term Portion	6.51	6.07
Total Workers' Comp Projected Losses	10.24	9.63
Total Long Term Debt	\$ 832.56	\$ 748.93

For additional details on long term debt activity, see Exhibit F, Notes to the Financial Statements, Note 9, starting at page 65.

ECONOMIC FACTORS AND THE 2013-2014 BUDGET AND TAX RATES

The Board adopted a deficit budget in the sum of \$29.3 million for the 2014-2015 school year, representing \$697 million in appropriations and \$667 million in estimated revenues. The \$29.3 million has been assigned as the budgetary deficit. The unassigned fund balance is \$134 million.

Bond Ratings
By virtue of the State's Permanent School Fund guarantee, District's bonds that are covered under this guarantee have a "AAA" rating. Underlying ratings are as follows: Moody's Investor Services "Aa1" and Standard & Poors "AA".

Due to the constraints placed on school districts by the 82nd Legislature, the District was forced to reduce the budget by careful planning, reallocation of resources, and reduction in staff utilizing attrition when possible in the prior two years. However, with the legislative changes coming out of the 83rd Legislature, and the positive impact it had to restore school funding, the District was able to approve a 4% raise in 2013-2014.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Looking forward to 2014-2015, the District contracted with TASB to perform a Market Study of all salaries in order to bridge the gap in salaries between the public and private sectors to facilitate adequate employee compensation and an attractive working environment for potential candidates. This study resulted in the District approving a 3% salary increase in addition to \$3.6 million in salary adjustments. The Board also approved a number of budget enhancements to provide additional funding for professional development, academic acceleration, language development, Pre-K expansion, and costs associated with opening new campuses and grade additions.

The Board of Trustees voted unanimously to seek voter approval for issuance of \$490M capital improvement bonds for the District's Capital Improvement Program. Election day was November 5, 2013 and passed with overwhelmingly support. The first phases of the program began in 2014, but considerable progress is expected for 2014-2015 as the program begins construction according to the approved schedules.

The District's maintenance and operations tax rate for 2014-2015 did not change from the prior year and is \$1.04/\$100 and the debt service rate is \$0.282/\$100.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please feel free to contact us at the locations and telephone numbers listed below:

Lori Boswell, Controller
100 N. University, Suite NE140B
Fort Worth, Texas 76107
(817) 814-2140

Elsie I Schiro, Acting Chief Financial Officer
100 N. University, Suite NE 150B
Fort Worth, Texas 76107
(817) 814-2170



BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014**

DATA CONTROL CODES		Governmental Activities	Business-type Activities	Total
	<u>ASSETS</u>			
	Current Assets:			
1110	Cash and Temporary Investments	\$ 398,811,178	\$ 5,127,655	\$ 403,938,833
1220	Property Taxes	33,529,010	-	33,529,010
1230	Allowance for Uncollectible Taxes	(10,686,701)	-	(10,686,701)
1240	Due from Other Governments	104,573,514	1,506,132	106,079,646
1260	Internal Balances	(4,032,789)	4,032,789	-
1290	Other Receivables	8,876,831	-	8,876,831
1310	Inventories	956,109	2,478,850	3,434,959
1410	Prepaid Items	125,848	-	125,848
	Total Current Assets	<u>532,153,000</u>	<u>13,145,426</u>	<u>545,298,426</u>
	Noncurrent Assets:			
	Capital Assets Not Being Depreciated			
1510	Land	44,596,531	-	44,596,531
1580	Construction in Progress	4,672,745	-	4,672,745
	Capital Assets Net of Accumulated Depreciation:			
1520	Buildings & Improvements, Net	823,689,231	-	823,689,231
1530	Furniture & Equipment, Net	40,743,516	972,179	41,715,695
	Total Noncurrent Assets	<u>913,702,023</u>	<u>972,179</u>	<u>914,674,202</u>
1000	TOTAL ASSETS	<u>1,445,855,023</u>	<u>14,117,605</u>	<u>1,459,972,628</u>
	<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
1700	Deferred Loss on Refunding	6,838,260	-	6,838,260
	TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>6,838,260</u>	<u>-</u>	<u>6,838,260</u>
	<u>LIABILITIES</u>			
	Current Liabilities:			
2110	Accounts Payable and Accrued Liabilities	\$ 17,949,936	\$ 514,349	\$ 18,464,285
2140	Interest Payable	12,812,287	-	12,812,287
2150	Payroll Deductions and Withholdings	5,862,712	-	5,862,712
2160	Accrued Wages Payable	76,800,426	776,488	77,576,914
2180	Due to Other Governments	28,156,472	-	28,156,472
2310	Unearned Revenue	10,448,682	109,934	10,558,616
	Total Current Liabilities	<u>152,030,515</u>	<u>1,400,771</u>	<u>153,431,286</u>
	Noncurrent Liabilities:			
2501	Due Within One Year	64,490,620	-	64,490,620
2502	Due Within More Than One Year	768,065,099	-	768,065,099
	Total Noncurrent Liabilities	<u>832,555,719</u>	<u>-</u>	<u>832,555,719</u>
2000	TOTAL LIABILITIES	<u>984,586,234</u>	<u>1,400,771</u>	<u>985,987,005</u>
2600	<u>DEFERRED INFLOWS OF RESOURCES</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>NET POSITION</u>			
3200	Net Investment in Capital Assets	242,433,422	972,179	243,405,601
3800	Restricted For:			
3820	State Programs	2,278,744	-	2,278,744
3850	Debt Service	36,864,429	-	36,864,429
3890	Food Service	-	11,682,807	11,682,807
3890	Leadership Learning Center	-	61,848	61,848
3900	Unrestricted	186,530,454	-	186,530,454
3000	TOTAL NET POSITION	<u>\$ 468,107,049</u>	<u>\$ 12,716,834</u>	<u>\$ 480,823,883</u>

The notes to financial statements are an intergral part of this statement.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
11 Instruction	\$ 439,228,331	\$ 5,345,258	\$ 81,040,773
12 Instructional Resources and Media Services	12,105,089	-	2,343,730
13 Curriculum Development and Instructional Staff Development	28,164,823	-	19,430,578
21 Instructional Leadership	15,594,615	-	2,211,463
23 School Leadership	46,406,802	-	4,465,372
31 Guidance, Counseling, and Evaluation Services	37,651,425	-	5,961,381
32 Social Work Services	4,074,632	-	965,614
33 Health Services	7,700,924	-	580,031
34 Student (pupil) Transportation	19,571,617	-	1,086,691
35 Food Services	775,817	-	265,527
36 Cocurricular/Extracurricular Activities	11,398,645	1,031,279	730,024
41 General Administration	15,826,744	-	924,273
93 Payments to Fiscal Agent	97,489	-	-
95 Payments to Juvenile Justice Alternative Education Program:	127,680	-	-
97 Payments to Tax Increment Fund	3,668,931	-	-
99 Other Intergovernmental Charges	1,998,394	-	-
51 Plant Maintenance and Operations	76,460,530	-	4,914,581
52 Security and Monitoring Services	11,301,206	-	776,532
53 Data Processing Services	10,449,209	-	725,186
61 Community Services	6,322,592	-	2,290,203
71 Interest on Long-Term Debt	30,217,508	-	-
Total Governmental Activities	779,143,003	6,376,537	128,711,959
Business-Type Activities:			
Food Service	42,548,273	4,356,344	39,276,294
Leadership Learning Center	58,060	119,908	-
Total Business-Type Activities	42,606,333	4,476,252	39,276,294
Total Primary Government	\$ 821,749,336	\$ 10,852,789	\$ 167,988,253

Data Control Codes	General Revenues:
MT	Taxes:
DF	Property Taxes - Maintenance & Operations
SF	Property Taxes - Debt Service
IE	State Aid-formula Grants
MI	Investment Earnings
	Miscellaneous
TR	Total General Revenues
CN	Change in Net Position
MB	Net Position - Beginning
PA	Change in Accounting Principle (Note 19)
NB	Net Position - Beginning, as Restated
NE	Net Position - Ending

The notes to financial statements are an intergral part of this statement.

EXHIBIT B-1

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (352,842,300)	\$ -	\$ (352,842,300)
(9,761,359)	-	(9,761,359)
(8,734,245)	-	(8,734,245)
(13,383,152)	-	(13,383,152)
(41,941,430)	-	(41,941,430)
(31,690,044)	-	(31,690,044)
(3,109,018)	-	(3,109,018)
(7,120,893)	-	(7,120,893)
(18,484,926)	-	(18,484,926)
(510,290)	-	(510,290)
(9,637,342)	-	(9,637,342)
(14,902,471)	-	(14,902,471)
(97,489)	-	(97,489)
(127,680)	-	(127,680)
(3,668,931)	-	(3,668,931)
(1,998,394)	-	(1,998,394)
(71,545,949)	-	(71,545,949)
(10,524,674)	-	(10,524,674)
(9,724,023)	-	(9,724,023)
(4,032,389)	-	(4,032,389)
(30,217,508)	-	(30,217,508)
(644,054,507)	-	(644,054,507)
-	1,084,365	1,084,365
-	61,848	61,848
-	1,146,213	1,146,213
\$ (644,054,507)	\$ 1,146,213	\$ (642,908,294)
\$ 285,354,811	\$ -	\$ 285,354,811
77,032,732	-	77,032,732
293,963,450	-	293,963,450
208,708	4,780	213,488
5,385,760	-	5,385,760
661,945,461	4,780	661,950,241
17,890,954	1,150,993	19,041,947
454,501,708	11,565,841	466,067,549
(4,285,613)	-	(4,285,613)
450,216,095	11,565,841	461,781,936
\$ 468,107,049	\$ 12,716,834	\$ 480,823,883



FUND FINANCIAL STATEMENTS



GOVERNMENTAL FUNDS FINANCIAL STATEMENTS



EXHIBIT C-1

FORT WORTH INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2014

DATA CONTROL CODES	MAJOR FUNDS				NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	
	100 - 199	200 - 379	500 - 599	600 - 699	380 - 499		
	GENERAL FUND	FEDERAL GRANT FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS		
ASSETS							
1110	Cash and Temporary Investments	\$ 212,963,353	\$ -	\$ 46,720,115	\$ 135,090,188	\$ 4,037,522	\$ 398,811,178
1220	Property Taxes Receivable	28,223,162	-	5,305,848	-	-	33,529,010
1230	Allowance for Uncollectible Taxes	(8,995,568)	-	(1,691,133)	-	-	(10,686,701)
1240	Due from Other Governments	86,405,199	17,811,544	-	-	356,771	104,573,514
1260	Due from Other Funds	32,234,662	63,763	880,588	14,706,086	13,155,169	61,040,268
1290	Other Receivables	8,850,761	-	-	-	26,070	8,876,831
1310	Inventories	956,109	-	-	-	-	956,109
1410	Prepaid Items	125,848	-	-	-	-	125,848
1000	TOTAL ASSETS	360,763,526	17,875,307	51,215,418	149,796,274	17,575,532	597,226,057
1700	DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-
1000A	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 360,763,526	\$ 17,875,307	\$ 51,215,418	\$ 149,796,274	\$ 17,575,532	\$ 597,226,057
LIABILITIES							
2110	Accounts Payable and Accrued Liabilities	12,323,784	804,081	-	3,129,309	1,590,440	17,847,614
2150	Payroll Deductions and Withholdings	5,804,754	-	-	-	-	5,804,754
2160	Accrued Wages Payable	68,170,288	7,917,742	-	-	712,396	76,800,426
2170	Due to Other Funds	67,049,782	9,146,935	894,129	21,278,740	522,769	98,892,355
2180	Due to Other Governments	27,503,485	6,549	644,573	-	1,865	28,156,472
2300	Unearned Revenue	80,174	-	-	-	10,368,508	10,448,682
2000	TOTAL LIABILITIES	180,932,267	17,875,307	1,538,702	24,408,049	13,195,978	237,950,303
DEFERRED INFLOWS OF RESOURCES							
2601	Deferred Property Taxes	15,772,276	-	2,720,586	-	-	18,492,862
2600	Total Deferred Inflows of Resources	15,772,276	-	2,720,586	-	-	18,492,862
FUND BALANCES							
Fund Balances:							
Nonspendable:							
3410	Inventories	956,109	-	-	-	-	956,109
3430	Prepaid Items	125,848	-	-	-	-	125,848
Spendable:							
Restricted							
3450	Grant Funds	-	-	-	-	2,278,744	2,278,744
3470	Construction	-	-	-	125,388,225	-	125,388,225
3480	Retirement of Long-Term Debt	-	-	46,956,130	-	-	46,956,130
Committed							
3545	Campus Activity Funds	-	-	-	-	2,100,810	2,100,810
Assigned							
3590	Budgetary Deficit	29,280,093	-	-	-	-	29,280,093
3600	Unassigned	133,696,933	-	-	-	-	133,696,933
3000	TOTAL FUND BALANCES	164,058,983	-	46,956,130	125,388,225	4,379,554	340,782,892
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 360,763,526	\$ 17,875,307	\$ 51,215,418	\$ 149,796,274	\$ 17,575,532	\$ 597,226,057

The notes to financial statements are an intergral part of this statement.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2014**

Total Fund Balances - Governmental Funds (Exhibit C-1)	\$ 340,782,892
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, printing and evaluations, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	23,417,662
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. They are reported net of accumulated depreciation in the government-wide financial statements.	913,702,023
Bonds payable have not been included in the fund financial statements.	(751,435,072)
Premiums on the issuance of bonds are not capitalized in the fund financial statements.	(52,695,090)
Deferred loss on bond refunding has not been reflected in the fund financial statements.	6,838,260
Revenue from property taxes is reported as unearned revenue in the fund financial statements but is recognized as revenue in the government-wide financial statements.	18,492,862
Accrued liabilities for compensated absences have not been reflected in the fund financial statements.	(18,184,201)
Interest is accrued on outstanding debt in the government-wide financial statements whereas in the fund financial statements interest expenditures are reported when due.	<u>(12,812,287)</u>
Total Net Position of Governmental Activities (Exhibit A-1)	<u><u>\$ 468,107,049</u></u>

The notes to financial statements are an intergral part of this statement.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2014**

	MAJOR FUNDS				NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
	100 - 199	200 - 379	500 - 599	600 - 698	380 - 499	
	GENERAL FUND	FEDERAL GRANT FUND	DEBT SERVICE FUND	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	
REVENUES						
5700 Local and Intermediate Sources	\$ 291,171,598		\$77,254,630	\$ 1,466,323	\$ 10,915,819	\$ 380,808,370
5800 State Program Revenues	319,976,389	-	5,945,749	-	12,208,360	338,130,498
5900 Federal Program Revenues	10,191,800	69,076,410	-	-	-	79,268,210
Total Revenues	621,339,787	69,076,410	83,200,379	1,466,323	23,124,179	798,207,078
EXPENDITURES						
Current:						
11 Instruction	359,391,574	40,710,721	-	604,250	18,332,435	419,038,980
12 Instructional Resources and Media Services	9,708,152	1,230,980	-	-	592,382	11,531,514
13 Curriculum Development and Instructional Staff Development	7,889,193	18,800,580	-	-	187,675	26,877,448
21 Instructional Leadership	13,268,100	1,103,879	-	-	333,237	14,705,216
23 School Leadership	42,017,047	1,531,028	-	-	514,399	44,062,474
31 Guidance, Counseling, and Evaluation Services	32,410,994	3,035,504	-	-	1,117,311	36,563,809
32 Social Work Services	3,048,739	377,165	-	-	419,987	3,845,891
33 Health Services	7,250,730	152,303	-	-	1,595	7,404,628
34 Student (pupil) Transportation	18,487,431	-	-	-	-	18,487,431
35 Food Services	196,393	18,139	-	-	244,287	458,819
36 Cocurricular/Extracurricular Activities	10,568,349	-	-	22,797	310,514	10,901,660
41 General Administration	15,031,359	11,290	-	-	50,359	15,093,008
51 Plant Maintenance and Operations	71,635,364	61,525	-	13,995	787,987	72,498,871
52 Security and Monitoring Services	10,624,740	127,840	-	-	37,201	10,789,781
53 Data Processing Services	11,294,228	-	-	-	4,698	11,298,926
61 Community Services	4,221,114	1,851,138	-	-	218,403	6,290,655
Debt Service:						
71 Principal	-	-	44,540,000	-	-	44,540,000
71 Interest and Issuance Costs	-	-	30,653,150	947,804	-	31,600,954
Capital Outlay/Expenditures:						
81 Facilities Acquisition and Construction	71,464	-	-	20,772,238	-	20,843,702
Intergovernmental:						
93 Payments to Fiscal Agent	-	64,318	-	-	33,171	97,489
95 Payments to Juvenile Justice Alternative Education Program	127,680	-	-	-	-	127,680
97 Payments to Tax Increment Fund	2,883,780	-	785,151	-	-	3,668,931
99 Other Intergovernmental Charges	1,998,394	-	-	-	-	1,998,394
Total Expenditures	622,124,825	69,076,410	75,978,301	22,361,084	23,185,641	812,726,261
Excess (Deficiency) of Revenues Over Expenditures	(785,038)	-	7,222,078	(20,894,761)	(61,462)	(14,519,183)
OTHER FINANCING SOURCES (USES)						
7911 Sale of Bonds	-	-	-	122,825,000	-	122,825,000
7912 Sale of Land	75,767	-	-	-	-	75,767
7915 Transfer In	4,453,536	-	-	-	-	4,453,536
7916 Premium on Bond Issuance	-	-	-	13,137,807	-	13,137,807
8911 Transfer Out	(472,210)	-	-	(4,453,536)	-	(4,925,746)
Total Other Financing Sources and (Uses)	4,057,093	-	-	131,509,271	-	135,566,364
Net Change in Fund Balances	3,272,055	-	7,222,078	110,614,510	(61,462)	121,047,181
Fund Balances - Beginning	160,786,928	-	39,734,052	14,773,715	4,441,016	219,735,711
Fund Balances - Ending	\$ 164,058,983	\$ -	\$46,956,130	\$ 125,388,225	\$ 4,379,554	\$ 340,782,892

The notes to financial statements are an intergral part of this statement.

FORT WORTH INDEPENDENT SCHOOL DISTRICT EXHIBIT C-4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

Net Change in Fund Balances - Total Governmental Funds (Exhibit C-3)	\$ 121,047,181
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, printing and evaluations, to appropriate functions in other funds. The net income of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.	(6,959,479)
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2014 capital outlay is to increase net position.	21,066,207
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(30,196,930)
Disposal of capital assets are shown as a reduction in capital assets in the government-wide financials, although they do not affect the fund financial statements.	(97,760)
Current year long term debt principal payments are expenditures in the fund financial statements, whereas they are reported as reductions of bonds payable in the government-wide financial statements. The effect of current year principal paid on bonds payable increased net position.	44,540,000
The current year issuance of bonds are shown as an other resource in the fund financial statements but are shown as an increase in long term debt in the government-wide financial statements.	(122,825,000)
Current year accretion on capital appreciation bonds is not recorded in the fund financial statements, but is shown as an increase in the accreted interest on the government-wide financial statements.	(28,970)
Premiums associated with bonds payable are reported as revenue on the fund financial statements when bonds are issued. Amounts are reported net of amortization on the government-wide financial statements.	(8,947,645)
Current year amortization of the deferred loss on the issuance of refunding bonds is not reflected in the fund financial statements, but is shown as a reduction of the loss in the government-wide financial statements.	(1,432,201)
Revenues from property taxes are deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed net of an allowance for uncollectible accounts in the government-wide statements.	(1,173,121)
Compensated absences and vacation payable are recognized when the related obligation matures and is expected to be liquidated with expendable available financial resources. Therefore additions to the accrual for compensated absences are not reported in the fund financial statements. The net effect of the current year increase in compensated absences was to decrease net position.	4,244,217
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(1,345,545)
Change in Net Position of Governmental Activities (Exhibit B-1)	<u>\$ 17,890,954</u>

The notes to financial statements are an intergral part of this statement.

PROPRIETARY FUNDS FINANCIAL STATEMENTS



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2014**

DATA CONTROL CODES	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS	
	700 - 748	749	TOTAL BUSINESS-TYPE ACTIVITIES	750 - 799	
	FOOD SERVICE	LEADERSHIP LEARNING CENTER		PRINT SHOP, RESEARCH AND EVALUATIONS AND INSURANCE FUNDS	
ASSETS					
Current Assets:					
1110	Cash and Temporary Investments	\$ 5,127,655	\$ -	\$ 5,127,655	\$ -
1240	Due from Other Government	1,506,132	-	1,506,132	-
1260	Due from Other Funds	3,947,125	85,664	4,032,789	34,211,387
1310	Inventories	2,478,850	-	2,478,850	-
	Total Current Assets	<u>13,059,762</u>	<u>85,664</u>	<u>13,145,426</u>	<u>34,211,387</u>
Noncurrent Assets:					
Capital Assets:					
1530	Furniture and Equipment	12,825,379	-	12,825,379	18,700
1573	Less Accumulated Depreciation	(11,853,200)	-	(11,853,200)	(18,700)
	Total Noncurrent Assets	<u>972,179</u>	<u>-</u>	<u>972,179</u>	<u>-</u>
	Total Assets	<u>14,031,941</u>	<u>85,664</u>	<u>14,117,605</u>	<u>34,211,387</u>
LIABILITIES					
Current Liabilities:					
2110	Accounts Payable	490,533	23,816	514,349	102,322
2150	Payroll Deductions and Withholdings	-	-	-	57,958
2160	Accrued Wages	776,488	-	776,488	-
2170	Due to Other Funds	-	-	-	392,089
2210	Accrued Expenses	-	-	-	3,727,664
2310	Unearned Revenue	109,934	-	109,934	-
	Total Current Liabilities	<u>1,376,955</u>	<u>23,816</u>	<u>1,400,771</u>	<u>4,280,033</u>
Noncurrent Liabilities:					
2590	Accrued Expenses	-	-	-	6,513,692
	Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,513,692</u>
	Total Liabilities	<u>1,376,955</u>	<u>23,816</u>	<u>1,400,771</u>	<u>10,793,725</u>
NET POSITION					
3200	Investment in Capital Assets	972,179	-	972,179	-
3800	Restricted - Food Service	11,682,807	-	11,682,807	-
3800	Restricted - Leadership Learning Center	-	61,848	61,848	-
3900	Unrestricted	-	-	-	23,417,662
	Total Net Position	<u>\$ 12,654,986</u>	<u>\$ 61,848</u>	<u>\$ 12,716,834</u>	<u>\$ 23,417,662</u>

The notes to financial statements are an intergral part of these statements.

EXHIBIT D-2

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014**

DATA CONTROL CODES	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	700 - 748	749	TOTAL BUSINESS-TYPE ACTIVITIES	750 - 799	
	FOOD SERVICE	LEADERSHIP LEARNING CENTER		PRINT SHOP, RESEARCH AND EVALUATIONS AND INSURANCE FUNDS	
	OPERATING REVENUES				
5700	Charges for Services	\$ 4,356,344	\$ 119,908	\$ 4,476,252	\$ 3,169,834
5020	TOTAL OPERATING REVENUES	4,356,344	119,908	4,476,252	3,169,834
	OPERATING EXPENSES				
6100	Payroll Costs	19,819,590	-	19,819,590	997,923
6200	Professional and Contracted Services	656,925	34,245	691,170	9,304,523
6300	Supplies and Materials	21,824,051	3,367	21,827,418	239,849
6400	Other Operating Costs	98,678	20,448	119,126	59,228
6449	Depreciation	149,029	-	149,029	-
6030	TOTAL EXPENSES	42,548,273	58,060	42,606,333	10,601,523
	OPERATING INCOME (LOSS)	(38,191,929)	61,848	(38,130,081)	(7,431,689)
	NON-OPERATING REVENUE				
7955	Earnings from Temporary Investments	4,780	-	4,780	-
7989	State Matching and Other	262,353	-	262,353	-
7952	National School Breakfast Program	7,912,137	-	7,912,137	-
7953	National School Lunch Program	27,715,981	-	27,715,981	-
7954	USDA Commodities Program	2,816,205	-	2,816,205	-
7953	Afterschool Snack Reimbursement	569,618	-	569,618	-
7020	TOTAL NON-OPERATING REVENUES	39,281,074	-	39,281,074	-
	INCOME (LOSS) BEFORE TRANSFERS	1,089,145	61,848	1,150,993	(7,431,689)
7915	Transfers In	-	-	-	472,210
	TOTAL TRANSFERS	-	-	-	472,210
1300	CHANGE IN NET POSITION	1,089,145	61,848	1,150,993	(6,959,479)
0100	Total Net Position, July 1 (Beginning)	11,565,841	-	11,565,841	30,377,141
3900	Total Net Position, June 30 (Ending)	\$ 12,654,986	\$ 61,848	\$ 12,716,834	\$ 23,417,662

The notes to financial statements are an intergral part of this statement.

EXHIBIT D-3

FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	700 - 748	749	TOTAL	750 - 799
	FOOD SERVICE	LEADERSHIP LEARNING CENTER		PRINT SHOP, RESEARCH AND EVALUATIONS INSURANCE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received From User Charges	\$ 4,172,316	\$ 119,908	\$ 4,292,224	\$ 9,144,808
Cash Payments to Employees for Services	(19,821,522)	-	(19,821,522)	(690,563)
Cash Payments for Insurance Claims	-	-	-	(6,492,034)
Cash Payments to Suppliers for Goods and Services	(22,929,938)	(13,796)	(22,943,734)	(239,849)
Cash Payments for Operating Costs	(98,678)	(20,448)	(119,126)	(2,767,197)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(38,677,822)	85,664	(38,592,158)	(1,044,835)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash Paid to Other Funds	(3,947,125)	(85,664)	(4,032,789)	-
Grants Received	39,276,294	-	39,276,294	-
Cash Received from Other Funds	-	-	-	472,210
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	35,329,169	(85,664)	35,243,505	472,210
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets	(657,602)	-	(657,602)	-
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(657,602)	-	(657,602)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Investments	4,780	-	4,780	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,780	-	4,780	-
NET CHANGE IN CASH AND TEMPOARY INVESTMENTS	(4,001,475)	-	(4,001,475)	(572,625)
CASH AND TEMPOARY INVESTMENTS - JULY 1	9,129,130	-	9,129,130	572,625
CASH AND TEMPOARY INVESTMENTS - JUNE 30	\$ 5,127,655	\$ -	\$ 5,127,655	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
OPERATING INCOME (LOSS)	\$ (38,191,929)	\$ 61,848	\$ (38,130,081)	\$ (7,431,689)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:				
Depreciation	149,029	-	149,029	-
Changes in Assets and Liabilities:				
Receivables	-	-	-	38,676
Inventories	(65,613)	-	(65,613)	-
Accounts Payable	(383,349)	23,816	(359,533)	52,856
Accrued Wages, Payroll and Deductions	(1,932)	-	(1,932)	57,875
Due from Other Funds	-	-	-	6,222,755
Due to Other Funds	-	-	-	(599,314)
Due to Other Governments	(198,551)	-	(198,551)	-
Accrued Expenses	-	-	-	614,006
Unearned Revenue	14,523	-	14,523	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (38,677,822)	\$ 85,664	\$ (38,592,158)	\$ (1,044,835)

The notes to financial statements are an intergral part of this statement.



FIDUCIARY FUNDS FINANCIAL STATEMENTS



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014**

<u>DATA CONTROL CODES</u>	<u>849 - 890</u>	<u>829 - 836</u>
	<u>AGENCY FUNDS</u>	<u>PRIVATE PURPOSE TRUSTS</u>
<u>ASSETS</u>		
1110	Cash and Temporary Investments \$ -	\$ 820,536
1290	Other Receivables 1,639,707	199,479
1910	Long-Term Investments -	23,446
1000	<u>1,639,707</u>	<u>1,043,461</u>
<u>LIABILITIES</u>		
2110	Accounts Payable 336,809	-
2190	Due to Student Groups 1,302,898	-
2000	<u>1,639,707</u>	<u>-</u>
<u>NET POSITION</u>		
3800	Held in Trust for Scholarships -	1,043,461
3800	<u>\$ -</u>	<u>\$ 1,043,461</u>

The notes to financial statements are an intergral part of these statements

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN PRIVATE PURPOSE TRUSTS NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2014**

	829 - 836
	PRIVATE PURPOSE TRUSTS
ADDITIONS	
Donations	\$ 101,552
Investment Earnings	1,844
Total Additions	103,396
 DEDUCTIONS	
Scholarships Granted	26,957
Total Deductions	26,957
CHANGE IN NET POSITION	76,439
Net Position - Beginning of the Year	967,022
Net Position - End of the Year	\$ 1,043,461

The notes to financial statements are an intergral part of these statements

NOTES TO THE BASIC FINANCIAL STATEMENTS



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS****NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Fort Worth Independent School District ("District") substantially comply with the rules prescribed by the Texas Education Agency ("Agency") Financial Accountability System Resource Guide. These accounting policies conform to accounting principles generally accepted in the United States of America ("generally accepted accounting principles") applicable to governments.

In accordance with the Financial Accountability System Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the State Board of Education and approved by the State Auditor.

Specifically, the District's accounting system uses codes and the code structure as presented in the Financial Accountability System Resource Guide.

Reporting Entity

The Fort Worth Independent School District Board of Education ("Board") is the level of government which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state and federal government sources and must comply with all the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by generally accepted accounting principles. Board members are elected by the public, have decision-making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters. In addition, there are no component units which meet the financial accountability criteria as defined in Governmental Accounting Standards Board Statements 14, 39 and 61 which are included in the District's reporting entity.

Basis of Presentation

The District prepares its financial statements in accordance with reporting practices prescribed by the Agency in the Financial Accountability System Resource Guide and the Governmental Accounting Standards Board.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) are prepared using the accrual basis of accounting and the information about the school district as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business type activities, which rely to a significant extent on charges for services.

Transactions among governmental funds and between governmental funds and proprietary funds appear as due to/due from other funds on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as transfers in or out on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. Interfund services provided and used are not eliminated in the consolidation of funds for the Statement of Activities.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS****NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED****Government-Wide and Fund Financial Statements – Continued**

All interfund transactions that do not represent services provided and used between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activity and balances resulting from transactions with fiduciary funds are not eliminated. Instead, the fiduciary interfund activity and balances are treated as transactions with an external party.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are also included in the program expense reported for individual functions and activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense to each function.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the Statement of Net Position.

All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows, current liabilities and deferred inflows generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS****NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED****Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued**

The accounts of the Governmental Funds are maintained, and the financial statements have been prepared, on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become measurable and available as net current assets. Substantially all revenues (state, federal and local property tax and interest revenues) are considered to be susceptible to accrual. Revenues from expenditure-driven grants are recognized when the expenditure is incurred.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized as expenditures when due.

Property tax revenues recorded in the General Fund and Debt Service Fund are recognized under the “susceptible to accrual” concept. The District generally considers property taxes as available if they are collected within 60 days after year-end. Property taxes received after the 60 day period are not considered available and, therefore, recorded as a deferred inflow of resources in the Government Funds Balance Sheet totaling \$15,772,276 in the General Fund and \$2,720,586 in the Debt Service Fund. Grant revenues are recognized when expenditures are made. Charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available within 60 days of year-end.

Foundation School Program revenues are recognized as revenue when measurable and available within 60 days of year-end.

Purpose of Funds

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts to reflect results of activities. The following funds are used by the District:

Governmental Funds

General Fund - used to account for all revenues and expenditures, not accounted for in other funds, relating to general operations of the District. The General Fund is considered a major fund as defined by GASB 34.

Federal Grant Funds – used to account for the financial resources of federal program grants. The District has identified Federal Grant Funds as a major fund as defined by GASB 34.

Debt Service Fund - used to account for payment of principal and interest on District general obligation bonds. The District has identified the Debt Service Fund as a major fund due to its importance to the financial statement users.

Capital Projects Fund – used to account for acquisition of capital facilities by proceeds from long term financing and other authorized sources. The Capital Projects Fund is considered a major fund as defined by GASB 34.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS****NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Governmental Funds – Continued**

Other Governmental Funds - used to account for the financial resources of state and local program grants. Funds are legally restricted or committed by the Board to expenditures for specified purposes.

Proprietary Funds

Enterprise Funds – the Food Service fund is used to account for the operations of the District's cafeterias, other food facilities. The Leadership Learning Center fund is used to account for the operations of the newly opened outdoor learning center which provides an outdoor learning environment for cadets, student, staff and other organizations across the state. Revenues are distinguished between operating and non-operating.

Operating revenues are derived primarily from charges to users. Non-operating revenues for the Food Service Fund are derived from federal child nutrition programs under which amounts are received by grant and by receipt of commodities from the United States Department of Agriculture (“USDA”) as well as interest from investments and other state matching funds. The Food Service fund is considered a major proprietary fund as defined by GASB 34. There are no non-operating revenues associated with the Leadership Learning Center Fund.

Internal Service Funds - used to account for accumulation of resources for the payment of employee workers' compensation and unemployment claims. Accrued liabilities include provisions for claims reported and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid to each claimant. The provision for claims incurred but not yet reported is estimated based on District experience since the inception of the program. The District's print shop is also accounted for in an internal service fund as well as the newly established Research and Evaluation Fund which will provide services to the various departments and programs of the District.

Fiduciary Funds

Agency Funds - used to account for the receipts and disbursements of monies from student activity and other organizations. The student activity and other granting organizations exist with the explicit approval of and are subject to revocation by the District's Board. The funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the District.

Private Purpose Trust Funds – are used to report all trust arrangements under which principal and income benefit a specific school or group of students which includes the scholarship funds that are received to be awarded to current and former students for post secondary education purposes.

Cash and Cash Equivalents

Investments are considered to be cash equivalents if they are highly liquid with maturity within three months or less when purchased.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments

Investments are recorded at fair value. Money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less are recorded at amortized cost provided that the fair values of these investments are not significantly affected by impairment of the credit standing of the issues or other factors.

Inventory

Inventory is stated at cost using the first-in, first-out method. Inventory in the General Fund consists of expendable parts and supplies. Inventories are recorded as expenses when consumed.

Inventory in the Enterprise Fund consists primarily of food service commodities. Commodities are valued at prices supplied by the USDA at the time of receipt.

Prepaid Items

Prepaid items indicates payments made by the District in the current year to provide services occurring in the subsequent fiscal year. The District uses the consumption approach when recording prepaid expenditures. The consumption approach provides for the initial reporting of the item as an asset and recognition of the expenditures when that item is actually used or “consumed.”

Capital Assets

Land, buildings and equipment are stated on the basis of historical cost. Donated capital assets are valued at their estimated fair market value on the date donated.

Capital assets of the Enterprise Fund (furniture and equipment) are being depreciated by the straight-line method, generally over the estimated useful life of five years.

Building and building improvements of the District are depreciated using the straight-line method beginning in the year they are placed in service. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Classification</u>	<u>Useful Life</u>
Buildings and Building Improvements	40 years
Portable Buildings/Other Improvements	20 years
Buses and Large Trucks	10 years
Cars and Small Trucks	5 years
Equipment	5 years

The capitalization threshold for recording the capital asset classifications listed above is \$5,000, except for building improvements which have a capitalization threshold of \$250,000. If the building improvement is funded by bonds, capital lease, or other debt, then the capitalization threshold is \$5,000. Maintenance, repairs and minor improvements that do not significantly extend the life of assets are not capitalized. Land and construction in progress are not depreciable.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS****NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED****Vacation and Sick Leave**

Employees who work 240 days or more annually earn and accumulate vacation pay. Such amounts that are used in any one year are recognized as expenditures in that year. In the event of a termination, an employee is reimbursed for any unused accumulated vacation. However, the reimbursement is limited to a maximum of two year's accumulation. The accrued vacation payable totaled \$3,172,189.

Employees accrue between ten and twelve days sick leave each year, without limit.

Long-Term Debt

General obligation bonds which have been issued to fund capital projects of the District are to be repaid from tax revenues of the District. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The deferred gain or loss on refunding, will be recognized as a deferred outflow of resources or a deferred inflow of resources and amortized to interest expense over the life of the bond. Bond issuance costs are expensed in the current period.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The deferred gain or loss on refunding, will be recognized as a deferred outflow of resources or a deferred inflow of resources and amortized to interest expense over the life of the bond. Bond issuance costs are expensed in the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Interfund Activities

Transactions among governmental funds and between governmental funds and proprietary funds appear as due to/due from other funds on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. Interfund services provided and used are not eliminated in the consolidation of funds for the Statement of Activities.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS****NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED****Interfund Activities – Continued**

All interfund transactions that do not represent services provided and used between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds are treated as transactions with an external third party on the government-wide Statement of Net Position.

Categories and Classifications of Fund Balance and Net Position

In accordance with GASB 54 which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Governmental Fund Financial Statements

Governmental fund balances are classified as Nonspendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds but also provide clarity as to the level of restriction placed upon fund balance. Fund balances have different levels of constraint, such as external versus internal compliance requirements, unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

1. Nonspendable Fund Balance – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. Examples include inventories, long-term receivables, endowment principal, and/or prepaid/deferred items.
2. Spendable Fund Balance
 - a. Restricted Fund Balance – includes amounts that can be spent only for the specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments' laws and regulations. Examples include federal and state grant programs, retirement of long-term debt, and construction.
 - i. The aggregate fund balance in the debt service fund is legally restricted for payment of bonded indebtedness and is not available for other purposes until all bonded indebtedness is liquidated.
 - ii. The fund balance of the capital projects fund reflects an amount restricted for construction and major renovation projects, and it usually represents unexpended proceeds from the sale of school building bonds, which primarily have restricted uses.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Governmental Fund Financial Statements – Continued

- iii. The proceeds of specific revenue sources that are restricted to expenditures for specified purposes as designated by grantors, contributors, or governmental entities over state or local program grants.
- b. Committed Fund Balance – includes amounts that can be used only for the specific purposes as determined by the governing body by formal action recorded in the minutes of the governing body. Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. Examples include, but are not limited to, board action regarding construction, claims, and judgments, retirement of loans/notes payable, capital expenditures, and self-insurance. The school board must take action to commit funds for a specific purpose prior to the end of the fiscal year, but the amount of the commitment may be determined after the end of the fiscal year.
 - i. Campus activity funds are considered committed by the governing body through adoption of board policy pertaining to the usage of these funds.
- c. Assigned Fund Balance – comprises amounts intended to be used by the district for specific purposes. Pursuant to GASB 54, this intent can be expressed by an official or body to which the governing body delegates that authority. In Fort Worth ISD that authority has not been delegated to any official or body. The Board of Education is the only governing body that can assign fund balance for specific purposes by formal action recorded in the official minutes. Examples take on the similar appearance as those enumerated for committed fund balance, including the appropriation of existing fund balance to eliminate a deficit in next year's budget.
- d. Unassigned Fund Balance – is the residual classification of the General Fund and includes all amounts not contained in other classifications. Only the General Fund will have unassigned amounts. By accounting for amounts in other funds, the District has implicitly assigned the funds for the purposes of those particular funds.

For accounting purposes, committed amounts are reduced first followed by assigned, and then unassigned in accordance with GASB 54. Nonspendable and restricted fund balances are governed by legal or contractual requirements or as may be imposed by law, creditors, grantors, contributors, or other governments' laws and regulations. The Board of Education is the highest and only level of decision-making authority and determines the spending of its restricted and unrestricted resources. A schedule of the District fund balances classifications is provided in Exhibit C-1.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Government-Wide Financial Statements

Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets – the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt net of premiums and discounts, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-Wide Financial Statements – Continued

Restricted for Debt Service – the component of net position that reports the difference between assets and liabilities with constraints on their use by law.

Restricted for Food Service – the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the U.S. Department of Agriculture.

Restricted for Leadership Learning Center – the component of net position that reports the difference between assets and liabilities with constraints on their use to cover the outdoor learning center operations.

Restricted for State Programs – the component of net position that reports the difference between assets and liabilities with constraints on their use by the State of Texas.

Unrestricted – the difference between the assets and liabilities that is not reported in Net Investment in Capital Assets, and restricted net position.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. A change in estimate of prior year revenues occurred during the current year related to categorization of students and resulted in a reduction of revenue and an amount due to state of approximately \$27,500,000.

Deferred Outflows and Deferred Outflows of Resources

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is effective for periods beginning after December 15, 2012. The statement reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows or inflows of resources, and recognizes these items as outflows or inflows of resources. This Statement applies to all state and local governmental entities. The District has retroactively implemented this change.

The statement of net position includes a separate section, in addition to assets, for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position/fund balance that applies to a future period(s) and therefore will not be recognized as an expense/expenditure until that time. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as revenue until that time.

If a balance previously reported as an asset or liability does not meet the definition of an asset, deferred outflow, liability, or deferred inflow, then it must actually be reported as a current inflow or outflow of resources (revenue, expense, or expenditure).

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2. CASH AND INVESTMENTS

Statutes of the State of Texas and policies mandated by the District's Board of Trustees authorize the District to invest in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, public fund investment pools, mutual funds and money market accounts. All cash balances and investments are held separately in each of the District's funds.

The Texas Education Agency requires certain depository information to be reported in the notes to the financial statements including (1) the name of the depository bank; (2) the confirmation of the highest combined balances on deposit; (3) the month on which the highest combined balances on deposit occurred; and (4) the amount of pledged securities and FDIC insurance held on the corresponding date at the depository bank.

Investment Portfolio as of June 30, 2014

INVESTMENT TYPE	FAIR VALUE	BOOK VALUE	PERCENT OF INVESTMENTS	WEIGHTED AVERAGE MATURITY (DAYS)	CREDIT RATING	
					STANDARD AND POORS	MOODY'S
Cash						
Petty Cash	\$ 22,838	\$ 22,838				
Cash In Bank	15,958,144	15,958,144	N/A	N/A	N/A	N/A
Total Cash	15,980,982	15,980,982				
Mutual Funds						
Highmark Funds	24,043	23,446	0.01%	N/A	N/A	N/A
Total Mutual Funds	24,043	23,446	0.01%			
Local Government Investment Pools						
MBIA Texas Class	237,285,126	237,285,126	61.03%	50	AAAm	N/A
TexPool	41,720,171	41,720,171	10.73%	51	AAAm	N/A
TexStar	109,773,090	109,773,090	28.23%	52	AAAm	N/A
Total Local Govt Investment Pools	388,778,387	388,778,387	99.99%			
Total Cash and Investments	\$ 404,783,412	\$ 404,782,815	100.00%			

Interest Rate Risk

In accordance with the District's investment policy, investments are made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. The District's policy states that no individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. The district further controls interest rate risk by limiting the term to maturity of any single investment to a maximum of three years, and the dollar weighted average maturity of the entire portfolio to a maximum of one year.

Credit Risk

The district recognizes that credit risks result from issuer defaults, market price changes, or various technical complications leading to temporary liquidity. Portfolio diversification is employed as a way to control risk. No individual transaction shall be undertaken which jeopardizes the total position of the overall portfolio. Furthermore, state law limits investments in commercial paper to a rating of not less than A-1 or P-1 (or equivalent rating) by at least two nationally recognized credit rating agencies. If commercial paper is acquired as an investment instrument, the total portfolio cannot contain more than 25% of this type of security. As of June 30, 2014, the District had no commercial paper in its portfolio. The District's investments in public funds investment pools and money market mutual funds include those with MBIA Texas Class, TexPool and TexSTAR.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Credit Risk – Continued

They are all public funds investment pools operating in full compliance with the Public Funds Investment Act. MBIA Texas Class, TexPool and TexSTAR are all rated as AAAM by Standard & Poor's. As of June 30, 2014, the book value of the District's investment in these pools was \$388,778,387.

In accordance with Government Code 2256.005(b), the investment officers of the District are required to develop a procedure to monitor changes in investment ratings and to liquidate investments that do not maintain satisfactory ratings. The district currently reviews various websites to monitor economic activity that could result in changes in credit ratings; schedules more frequent meetings with financial staff regarding the district's portfolio; and works more closely with financial advisors to monitor investment ratings to ensure district investment holdings can be liquidated if investment ratings drop below policy requirements.

Concentration of Credit Risk

The investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer. As a percentage of total investments, the District's portfolio contains the following investment types: Investment Pools (MBIA Texas Class; TexPool and TexSTAR) at 99.99%, and Mutual Funds at .01%.

Custodial Credit Risk – Deposits

Custodial credit risk is eliminated when the District ensures deposits are adequately collateralized. Otherwise, in the event of bank failure, the District risks losing its deposits.

Depository information, required to be reported to the Texas Education Agency is as follows:

- a. Name of Depository Bank: JP Morgan Chase Bank.
- b. Highest Combined Ledger Balance: \$59,112,413
- c. Month of Highest Ledger Combined Balance: August 2013
- d. Amount of Pledged Securities (Market Value): \$37,622,232
- e. Amount of FDIC Insurance-\$500,000 for interest and non-interest bearing accounts

In accordance with the Texas Government Code, Sec. 2257.023, the District is required to be fully collateralized at all times during the year. However, the District's funds were undercollateralized on August 23, 2013 by \$20,990,181 due to the timing of a wire transfer. There were no other instances of undercollateralization that occurred during the year ended June 30, 2014.

NOTE 3. PROPERTY TAXES

Property taxes are levied on October 1 and are due and payable at that time. The Board establishes the District's property tax rates annually. The authorized tax rates for property taxes assessed on January 1, 2013, were \$1.04 and \$0.282 per \$100 for the General Fund and Debt Service Fund, respectively.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS****NOTE 3. PROPERTY TAXES – CONTINUED**

The legally authorized tax rate limit for the District is \$1.04 per \$100 assessed valuation for maintenance and operations. On January 1 of each year, a tax lien attaches to property to secure the payment of penalties imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60 day period after the close of the District's fiscal year.

All unpaid taxes become delinquent on February 1 of the following year. At June 30, 2014, taxes receivable, net of estimated uncollectible taxes, aggregated \$19,227,594 and \$3,614,715 for the General Fund and Debt Service Fund.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based upon historical experience in collecting property taxes.

Uncollectible personal property taxes are periodically reviewed and written-off, but the District is prohibited from writing-off real property taxes without specific statutory authority from the Texas Legislature.

The District has entered into an agreement with Tarrant County ("County") whereby the County bills and collects the District's property taxes. The legislation which created county education districts ("CED's"), Texas House Bill 351, was declared unconstitutional by the Texas Supreme Court. The Texas legislature enacted Senate Bill 7 which abolished CED's effective as of September 1, 1993. The District currently receives any delinquent CED payments from the County.

NOTE 4. DUE FROM OTHER GOVERNMENTS**General Fund**

Amounts due primarily from the state for school foundation program.

Federal Grant Fund and Other Governmental Funds

Amounts due from local, state and federal agencies represent receivables for the excess of expenditures over revenues incurred in the administration of various supplemental education programs.

Enterprise Fund

Amounts due from state agencies represent receivables due from the agency for federal child nutrition programs.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 5. INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of amounts due to and due from other funds:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 32,234,662	\$ -
Federal Grant Funds		9,146,935
Debt Service Fund		894,129
Capital Projects Funds		21,278,740
Internal Service Funds		392,089
Other Governmental Funds		522,769
Debt Service Fund	880,588	
General Fund		880,588
Federal Grant Funds	63,763	
General Fund		63,763
Capital Projects Funds	14,706,086	
General Fund		14,706,086
Other Governmental Funds	13,155,169	
General Fund		13,155,169
Enterprise Funds	4,032,789	
General Fund		4,032,789
Internal Service Funds	34,211,387	
General Fund		34,211,387
	<u>\$ 99,284,444</u>	<u>\$ 99,284,444</u>

Interfund balances relate primarily to amounts paid by one fund on behalf of another to be repaid or collected in the normal course of business.

NOTE 6. INTERFUND TRANSFERS

<u>Transferred From:</u>	<u>Transferred To:</u>			
	<u>General Fund</u>	<u>Research and Evaluation Fund</u>	<u>Print Shop Fund</u>	<u>Total Transfers Out</u>
General Fund	\$ -	\$ 307,360	\$ 164,850	\$ 472,210
Capital Projects Fund	4,453,536			4,453,536
Total transfers in	<u>\$ 4,453,536</u>	<u>\$ 307,360</u>	<u>\$ 164,850</u>	<u>\$ 4,925,746</u>

In the government-wide financial eliminations of interfund transactions have been made in the governmental and business-type activities columns. A transfer was made between Capital Project and General Operating Fund for the purpose of reimbursing the General Fund for land purchased for the Young Women's Leadership Academy as approved by the Board of Trustees. The transfer from the General fund to the Research and Evaluation fund and Print Shop fund was for the purpose of offsetting charges.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Governmental activities:					
<u>Capital assets not being depreciated</u>					
Land	\$ 43,371,538	\$ 1,322,753	\$ -	\$ (97,760)	\$ 44,596,531
Construction in Progress	15,821,679	16,347,234	(27,496,168)	-	4,672,745
Total capital assets not being depreciated	<u>59,193,217</u>	<u>17,669,987</u>	<u>(27,496,168)</u>	<u>(97,760)</u>	<u>49,269,276</u>
<u>Capital assets being depreciated</u>					
Buildings and Improvements	1,166,952,442	23,930	27,496,168	-	1,194,472,540
Vehicles	39,641,469	332,862	-	-	39,974,331
Furniture and Equipment	79,124,795	3,039,428	-	-	82,164,223
Total other capital assets at historical cost	<u>1,285,718,706</u>	<u>3,396,220</u>	<u>27,496,168</u>	<u>-</u>	<u>1,316,611,094</u>
<u>Accumulated depreciation:</u>					
Buildings and Improvements	348,001,411	22,781,898	-	-	370,783,309
Vehicles	21,789,779	1,554,426	-	-	23,344,205
Furniture and Equipment	52,190,227	5,860,606	-	-	58,050,833
Total accumulated depreciation	421,981,417	30,196,930	-	-	452,178,347
Total capital assets being depreciated, net	<u>863,737,289</u>	<u>(26,800,710)</u>	<u>27,496,168</u>	<u>-</u>	<u>864,432,747</u>
Governmental activities capital assets, net	<u>922,930,506</u>	<u>(9,130,723)</u>	<u>-</u>	<u>(97,760)</u>	<u>913,702,023</u>
Business-type activities:					
Furniture and Equipment	12,167,777	657,602	-	-	12,825,379
Less accumulated depreciation	11,704,171	149,029	-	-	11,853,200
Business-type activities capital assets, net	<u>\$ 463,606</u>	<u>\$ 508,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 972,179</u>

Depreciation expense was charged to functions as follows:

Governmental activities:		
11 Instruction		\$ 18,152,540
12 Instruction resources and media services		513,276
13 Curriculum development and instructional personnel department		1,093,563
21 Instructional administration		557,265
23 School administration		1,996,856
31 Guidance and counseling services		1,486,937
32 Attendance and social work services		190,876
33 Health Services		341,848
34 Student (pupil) transportation		816,105
35 Food Services		13,640
36 Cocurricular/Extracurricular activities		469,767
41 General Administration		609,444
51 Plant Maintenance and operations		3,034,830
52 Security and monitoring services		459,800
53 Data processing services		460,183
Total governmental activities depreciation expense		<u>\$ 30,196,930</u>

Depreciation expense was charged to Function 35 – Food Services for business-type activities.

As of June 30, 2014, the District has active construction projects with an aggregate unexpended balance on open contracts of \$30,169,188.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8. BANK OVERDRAFT LINE OF CREDIT

The District has available a negotiable bank overdraft line of credit. The District is charged interest at the bank's prime lending rate. The District generally maintains a minimum cash balance in its operating bank accounts in order to maximize interest income on temporary investments. The District's bank overdraft balance as of June 30, 2014 was zero.

NOTE 9. LONG-TERM LIABILITIES

The change in governmental long-term liabilities is summarized as follows:

	Balance June 30, 2013	Additions/ Adjustments	Reductions	Balance June 30, 2014	Amounts Due Within One Year
General Obligation-Principal	\$ 672,514,996	\$ 122,825,000	\$ 44,540,000	\$ 750,799,996	\$ 54,664,994
Bond Premium	43,747,445	13,137,807	4,190,162	52,695,090	-
General Obligation Bonds Accretion on Capital Appreciation Bonds	606,106	28,970	-	635,076	-
Total General Obligation Bonds	716,868,547	135,991,777	48,730,162	804,130,162	54,664,994
Claims Liability	9,627,350	3,688,281	3,074,275	10,241,356	3,727,664
Compensated Absences Payable	19,276,559	-	4,264,547	15,012,012	2,925,773
Vacation Payable	3,151,859	3,727,490	3,707,160	3,172,189	3,172,189
Total	\$ 748,924,315	\$ 143,407,548	\$ 59,776,144	\$ 832,555,719	\$ 64,490,620

Other important notes regarding long-term liabilities:

- There is \$46,956,130 in the Debt Service Fund at June 30, 2014, to service the general obligation bonds.
- For the period ended June 30, 2014, the District issued \$122,825,000 of bonds.
- On June 30, 2014, there were no outstanding bonds considered defeased.
- The General Fund has been used to liquidate the liability for compensated absences.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 9. LONG-TERM LIABILITIES – CONTINUED

DATE OF ISSUE	DESCRIPTION	INTEREST RATE PAYABLE	ORIGINAL ISSUE AMOUNT	AMOUNTS OUTSTANDING JUNE 30, 2013	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	ACCRETION	AMOUNTS OUTSTANDING JUNE 30, 2014
02/01/05	Unlimited Tax Refunding Bonds, Series 2005	3.0% to 5.0%	\$ 117,235,000	\$ 75,205,000		\$ 13,040,000		\$ 62,165,000
12/15/06	Unlimited Tax Refunding Bonds, Series 2006	4.0% to 5.0%	112,339,995	109,991,102			28,970	110,020,072
01/24/08	Unlimited Tax Refunding Bonds, Series 2008	4.5% to 4.5%	6,700,000	2,100,000		385,000		1,715,000
02/01/08	School Building Unlimited Tax Series 2008	3.125% to 5.0%	224,525,000	184,340,000		9,045,000		175,295,000
06/02/09	School Building Unlimited Tax Series 2009	3.0% to 5.0%	176,755,000	146,565,000		6,590,000		139,975,000
12/01/09	School Building Unlimited Tax Series 2009 QSCB	.30% to .30%	31,600,000	27,650,000		1,975,000		25,675,000
08/01/10	Unlimited Tax Qualified School Construction Bonds, Series 2010	0.0%	15,000,000	15,000,000				15,000,000
09/01/10	Unlimited Tax School Building Bonds, Series 2010	2.0% to 5.0%	103,715,000	102,615,000		3,850,000		98,765,000
09/01/10	Unlimited Tax Refunding Bonds, Series 2010	4.0% to 5.0%	27,500,000	9,655,000		9,655,000		
	Unlimited Tax School Building Bonds Series 2014	2.0% to 5.0%	122,825,000		122,825,000			122,825,000
Total				<u>\$ 673,121,102</u>	<u>\$ 122,825,000</u>	<u>\$ 44,540,000</u>	<u>\$ 28,970</u>	<u>\$ 751,435,072</u>

The Tax Refunding Bonds, Series 2006, Above, include \$635,076 of accreted interest on capital appreciation bonds.

Debt service requirements to maturity are summarized as follows:

Year	Principal	Interest	Total Requirements
2015	54,664,994	34,933,325	89,598,319
2016	52,820,000	32,075,875	84,895,875
2017	51,280,000	29,731,050	81,011,050
2018	53,650,000	27,319,050	80,969,050
2019	56,145,000	24,986,000	81,131,000
2020 - 2024	207,080,002	91,442,825	298,522,827
2025 - 2029	193,900,000	46,980,513	240,880,513
2030 - 2034	41,455,000	14,947,000	56,402,000
2034 - 2039	39,805,000	6,093,850	45,898,850
Total	<u>\$750,799,996</u>	<u>\$308,509,488</u>	<u>\$1,059,309,484</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS****NOTE 10. EMPLOYEES' RETIREMENT PLAN****Plan Description**

The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67 and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfers under Texas Government Code, Title 8, Chapters 803 and 805, respectively. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy

The State sets contribution rates for the state and its members. The State contribution rate for the 2013-2014 school year was 6.4% for July and August of 2013 changing to 6.8% effective September 1, 2013. The member contribution rate remained at 6.4%. In certain instances, the reporting district is required to make all or a portion of the state's 6.4% contribution. Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy:

- (1) the state constitution requires the legislature to establish a member contribution rate of no less than 6% and no more than 10% of the member's annual compensation and a state contribution rate of no less than 6% and no more than 10.0% of the aggregate annual compensation of all members of the system during that fiscal year; and
- (2) a state statute prohibits its benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action.

For the years ended June 30, 2012, 2013 and 2014, State contributions to TRS made on behalf of the Fort Worth Independent School District's employees and reflected in the District's financial statements as both revenue and expenditures were \$24,094,214, \$22,681,041, and \$25,699,952 respectively. The Fort Worth Independent School District paid additional state contributions on a portion of their employees' salaries that exceeded the statutory minimum for the year ended June 30, 2012, in the amount of \$6,722,255; the amount of \$6,447,507 for the period ended June 30, 2013, and the amount of \$7,065,834 for the year ended June 30, 2014.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS****NOTE 11. RETIREE HEALTH PLAN****Plan Description**

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement Systems of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS website at www.trs.state.tx.us, by writing to the Communications Dept. of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas, or by calling 1-800-223-8778.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with the District contributing a percentage of payroll set at .55% for fiscal period 2014. For the years ended June 30, 2012, 2013 and 2014, the State's contributions to TRS-Care were \$1,694,169, (\$217,497), and \$1,327,996 respectively, the active member contributions were \$3,366,881, \$3,182,580, and \$3,267,277 respectively, and the District's contributions were, \$632,141, \$398,469 and \$545,702 respectively, which equaled the required contributions each period.

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care retiree drug subsidy payments from the federal government offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2012, 2013, & 2014, the subsidy payments received by the TRS-Care on behalf of the District were \$1,445,956, \$1,392,994 and \$1,446,357 respectively. These payments are recorded as equal revenues and expenditures in the governmental fund financial statements.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS****NOTE 12. COMPENSATED ABSENCES COMMITMENT**

Prior to September 1, 2012, the District provided a termination pay program under which it made a lump-sum payment to certain retiring employees or to the beneficiaries of certain employees who die while employed. This program covers all compensated absences earned by qualifying employees. The amount of the lump-sum payment is based on the employee's current rate of compensation and years of service, plus an amount of the employee's accumulated vacation and sick leave at death or retirement. To be eligible for termination pay, an employee must have been hired before September 1, 2003, have 5 or more years of service with the District and be eligible for retirement by the Teacher Retirement System of Texas standards. Meeting these requirements, the employee will receive 1 day's pay for each unused sick leave day upon termination of employment for up to 20 days. In addition, the employee is also entitled to receive 1 day's pay for each year of service upon termination of employment. The termination payable is calculated for all employees who meet the eligibility requirements and who are within 5 years of eligible retirement age. The liability is calculated based on the current year's salary and the number of years of service. The District has at June 30, 2014, a liability of \$15,012,012 in the Government-Wide Statement of Net Position and is financed on a pay-as-you-go basis.

As of September 1, 2012, the district's termination pay policy was revised. District employees are no longer eligible to accrue benefits under the program for reimbursement of unused leave at retirement (terminal pay). All eligible employees who have previously accrued unused leave benefits through August 31, 2012, will be paid, at the time of their retirement, the amount earned under this program, if any, as of August 31, 2012. Freezing terminal pay places a ceiling on the District's liability, which will decrease over the coming years.

NOTE 13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; and natural disasters for which the District is insured. This exposure is in property and general liability, health insurance, workers' compensation and unemployment insurance.

Property and General Liability

Real property, fleet liability, portable equipment, specified causes of loss and bonding insurance is purchased commercially.

The District purchases general liability coverage from the Texas Association of School Boards.

Limited special event liability insurance is purchased from the commercial market. There have been no significant reductions in insurance coverage from the prior year for any category of risk. Settlements have not exceeded insurance coverage in any of the last three fiscal periods.

Health

During the year ended June 30, 2014, eligible employees and eligible dependents were offered a choice of medical plans provided through the Teachers Retirement System of Texas. The District provides \$237 monthly towards premium efforts.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 13. RISK MANAGEMENT – CONTINUED**Workers' Compensation and Unemployment**

The District self-insures against workers' compensation and unemployment claims. The costs associated with the self-insurance plan are reported as operating revenues and operating expenses of the Internal Service Fund. The total estimated claims payable at June 30, 2014, includes approximately \$10,241,356 for workers' compensation case reserve losses. This liability includes claims from fiscal year 1982 through June 30, 2014. The liabilities reported in the fund at June 30, 2014, are based on the requirements of Governmental Accounting Standards Board Statement Nos. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This includes provisions for claims reported but not paid and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid each claimant. The provision for claims incurred but not yet reported is estimated based on the District's experience. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Workers' compensation liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time were computed by an actuary and are reported at their nominal value.

Changes in the workers' compensation claims liability amount in fiscal years 2013 and 2014 were:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability	Due in One Year
2013	\$ 10,553,105	\$ 3,248,836	\$ 4,174,591	\$ 9,627,350	\$ 3,559,401
2014	9,627,350	3,688,281	3,074,275	10,241,356	3,727,664

NOTE 14. COOPERATIVE PROGRAMS

The District participates in an Adult Basic Education cooperative program. The District does not account for revenues or expenditures of the other participating districts in these programs and does not disclose them in these financial statements. The District is the fiscal agent manager of the cooperatives.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 14. COOPERATIVE PROGRAMS – CONTINUED

The following table presents the revenues and expenditures attributable to member districts' participation:

	Adult Basic Education Federal	Adult Basic Education State	Total
Revenues:			
State Revenue	\$ -	\$ 33,171	\$ 33,171
Federal Revenue	64,318	-	64,318
	<u>64,318</u>	<u>33,171</u>	<u>97,489</u>
Expenditures:			
Contracted Services	64,318	33,171	97,489
	<u>\$ 64,318</u>	<u>\$ 33,171</u>	<u>\$ 97,489</u>

NOTE 15. CONTINGENT LIABILITIES

Federal and State Programs: Minimum foundation funding received from the Agency is based primarily upon information concerning average daily attendance at the District's schools which is compiled by the District and supplied to the Agency. Federal funding for Food Services under child nutrition programs is based primarily upon the number and type of meals served and on user charges as reported to the USDA. Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made in compliance with program guidelines to the grantor agencies.

These programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, that the District has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of funding monies may be required. In the opinion of the District's administration, there are no significant contingent liabilities relating to matters of compliance and, accordingly, no provision has been made in the accompanying financial statements for such contingencies.

There are other claims and pending actions incident to normal operations of the District. In the opinion of the District administration, the District's potential liability in these matters will not have a material impact on the financial statements.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 16. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Unearned				
Grant Revenue	\$ 41,699	\$ 10,368,508	\$ -	\$ 10,410,207
Unearned Charges	38,475	-	109,934	148,409
Total	<u>\$ 80,174</u>	<u>\$ 10,368,508</u>	<u>\$ 109,934</u>	<u>\$ 10,558,616</u>

NOTE 17. INSTRUCTIONAL MATERIALS ALLOTMENT

In May 2011, Senate Rule 6 created an Instructional Materials Allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA instructional material purchases must be made through TEA's online registration system. Instructional materials purchased from IMA totaling \$10,038,849 are recorded as revenues and expenditures in the State Instructional Materials Fund.

Ownership of textbooks previously purchased by the state and utilized by the District were transferred to the District. The majority of these textbooks were sold or otherwise disposed of in accordance with TEA guidelines. Therefore, at June 30, 2014, the remainder of the textbooks in possession of the District have minimal value and are not otherwise reflected elsewhere in these statements.

NOTE 18. CHANGE IN ACCOUNTING PRINCIPLE

In accordance with Governmental Accounting Standards Board No. 65, *Items Previously Reported as Assets and Liabilities*, assets or liabilities that no longer meet the definition of an asset, deferred outflow, liability or deferred inflow should be reported as current outflow or inflow of resources. Debt issuance costs, previously reported as an asset, no longer meet that definition and will be reported as expenses in the current period. In accordance with GASB 65, the District has retrospectively implemented the changed which resulted in a restatement of beginning net position as of June 30, 2014. The effect of the restatement is a decrease in beginning net position of \$4,285,613.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 19. NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which will be effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting of state and local governmental pension plans. This Statement applies to all state and governmental entities and replaces Statements 27 and 50. The District will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB also issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which was effective simultaneously with GASB 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.



REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET-TO-ACTUAL: GENERAL FUND (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2014**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET OVER (UNDER)
Revenues				
5700 Local and Intermediate Sources	\$ 284,581,126	\$ 296,631,126	\$ 291,171,598	\$ (5,459,528)
5800 State Program Revenues	337,913,939	347,046,126	319,976,389	(27,069,737)
5900 Federal Program Revenues	6,500,000	7,900,000	10,191,800	2,291,800
Total Revenues	628,995,065	651,577,252	621,339,787	(30,237,465)
Expenditures				
11 Instruction	367,793,527	369,157,604	359,391,574	9,766,030
12 Instructional Resources and Media Services	10,212,419	10,183,890	9,708,152	475,738
13 Curriculum Development and Instructional Staff Development	9,784,745	8,754,903	7,889,193	865,710
21 Instructional Leadership	14,131,563	13,899,566	13,268,100	631,466
23 School Leadership	44,854,849	44,209,282	42,017,047	2,192,235
31 Guidance, Counseling and Evaluation Services	32,683,589	33,234,033	32,410,994	823,039
32 Social Work Services	4,065,659	3,957,332	3,048,739	908,593
33 Health Services	7,846,587	7,897,703	7,250,730	646,973
34 Student (pupil) Transportation	19,826,902	19,823,287	18,487,431	1,335,856
35 Food Services	220,440	298,758	196,393	102,365
36 Cocurricular/Extracurricular Activities	11,034,028	11,165,813	10,568,349	597,464
41 General Administration	14,452,198	16,232,318	15,031,359	1,200,959
51 Plant Maintenance and Operations	72,996,891	74,647,563	71,635,364	3,012,199
52 Security and Monitoring Services	10,030,748	10,626,200	10,624,740	1,460
53 Data Processing Services	13,765,232	13,739,643	11,294,228	2,445,415
61 Community Services	4,820,191	4,710,005	4,221,114	488,891
81 Facilities Acquisition and Construction	300,000	1,763,860	71,464	1,692,396
95 Payments to Juvenile Justice Alternative Education Program	350,000	350,000	127,680	222,320
97 Payments to Tax Increment Fund	2,800,000	2,883,780	2,883,780	-
99 Other Intergovernmental Charges	2,274,871	2,274,871	1,998,394	276,477
Total Expenditures	644,244,439	649,810,411	622,124,825	27,685,586
Excess (Deficiency) of Revenues Over Expenditures	(15,249,374)	1,766,841	(785,038)	(2,551,879)
Other Financing Sources (Uses)				
7912 Sale of Land	-	-	75,767	75,767
7915 Transfer In	-	-	4,453,536	4,453,536
7918 Mineral Rights	750,000	-	-	-
7949 Other Resources	5,000,000	-	-	-
8911 Transfers Out	-	-	(472,210)	(472,210)
Total Other Financing Sources and (Uses)	5,750,000	-	4,057,093	4,057,093
Net Change in Fund Balances	(9,499,374)	1,766,841	3,272,055	1,505,214
Fund Balances-Beginning	160,786,928	160,786,928	160,786,928	-
Fund Balances-Ending	\$ 151,287,554	\$ 162,553,769	\$ 164,058,983	\$ 1,505,214



NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2014**

BUDGET PROCESS

Budgeting - Annual budgets are legally adopted for the General Fund, Debt Service Fund and Food Service Fund. The annual budget is presented in the accompanying exhibit G-1 for the General Fund. The budget for the General Fund is presented on the modified accrual basis of accounting.

Budgetary Procedures - The following procedures are used in establishing the budgetary data reflected in the financial statements:

- (1) Prior to June 30 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A meeting of the Board of Education is then called for the purpose of adopting the proposed budget after public notice of the meeting has been given.
- (3) Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Education.

The budget is prepared and controlled by the budget officer at the revenue object and expenditure function level.

Other Budget Information:

Administration performs budget reviews and re-evaluates budgetary requirements. Recommendations for budget amendments, if any, are then recommended to the Board. The budget officer has the authority to transfer appropriation balances within a functional expenditure category as long as total expenditures for that function are not changed. The Board may approve amendments to the budget, which are required when a change is made to the functional expenditure categories or revenue object accounts, as defined by the Agency. The final amended budget for the General Fund reflected increases in budgeted revenues in state programs revenue to make the necessary adjustment for increased enrollment. The expenditures budget was increased as more fully outlined in the MD&A at page 15. Notable budget amendments included the increase of overall revenue to account for increased property tax collections, increased state revenue due to enrollment growth, and increased federal revenue due to number of Medicaid eligible students. The expenditure budget was amended in function 11 for the purchase of instructional materials, function 41 for technology upgrades to the Board Room and function 81 to replace a chiller at the Administration Building and upgrade and repair the arena and floor at the Wilkerson-Grienes facility. The budget amounts reflected in the financial statements represent final amended budget amounts as approved by the Board.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all Governmental Funds. Since appropriations lapse at year-end, outstanding encumbrances are re-appropriated in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments.



OTHER SUPPLEMENTARY INFORMATION



NON-MAJOR GOVERNMENTAL FUNDS



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

<u>DATA CONTROL CODES</u>	<u>(380 - 459) STATE FUNDS</u>	<u>(460 - 499) LOCAL FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
ASSETS			
1110	\$ -	\$ 4,037,522	\$ 4,037,522
1240	221,896	134,875	356,771
1260	2,417,767	10,737,402	13,155,169
1290	-	26,070	26,070
1000	<u>2,639,663</u>	<u>14,935,869</u>	<u>17,575,532</u>
LIABILITIES:			
2110	12,744	1,577,696	1,590,440
2160	103,413	608,983	712,396
2170	81,456	441,313	522,769
2180	1,865	-	1,865
2310	161,441	10,207,067	10,368,508
2000	<u>360,919</u>	<u>12,835,059</u>	<u>13,195,978</u>
FUND BALANCE			
Spendable			
Restricted For:			
3450	2,278,744	-	2,278,744
Committed For:			
3545	-	2,100,810	2,100,810
3000	<u>2,278,744</u>	<u>2,100,810</u>	<u>4,379,554</u>
4000	<u>\$ 2,639,663</u>	<u>\$ 14,935,869</u>	<u>\$ 17,575,532</u>

EXHIBIT H-2

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014**

DATA CONTROL CODES		(380 - 459) STATE FUNDS	(460 - 499) LOCAL FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
5700	Local and Intermediate Sources	\$ 2,205	\$ 10,913,614	\$ 10,915,819
5800	State Program Revenues	12,202,873	5,487	12,208,360
5020	TOTAL REVENUES	12,205,078	10,919,101	23,124,179
EXPENDITURES				
Current:				
0010	Instruction and Instructional-Related Services:			
0011	Instruction	11,009,661	7,322,774	18,332,435
0012	Instructional Resources and Media Services	468,717	123,665	592,382
0013	Curriculum Development and Instructional Staff Development	916	186,759	187,675
	Total Instruction and Instructional-Related Services	11,479,294	7,633,198	19,112,492
0020	Instructional and School Leadership:			
0021	Instructional Leadership	65,026	268,211	333,237
0023	School Leadership	76,504	437,895	514,399
	Total Instructional and School Leadership	141,530	706,106	847,636
0030	Support Services - Student (Pupil):			
0031	Guidance, Counseling and Evaluation Services	307,106	810,205	1,117,311
0032	Social Work Services	-	419,987	419,987
0033	Health Services	1,595	-	1,595
0035	Food Service	231,043	13,244	244,287
0036	Cocurricular/Extracurricular Activities	-	310,514	310,514
	Total Support Services - Student (Pupil)	539,744	1,553,950	2,093,694
0040	Administrative Support Services:			
0041	General Administration	-	50,359	50,359
	Total Administrative Support Services	-	50,359	50,359
0050	Support Services - Nonstudent Based:			
0051	Plant Maintenance and Operations	590	787,397	787,987
0052	Security and Monitoring Services	10,749	26,452	37,201
0053	Data Processing Services	-	4,698	4,698
	Total Support Services - Nonstudent Based	11,339	818,547	829,886
0060	Ancillary Services:			
0061	Community Services	-	218,403	218,403
	Total Ancillary Services	-	218,403	218,403
0090	Payments to Fiscal Agent/Member Districts of Shared Services Arrangements:			
0093	Payments to Juvenile Justice Alternative Education Program	33,171	-	33,171
	Total Payments to Fiscal Agent/Member Districts of Shared Services Arrangements	33,171	-	33,171
	TOTAL EXPENDITURES	12,205,078	10,980,563	23,185,641
1200	NET CHANGE IN FUND BALANCES	-	(61,462)	(61,462)
0100	FUND BALANCE - JULY 1 - BEGINNING	2,278,744	2,162,272	4,441,016
3000	FUND BALANCE - JUNE 30 - ENDING	\$ 2,278,744	\$ 2,100,810	\$ 4,379,554

INTERNAL SERVICE FUNDS



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014**

<u>DATA CONTROL CODES</u>	<u>753 INSURANCE FUND</u>	<u>752 PRINT SHOP</u>	<u>773 RESEARCH AND EVALUATIONS</u>	<u>TOTAL INTERNAL SERVICE FUND</u>
ASSETS				
Current Assets:				
1260	\$ 33,739,177	\$ 164,850	\$ 307,360	\$ 34,211,387
	<u>33,739,177</u>	<u>164,850</u>	<u>307,360</u>	<u>34,211,387</u>
Capital Assets:				
1530	-	18,700	-	18,700
1573	-	(18,700)	-	(18,700)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 33,739,177</u>	<u>\$ 164,850</u>	<u>\$ 307,360</u>	<u>\$ 34,211,387</u>
LIABILITIES				
Current Liabilities:				
2110	\$ 22,201	\$ 80,121	\$ -	\$ 102,322
2150	57,958	-	-	57,958
2170	-	84,729	307,360	392,089
2210	3,727,664	-	-	3,727,664
	<u>3,807,823</u>	<u>164,850</u>	<u>307,360</u>	<u>4,280,033</u>
Noncurrent Liabilities				
2590	6,513,692	-	-	6,513,692
	<u>6,513,692</u>	<u>-</u>	<u>-</u>	<u>6,513,692</u>
TOTAL LIABILITIES	<u>10,321,515</u>	<u>164,850</u>	<u>307,360</u>	<u>10,793,725</u>
NET POSITION				
3900	23,417,662	-	-	23,417,662
3000 TOTAL NET POSITION	<u>\$ 23,417,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,417,662</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014**

DATA CONTROL CODES	753 INSURANCE FUND	752 PRINT SHOP	773 RESEARCH AND EVALUATIONS	TOTAL INTERNAL SERVICE FUND
OPERATING REVENUES				
5700 Charges for Services	\$ 2,371,676	\$ 798,158	\$ -	\$ 3,169,834
5020 TOTAL OPERATING REVENUES	<u>2,371,676</u>	<u>798,158</u>	<u>-</u>	<u>3,169,834</u>
OPERATING EXPENSES				
6100 Payroll Costs	527,576	162,987	307,360	997,923
6200 Professional and Contracted Services	8,720,795	583,728	-	9,304,523
6300 Supplies and Materials	23,563	216,286	-	239,849
6400 Other Operating Costs	59,221	7	-	59,228
6030 TOTAL OPERATING EXPENSES	<u>9,331,155</u>	<u>963,008</u>	<u>307,360</u>	<u>10,601,523</u>
OPERATING LOSS				
	(6,959,479)	(164,850)	(307,360)	(7,431,689)
7915 Transfer In	-	164,850	307,360	472,210
1300 CHANGE IN NET POSITION	(6,959,479)	-	-	(6,959,479)
3900 Total Net Position July 1 (Beginning)	<u>30,377,141</u>	<u>-</u>	<u>-</u>	<u>30,377,141</u>
3900 Total Net Position June 30 (Ending)	<u>\$ 23,417,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,417,662</u>

EXHIBIT H-5

FORT WORTH INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2014

	753 INSURANCE FUND	752 PRINT SHOP	773 RESEARCH AND EVALUATIONS	TOTAL INTERNAL SERVICE FUND
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash Received from User Charges	\$ 8,346,650	\$ 798,158	\$ -	\$ 9,144,808
Cash Payments to Employees for Services	(527,576)	(162,987)	-	(690,563)
Cash Payments for Insurance Claims	(6,492,034)	-	-	(6,492,034)
Cash Payments to Suppliers for Goods and Services	(23,563)	(216,286)	-	(239,849)
Cash Payments for Operating Costs	(1,872,319)	(587,518)	(307,360)	(2,767,197)
NET CASH USED IN OPERATING ACTIVITIES	<u>(568,842)</u>	<u>(168,633)</u>	<u>(307,360)</u>	<u>(1,044,835)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Cash Received from Other Funds	-	164,850	307,360	472,210
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>164,850</u>	<u>307,360</u>	<u>472,210</u>
NET CHANGE IN CASH AND TEMPORARY INVESTMENTS	(568,842)	(3,783)	-	(572,625)
CASH - JULY 1	568,842	3,783	-	572,625
CASH - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</u>				
Operating Loss	\$(6,959,479)	\$ (164,850)	\$ (307,360)	\$(7,431,689)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used In Operating Activities:				
Changes in Assets and Liabilities:				
Receivables	38,676	-	-	38,676
Accounts Payable	10,660	42,196	-	52,856
Accrued Payroll and Deductions	57,875	-	-	57,875
Due from Other Funds	6,260,823	269,292	(307,360)	6,222,755
Due to Other Funds	(591,403)	(315,271)	307,360	(599,314)
Accrued Expenses	614,006	-	-	614,006
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (568,842)</u>	<u>\$ (168,633)</u>	<u>\$ (307,360)</u>	<u>\$ (1,044,835)</u>



FIDUCIARY FUNDS



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF AGENCY FUNDS
ASSETS AND LIABILITIES
JUNE 30, 2014**

<u>DATA CONTROL CODES</u>	<u>865 STUDENT ACTIVITIES</u>	<u>890 OTHER AGENCY</u>	<u>TOTAL</u>
ASSETS			
1290	\$ 1,302,898	\$ 336,809	\$ 1,639,707
	<u>\$ 1,302,898</u>	<u>\$ 336,809</u>	<u>\$ 1,639,707</u>
LIABILITIES			
2110	\$ -	\$ 336,809	\$ 336,809
2190	1,302,898	-	\$ 1,302,898
	<u>\$ 1,302,898</u>	<u>\$ 336,809</u>	<u>\$ 1,639,707</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF PRIVATE PURPOSE TRUST FUNDS NET POSITION
JUNE 30, 2014**

<u>DATA CONTROL CODES</u>	<u>PRIVATE PURPOSE TRUST FUNDS</u>		
	<u>829</u>	<u>836</u>	
	<u>PRIVATE PURPOSE</u>	<u>SCHOLARSHIPS</u>	<u>TOTAL</u>
	ASSETS		
1110	\$ 820,536	\$ -	\$ 820,536
1290	199,479	-	199,479
1910	23,446	-	23,446
	<u>1,043,461</u>	<u>-</u>	<u>1,043,461</u>
	LIABILITIES		
2110	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
	NET POSITION		
3490	<u>\$ 1,043,461</u>	<u>\$ -</u>	<u>\$ 1,043,461</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
AGENCY FUNDS
YEAR ENDED JUNE 30, 2014**

	BALANCE July 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
STUDENT ACTIVITY FUND				
ASSETS				
Due from Other Funds	\$ 1,254,583	\$ -	\$ 1,254,583	\$ -
Other Receivables	-	1,302,898	-	1,302,898
TOTAL ASSETS	\$ 1,254,583	\$ 1,302,898	\$ 1,254,583	\$ 1,302,898
LIABILITIES				
Due to Student Groups	1,254,583	48,315	-	1,302,898
TOTAL LIABILITIES	\$ 1,254,583	\$ 48,315	\$ -	\$ 1,302,898
OTHER AGENCY FUND				
ASSETS				
Cash and Temporary Investments	\$ 330,310	\$ 1,619,514	\$ 1,949,824	\$ -
Due from Other Funds	-	336,810	336,810	-
Other Receivables	-	336,809	-	336,809
TOTAL ASSETS	\$ 330,310	\$ 2,293,133	\$ 2,286,634	\$ 336,809
LIABILITIES				
Accounts Payable	\$ 329,935	\$ 790,733	\$ 783,859	\$ 336,809
Due to Other Funds	375	-	375	-
TOTAL LIABILITIES	\$ 330,310	\$ 790,733	\$ 784,234	\$ 336,809
ALL AGENCY FUNDS				
ASSETS				
Cash and Temporary Investments	\$ 330,310	\$ 1,619,514	\$ 1,949,824	\$ -
Due from Other Funds	1,254,958	-	1,254,958	-
Other Receivables	-	1,639,707	-	1,639,707
TOTAL ASSETS	\$ 1,585,268	\$ 3,259,221	\$ 3,204,782	\$ 1,639,707
LIABILITIES				
Accounts Payable	\$ 329,935	\$ 790,733	\$ 783,859	\$ 336,809
Due to Other Funds	375	-	375	-
Due to Student Groups	1,254,583	48,315	-	1,302,898
TOTAL LIABILITIES	\$ 1,584,893	\$ 839,048	\$ 784,234	\$ 1,639,707

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN PRIVATE PURPOSE
TRUST FUNDS NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2014**

	PRIVATE PURPOSE TRUST FUNDS		TOTAL
	829	836	
	PRIVATE PURPOSE	SCHOLARSHIPS	
ADDITIONS			
Contributions:			
Gifts and Bequests	\$ 101,552	\$ -	\$ 101,552
Investment Earnings	1,791	53	1,844
Total Additions	<u>103,343</u>	<u>53</u>	<u>103,396</u>
DEDUCTIONS			
Scholarships Granted	<u>26,957</u>	<u>-</u>	<u>26,957</u>
Total Deductions	<u>26,957</u>	<u>-</u>	<u>26,957</u>
Change in Net Position	76,386	53	76,439
Net Position - Beginning of the Year	<u>967,075</u>	<u>(53)</u>	<u>967,022</u>
Net Position - End of the Year	<u>\$ 1,043,461</u>	<u>\$ -</u>	<u>\$ 1,043,461</u>

BUDGET COMPARISON REPORTING



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET-TO-ACTUAL: DEBT SERVICE FUND (GAAP BASIS)
YEAR ENDED JUNE 30, 2014**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues				
5700 Local and Intermediate Sources	\$ 73,016,254	\$ 76,886,369	\$ 77,254,630	\$ 368,261
5800 State Program Revenues	2,944,996	6,590,322	5,945,749	(644,573)
Total Revenues	75,961,250	83,476,691	83,200,379	(276,312)
Expenditures				
0071 Debt Service	75,206,250	75,206,250	75,193,150	13,100
0097 Payments to Tax Increment Fund	755,000	785,152	785,151	1
Total Expenditures	75,961,250	75,991,402	75,978,301	13,101
Net Change in Fund Balance	-	7,485,289	7,222,078	(263,211)
Fund Balance - Beginning	<u>39,734,052</u>	<u>39,734,052</u>	<u>39,734,052</u>	-
Fund Balances - Ending	<u>\$ 39,734,052</u>	<u>\$ 47,219,341</u>	<u>\$ 46,956,130</u>	<u>\$ (263,211)</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
BUDGET-TO-ACTUAL: FOOD SERVICE FUND (GAAP BASIS)
YEAR ENDED JUNE 30, 2014**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>OVER (UNDER)</u>
OPERATING REVENUES				
5700 Charges for Services				
5020 TOTAL REVENUES	<u>\$ 5,254,000</u>	<u>\$ 5,254,000</u>	<u>\$ 4,356,344</u>	<u>\$ (897,656)</u>
	5,254,000	5,254,000	4,356,344	(897,656)
OPERATING EXPENSES				
0035 Food Service	48,901,000	48,901,000	42,486,358	6,414,642
0051 Plant Maintenance and Operations	586,000	586,000	61,915	524,085
0052 Security and Monitoring Services	4,000	4,000	-	4,000
6030 TOTAL EXPENSES	<u>49,491,000</u>	<u>49,491,000</u>	<u>42,548,273</u>	<u>(6,942,727)</u>
OPERATING LOSS	(44,237,000)	(44,237,000)	(38,191,929)	6,045,071
NON-OPERATING REVENUE				
7955 Earnings from Temporary Investments	12,000	12,000	4,780	(7,220)
7912 Gain on Disposal	60,000	60,000	-	(60,000)
7989 State Matching	250,000	250,000	262,353	12,353
7952 National School Breakfast Program	8,400,000	8,400,000	7,912,137	(487,863)
7953 National School Lunch Program	28,100,000	28,100,000	27,715,981	(384,019)
7954 USDA Commodities Program	2,900,000	2,900,000	2,816,205	(83,795)
7953 Afterschool Snack Reimbursement	800,000	800,000	569,618	(230,382)
7020 TOTAL NON-OPERATING REVENUES	<u>40,522,000</u>	<u>40,522,000</u>	<u>39,281,074</u>	<u>(1,240,926)</u>
1300 CHANGE IN NET POSITION	(3,715,000)	(3,715,000)	1,089,145	4,804,145
0100 Net Position--Beginning	<u>11,565,841</u>	<u>11,565,841</u>	<u>11,565,841</u>	<u>-</u>
3900 Net Position--Ending	<u><u>\$ 7,850,841</u></u>	<u><u>\$ 7,850,841</u></u>	<u><u>\$ 12,654,986</u></u>	<u><u>\$ 4,804,145</u></u>

COMPLIANCE SCHEDULE

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE
YEAR ENDED JUNE 30, 2014**

LAST TEN YEARS ENDED JUNE 30	TAX RATES		NET ASSESSED/ APPRAISED VALUE FOR SCHOOL TAX PURPOSES	BEGINNING BALANCE 7/1/13	CURRENT YEAR'S TOTAL LEVY (1)
	MAINTENANCE	DEBT SERVICE			
2005 and prior years	VARIOUS	VARIOUS	VARIOUS	\$ 11,709,412	
2006	1.5000	0.1540	19,683,317,731	1,449,474	
2007	1.3700	0.1440	21,903,297,019	1,431,782	
2008	1.0400	0.1500	24,104,551,995	1,268,898	
2009	1.0400	0.2170	24,954,443,444	1,608,012	
2010	1.0400	0.2820	25,717,744,800	1,935,034	
2011	1.0400	0.2820	25,904,294,507	2,229,882	
2012	1.0400	0.2820	26,569,371,350	3,288,288	
2013	1.0400	0.2820	27,550,230,989	10,878,900	
2014	1.0400	0.2820	28,323,965,759		353,116,718
				<u>\$ 35,799,682</u>	<u>\$ 353,116,718</u>
Tax Increment Financing District under Chapter 311, Tax Code					
County Education District Taxes Receivable				<u>\$ 439,979</u>	<u>\$ -</u>

(1) Current year's total levy is net of \$14,858,140 for levy loss due to frozen taxes on "over-65" accounts.

EXHIBIT J-1

<u>MAINTENANCE TOTAL COLLECTIONS</u>	<u>DEBT SERVICE TOTAL COLLECTIONS</u>	<u>ENTIRE YEAR'S ADJUSTMENTS</u>	<u>ENDING BALANCE 6/30/14</u>	<u>MAINTENANCE BALANCE 6/30/14</u>	<u>DEBT SERVICE BALANCE 6/30/14</u>
291,999	33,882	(740,732)	\$ 10,642,799	\$ 9,472,091	\$ 1,170,708
56,138	5,764	(82,111)	1,305,461	1,174,915	130,546
74,152	7,794	(75,003)	1,274,833	1,160,098	114,735
80,525	11,614	(67,799)	1,108,960	998,064	110,896
230,116	48,015	30,079	1,359,960	1,183,165	176,795
318,522	86,368	27,096	1,557,240	1,292,509	264,731
434,048	117,694	31,600	1,709,740	1,350,695	359,045
815,899	221,235	(109,898)	2,141,256	1,691,592	449,664
5,150,962	1,396,697	(1,230,899)	3,100,342	2,449,270	651,072
<u>275,855,902</u>	<u>74,799,391</u>	<u>6,479,799</u>	<u>8,941,224</u>	<u>7,063,567</u>	<u>1,877,657</u>
<u>\$ 283,308,263</u>	<u>\$ 76,728,454</u>	<u>\$ 4,262,132</u>	<u>\$ 33,141,815</u>	<u>\$ 27,835,966</u>	<u>\$ 5,305,849</u>
<u>\$ 2,883,780</u>	<u>\$ 785,151</u>				
<u>\$ 17,144</u>		<u>\$ (35,640)</u>	387,195	387,195	-
			<u>\$ 33,529,010</u>	<u>\$ 28,223,161</u>	<u>\$ 5,305,849</u>



STATISTICAL SECTION

FORT WORTH INDEPENDENT SCHOOL DISTRICT STATISTICAL SECTION OVERVIEW (UNAUDITED)

The statistical section is organized in five sections:

- Financial Trends – Compiles information reported in the Comprehensive Annual Report over the past ten years (2005-2014) as a result of the implementation of GASB 34 reporting. Information for Government Wide statements dates back to 2002 when the District implemented. These schedules report how the District's financial position has changed over time.
- Revenue Capacity Information – Provides information regarding the District's major own source revenue (property taxes) and the stability/growth of that revenue for the past ten year period.
- Debt Capacity Information – Provides information on the District's outstanding debt, the District's ability to repay the debt, and its ability to issue additional debt, if needed, for the past ten years, where applicable.
- Demographic and Economic Information – Provides information regarding the District's socioeconomic environment; specifically, its taxpayers, employers, and the changes to those groups over the past ten years, if available.
- Operating Information – Provides information on the District's employees, operations of the District, and facilities for the period stated in the reports.



FINANCIAL TRENDS

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS (UNAUDITED)
(AMOUNTS IN THOUSANDS – ACCRUAL BASIS OF ACCOUNTING)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ 242,433,422	\$ 229,712,243	\$ 207,686,945	\$ 198,970,639
Restricted for				
Federal or State programs	2,278,744	2,278,744	2,278,744	-
Debt service	36,864,429	31,189,192	28,938,429	27,192,670
Unrestricted	<u>186,530,454</u>	<u>191,321,529</u>	<u>146,523,203</u>	<u>165,059,799</u>
Total governmental net position	<u>468,107,049</u>	<u>454,501,708</u>	<u>385,427,321</u>	<u>391,223,108</u>
Business-type activities				
Net investment in capital assets	972,179	463,606	427,923	448,834
Restricted for				
Food service	11,682,807	11,102,235	9,806,228	7,556,158
Leadership learning center	<u>61,848</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type net position	<u>12,716,834</u>	<u>11,565,841</u>	<u>10,234,151</u>	<u>8,004,992</u>
Total primary government				
Net investment in capital assets	243,405,601	230,175,849	208,114,868	199,420,000
Restricted for				
State programs	2,278,744	2,278,744	2,278,744	-
Debt service	36,864,429	31,189,192	28,938,429	27,192,000
Food service	11,682,807	11,102,235	9,806,228	7,556,000
Leadership learning center	61,848	-	-	-
Unrestricted	<u>186,530,454</u>	<u>191,321,529</u>	<u>146,523,203</u>	<u>165,060,000</u>
Total net position	<u>\$ 480,823,883</u>	<u>\$ 466,067,549</u>	<u>\$ 395,661,472</u>	<u>\$ 399,228,000</u>

TABLE I

Ten Month Period 2010	2009	2008	2007	2006	2005
\$ 280,439,000	\$ 200,823,000	\$ 145,313,995	\$ 152,916,000	\$ 161,831,000	\$ 138,992,000
-	-	-	-	-	-
28,121,000	15,759,000	18,424,880	16,911,000	15,075,000	10,971,000
74,918,000	98,189,000	170,712,924	174,261,000	118,661,000	95,814,000
<u>383,478,000</u>	<u>314,771,000</u>	<u>334,451,799</u>	<u>344,088,000</u>	<u>295,567,000</u>	<u>245,777,000</u>
624,000	596,000	448,834	196,000	1,000	8,000
5,896,000	4,246,000	5,570,795	7,238,000	6,563,000	5,598,000
-	-	-	-	-	-
<u>6,520,000</u>	<u>4,842,000</u>	<u>6,019,629</u>	<u>7,434,000</u>	<u>6,564,000</u>	<u>5,606,000</u>
281,063,000	201,420,000	145,763,000	153,112,000	161,832,000	139,000,000
-	-	-	-	-	-
28,121,000	15,759,000	18,425,000	16,911,000	15,075,000	10,971,000
5,896,000	4,246,000	5,571,000	7,238,000	6,563,000	5,598,000
74,990,000	98,189,000	170,713,000	174,261,000	118,661,000	95,814,000
<u>\$ 390,070,000</u>	<u>\$ 319,614,000</u>	<u>\$ 340,472,000</u>	<u>\$ 351,522,000</u>	<u>\$ 302,131,000</u>	<u>\$ 251,383,000</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
GOVERNMENT WIDE EXPENSES, PROGRAM REVENUES, AND CHANGES IN NET POSITION
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses				
Governmental activities:				
11 Instruction	\$ 439,228,331	\$ 415,873,189	\$ 448,284,972	\$ 442,850,604
12 Instructional resources and media	12,105,089	11,657,799	11,840,542	11,855,022
13 Curriculum development and instructional staff development	28,164,823	25,099,405	33,349,009	34,286,643
21 Instructional leadership	15,594,615	12,787,897	12,875,154	13,492,448
23 School leadership	46,406,802	45,746,453	47,151,357	45,692,357
31 Guidance, counseling, and evaluation	37,651,425	34,092,733	33,614,646	34,772,303
32 Social work services	4,074,632	4,384,198	4,739,025	4,471,197
33 Health services	7,700,924	7,831,289	7,941,014	7,719,587
34 Student (pupil) transportation	19,571,617	18,729,044	19,508,064	20,464,495
35 Food services	775,817	166,095	381,092	285,014
36 Cocurricular/Extracurricular activities	11,398,645	10,829,986	10,294,101	9,795,122
41 General administration	15,826,744	14,953,485	17,414,127	16,532,979
51 Plant maintenance and operations	76,460,530	69,813,246	71,358,412	79,385,647
52 Security and monitoring services	11,301,206	10,547,402	11,061,778	11,673,495
53 Data processing services	10,449,209	9,363,747	9,806,905	12,664,057
61 Community services	6,322,592	5,647,308	5,254,488	5,744,673
71 Debt Service	30,217,508	29,520,056	31,923,897	32,499,136
81 Facilities acquisition and construction				
93 Payments to Fiscal Agent	97,489	57,952	113,848	72,486
95 Payments to Juvenile Justice Alternative Education Programs	127,680	279,000	248,250	195,250
97 Payments to Tax Increment Fund	3,668,931	3,769,943	4,516,572	4,298,005
99 Other Intergovernmental Charges	1,998,394	2,106,868	2,064,703	1,482,799
Total government activities expenses	<u>779,143,003</u>	<u>733,257,095</u>	<u>783,741,956</u>	<u>790,233,319</u>
Business-Type Activities				
Food services	42,548,273	40,367,492	39,348,147	36,372,396
Leadership Learning Center	58,060			
Total Business-Type Activities	<u>42,606,333</u>	<u>40,367,492</u>	<u>39,348,147</u>	<u>36,372,396</u>
Total Primary Government Expenses	<u>821,749,336</u>	<u>773,624,587</u>	<u>823,090,103</u>	<u>826,605,715</u>
Program Revenues				
Governmental Activities				
Charges for services				
Health Services				
Cocurricular/Extracurricular Activities	1,031,279	967,137	926,839	820,636
Instruction	5,345,258	5,134,271	5,629,412	5,181,878
Other				
Grants and contributions				
Instruction	81,040,773	84,976,875	102,626,098	118,680,765
Food service	265,527	118,018	126,267	75,104
Other	47,405,659	45,890,066	58,558,889	81,079,968
Business-Type Activities				
Charges for Services	4,476,252	4,208,812	4,679,465	4,680,469
Operating grants and contributions	39,276,294	37,483,007	36,892,920	33,172,701
Total primary government program revenues	<u>178,841,042</u>	<u>178,778,186</u>	<u>209,439,890</u>	<u>243,691,521</u>
Net (Expense) Revenue				
Governmental Activities	(644,054,507)	(596,170,728)	(615,874,451)	(584,394,968)
Business Type Activities	1,146,213	1,324,327	2,224,238	1,480,774
Total Primary Government	<u>\$ (642,908,294)</u>	<u>\$ (594,846,401)</u>	<u>\$ (613,650,213)</u>	<u>\$ (582,914,194)</u>

TABLE II

Ten Month Period 2010	2009	2008	2007	2006	2005
\$ 416,013,524	\$ 412,109,651	\$ 387,636,765	\$ 349,241,656	\$ 354,525,809	\$ 333,712,398
10,820,285	13,063,154	11,855,870	11,834,531	14,673,562	10,457,163
33,549,560	37,610,900	31,099,018	26,800,783	14,244,072	15,857,446
12,452,433	13,971,637	14,688,568	11,761,820	13,906,315	13,857,526
41,837,738	44,987,091	42,210,410	41,272,888	36,655,619	35,360,470
33,509,257	32,900,588	29,511,449	28,730,856	26,810,288	25,653,138
4,215,271	4,794,441	4,256,897	4,104,908	4,104,406	4,493,672
7,462,124	7,946,417	7,304,766	6,870,622	6,487,106	6,659,600
17,960,245	18,647,457	20,855,849	16,704,755	18,562,336	17,285,968
383,804	1,099,059	244,405	537,243	530,193	569,236
7,903,641	9,296,197	9,191,708	8,751,072	7,417,263	7,469,916
13,753,454	16,402,724	16,287,335	13,762,084	13,305,053	13,872,653
65,051,064	75,244,237	75,128,938	66,521,403	66,321,130	63,974,837
10,474,140	12,222,536	11,580,746	10,351,168	9,894,992	11,971,769
8,081,212	11,719,018	12,907,473	8,459,265	11,198,162	5,468,530
5,545,763	5,800,636	7,158,339	6,775,556	6,550,334	6,779,526
24,898,870	32,175,930	16,024,902	18,384,592	17,650,904	20,058,045
	1,669,919	132,590	331,106	678,059	2,433,001
86,378	101,486	141,039			
236,375	223,375	228,225	62,170	170,610	267,741
4,473,705	3,988,455	3,201,835	3,195,443	2,836,851	1,910,051
1,564,635					
<u>720,273,478</u>	<u>755,974,908</u>	<u>701,647,127</u>	<u>634,453,921</u>	<u>626,523,064</u>	<u>598,112,686</u>
32,808,928	33,868,257	33,565,119	29,547,221	29,151,357	28,877,900
<u>32,808,928</u>	<u>33,868,257</u>	<u>33,565,119</u>	<u>29,547,221</u>	<u>29,151,357</u>	<u>28,877,900</u>
<u>753,082,406</u>	<u>789,843,165</u>	<u>735,212,246</u>	<u>664,001,142</u>	<u>655,674,421</u>	<u>626,990,586</u>
				7,618,563	757,021
486,381	677,158	478,761	551,865	532,132	510,206
4,357,210	5,250,720	5,976,475	3,443,938	467,043	545,250
	526,794		1,841,667	131,632	211,258
127,041,644	77,034,851	70,207,216	71,139,826	84,603,240	69,183,373
42,991	860,117	81,736	3,797	304,100	305,254
64,761,924	55,756,087	58,851,680	54,527,526	65,506,703	49,507,906
5,248,371	5,653,966	5,833,544	5,152,344	5,512,378	5,365,723
29,227,972	26,993,020	26,183,832	24,715,921	24,347,953	23,957,475
<u>231,166,493</u>	<u>172,752,713</u>	<u>167,613,244</u>	<u>161,376,884</u>	<u>189,023,744</u>	<u>150,343,466</u>
(523,583,328)	(615,869,181)	(566,051,259)	(502,945,302)	(467,359,651)	(477,092,418)
1,667,415	(1,221,271)	(1,547,743)	321,044	708,974	445,298
<u>\$ (521,915,913)</u>	<u>\$ (617,090,452)</u>	<u>\$ (567,599,002)</u>	<u>\$ (502,624,258)</u>	<u>\$ (466,650,677)</u>	<u>\$ (476,647,120)</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue				
Total primary government net expense	(642,908,294)	(594,846,401)	(613,650,213)	(582,914,194)
General Revenues				
Property taxes - Maintenance & Operations	285,354,811	277,778,704	268,749,766	263,863,223
Property taxes - Debt Service	77,032,732	75,115,242	72,610,065	70,221,764
County Education District Taxes				
State aid-formula grants	293,963,450	306,817,982	262,168,999	254,269,944
Other Grants and contributions				
Investment earnings	208,708	453,058	712,887	1,108,918
Miscellaneous	5,385,760	5,080,129	5,836,950	2,676,109
Special item-gain on sale of property				
Total General revenues	<u>661,945,461</u>	<u>665,245,115</u>	<u>610,078,667</u>	<u>592,139,958</u>
Business-type activities				
Investment earnings	4,780	7,363	4,921	4,388
Total Business-type activities	<u>4,780</u>	<u>7,363</u>	<u>4,921</u>	<u>4,388</u>
Total Primary Government	<u>661,950,241</u>	<u>665,252,478</u>	<u>610,083,588</u>	<u>592,144,346</u>
Change in Net Position	<u>19,041,947</u>	<u>70,406,077</u>	<u>(3,566,625)</u>	<u>9,230,152</u>

TABLE III

Ten Month Period 2010	2009	2008	2007	2006	2005
(521,915,913)	(617,090,452)	(567,599,002)	(502,624,258)	(466,650,677)	(476,647,120)
272,419,517	266,895,545	243,217,453	296,436,870	292,191,348	271,046,254
73,168,114	52,131,038	35,289,258	31,081,895	30,294,698	28,564,334
241,206,214	256,063,843	257,954,089	205,147,831	178,150,941	186,687,291
	1,274,448				
2,010,970	7,368,983	13,255,462	14,352,727	10,081,487	4,876,116
3,485,331	12,454,825	6,539,155	4,447,359	3,729,276	6,180,748
		159,616			
<u>592,290,146</u>	<u>596,188,682</u>	<u>556,415,033</u>	<u>551,466,682</u>	<u>514,447,750</u>	<u>497,354,743</u>
10,456	43,601	133,377	313,357	249,613	115,735
<u>10,456</u>	<u>43,601</u>	<u>133,377</u>	<u>313,357</u>	<u>249,613</u>	<u>115,735</u>
<u>592,300,602</u>	<u>596,232,283</u>	<u>556,548,410</u>	<u>551,780,039</u>	<u>514,697,363</u>	<u>497,470,478</u>
<u>70,384,689</u>	<u>(20,858,169)</u>	<u>(11,050,592)</u>	<u>49,155,781</u>	<u>48,046,686</u>	<u>20,823,358</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS (UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>GASB 54 2014</u>	<u>GASB 54 2013</u>	<u>GASB 54 2012</u>	<u>2011</u>	<u>Ten Month Period 2010</u>
General Fund					
Reserved	\$	\$	\$	\$	\$ 6,057,686
Unreserved, Designated					11,123,707
Unreserved, Undesignated					135,498,053
Non Spendable	1,081,957	910,913	1,017,749	1,149,891	
Spendable					
Restricted					
Committed					
Assigned	29,280,093	9,499,372	27,618,102	35,677,295	
Unassigned	<u>133,696,933</u>	<u>150,376,643</u>	<u>95,305,990</u>	<u>105,717,356</u>	
Total General fund	<u>164,058,983</u>	<u>160,786,928</u>	<u>123,941,841</u>	<u>142,544,542</u>	<u>152,679,446</u>
Other Governmental Funds					
Reserved, reported in					
Debt Service Fund					35,271,180
Capital Projects Fund					239,195,645
Unreserved, Undesignated, reported in					
Non-major Special Revenue Funds					4,531,249
Spendable					
Restricted					
Grant Funds	2,278,744	2,278,744	2,278,744	2,883,890	
Retirement of Long Term Debt	46,956,130	39,734,052	36,909,379	36,254,791	
Construction	125,388,225	14,773,715	57,500,541	137,357,311	
Committed					
Campus Activity Funds	<u>2,100,810</u>	<u>2,162,272</u>	<u>2,035,503</u>	<u>1,771,649</u>	
Total other governmental funds	<u>176,723,909</u>	<u>58,948,783</u>	<u>98,724,167</u>	<u>178,267,641</u>	<u>278,998,074</u>
Total Governmental Funds	<u>\$ 340,782,892</u>	<u>\$ 219,735,711</u>	<u>\$ 222,666,008</u>	<u>\$ 320,812,183</u>	<u>\$ 431,677,520</u>

Note: The District adopted the provisions of GASB 54 in 2011. Therefore, the fund balances beginning in 2011 conform with GASB 54.

TABLE IV

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 7,067,937	\$ 5,196,642	\$ 7,187,419	\$ 4,827,539	\$ 3,063,669
11,123,707	12,122,295	42,197,217	28,711,512	16,272,490
84,327,076	107,130,012	101,058,082	80,000,000	61,263,178
<u>102,518,720</u>	<u>124,448,949</u>	<u>150,442,718</u>	<u>113,539,051</u>	<u>80,599,337</u>
15,064,172	16,056,162	14,024,258	12,872,108	10,971,129
341,094,553	225,236,784	549,552	3,967,464	1,175,141
4,044,218	4,832,583	1,691,423	1,612,405	1,448,113
<u>360,202,943</u>	<u>246,125,529</u>	<u>16,265,233</u>	<u>18,451,977</u>	<u>13,594,383</u>
<u>\$ 462,721,663</u>	<u>\$ 370,574,478</u>	<u>\$ 166,707,951</u>	<u>\$ 131,991,028</u>	<u>\$ 94,193,720</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS (UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:				
Federal source revenue	\$ 9,640,658	\$ 10,959,171	\$ 12,827,364	\$ 8,994,852
Other revenue	6,634,636	3,174,071	10,265,878	10,633,099
Passed through state agencies	<u>62,992,916</u>	<u>81,502,077</u>	<u>89,107,897</u>	<u>131,899,573</u>
Total federal sources	<u>79,268,210</u>	<u>95,635,319</u>	<u>112,201,139</u>	<u>151,527,524</u>
State sources:				
Per capita and foundation	294,432,868	307,350,249	262,988,221	258,883,536
Other state revenue	<u>43,697,630</u>	<u>31,005,454</u>	<u>44,149,211</u>	<u>40,718,479</u>
Total state sources	<u>338,130,498</u>	<u>338,355,703</u>	<u>307,137,432</u>	<u>299,602,015</u>
Local sources:				
Local maintenance and debt service tax	354,557,171	343,726,723	341,570,639	334,084,987
Interest	208,708	453,058	712,892	1,108,918
Revenue from intermediate sources	<u>26,042,491</u>	<u>23,386,175</u>	<u>15,539,929</u>	<u>12,347,007</u>
Total local sources	<u>380,808,370</u>	<u>367,565,956</u>	<u>357,823,460</u>	<u>347,540,912</u>
Total revenues	<u>\$ 798,207,078</u>	<u>\$ 801,556,978</u>	<u>\$ 777,162,031</u>	<u>\$ 798,670,451</u>

TABLE V

Ten Month Period 2010	2009	2008	2007	2006	2005
\$ 4,433,692	\$ 2,871,992	\$ 1,928,084	\$ 2,960,078	\$ 4,060,264	\$ 4,322,946
3,254,554	1,800,919	865,131	2,871,887	7,798,081	932,241
143,777,299	82,434,150	71,060,997	71,725,684	86,194,615	55,402,064
151,465,545	87,107,061	73,854,212	77,557,649	98,052,960	60,657,251
241,074,051	257,015,337	267,031,124	206,888,200	184,639,048	198,835,529
39,243,865	44,908,603	45,097,882	46,478,440	48,893,607	42,326,331
280,317,916	301,923,940	312,129,006	253,366,640	233,532,655	241,161,860
339,596,772	317,788,810	278,913,263	327,518,765	322,486,046	299,610,588
5,335,520	7,412,644	13,255,463	14,103,114	10,081,487	4,876,116
9,598,232	20,824,181	14,102,169	8,841,041	8,579,448	11,534,438
354,530,524	346,025,635	306,270,895	350,462,920	341,146,981	316,021,142
\$ 786,313,985	\$ 735,056,636	\$ 692,254,113	\$ 681,387,209	\$ 672,732,596	\$ 617,840,253

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS (UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operational Expenditures				
Instruction	\$ 419,038,980	\$ 402,572,574	\$ 431,551,212	\$ 428,887,458
Instruction resources and media services	11,531,514	11,350,506	11,421,454	11,481,231
Curriculum development and staff instructional development	26,877,448	24,182,924	32,001,701	33,205,580
Instructional Leadership	14,705,216	12,325,143	12,349,308	13,067,028
School leadership	44,062,474	44,158,105	45,248,425	44,251,670
Guidance, counseling, and evaluation services	36,563,809	32,881,854	32,245,885	33,675,927
Social work services	3,845,891	4,221,005	4,541,456	4,330,219
Health services	7,404,628	7,559,547	7,621,164	7,476,187
Student (pupil) Transportation	18,487,431	18,047,189	23,845,181	19,819,246
Food service	458,819	301,624	310,500	276,027
Cocurricular/Extracurricular activities	10,901,660	10,501,646	9,903,083	9,486,280
General administration	15,093,008	13,477,123	14,209,758	16,011,692
Plant maintenance and operations	72,498,871	67,489,116	68,771,961	76,882,605
Security and monitoring services	10,789,781	10,167,932	10,645,445	11,305,428
Data processing services	11,298,926	10,176,401	9,926,664	12,264,757
Community services	6,290,655	5,675,454	5,274,673	5,563,541
Facilities acquisition/construction	20,843,702	47,562,379	72,922,661	233,691,093
Total operational expenditures	<u>730,692,813</u>	<u>722,650,522</u>	<u>792,790,531</u>	<u>961,675,969</u>
Intergovernmental				
Payments to fiscal agent	97,489	57,952	113,848	72,486
Payments to juvenile justice alternative ed. program	127,680	279,000	248,250	195,250
Payments to Tax Increment Fund	3,668,931	3,769,943	4,516,572	4,298,005
Other Intergovernmental Charges (See Note)	1,998,394	2,106,868	2,064,703	1,482,799
Total intergovernmental	<u>5,892,494</u>	<u>6,213,763</u>	<u>6,943,373</u>	<u>6,048,540</u>
Debt Service				
Principal	44,540,000	42,600,000	40,620,000	37,430,000
Interest and fiscal charges	31,600,954	32,588,849	34,442,944	34,034,945
Total debt service expenditures	<u>76,140,954</u>	<u>75,188,849</u>	<u>75,062,944</u>	<u>71,464,945</u>
Total expenditures	<u>812,726,261</u>	<u>804,053,134</u>	<u>874,796,848</u>	<u>1,039,189,454</u>
Capital outlay (from Exhibit C-4)	<u>21,066,207</u>	<u>49,893,842</u>	<u>79,502,188</u>	<u>240,825,366</u>
Total Expenditures less expenditures for capital outlay	<u>\$ 791,660,054</u>	<u>\$ 754,159,292</u>	<u>\$ 795,294,660</u>	<u>\$ 798,364,088</u>
Debt service as a percentage of noncapital expenditures	2.7%	6.6%	10.0%	30.2%

Note: Other Governmental Charges, Function 99, was used for the first time for the 2010 reporting period for fees to Tarrant Appraisal District. Previously, these were in Function 41.

TABLE VI

Ten Month Period 2010	2009	2008	2007	2006	2005
\$ 396,435,817	\$ 395,858,019	\$ 378,886,698	\$ 341,220,538	\$ 345,713,732	\$ 325,613,655
10,283,180	12,823,441	11,467,214	11,674,438	14,526,400	10,310,386
32,376,515	36,282,859	30,367,497	26,100,621	13,823,252	15,401,467
11,885,749	13,400,957	14,321,987	11,467,855	13,561,053	13,497,456
39,720,431	43,146,137	41,260,921	40,258,283	35,825,691	34,550,656
31,865,701	31,631,814	29,052,762	28,021,788	26,640,220	25,439,995
4,011,205	4,621,381	4,151,024	3,996,378	4,005,443	4,383,079
7,085,548	7,032,810	7,136,378	6,704,197	6,328,002	6,501,258
19,890,725	18,885,168	24,841,291	19,929,434	18,283,493	17,011,254
253,586	758,793	317,771	520,539	514,548	552,541
7,538,794	9,596,130	8,991,424	8,514,965	7,286,065	7,374,535
11,687,843	15,831,234	15,899,138	13,352,827	13,028,320	12,045,520
63,696,581	72,880,787	74,018,594	67,139,422	65,017,738	62,831,601
9,983,762	11,772,161	11,290,085	10,215,139	9,701,246	11,694,026
10,560,252	13,408,139	18,503,590	9,466,235	11,175,270	5,615,504
5,519,311	5,754,433	7,186,616	6,810,008	6,603,625	6,835,166
125,554,304	72,599,476	11,824,948	2,751,036	1,661,717	15,751,162
<u>788,349,304</u>	<u>766,283,739</u>	<u>689,517,938</u>	<u>608,143,703</u>	<u>593,695,815</u>	<u>575,409,261</u>
86,378	101,486	141,039			
236,375	223,375	228,225	62,170	170,610	267,741
4,473,705	3,988,455	3,201,835	3,195,443	2,836,851	1,910,051
1,564,635					
<u>6,361,093</u>	<u>4,313,316</u>	<u>3,571,099</u>	<u>3,257,613</u>	<u>3,007,461</u>	<u>2,177,792</u>
38,450,000	23,943,500	18,797,629	22,397,221	16,790,924	21,610,601
15,450,063	36,738,318	22,805,602	20,503,165	25,078,204	21,340,467
53,900,063	60,681,818	41,603,231	42,900,386	41,869,128	42,951,068
<u>848,610,460</u>	<u>831,278,873</u>	<u>734,692,268</u>	<u>654,301,702</u>	<u>638,572,404</u>	<u>620,538,121</u>
133,387,970	75,527,557	23,884,631	8,441,178	3,232,204	15,379,907
<u>\$ 715,222,490</u>	<u>\$ 755,751,316</u>	<u>\$ 710,807,637</u>	<u>\$ 645,860,524</u>	<u>\$ 635,340,200</u>	<u>\$ 605,158,214</u>
18.6%	10.0%	3.4%	1.3%	0.5%	2.5%

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN
FUND BALANCES FOR GOVERNMENTAL FUNDS
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS (UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (14,519,183)	\$ (2,496,156)	\$ (97,634,817)	\$ (240,519,003)
Other Financing Sources (Uses)				
Sale of bonds	122,825,000			146,215,000
Proceeds from capital leases				
Proceeds from maintenance tax notes				
Sale of land	75,767			
Transfers in	4,453,536			
Premium (discount) on issuance of bonds	13,137,807			13,575,678
Transfers out	(4,925,746)	(434,142)	(511,358)	(277,842)
Payment to bond refunding escrow agent (use)				(29,859,170)
Other sources (uses)				
Total other financing sources (uses)	<u>135,566,364</u>	<u>(434,142)</u>	<u>(511,358)</u>	<u>129,653,666</u>
Special item - Proceeds from Sale of Land				
Restatement - Prior Period Adjustment				
Net change in fund balances	121,047,181	(2,930,298)	(98,146,175)	(110,865,337)
Beginning Fund Balance	<u>219,735,711</u>	<u>222,666,009</u>	<u>320,812,183</u>	<u>431,677,520</u>
Ending Fund Balance	<u>\$ 340,782,892</u>	<u>\$ 219,735,711</u>	<u>\$ 222,666,008</u>	<u>\$ 320,812,183</u>

TABLE VII

Ten Month Period 2010	2009	2008	2007	2006	2005
\$ (62,296,475)	\$ (96,222,237)	\$ (42,438,155)	\$ 27,085,507	\$ 34,160,192	\$ (2,697,868)
31,600,000	176,755,000	231,225,000	112,339,995		117,235,000
			6,700,000		
			333,527	85,488	1,573,472
		501,553	2,437,564	4,000,000	74,250
	14,044,936	18,348,620	7,141,878		12,539,462
(347,668)	(275,514)	(685,912)	(2,774,543)	(4,299,407)	(151,952)
	(2,155,000)	(6,813,897)	(118,529,575)		(129,663,453)
			(17,430)	1,150,589	3,478
<u>31,252,332</u>	<u>188,369,422</u>	<u>242,575,364</u>	<u>7,631,416</u>	<u>936,670</u>	<u>1,610,257</u>
		3,729,318			
(31,044,143)	92,147,185	203,866,527	34,716,923	2,700,446	(1,087,611)
<u>462,721,663</u>	<u>370,574,478</u>	<u>166,707,951</u>	<u>131,991,028</u>	<u>94,193,720</u>	<u>95,281,331</u>
<u>\$ 431,677,520</u>	<u>\$ 462,721,663</u>	<u>\$ 370,574,478</u>	<u>\$ 166,707,951</u>	<u>\$ 131,991,028</u>	<u>\$ 94,193,720</u>



REVENUE CAPACITY INFORMATION



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 YEAR END JUNE 30, 2014
 LAST TEN FISCAL PERIODS (UNAUDITED)
 (AMOUNTS IN THOUSANDS)**

TABLE VIII

Tax Year	Commercial	Residential	Other	Exemptions	Total Taxable Value	Total Direct Rate
2005	20,809,943,081	-	-	2,208,204,997	18,601,738,084	1.658
2006	22,076,488,696	-	-	2,393,170,965	19,683,317,731	1.654
2007	24,430,318,929	-	-	2,527,021,910	21,903,297,019	1.514
2008	18,275,524,193	12,157,047,375	383,482,097	6,711,501,670	24,104,551,995	1.190
2009	18,562,845,273	13,322,031,865	544,002,337	7,474,436,031	24,954,443,444	1.257
2010	19,770,685,472	13,746,352,792	954,691,399	8,753,984,863	25,717,744,800	1.322
2011	17,128,223,898	15,042,732,814	1,349,929,435	7,616,591,640	25,904,294,507	1.322
2012	18,006,632,902	15,170,581,535	1,384,238,631	7,992,081,718	26,569,371,350	1.322
2013	19,367,459,138	15,277,322,283	1,233,762,121	8,328,312,553	27,550,230,989	1.322
2014	20,182,474,867	15,596,716,998	1,195,003,985	8,650,230,091	28,323,965,759	1.322

Source: Tax reports obtained from Tarrant Appraisal District

Notes: Assessed Value = Actual Value

Tarrant Appraisal District did not differentiate real property Assessed Value = Actual Value property was not broken down between commercial and industrial until 2008.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS (UNAUDITED)
(RATE PER \$100 OF ASSESSED VALUE)**

Fiscal Year End June 30,	Fort Worth ISD	City of Arlington	City of Benbrook	City of Edgecliff Village	City of Forest Hill	City of Fort Worth
2005	1.6858	0.6340	0.7725	0.2703	0.9250	0.8650
2006	1.6580	0.6480	0.7625	0.2876	0.9700	0.8650
2007	1.6580	0.6480	0.7625	0.2914	0.9700	0.8650
2008	1.6540	0.6480	0.6770	0.3284	0.9700	0.8650
2009	1.5140	0.6480	0.7225	0.3184	0.9700	0.8600
2010	1.1900	0.6480	0.6975	0.3141	0.9500	0.8550
2011	1.2570	0.6480	0.6775	0.3041	0.9500	0.8550
2012	1.3220	0.6480	0.6575	0.2941	1.0600	0.8550
2013	1.3220	0.6480	0.6575	0.2941	1.0600	0.8550
2014	1.3220	0.6480	0.6575	0.2990	1.0600	0.8550

Note 1: The 79th Texas Legislature (HB1) decreased the maximum M&O Tax Rate without voter approval to \$1.37 in 2007 and \$1.04 in subsequent years (down from the previous \$1.50 cap.)

Note 2: 2010 was a 10 month period.

TABLE IX

City of Haltom	City of Kendale	Tarrant County	Tarrant County Hospital	Tarrant County College	City of Westover	City of White Settlement
0.4558	0.7125	0.2725	0.2324	0.1394	0.5111	0.6150
0.5210	0.7325	0.2725	0.2354	0.1394	0.5203	0.6180
0.5417	0.7225	0.2725	0.2354	0.1394	0.5127	0.6169
0.5578	0.7225	0.2725	0.2354	0.1394	0.4448	0.6130
0.5666	0.7225	0.2715	0.2354	0.1394	0.4201	0.6130
0.5983	0.7225	0.2665	0.2304	0.1394	0.4156	0.6130
0.5983	0.7225	0.2640	0.2279	0.1380	0.3888	0.6137
0.6464	0.7225	0.2640	0.2279	0.1376	0.3519	0.6860
0.6464	0.7225	0.2640	0.2279	0.1376	0.3519	0.6860
0.6999	0.7475	0.2640	0.2279	0.1495	0.3505	0.6707

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS**

TABLE X

Fiscal Year	Original Taxes Levied for the Fiscal Year	Subsequent Adjustments To Levy	Final Adjusted Levy	Collected within the Year of Levy		Collections in subsequent years	Total Collections and cumulative adjustments to Date	
				Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2005	293,532,008		293,532,008	288,438,246	98.26%	128,330	292,309,661	99.58%
2006	309,982,014		309,982,014	310,128,704	100.05%	144,013	308,676,553	99.58%
2007	317,890,633		317,890,633	315,707,584	99.31%	156,948	316,615,799	99.60%
2008	278,185,294		278,185,294	269,121,423	96.74%	159,939	277,076,335	99.60%
2009	299,048,034		299,048,034	308,764,341	103.25%	248,052	297,688,074	99.55%
2010	323,412,537		323,412,537	334,995,661	103.58%	377,794	321,855,297	99.52%
2011	326,963,336		326,963,336	320,200,227	97.93%	520,142	325,253,596	99.48%
2012	335,782,368		335,782,368	325,646,841	96.98%	1,147,033	333,641,113	99.36%
2013	346,420,677		346,420,677	338,075,265	97.59%	7,778,558	343,320,335	99.11%
2014	353,116,718	6,479,799	359,596,517 **	350,655,293	97.51%	-	350,655,293	97.51%

NOTE: 2010 was a ten month Period.

** Additional information added as of 2014 to identify any adjustments made to original levy taxes within the reporting year.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAX PAYERS (UNAUDITED)
 YEAR END JUNE 30, 2014
 CURRENT YEAR AND NINE YEARS AGO**

TABLE XI

Taxpayer	Tax Year of 2014			Tax Year of 2005		
	TAXABLE ASSESSED VALUATION	Percent of Total Assessed Taxable Value	Rank	TAXABLE ASSESSED VALUATION	Percent of Total Assessed Taxable Value	Rank
Oncor Electric Delivery	\$ 231,594,848	0.83%	1			
DDR/DTC City Investments LP Etal	230,817,598	0.83%	2			
XTO Energy Inc	180,604,158	0.65%	3			
Behringer Harvard Burnett Plz	140,475,909	0.51%	4			
Cousins 777 Main Street LLC	133,905,387	0.48%	5			
Carlyle/Cupress West 7th LP	133,117,217	0.48%	6			
Wal-Mart Real Estate Bus Trust/Stores TX LLC	119,175,677	0.43%	7			
Chesapeake Operating (WI)	118,357,060	0.43%	8			
Ben E Keith Co	106,632,745	0.38%	9			
Millercoors	104,880,816	0.38%	10			
Txu Electric Delivery				\$ 205,334,944	0.96%	1
Southwestern Bell				164,310,227	0.77%	2
City Center Development Co.				146,326,996	0.68%	3
Fort Worth Local Development				120,023,947	0.56%	4
Miller Brewing Co				112,862,075	0.53%	5
Albertson's Inc				107,199,152	0.50%	6
Burnett Plaza Assoc. Lp				90,732,690	0.42%	7
Sprint Communications Co Lp				89,489,905	0.42%	9
Sam's/Wal-Mart				89,428,546	0.42%	8
Crescent Real Est Equities Lp				77,681,535	0.36%	10
TOTAL	\$ 1,499,561,415	5.39%		\$ 1,203,390,017	5.61%	

Source: Tax information obtained from Tarrant Appraisal District.



DEBT CAPACITY INFORMATION

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION (UNAUDITED)
 YEAR END JUNE 30, 2014
 LAST TEN FISCAL PERIODS**

TABLE XII

	Assessed Value	Debt Limit (10% of assessed value) *	Total net debt applicable to limit	Legal Debt Margin	Total net debt applicable to limit as a % of Debt Limit
2005	17,370,553,451	1,860,173,808	364,620,624	1,495,553,184	20%
2006	18,601,738,084	1,968,331,773	339,804,735	1,628,527,038	17%
2007	19,683,317,731	2,190,329,702	313,451,106	1,876,878,596	14%
2008	21,903,297,019	2,410,455,200	518,284,800	1,892,170,400	22%
2009	24,104,551,995	2,638,439,851	669,933,290	1,968,506,561	25%
2010	26,384,398,507	2,571,774,480	641,069,730	1,930,704,750	25%
2011	25,904,294,507	2,590,429,451	720,031,775	1,870,397,676	28%
2012	26,569,371,350	2,656,937,135	678,783,902	1,978,153,233	26%
2013	27,550,230,989	2,755,023,099	633,387,050	2,121,636,049	23%
2014	28,323,965,759	2,832,396,576	704,478,942	2,127,917,634	25%

Source: Assessed Value from Tarrant County Appraisal District

NOTE: 2010 was a ten month Period.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 OUTSTANDING DEBT BY TYPE (UNAUDITED)
 YEAR END JUNE 30, 2014
 LAST TEN FISCAL PERIODS**

TABLE XIII

Fiscal Year	Governmental Activities			Total Primary Government	Per Student Enrolled
	Contractual Obligations	General Obligation Bonds	Capital Leases		
2005	1,685,000	375,591,753	622,712	394,847,297	5,291
2006	1,420,000	352,676,843	253,629	372,123,334	4,965
2007	6,710,000	327,475,364	-	352,395,009	4,760
2008	-	534,340,962	-	556,103,764	7,519
2009	-	684,997,462	-	707,480,920	9,501
2010	-	676,340,910	-	698,824,369	9,367
2011	-	756,286,565	-	756,286,565	10,138
2012	-	715,693,281	-	715,693,281	8,768
2013	-	673,121,102	-	673,121,102	8,061
2014	-	751,435,072	-	751,435,072	8,883

Note: See tables 16 and 20 for population and enrollment data used to calculate per capita and per student enrolled information.

NOTE: 2010 was a ten month Period.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA (UNAUDITED)
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS**

TABLE XIV

Year	City of Fort Worth Population	FWISD Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Debt to Value	Net Bonded Debt Per Capita
2005	618,600	18,601,738,084	375,591,753	10,971,129	364,620,624	1.96%	589.43
2006	661,850	20,977,843,921	352,676,843	12,872,108	339,804,735	1.62%	513.42
2007	686,850	21,903,297,019	327,475,364	14,024,258	313,451,106	1.43%	456.36
2008	702,850	24,104,551,995	534,340,962	18,424,880	515,916,082	2.14%	734.03
2009	720,250	24,954,443,444	684,997,462	15,064,172	669,933,290	2.68%	930.14
2010	736,200	25,717,744,800	676,340,910	35,271,180	641,069,730	2.49%	870.78
2011	746,290	25,904,294,507	756,286,565	36,254,790	720,031,775	2.78%	964.81
2012	757,810	26,569,371,350	715,693,281	36,909,379	678,783,902	2.55%	895.72
2013	767,560	27,550,230,989	673,121,102	39,734,052	633,387,050	2.30%	825.20
2014	781,000	28,323,965,759	751,435,072	46,956,130	704,478,942	2.49%	902.02

Source: City of Fort Worth population estimates furnished by North Central Texas Council of Governments.

NOTE: 2010 was a ten month Period.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT (UNAUDITED)
YEAR END JUNE 30, 2014**

TABLE XV

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
DIRECT:			
Fort Worth Independent School District	751,435,072	100.00%	\$ 751,435,072
Total Direct Debt			751,435,072
OVERLAPPING:			
City of Arlington	355,490,000	0.78%	2,772,822
City of Benbrook	11,945,000	100.00%	11,945,000
City of Edgecliff Village (1)	0	63.27%	0
City of Forest Hill	8,085,000	76.95%	6,221,408
City of Fort Worth	776,430,000	51.94%	403,277,742
City of Haltom City	59,150,000	3.76%	2,224,040
City of Kennedale	15,500,000	6.95%	1,077,250
Tarrant County	336,635,000	21.92%	73,790,392
Tarrant County Hospital District	24,425,000	21.92%	5,353,960
Tarrant County College District	7,935,000	21.92%	1,739,352
City of Westover Hills (1)	0	100.00%	0
City of White Settlement (2)	16,255,000	3.05%	495,778
Total Overlapping Debt			508,897,743
Total direct and overlapping tax supported debt			\$ 1,260,332,815
Total Assessed Taxable Valuation			\$ 28,323,965,759
Total Population			781,000
Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation			4.45%
Per Capita Overlapping Total Direct and Overlapping Tax Supported Debt			\$ 1,614

Source: Email verification to each City's Accounting Department
Notes:

- (1) No outstanding debt
- (2) That portion of the District overlapping the City of White Settlement is federal land not subject to ad valorem property tax

*Estimated percentage applicable to each entity is calculated by the amount of land that is served by the Fort Worth Independent School District.



DEMOGRAPHIC AND ECONOMIC INFORMATION



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
 YEAR END JUNE 30, 2014
 LAST TEN CALENDAR YEARS AVAILABLE THROUGH U.S. CENSUS BUREAU**

TABLE XVI

Calendar Year	Demographics for the entire Dallas, Fort Worth, Arlington Metropolitan Center			
	Population(A)	Disposable Personal Income(B) (in \$1,000)	Per Capita Disposable Personal Income(B)	Unemployment Rate(B)
2005	5,816,407	220,481,629	37,907	5.2%
2006	5,999,411	239,307,804	39,889	4.5%
2007	6,156,652	255,311,694	41,469	4.4%
2008	6,301,085	275,257,974	43,684	6.1%
2009	6,337,992	264,699,998	41,764	8.1%
2010	6,371,773	267,353,223	41,959	8.0%
2011	6,371,773	267,353,223	41,959	8.0%
2012	6,371,773	267,353,223	41,959	8.0%
2013	6,371,773	267,353,223	41,959	8.0%
2014	6,985,579	322,286,673	48,931	5.4%

Sources: **A** Data from US Census Bureau
 B From US Department of Labor, Bureau of Labor Statistics

Notes: 2010 is the latest year available from US Census Bureau

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS (UNAUDITED)
 YEAR END JUNE 30, 2014
 CURRENT YEAR AND NINE YEARS AGO**

TABLE XVII

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Approx. # Employees</u>	<u>Rank</u>	<u>% of Total Jobs</u>	<u>Approx. # Employees</u>	<u>Rank</u>	<u>% of Total Jobs</u>
American Airlines/AMR	22,169	1	1.96%			
Texas Health Resources	18,866	2	1.67%			
Lockheed Martin Aeronautics	14,988	3	1.33%			
NAS Fort Worth Joint Reserve Base	11,350	4	1.00%			
Fort Worth ISD	11,000	5	0.97%			
Arlington ISD	8,126	6	0.72%			
University of Texas Arlington	6,239	7	0.55%			
City of Fort Worth	6,195	8	0.55%			
JPS Health Network	4,872	9	0.43%			
Cooks Children's Health Care System	4,326	10	0.38%			
American Airlines				28,492	1	3.67%
Gamestop, Inc.				20,000	2	2.57%
Lockheed Martin Aeronautics				15,550	3	2.00%
Fort Worth ISD				10,389	4	1.34%
Arlington ISD				7,831	5	1.01%
Bell Helicopter Textron, Inc.				6,000	6	0.77%
City of Fort Worth				5,750	7	0.74%
University of Texas Arlington				5,190	8	0.67%
JP Morgan Chase				4,500	9	0.58%
Tarrant County Government				4,213	10	0.54%
Totals by Top Ten Employer	<u>108,131</u>		<u>9.56%</u>	<u>107,915</u>		<u>13.88%</u>
Total Jobs Reported	1,130,910			776,900		

Source: Fort Worth Chamber of Commerce-Economic Development

OPERATING INFORMATION



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE (UNAUDITED)
 YEAR END JUNE 30, 2014
 LAST TEN FISCAL PERIODS**

TABLE XVIII

	Professional Staff				Total Professional Staff	Support Staff		Total Support Staff	Total Staff
	Teachers	Professional Support	Campus Administration	Central Administration		Educational Aides	Auxiliary Staff		
2005	4,804	982	316	103	6,205	815	3,062	3,877	10,082
2006	4,794	927	312	107	6,140	817	2,927	3,744	9,883
2007	4,839	1,068	322	110	6,339	794	2,900	3,694	10,033
2008	5,003	1,105	353	112	6,572	816	2,927	3,743	10,315
2009	5,167	1,130	422	103	6,823	834	3,014	3,847	10,670
2010	5,069	1,314	348	177	6,907	879	3,173	4,052	10,959
2011	5,132	1,195	420	78	6,825	835	2,472	3,306	10,131
2012	5,126	1,899	414	105	7,544	787	1,568	2,355	9,899
2013	4,958	1,174	289	44	6,465	758	2,334	3,092	9,556
2014	5,217	1,268	303	42	6,830	787	2,160	2,947	9,777
% Change from 2005 to 2014	8.6%	29.0%	-3.9%	-59.6%	10.1%	-3.4%	-29.4%	-24.0%	-3.0%

Note: Support Staff includes librarians, counselors, school nurses, etc.
Source: Public Education Information Management System (PEIMS) Reports.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES (UNAUDITED)
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS**

TABLE XIX

Fiscal Year	Minimum Salary (A)	Maximum Salary (A)	District Average Salary (B)	Statewide Minimum Salary (C)	Statewide Maximum Salary (C)
2005	\$ 39,300	\$ 65,459	\$ 43,981	\$ 24,240	\$ 40,800
2006	43,216	67,961	44,814	24,820	41,770
2007	44,500	70,340	48,484	27,320	44,270
2008	44,500	70,340	49,906	27,320	44,270
2009	45,600	72,449	51,383	27,320	44,270
2010	46,570	73,417	53,078	27,230	44,270
2011	45,405	75,258	53,550	27,320	44,270
2012	46,184	65,693	51,496	27,320	44,270
2013	45,200	70,104	52,472	27,320	44,270
2014	47,000	72,868	53,804	27,320	44,270

Sources:

- A** Fort Worth ISD Teachers Salary Schedule
- B** PEIMS Reports
- C** TEA Salary Schedule

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS (UNAUDITED)
YEAR END JUNE 30, 2014
LAST TEN FISCAL PERIODS**

TABLE XX

Fiscal Year	Enrollment	C3 Direct Operating Expenditures(A)	Cost per Pupil	Percent Change from PY	B1 Direct Operating Expenses(B)	Cost per Pupil	Percent Change from PY	Teaching Staff(C)	Pupil- Teacher Ratio	Students Receiving Free or Reduced-Price Meals(D)	Percentage of Students Receiving Free or Reduced-Price Meals
2005	74,626	559,658,099	7,500	-0.5%	602,321,748	8,071	-0.8%	4,804	15.5	57,007	76%
2006	74,945	592,034,098	7,900	5.3%	634,337,997	8,464	4.9%	4,794	15.6	56,819	76%
2007	74,034	605,392,667	8,177	3.5%	642,027,831	8,672	2.5%	4,839	15.3	56,636	76%
2008	73,964	677,692,990	9,162	12.0%	715,483,655	9,673	11.5%	5,003	14.8	58,686	79%
2009	74,462	693,684,263	9,316	1.7%	751,684,000	10,095	4.4%	5,167	14.4	59,820	80%
2010	74,602	662,795,002	8,884	-4.6%	721,822,443	9,676	-4.2%	5,069	14.7	62,448	84%
2010*	73,387	727,984,878	9,920	11.7%	788,058,039	10,738	11.0%	5,132	14.3	51,905	71%
2012	76,041	719,867,869	9,467	-4.6%	784,222,833	10,313	-4.0%	5,132	14.8	51,905	68%
2013	83,503	675,088,143	8,085	-0.15	737,890,768	8,837	-0.14	4,958	16.8	64,311	77%
2014	84,588	709,849,111	8,392	0.04	785,639,334	9,288	0.05	5,217	16.2	70,735	84%

Notes:

*2010 was a ten month Period.

A Total governmental funds expenditures less capital and debt expenditures.

B Total primary government expenses less capital and debt expenses.

C From Table 18.

D FWISD Food Services

Average Daily Enrollment provided by TEA enrollment report.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

Elementary Schools	(2)	(2)	(2)	(1)	(2)	(2)	Square Feet 2013
	Constructed	Acreage	Permanent Capacity 2014	Enrollment 2014	Permanent Square Feet 2014	# Portable Bldgs 2014	
Alice Carlson Applied Learn Ctr.	1926	5.3	297	392	49,176	0	49,176
Alice Contreras	1996	9.3	548	732	61,554	7	61,554
A. M. Pate	1965	8	614	504	55,281	3	55,281
Atwood McDonald	1967	6.3	525	664	53,499	4	53,499
Benbrook	1953	8.5	597	568	60,544	0	60,544
Bill J. Elliott	1988	10.0	535	600	53,027	4	53,027
Bonnie Brae	2003	13.6	469	462	61,679	0	61,679
Boulevard Heights	1932	4.1		40	47,514	0	47,514
Bruce Shulkey	1958	5.9	601	478	64,568	0	64,568
Burton Hill	1958	12.0	622	536	59,633	1	59,633
Carroll Peak	1989	5.1	670	535	67,603	2	67,603
Carter Park	1957	6.0	653	651	62,962	2	62,962
Cesar Chavez	2002	42.4	562	575	61,679	0	61,679
Charles E. Nash	1927	4.5	238	273	31,794	2	31,794
Christene C. Moss	1957	5.5	515	406	61,393	1	61,393
Clifford Davis	2002	10.0	522	711	61,690	5	61,690
Como	1954	3.0	594	480	56,832	2	56,832
Como Montessori (K-8)	1949	3.1		340	54,381	0	54,381
Daggett Montessori (K-8)	1980	5.7	557	523	83,729	0	83,729
David K. Sellars	1967	9.2	568	718	54,597	7	54,597
D. McRae	1990	5.2	750	675	65,606	2	65,606
De Zavala	1914	4.3	516	404	63,411	2	53,411
Diamond Hill	1988	5.8	615	558	56,221	3	56,221
Dolores Huerta	2004	6.3	581	615	69,174	1	69,174
E. M. Daggett	1926	5.9	832	798	88,367	0	88,367
East Handley	1958	8.2	429	441	46,155	4	46,155
Eastern Hills	1958	11.9	768	588	67,448	1	67,448
Edward J. Briscoe	1988	17.1	508	405	49,758	0	49,758
George C. Clarke	1914	4.3	554	433	64,152	2	64,152
Glen Park	1953	6.4	693	787	57,392	8	57,392
Greenbriar	1958	6.0	562	621	59,824	4	59,824
H. V. Helbing	1947	3.7	607	564	53,663	1	53,663
Harlean B. Beal	2002	4.4	495	543	65,975	1	65,975
Hazel Harvey Peace	2010	7.1	650	543	75,000	0	75,000
Hubbard Heights	1922	8.0	706	676	78,133	4	78,133
I. M. Terrell	1907	8.5	225	280	91,058	0	91,058
J. T. Stevens	1967	8.0	549	328	56,924	0	56,924
John T. White	2011	12.6	650	738	80,000	0	76,100
Lily B. Clayton	1923	7.3	502	538	62,747	0	62,747
Lowery Road	2000	20.0	569	650	61,447	7	61,447
Luella Merrett	1949	7.0	557	641	61,701	2	61,701
M. G. Ellis Primary	2002	2.5	614	462	67,730	0	67,730
M. H. Moore	1954	6.0	620	543	73,096	0	73,096
Manuel Jara	1990	7.0	627	679	55,683	4	55,683

Sources:

- (1) PEIMS Report
- (2) FWISD Facilities Management Records

TABLE XXI

Square Feet 2012	Square Feet 2011	Square Feet 2010	Square Feet 2009	Square Feet 2008	Square Feet 2007	Square Feet 2006	Square Feet 2005
49,176	49,176	49,176	49,176	49,176	49,176	38,929	38,929
61,554	61,554	61,554	61,554	61,554	61,554	64,726	64,726
55,281	55,281	55,281	55,281	55,281	55,281	60,137	60,137
53,499	53,499	39,444	39,444	39,444	39,444	42,059	42,059
60,544	60,544	60,544	60,544	60,544	60,544	62,536	62,536
53,027	53,027	53,027	53,027	53,027	53,027	54,126	54,126
61,679	61,679	61,679	61,679	61,679	61,679	65,138	65,138
47,514	47,514	47,514	47,514	47,514	47,514	48,313	48,313
64,568	64,568	64,568	64,568	64,568	64,568	74,059	74,059
59,633	59,633	59,633	59,633	59,633	59,633	61,881	61,881
67,603	67,603	46,450	46,450	46,450	46,450	48,710	48,710
62,962	62,962	62,962	62,962	62,962	62,962	43,391	43,391
61,679	61,679	61,679	61,679	61,679	61,679	63,636	63,636
31,794	31,794	31,794	31,794	31,794	31,794	23,428	23,428
61,393	61,393	61,393	61,393	61,393	61,393	53,171	53,171
61,690	61,690	61,690	61,690	61,690	61,690	51,440	51,440
56,832	56,832	56,832	56,832	56,832	56,832	58,697	58,697
54,381	54,381	54,381	54,381	54,381	54,381	63,756	63,756
83,729	83,729	83,729	83,729	83,729	83,729	111,709	111,709
54,597	54,597	54,597	54,597	54,597	54,597	60,617	60,617
65,606	65,606	52,089	52,089	52,089	52,089	49,339	49,339
53,411	53,411	53,411	53,411	53,411	53,411	57,730	57,730
56,221	56,221	56,221	56,221	56,221	56,221	65,465	65,465
69,174	69,174	66,067	66,067	66,067	66,067	69,174	69,174
88,367	88,367	88,367	88,367	88,367	88,367	94,769	94,769
46,155	46,155	46,155	46,155	46,155	46,155	42,473	42,473
67,448	67,448	67,448	67,448	67,448	67,448	51,592	51,592
49,758	49,758	49,758	49,758	49,758	49,758	50,754	50,754
64,152	64,152	64,152	64,152	64,152	64,152	59,402	59,402
57,392	57,392	57,392	57,392	57,392	57,392	49,525	49,525
59,824	59,824	59,824	59,824	59,824	59,824	62,910	62,910
53,663	53,663	53,663	53,663	53,663	53,663	56,439	56,439
65,975	65,975	65,975	65,975	65,975	65,975	60,778	60,778
75,000	75,000						
78,133	78,133	78,133	78,133	78,133	78,133	79,152	79,152
91,058	91,058	91,058	91,058	91,058	91,058	142,828	142,828
56,924	56,924	56,924	56,924	56,924	56,924	58,730	58,730
76,100	76,100						
62,747	62,747	62,747	62,747	62,747	62,747	77,104	77,104
61,447	61,447	61,447	61,447	61,447	61,447	51,440	51,440
61,701	61,701	61,701	61,701	61,701	61,701	69,350	69,350
67,730	67,730	67,730	67,730	67,730	67,730	105,520	105,520
73,096	73,096	57,267	57,267	57,267	57,267	66,076	66,076
55,683	55,683	55,683	55,683	55,683	55,683	66,553	66,553

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

Elementary Schools (cont)	(2)	(2)	(2)	(1)	(2)	(2)	(2)
	Constructed	Acreage	Permanent Capacity 2014	Enrollment 2014	Permanent Square Feet 2014	# Portable Bldgs 2014	Square Feet 2013
Mary Louise Phillips	1948	7.2	554	541	63,762	2	63,762
Maude I. Logan	1957	7.3	647	449	61,740	1	61,740
Maudrie M. Walton	1958	7.9	528	446	52,980	3	52,980
Meadowbrook	1933	15.0	687	728	72,867	6	72,867
Milton L. Kirkpatrick	1959	5.0	436	455	42,117	5	42,117
Mitchell Blvd.	1953	6.0	495	475	50,905	1	50,905
Morningside	1934	9.8	924	728	84,470	0	84,470
Natha Howell	1958	6.3	455	513	42,727	3	42,727
North Hi Mount	1936	5.0	271	320	39,791	4	39,791
Oakhurst	1927	7.7	779	673	76,646	1	76,646
Oaklawn	1950	5.9	673	567	59,128	2	59,128
Richard J. Wilson	1913	3.1	632	569	68,542	0	68,542
Ridglea Hills	1958	8.0	641	638	61,864	2	61,864
Riverside Applied Learning Ctr	1955	6.1	341	296	41,472	1	41,472
Rosemont	2011	6.7	650	609	80,000	0	81,200
Rufino Mendoza, Sr.	1910	3.9	568	488	54,027	0	54,027
Sagamore Hill	1998	5.0	687	761	82,012	3	82,021
Sam Rosen	1909	4.1	528	548	57,296	4	57,296
Seminary Hills Park	2004	9.9	548	398	65,918	1	65,918
South Hi Mount	1936	7.0	594	557	64,495	4	64,495
South Hills	1954	5.7	800	843	74,636	4	74,636
Springdale	1953	4.1	535	535	55,159	3	55,159
Sunrise - McMillan	1958	6.0	554	414	51,388	2	51,388
S. S. Dillow	1937	8.0	697	664	61,490	2	61,490
T. A. Sims	1989	8.0	733	736	58,544	4	58,544
Tanglewood	1960	6.0	588	733	63,234	3	63,234
Van-Zandt Guinn	1980	4.9	356	331	40,212	1	40,212
Versia Williams	1955	2.7	429	472	34,580	5	34,580
W. J. Turner	1949	4.1	627	575	66,490	0	66,490
W. M. Green	1959	6.0	574	741	53,762	6	53,762
Washington Heights	1977	4.0	277	353	33,000	5	59,255
Waverly Park	1958	6.8	766	794	68,794	1	68,794
Westcliff	1954	5.1	417	543	52,063	2	52,063
Westcreek	1967	6.0	756	745	71,627	2	71,627
Western Hills	1961	10.3	693	802	64,420	7	64,420
Western Hills Primary	2000	6.6	588	550	61,612	2	61,612
West Handley	1954	5.0	431	532	41,677	6	41,677
Westpark	1988	33.0	450	402	45,706	0	45,706
Woodway	1990	10.0	601	594	57,730	2	57,730
Worth Heights	1955	7.2	792	734	70,843	5	70,843

Sources:

- (1) PEIMS Report
- (2) FWISD Facilities Management Records

**TABLE XXI
(Continued)**

Square Feet 2012	Square Feet 2011	Square Feet 2010	Square Feet 2009	Square Feet 2008	Square Feet 2007	Square Feet 2006	Square Feet 2005
63,762	63,762	63,762	63,762	63,762	63,762	67,902	67,902
61,740	61,740	61,740	61,740	61,740	61,740	55,388	55,388
52,980	52,980	52,980	52,980	52,980	52,980	72,425	72,425
72,867	72,867	72,867	72,867	72,867	72,867	82,093	82,093
42,117	42,117	42,117	42,117	42,117	42,117	54,814	54,814
50,905	50,905	50,905	50,905	50,905	50,905	50,083	50,083
84,470	84,470	84,470	84,470	84,470	84,470	101,806	101,806
42,727	42,727	42,727	42,727	42,727	42,727	46,089	46,089
39,791	39,791	39,791	39,791	39,791	39,791	51,308	51,308
76,646	76,646	76,646	76,646	76,646	76,646	94,975	94,975
59,128	59,128	59,128	59,128	59,128	59,128	40,965	40,965
68,542	68,542	68,542	68,542	68,542	68,542	73,155	73,155
61,864	61,864	61,864	61,864	61,864	61,864	63,118	63,118
41,472	41,472	41,472	41,472	41,472	41,472	34,947	34,947
81,200	81,200						
54,027	54,027	54,027	54,027	54,027	54,027	59,928	59,928
82,021	82,021	82,021	82,021	82,021	82,021	82,602	82,602
57,296	57,296	57,296	57,296	57,296	57,296	77,336	77,336
65,918	65,918	65,918	65,918	65,918	65,918	69,174	69,174
64,495	64,495	64,495	64,495	64,495	64,495	45,885	45,885
74,636	74,636	53,501	53,501	53,501	53,501	55,149	55,149
55,159	55,159	55,159	55,159	55,159	55,159	36,278	36,278
51,388	51,388	51,388	51,388	51,388	51,388	43,913	43,913
61,490	61,490	61,490	61,490	61,490	61,490	76,002	76,002
58,544	58,544	58,544	58,544	58,544	58,544	54,887	54,887
63,234	68,324	63,234	63,234	63,234	63,234	68,396	68,396
40,212	40,212	40,212	40,212	40,212	40,212	71,742	71,742
34,580	34,580	34,580	34,580	34,580	34,580	44,028	44,028
66,490	66,490	66,490	66,490	66,490	66,490	64,469	64,469
53,762	53,762	53,762	53,762	53,762	53,762	47,061	47,061
59,255	59,255	59,255	59,255	59,255	59,255	19,128	19,128
68,794	68,794	68,794	68,794	68,794	68,794	54,379	54,379
52,063	52,063	52,063	52,063	52,063	52,063	54,111	54,111
71,627	71,627	71,627	71,627	71,627	71,627	74,829	74,829
64,420	64,420	64,420	64,420	64,420	64,420	44,452	44,452
61,612	61,612	61,612	61,612	61,612	61,612	64,744	64,744
41,677	29,878	41,677	41,677	41,677	41,677	29,878	29,878
45,706	45,706	45,706	45,706	45,706	45,706	47,344	47,344
57,730	57,730	57,730	57,730	57,730	57,730	59,744	59,744
70,843	70,843	70,843	70,843	70,843	70,843	92,957	92,957

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

Middle Schools	(2) Constructed	(2) Acreage	(2) Permanent Capacity 2014	(1) Enrollment 2014	(2) Permanent Square Feet 2014	(2) # Portable Bldgs 2014
Applied Learning/Intl.Newcomers Acad	2000	12.1	1,155	708	139,967	4
Benbrook Middle	2011	33	800	734	175,600	0
Dunbar Middle	1981	25.3	855	726	108,137	4
E. M. Daggett Middle	1954	7.6	413	414	83,104	6
Forest Oak Middle	1953	15.5	889	797	105,715	4
Glencrest 6th Grade	1953	6	458	421	47,064	5
Handley Middle	1980	20	634	479	92,302	7
J. P. Elder Middle	1918	14.9	1,095	1,186	156,425	5
Jean McClung Middle*	2011	12.3	800	843	172,990	0
Kirkpatrick Middle	1949	5.8	608	543	71,194	1
Leonard Middle	1962	15	799	750	117,419	3
McLean 6th Grade	1950	4.6	390	501	36,964	5
Meadowbrook Middle	1953	11	926	545	119,030	5
Morningside Middle	1959	13.2	769	716	107,289	6
Riverside Middle	1949	12.2	975	1,053	130,903	5
Rosemont 6th Grade	1922	9.2	458	492	52,648	3
Rosemont Middle	1936	20.5	926	927	130,322	7
W. A. Meacham Middle	1960	20	675	698	114,398	0
W. C. Stripling Middle	1928	7.7	803	675	98,848	0
W. P. McLean Middle	1953	15.2	750	1,047	100,462	9
Wedgwood 6th Grade	1960	7.6	469	474	56,354	1
Wedgwood Middle	1964	12	855	901	143,703	5
William James Middle	1926	8	1,234	1,077	132,411	7
William Monnig Middle	1951	7	784	498	99,792	2
Young Men's Leadership Academy	1952	10	476	215	71,017	0
Young Women's Leadership Academy	1970	1	275	286	37,502	0

Sources:

- (1) PEIMS Report
- (2) FWISD Facilities Management Records

TABLE XXII

Square Feet 2013	Square Feet 2012	Square Feet 2011	Square Feet 2010	Square Feet 2009	Square Feet 2008	Square Feet 2007	Square Feet 2006	Square Feet 2005
139,967	139,967	139,967	139,967	139,967	139,967	229,130	229,130	229,130
175,600	175,600							
108,137	108,137	108,137	108,137	108,137	108,137	132,200	132,200	132,200
83,104	83,104	83,104	83,104	83,104	83,104	83,735	83,735	83,735
105,715	105,715	105,715	105,715	105,715	105,715	120,547	120,547	120,547
47,064	47,064	47,064	47,064	47,064	47,064	44,120	44,120	44,120
92,302	92,302	92,302	92,302	92,302	92,302	94,571	94,571	94,571
156,425	156,425	156,425	156,425	156,425	156,425	161,026	161,026	161,026
172,990	172,990							
71,194	71,194	71,194	71,194	71,194	71,194	80,067	80,067	80,067
117,419	117,419	117,419	117,419	117,419	117,419	117,314	117,314	117,314
36,964	36,964	36,964	36,964	36,964	36,964	36,821	36,821	36,821
119,030	119,030	119,030	119,030	119,030	119,030	130,584	130,584	130,584
107,289	107,289	107,289	107,289	107,289	107,289	126,752	126,752	126,752
130,903	130,903	110,335	110,335	110,335	110,335	118,706	118,706	118,706
52,648	52,648	52,648	52,648	52,648	52,648	46,725	46,725	46,725
130,322	130,322	130,322	130,322	130,322	130,322	112,406	112,406	112,406
114,398	114,398	94,728	94,728	94,728	94,728	105,236	105,236	105,236
98,848	98,848	98,848	98,848	98,848	98,848	117,513	117,513	117,513
100,462	100,462	100,462	100,462	100,462	100,462	105,878	105,878	105,878
56,354	56,354	56,354	56,354	56,354	56,354	60,983	60,983	60,983
143,703	143,703	118,195	118,195	118,195	118,195	133,619	133,619	133,619
132,411	132,411	132,411	132,411	132,411	132,411	161,615	161,615	161,615
99,792	99,792	99,792	99,792	99,792	99,792	140,512	140,512	140,512
71,017	71,017	71,017	71,017	71,017	71,017	118,052	118,052	118,052
37,502	37,502	37,502	37,502					

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

Senior High Schools	(2) Constructed	(2) Acreage	(2) Permanent Capacity 2014	(1) Enrollment 2014	(2) Permanent Square Feet 2014	(2) # Portable Bldgs 2014	Square Feet 2013
Amon Carter-Riverside	1935	18	983	1,199	110,533	13	110,533
Arlington Heights	1936	32	1,616	1,822	217,595	7	217,595
Diamond Hill-Jarvis	1952	21	1,065	945	134,784	10	134,784
Eastern Hills	1959	20	1,601	1,273	160,619	11	160,619
North Side High	1937	32	1,406	1,609	179,680	5	179,680
O. D. Wyatt	1968	30	1,586	1,264	250,700	5	250,700
Paul Lawrence Dunbar	1967	14	1,560	810	200,727	4	200,727
Polytechnic High	1936	19	1,189	1,160	167,044	12	167,044
R. L. Paschal	1936	25	2,014	2,666	272,466	13	272,466
South Hills	1969	28	1,436	1,689	195,447	8	195,447
Southwest High	1967	66	1,560	1,340	205,636	12	205,636
Trimble Technical	1917	11	2,115	1,833	363,320	0	363,320
Western Hills	1969	33	1,478	1,357	176,495	15	176,495

Sources:

- (1) PEIMS Report
- (2) FWISD Facilities Management Records

TABLE XXIII

Square Feet 2012	Square Feet 2011	Square Feet 2010	Square Feet 2009	Square Feet 2008	Square Feet 2007	Square Feet 2006	Square Feet 2005
110,533	110,533	114,407	110,533	110,533	110,533	110,533	114,407
217,595	217,595	200,911	217,595	217,595	217,595	217,595	200,911
134,784	134,784	205,618	134,784	134,784	134,784	134,784	205,618
160,619	160,619	192,122	160,619	160,619	160,619	160,619	192,122
179,680	179,680	160,183	179,680	179,680	179,680	179,680	160,183
250,700	250,700	216,707	248,812	248,812	248,812	248,812	216,707
200,727	200,727	197,364	200,727	200,727	200,727	200,727	197,364
167,044	167,044	159,127	167,044	167,044	167,044	167,044	159,127
272,466	272,466	334,951	272,466	272,466	272,466	272,466	334,951
195,447	195,447	195,447	195,447	195,447	195,447	195,447	220,584
205,636	205,636	211,027	205,636	205,636	205,636	205,636	211,027
363,320	363,320	379,684	363,320	363,320	363,320	363,320	379,684
176,495	176,495	180,175	176,495	176,495	176,495	176,495	180,175

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

Other Schools	(2) Constructed	(2) Acreage	(2) Permanent Capacity 2014	(1) Enrollment 2014	(2) Permanent Square Feet 2014	(2) # Portable Bldgs 2014	Square Feet 2013
Jo Kelly School	1943	5.8	139	23	19928	1	19,928
Texas Academy of Bio-Medical	1954	2	206	279	29647	4	29,647
Middle Level Learning Center	2000	2.6	488	53	64113	0	64,113
Metro Opportunity School	2000	2	400	55	73428	0	73,428
New Lives School*	1990	N/A	N/A	91	N/A	0	N/A

Sources:

- (1) PEIMS Report
- (2) FWISD Facilities Management Records

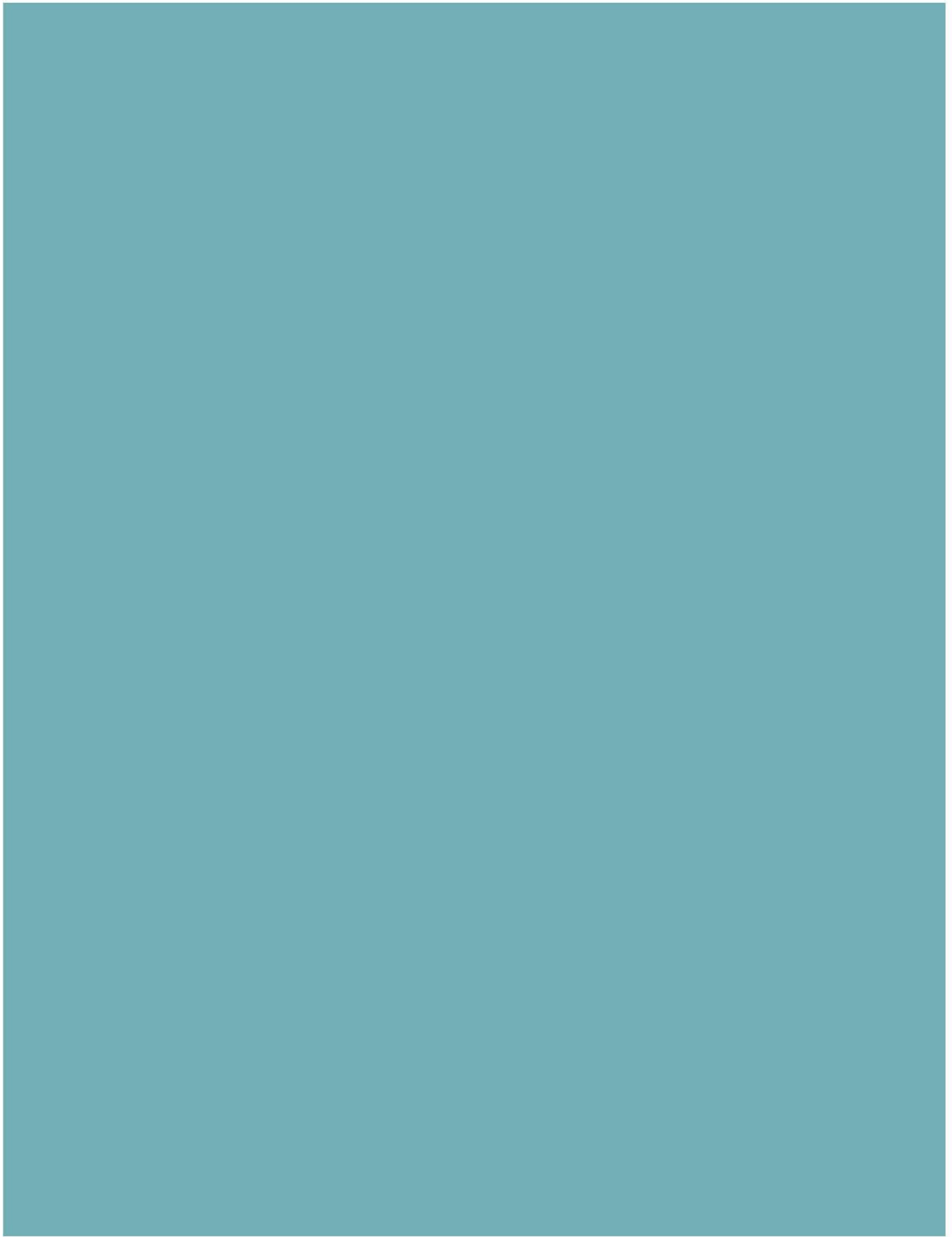
Notes:

- * Leased Property

TABLE XXIV

Square Feet 2012	Square Feet 2011	Square Feet 2010	Square Feet 2009	Square Feet 2008	Square Feet 2007	Square Feet 2006	Square Feet 2005
19,928	19,928	20,800	19,928	19,928	19,928	19,928	18,826
29,647	64,113	24,578	29,647	29,647	29,647	29,647	24,578
64,113	67,079	67,079	64,113	64,113	64,113	64,113	67,079
73,428	73,428	76,325	73,428	73,428	73,428	73,428	76,325
N/A	37,820	37,820	37,820	37,820	37,820	37,820	37,820







FORT WORTH INDEPENDENT SCHOOL DISTRICT
SINGLENESS OF PURPOSE



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FORT WORTH ISD MOBILE APP: FREE DOWNLOAD AVAILABLE AT THE APPLE APP STORE AND THE GOOGLE PLAY STORE.

November 11, 2014

To the Board of Education and Audit Committee of
Fort Worth Independent School District

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fort Worth Independent School District (the District) for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 3, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Notes 1 and 18 to the basic financial statements, the District changed accounting policies related to debt issuance costs. Previously, debt issuance costs were reported as an asset and amortized, however, by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 65, *Items Previously Reported as Assets and Liabilities*, in 2014, the costs will be expensed in the period incurred. The Statement was implemented retrospectively, accordingly, the cumulative effect of the change in accounting principle as of the beginning of the year is reported in the Statement of Activities as a restatement of beginning net position. The Statement also required certain items previously reported as assets and liabilities to be reported as deferred outflows of resource and deferred inflows of resources, such as deferred property taxes and deferred loss on refunding.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

To the Board of Education and Audit Committee of
Fort Worth Independent School District
November 11, 2014

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- Management's estimates relating to the recognition of claims liability for the District's workers' compensation self-insurance plan were made based on actuarial calculation. We evaluated the key factors and assumptions used to develop the claims liability in determining that it is reasonable in relation to the internal service fund-type financial statements taken as a whole.
- Management's estimate of the revenue recognized from funding through the state foundation related to the 2013-2014 school year is based on various attendance and financial data of the District and information provided by the Texas Education Agency. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the useful lives of the District's capital assets. We evaluated the key factors and assumptions used to develop the depreciable lives and determined that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Attachment A summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Attachment B summarizes the material misstatements detected as a result of audit procedures that were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

To the Board of Education and Audit Committee of
Fort Worth Independent School District
November 11, 2014

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Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 11, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining Statements and Schedules, which accompany the financial statements but are not RSI. We were also engaged to report on the Schedule of Expenditures of Federal Awards.

To the Board of Education and Audit Committee of
Fort Worth Independent School District
November 11, 2014

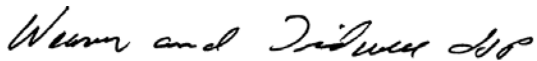
Page 4

With respect to the supplementary information and the Schedule of Expenditures of Federal Awards, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on Introductory Section or Statistical Section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

This information is intended solely for the use of the Board of Education and the Audit Committee and management of Fort Worth Independent School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Yours truly,



WEAVER AND TIDWELL, L.L.P.

JLG:kel
Enclosure

To the Board of Education and Audit Committee of
Fort Worth Independent School District
November 11, 2014

Attachment A

Fort Worth Independent School District
Passed Journal Entries
June 30, 2014

General Fund	Assets	Deferred Outflow of Resources	Liabilities	Deferred Inflow of Resources	Fund Balance	Revenue	Expenditures and Other Uses
Accrued Wages Fund Balance			1,654,066		(1,603,761)		
Salary Expenses <i>to pass on write off of rolling overestimate of salary accrual</i>							(50,305)
Accrued Wages Fund Balance			735,563		(382,977)		
Teacher Retirement <i>to pass on correcting TRS accrual for July/August Salaries</i>							(352,586)
Due from ISF District Life Insurance <i>to pass on reclassifying accrual for health insurance from ISF to GF</i>	57,958 (57,958)						
Due from other governments Investments- Current <i>to pass on reclassifying receivable recorded as a deposit in transit</i>	2,811,411 (2,811,411)						
Accounts Payable Active Card Integration Payable Fund Balance <i>to pass on difference in AP noted from prior years</i>			1,217,212 (353,833)		(863,379)		
Total CY	-	-	3,253,008	-	(2,850,117)	-	(402,891)
From prior year	-	-	-	-	-	-	-
Total P/Y differences	-	-	-	-	-	-	-
Total differences	-	-	3,253,008	-	(2,850,117)	-	(402,891)
Post to fund balance	-	-	-	-	(402,891)	-	-
Total effect	-	-	3,253,008	-	(3,253,008)	-	(402,891)
GF balance per audit	360,763,526		(180,932,267)	(15,772,276)	(164,058,983)	(621,339,787)	618,067,732
As a percent	0.00%	0.00%	-1.80%	0.00%	1.98%	0.00%	-0.07%

To the Board of Education and Audit Committee of
Fort Worth Independent School District
November 11, 2014

Attachment A

<i>Internal Service Fund</i>	Assets	Deferred Outflow of Resources	Liabilities	Deferred Inflow of Resources	Net Position	Revenue	Expenses
Health & Life Insurance Expense Due to General Fund <i>to pass on reclassifying accrual for health insurance from ISF to GF</i>			57,958 (57,958)				
Quasi-Ext Interfund Transfer Unrestricted Net Position <i>To pass on prior period adjustment for cutoff issue with ISF revenues and expenditures</i>					(667,072)	667,072	
Total CY	-	-	-	-	(667,072)	667,072	-
From prior year	-	-	-	-	-	-	-
Total P/Y differences	-	-	-	-	-	-	-
Total differences	-	-	-	-	(667,072)	667,072	-
Post to net position	-	-	-	-	667,072	-	-
Total effect	-	-	-	-	-	667,072	-
Balance per audit	34,211,387	-	(10,793,725)	-	23,417,662	(3,169,834)	10,129,313
As a percent	0.00%	0.00%	0.00%	0.00%	0.00%	-21.04%	0.00%

To the Board of Education and Audit Committee of
Fort Worth Independent School District
November 11, 2014

Attachment A

<i>Government-Wide</i>	Assets	Deferred Outflow of Resources	Liabilities	Deferred Inflow of Resources	Net Position	Revenue	Expenses
Accrued Wages Fund Balance Salary Expenses <i>to pass on write off of overestimate of salary accrual</i>			1,654,066		(1,603,761)		(50,305)
Accrued Wages Fund Balance Teacher Retirement <i>to pass on correcting TRS accrual for July/August Salaries</i>			735,563		(382,977)		(352,586)
Prepaid Items Vehicle Expense <i>to pass on adjustment of partial payment on mobile vision van from capital expenditures to deferred expenditures'</i>	94,567 (94,567)						
Due from other governments Investments- Current <i>to pass on reclassifying receivable recorded as a deposit in transit</i>	2,811,411 (2,811,411)						
Accounts Payable Active Card Integration Payable Net Position <i>to pass on difference in AP noted from prior years</i>			1,217,212 (353,833)		(863,379)		
Net Position Accum Depreciation - Vehicles <i>to pass on difference in understatement of depreciation noted from prior years</i>	(5,955,648)				5,955,648		
Quasi-Ext Interfund Transfer Unrestricted Net Position <i>To pass on prior period adjustment for cutoff issue with ISF revenues and expenditures</i>					(667,072)	667,072	
Total CY	<u>(5,955,648)</u>	<u>-</u>	<u>3,253,008</u>	<u>-</u>	<u>2,438,459</u>	<u>667,072</u>	<u>(402,891)</u>
From prior year	-	-	-	-	-	-	-
Total P/Y differences	-	-	-	-	-	-	-
Total differences	<u>(5,955,648)</u>	<u>-</u>	<u>3,253,008</u>	<u>-</u>	<u>2,438,459</u>	<u>667,072</u>	<u>(402,891)</u>
Post to net position	-	-	-	-	264,181	-	-
Total effect	<u>(5,955,648)</u>	<u>-</u>	<u>3,253,008</u>	<u>-</u>	<u>2,702,640</u>	<u>667,072</u>	<u>(402,891)</u>
Balance per audit	<u>1,455,446,590</u>	<u>-</u>	<u>(940,724,489)</u>	<u>-</u>	<u>(514,722,101)</u>	<u>(834,532,715)</u>	<u>719,551,784</u>
As a percent	<u>-0.41%</u>	<u>0.00%</u>	<u>-0.35%</u>	<u>0.00%</u>	<u>-0.53%</u>	<u>-0.08%</u>	<u>-0.06%</u>

To the Board of Education and Audit Committee of
Fort Worth Independent School District
November 11, 2014

Attachment B

To adjust for over-accrued EDA revenue			
TEA/NON-FOUNDATION REVENUE	726,153		
DUE FROM STATE		726,153	
	726,153	726,153	
To adjust for AP invoices found that needed to be accrued			
CONSTRUCTION IN PROCESS	995,295		
ACCOUNTS PAYABLE		995,295	
	995,295	995,295	
To adjust for TRS on behalf			
TRS ON BEHALF EXPENSE	3,471,399		
STATE TRS ON BEHALF		3,471,399	
	3,471,399	3,471,399	
To adjust for property tax allocation			
ALLOW- UNCOLLECTIBLE TAXES - GF	272,512		
DEFERRED REVENUE - GF	856,324		
PROPERTY TAXES - DELINQUENT- GF		856,324	
DEFERRED REVENUE- GF		272,512	
PROPERTY TAXES - DELINQUENT - DSF	856,324		
DEFERRED REVENUE - DSF	272,936		
ALLOW- UNCOLLECTIBLE TAXES - DSF		272,936	
DEFERRED REVENUE - DSF		856,324	
	2,258,096	2,258,096	

**FORT WORTH INDEPENDENT
SCHOOL DISTRICT**

SINGLE AUDIT REPORTS

JUNE 30, 2014

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INDEPENDENT AUDITOR'S
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education
Fort Worth Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fort Worth Independent School District (the District) as of and for the year ended June 30, 2014, which collectively comprise the District's basic financial statements, and the related notes to the basic financial statements, and have issued our report thereon dated November 11, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

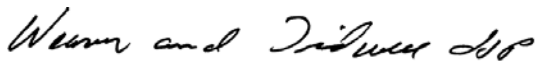
To the Board of Education
Fort Worth Independent School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Item 14-01.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 11, 2014



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM, ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133,
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Education
Fort Worth Independent School District

Report on Compliance for Each Major Federal Program

We have audited Fort Worth Independent School District's (the District's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

To the Board of Education
Fort Worth Independent School District

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

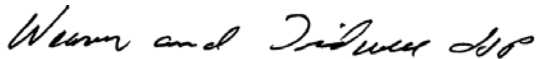
Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements. We have issued our report thereon dated November 11, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

To the Board of Education
Fort Worth Independent School District

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 11, 2014

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

Federal Grantor Agency	Federal CFDA Number	Grant Number	Expenditures, Indirect Costs and Refunds
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Funding</u>			
ESEA Title IX Part A Subpart 1 Indian Education	84.060A	S060A130514	66,894
McKinney-Vento Homeless Education Yr 3	84.196A	00.026	14,059
McKinney-Vento Homeless Education Yr 4	84.196A	00.026	111,057
Total CFDA Number 84.196A			125,116
HOPE Grant - Teaching American History	84.215X	U215X100012	166,740
Readiness & Emergency Mgmt. for Schools (REMS)	84.184E	Q184E100032	39,044
Growing Aspiring Principals (GAP)	84.363A	U363A080016	14,335
Teacher Incentive Fund (TIF)	84.374A	S374A100016	6,698,110
Total Direct Funding			7,110,239
<u>Passed Through Texas Education Agency</u>			
ESEA Title I Part A Chapter 1 Improving Basic Programs	84.010A	13610101220905	279,295
ESEA Title I Part A Chapter 1 Improving Basic Programs	84.010A	14610101220905	28,614,448
ESEA Title I School Improvement Program AYP - South Hills HS	84.010A	13610104220905003	10,386
ESEA Title I School Improvement Program AYP - Dunbar HS	84.010A	13610104220905005	31,320
ESEA Title I School Improvement Program AYP - Eastern Hills HS	84.010A	13610104220905006	2,545
ESEA Title I School Improvement Program AYP - Western Hills HS	84.010A	13610104220905015	2
ESEA Title I School Improvement Program AYP - Carter Park ES	84.010A	13610104220905111	4,326
ESEA Title I School Improvement Program AYP - S S Dillow ES	84.010A	13610104220905123	2,347
ESEA Title I School Improvement Program AYP - East Handley ES	84.010A	13610104220905126	1,702
ESEA Title I School Improvement Program AYP - Harlean Beal ES	84.010A	13610104220905130	402
ESEA Title I School Improvement Program AYP - Meadowbrook ES	84.010A	13610104220905141	761
ESEA Title I School Improvement Program AYP - M H Moore ES	84.010A	13610104220905146	2,602
ESEA Title I School Improvement Program AYP - Wedgwood 6th Gr	84.010A	13610104220905043	4,074
ESEA Title I School Improvement Program AYP - Sunrise - McMillian ES	84.010A	13610104220905169	1,141
ESEA Title I School Improvement Program AYP - Forest Oak MS	84.010A	13610104220905045	15,781
ESEA Title I School Improvement Program AYP - Kirkpatrick MS	84.010A	13610104220905049	2,940
ESEA Title I School Improvement Program AYP - Handley MS	84.010A	13610104220905047	4,369
ESEA Title I School Improvement Program AYP - Meacham MS	84.010A	13610104220905051	10,010
ESEA Title I School Improvement Program AYP - Meadowbrook MS	84.010A	13610104220905052	11,975
ESEA Title I School Improvement Program AYP - A M Pate ES	84.010A	13610104220905153	352
ESEA Title I School Improvement Program AYP - Westcreek ES	84.010A	13610104220905178	2,889
Title I School Improvement Effective Strategies - Glencrest 6th Gr	84.010A	13610110220905064	17,435
ESEA Title I School Improvement Program AYP - Rosemont MS	84.010A	13610104220905057	9,229
ESEA Title I School Improvement Program AYP - Glencrest 6th Gr	84.010A	13610104220905064	4,856
ESEA Title I School Improvement Program AYP - Southwest HS	84.010A	13610104220905014	2,934
Title I School Improvement Effective Strategies - A M Pate ES	84.010A	13610110220905153	7,642
ESEA Title I School Improvement Program AYP - Bill Elliott ES	84.010A	13610104220905206	1,721
Title I School Improvement Effective Strategies - Meadowbrook MS	84.010A	13610110220905052	4,307
Title I School Improvement Effective Strategies - Meacham MS	84.010A	13610110220905051	20,188
Title I School Improvement Effective Strategies - Polytechnic HS	84.010A	13610110220905009	61,337
Title I School Improvement Effective Strategies - North Side HS	84.010A	13610110220905008	6,108
Title I School Improvement Effective Strategies - Diamond Hill- Jarvis HS	84.010A	13610110220905004	5,301
Title I School Improvement Effective Strategies - South Hills HS	84.010A	13610110220905003	63,546
Title I School Improvement Effective Strategies - Dunbar HS	84.010A	13610110220905005	14,313
Title I School Improvement Effective Strategies - Eastern Hills HS	84.010A	13610110220905006	28,493
Title I School Improvement Effective Strategies - O D Wyatt HS	84.010A	13610110220905016	27,040
Title I School Improvement Effective Strategies - Handley MS	84.010A	13610110220905047	42,029
Title I School Improvement Effective Strategies - Wm James MS	84.010A	13610110220905048	31,301
Title I School Improvement Effective Strategies - Rosemont MS	84.010A	13610110220905057	41,001
Title I School Improvement Effective Strategies - Southwest HS	84.010A	13610110220905014	42,776

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED
YEAR ENDED JUNE 30, 2014**

Federal Grantor Agency	Federal CFDA Number	Grant Number	Expenditures, Indirect Costs and Refunds
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Texas Education Agency (Cont.)</u>			
Title I School Improvement Effective Strategies - Forest Oak MS	84.010A	13610110220905045	40,985
Title I School Improvement Effective Strategies - Wedgwood MS	84.010A	13610110220905060	20,216
Title I School Improvement Effective Strategies - Monnig MS	84.010A	13610110220905053	28,217
ESEA Title I School Improvement Program AYP - Bonnie Brae ES	84.010A	13610104220905225	7
Title I Priority and Focus School Grant - West Handley ES	84.010A	14610112220905105	66,655
Title I Priority and Focus School Grant - John T. White ES	84.010A	14610112220905129	64,746
Title I Priority and Focus School Grant - Van Zandt Guinn ES	84.010A	14610112220905135	101,601
Title I Priority and Focus School Grant - I M Terrell ES	84.010A	14610112220905217	35,990
Title I Priority and Focus School Grant - Riverside MS	84.010A	14610112220905056	12,363
Title I Priority and Focus School Grant - Rosemont 6th	84.010A	14610112220905067	11,779
Title I Priority and Focus School Grant - Jean McClung MS	84.010A	14610112220905070	5,092
Title I Priority and Focus School Grant - Mitchell Blvd ES	84.010A	14610112220905144	13,000
Title I Priority and Focus School Grant - Nathan Howell ES	84.010A	14610112220905151	3,745
Title I Priority and Focus School Grant - North Side HS	84.010A	14610112220905008	248
Title I Priority and Focus School Grant - Polytechnic HS	84.010A	14610112220905009	4,859
Title I Priority and Focus School Grant - Morningside MS	84.010A	14610112220905054	51,097
Title I Priority and Focus School Grant - Carter Park ES	84.010A	14610112220905111	10,542
Title I Priority and Focus School Grant - O.D. Wyatt HS	84.010A	14610112220905016	1,693
Title I Priority and Focus School Grant - SS Dillow ES	84.010A	14610112220905123	40,805
Title I Priority and Focus School Grant - Maude Logan ES	84.010A	14610112220905124	37,477
Title I Priority and Focus School Grant - Easter Hills ES	84.010A	14610112220905125	15,084
Title I Priority and Focus School Grant - CC Moss ES	84.010A	14610112220905127	57,496
Title I Priority and Focus School Grant - Harlean Beal ES	84.010A	14610112220905130	11,607
Title I Priority and Focus School Grant - Greenbriar EL	84.010A	14610112220905134	1,486
Title I Priority and Focus School Grant - Sunrise Mc Millian ES	84.010A	14610112220905169	29,980
Title I Priority and Focus School Grant - Forest Oak MS	84.010A	14610112220905045	5,019
Title I Priority and Focus School Grant - Kirkpatrick	84.010A	14610112220905049	12,044
Title I Priority and Focus School Grant - Meachem MS	84.010A	14610112220905051	11,963
Title I Priority and Focus School Grant - Meadowbrook MS	84.010A	14610112220905052	3,726
Title I Priority and Focus School Grant - A M Pate ES	84.010A	14610112220905153	36,631
Title I Priority and Focus School Grant - Atwood McDonald	84.010A	14610112220905188	13,781
Title I Priority and Focus School Grant - Glencrest 6th	84.010A	14610112220905064	2,246
Title I Priority and Focus School Grant - Monnig MS	84.010A	14610112220905053	1,115
Title I Priority and Focus School Grant - Woodway ES	84.010A	14610112220905216	7,341
Title I Priority and Focus School Grant - Dunbar MS	84.010A	14610112220905059	3,431
ESEA Title I Part D Subpart 2 Delinquent Program	84.010A	13610103220905	17,269
ESEA Title I Part D Subpart 2 Delinquent Program	84.010A	14610103220905	<u>202,238</u>
Total CFDA Number 84.010A			30,418,798
TX Title 1 Priority Schools (TTIPS)- V Willimas ARRA	84.388A ¹	105520017110027	85,203
TX Title 1 Priority Schools (TTIPS)- T A Sims ARRA	84.388A ¹	105520017110026	79,333
TX Title 1 Priority Schools (TTIPS)- O D Wyatt ARRA	84.388A ¹	105520017110025	205,897
TX Title 1 Priority Schools (TTIPS)- INA ARRA	84.388A ¹	105520057110003	1,233,754
TX Title 1 Priority Schools (TTIPS)- Eastern Hills ARRA	84.388A ¹	105520067110005	<u>2,182,459</u>
Total CFDA Number 84.388A			3,786,646
TX Title 1 Priority Schools (TTIPS)- Daggett MS	84.388A ¹	136107047110010	1,516,402
TX Title 1 Priority Schools (TTIPS)- Daggett MS	84.388A ¹	126107047110010	<u>25,239</u>
Total CFDA Number 84.377A			1,541,641

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED
YEAR ENDED JUNE 30, 2014**

Federal Grantor Agency	Federal CFDA Number	Grant Number	Expenditures, Indirect Costs and Refunds
U.S. DEPARTMENT OF EDUCATION			
<u><i>Passed Through Texas Education Agency (Cont.)</i></u>			
ESEA Title I Part C Migrant Education Programs	84.011A	13615001220905	3,476
ESEA Title I Part C Migrant Education Programs	84.011A	14615001220905	<u>61,581</u>
Total CFDA Number 84.011A			65,057
Adult Education & Family Literacy, Section 231	84.002A	134100017110477	235,728
Adult Education & Family Literacy, Section 231	84.002A	0514ABE000	1,462,047
Adult Ed - English Literacy & Civics Education Cont.	84.002A	134100087110489	4,012
Adult Ed - English Literacy & Civics Education Cont.	84.002A	0514ELC000	<u>96,205</u>
Total CFDA Number 84.002A			1,797,992
IDEA Title VI Part B Special Education Preschool	84.173A ²	146610012209056610	256,403
Vocational Education Basic Carl Perkins Career & Technology	84.048A	13420006220905	1,226,547
IDEA Title VI Part B Special Education Formula	84.027 ²	146600012209056600	13,878,494
IDEA - B : Discretionary (Deaf)	84.027A ²	146600012209056601	48,146
IDEA - B : Discretionary (Deaf)	84.027A ²	146610012209056611	<u>73,922</u>
Total CFDA Number 84.027A			14,000,562
ESEA Title II Part A Teacher & Principal Training & Recruiting	84.367A	13694501220905	31,042
ESEA Title II Part A Teacher & Principal Training & Recruiting	84.367A	14694501220905	<u>3,251,631</u>
Total CFDA Number 84.365A			3,282,673
ESEA Title III Part A Immigrant (English Language Acquisition)	84.365A	13671001220905	174,613
ESEA Title III Part A Immigrant (English Language Acquisition)	84.365A	14671001220905	2,162,945
ESEA Title III Part A Immigrant	84.365A	13671003220905	<u>13,499</u>
Total CFDA Number 84.365A			2,351,057
ESEA Title IV 21st Century Community Learning Centers Cycle 5 Year 5	84.287C	126950127110011	20,938
ESEA Title IV 21st Century Community Learning Centers Cycle 6 Year 4	84.287C	126950137110026	15,029
ESEA Title IV 21st Century Community Learning Centers Cycle 7 Year 2	84.287C	136950167110017	57,820
ESEA Title IV 21st Century Community Learning Centers Cycle 6 Year 4	84.287C	126950137110026	902,651
ESEA Title IV 21st Century Community Learning Centers Cycle 7 Year 3	84.287C	136950167110017	1,594,020
ESEA Title IV 21st Century Community Learning Centers Cycle 8 Year 1	84.287C	146950197110009	<u>1,058,652</u>
Total CFDA Number 84.287C			3,649,110
Total Passed Through Texas Education Agency			<u>62,376,487</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>69,486,725</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED
YEAR ENDED JUNE 30, 2014**

<u>Federal Grantor Agency</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures, Indirect Costs and Refunds</u>
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Funding</u>			
Reproductive Health for Teens	93.079.	1U87PS004172-01	166,306
School Based Health Center	93.526	C12CC25545-01-01	111,941
Total Direct Funding			278,247
<u>Passed Through Texas Department of Human Services</u>			
SSA Title XX Temporary Assistance for Needy Families (TANF)	93.558	133625017110450	185,088
Medicaid Administrative Claiming Program (MAC)	93.778	529-07-0157-00193	622,925
Total Passed Through Texas Department of Human Services			808,013
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,086,260
U.S. DEPARTMENT OF AGRICULTURE			
<u>Direct Funding</u>			
National School Breakfast Program	10.553 ³	220-905	7,780,758
National School Lunch Program - Cash Assistance	10.555 ³	220-905	27,727,009
National School Lunch Program - Noncash Assistance	10.555 ³	220-905	2,816,205
National School Snack Program	10.555 ³	220-905	569,618
Total CFDA Number 10.555			31,112,832
Summer Feeding Program	10.559 ³	220-905	436,644
Total Direct Funding			39,330,234
TOTAL U.S. DEPARTMENT OF AGRICULTURE			39,330,234
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Funding</u>			
ROTC	12.357	5929-80-716	1,255,878
Total Direct Funding			1,255,878
TOTAL U.S. DEPARTMENT OF DEFENSE			1,255,878
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 111,159,097

¹ Reported as School Improvement Grants Cluster, as required by Compliance Supplement March 2014

² Reported as Special Education Cluster (IDEA), as required by Compliance Supplement March 2014

³ Reported as Child Nutrition Cluster, as required by Compliance Supplement March 2014

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

NOTE 1. BASIS OF PRESENTATION

Fort Worth Independent School District (the District) utilizes the fund types specified in the Texas Education Agency's Financial Accounting System Resource Guide.

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented using the current financial resources measurement focus and the modified accrual basis of accounting except as related to the Child Nutrition Cluster, which uses the economic resources measurement focus and the accrual basis of accounting, which is described in Note 1 to the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly when such funds are received, they are recorded as unearned revenues until earned.

NOTE 2. BASIS OF FUNDING

Federal funding for Food Services under child nutrition programs is primarily based upon the number and type of meals served and user charges as reported to the U.S. Department of Agriculture. Federal funding received related to various other grant programs is based upon periodic reports detailing reimbursable expenditures made in compliance with the program guidelines to the grantor agencies. The programs are governed by various rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, that the District has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of funding monies may be required. In the opinion of the District's management, there are no significant contingent liabilities relating to matters of compliance and, accordingly, no provision has been made in the basic financial statements for such contingencies.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

NOTE 3. PERIOD OF AVAILABILITY

The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project extended 30 days beyond the federal project period ending date, in accordance with the provisions of *OMB Circular A-133 Compliance Supplement*.

NOTE 4. LIKE-KIND GOODS RECEIVED

Under the Commodity Supplement (CFDA 10.555), the District received like kind goods during the year. The monetary value of these goods was \$2,816,205 for the year ended June 30, 2014.

NOTE 5. SUB-RECIPIENT

The District provided federal awards to sub-recipients in the amount of \$64,318 under CFDA number 84.002A, Adult Education and Family Literacy, Section 231.

NOTE 6. RECONCILIATION OF SEFA TO BASIC FINANCIAL STATEMENTS

Federal financial assistance programs are reported in District's financial statements in the General Fund, Federal Grant Fund and Enterprise Fund.

Certain amounts have been excluded from the Schedule of Expenditures of Federal Awards by request of the funding agency as these amounts are not considered federal financial assistance as defined by OMB Circular A-133. A reconciliation of the Schedule of Federal Awards to the basic financial statements is as follows:

Expenditures per Schedule of Federal Awards	\$ 111,159,097
E-rates Program	1,111,343
School Health and Related Services (SHARS)	<u>6,011,711</u>
Total	<u>\$ 118,282,151</u>
Federal Program Revenue per C-3	\$ 79,268,210
National School Breakfast Program per D-2	7,912,137
National School Lunch Program per D-2	27,715,981
USDA Commodities Program per D-2	2,816,205
Afterschool Snack Reimbursements per D-2	<u>569,618</u>
Total	<u>\$ 118,282,151</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? ___ Yes X None reported
- Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? ___ Yes X None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) or Circular A-133? ___ Yes X No

Identification of major programs:

CFDA Number:

84.027 ³	IDEA Title VI Part B, Special Education Formula
84.173A ³	IDEA Title VI Part B, Special Education Preschool
84.027A ³	IDEA – B, Discretionary (Deaf)
10.553 ⁴	National School Breakfast Program
10.555 ⁴	National School Lunch Program – Cash Assistance
10.555 ⁴	National School Lunch Program – Noncash Assistance
10.555 ⁴	National School Snack Program
10.559 ⁴	Summer Feeding Program

²Special Education Cluster

³Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs? \$3,000,000

Auditee qualified as low-risk auditee? X Yes ___ No

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
YEAR ENDED JUNE 30, 2014**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 14-01

Other Matter

Criteria or Specific Requirement:

As required by Texas Government Code 2257, a deposit of public funds shall be secured by eligible security.

Context:

In August 2013, the District's cash was under-collateralized by approximately \$20,990,000.

Effect:

The District was not in compliance with the requirements of Texas Government Code 2257 on the date of the District's highest cash balance.

Recommendation:

We recommend that the District continue to perform a review to ensure that deposits are properly collateralized at all times, in order to prevent any potential instances of under-collateralization.

Management's Response:

The District will continue to monitor its daily cash balances to ensure that the District's deposits are properly collateralized at all times. In order to prevent any potential instances of under-collateralization in the future, additional processes have been established to ensure the timely transfer of funds or to arrange for sufficient collateral so as to be in compliance with the requirements of Texas Government Code, Sec. 2257. These processes have been implemented as of the date of this report. Lori Boswell, Controller, was responsible for implementation and monitoring of the processes.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
YEAR ENDED JUNE 30, 2014**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no matters reported.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2014**

There were no matters reported.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2014**

There were no matters reported.



INDEPENDENT AUDITOR'S
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education
Fort Worth Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fort Worth Independent School District (the District) as of and for the year ended June 30, 2014, which collectively comprise the District's basic financial statements, and the related notes to the basic financial statements, and have issued our report thereon dated November 11, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

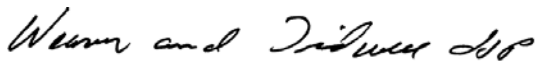
To the Board of Education
Fort Worth Independent School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Item 14-01.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 11, 2014



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM, ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133,
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Education
Fort Worth Independent School District

Report on Compliance for Each Major Federal Program

We have audited Fort Worth Independent School District's (the District's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

To the Board of Education
Fort Worth Independent School District

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

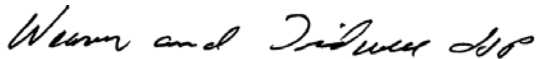
Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements. We have issued our report thereon dated November 11, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

To the Board of Education
Fort Worth Independent School District

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 11, 2014