



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2011



Fort Worth
INDEPENDENT SCHOOL DISTRICT
www.fwisd.org

On the cover: Tremble Tech High School Class of 2011

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011



Prepared by
Hank Johnson, CPA, Chief Financial Officer
Elsie Schiro, Controller
Linda Vaughan, Assistant Controller



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2011**

Exhibit
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FORT WORTH INDEPENDENT SCHOOL DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2011

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Comprehensive Annual Financial Report

Period Ended June 30, 2011

November 3, 2011



The Comprehensive Annual Financial Report of the Fort Worth Independent School 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 accuracy, completeness, and fairness of the presentation of the report 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 the 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, Fort Worth Independent School 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 eligible residents within its geographic boundaries. All activities over which the Board exercises authority and/or oversees responsibilities are included.



GENERAL INFORMATION



Fort Worth Independent School District was organized by a special act of the Texas State Legislature in March of 1925. The District is governed by a nine member Board of Trustees, each of whom serves four-year terms, with the President elected at-large and eight members elected from single-member districts. 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 meetings 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. Special meetings or study sessions are scheduled as needed and also posted and advertised as prescribed by law.

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 78,075 students, the District provides regular, special education, vocational, gifted/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. 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 engineering, agriculture, business administration, fine arts, government and law, health science, hospitality, marketing, public safety, technology, visual and graphic arts and much more. Within each program are multiple trajectories to ensure an extraordinary learning opportunity for every student.



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 engineering, agriculture, business administration, fine arts, government and law, health science, hospitality, marketing, public safety, technology, visual and graphic arts and much more. Within each program are multiple trajectories to ensure an extraordinary learning opportunity for every student.

STATISTICAL & AREA INFORMATION, DEMOGRAPHICS, AND OTHER INFORMATION



Fort Worth Skyline

Introduction

Fort Worth is a city of partnership and progress, qualities that ensured its survival as a frontier outpost and later transformed this city into a great place to live and work. The pioneering spirit remains with Fort Worth today, but attention has turned to the high-tech and service industries of an emerging western metropolis.

According to the U.S. Census Bureau, Fort Worth has been the fastest growing large city of more than 500,000 persons in the nation since April 1, 2000, rising to the rank of the 16th largest city in the country. Tarrant County alone has a population of over 1.8 million people. The population of the City of Fort Worth is 746,290. The official 2010 U.S. Census has determined that the population of the Dallas-Fort Worth Metroplex has grown to 6,371,773 people. The area's population has grown by about one million people since the last census was administered in 2000. 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.



The City of Fort Worth's strategic goals include making Fort Worth the nation's safest major city; improving mobility and air quality; creating and maintaining a clean, attractive city; strengthening the City's economic base; and to promote orderly and sustainable development. Achievement of each of these goals relies on quality development that continues to make Fort Worth an attractive place to live and work.

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 dazzle locals and tourists alike. Downtown Fort Worth's Bass Performance Hall is listed among the Top 10 Opera Halls in the world 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. All within walking distance of each other, 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. 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 is acknowledged as the best in Texas and in the top five among the nation's zoos.



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.

North Texas is one of the few metropolitan regions that have professional football, baseball, basketball, and hockey teams. It is the home of the 2011 NBA Champions—the Dallas Mavericks. 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 Arlington, Texas, anchors Six Flags Over Texas, together with the Baseball Field of the 2010 and 2011 American League Champions, the Texas Rangers, and the Dallas Cowboys' football stadium.



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, and most recently in 2009 for another five-year period. Fort Worth's Part I Crime Rate has declined 32% since 1995, while the population continues to increase. Revenue from the one-half cent sales tax serves in providing necessary resources to effectively implement crime reduction strategies. The Crime 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 vision of the CCPD is for Fort Worth to become one of the safest major cities in the United States.



Public Transportation

Scheduled public bus service throughout Fort Worth is provided by the Fort Worth Transportation Authority, known as the "T". Downtown Fort Worth and downtown Dallas are connected by commuter rail, with stops at DFW International Airport and other cities. The "T"



is able to partner with companies 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 and Dallas Love Field are both major hubs; and Alliance Airport is a master-planned industrial airport that is 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.

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.

The Economy and 2011 Economic Outlook

Fort Worth is the fifth-largest city in Texas, but unlike many other large cities, Fort Worth still has plenty of room for growth. Aggressive, forward-thinking city government and modern amenities make Fort Worth an ideal place for business prosperity. As 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. Other corporate luminaries include Chesapeake Energy Corporation, DynCorp International, FedEx, and Ben E. Keith. Healthcare, finance, telecommunications, education, tourism, and retail trade are also significant economic sectors for the area, together with natural gas exploration and development.

According to the North Central Texas Council of Governments' employment forecast, employment in the City of Fort Worth will continue to rise at a rate of 1.5 percent annually. Future job growth will likely be due to Fort Worth's large percentage of undeveloped or underutilized land. Moreover, many other cities in the Fort Worth-Arlington Metroplex are landlocked and are rapidly developing the remainder of their vacant land.

Tax rates and cost of living remain well below the national average, encouraging re-locations here. CNBC (November 2010) ranked Fort Worth #4 as the best city to relocate to in the U.S.

“Those who live in Fort Worth know the secret: It's close enough to Dallas that you get all of the amenities of a world-class city, but it's cheaper. The average home price is about \$119,300, well below the national average of \$171,700. Plus the cost of living is nearly 14 percent cheaper than the national average. It has a growing arts and culture scene, including an orchestra, ballet, opera, botanical garden and one of the best zoos in the country. In fact, the city has started billing itself as the City of Cowboys and Culture”.

While many parts of the country are suffering due to the economic downturn and rising unemployment, the unemployment rate was lower here than in other states. Texas unemployment rate has been at or below the national rate for 56 consecutive months. The unemployment rate in the area is 8.3 percent, below the national average of 10.2.

Thus far, Texas has weathered the national real estate crunch without significant damage to property values. The Texas foreclosure rate was one in every 985 mortgages. This was substantially better than Nevada's one in 118, California's one in 259, or Arizona's one in 305.



THE DISTRICT'S STRATEGIC PLAN

YOUR FUTURE IS IN OUR CLASSROOM

Vision: The Fort Worth Independent School District envisions a high performing learning organization in which all students achieve proficiency in rigorous standards of intellectual thought and knowledge.

Mission: The mission of the Fort Worth Independent School District is to provide and support rigorous learning opportunities that result in successful completion of a quality high school experience for all students.

- **Goal 1: Student Achievement**

All students will learn at high levels of academic expectations, and the achievement gap will be eliminated.

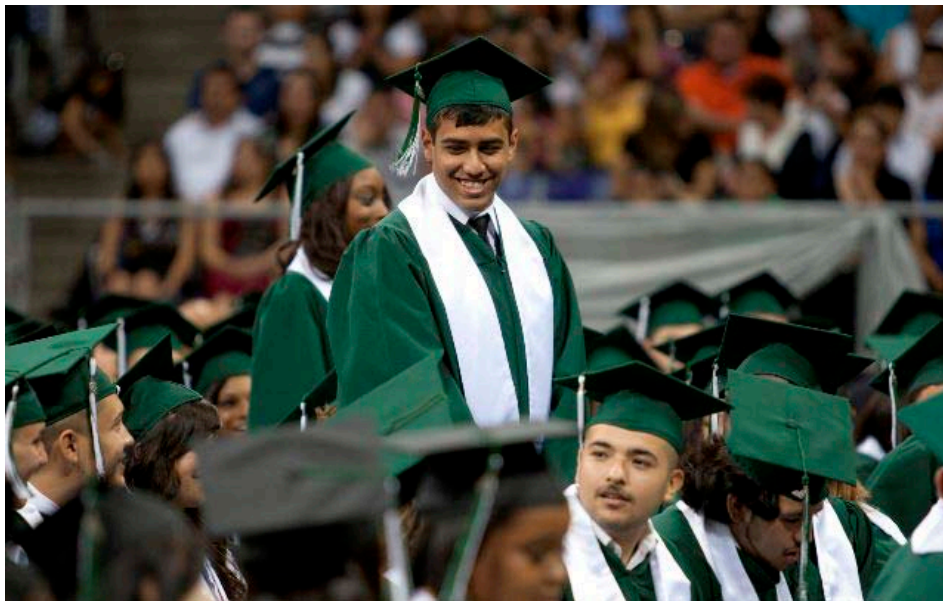
- **Goal 2: Operational Efficiency & Effectiveness**

All operations in the District will be efficient and effective.

- **Goal 3: Family Involvement & Community Partnerships**

Family involvement and community partnerships will be an integral part of the education of all children

These tenets have been used in writing action plans for the District and in developing the District's annual budget. Additionally, each division within the District uses the strategic plan to set specific departmental goals and measure success in reaching them.



CAPITAL IMPROVEMENTS

In order to assess possible needs for a future bond program, the District engaged Magellan K12 to conduct a Facility Condition Analysis Report and a Demographic Analysis/Enrollment Projection. The Facility Condition Analysis Report documented facility conditions by conducting school-by-school inspections to identify fire and safety regulation compliance issues and provide updated floor plans by utilizing electronic Computer Aided Design (CAD) software for all facilities. The study was completed in spring 2007.

In November 2007 the citizens of Fort Worth approved a \$593.6 million bond election for the Fort Worth Independent School District's Capital Improvement Program (CIP). Of those funds, \$551.9 is allocated to school construction. The CIP includes building 5 new schools (3 Elementary Schools and 2 Middle Schools), constructing additions at 8 schools, and renovating 121 schools and 3 Athletic facilities.



As of June 30, 2011, the District expended \$437 million for school construction. All original planned projects were under contract as of March of 2011. All original projects are also on schedule to be completed by November of 2011 as planned. Two new middle schools, Benbrook MS and Jean McClung MS, and two new elementary schools, John T. White ES and Rosemont ES, were completed for the opening of the 2011-2012 school year.



Benbrook Middle School Ribbon Cutting

Because projects were completed on schedule and under budget, approximately \$90 million remained available in the budget after completing all original projects. On May 10, 2011, the Board of Education approved extending the program to November 15, 2012, to complete additional work recommended in the 2007 Magellan study, which CIP updated during the first quarter of 2011. As of June 30, 2011, the Board approved \$28.9 million for 11 additional bid packages for district-wide facility upgrades. The CIP and AECOM, Program Manager, are developing additional bid packages to utilize approximately \$60 million in remaining savings to address the critical needs of schools across the District in a manner that promotes equity.

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. Also, the administration is charged to ensure that adequate accounting data are 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.

GASB 54. Fort Worth ISD has implemented GASB 54 with this financial report ending June 30, 2011. This statement 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. Fund balance categories under GASB 54 are Nonspendable and Spendable. Classifications under the Spendable category are Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. For further details on the various fund balance classifications, refer to Exhibit F, Notes to the Financial Statements, Note 13.

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. In addition to the above, 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. Activities in the General Fund, Debt Service Fund, and Enterprise Fund are included in the official budget. 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, 2011.

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, 2011.

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, 2010. This was the twenty-fifth 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 the Certificate programs' requirements, and it will be submitted to ASBO and GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

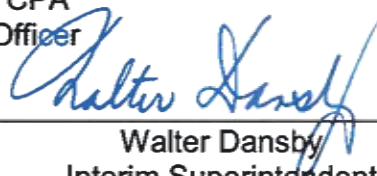
The preparation of this report could not have been accomplished without the dedicated efforts of the entire staff of the Accounting, Management & Budget, Purchasing, Division of Technology, and Communications Departments. Sincere appreciation for everyone's time and effort in this endeavor is hereby expressed. Also, special thanks needs to be extended to the Board for their interest and support in the planning and operations of the financial services area of the District. 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.



Hank Johnson, CPA
Chief Financial Officer



Elsie I. Schiro
Controller



Walter Dansby
Interim Superintendent

Certificate of Board

Fort Worth Independent District

Name of School

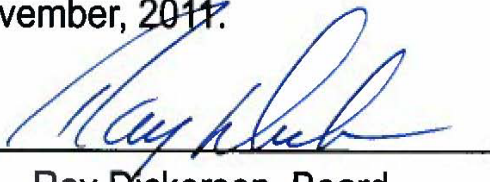
Tarrant

County

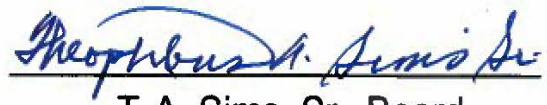
220-905

Co.-Dist. Num.

We, the undersigned, do hereby certify that the attached auditors' report of the above named school district was reviewed and X approved disapproved (check one) for the year ended June 30, 2011 at the meeting of the board of school trustees of such school district on the 15th day of November, 2011.



Ray Dickerson, Board
President



T. A. Sims, Sr., Board
Secretary



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fort Worth Independent
School District, Texas

For its Comprehensive Annual
Financial Report
for the Ten Months Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

FORT WORTH INDEPENDENT SCHOOL DISTRICT
For its Comprehensive Annual Financial Report (CAFR)

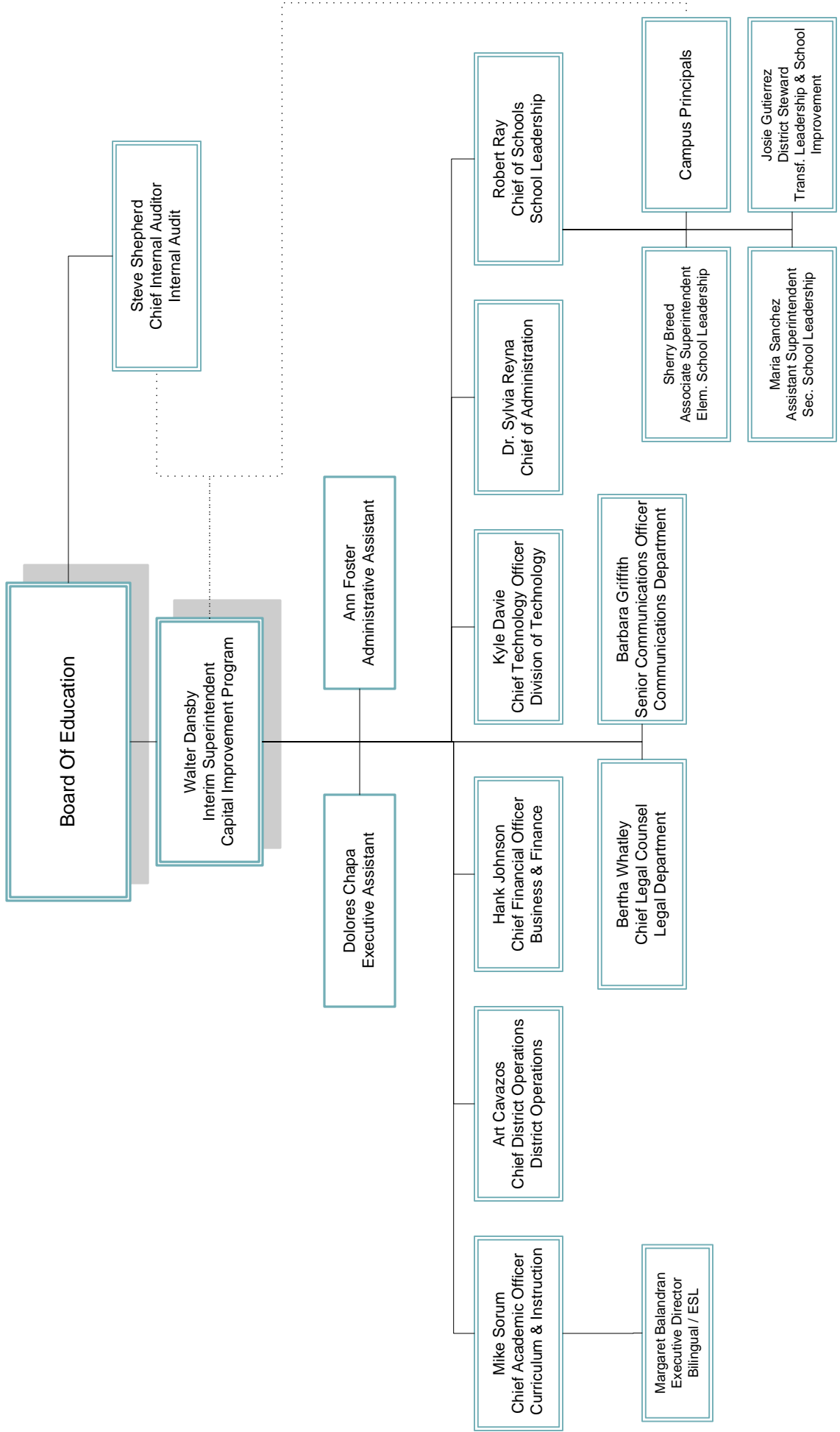
For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

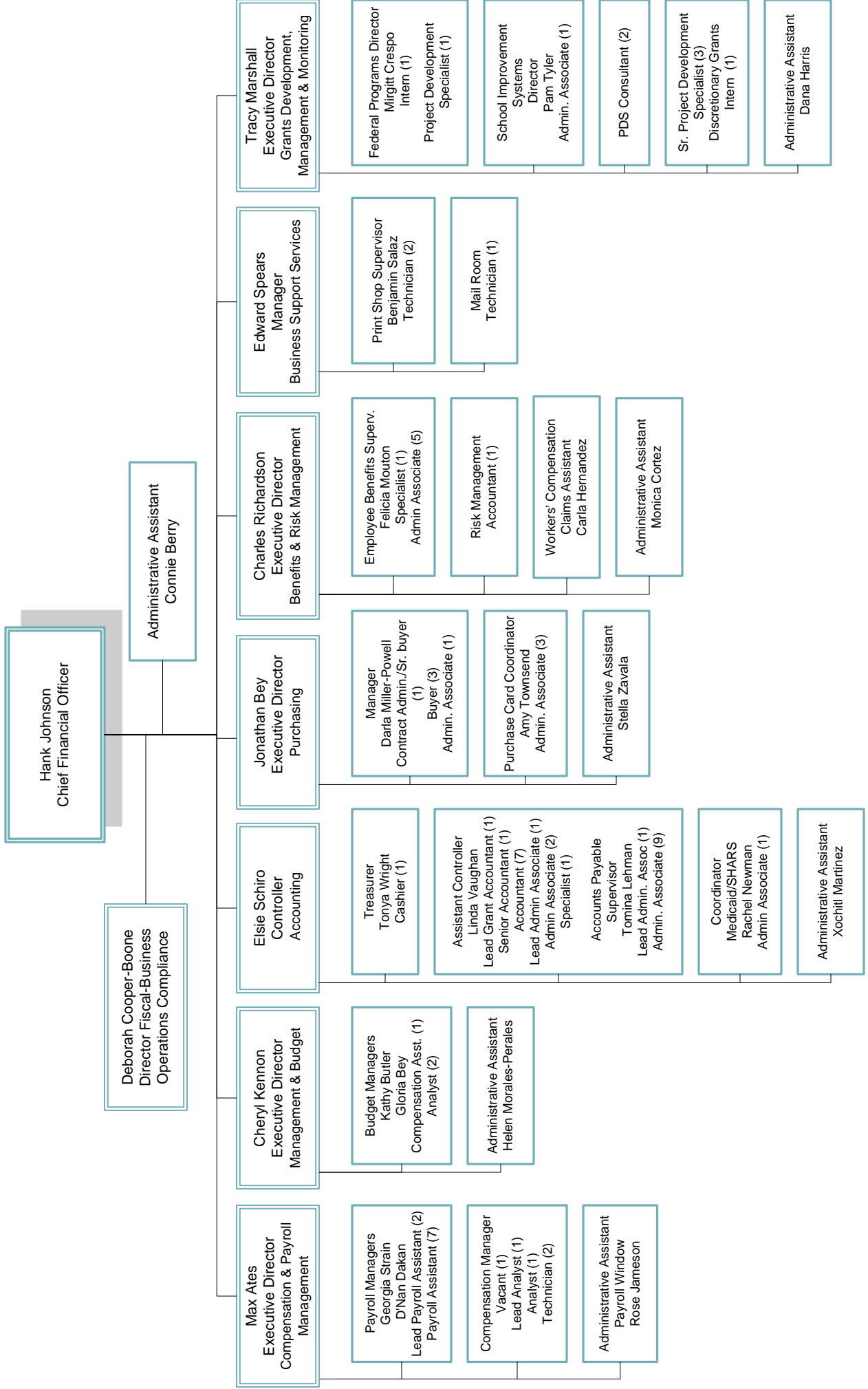
Executive Director

ORGANIZATIONAL CHART 2011-12



Division of Business & Finance

ORGANIZATIONAL CHART 2011-12



BOARD MEMBERS AND THEIR DISTRICTS

RAY DICKERSON

Board President
At Large
First elected 2008
Banker
Term Expires 2012
3721 Monticello Drive, 76107
ray.dickerson@fwisd.org



JUAN RANGEL

Board Vice President
District 8
First elected 2000
Consultant
Term Expires 2012
2259 Lipscomb, 76110
juan.rangel@fwisd.org



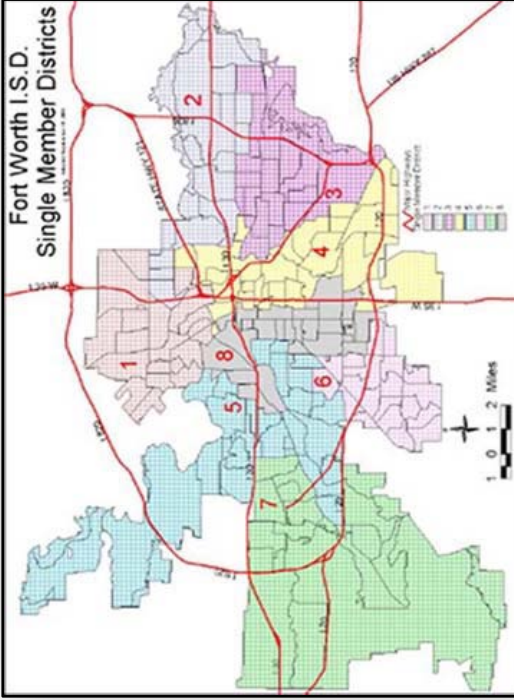
T. A. Sims, Sr.

Board Secretary
District 4
First elected 1983
Pharmacist
Term Expires 2012
4421 Kingsdale Drive, 76119
ta.sims@fwisd.org



CARLOS VASQUEZ

District 1
Elected 2008
Educational Consultant
Term Expires 2012
1214 Circle Park Blvd. 76164
arlos.vasquez@fwisd.org



JUDY NEEDHAM

District 5
Elected 1996
Fundraising Consultant
Term Expires 2014
5328 Collinwood Ave. 76107
judy.needham@fwisd.org



TOBI JACKSON

District 2
Elected 2010
Professional educator
and administrator
Term Expires 2014
2108 Yosemite Court, 76112
tobi.jackson@fwisd.org



ANN SUTHERLAND

District 6
Elected 2010
Educator, budget analyst
Term Expires 2014
4028 Aragon Drive, 76133
ann.sutherland@fwisd.org



CHRISTINE C. MOSS

District 3
Elected 1990
State Nurse Surveyor
Term Expires 2014
5625 Eisenhower, 76112
christene.moss@fwisd.org



NORMAN ROBBINS

District 7
Elected 2004
Sr. Mgr. Community Relations
Term Expires 2012
6144 Plum Valley Place, 76116
norman.robbins@fwisd.org



WALTER D. DANSBY

Interim Superintendent





SUPERINTENDENT’S CABINET

Mr. Walter Dansby _____ Interim Superintendent
Sylvia R. Reyna, Ph. D. _____ Chief of Administration
Robert Ray _____ Chief of Schools
Michael Sorum _____ Chief Academic Officer
Hank Johnson _____ Chief Financial Officer
Kyle Davie _____ Chief, Information & Technology
Bertha Whatley _____ Chief Legal Council
Art Cavazos _____ Chief of Operations
Barbara Griffith _____ Senior Communications & Media Relations Officer
Sherry Breed _____ Associate Superintendent, Elementary School Leadership
Maria Sanchez _____ Assistant Superintendent, Secondary School Leadership
Margaret Baladrán _____ Executive Director, Bilingual/ESL
Josie Gutierrez, Ph. D. _____ District Steward, Transformational Leadership and School Improvement

BUSINESS/FINANCE DEPARTMENT

Elsie I. Schiro _____ 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



INDEPENDENT AUDITOR'S REPORT

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

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, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the ten months then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2011, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget to Actual: General Fund on pages 3 through 15 and 65 through 70 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

Board of Trustees
Fort Worth Independent School District

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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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, other supplementary information, statistical section and other TEA schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information listed in the table of contents is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections schedules 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 3, 2011

**Fort Worth Independent School District
Management's Discussion and Analysis
For the Period Ended June 30, 2011
(Unaudited)**

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, 2011. 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 assets for the District amounted to \$399.2 million as of June 30, 2011. This was an increase of 2.4% from the previous year.
- Total primary governmental expenses totaled \$826.6 million up by 9.8% from the prior year. Of this amount total Governmental Activities totaled \$790.2 million and Business-Type Activities totaled \$36.4 million.
- Net assets of the enterprise fund increased by \$1.5 million to \$8.0 million, an increase of 23%.
- The total available general fund balance decreased by \$10.1 million from last year to \$142.5 million.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$105.7 million, or 18.35% of total general fund expenditures. (See Note 13, pages 58-60, for an explanation of the changes in fund balance classifications and categories as a result of the implementation of GASB 54).

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 Assets 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.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

The Statement of Net Assets 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 assets 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 assets and how they have changed. Net assets—the difference between the District's assets and liabilities—is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets 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 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.

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 statement, 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.

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 and the Print Shop 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

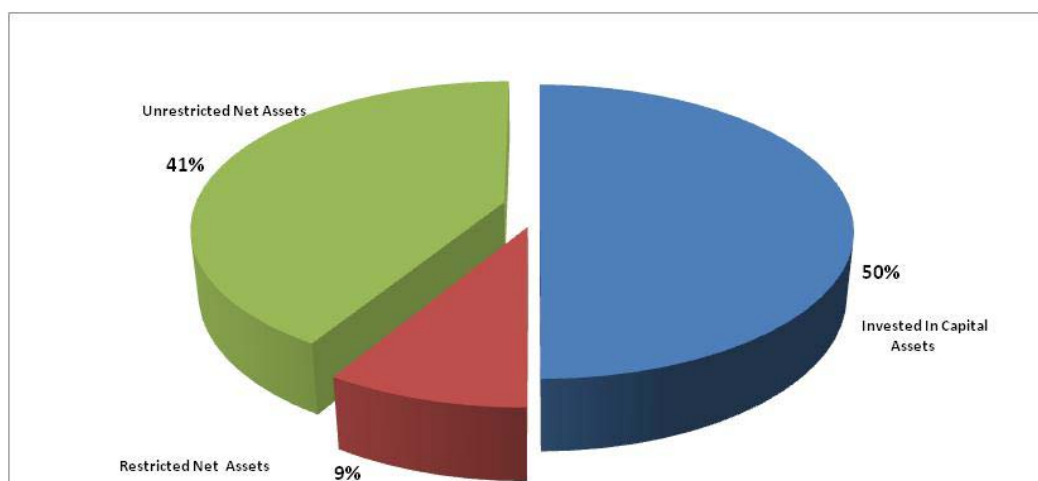
Net assets. The District's *combined* net assets were \$399.2 million on June 30, 2011 (See Table A-1).

Some of the District's net assets 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 assets of the governmental activities of the District total \$165.0 million. The district had \$199.0 million invested in capital assets.

The net assets of the business-type activities totaled \$8.0 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.

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current Assets	\$501.6	\$624.2	\$8.4	\$6.8	\$510.0	\$631.0
Capital Assets	858.4	646.8	0.6	0.6	859.0	647.4
Total Assets	<u>\$1,360.0</u>	<u>\$1,271.0</u>	<u>\$9.0</u>	<u>\$7.4</u>	<u>\$1,369.0</u>	<u>\$1,278.4</u>
Current Liabilities	\$186.0	\$189.5	\$0.9	\$0.9	\$186.9	\$190.4
Non-Current Liabilities	783.0	698.0			783.0	698.0
Total Liabilities	<u>\$969.0</u>	<u>\$887.5</u>	<u>\$0.9</u>	<u>\$0.9</u>	<u>\$969.9</u>	<u>\$888.4</u>
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	\$199.0	\$280.4	\$0.4	\$0.6	\$199.4	\$281.0
Restricted Net Assets	27.2	28.1	7.6	5.9	34.8	34.0
Unrestricted Net Assets	165.0	75.0			165.0	75.0
Total Net Assets	<u>\$391.2</u>	<u>\$383.5</u>	<u>\$8.0</u>	<u>\$6.5</u>	<u>\$399.2</u>	<u>\$390.0</u>



Reviewing Table A-1 reveals a decrease in governmental activities current assets from the prior year by \$122.6 million. This was a result in a decrease in cash and long term investments. These resources were used to fund ongoing construction and renovation projects under the district's Capital Improvement Program, which is also reflected in the \$211.6 million increase in capital assets and corresponding increase in non-current liabilities with the issuance of new bonds. At June 30, 2011, the District maintained \$165.0 million in unrestricted net assets available to fund on-going projects of the District. The district further had invested \$199.0 million in capital assets, net of related debt--a decreased of \$81.4 million from the prior year. This was due to an increase in bond issued debt and a decrease in unspent bond proceeds. This resulted in an increase of unrestricted net assets for this reporting period.

Business-type activities current assets increased by \$1.6 million over last year mainly driven by an increase in cash and temporary investments, with a slight decrease in food service inventory. While both capital assets and total liabilities remained unchanged, the increase in total assets was the result of revenues exceeding expenses in the food service program by \$1.5 million for the 2010-2011 school year (See Exhibit D-2 at page 34).

GOVERNMENT-WIDE ACTIVITIES

Program Revenues: The District's total revenues were \$835.8 million, broken down into governmental activities totaling \$798.0 million and business type activities totaling \$37.9 million. (See Table A-2). An analysis of these revenues follows.

A significant portion, 40.0%, of the District's governmental activities revenue came from property taxes (31.5% for Maintenance and Operations and 8.5% for Debt Service). Maintenance and Operations (M & O) and Interest and Sinking (I & S) tax revenue collections decreased from the prior year. While property values increased slightly, the major reason for the decline in both the M & O and I & S tax revenues is an approximate 3% decrease in current tax collections during this reporting period. This certainly is the trend during down turns in the economy and high unemployment.

State aid and state and federal grants and contributions were also a significant part of the District operations, representing 58.2% of the District's revenue (30.4% from State aid-formula grants and 27.8% from Operating Grants and Contributions). Revenues generated from the state foundation program totaled \$254.3 million, an increase of \$13.1 million due to changes in program funding by the state mandated reduction in property tax rates, increased student enrollment, and lower than usual tax collections. Investment income, charges for services and other revenue make up the remaining 1.8% portion of the District's total governmental activities revenue. District investment income continued to decrease from prior years due to the decline in the economy and rates of return on investments.

Business type activities revenue totaled \$37.9 million up by \$3.5 million from last year. The business type activities were funded primarily with operating grants, which totaled \$33.2 million or 87.6% of the total, with the remaining \$4.7 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.

The increase in total revenue this reporting period over last year (\$12.4 million) is the result of (1) an increase in federal and state funded grant revenue, including ARRA stimulus funding; and (2) an increase in state aid.

Management's Discussion and Analysis – continued

Table A-2
Change Net Assets
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
<u>Program Revenues:</u>						
Charges for services	\$6.0	\$4.8	\$4.7	\$5.2	\$10.7	\$10.1
Operating Grants and Contributions	199.8	191.9	33.2	29.2	233.0	221.1
Capital Grants and Contributions						
<u>General Revenue:</u>						
Property taxes - Maintenance & Operations	263.9	272.4			263.9	272.4
Property taxes - Debt Service	70.2	73.2			70.2	73.2
State aid - formula grants	254.3	241.2			254.3	241.2
Investment earnings	1.1	2.0			1.1	2.0
Miscellaneous	2.7	3.5			2.7	3.5
Other Grants and Contributions						
Total Revenues	\$798.0	\$789.0	\$37.9	\$34.4	\$835.8	\$823.5
<u>Expenses:</u>						
11 Instruction	\$442.9	\$416.0			\$442.9	\$416.0
12 Instructional resources and media services	11.9	10.8			11.9	10.8
13 Curriculum development and instructional staff development	34.3	33.5			34.3	33.5
21 Instructional leadership	13.5	12.5			13.5	12.5
23 School leadership	45.7	41.8			45.7	41.8
31 Guidance, counseling and evaluation services	34.8	33.5			34.8	33.5
32 Social work services	4.5	4.2			4.5	4.2
33 Health services	7.7	7.5			7.7	7.5
34 Student (pupil) transportation	20.4	18.0			20.4	18.0
35 Food services	0.3	0.4	\$36.4	\$32.8	36.7	33.2
36 Cocurricular/Extracurricular activities	9.8	7.9			9.8	7.9
41 General administration	16.5	13.8			16.5	13.8
51 Plant maintenance and operations	79.4	65.1			79.4	65.1
52 Security and monitoring services	11.6	10.5			11.6	10.5
53 Data processing services	12.7	8.0			12.7	8.0
61 Community services	5.7	5.5			5.7	5.5
71 Debt service	32.5	24.9			32.5	24.9
81 Facilities acquisition and construction						
93 Payments to Fiscal Agent	0.1	0.1			0.1	0.1
95 Payments to juvenile justice alternative education programs	0.2	0.2			0.2	0.2
97 Payments to tax increment fund	4.3	4.5			4.3	4.5
99 Other Intergovernmental Charges	1.5	1.6			1.5	1.6
Total Expenses	\$790.2	\$720.3	\$36.4	\$32.8	\$826.6	\$753.1
Increase in Net Assets	\$7.7	\$68.7	\$1.5	\$1.6	\$9.2	\$70.3
Beginning Net Assets	\$383.5	\$314.8	\$6.5	\$4.8	\$390.0	\$319.6
Ending Net Assets	\$391.2	\$383.5	\$8.0	\$6.5	\$399.2	\$390.0

Note: Investment earnings for Business Type Activities was less than one million dollars; actual amount \$4,388.

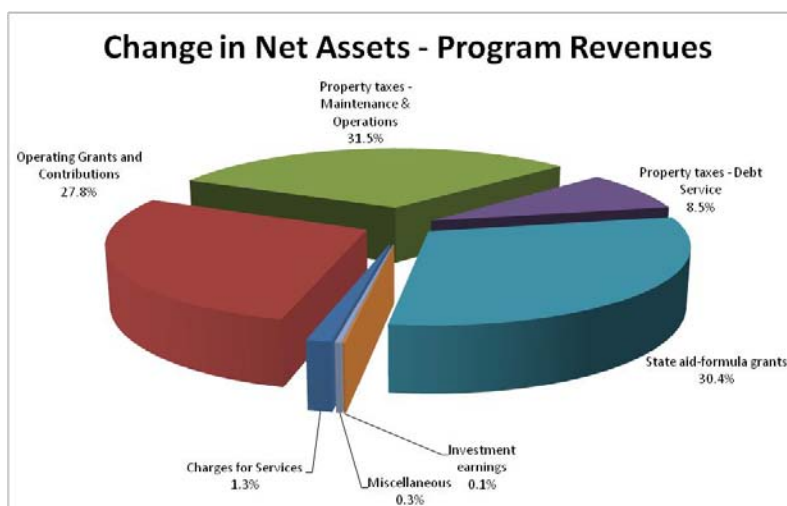
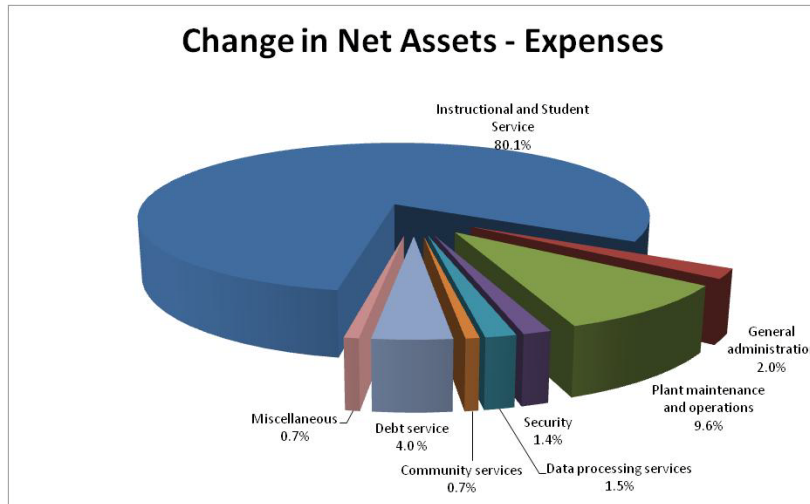


Table A-2 (Cont.)



Program Expenses: The total cost of governmental activities programs and services was \$790.2 million; 80.1% of these costs are for instructional and student services. General administration represents 2.0% of the total cost, while maintenance and operations, which includes utilities and upkeep of the buildings, represented 9.6% of the total cost. Total expenses increased from the prior year by \$73.5 million or 9.7% keeping in mind that the reporting period ended June 30, 2010, contained only ten months due to the change of the District’s fiscal year. In an attempt to analyze expenses for this two-year period, percentage comparisons are provided:

Category	2011	2010	Variance
	Percentage	Percentage	
Instructional and Student Services	80.10	81.40	(1.30)
General Administration	2.00	1.90	0.10
Plant Maintenance and Operations	9.60	9.00	0.60
Security	1.40	1.40	
Data Processing Services	1.50	1.40	0.10
Community Services	0.70	0.80	(0.10)
Debt Service	4.00	3.30	0.70
Miscellaneous	0.70	0.80	(0.10)

The District has been consistent over the last two years on the percentages spent on functional categories as indicated by the above variances.

FUND BALANCE OF THE DISTRICT'S FUNDS

The District has implemented GASB 54 with this financial report ending June 30, 2011. This statement 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. Fund balance categories under GASB 54 are Nonspendable and Spendable. Classifications under the Spendable category are Restricted, Committed, Assigned, and Unassigned. The General Fund should be the only fund that reports a positive unassigned fund balance. In all other funds, unassigned is limited to negative residual fund balance. GASB 54 does not recognize Reserve for Encumbrance, unless specifically committed or assigned for that purpose. For comparison only, the 2010 fund balance designations have been converted to GASB 54 on the below chart. For further details on the various fund balance classifications, refer to Exhibit F, Notes to the Financial Statements, Note 13.

FUND BALANCE COMPARISON

Fund 199	2011 GASB 54	2010 Restated to GASB 54	Net Change
Non-Spendable:			
Inventory	\$1,049,891	\$1,497,026	(\$447,135)
Prepaid Items	100,000	N/A	100,000
Spendable:			
Assigned Budgetary Deficit	35,677,295	N/A	35,677,295
Unassigned	105,717,356	135,498,053	(29,780,697)
Pre-GASB 54 Fund Balance Designations			
Reserve for Encumbrance	N/A	4,560,660	(4,560,660)
Designated Fund Balance	N/A	11,123,707	(11,123,707)
Totals	\$142,544,542	\$152,679,446	(\$10,134,904)
Funds 500 - 599			
Spendable			
Restricted Retirement, Long Term Debt	\$36,254,791	\$35,271,180	\$983,611
Totals	\$36,254,791	\$35,271,180	\$983,611
Funds 600 - 699			
Spendable:			
Restricted for Construction	\$137,357,311	\$92,155,028	\$45,202,283
Pre-GASB 54 Fund Balance Designations			
Reserve for Encumbrance	N/A	147,040,617	(147,040,617)
Totals	\$137,357,311	\$239,195,645	(\$101,838,334)
Funds 380 - 499			
Spendable:			
Restricted Special Revenue Funds	2,882,173	N/A	2,882,173
Committed Campus Activity Funds	1,773,366	N/A	1,773,366
Pre-GASB 54 Fund Balance Designations			
Reserve for Encumbrance	N/A	\$1,253,201	(1,253,201)
Undesignated Fund Balance		3,278,048	(3,278,048)
Totals	\$4,655,539	\$4,531,249	\$124,290
Grand Totals	\$320,812,183	\$431,677,520	(\$110,865,337)

The total available fund balances available to the District at June 30, 2011, was \$320.8 million. Of this amount, \$142.5 million is available in the General Fund. The overall fund balance decreased by \$110.9 million due to (1) the drop in the capital projects fund balance from the prior year as a result of the utilization of reserves to complete campus additions, campus and athletic facilities renovations, and the construction of new schools under the District's Capital Improvement Program; and (2) a reduction of 10.1 million in fund balance in the general fund. The overall reduction in fund balance in the general fund was less than originally expected. As shown on Exhibit G-1, at page 65, the amended \$41.0 million estimated budget deficit was reduced due to an increase in state aid of \$5.4 million and \$14.7 million in federal funding, \$10.0 million of which was attributable to increased SHARS revenue. The District's final expenditures also had a positive variance of \$10.2 million.

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 the 2011-2012 assigned those funds for that purpose. As a result, unassigned fund balance in the General Fund totaled \$105.7 million after considering Nonspendable 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 less than \$1 million totaling \$36.3 million. This balance is managed as an integral part of the District's debt service program 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) decreased by \$101.8 million. This decrease was the result of the completion of two new middle schools and two new elementary schools for opening of the 2011-2012 school year, together with other completed projects.

The non-major funds (Funds 380-499) have a combined \$4.7 million fund balance up 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.

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

Management's Discussion and Analysis – continued

The 2010-2011 adopted budget included State Fiscal Stabilization Funds (SFSF) authorized by House Bill 3646 of the 81st Texas Legislature. Therefore, the “Original Budget” column and the “Final Budget” column in Table 3 below incorporates the estimated revenue and corresponding appropriations from SFSF. Furthermore, the “Actual Amount” column incorporates expenditures in both Funds 199 and 266 to accurately reflect the true variances between the final adopted budget and actual expenditures. Due to mandated accounting requirements, Texas local education agencies were required to account for SFSF funds separately and to report the use of these funds to the Texas Education Agency under Fund 266. Therefore, in Exhibit C-3 at page 29, Fund 266 is reported in the “Federal Grant Fund” column. This explains why Exhibit C-3 actual expenditures in the General Fund (100 – 199) do not match to the actual amount column in Exhibit G-1 for this financial reporting period.

Table A-4
Budget to Actual Comparison

	BUDGETED AMOUNTS		199 & 266 ACTUAL AMOUNTS	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
Resources (inflows):				
5700 Local and intermediate sources	\$266,910,320	\$266,910,320	\$267,754,667	\$844,347
5800 State program revenues	266,676,897	277,089,431	282,513,724	5,424,293
5900 Federal program revenues	41,349,255	41,349,255	56,052,050	14,702,795
Amounts available for appropriation	\$574,936,472	\$585,349,006	\$606,320,441	\$20,971,435
Charges to appropriations (outflows)				
11 Instruction	\$345,443,065	\$352,608,481	\$351,772,480	\$836,001
12 Instructional resources and media services	10,214,474	10,458,406	10,547,834	(89,428)
13 Curriculum development and instructional personnel development	7,424,669	8,342,010	6,603,179	1,738,831
21 Instructional administration	11,212,733	11,382,439	10,237,319	1,145,120
23 School administration	41,184,304	41,820,303	42,486,652	(666,349)
31 Guidance and counseling services	29,439,018	29,523,024	30,248,681	(725,657)
32 Attendance and social work services	4,033,412	4,057,849	3,956,045	101,804
33 Health services	7,136,476	7,359,903	7,161,893	198,010
34 Student (pupil) transportation	19,310,214	20,060,440	19,362,746	697,694
35 Food services	192,829	216,213	261,880	(45,667)
36 Cocurricular/Extracurricular activities	8,276,755	8,560,019	9,108,929	(548,910)
41 General administration	14,811,627	16,072,885	15,685,489	387,396
51 Plant maintenance and operations	78,146,671	79,789,608	76,201,687	3,587,921
52 Security and monitoring services	10,077,964	11,233,404	10,427,374	806,030
53 Data processing services	8,012,123	12,203,296	12,248,667	(45,371)
61 Community services	4,501,934	4,545,901	4,093,778	452,123
81 Facilities Acquisition & Construction	601,427	2,415,705	713,637	1,702,068
95 Juvenile Justice Alternative Education	314,000	314,000	195,250	118,750
97 Tax Increment Financing	3,800,000	3,381,184	3,381,184	0
99 Other Intergovernmental Charges	1,992,000	2,046,984	1,482,799	564,185
Total charges to appropriations	\$606,125,695	\$626,392,054	\$616,177,503	\$10,214,551

At the close of the fiscal year, actual expenditures were \$10.2 million less than the final budget of \$626.4 million, and actual revenues and other sources were \$21.0 million more than the final budget of \$606.3 million. The largest budget variances in revenue were caused by an increase in state aid due to target revenue settle-up by the Texas Education Agency and increased student enrollment. The district also received additional federal revenue in the form of E-Rate reimbursement, Medicaid Administrative Claims (MAC) and School Health and Related Services (SHARS) revenue, and in-direct cost reimbursements.

The major expenditure variances from the original budget to the final approved budget were in the areas of student instruction, school administration, guidance and counseling services; cocurricular/extracurricular activities and data processing services. Student instruction and school administration was increased to implement new initiatives and to increase staffing; data processing increased to cover the cost of a new student data ERP; and the remaining functional category increases became necessary to expense TRS on-behalf charges, salary accruals, stipends and other related expenses. The district was able to reduce the budget as a result of more efficient energy management practices and in overall plant maintenance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the District had invested \$858.4 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 2010-2011 school year, the district continued to complete the designated projects under its Capital Improvement Program. As indicated in Table A-5, the district added over \$175.4 million in building improvements to the district's capital assets. Of the \$175.4 million increase in buildings and improvements, \$.9 million came from local funds, \$3.9 million from prior bond projects, and \$170.6 million in current bond project construction from 89 completed projects throughout the District at elementary, secondary and athletic facilities. The District opened 2 new elementary schools and 2 middle schools in 2011. Of the \$183.1 million accumulated in construction in progress at June 30, 2011, \$126.1 million was accumulated at June 30, 2010, and a net of \$56.9 million was accumulated in 2011. The \$183.1 million accumulated construction in progress was spread over 41 remaining project locations across the District.

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).

Table A-5
District's Capital Assets
(in millions of dollars)

	Governmental Activities		Business-type Activities	
	2011	2010	2011	2010
Land	\$43.5	\$43.5		
Buildings and Improvements	882.5	707.1		
Furniture and Equipment	114.3	114.0	\$11.8	\$11.7
Construction in Progress	183.1	126.2		
Totals at Historical Cost	\$1,223.4	\$990.8	\$11.8	\$11.7
Total Accumulated Depreciation	(\$365.0)	(\$344.0)	(\$11.2)	(\$11.1)
Net Capital Assets	\$858.4	\$646.8	\$0.6	\$0.6

Debt Administration

On August 13, 2010, the District issued \$15,000,000 in Unlimited Tax Qualified School Construction Bonds, Series 2010. The bonds were used to repair and equip district schools and have a scheduled maturity in 2027.

On September 17, 2010, the District issued two bonds:

(1) \$103,715,000 in Unlimited Tax School Building Bonds, Series 2010. The bonds were used for acquisition of school buses, construction of school buildings, equipping of school buildings, land acquisition for the erection of school buildings, and to pay costs associated with the issuance of the bond. The bonds have a scheduled maturity in 2030.

(2) \$27,500,000 in Unlimited Tax Refunding Bonds, Series 2010. The bonds were used to refund a portion of the District’s School Building Unlimited Tax Bonds, Series 2001 and Series 2001A. The newly issued bonds have scheduled maturities between 2014 and 2030.

Table A-6
District’s Long Term Debt
(in millions of dollars)

	Governmental Activities	
	2011	2010
Bonds Payable	\$756.3	\$676.3
Contractual Obligations		
Compensation Payable	28.8	26.6
Total Bonds and Notes Payable	\$785	\$703

ECONOMIC FACTORS AND THE 2011-2012 BUDGET AND TAX RATES

Amounts available for appropriation in the general fund budget excluding existing fund balance are \$588.6 million. The 82nd Legislature reduced funding for public school districts by \$5.3 billion for the 2012-2013 biennium. This has required local districts to cut budgets and make difficult decisions. As a result, the expenditure budget for FWISD for 2011-2012 was decreased by \$27.4 million from the prior year’s final adopted budget.

Bond Ratings

By virtue of the State’s Permanent School Fund guarantee, the District’s bonds presently carry “AAA” ratings. Underlying ratings are as follows: Moody’s Investor Services “Aa1” and Standard & Poors “AA”.

At the end of the 2010-2011 school year, the district offered an incentive for early notice of retirement and reviewed all staffing positions for possible cuts. The district did not provide a pay increase to employees. Efforts will again be made to review all expenditures during the upcoming budget process to find ways to decrease expenditures while maintaining the overall educational quality for its students, including reviewing student to teacher staff ratios.

The adopted budget for 2011-2012 will utilize \$35 million of the District's undesignated general fund balance. With this budgeted use of fund balance, the unassigned fund balance going forward into the 2011-2012 school year is \$105.7 million. This is estimated to go down by the amount of a deficit budget required for the 2012-13 school year.

The District's maintenance and operations tax rate for 2011-2012 did not change from the prior year and is \$1.04/\$100 and the debt service rate is \$0.282/\$100. The District will also consider the option of going to the voters for an increase of the M & O tax rate.

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:

Elsie I. Schiro, Controller
100 N. University, Suite NE140B
Fort Worth, Texas 76107
(817) 814-2141

Mr. Hank Johnson, CPA
Chief Financial Officer
100 N. University
Fort Worth, Texas 76107
(817) 814-2100



Basic Financial Statements



Government-Wide Financial Statements



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011**

EXHIBIT A-1

DATA CONTROL CODES	Governmental Activities	Business-type Activities	Total	
<u>ASSETS</u>				
Current Assets:				
1110	Cash and Temporary Investments	\$301,561,284	\$6,038,771	\$307,600,055
1220	Property Taxes	37,289,417		37,289,417
1230	Allowance for Uncollectible Taxes	(12,641,881)		(12,641,881)
1240	Due from Other Governments	118,524,080	1,073,200	119,597,280
1250	Accrued Interest Receivable	31,874		31,874
1260	Internal Balances	256,039	(256,039)	
1290	Other Receivables	10,316,765		10,316,765
1310	Inventories	1,049,891	1,517,702	2,567,593
1410	Deferred Expenses	100,000		100,000
1430	Debt Issuance Costs	5,063,355		5,063,355
	Total Current Assets	461,550,824	8,373,634	469,924,458
Noncurrent Assets:				
1510	Land	43,469,298		43,469,298
1520	Buildings & Improvements, Net	575,826,573		575,826,573
1530	Furniture & Equipment, Net	56,008,225	559,029	56,567,254
1580	Construction in Progress	183,083,122		183,083,122
1910	Long Term Investments	40,000,000		40,000,000
	Total Noncurrent Assets	898,387,218	559,029	898,946,247
1000	TOTAL ASSETS	1,359,938,042	8,932,663	1,368,870,705
<u>LIABILITIES</u>				
Current Liabilities:				
2110	Accounts Payable	\$29,552,936	\$260,629	\$29,813,565
2140	Interest Payable	12,876,518		12,876,518
2150	Payroll Deductions and Withholdings	5,302,038		5,302,038
2160	Accrued Wages Payable	75,719,712	586,625	76,306,337
2170	Due to Fiduciary Funds	2,454,269		2,454,269
2180	Due to Other Governments	346,964		346,964
2210	Accrued Expenses	4,272,062		4,272,062
2121	Bonds Payable	40,620,000		40,620,000
2123	Compensated Absences and Vacation Payable	9,452,251		9,452,251
2310	Deferred Revenue	5,000,032	80,417	5,080,449
2400	Other Payables	317,720		317,720
	Total Current Liabilities	185,914,502	927,671	186,842,173
Noncurrent Liabilities:				
2210	Accrued Expenses	7,298,517		7,298,517
2121	Deferred Loss on Refunding	(11,842,587)		(11,842,587)
2510	Bonds Payable	767,996,479		767,996,479
2590	Other Debt Payable	19,348,023		19,348,023
	Total Noncurrent Liabilities	782,800,432		782,800,432
2000	TOTAL LIABILITIES	968,714,934	927,671	969,642,605
3800	<u>NET ASSETS</u>			
3200	Invested in Capital Assets, Net of Related Debt	198,970,638	448,834	199,419,472
3800	Restricted Net Assets:			
	Debt Service	27,192,670		27,192,670
	Food Service		7,556,158	7,556,158
3900	Unrestricted Net Assets	165,059,800		165,059,800
3000	TOTAL NET ASSETS	\$391,223,108	\$8,004,992	\$399,228,100

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

EXHIBIT B-1

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
11 Instruction	\$442,850,580	\$5,181,878	\$118,680,765		(\$318,987,937)		(\$318,987,937)
12 Instructional Resources and Media Services	11,855,022		3,109,359		(8,745,663)		(8,745,663)
13 Curriculum Development and Instructional Staff Development	34,286,643		9,100,378		(25,186,265)		(25,186,265)
21 Instructional Leadership	13,492,448		3,616,272		(9,876,176)		(9,876,176)
23 School Leadership	45,692,357		12,254,252		(33,438,105)		(33,438,105)
31 Guidance, Counseling, and Evaluation Services	34,772,303		9,325,598		(25,446,705)		(25,446,705)
32 Social Work Services	4,471,197		1,199,132		(3,272,065)		(3,272,065)
33 Health Services	7,719,587		2,070,319		(5,649,268)		(5,649,268)
34 Student (pupil) Transportation	20,464,495		5,302,466		(15,162,029)		(15,162,029)
35 Food Services	285,014		75,104		(209,910)		(209,910)
36 Cocurricular/Extracurricular Activities	9,795,122	820,636	2,623,394		(6,351,092)		(6,351,092)
41 General Administration	16,532,979		4,084,671		(12,448,308)		(12,448,308)
95 Payments to Juvenile Justice Alternative Education Prgrms	195,250				(195,250)		(195,250)
97 Payments to Tax Increment Fund	4,298,005				(4,298,005)		(4,298,005)
93 Payments to Fiscal Agent	72,486				(72,486,000)		(72,486,000)
99 Other Intergovernmental Charges	1,482,799				(1,482,799)		(1,482,799)
51 Plant Maintenance and Operations	79,385,647		21,154,193		(58,231,454)		(58,231,454)
52 Security and Monitoring Services	11,673,495		3,017,690		(8,655,805)		(8,655,805)
53 Data Processing Services	12,664,057		2,736,847		(9,927,210)		(9,927,210)
61 Community Services	5,744,697		1,485,397		(4,259,300)		(4,259,300)
71 Interest on Long-Term Debt	32,499,136				(32,499,136)		(32,499,136)
Total Governmental Activities	790,233,319	6,002,514	199,835,837		(584,394,968)		(584,394,968)
Business-Type Activities:							
Food Service	36,372,396	4,680,469	33,172,701			1,480,774	1,480,774
Total Business-Type Activities	36,372,396	4,680,469	33,172,701			1,480,774	1,480,774
Total Primary Government	\$826,605,715	\$10,682,983	\$233,008,538		(\$584,394,968)	\$1,480,774	(\$582,914,194)
General Revenues:							
Taxes:							
Property Taxes - Maintenance & Operations					\$263,863,223		\$263,863,223
Property Taxes - Debt Service					70,221,764		70,221,764
State Aid-Formula Grants					254,269,944		254,269,944
Investment Earnings					1,108,918	\$4,388	1,113,306
Miscellaneous					2,676,109		2,676,109
Total Grant Revenues					592,139,958	4,388	592,144,346
Change in Net Assets					7,744,990	1,485,162	9,230,152
Net Assets - Beginning					383,478,118	6,519,830	389,997,948
Net Assets Ending					\$391,223,108	\$8,004,992	\$399,228,100

Fund Financial Statements



Governmental Funds Financial Statements



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011**

EXHIBIT C-1

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	\$122,866,725		\$24,650,200	\$150,699,457	\$3,344,901	\$301,561,283
1220	Property Taxes Receivable	31,613,301		5,676,117			37,289,418
1230	Allowance for Uncollectible Taxes	(10,780,161)		(1,861,720)			(12,641,881)
1240	Due from Other Governments	86,241,722	\$29,122,703	457,539		2,702,115	118,524,079
1250	Accrued Interest Receivable	21,053		7,214	3,607		31,874
1260	Due from Other Funds	61,946,522	460,167	32,213	50,432,315	7,736,575	120,607,792
1290	Other Receivables	9,634,743					9,634,743
1310	Inventories	1,049,891					1,049,891
1410	Deferred Expenditures/Expenses	100,000					100,000
1910	Long Term Investments	25,000,000		10,000,000	5,000,000		40,000,000
1000	TOTAL ASSETS	327,693,796	29,582,870	38,961,563	206,135,379	13,783,591	616,157,199
LIABILITIES							
2110	Accounts Payable and Accrued Liabilities	8,151,590	648,821	5,565	20,054,369	144,807	29,005,152
2150	Payroll Deductions and Withholdings	3,918,069					3,918,069
2160	Accrued Wages Payable	57,480,157	16,854,971		3,386	1,381,199	75,719,713
2170	Due to Other Funds	98,683,351	12,055,109		48,720,313	2,476,303	161,935,076
2180	Due to Other Governments	197,284	14,149			135,531	346,964
2300	Deferred Revenue	16,401,083	9,820	2,701,207		4,990,212	24,102,322
2400	Other Payables	317,720					317,720
2000	TOTAL LIABILITIES	185,149,254	29,582,870	2,706,772	68,778,068	9,128,052	295,345,016
FUND EQUITY							
Fund Balances:							
(1) Nonspendable:							
3410	Inventory	1,049,891					1,049,891
3430	Prepaid Items	100,000					100,000
(2) Spendable:							
a. Restricted							
3450	Special Revenue Funds					2,882,173	2,882,173
3480	Retirement of Long-Term Debt			36,254,791			36,254,791
3510	Construction				137,357,311		137,357,311
b. Committed							
3545	Campus Activity Funds					1,773,366	1,773,366
c. Assigned							
3590	Budgetary Deficit	35,677,295					35,677,295
3600	d. Unassigned	105,717,356					105,717,356
3000	TOTAL FUND EQUITY	142,544,542		36,254,791	137,357,311	4,655,539	320,812,183
4000	TOTAL LIABILITIES AND FUND EQUITY	\$327,693,796	\$29,582,870	\$38,961,563	\$206,135,379	\$13,783,591	\$616,157,199

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011**

EXHIBIT C-2

Total Fund Balances - Governmental Funds (Exhibit C-1)		\$320,812,183
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in governmental funds.		858,387,218
Certain receivables will be collected next year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred at the fund level.		19,102,290
Certain debt related amounts are expensed at the fund level but deferred at the government-wide level and amortized over the life of the debt.		
	Debt Issuance Costs	5,063,355
	Deferred Loss on Refunding	11,842,587
		16,905,942
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, 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 assets. The net effect of this consolidation is to increase net assets.		26,308,744
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
	Bonds Payable	(756,286,565)
	Premium on Bonds	(52,329,911)
	Accrued Interest on the Bonds	(12,876,518)
	Compensated Absences	(28,800,275)
		(850,293,269)
Total Net Assets - Governmental Activities (Exhibit A-1)		\$391,223,108

FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT C-3

	MAJOR FUNDS				NONMAJOR FUNDS	
	100 - 199	200 - 379	500 - 599	600 - 698	380 - 499	TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	FEDERAL GRANT FUND	DEBT SERVICE FUND	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	
REVENUES						
5700 Local and Intermediate Sources	\$267,754,667		\$70,978,374	\$795,107	\$8,012,764	\$347,540,912
5800 State Program Revenues	282,513,724		1,243,016		15,845,275	299,602,015
5900 Federal Program Revenues	16,069,286	\$133,088,538		2,369,700		151,527,524
Total Revenues	566,337,677	133,088,538	72,221,390	3,164,807	23,858,039	798,670,451
EXPENDITURES						
Current:						
11 Instruction	312,571,924	96,674,703		1,468,849	18,171,958	428,887,434
12 Instructional Resources and Media Services	10,540,556	730,908			209,767	11,481,231
13 Curriculum Development and Instructional Staff Development	6,497,914	24,582,471			2,125,195	33,205,580
21 Instructional Leadership	9,965,240	2,681,556			420,232	13,067,028
23 School Leadership	42,437,433	1,485,227			329,010	44,251,670
31 Guidance, Counseling, and Evaluation Services	29,914,204	3,305,344			456,379	33,675,927
32 Social Work Services	3,956,045	158,921			215,253	4,330,219
33 Health Services	7,161,893	289,934			24,360	7,476,187
34 Student (pupil) Transportation	19,362,746	443,578		12,922		19,819,246
35 Food Services	261,880				14,147	276,027
36 Cocurricular/Extracurricular Activities	9,108,929			49,439	327,912	9,486,280
41 General Administration	15,685,489	259,148		7,009	60,046	16,011,692
51 Plant Maintenance and Operations	76,201,595	61,737		13,770	605,503	76,882,605
52 Security and Monitoring Services	10,424,174	855,600			25,654	11,305,428
53 Data Processing Services	12,244,891	19,866				12,264,757
61 Community Services	4,086,956	1,332,354			144,255	5,563,565
Debt Service:						
71 Principal			37,430,000			37,430,000
71 Interest & Issuance Costs			33,111,043	923,902		34,034,945
Capital Outlay:						
81 Facilities Acquisition and Construction	713,637	143,074		232,238,673	595,709	233,691,093
Intergovernmental:						
93 Payments to Fiscal Agent		64,117			8,369	72,486
95 Payments to Juvenile Justice Alternative Education Programs	195,250					195,250
97 Payments to Tax Increment Fund	3,381,184		916,821			4,298,005
99 Other Intergovernmental Charges	1,482,799					1,482,799
Total Expenditures	576,194,739	133,088,538	71,457,864	234,714,564	23,733,749	1,039,189,454
Excess (deficiency) of Revenues Over Expenditures	(9,857,062)		763,526	(231,549,757)	124,290	(240,519,003)
OTHER FINANCING SOURCES (USES)						
7911 Sale of Bonds			27,500,000	118,715,000		146,215,000
7916 Premium or Discount on Bond Issuance			2,579,255	10,996,423		13,575,678
8949 Other Uses - Debt Refunding			(29,859,170)			(29,859,170)
8911 Transfers Out	(277,842)					(277,842)
Total Other Financing Sources and Uses	(277,842)		220,085	129,711,423		129,653,666
Net Change in Fund Balances	(10,134,904)		983,611	(101,838,334)	124,290	(110,865,337)
Fund Balances - Beginning	152,679,446		35,271,180	239,195,645	4,531,249	431,677,520
Fund Balances - Ending	\$142,544,542		\$36,254,791	\$137,357,311	\$4,655,539	\$320,812,183

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Net change in fund balances - Total Governmental Funds (Exhibit C-3)	(\$110,865,337)
Amounts reported for governmental activities in the statement of activities are different due to:	
1 Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	211,585,308
2 Statement of activities reports an increase in revenues due to current activity in deferred revenues which is not reported at fund level.	(4,313,134)
3 Some expenses reported in the fund level financials are deferred in the government-wide financials - such as change in debt issuance and accrued interest on bonds payable	1,585,809
4 Proceeds from long-term debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.	(93,407,934)
5 Internal service funds are used by management to charge the costs of certain activities, such as insurance and printing, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>3,160,278</u>
Change in Net Assets of Governmental Activities (Exhibit B-1).	<u><u>\$7,744,990</u></u>

Proprietary Funds Financial Statements



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2011**

EXHIBIT D-1

DATA CONTROL CODES	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND <u>700 - 749</u> FOOD SERVICE	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS <u>750 - 799</u> PRINT SHOP & INSURANCE FUNDS
ASSETS		
Current Assets:		
1110	\$6,038,771	
1240	1,073,200	
1260		\$39,129,054
1290		682,022
1310	1,517,702	
Total Current Assets	8,629,673	39,811,076
Noncurrent Assets:		
Capital Assets:		
1530	11,798,938	18,700
1573	(11,239,909)	(18,700)
Total Noncurrent Assets	559,029	
Total Assets	9,188,702	39,811,076
LIABILITIES		
Current Liabilities:		
2110	\$260,629	\$547,784
2150		1,383,969
2160	586,625	
2170	256,039	
2210		4,272,062
2310	80,417	
Total Current Liabilities	1,183,710	6,203,815
Noncurrent Liabilities:		
2210		7,298,517
Total Noncurrent Liabilities		7,298,517
Total Liabilities	1,183,710	13,502,332
NET ASSETS		
3200	448,834	
3800	7,556,158	
3900		26,308,744
Total Net Assets	\$8,004,992	\$26,308,744

FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT D-2

DATA CONTROL CODES	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND 700 - 749	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS 750 - 799
	FOOD SERVICE	PRINT SHOP & INSURANCE FUNDS
OPERATING REVENUES		
5700 Local and Intermediate Sources	\$4,680,469	\$10,319,331
5020 TOTAL REVENUES	4,680,469	10,319,331
OPERATING EXPENSES		
6100 Payroll Costs	17,492,344	800,040
6200 Professional and Contracted Services	812,595	6,369,212
6300 Supplies and Materials	17,883,001	264,510
6400 Other Operating Costs	23,088	3,133
Depreciation	161,368	
6030 TOTAL EXPENSES	36,372,396	7,436,895
OPERATING INCOME (LOSS)	(31,691,927)	2,882,436
NON-OPERATING REVENUE		
5700 Interest and Other Miscellaneous Income	4,388	
5800 State Matching and Other	236,642	
7952 National School Breakfast Grant	5,790,277	
7953 National School Lunch Grant	24,160,650	
7954 USDA Commodities Grant	2,414,278	
7989 Afterschool Snack Reimbursement	570,854	
7020 TOTAL NON-OPERATING REVENUES	33,177,089	
INCOME (LOSS) BEFORE TRANSFERS	1,485,162	2,882,436
7915 Transfers In		277,842
1300 CHANGE IN NET ASSETS	1,485,162	3,160,278
EQUITY		
0100 Net Assets		
July 1 (Beginning)	6,519,830	23,148,466
3800 Net Assets		
June 30 (Ending)	\$8,004,992	\$26,308,744

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

EXHIBIT D-3

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	700 - 749	750 - 799
	FOOD SERVICE	PRINT SHOP & INSURANCE FUNDS
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash Received From User Charges	\$2,260,433	\$5,667,174
Cash Payments to Employees for Services	(15,006,825)	(800,041)
Cash Payments for Insurance Claims		(4,135,408)
Cash Payments to Suppliers for Goods and Services	(18,279,771)	(264,510)
Cash Payments for Operating Costs	(110,768)	(745,057)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(31,136,931)</u>	<u>(277,842)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Non-Operating Grants Received	33,172,700	
Transfer From Other Funds		277,842
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>33,172,700</u>	<u>277,842</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Purchase of Capital Assets	(249,738)	
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(249,738)</u>	
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest on Investments	7,512	
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>7,512</u>	
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>1,793,543</u>	
CASH AND CASH EQUIVALENTS - JULY 1	<u>23,501</u>	
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$1,817,044</u>	
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	(\$31,695,051)	\$2,882,436
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:		
Depreciation	161,368	
Changes in Assets and Liabilities:		
Receivables		(682,023)
Inventories	(12,394)	
Accounts Payable	67,742	486,380
Accrued Liabilities		767,361
Due from Other Funds	1,482	
Prepaid Insurance		238,138
Due to Other Funds	259,505	(1,144,560)
Due to State		(2,825,574)
Due to other Governments		
Unearned Revenue	80,417	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(31,136,931)</u>	<u>(277,842)</u>



Fiduciary Funds Financial Statements



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011**

EXHIBIT E-1

DATA CONTROL CODES		AGENCY FUND	PRIVATE PURPOSE TRUSTS
		849 - 890	829 - 836
	<u>ASSETS</u>		
1110	Cash and Temporary Investments		\$281,551
1260	Due from Other Funds	\$1,695,196	762,098
1290	Other Receivables	4,439	
1910	Long-Term Investments		24,640
1000	TOTAL ASSETS	1,699,635	1,068,289
	<u>LIABILITIES</u>		
2110	Accounts Payable	7,902	
2160	Accrued Wages	10,226	
2170	Due to Other Funds	3,025	
2190	Due to Student Groups	1,403,760	
2420	Amounts Held for Granting Agencies	274,722	190,874
2000	TOTAL LIABILITIES	1,699,635	190,874
	NET ASSETS		
3000	Held in Trust for Scholarships		877,415
3000	TOTAL NET ASSETS		\$877,415

FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN PRIVATE PURPOSE TRUSTS NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2011

EXHIBIT E-2

	PRIVATE PURPOSE TRUST FUNDS 829 - 836
ADDITIONS	
Contributions:	
Donor	\$13,138
Total Additions	13,138
 DEDUCTIONS	
Scholarships Granted	19,826
Total Deductions	19,826
 CHANGE IN NET ASSETS	
Net Assets - Beginning of the Year	(6,688)
Net Assets - End of the Year	884,103
Net assets - End of the Year	\$877,415

Notes to the Basic Financial Statements



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.

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 and 39 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.

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 Assets 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 Assets. Interfund services provided and used are not eliminated in the consolidation of funds for the Statement of Activities. 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 Assets as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as due to/due from other funds on the government-wide Statement of Net Assets.

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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.

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

Proprietary Funds

Enterprise Fund - used to account for the operations of the District's cafeterias and other food facilities. Revenues are distinguished between operating and non-operating. Operating revenues are derived primarily from charges to users. Non-operating revenues 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.

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.

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.

Basis of Accounting/Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities 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 net current assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – 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. 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.

The government-wide financial statements (the statement of net assets 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 support.

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 government-wide financial statements and the Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Equity for the government-wide financial statements and Proprietary Funds (i.e., net total assets) is segregated into invested in capital assets, restricted and unrestricted components. Proprietary Fund Type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The government-wide financial statements, Proprietary Funds and Private Purpose Trust Funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements, applicable to the Enterprise Fund and the Government-wide financial statements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund and of the District's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Agency funds are reported using the accrual basis of accounting.

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.

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.

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:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

<u>Asset Classification</u>	<u>Useful Life</u>
Buildings and Building Improvements	40 years
Portable Buildings	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.

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 from future resources totals \$6,338,733.

Employees accrue between ten and twelve days sick leave each year, without limit. However, employees are reimbursed for accrued sick leave only on retirement under the District's termination pay program which is described in Note 12.

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.

Data Control Codes - 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. Mandatory codes are recorded in the order provided in that section.

Categories and Classifications of Fund Balance:

Fort Worth ISD has implemented GASB 54 with this financial report ending June 30, 2011. This statement 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. Fund balance categories under GASB 54 are Nonspendable and Spendable. Classifications under the Spendable category are Restricted, Committed, Assigned, and Unassigned. These

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. 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. For further details on the various fund balance classifications, refer to Note 13.

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.

As a result of the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), effective December 31, 2010, in relationship to the District’s fiscal year, it will become necessary to present the above required information both pre and post federal legislation. Dodd-Frank, a federal statute signed into law on July 21, 2010, provides that “non-interest bearing transaction accounts will have unlimited FDIC coverage for 2 years starting December 31, 2010. The following table presents the required depository information based upon prevailing law for the periods outlined:

Depository Information	Pre-Dodd-Frank (7/1/10-12/30/10)	Post Dodd-Frank (12/31/10-6/30/11)
Depository Bank	JP Morgan Chase Bank	JP Morgan Chase Bank
Highest Combined Ledger Balances on Deposit	\$13,915,292	\$39,716,011 (\$5,000,000 CD; \$34,716,011 Non-Interest Bearing Accounts)
Month of Highest Ledger Combined Balance	October, 2010	May, 2011
Amount of Pledged Securities (Market Value)	\$14,557,039	\$5,307,015
Amount of FDIC Insurance	\$250,000	Unlimited for Non-Interest Bearing Accounts-\$250,000 for Interest Bearing Accounts/CD's

2. CASH AND INVESTMENTS – continued

Investment Portfolio as of June 30, 2011

Investment Type	Fair Value	Book Value	Percent of Assets	Weighted Average Maturity (Days)	Credit Rating	
					Standard & Poor's	Moody's
Cash in Bank	\$ 7,030,266	\$7,030,266	n/a		n/a	n/a
Mutual Funds						
Highmark Funds	24,640	24,640	0.01%	1	n/a	n/a
U.S. Government Agency Obligations:						
Freddie Mac (FHLMC)	4,997,700	4,994,729	1.47%	165	AAA	Aaa
Federal Farm Credit Bank (FFCB)	35,011,000	35,000,000	10.27%	560	AAA	Aaa
Certificate of Deposit						
JP Morgan	5,000,000	5,000,000	1.47%	1	n/a	n/a
Local Government Investment Pools						
MBIA Texas Class	46,792,191	46,792,191	13.72%	1	AAAm	n/a
TexPool	44,222,690	44,222,690	12.97%	1	AAA	n/a
TexSTAR	204,841,729	204,841,729	60.09%	1	AAAm	n/a
Total	\$347,920,216	\$347,906,245	100.00%	104		

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. Currently the district's investment policy does not specifically address credit risk but indirectly provides for safeguards for controlling 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, 2011, 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. They are all public funds investment pools operating in full compliance with the Public Funds Investment Act. MBIA Texas Class, TexPool and TexSTAR are rated as AAAm, AAA, and AAAm, respectively by Standard & Poor's. As of June 30, 2011, the District's investment in these pools was \$295,856,610 with a fair value of \$295,856,610. Investments in Fannie Mae (FNMA), Federal

2. CASH AND INVESTMENTS - continued

Home Loan Bank (FHLB), Freddie Mac (FHLMC), and Federal Farm Credit Bank (FFCB) are senior obligations of these U.S. agencies, all of which carry an AAA senior debt rating by Standard & Poor's and an AAA senior debt rating by Moody's.

During the 2011-2012 school year, the district will be reviewing its investment policies as they relate to credit risk and the downgrading of the U.S. Credit rating to AA+ by Standard & Poor's.

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. More than 5% of the District's investments are in the following instruments: Federal Farm Credit Bank (FFCB) at 10.27%, MBIA Texas Class at 13.73%, TexPool at 12.97%, and TexSTAR at 60.09%.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. During the fiscal year, all deposits held in the depository bank, JPMorgan, was fully collateralized in accordance with the Texas Government Code, Sec. 2257.023, and federal legislation.

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, 2011 were \$1.04 and \$.282 per \$100 for the General Fund and Debt Service Fund, respectively.

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, 2011, taxes receivable, net of estimated uncollectible taxes, aggregated \$20,883,140 and \$3,814,397 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.

3. PROPERTY TAXES - continued

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.

4. DUE FROM OTHER GOVERNMENTS

General Fund – Amounts due primarily from the state for school foundation program.

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.

5. INTERFUND RECEIVABLES AND PAYABLES

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

	Due From	Due To
General Fund		\$98,683,351
Due to Special Funds	\$8,196,742	
Due to Debt Service Fund	32,213	
Due to Capital Projects Fund	50,432,315	
Due to Internal Service-Insurance-Fund	39,129,054	
Due to Trust and Agency Funds	893,027	
Special Revenue Fund		14,531,412
Due to General Fund	12,967,145	
Due to Trust and Agency Funds	1,564,267	
Capital Projects Fund		48,720,313
Due to General Fund	48,720,313	
Enterprise Fund		256,039
Due to General Fund	256,039	
Trust and Agency		3,025
Due to General Fund	3,025	
	\$162,194,140	\$162,194,140
Amounts on Schedule C1 Total Governmental Funds	120,607,792	161,935,076
Amounts on Schedule D1 Each Column	39,129,054	256,039
Amounts on Schedule H6 Total	1,695,196	3,025
Amounts on Schedule H7 Total	762,098	
	162,194,140	162,194,140

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, within one year of the fiscal year-end.

6. INTERFUND TRANSFERS

	TRANSFERS IN	TRANSFERS OUT
General Fund: Print shop Fund		\$277,842
Print shop Fund: General Fund	\$277,842	
TOTAL:	\$277,842	\$277,842

In the government-wide financial statements eliminations of interfund transactions have been made in the governmental and business-type activities columns. A transfer was made between the Internal Service and General Operating Funds for the purpose of offsetting charges in the Print Shop.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

EXHIBIT F

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Additions	Transfers	Deletions/Retirements	
Governmental activities:					
<u>Capital assets not being depreciated</u>					
Land	\$43,457,038	\$12,260			\$43,469,298
Construction in Progress	126,179,020	227,504,315	(\$170,600,213)		183,083,122
Total capital assets not being depreciated	\$169,636,058	\$227,516,575	(\$170,600,213)		\$226,552,420
<u>Other capital assets</u>					
Buildings and Improvements	\$707,083,526	\$4,861,849	\$170,600,213		\$882,545,588
Vehicles	39,652,239	843,147		(\$3,324,665)	37,170,721
Furniture and Equipment	74,316,047	7,804,404		(5,065,639)	77,054,812
Total other capital assets at historical cost	\$821,051,812	\$13,509,400	\$170,600,213	(\$8,390,304)	\$996,771,121
<u>Accumulated depreciation:</u>					
Buildings and Improvements	\$291,275,007	\$15,444,008			\$306,719,015
Vehicles	15,923,471	2,759,461		(\$3,149,566)	15,533,366
Furniture and Equipment	36,687,482	11,036,589		(5,040,129)	42,683,942
Total accumulated depreciation	\$343,885,960	\$29,240,058		(\$8,189,695)	\$364,936,323
Other capital assets, net	\$477,165,852	(\$15,730,658)	\$170,600,213	(\$200,609)	\$631,834,798
Governmental activities capital assets, net	\$646,801,910	\$211,785,917		(\$200,609)	\$858,387,218
<u>Business-type activities:</u>					
Furniture and Equipment	\$11,703,995	\$96,208		(\$1,265)	\$11,798,938
Totals at historical cost	\$11,703,995	\$96,208		(\$1,265)	\$11,798,938
Less accumulated depreciated depreciation for:					
Furniture and Equipment, Net of Prior Period	\$11,079,806	\$161,368		(\$1,265)	\$11,239,909
Business-type activities capital assets, net	\$624,189	(\$65,160)		\$0	\$559,029

Depreciation expense was charged to functions as follows:

Governmental activities:	
11 Instruction	17,337,047
12 Instruction resources and media services	465,704
13 Curriculum development and instructional personnel department	1,346,892
21 Instructional administration	530,028
23 School administration	1,794,946
31 Guidance and counseling services	1,365,970
32 Attendance and social work services	175,643
33 Health Services	303,251
34 Student (pupil) transportation	803,388
35 Food Services	11,196
36 Cocurricular/Extracurricular activities	382,779
41 General Administration	649,185
51 Plant Maintenance and operations	3,117,970
52 Security and monitoring services	458,573
53 Data processing services	497,486
Total governmental activities depreciation expense	\$29,240,058

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, 2011 was zero.

9. LONG-TERM LIABILITIES

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

	Balance June 30, 2010	Additions/ Adjustments	Reductions	Balance June 30, 2011	Amounts Due Within One Year
General obligation - principal General obligation bonds Accretion on capital appreciation bonds	675,814,995	146,215,000	66,295,000	\$755,734,995	\$40,620,000
	<u>525,915</u>	<u>25,655</u>		<u>551,570</u>	
Total General Obligation Bonds	676,340,910	146,240,655	66,295,000	756,286,565	40,620,000
Compensated absences payable	20,569,220	3,627,906	1,735,584	22,461,542	5,522,246
Vacation payable	6,002,892	3,791,905	3,456,065	6,338,732	3,930,005
Total	<u>702,913,022</u>	<u>153,660,466</u>	<u>71,486,649</u>	<u>785,086,839</u>	<u>50,072,251</u>

The General Fund has been used to liquidate the liability for compensated absences.

Premium on the bonds in the amount of \$52,329,913 and the Deferred Amount on Refunding in the amount of \$(11,842,587) are not reflected in the note above.

There is \$36,254,791 in the Debt Service Fund at June 30, 2011, to service the general obligation bonds.

On August 13, 2010, the District issued \$15,000,000 in Unlimited Tax Qualified School Construction Bonds, Series 2010. The bonds were used to repair and equip district schools and have a scheduled maturity in 2027.

On September 17, 2010, the District issued two bonds:

- (1) \$103,715,000 in Unlimited Tax School Building Bonds, Series 2010. The bonds were used for acquisition of school buses, construction of school buildings, equipping of school buildings, land acquisition for the erection of school buildings, and to pay costs associated with the issuance of the bond. The bonds have a scheduled maturity in 2030.
- (2) \$27,500,000 in Unlimited Tax Refunding Bonds, Series 2010. The bonds were used to refund a portion of the District's School Building Unlimited Tax Bonds, Series 2001 and Series 2001A. The newly issued bonds have scheduled maturities between 2014 and 2030.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

EXHIBIT F

9. LONG-TERM LIABILITIES - continued

The District defeased certain outstanding general obligation bonds from the 2001 and 2001A General Obligation Series by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the District's financial statements. On June 30, 2011, the following outstanding bonds are considered defeased:

General Obligation Series	
2001A	\$55,140,000
Total	\$55,140,000

Bond Outstanding (June 30, 2011)

DATE OF ISSUE	DESCRIPTION	INTEREST RATE PAYABLE	ORIGINAL ISSUE AMOUNT	AMOUNTS OUTSTANDING July 1, 2010	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	ACCRETION	AMOUNTS OUTSTANDING JUNE 30, 2011
01/15/01	School Building Unlimited Tax Series 2001	4.375% to 5.00%	90,500,000	19,745,000		19,745,000		
06/15/01	School Building Unlimited Tax Series 2001A	5.00%	85,500,000	17,785,000		17,785,000		
02/01/05	Unlimited Tax Refunding Bonds, Series 2005	3.0% to 5.0%	117,235,000	110,535,000		11,175,000		99,360,000
12/15/06	Unlimited Tax Refunding Bonds, Series 2006	4.0% to 5.0%	112,339,995	109,910,910			25,655	109,936,565
01/24/08	Unlimited Tax Refunding Bonds, Series 2008	3.0% to 5.0%	6,700,000	3,670,000		740,000		2,930,000
02/01/08	School Building Unlimited Tax Series 2008	3.0% to 5.0%	224,525,000	213,440,000		9,535,000		203,905,000
06/02/09	School Building Unlimited Tax Series 2009	3.0% to 5.0%	176,755,000	169,655,000		7,315,000		162,340,000
12/1/2009	School Building Unlimited Tax Series 2009	3.0% to 5.0%	31,600,000	31,600,000				31,600,000
8/1/2010	Unlimited Tax Qualified School Construction Bonds, Series 2010	0.00%	15,000,000		15,000,000			15,000,000
9/1/2010	Unlimited Tax School Building Bonds, Series 2010	2.0% to 5.0%	103,715,000		103,715,000			103,715,000
9/01/2010	Unlimited Tax Refunding Bonds, Series 2010	4.0% to 5.0%	27,500,000		27,500,000			27,500,000
Total				676,340,910	146,215,000	66,295,000	25,655	756,286,565

Premium on the bonds in the amount of \$52,329,914 and the Deferred Loss on Refunding in the amount of (\$11,842,587) is not reflected in the note above.

9. LONG-TERM LIABILITIES - continued

Total Debt Service Requirements

Debt service requirements to maturity are summarized as follows:

	Principal	Interest	Total Requirements
2012	\$40,620,000	\$34,429,219	\$75,049,219
2013	42,600,000	31,614,534	74,214,534
2014	44,540,000	29,678,050	74,218,050
2015	46,034,995	28,284,643	74,319,638
2016	48,960,000	25,447,413	74,407,413
2017 - 2021	257,730,000	91,474,506	349,204,506
2022 - 2026	166,725,000	45,752,075	212,477,075
2027 - 2030	108,525,000	8,291,625	116,816,625
Total	\$755,734,995	\$294,972,065	\$1,050,707,060

10. EMPLOYEES' RETIREMENT PLAN

Plan Description: The Fort Worth Independent School 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 transfer 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: State law provided a state contribution rate of 6.0% and a member contribution rate of 6.4% for 2007 and a state contribution rate of 6.58% and a member contribution rate of 6.4% for 2009. On January 1, 2010, the member contribution rate increased to 6.644%. In certain instances, the reporting district is required to make all or a portion of the state's 6.58% contribution. Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy:

10. EMPLOYEES' RETIREMENT PLAN - continued

- (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.58% of the member's annual compensation and a state contribution rate of not less than 6.58% and not 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 August 31, 2009, the ten months ended June 30, 2010, and the year ended June 30, 2011, 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 \$22,800,008; \$20,988,229, and \$27,361,382, 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 years ended August 31, 2009, in the amount of \$6,353,966; the amount of \$4,990,583 for the ten months ended June 30, 2010; and the sum of \$6,873,888 for the year ended June 30, 2011.

11. RETIREE HEALTH PLAN

Plan Description The Fort Worth Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment 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 Fort Worth Independent School District contributing a percentage of payroll set at 0.55% for fiscal periods 2010 and 2011.

Pursuant to the Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2009, the ten months ended June 30, 2010, and the year ended June 30, 2011, the State's contributions to TRS-Care were \$1339,071, \$1,256,770, and \$1,652,420, respectively, the active member contributions were \$3,183,342, \$2,320,502,

11. RETIREE HEALTH PLAN - continued

and \$3,379,872 respectively, and the Fort Worth Independent School District's contributions were \$457,337, \$553,146, and \$690,822 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 August 31, 2009, the ten months ended June 30, 2010, and the year ended June 30, 2011, the subsidy payments received by the TRS-Care on behalf of the District were \$1,107,557, \$1,317,539, and \$1,390,432 respectively. These payments are recorded as equal revenues and expenditures in the governmental fund financial statements.

12. COMPENSATED ABSENCES COMMITMENT

The District provides a termination pay program under which it makes 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, 2011, a liability of \$22,461,542 in the Government-Wide Statement of Net Assets and is financed on a pay-as-you-go basis.

13. DESIGNATIONS OF FUND BALANCE

Fund Balance Designations:

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances effective with its financial statement ended June 30, 2011, and thereafter, as follows:

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.

13. DESIGNATIONS OF FUND BALANCE - continued

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.
 - 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 specifically 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, FWISD has implicitly assigned the funds for the purposes of those particular funds.

13. DESIGNATIONS OF FUND BALANCE - continued

Other Disclosures:

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 designations is provided in Schedule C-1.

14. 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, 2011, 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.

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. Catastrophe loss protection is provided by a commercial carrier for individual claims in excess of \$2,000,000 for any occurrence. The total estimated claims payable at June 30, 2011, includes approximately \$11,573,399 for workers' compensation case reserve losses. This liability includes claims from fiscal year 1982 through June 30, 2011. The liabilities reported in the fund at June 30, 2011, 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

14. RISK MANAGEMENT - continued

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 2010 and 2011 were:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>	<u>Due in One Year</u>
2010	11,375,027	2,958,041	3,411,879	10,921,189	4,230,719
2011	10,921,189	4,161,650	3,509,440	11,573,399	4,272,062

15. 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.

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

	Adult Basic Education Federal	Adult Basic Education State	Total
Revenues:			
State Revenues		\$8,369	\$8,369
Federal Revenue	\$64,117		64,117
	<u>\$64,117</u>	<u>\$8,369</u>	<u>\$72,486</u>
Expenditures:			
Contracted Services	\$64,117	\$8,369	\$72,486
	<u>\$64,117</u>	<u>\$8,369</u>	<u>\$72,486</u>

16. 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.

17. DEFERRED REVENUE

Deferred revenue at year-end consisted of the following:

	General Fund	Federal Grant Fund	Debt Service Fund	Other Governmental Funds	Enterprise Funds	Total
Property Tax	\$16,401,083		\$2,701,207			\$19,102,290
Unearned Grant Revenue		\$9,820		\$4,990,212		5,000,032
Unearned Charges					\$80,417	80,417
Total	\$16,401,083	\$9,820	\$2,701,207	\$4,990,212	\$80,417	\$24,182,739

18. LONG-TERM CONTRACT(S)

The District has three long term contracts executed for the construction of new schools with an outstanding amount of \$6,113,595. These contracts are scheduled to be completed by November 15, 2011.

Required Supplementary Information



FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET-TO-ACTUAL: GENERAL FUND (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT G-1

	BUDGETED AMOUNTS		FUNDS 199 and 266	VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL AMOUNTS	FINAL BUDGET
				POSITIVE (NEGATIVE)
Resources (inflows):				
5700 Local and Intermediate Sources	\$266,910,320	\$266,910,320	\$267,754,667	\$844,347
5800 State Program Revenues	266,676,897	277,089,431	282,513,724	5,424,293
5900 Federal Program Revenues	41,349,255	41,349,255	56,052,050	14,702,795
Amounts available for appropriation	574,936,472	585,349,006	606,320,441	20,971,435
Charges to Appropriations (Outflows)				
11 Instruction	345,443,065	352,608,481	351,772,480	836,001
12 Instructional Resources and Media Services	10,214,474	10,458,406	10,547,834	(89,428)
13 Curriculum Development and Instructional Personnel Development	7,424,669	8,342,010	6,603,179	1,738,831
21 Instructional Administration	11,212,733	11,382,439	10,237,319	1,145,120
23 School Administration	41,184,304	41,820,303	42,486,652	(666,349)
31 Guidance and Counseling Services	29,439,018	29,523,024	30,248,681	(725,657)
32 Attendance and Social Work Services	4,033,412	4,057,849	3,956,045	101,804
33 Health Services	7,136,476	7,359,903	7,161,893	198,010
34 Student (pupil) Transportation	19,310,214	20,060,440	19,362,746	697,694
35 Food Services	192,829	216,213	261,880	(45,667)
36 Cocurricular/Extracurricular Activities	8,276,755	8,560,019	9,108,929	(548,910)
41 General Administration	14,811,627	16,072,885	15,685,489	387,396
51 Plant Maintenance and Operations	78,146,671	79,789,608	76,201,687	3,587,921
52 Security and Monitoring Services	10,077,964	11,233,404	10,427,374	806,030
53 Data Processing Services	8,012,123	12,203,296	12,248,667	(45,371)
61 Community Services	4,501,934	4,545,901	4,093,778	452,123
81 Facilities Acquisition & Construction	601,427	2,415,705	713,637	1,702,068
95 Juvenile Justice Alternative Education	314,000	314,000	195,250	118,750
97 Tax Increment Financing	3,800,000	3,381,184	3,381,184	
99 Other Intergovernmental Charges	1,992,000	2,046,984	1,482,799	564,185
Total Charges to Appropriations	606,125,695	626,392,054	616,177,503	10,214,551
Other Financing Sources (uses)				
7900 Other Resources	100,000	100,000		(100,000)
8911 Operating Transfers			(277,842)	(277,842)
Total Other Financing Sources and Uses	100,000	100,000	(277,842)	(377,842)
Net Change in Fund Balances	(31,089,223)	(40,943,048)	(10,134,904)	30,808,144
Fund Balances-Beginning	152,679,446	152,679,446	152,679,446	
Fund Balances-Ending	\$121,590,223	\$111,736,398	\$142,544,542	\$30,808,144



Notes to the Required Supplementary Information



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2011**

EXHIBIT G-2

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 schedule G-1 for the General Fund. The budget for the General Fund is presented on the modified accrual basis of accounting.

Budgetary Procedures - 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. 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. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Education.

Budget Perspective – Difference - The 2010-2011 adopted budget included State Fiscal Stabilization Funds (SFSF) authorized by House Bill 3646 of the 81st Texas Legislature. Therefore, the “Original Budget” column and the “Final Budget” column in Exhibit G-1 incorporate the estimated revenue and corresponding appropriations from SFSF. Furthermore, the “Actual Amount” column incorporates expenditures in both Funds 199 and 266 to accurately reflect the true variances between the final adopted budget and actual expenditures. Due to mandated accounting requirements, Texas local education agencies were required to account for SFSF funds separately and to report the use of these funds to the Texas Education Agency under Fund 266. Therefore, in Exhibit C-3 at page 29, Fund 266 is reported in the “Federal Grant Fund” column. This explains why Exhibit C-3 actual expenditures in the General Fund (100 – 199) do not match the actual amount column in Exhibit G-1 for this financial reporting period. By way of further disclosure, the district has incorporated into this note the actual expenditures in Fund 199 and the actual expenditures reported to the Texas Education Agency in Fund 266, to support the “Actual Amount” column in Exhibit G-1.

Other Budget Information:

Throughout the year, the budget is prepared and controlled by the budget officer at the revenue object and expenditure function level. The administration performs budget reviews by which budget requirements are re-evaluated and revisions 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. Total expenditures may exceed total appropriations, as amended, by fund as long as those expenditures are certified as funds being available by the budget officer to the Board. The final amended budget for the General Fund reflected increases in budgeted revenues and other financing sources primarily for increases in state aid. The expenditures budget was increased to cover the cost of start up supplies for opening four new campuses in the 2011-2012 school year and for renovations for several existing properties. 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.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2011

EXHIBIT G-2

Realized Revenue and Expenditures Incurred in Funds 199 & 266	FUND 199	FUND 266	TOTAL
Resources (Inflows)			
5700 Local and Intermediate Sources	\$267,754,667		\$267,754,667
5800 State Program Revenues	282,513,724		282,513,724
5900 Federal Program Revenues	16,069,286	\$39,982,764	56,052,050
Amount Available for Appropriation	<u>566,337,677</u>	<u>39,982,764</u>	<u>606,320,441</u>
Charges to Appropriations (Outflows)			
11 Instruction	312,571,924	39,200,556	351,772,480
12 Instructional Resources and Media Services	10,540,556	7,278	10,547,834
13 Curriculum Development and Instructional Personnel Development	6,497,914	105,265	6,603,179
21 Instructional Administration	9,965,240	272,079	10,237,319
23 School Administration	42,437,433	49,219	42,486,652
31 Guidance and Counseling Services	29,914,204	334,477	30,248,681
32 Attendance and Social Work Services	3,956,045		3,956,045
33 Health Services	7,161,893		7,161,893
34 Student (pupil) Transportation	19,362,746		19,362,746
35 Food Services	261,880		261,880
36 Cocurricular/Extracurricular Activities	9,108,929		9,108,929
41 General Administration	15,685,489		15,685,489
51 Plant Maintenance and Operations	76,201,595	92	76,201,687
52 Security and Monitoring Services	10,424,174	3,200	10,427,374
53 Data Processing Services	12,244,891	3,776	12,248,667
61 Community Services	4,086,956	6,822	4,093,778
81 Facilities Acquisition & Construction	713,637		713,637
95 Juvenile Justice Alternative Education	195,250		195,250
97 Tax Increment Financing	3,381,184		3,381,184
99 Other Intergovernmental Charges	1,482,799		1,482,799
Total Charges to Appropriations	<u>\$576,194,739</u>	<u>\$39,982,764</u>	<u>\$616,177,503</u>

Other Supplementary Information



Nonmajor Governmental Funds



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

EXHIBIT H-1

DATA CONTROL CODES	FUNDS (380 - 459) STATE	FUNDS (460 - 499) LOCAL	11 TOTAL NONMAJOR GOVERNMENTAL FUNDS	
ASSETS				
1100	Cash and Temporary Investments		\$3,344,901	\$3,344,901
1240	Due from Other Governments	\$2,103,684	598,431	2,702,115
1260	Due from Other Funds	3,573,250	4,163,325	7,736,575
1100	TOTAL ASSETS	5,676,934	8,106,657	13,783,591
LIABILITIES:				
2110	Accounts Payable and Accrued Liabilities	101,573	43,234	144,807
2160	Accrued Wages Payable	1,229,637	151,562	1,381,199
2170	Due to Other Funds	912,036	1,564,267	2,476,303
2180	Due to Other Governments	68	135,463	135,531
2310	Deferred Revenue	549,730	4,440,482	4,990,212
2000	TOTAL LIABILITIES	2,793,044	6,335,008	9,128,052
FUND EQUITY				
Spendable				
Restricted For:				
3450	Special Revenue Funds	2,883,890	(1,717)	2,882,173
Committed For:				
3545	Campus Activity Funds		1,773,366	1,773,366
3000	TOTAL FUND EQUITY	2,883,890	1,771,649	4,655,539
4000	TOTAL LIABILITIES AND FUND EQUITY	\$5,676,934	\$8,106,657	\$13,783,591

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

EXHIBIT H-2

DATA CONTROL CODES		FUNDS	FUNDS	11
		(380 - 459)	(460 - 499)	TOTAL NONMAJOR GOVERNMENTAL FUNDS
		STATE	LOCAL	
	REVENUES			
5700	Local and Intermediate Sources		\$8,012,764	\$8,012,764
5800	State Program Revenues	\$15,845,275		15,845,275
5020	TOTAL REVENUES	15,845,275	8,012,764	23,858,039
	EXPENDITURES			
	Current:			
0010	Instruction and Instructional-Related Services:			
0011	Instruction	12,826,339	5,345,619	18,171,958
0012	Instructional Resources and Media Services	152,380	57,387	209,767
0013	Curriculum Development and Instructional Staff Development	2,083,809	41,386	2,125,195
	Total Instruction and Instructional-Related Services	15,062,528	5,444,392	20,506,920
0020	Instructional and School Leadership:			
0021	Instructional Leadership	334,473	85,759	420,232
0023	School Leadership	68,756	260,254	329,010
	Total Instructional and School Leadership	403,229	346,013	749,242
0030	Support Services - Student (Pupil):			
0031	Guidance, Counseling and Evaluation Services	112,020	344,359	456,379
0032	Social Work Services	176,601	38,652	215,253
0033	Health Services	24,360		24,360
0035	Food Service	13,500	647	14,147
0036	Cocurricular/Extracurricular Activities	12,830	315,082	327,912
	Total Support Services - Student (Pupil)	339,311	698,740	1,038,051
0040	Administrative Support Services:			
0041	General Administration		60,046	60,046
	Total Administrative Support Services		60,046	60,046
0050	Support Services - Nonstudent Based:			
0051	Plant Maintenance and Operations	17,362	588,141	605,503
0052	Security and Monitoring Services	7,509	18,145	25,654
	Total Support Services - Nonstudent Based	24,871	606,286	631,157
0060	Ancillary Services:			
0061	Community Services	6,967	137,288	144,255
	Total Ancillary Services	6,967	137,288	144,255
0080	Facilities Acquisition and Construction:			
0081	Facilities Acquisition and Construction		595,709	595,709
	Total Facilities Acquisition and Construction:		595,709	595,709
0090	Payments to Fiscal Agent/Member Districts of Shared Services Arrangements:			
0093	Payments to Fiscal Agent/Member Districts of Shared Services Arrangements	8,369		8,369
	Total Payments to Fiscal Agent/Member Districts of Shared Services Arrangements	8,369		8,369
	TOTAL EXPENDITURES	15,845,275	7,888,474	23,733,749
1200	NET CHANGE IN FUND BALANCES		124,290	124,290
0100	FUND BALANCE - JULY 1 (BEGINNING)	2,883,890	1,647,359	4,531,249
3000	FUND BALANCE - JUNE 30 (ENDING)	\$2,883,890	\$1,771,649	\$4,655,539

Internal Service Funds



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2011**

EXHIBIT H-3

DATA CONTROL CODES		753 INSURANCE FUND	752 PRINT SHOP	JUNE 30, 2011
<u>ASSETS</u>				
	Current Assets:			
1260	Due from Other Funds	\$39,126,234	\$2,820	\$39,129,054
1290	Other Receivables	682,022		682,022
	Total Current Assets	39,808,256	2,820	39,811,076
	Capital Assets:			
1530	Furniture & Equipment -		18,700	18,700
1573	Net of Accumulated Depreciation		(18,700)	(18,700)
	TOTAL ASSETS	39,808,256	2,820	39,811,076
<u>LIABILITIES</u>				
	Current Liabilities:			
2110	Accounts Payable	544,964	2,820	547,784
2150	Payroll deductions and withholdings	1,383,969		1,383,969
2210	Accrued Expenses	4,272,062		4,272,062
	Total Current Liabilities	6,200,995	2,820	6,203,815
2210	Noncurrent Liabilities Accrued Expenses	7,298,517		7,298,517
	Total Noncurrent Liabilities	7,298,517		7,298,517
	TOTAL LIABILITIES	13,499,512	2,820	13,502,332
<u>NET ASSETS</u>				
3900	Unrestricted - Insurance Claims	26,308,744		26,308,744
3000	TOTAL NET ASSETS	\$26,308,744		\$26,308,744

FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT H-4

DATA CONTROL CODES	INSURANCE FUND	PRINT SHOP	JUNE 30, 2011
OPERATING REVENUES			
5700 Charges for Services	\$9,610,071	\$709,260	\$10,319,331
5020 TOTAL OPERATING REVENUES	<u>9,610,071</u>	<u>709,260</u>	<u>10,319,331</u>
OPERATING EXPENSES			
6100 Payroll Costs	641,893	158,147	800,040
6200 Professional and Contracted Services	5,775,122	594,090	6,369,212
6300 Supplies and Materials	30,057	234,453	264,510
6499 Other Operating Costs	2,721	412	3,133
6030 TOTAL OPERATING EXPENSES	<u>6,449,793</u>	<u>987,102</u>	<u>7,436,895</u>
OPERATING INCOME/ (LOSS)	3,160,278	(277,842)	2,882,436
7915 Transfer In		277,842	277,842
1300 CHANGE IN NET ASSETS	<u>3,160,278</u>		<u>3,160,278</u>
EQUITY			
0100 Net Assets July 1 (Beginning)	<u>23,148,466</u>		<u>23,148,466</u>
3300 Net Assets June 30 (Ending)	<u>\$26,308,744</u>		<u>\$26,308,744</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

EXHIBIT H-5

	753 INSURANCE FUND	752 PRINT SHOP	TOTAL JUNE 30, 2011
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash Received from User Charges	\$4,957,914	\$709,260	\$5,667,174
Cash Payments to Employees for Services	(641,893)	(158,148)	(800,041)
Cash Payments for Insurance Claims	(4,135,408)		(4,135,408)
Cash Payments to Suppliers for Goods and Services	(30,058)	(234,452)	(264,510)
Cash Payments to Operating Costs	(150,555)	(594,502)	(745,057)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		(277,842)	(277,842)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Transfer Received from Other Funds		277,842	277,842
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		277,842	277,842
NET CHANGE IN CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS - JULY 1			
CASH AND CASH EQUIVALENTS - JUNE 30			
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</u>			
Operating Income (Loss)	\$3,160,278	(\$277,842)	\$2,882,436
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:			
Changes in Assets and Liabilities:			
Receivables	(682,023)		(682,023)
Prepaid Insurance	238,138		238,138
Accounts Payable	486,380		486,380
Accrued Liabilities	767,361		767,361
Due to Other Funds	(1,144,560)		(1,144,560)
Due to State	(2,825,574)		(2,825,574)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		(\$277,842)	(\$277,842)



Fiduciary Funds



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF AGENCY FUNDS NET ASSETS
JUNE 30, 2011**

EXHIBIT H-6

DATA CONTROL		AGENCY FUND	OTHER AGENCY FUND	TOTAL
CODES		890	849	
	ASSETS			
1260	Due From Other Funds	\$1,695,196		\$1,695,196
1290	Other Receivables	\$4,439		\$4,439
	TOTAL ASSETS	<u>1,699,635</u>		<u>1,699,635</u>
	LIABILITIES			
2110	Accounts Payable	7,902		7,902
2160	Accrued Wages	10,226		10,226
2170	Due to Other Funds	3,025		3,025
2190	Due to Student Groups	1,403,760		1,403,760
2420	Amounts Held for Granting Agencies	274,722		274,722
	TOTAL LIABILITIES	<u>\$1,699,635</u>		<u>\$1,699,635</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF PRIVATE PURPOSE TRUST FUNDS NET ASSETS
 JUNE 30, 2011**

EXHIBIT H-7

DATA CONTROL CODES	PRIVATE PURPOSE TRUST FUNDS		
	PRIVATE PURPOSE	SCHOLARSHIPS	TOTAL
	829	836	
	ASSETS		
1110	Cash and Investments	\$281,551	\$281,551
1260	Due from Other funds	\$73,767	762,098
1910	Long-Term Investments	24,640	24,640
	TOTAL ASSETS	73,767	1,068,289
	LIABILITIES		
2110	Accounts Payable		
2420	Amounts Held for Granting Agencies	73,767	190,874
	TOTAL LIABILITIES	73,767	190,874
	NET ASSETS		
3490	Held in Trust for Scholarships	\$877,415	\$877,415

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2011**

EXHIBIT H-8

	BALANCE July 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2011
AGENCY FUND				
ASSETS				
Cash and Temporary Investments		\$1,686,926	\$1,686,926	
Due from Other Funds	\$1,645,936	564,778	515,518	\$1,695,196
Other Receivables		4,439		\$4,439
TOTAL ASSETS	1,645,936	2,256,143	2,202,444	1,699,635
LIABILITIES				
Accounts Payable	1,471	238,890	232,459	7,902
Accrued Wages		10,226		10,226
Due to Other Funds	1,000		1,000	
Due to Student Groups	1,403,760	165,657	165,657	1,403,760
Amounts Held for Granting Agencies	239,705	327,303	289,261	277,747
TOTAL LIABILITIES	1,645,936	742,076	688,377	1,699,635
PRIVATE PURPOSE TRUST FUND				
ASSETS				
Cash and Temporary Investments		\$29,759	\$29,759	
Due from Other Funds				
Other Receivables				
TOTAL ASSETS		29,759	29,759	
LIABILITIES				
Accounts Payable and Accrued Liabilities				
Due to Other Funds	2,977	6,049	9,026	
Due to Student Groups				
Amounts Held for Granting Agencies	(2,977)	5,019	2,042	
TOTAL LIABILITIES		11,068	11,068	
ALL TRUST AND AGENCY FUNDS				
ASSETS				
Cash and Temporary Investments		\$1,716,685	\$1,716,685	
Due from Other Funds	1,645,936	564,778	515,518	1,695,196
Other Receivables		4,439		4,439
TOTAL ASSETS	1,645,936	2,285,902	2,232,203	1,699,635
LIABILITIES				
Accounts Payable	1,471	238,890	232,459	7,902
Accrued Wages		10,226		10,226
Due to Other Funds	3,977	6,049	10,026	
Due to Student Groups	1,403,760	165,657	165,657	1,403,760
Amounts Held for Granting Agencies	236,728	332,322	291,303	277,747
TOTAL LIABILITIES	\$1,645,936	\$753,144	\$699,445	\$1,699,635

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN PRIVATE PURPOSE TRUST FUNDS NET ASSETS
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2011**

EXHIBIT H-9

	PRIVATE PURPOSE TRUST FUNDS		
	PRIVATE PURPOSE	SCHOLARSHIPS	TOTAL
	829	836	
ADDITIONS			
Contributions:			
Donor		\$13,138	\$13,138
Total Additions		13,138	13,138
DEDUCTIONS			
Scholarships Granted		19,826	19,826
Total Deductions		19,826	19,826
Change in Net Assets		(6,688)	(6,688)
Net Assets - Beginning of the Year		884,103	884,103
Net Assets - End of the Year		\$877,415	\$877,415

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)
FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT H-10

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
Resources (Inflows):				
5700 Local and Intermediate Sources	\$69,882,506	\$70,386,255	\$70,978,374	\$592,119
5800 State Program Revenues	465,111	1,005,748	1,243,016	237,268
Amounts Available for Appropriation	70,347,617	71,392,003	72,221,390	829,387
Charges to Appropriations (Outflows)				
71 Debt Services	71,806,155	(71,806,155)	(70,541,043)	1,265,112
97 Tax Increment Financing	850,000	(916,821)	(916,821)	
Total Charges to Appropriations	72,656,155	(72,722,976)	(71,457,864)	1,265,112
OTHER FINANCING SOURCES (USES)				
7911 Sale of Bonds and Notes			27,500,000	27,500,000
7916 Premium on Bond Issuance			2,579,255	2,579,255
8949 Other Uses - Debt Refunding			(29,859,170)	(29,859,170)
Total Other Financing Sources and Uses			220,085	220,085
Net Change in Fund Balances	(2,308,538)	(1,330,973)	983,611	2,314,584
Fund Balance - Beginning	15,064,172	46,362,996	35,271,180	
Fund Balances - Ending	\$12,755,634	\$45,032,023	\$36,254,791	\$2,314,584

FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET-TO-ACTUAL: FOOD SERVICE (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT H-11

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues (Inflows):				
5700 Local and Intermediate Sources	\$4,045,000	\$4,045,000	\$4,684,857	\$639,857
5800 State Program Revenues	250,000	250,000	236,642	(13,358)
7950 Non-Operating Revenues	<u>33,220,000</u>	<u>33,220,000</u>	<u>32,936,059</u>	<u>(283,941)</u>
Amounts Available for Appropriation	37,515,000	37,515,000	37,857,558	342,558
Charges to Appropriations (Outflows):				
35 Food Services	36,134,000	36,132,000	36,151,458	(19,458)
51 Plant Maintenance and Operations	385,000	385,000	219,703	165,297
52 Security and Monitoring Services		2,000	1,235	765
Total Charges to Appropriations	<u>36,519,000</u>	<u>36,519,000</u>	<u>36,372,396</u>	<u>146,604</u>
Net Change in Fund Balances	996,000	996,000	1,485,162	489,162
Fund Balances--Beginning	<u>6,519,830</u>	<u>6,519,830</u>	<u>6,519,830</u>	
Fund Balances--Ending	<u><u>\$7,515,830</u></u>	<u><u>\$7,515,830</u></u>	<u><u>\$8,004,992</u></u>	<u><u>\$489,162</u></u>

Compliance Schedules



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2011**

EXHIBIT J-1

LAST TEN YEARS ENDED JUNE 30	TAX RATES MAINTENANCE	DEBT SERVICE	NET ASSESSED/ APPRAISED VALUE FOR SCHOOL TAX PURPOSES	BEGINNING BALANCE 7/1/10	CURRENT YEAR'S TOTAL LEVY (1)	MAINTENANCE TOTAL COLLECTIONS (2)	DEBT SERVICE TOTAL COLLECTIONS	ENTIRE YEAR'S ADJUSTMENTS	ENDING BALANCE 6/30/11	MAINTENANCE BALANCE 6/30/11	DEBT SERVICE BALANCE 6/30/11
2002 and prior years	VARIOUS	VARIOUS	\$15,637,643,677	\$9,808,570		\$282,890	\$34,368	(\$871,974)	\$8,619,338	\$7,671,211	\$946,127
2003	1.5000	0.1858	16,533,242,923	1,839,516		55,817	6,914	(72,422)	1,704,363	1,516,883	187,480
2004	1.5000	0.1580	17,370,553,451	1,948,477		86,142	9,074	(72,469)	1,780,792	1,602,713	178,079
2005	1.5000	0.1580	18,601,738,084	1,763,795		111,471	11,742	(76,048)	1,564,534	1,408,081	156,453
2006	1.5000	0.1540	19,683,317,731	1,978,400		170,155	17,469	(38,425)	1,752,351	1,594,639	157,712
2007	1.3700	0.1440	21,903,297,019	2,088,897		250,279	26,323	(18,138)	1,794,157	1,614,741	179,416
2008	1.0400	0.1500	24,104,551,995	2,097,062		342,518	49,385	6,564	1,711,723	1,489,199	222,524
2009	1.0400	0.2170	24,954,443,444	3,939,149		1,193,424	249,013	79,043	2,575,755	2,137,877	437,878
2010	1.0400	0.2820	25,717,744,800	13,617,030		6,116,835	1,658,601	(2,141,515)	3,700,079	2,923,062	777,017
2011	1.0400	0.2820	25,904,294,507	\$39,080,896	326,963,336	251,897,311	68,302,916	4,815,133	11,578,242	9,146,811	2,431,431
					\$326,963,336	\$260,506,842	\$70,365,805	\$1,609,749	\$36,781,334	\$31,105,217	\$5,676,117
County Education District Taxes Receivable											
				\$584,728		30,740		(45,904)	508,084	508,084	
									\$37,269,418	\$31,613,301	

(1) Current year's total levy is net of \$17,447,566 for levy loss due to frozen taxes on "over-65" accounts.
(2) Of the total collections, \$3,381,184 were remitted to the Tax Increment Financing District under Chapter 311, Tax Code.
(3) Amounts are net of settlement of overpayments.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2010-2011
GENERAL FUND, SPECIAL REVENUE FUNDS AND FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2011

EXHIBIT J-2

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION, 99 APPRAISAL DISTRICT COST

ACCOUNT NUMBER	ACCOUNT NAME	(1) SCHOOL BOARD	(2) TAX COLLECTION	(3) SUPT'S OFFICE	(4) INDIRECT COST	(5) DIRECT COST	(6) MISCELLANEOUS	(7) TOTAL	
611X-6146	PAYROLL COSTS	\$63,184		\$528,715	\$15,605,031	\$401,643	\$874,490	\$17,473,063	
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)				125,547			125,547	
6211	Fringe Benefits (Unused Leave for Separating Employees in all Functions Except Function 41 and Related 53)								
6211	Legal Services	928,433						928,433	
6212	Audit Services				140,000			140,000	
6213	Tax Appraisal and Collection		\$2,057,328					2,057,328	
621X	Other Prof. Services				235,088			235,088	
6240	Contr. Maint. and Repair					1,126,571		1,126,571	
6250	Utilities					34,976		34,976	
6260	Rentals	6,111		1,035	179,439	6,505		193,090	
6290	Miscellaneous Contr.	25,295		2,893	2,058,498	39,128		2,125,814	
6320	Textbooks and Reading	100		1,069	8,711			9,880	
63XX	Other Supplies Materials	9,780		10,670	807,759	5,562		833,771	
6410	Travel, Subsistence, Stipends	44,573		11,999	125,521	8,154		190,247	
6420	Ins. and Bonding Costs				413,566			413,566	
6490	Miscellaneous Operating	183,012		2,468	389,900	1,386		576,766	
6600	Capital Outlay						1,338,436	1,338,436	
6000	TOTAL	\$1,260,488	\$2,057,328	\$558,849	\$20,089,060	\$1,623,925	\$2,212,926	\$27,802,576	
	Total Expenditures/Expenses for General and Special Revenue Fund: (plus Food Service Enterprise Fund, if present)							(9)	\$728,382,170
	LESS: Deductions of Unallowable Costs								
	FISCAL YEAR								
	Total Capital Outlay (6600)					(10)	\$6,469,196		
	Total Debt & Lease (6500)					(11)			
	Plant Maintenance (Function 51, 6100-6400)					(12)	76,580,161		
	Food (Function 35, 6341 and 6499)					(13)	17,819,936		
	Stipends (6413)					(14)			
	Column 4 (above) - Total Indirect Cost						20,089,060		
	Subtotal							120,958,353	
	Net Allowed Direct Cost							\$607,423,817	
	CUMULATIVE								
	Total Cost of Buildings Before Depreciation (1520)						(15)	\$882,545,589	
	Historical Cost of Buildings over 50 Years Old						(16)	113,054,241	
	Amount of Federal Money in Building Cost (Net of #16)						(17)		
	Total Cost of Furniture & Equipment Before Depreciation (1530 & 154)						(18)	126,024,471	
	Historical Cost of Furniture & Equipment over 16 Years Old						(19)	21,627,206	
	Amount of Federal Money in Furniture & Equipment (Net of #19)						(20)	4,508,495	
	(8A) Note A - \$10,634,288 in Function 53 Expenditures Are Included in this Report on Administrative Costs.								
	(8B) \$1,482,799 in Function 99 Expenditures for Appraisal District Costs are Included in this Report within "Administrative Costs."								

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. Information for Government Wide statements dates back to 2002 when the District implemented GASB 34 reporting. 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.





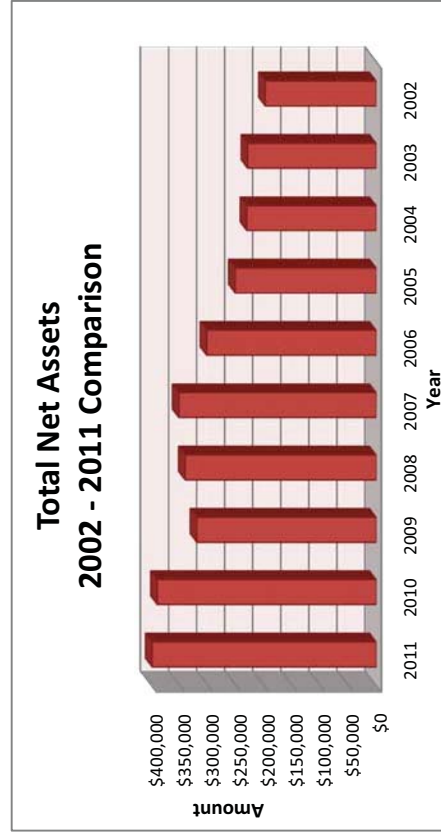
Financial Trends



TABLE I

**Net Assets by Component
Fiscal Year End June 30, 2011
Last Ten Fiscal Periods (Unaudited)
(Amounts in thousands - Modified accrual basis of accounting)**

	2011	Ten Month Period 2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities										
Invested in capital assets, net of related debt	\$198,971	\$280,439	\$168,230	\$145,314	\$152,916	\$161,831	\$138,992	\$137,704	\$137,187	\$123,791
Restricted for										
Debt service	27,192	28,121	15,759	18,425	16,911	15,075	10,971	9,717	13,038	7,784
Unrestricted	165,060	74,918	130,782	170,713	174,261	118,661	94,639	78,095	74,293	61,595
Total governmental net assets	391,223	383,478	314,771	334,452	344,088	295,567	245,777	225,516	224,518	193,170
Business-type activities										
Invested in capital assets, net of related debt	449	624	596	449	196	1	8	78	120	94
Restricted for										
Food service	7,556	5,896	4,246	5,571	7,238	6,563	5,598	4,967	4,532	4,556
Total business-type net assets	8,005	6,520	4,842	6,020	7,434	6,564	5,606	5,045	4,652	4,650
Total primary government	199,420	281,063	168,826	145,763	153,112	161,832	139,000	137,782	137,307	123,885
Invested in capital assets, net of related debt										
Restricted for										
Debt service	27,192	28,121	15,759	18,425	16,911	15,075	10,971	9,717	13,038	7,784
Food service	7,556	5,896	4,246	5,571	7,238	6,563	5,598	4,967	4,532	4,556
Unrestricted	165,060	74,918	130,782	170,713	174,261	118,661	94,639	78,095	74,293	61,595
Total net assets	\$399,228	\$389,998	\$319,613	\$340,472	\$351,522	\$302,131	\$251,383	\$230,561	\$229,170	\$197,820



FORT WORTH INDEPENDENT SCHOOL DISTRICT
Government, Wide Expenses, Program Revenues, and Change in Net Assets
Fiscal Year End June 30, 2011
Last Ten Fiscal Periods (Unaudited)
(Modified accrual basis of accounting)

TABLE II

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
Governmental activities:										
11 Instruction	\$442,850,580	\$416,013,524	\$412,109,651	\$387,636,765	\$349,241,656	\$354,525,809	\$333,712,398	\$333,567,750	\$334,354,691	\$324,992,454
12 Instructional resources and media	11,855,022	10,820,285	13,063,154	11,855,870	11,834,531	14,673,562	10,457,163	12,387,384	11,282,832	10,184,810
13 Curriculum development and instructional staff development	34,286,643	33,549,560	37,610,900	31,099,018	26,800,783	14,244,072	15,857,446	16,203,661	15,117,601	15,486,513
21 Instructional leadership	13,492,448	12,452,433	13,971,637	14,688,568	11,761,820	13,906,315	13,857,526	13,708,468	13,259,421	14,109,192
23 School leadership	45,692,357	41,837,738	44,987,091	42,210,410	41,272,888	36,655,619	35,360,470	36,327,952	35,343,567	32,843,694
31 Guidance, counseling, and evaluation	34,772,303	33,509,257	32,900,588	29,511,449	28,730,856	26,810,288	25,653,138	26,642,330	25,819,737	24,652,628
32 Social work services	4,471,197	4,215,271	4,944,441	4,256,897	4,104,908	4,493,672	4,031,790	3,988,716	3,367,499	3,367,499
33 Health services	7,719,587	7,462,124	7,946,417	7,304,766	6,870,822	6,487,106	6,659,600	6,693,449	6,550,041	6,026,323
34 Student (pupil) transportation	20,484,915	17,960,245	18,647,457	20,855,849	16,704,755	18,562,336	17,785,972	17,990,757	17,004,300	17,004,300
35 Food services	285,014	383,804	1,099,059	244,405	537,243	530,193	569,236	660,430	1,127,037	732,792
36 Co-curricular/Extracurricular activities	9,795,122	7,903,641	9,191,708	9,191,708	8,751,072	7,417,263	7,469,916	7,541,603	7,496,540	7,632,742
41 General administration	16,532,979	13,753,454	16,402,724	16,287,335	13,762,084	13,305,053	13,872,653	14,755,614	14,810,124	13,283,597
51 Plant maintenance and operations	71,385,647	65,051,064	75,244,237	75,128,938	66,521,403	66,321,130	63,974,937	67,027,768	57,805,138	59,005,270
52 Security and monitoring services	11,673,495	10,474,140	12,222,536	11,580,746	10,351,168	9,184,982	11,971,769	12,166,926	11,360,517	10,664,294
53 Data processing services	12,664,057	8,061,212	11,719,018	12,907,473	8,459,265	11,186,162	5,468,530	6,376,501	5,038,774	5,180,927
91 Community services	5,744,687	5,345,763	5,800,636	7,158,339	6,775,556	6,560,334	6,779,526	6,538,112	6,176,782	6,407,171
71 Debt Service	32,499,136	24,886,870	32,175,930	16,024,902	18,384,592	17,650,904	20,058,045	21,976,860	21,952,608	24,769,834
81 Facilities acquisition and construction			1,669,919	132,590	331,106	678,059	2,433,001	6,946,055	7,092,269	5,273,084
93 Payments to Fiscal Agent	72,486	86,378	101,486							
95 Payments to Juvenile Justice Alternative Education Programs	195,250	236,375	223,375	228,225	62,170	170,610	267,741	283,116	180,287	319,072
97 Payments to Tax Increment Fund	4,298,005	4,473,705	3,988,455	3,201,835	3,195,443	2,836,851	1,910,051	2,582,813	1,716,780	1,150,952
99 Other Intergovernmental Charges	1,482,799	1,564,635								
Total government activities expenses	790,233,319	720,273,478	755,974,908	701,647,127	634,453,921	626,523,064	598,112,886	614,234,554	598,464,219	583,086,649
Business-Type Activities										
Food services	36,372,396	32,808,928	33,868,257	33,565,119	29,547,221	29,151,357	28,877,900	27,131,906	26,636,230	26,521,350
Total Business-Type Activities	36,372,396	32,808,928	33,868,257	33,565,119	29,547,221	29,151,357	28,877,900	27,131,906	26,636,230	26,521,350
Total Primary Government Expenses	826,605,715	753,082,406	789,843,165	735,212,246	664,001,142	655,674,421	626,990,586	641,366,460	625,100,449	609,607,999
Program Revenues										
Governmental Activities										
Charges for services										
Health Services						7,618,563	757,021	1,802,631	506,879	612,991
Extracurricular activities	820,636	486,381	677,158	478,761	551,865	532,132	510,206	461,274	677,013	611,776
Instruction	5,181,878	4,357,210	5,250,720	5,976,475	3,443,938	467,043	545,250	582,884	677,013	558,984
Other			526,794		1,841,667	131,632	211,258	275,854	558,984	193,379
Grants and contributions										
Instruction	118,680,766	127,041,644	77,034,851	70,207,216	71,139,826	84,603,240	69,183,373	68,964,010	72,510,729	56,439,469
Food service	75,104	42,991	860,117	81,736	3,797	304,100	305,254	329,071	798,167	18,982
Other	81,079,967	64,761,924	55,756,087	58,851,680	54,527,526	65,506,703	49,507,906	52,154,561	51,429,497	44,200,155
Business-Type Activities										
Charges for Services	4,680,469	5,248,371	5,653,966	5,833,544	5,152,344	5,512,378	5,365,723	5,691,525	5,672,275	5,697,446
Operating grants and contributions	33,172,701	29,227,972	26,993,020	26,183,832	24,715,921	24,347,953	23,957,475	21,427,214	20,906,473	19,607,547
Total primary government program revenues	243,691,521	231,153,367	172,752,713	167,613,244	161,376,884	189,023,744	150,343,466	151,689,024	153,060,017	127,381,745
Net (Expense) Revenue										
Governmental Activities	(584,384,968)	(523,583,328)	(615,869,181)	(566,051,259)	(502,945,302)	(467,359,651)	(477,092,418)	(489,664,269)	(471,982,950)	(481,009,897)
Business Type Activities	1,480,774	1,667,415,000	(1,221,271,000)	(1,547,743,000)	321,044,000	708,974,000	445,298,000	(13,167,000)	(57,482,000)	(1,216,357,000)
Total Primary Government	(\$582,914,194)	(\$521,915,913)	(\$617,090,452)	(\$567,589,002)	(\$502,624,258)	(\$466,650,677)	(\$476,647,120)	(\$489,677,436)	(\$472,040,432)	(\$482,226,254)

TABLE III

FORT WORTH INDEPENDENT SCHOOL DISTRICT
General Revenues and Total Change in Net Assets
Fiscal Year End June 30, 2011
Last Ten Fiscal Periods (Unaudited)
(Modified accrual basis of accounting)

	2011	Ten Month Period 2010	2009	2008	2007	2006	2005	2004	2003	2002
Net (Expense)/Revenue										
Total primary government net expense	(\$582,914,194)	(\$521,915,913)	(\$617,090,452)	(\$567,599,002)	(\$502,624,258)	(\$466,650,677)	(\$476,647,120)	(\$489,677,436)	(\$472,040,432)	(\$482,226,254)
General Revenues										
Property taxes - Maintenance & Operations	263,863,223	272,419,517	266,895,545	243,217,453	286,436,870	292,191,348	271,046,254	259,413,739	242,467,193	220,649,967
Property taxes - Debt Service	70,221,764	73,168,114	52,131,038	35,289,258	31,081,895	30,294,698	28,564,334	24,523,786	33,213,277	27,017,790
County Education District Taxes								138,465	78,326	122,719
State aid-formula grants	254,269,944	241,206,214	256,063,843	257,954,089	205,147,831	178,150,941	186,687,291	203,561,213	213,807,306	216,660,415
School Health and Related Services										
Other Grants and contributions	1,108,918	2,010,970	1,274,448.00	13,255,462	14,352,727	10,081,487	4,876,116	2,858,890	6,319,199	14,268,819
Investment earnings	2,676,109	3,485,331	12,454,825	6,539,155	4,447,359	3,729,276	6,180,748	2,302,456	5,130,024	4,608,035
Miscellaneous				159,616.00				2,327,890		9,121.00
Special item-gain on sale of property								188,000		
Capital Contributions										
Total General revenues	592,139,958	592,290,146	596,188,682	556,415,033	551,466,682	514,447,750	497,354,743	\$495,314,439	\$503,327,685	\$484,984,126
Business-type activities										
Investment earnings	4,388	10,456	43,601	133,377	313,357	249,613	115,735	362,779	60,059	104,941
Miscellaneous	4,388	10,456	43,601	133,377	313,357	249,613	115,735	43,902	60,059	104,941
Total Business-type activities	8,776	20,912	87,202	266,754	626,714	499,226	231,470	406,681	120,118	209,882
Total Primary Government	592,144,346	592,300,602	\$596,232,283	\$556,548,410	\$551,780,039	\$514,697,363	\$497,470,478	\$495,721,120	\$503,387,744	\$485,089,067
Change in Net Assets	\$9,230,152	\$70,384,689	(\$20,858,169)	(\$11,050,592)	\$49,155,781	\$48,046,686	\$20,823,358	\$6,043,684	\$31,347,312	\$2,862,813

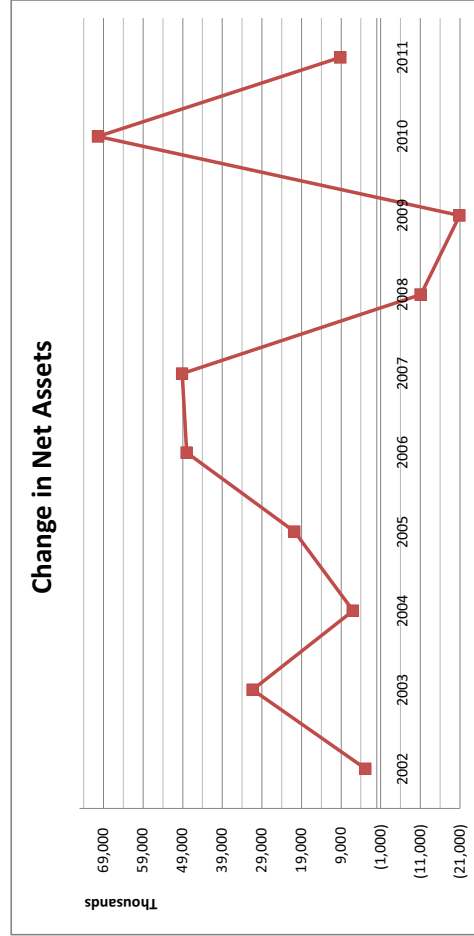
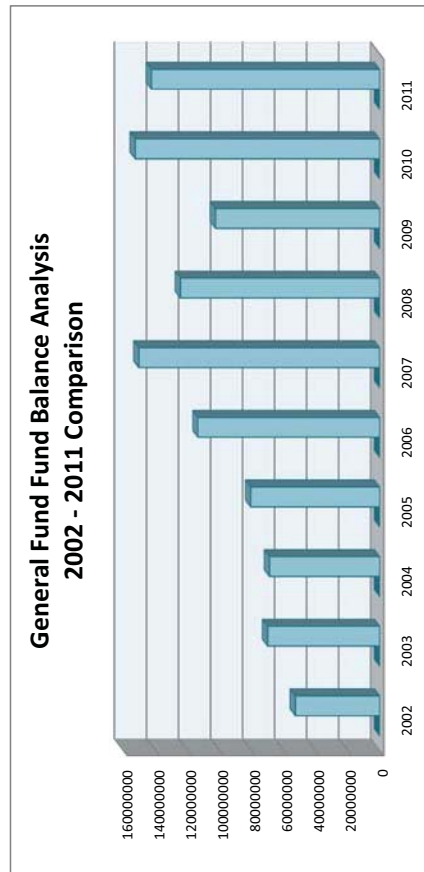


TABLE IV

	Ten Month Period									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
FORT WORTH INDEPENDENT SCHOOL DISTRICT										
Fund Balances, Governmental Funds										
Fiscal Year End June 30, 2011										
Last Ten Fiscal Periods (Unaudited)										
(Modified accrual basis of accounting)										
GASB 54										
General Fund										
Reserved	\$6,057,686	\$7,067,937	\$5,196,642	\$7,187,419	\$4,827,539	\$3,063,669	\$4,275,759	\$6,484,743	\$2,946,436	
Unreserved, Designated	11,123,707	11,123,707	12,122,296	42,197,217	28,711,512	16,272,490	20,487,017	13,239,475	16,250,669	
Unreserved, Undesignated	135,498,053	84,327,076	107,130,012	101,058,082	80,000,000	61,263,178	44,062,133	50,239,998	33,453,597	
Non Spendable	\$1,149,891									
Spendable										
Restricted										
Committed	35,677,295									
Assigned	105,717,356									
Unassigned										
Total General fund	142,544,542	152,679,446	124,446,949	150,442,718	113,639,051	80,599,337	68,834,909	69,964,216	52,650,702	
Other Governmental Funds										
Reserved, reported in										
Debt Service Fund										
Capital Projects Fund	35,271,180	15,064,172	16,056,162	14,024,258	12,872,108	10,971,129	9,717,025	8,252,814	7,373,629	
Unreserved, Undesignated, reported in	239,195,645	341,094,553	225,236,784	549,552	3,967,464	1,175,141	14,620,207	65,077,857	157,239,690	
Non-major Special Revenue Funds	4,531,249	4,044,218	4,832,583	1,691,423	1,612,405	1,448,113	2,109,190	2,003,401	1,946,307	
Spendable										
Restricted										
Special Revenue Funds	2,882,173									
Retirement of Long Term Debt	36,254,791									
Construction	137,357,311									
Committed										
Campus Activity Funds	1,773,367									
Total other governmental funds	178,267,642	278,998,074	246,125,529	16,265,233	18,451,977	13,594,383	26,446,422	75,334,072	166,559,626	
Total Governmental Funds	\$320,812,184	\$431,677,520	\$370,574,478	\$166,707,951	\$131,991,028	\$94,193,720	\$95,281,331	\$145,298,288	\$219,210,328	

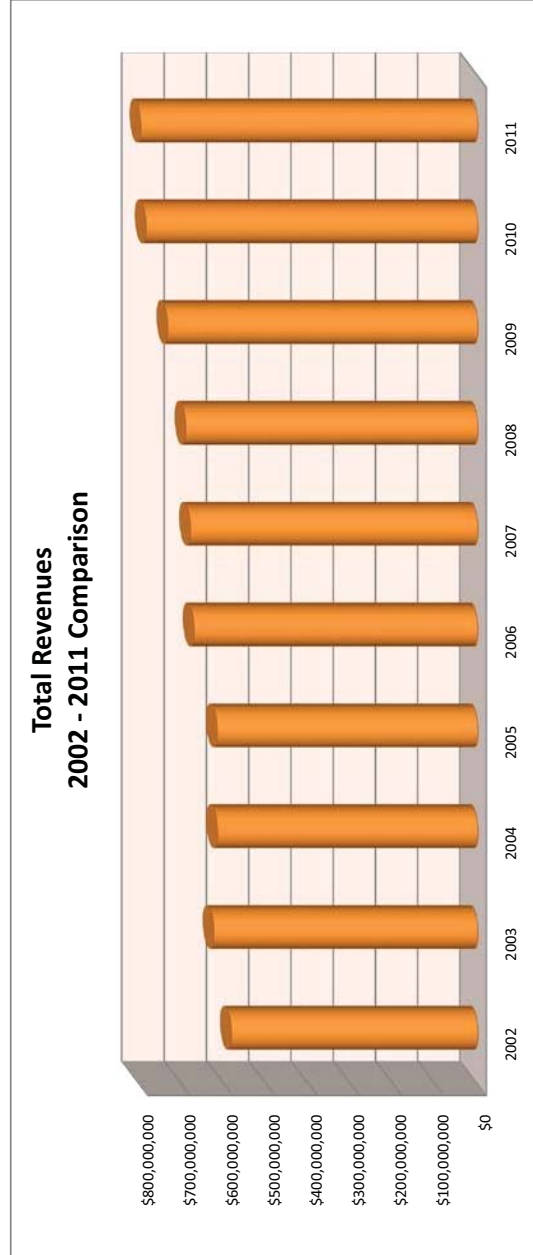
Note: The District adopted the provisions of GASB 54 in 2011. Therefore, the fund balances for 2011 were updated to conform with GASB 54.



FORT WORTH INDEPENDENT SCHOOL DISTRICT
Governmental Funds Revenues
Fiscal Year End June 30, 2011
Last Ten Fiscal Periods (Unaudited)
(Modified accrual basis of accounting)

TABLE V

	Ten Month Period									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Federal sources:										
Federal source revenue	\$8,994,852	\$4,433,692	\$2,871,992	\$1,928,084	\$2,960,078	\$4,060,264	\$4,322,946	\$5,359,702	\$6,283,095	\$1,719,025
Other revenue	10,633,089	3,254,554	1,800,919	865,131	2,871,887	7,798,081	932,241	2,108,429	217,559	162,528
Through state agencies	131,899,573	143,777,299	82,434,150	71,060,997	71,725,684	86,194,615	55,402,064	51,537,439	47,291,964	36,497,055
Total federal sources	151,527,524	151,465,545	87,107,061	73,854,212	77,557,649	98,052,960	60,657,251	59,005,570	53,792,618	38,378,608
State sources:										
Per capita and foundation	258,883,536	241,074,051	257,015,337	267,031,124	206,888,200	184,639,048	198,835,529	215,927,928	243,826,671	245,709,591
Other state revenue	40,718,479	39,243,865	44,908,603	45,097,882	46,478,440	48,893,607	42,326,331	45,656,838	40,433,103	30,779,204
Total state sources	299,602,015	280,317,916	301,923,940	312,129,006	253,366,640	233,532,655	241,161,860	261,584,766	284,259,774	276,488,795
Local sources:										
Local maintenance and debt service tax	334,084,987	339,596,772	317,788,810	278,913,263	327,518,765	322,486,046	299,610,588	283,937,525	275,680,470	247,667,757
Interest	1,108,918	5,335,520	7,412,644	13,255,463	14,103,114	10,081,487	4,876,116	2,858,890	2,004,523	14,268,819
Revenue from intermediate sources	12,347,007	9,598,232	20,824,181	14,102,169	8,841,041	8,579,448	11,534,438	9,782,552	9,771,028	7,721,827
Total local sources	347,540,912	354,530,524	346,025,635	306,270,895	350,462,920	341,146,981	316,021,142	296,578,967	287,456,021	269,658,403
Total revenues	\$798,670,451	\$786,313,985	\$735,056,636	\$692,254,113	\$681,387,209	\$672,732,596	\$617,840,253	\$617,169,303	\$625,508,413	\$584,525,806



FORT WORTH INDEPENDENT SCHOOL DISTRICT
Governmental Funds Expenditures and Debt Service Ratio
 Fiscal Year End June 30, 2011
 Last Ten Fiscal Periods (Unaudited)
 (Modified accrual basis of accounting)

TABLE VI

	Ten Month Period									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Non-Capital Operational Expenditures										
Instruction	\$428,887,435	\$396,435,817	\$395,868,019	\$378,866,698	\$341,220,538	\$345,713,732	\$325,613,655	\$322,889,937	\$329,509,812	\$314,230,105
Instruction resources and media services	11,481,231	10,283,180	12,823,441	11,467,214	11,674,438	14,626,400	10,310,386	12,441,849	10,927,929	10,068,407
Curriculum and staff development	33,205,580	32,376,515	36,282,859	30,367,497	26,100,621	13,823,252	15,401,467	15,575,771	15,094,994	15,167,028
Instructional Leadership	13,067,028	11,885,749	13,400,957	14,321,987	11,467,855	13,561,053	13,497,456	13,150,517	12,822,202	13,788,724
School leadership	44,251,670	39,720,431	43,146,137	41,260,921	40,258,283	35,825,691	34,550,666	34,757,972	34,097,872	31,986,690
Guidance, counseling, and evaluation services	33,675,927	31,865,710	31,631,814	29,052,762	28,021,788	26,640,220	25,439,985	26,525,179	26,162,190	24,626,081
Social work services	4,330,219	4,011,205	4,621,381	4,151,024	3,996,378	4,005,443	4,383,036	3,864,036	3,885,862	3,279,691
Health services	7,476,187	7,085,548	7,032,810	7,136,378	6,704,197	6,328,002	6,501,258	6,409,049	6,322,320	5,868,673
Student Transportation	19,819,246	19,890,725	18,885,168	24,841,291	19,929,434	18,283,493	17,011,254	19,216,985	18,086,202	17,349,370
Food service	276,027	253,586	758,793	317,771	520,539	514,548	552,541	635,091	1,093,810	279,839
Co-curricular/Extracurricular activities	9,486,280	7,538,794	9,596,130	8,991,424	8,514,965	7,286,065	7,374,535	7,385,375	7,250,300	7,506,804
General administration	16,011,692	11,687,843	15,831,234	15,899,138	13,352,827	13,028,320	12,045,520	12,221,966	12,753,086	11,997,210
Plant, maintenance and operations	76,882,605	63,696,581	72,880,787	74,018,594	67,139,422	65,017,738	62,831,601	64,499,602	55,855,033	58,820,658
Security and monitoring services	11,305,428	9,983,762	11,772,161	11,290,085	10,215,139	9,701,246	11,694,026	11,662,446	10,958,470	10,430,412
Data processing services	12,264,757	10,560,252	13,408,139	18,503,990	9,466,235	11,175,270	5,615,504	7,032,897	5,178,536	5,163,413
Community services	5,563,565	5,519,304	5,754,433	7,186,616	6,810,008	6,603,625	6,835,166	6,490,120	6,135,934	6,446,775
Total non-capital operational expenditures	727,984,877	662,795,000	693,684,263	677,692,990	605,392,667	592,034,098	559,658,099	564,758,792	556,134,552	537,009,880
Intergovernmental										
Contracted instructional services between public schools										
Incremental costs associated with Chapter 41	72,486	86,378	101,486	141,039	62,170	170,610	267,741	283,116	180,287	319,072
Payments to juvenile justice alternative ed. program	195,250	236,375	223,375	226,225	3,195,443	2,836,851	1,910,051	2,582,813	1,716,780	1,150,952
Payments to Tax Increment Fund	4,298,005	4,473,705	3,988,455	3,201,835						
Other Intergovernmental Charges**	1,482,799	1,564,635								
Total intergovernmental	6,048,540	6,361,093	4,313,316	3,571,099	3,257,613	3,007,461	2,177,792	2,865,929	1,897,067	1,470,024
Capital Outlay										
Facilities acquisition/construction	233,691,093	125,554,304	72,599,476	11,824,948	1,661,717	1,661,717	15,751,162	54,118,456	96,931,535	92,858,372
Total capital outlay	233,691,093	125,554,304	72,599,476	11,824,948	1,661,717	1,661,717	15,751,162	54,118,456	96,931,535	92,858,372
Debt Service										
Principal	37,430,000	38,450,000	23,943,500	18,797,629	22,397,221	16,790,924	21,610,601	20,429,690	26,047,370	15,517,568
Interest and fiscal charges	34,034,945	15,450,061	36,738,318	22,806,602	20,503,165	25,078,204	21,340,467	22,243,519	20,394,957	30,240,455
Total debt service expenditures	71,464,945	53,900,061	60,681,818	41,603,231	42,900,386	41,869,128	42,951,068	42,673,209	46,442,327	45,758,013
Total expenditures	1,039,189,456	848,610,458	831,278,873	734,692,268	653,212,383	638,572,404	620,538,121	664,416,386	701,405,481	677,096,289
Total Expenditures less expenditures for capital outlay	\$805,498,363	\$723,056,154	\$758,679,397	\$722,867,320	\$651,550,666	\$636,910,687	\$604,786,959	\$610,297,930	\$604,473,946	\$584,237,917
Debt service as a percentage of noncapital expenditures	8.9%	7.5%	8.0%	5.8%	6.6%	6.6%	7.1%	7.0%	7.7%	7.8%

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.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
 Other Financing Sources and Uses and Net Change in Fund Balances
 Governmental Funds
 Fiscal Year End June 30, 2011
 Last Ten Fiscal Periods (Unaudited)
 (Modified accrual basis of accounting)

	2011	Ten Month Period 2010	2009	2008	2007	2006	2005	2004	2003	2002
Excess (deficiency) of revenues over (under) expenditures	(\$240,519,005)	(\$62,296,475)	(\$96,222,237)	(\$42,438,155)	\$27,085,507	\$34,160,192	(\$2,697,868)	(\$47,247,083)	(\$75,897,068)	(\$92,570,463)
Other Financing Sources (Uses)	146,215,000	31,600,000	176,755,000	231,225,000	112,339,995		117,235,000	366,825	14,485,000	
Refunding bonds issued					6,700,000			1,925,000	1,746,775	496,730
Proceeds from capital leases					333,527	85,488	1,573,472	1,872,389	103,401	191,996
Sale of real or personal property				501,553	2,437,564	4,000,000	74,250		505,991	2,053,671
Transfers in				18,348,620	7,141,878		12,539,462			
Premium (discount) on issuance of bonds	13,575,678	(347,668)	14,044,936	(685,912)	(2,774,543)	(4,299,407)	(151,952)	(8,696,593)		(2,053,671)
Transfers out	(277,842)		(275,514)	(6,813,897)	(118,529,575)		(129,663,453)		(14,856,139)	
Payment to bond refunding escrow agent (use)	(29,859,170)		(2,155,000)		(17,430)	1,150,589	3,478	1,762,505		
Other sources (uses)										
Total other financing sources (uses)	129,653,666	31,252,332	188,389,422	242,575,364	7,631,416	936,670	1,610,257	(2,769,874)	1,985,028	688,726
Special item - Proceeds from Sale of Land				3,729,317		2,700,446				6,117
Special item - Prior Period Adjustment	(110,865,339)	(31,044,143)	92,147,185	203,866,527	34,716,923	35,096,862	(1,087,611)	(50,016,957)	(73,912,040)	(91,875,640)
Net change in fund balances	431,677,520	462,721,663	370,574,478	166,707,951	131,991,028	94,193,720	95,281,331	145,298,288	219,210,328	311,085,968
Beginning Fund Balance	\$320,812,183	\$431,677,520	\$462,721,663	\$370,574,478	\$166,707,951	\$131,991,028	\$94,193,720	\$95,281,331	\$145,298,288	\$219,210,328
Ending Fund Balance										



Revenue Capacity Information

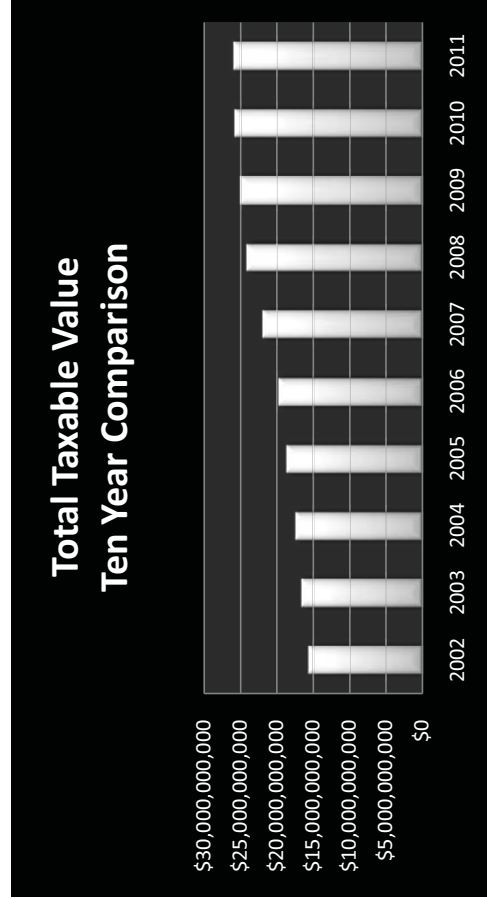


TABLE VIII

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Fiscal Year End June 30, 2011
Last Ten Fiscal Periods (Unaudited)
(Amounts in thousands - Modified accrual basis of accounting)

Fiscal Year	Actual Value			Less: Exemptions	Total Taxable Value	Total Direct Rate
	Real Property		Other			
	Commercial	Residential	Other			
2002	\$13,789,741,408			\$2,026,849,836	\$15,637,643,677	1.6411
2003	14,687,217,847			2,100,053,206	16,533,242,923	1.6858
2004	15,655,094,799			2,139,425,208	17,370,553,451	1.6580
2005	16,797,492,079			2,208,204,997	18,601,738,084	1.6580
2006	18,057,120,063			2,393,170,965	19,683,317,731	1.6540
2007	20,046,813,455			2,527,021,910	21,903,297,019	1.5140
2008	13,233,163,235	\$12,157,047,375	\$383,482,097	6,711,501,670	24,104,551,995	1.1900
2009	13,161,214,156	13,322,031,865	544,002,337	7,474,436,031	24,954,443,444	1.2570
2010	14,532,020,704	13,746,352,792	954,691,399	8,753,984,863	25,717,744,800	1.3220
2011	\$12,114,756,116	\$15,042,732,814	\$1,349,929,435	\$7,616,591,640	\$25,904,294,507	1.3220

Source: Tax reports obtained from Tarrant Appraisal District



Notes:

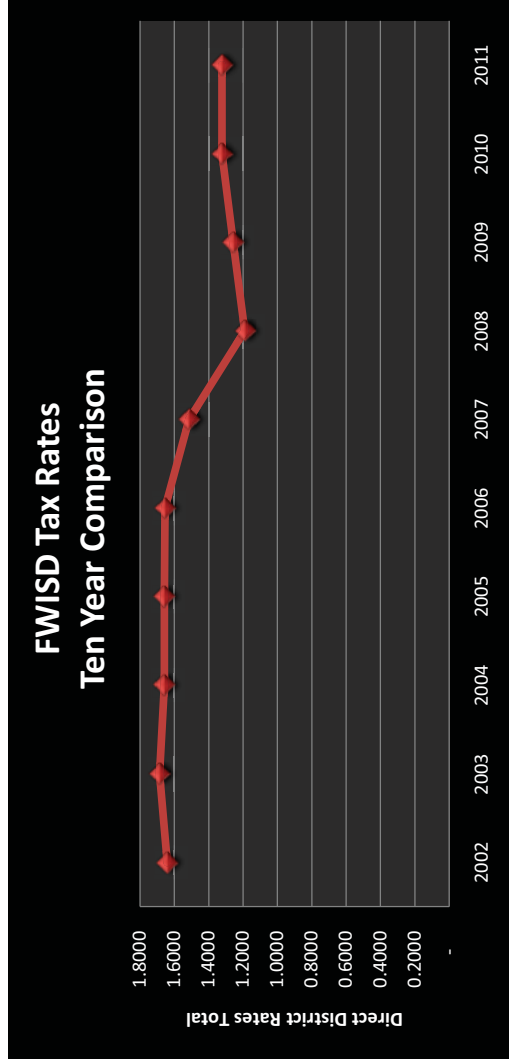
Assessed Value = Actual Value

Tarrant Appraisal District did not differentiate real property between commercial, residential, and other until 2008. Likewise personal property was not broken down between commercial and industrial until 2008.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
 Fiscal Year End June 30, 2011
 Last Ten Fiscal Periods (Unaudited)
 (Rate per \$100 of assessed value)

Fiscal Year	Overlapping Rates										Direct District Rates							
	ARLINGTON		BENBROOK		EDGECLIFF VILLAGE		CITY OF FOREST HILL		CITY OF FORT WORTH		TARRANT COUNTY		TARRANT COUNTY COLLEGE DISTRICT 1		CITY OF WESTOVER HILLS		CITY OF WHITE SETTLEMENT	
	0.634	0.7725	0.258932	0.925	0.8650	0.455750	0.6925	0.274785	0.234070	0.10641	0.502533	0.615000						
0.634	0.7725	0.270330	0.925	0.8650	0.455750	0.7125	0.272500	0.232400	0.13938	0.511092	0.615000							
0.648	0.7625	0.287572	0.970	0.8650	0.520950	0.7325	0.272500	0.235397	0.13938	0.520312	0.618000							
0.648	0.7625	0.291375	0.970	0.8650	0.541730	0.7225	0.272500	0.235397	0.13938	0.512720	0.616946							
0.648	0.6770	0.328408	0.970	0.8650	0.557760	0.7225	0.272500	0.235397	0.13938	0.444791	0.613000							
0.648	0.7225	0.318408	0.970	0.8600	0.566600	0.7225	0.271500	0.235397	0.13938	0.420119	0.613000							
0.648	0.6975	0.314112	0.950	0.8550	0.598300	0.7225	0.266500	0.230397	0.13938	0.415570	0.613000							
0.648	0.6775	0.304112	0.950	0.8550	0.598300	0.7225	0.264000	0.227897	0.13796	0.388800	0.613726							
0.648	0.6575	0.294112	1.060	0.8550	0.646371	0.7225	0.264000	0.227897	0.13764	0.351894	0.686037							
0.648	0.6575	0.294112	1.060	0.8550	0.646371	0.7225	0.264000	0.227897	0.13764	0.351894	0.686037							
2002	1.4617	0.1794	1.6411	1.5140	1.3700	1.0400	1.0400	1.0400	1.0400	0.2820	1.3220	1.3220						
2003	1.5000	0.1858	1.6858	1.5140	1.3700	1.0400	1.0400	1.0400	1.0400	0.2820	1.3220	1.3220						
2004	1.5000	0.1580	1.6580	1.5140	1.3700	1.0400	1.0400	1.0400	1.0400	0.2820	1.3220	1.3220						
2005	1.5000	0.1580	1.6580	1.5140	1.3700	1.0400	1.0400	1.0400	1.0400	0.2820	1.3220	1.3220						
2006	1.5000	0.1540	1.6540	1.5140	1.3700	1.0400	1.0400	1.0400	1.0400	0.2820	1.3220	1.3220						
2007	1.3700	0.1440	1.5140	1.5140	1.3700	1.0400	1.0400	1.0400	1.0400	0.2820	1.3220	1.3220						
2008	1.0400	0.1500	1.1900	1.1900	1.0400	1.0400	1.0400	1.0400	1.0400	0.2820	1.3220	1.3220						
2009	1.0400	0.2170	1.2570	1.2570	1.0400	1.0400	1.0400	1.0400	1.0400	0.2820	1.3220	1.3220						
2010	1.0400	0.2820	1.3220	1.3220	1.0400	1.0400	1.0400	1.0400	1.0400	0.2820	1.3220	1.3220						
2011	1.0400	0.2820	1.3220	1.3220	1.0400	1.0400	1.0400	1.0400	1.0400	0.2820	1.3220	1.3220						

Source : Tarrant Appraisal District



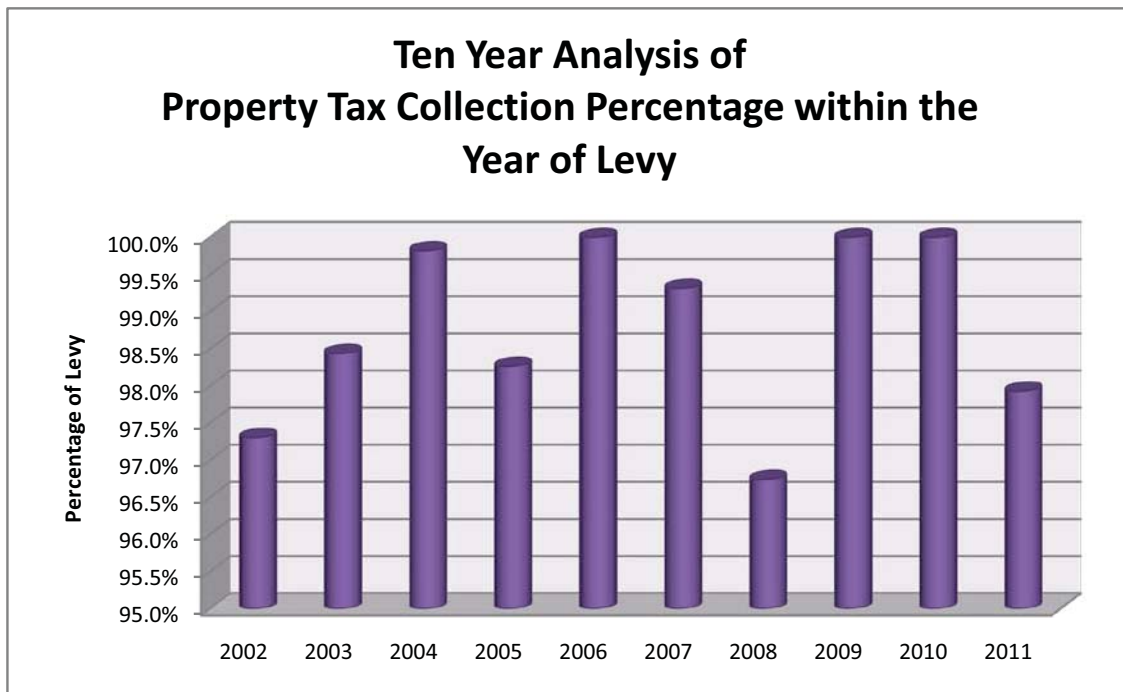
Note: The 79th Texas Legislature (HB1) decreased the maximum M&O Tax Rate without voter approval to \$1.37 in 2007 and \$1.04 in subsequent years (down from the previous \$1.50 cap). As a result, the M&O Tax Rates starting in 2007 are lower.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Fiscal Year End June 30, 2011
Property Tax Levies and Collections (unaudited)
Last Ten Fiscal Periods

TABLE X

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Year of Levy		Collections in subsequent years and cumulative adjustments	Total Collections and cumulative adjustments to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$246,882,131	\$240,230,428	97.3%	\$4,591,959	\$244,822,387	99.2%
2003	266,664,290	262,500,633	98.4%	1,869,609	264,370,242	99.1%
2004	274,852,060	274,360,266	99.8%	(2,092,658)	272,267,608	99.1%
2005	293,532,008	288,438,246	98.3%	2,411,403	290,849,649	99.1%
2006	309,982,014	310,128,704	100.0%	(3,809,833)	306,318,871	98.8%
2007	317,890,633	315,707,584	99.3%	(5,257,290)	310,450,294	97.7%
2008	278,185,294	269,121,423	96.7%	(3,085,549)	266,035,874	95.6%
2009	299,048,034	308,764,341	100.0%	17,270,854	326,035,195	100.0%
2010	323,412,537	334,995,661	100.0%	19,361,818	354,357,479	100.0%
2011	\$326,963,336	\$320,200,227	97.9%	\$4,815,133	\$325,015,360	99.4%

Source: Tax Reports obtained from Tarrant County
Note: Collections reported do not include penalty and interest



FORT WORTH INDEPENDENT SCHOOL DISTRICT
Principal Property Tax Payers (Unaudited)
Fiscal Year End June 30, 2011
Current Year and Nine Years Ago

TABLE XI

Taxpayer	2011			2002		
	TAXABLE ASSESSED VALUATION	Percent of Total Assessed Taxable Value	Rank	TAXABLE ASSESSED VALUATION	Percent of Total Assessed Taxable Value	Rank
Oncor Electric Delivery	\$209,233,337	0.81%	1			
Encana Oil and Gas (USA) Inc.	200,607,450	0.78%	2			
DDR/DTC City Investments LP Etal	197,509,897	0.77%	3			
Omni Fort Worth Partnership Lp	134,139,280	0.52%	4			
Southwestern Bell	128,364,691	0.50%	5			
Behringer Harvard Burnett Plz	124,104,381	0.48%	6			
Quicksilver Resources Inc	117,443,280	0.46%	7			
Chesapeake Operating (WI)	116,047,320	0.45%	8			
MS Crescent One SPL LLC	109,780,470	0.43%	9			
XTO Energy Inc	107,644,809	0.42%	10			
Texas Utilities Electric Co.				\$ 262,666,852	1.81%	1
Southern Bell				187,621,010	1.29%	2
Sprint Communications Co. Lp				136,906,888	0.94%	3
Tandy Corp.				127,735,175	0.88%	4
City Center Development Co.				124,037,845	0.85%	5
Albertson's Inc				121,499,976	0.84%	6
Miller Brewing Co				120,607,709	0.83%	7
Burnett Plaza Assoc.				82,093,017	0.57%	9
Alcon Laboratories Inc.				79,131,158	0.55%	8
Crescent Real Estate Funding				68,874,864	0.47%	10
TOTAL	\$1,444,874,915	5.62%		\$ 1,311,174,494	9.04%	

Source: Tax information obtained from Tarrant Appraisal District.

Debt Capacity Information

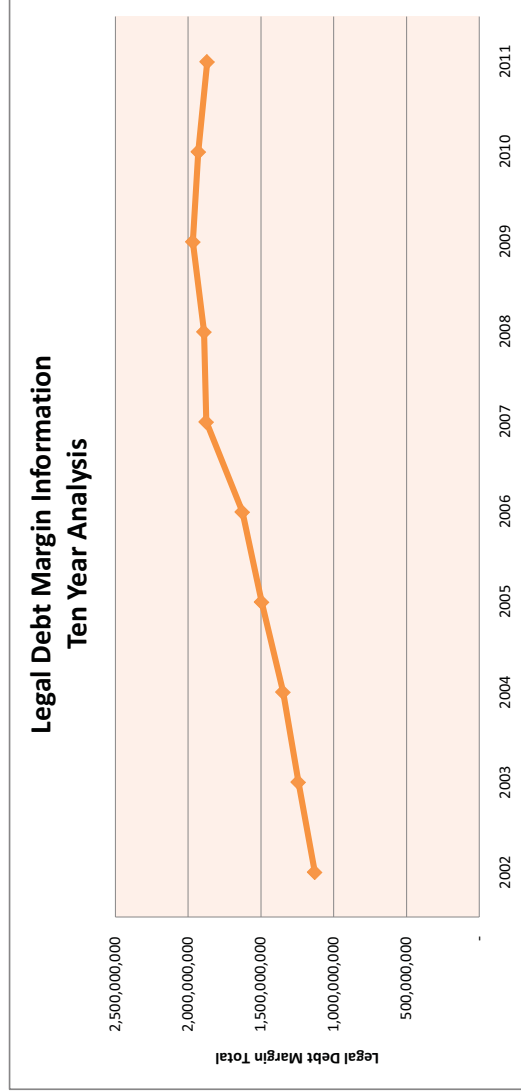


FORT WORTH INDEPENDENT SCHOOL DISTRICT
Legal Debt Margin Information (Unaudited)
Fiscal Year End June 30, 2010
Last Ten Fiscal Periods

TABLE XII

	2011	Ten Month Period 2010	2009	2008	2007	2006	2005	2004	2003	2002
Assessed Value	25,904,294,507	25,717,744,800	26,384,398,507	\$24,104,551,995	\$21,903,297,019	\$19,683,317,731	\$18,601,738,084	\$17,370,553,451	\$16,533,242,923	\$15,637,643,677
Debt limit (10% of assessed value) *	\$2,590,429,451	\$2,571,774,480	\$2,638,439,851	\$2,410,455,200	\$2,190,329,702	\$1,968,331,773	\$1,860,173,808	\$1,737,055,345	\$1,653,324,292	\$1,563,764,368
Total net debt applicable to limit	720,031,775	641,069,730	669,933,290	518,284,800	313,451,106	339,804,735	364,620,624	388,474,050	409,862,081	433,499,137
Legal debt margin	1,870,397,676	1,930,704,750	1,968,506,561	1,892,170,400	1,876,878,596	1,628,527,038	1,495,553,184	1,348,581,295	1,243,462,211	1,130,265,231
Total net debt applicable to the limit as a percentage of debt limit	28%	25%	25%	22%	14%	17%	20%	22%	25%	28%

Source: Assessed Value from Tarrant County Appraisal District

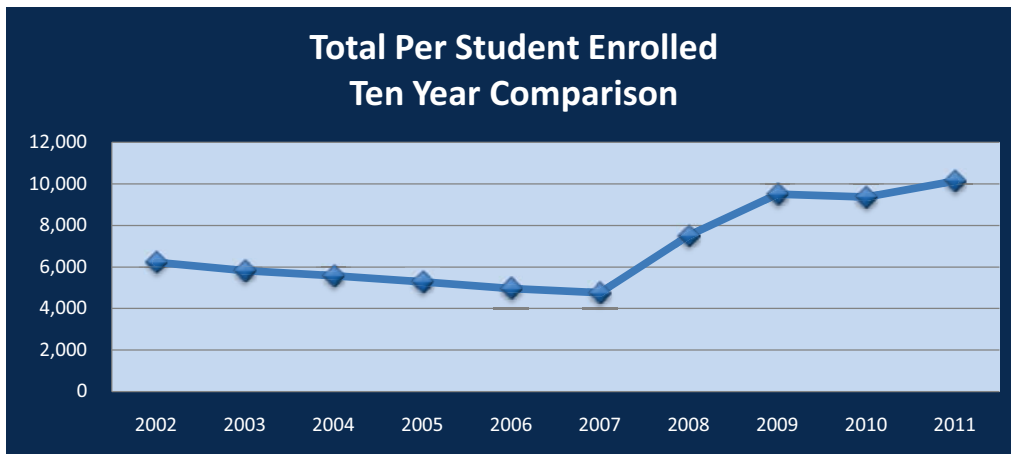
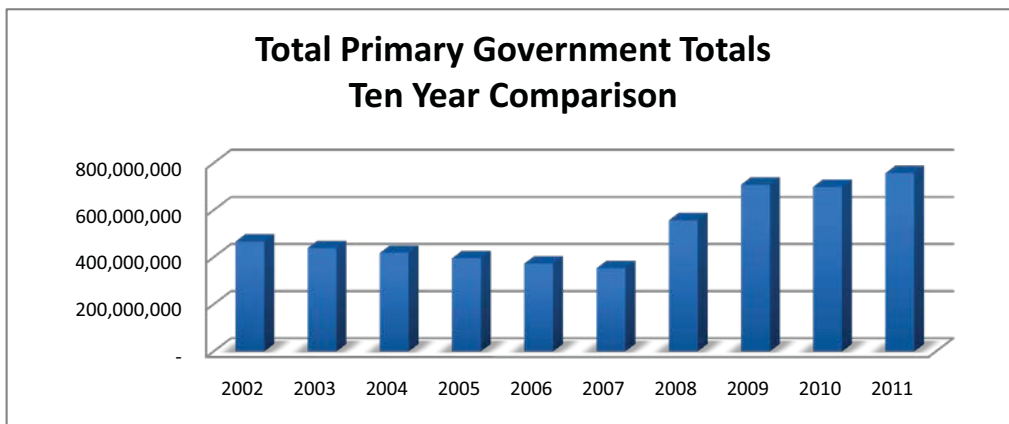


FORT WORTH INDEPENDENT SCHOOL DISTRICT
Outstanding Debt by Type (Unaudited)
Last Ten Fiscal Periods
Fiscal Year end June 30, 2011

TABLE XIII

Governmental Activities					
Fiscal Year	Contractual Obligations	General Obligation Bonds	Capital Leases	Total Primary Government	Per Student Enrolled
2002	991,268	440,872,766	431,281	465,526,619	6,225
2003		418,114,895	1,586,547	438,667,127	5,822
2004	1,925,000	398,191,075	1,263,986	417,780,094	5,574
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

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

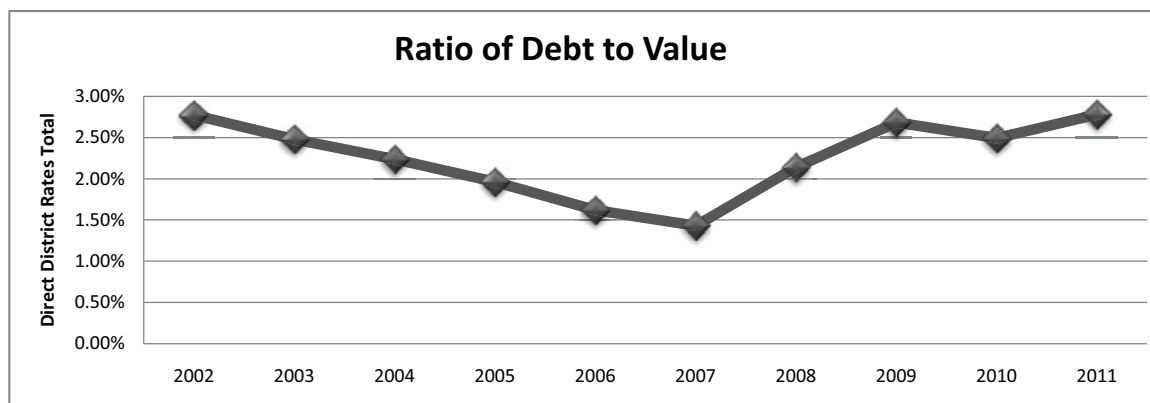
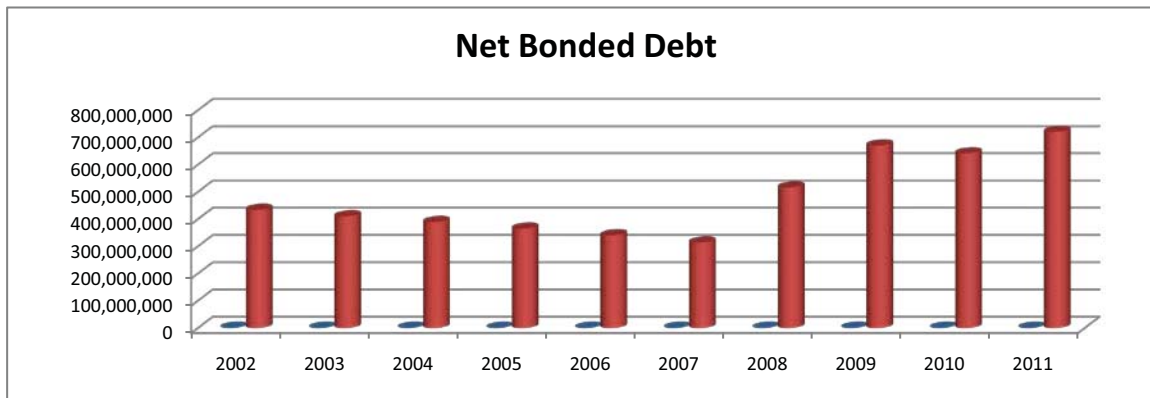


FORT WORTH INDEPENDENT SCHOOL DISTRICT
Fiscal Year End June 30, 2011
Ratio of Net General Bonded Debt To Assessed
Value and Net Bonded Debt Per Capita (Unaudited)
Last Ten Fiscal Periods

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
2002	556,700	\$15,637,643,677	440,872,766	7,373,629	433,499,137	2.77%	\$778.69
2003	577,500	16,533,242,923	418,114,895	8,252,814	409,862,081	2.48%	709.72
2004	598,850	17,370,553,451	398,191,075	9,717,025	388,474,050	2.24%	648.70
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

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



FORT WORTH INDEPENDENT SCHOOL DISTRICT
Fiscal Year End June 30, 2011
Direct and Overlapping Governmental Activities Debt (Unaudited)

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	\$756,286,565	100.00%	\$756,286,565
Total Direct Debt			<u>756,286,565</u>
OVERLAPPING:			
City of Arlington	310,869,155	46.00%	142,999,811
City of Benbrook	11,120,050	100.00%	11,120,050
City of Edgecliff Village (1)	None	52.00%	
City of Forest Hill	None	80.00%	
City of Fort Worth	547,215,000	87.08%	476,514,822
City of Haltom City	60,420,000	7.10%	4,289,820
City of Kennedale	15,745,001	1.24%	195,238
Tarrant County	333,568,000	37.61%	125,454,925
Tarrant County Hospital District	58,565,000	37.61%	22,026,297
Tarrant County College District	27,327,139	37.61%	10,277,737
City of Westover Hills	65,000	100.00%	65,000
City of White Settlement (2)	24,438,274		
Total Overlapping Debt			<u>792,943,700</u>
Total direct and overlapping tax supported debt			<u>\$1,549,230,265</u>
Total Assessed Taxable Valuation			\$25,904,294,507
Total Population			746,290
Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation			5.98%
Per Capita Overlapping Total Direct and Overlapping Tax Supported Debt			\$2,076

Source: Verbal 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

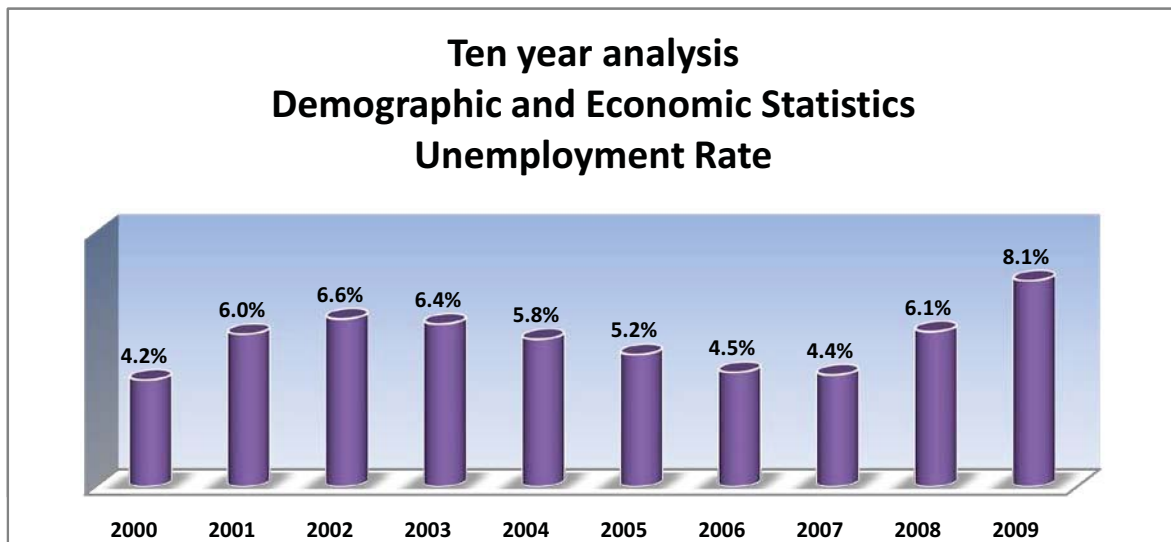


Demographics for the entire Dallas, Fort Worth, Arlington Metropolitan Center

Calendar Year	Population(A)	Disposable Personal Income(B) (in \$1,000)	Per Capita Disposable Personal Income(B)	Unemployment Rate(B)
2000	5,196,188	\$177,462,513	\$34,152	4.2%
2001	5,354,623	\$183,612,436	\$34,290	6.0%
2002	5,476,578	\$185,792,452	\$33,925	6.6%
2003	5,582,033	\$191,048,073	\$34,226	6.4%
2004	5,689,982	\$203,798,298	\$35,817	5.8%
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	6,447,615	\$269,279,998	\$41,764	8.1%

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

Notes: 2009 is the latest year available from US Census Bureau



FORT WORTH INDEPENDENT SCHOOL DISTRICT
Fiscal Year End June 30, 2011
Principal Employers (Unaudited)
Current Year and Nine Years Ago

TABLE XVII

<u>Employer</u>	<u>2011 (2)</u>			<u>2002 (1)</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>
Lockheed Martin Aeronautics	13,500	1	1.56%	11,400	2	2.59%
American Airlines/AMR, DFW	11,709	2	1.35%	28,600	1	6.50%
NAS Fort Worth Joint Reserve Base	11,350	3	1.31%			
Fort Worth ISD	10,953	4	1.26%	12,500	3	2.84%
Texas Instruments, Dallas	9,800	5	1.13%			
Parkland Health & Hospital	9,178	6	1.06%			
UT Southwest Medical Center, Dallas	8,545	7	0.99%			
Arlington ISD	7,907	8	0.91%	6,700	4	1.52%
University of North Texas, Denton	7,762	9	0.90%			
American Airlines/AMR Fort Worth	6,500	10	0.75%			
Beli Helicopter Textron, Inc.				6,000	5	1.36%
City of Fort Worth				5,400	6	1.23%
Texas Health Harris Methodist FW				3,700	7	0.84%
United States Postal Service				3,400	8	0.77%
JPS Health Network				3,000	9	0.68%
Totals by Top Ten Employer	<u>97,204</u>		<u>11.22%</u>	<u>80,700</u>		<u>18.33%</u>
Total Jobs Reported	866,000 (3)			440,250 (4)		

Source (1) 2001- City of Fort Worth Texas Website
(2) 2011- North Central Texas Council of Governments
(3) 2011- North Central Texas Council of Governments
(4) 2011- North Central Texas Council of Governments

Operating Information



FORT WORTH INDEPENDENT SCHOOL DISTRICT
 Fiscal Year End June 30, 2011
Full-time Equivalent District Employees by Type (Unaudited)
 Last Ten Fiscal Periods

	Full-Time Equivalent Employees for fiscal year ending										Percentage Change '02 - '11
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	
Professional Staff											
Teachers	5,131.8	5,069.2	5,167.2	5,002.8	4,838.9	4,793.6	4,804.3	4,792.6	4,967.3	5,024.4	2.1%
Professional Support	1,195.3	1,314.2	1,130.4	1,104.7	1,067.7	927.4	982.4	950.3	967.1	880.9	35.7%
Campus Administration	419.7	347.5	421.9	353.0	322.3	312.0	315.5	311.5	318.9	313.6	33.8%
Central Administration	78.0	176.5	103.4	112.0	110.1	106.5	102.7	103.0	102.9	100.0	-22.0%
Total Professional Staff	6,824.8	6,907.4	6,822.9	6,572.4	6,339.0	6,139.5	6,204.9	6,157.4	6,356.2	6,318.9	8.0%
Educational Aides	834.6	879.3	833.6	816.3	794.0	816.5	815.1	873.3	904.9	853.6	-2.2%
Auxiliary Staff	2,471.8	3,172.8	3,013.9	2,926.8	2,900.2	2,927.4	3,061.7	3,041.4	2,674.1	2,648.8	-6.7%
Total Staff	10,131.2	10,959.5	10,670.4	10,315.5	10,033.2	9,883.4	10,081.7	10,072.1	9,935.2	9,821.3	3.2%

Source: Public Education Information Management System (PEIMS) Reports.

Notes:

Professional Support Personnel includes librarians, counselors, and school nurses, etc.
 "Central Administration" decreased in 2011 due to the elimination of the "Teachers' Master Program. Hence the increase in "Campus Administration."

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Fiscal Year End June 30, 2011
Teacher Base Salaries (Unaudited)
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)
2002	\$37,250	\$60,786	\$41,686	\$24,240	\$40,800
2003	37,800	62,611	43,654	24,240	40,800
2004	38,500	64,176	43,379	24,240	40,800
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

Sources:

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

FORT WORTH INDEPENDENT SCHOOL DISTRICT
 Fiscal Year End June 30, 2011
 Operating Statistics (Unaudited)
 Last Ten Fiscal Periods

Fiscal Year	Average Daily Attendance	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
2002	74,783	\$537,009,880	\$7,181		\$578,095,057	\$7,730		5,024.40	14.9	48,419.00	65%
2003	75,351	556,134,552	7,381	2.8%	594,158,505	7,885	2.0%	4,967.30	15.2	52,075.00	69%
2004	74,945	564,758,792	7,536	2.1%	609,577,616	8,134	3.2%	4,792.60	15.6	55,710.00	74%
2005	74,626	559,658,099	7,500	-0.5%	602,321,748	8,071	-0.8%	4,804.30	15.5	57,007.00	76%
2006	74,945	592,034,098	7,900	5.3%	634,337,997	8,464	4.9%	4,793.60	15.6	56,819.00	76%
2007	74,034	605,392,667	8,177	3.5%	642,027,831	8,672	2.5%	4,838.90	15.3	56,636.00	76%
2008	73,964	677,692,990	9,162	12.0%	715,483,655	9,673	11.5%	5,002.79	14.8	58,686.00	79%
2009	74,462	693,684,263	9,316	1.7%	751,684,000	10,095	4.4%	5,167.15	14.4	59,820.00	80%
2010*	74,602	662,795,002	8,884	-4.6%	721,822,443	9,676	-4.2%	5,069.20	14.7	62,448.00	84%
2011	73,387	\$727,984,878	9,920	11.7%	\$788,058,039	10,738	11.0%	5,131.80	14.3	51,905.00	71%

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)

Middle Schools:	(2) Constructed	(2) Acreage	(2) Capacity	(1) Enrollment	(2) Square Feet	2010	2009	2008	2007	2006	2005	2004	2003	2002
						Square Feet	Square Feet	Square Feet	Square Feet	Square Feet	Square Feet	Square Feet	Square Feet	Square Feet
Academy on Camp Bowie	2000	12.1	1,100	792	139,967	139,967	139,967	139,967	139,967	139,967	229,130	229,130	229,130	119,941
Benbrook Middle*	2011	23.24	800	N/A	172,290	172,290	71,017	71,017	71,017	71,017	118,052	118,052	118,052	71,100
Dunbar 6th Grade	1952	10.0	476	307	71,017	108,137	108,137	108,137	108,137	108,137	132,200	132,200	132,200	108,447
Dunbar Middle	1981	25.3	855	511	108,137	83,104	83,104	83,104	83,104	83,104	83,735	83,735	83,735	77,974
E. M. Dagggett Middle	1954	7.6	413	383	83,104	105,715	105,715	105,715	105,715	105,715	120,547	120,547	120,547	103,273
Forest Oak Middle	1953	15.5	889	724	105,715	47,064	47,064	47,064	47,064	47,064	44,120	44,120	44,120	49,054
Glencrest 6th Grade	1953	6.0	458	392	47,064	92,302	92,302	92,302	92,302	92,302	94,571	94,571	94,571	98,158
Handley Middle	1980	20.0	896	708	92,302	156,425	156,425	156,425	156,425	156,425	161,026	161,026	161,026	159,000
J. P. Elder Middle	1918	14.9	1,208	1,144	156,425	71,194	71,194	71,194	71,194	71,194	80,067	80,067	80,067	74,400
Jean McClung Middle*	2011	12.36	800	N/A	172,990	172,990	64,113	64,113	64,113	64,113	67,079	67,079	67,079	61,113
Kirkpatrick Middle	1949	5.8	608	484	71,194	117,419	117,419	117,419	117,419	117,419	117,314	117,314	117,314	123,470
Leonard 6th Grade	2000	6.3	488	414	67,079	36,964	36,964	36,964	36,964	36,964	36,821	36,821	36,821	38,946
Leonard Middle	1962	15.0	799	703	117,419	119,030	119,030	119,030	119,030	119,030	130,584	130,584	130,584	103,214
McLean 6th Grade	1950	4.71	465	451	36,964	107,289	107,289	107,289	107,289	107,289	126,752	126,752	126,752	94,691
Meadowbrook Middle	1953	11.0	926	876	119,030	110,335	110,335	110,335	110,335	110,335	118,706	118,706	118,706	90,570
Morningside Middle	1959	13.2	769	660	107,289	52,648	52,648	52,648	52,648	52,648	46,725	46,725	46,725	55,254
Riverside Middle	1949	12.2	975	942	130,903	130,322	130,322	130,322	130,322	130,322	112,406	112,406	112,406	112,763
Rosemont 6th Grade	1922	9.2	533	481	52,648	94,728	94,728	94,728	94,728	94,728	105,236	105,236	105,236	106,393
Rosemont Middle	1936	20.5	926	909	130,322	98,848	98,848	98,848	98,848	98,848	117,513	117,513	117,513	102,434
W. A. Meacham Middle	1960	20.0	863	690	114,398	100,462	100,462	100,462	100,462	100,462	105,878	105,878	105,878	105,878
W. C. Stripling Middle	1928	7.7	803	515	98,848	56,354	56,354	56,354	56,354	56,354	133,619	133,619	133,619	113,452
W. P. McLean Middle	1953	15.2	863	845	100,462	118,195	118,195	118,195	118,195	118,195	161,615	161,615	161,615	143,480
Wedgwood 6th Grade	1960	7.6	469	450	60,983	99,792	99,792	99,792	99,792	99,792	140,512	140,512	140,512	84,355
Wedgwood Middle	1964	12.0	855	807	143,703	140,512	140,512	140,512	140,512	140,512				
William James Middle	1926	8.0	1,384	1,221	132,411	132,411	132,411	132,411	132,411	132,411	161,615	161,615	161,615	143,480
William Monnig Middle	1951	7.0	784	617	99,792	99,792	99,792	99,792	99,792	99,792	140,512	140,512	140,512	84,355

Sources:
 (1) PEIMS Report
 (2) FWISD Facilities Management Records

Notes:
 *New Schools

FORT WORTH INDEPENDENT SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years (Unaudited)

Senior High Schools:	(2) Constructed	(2) Acreage	(2) Capacity	(1) Enrollment	(2) Square Feet	2010	2009	2008	2007	2006	2005	2004	2003	2002
Amon Carter-Riverside	1935	18.2	1,320	1,055	110,533	114,407	110,533	110,533	110,533	110,533	114,407	114,407	114,407	105,541
Arlington Heights	1936	31.7	1,691	1,686	217,595	200,911	217,595	217,595	217,595	217,595	200,911	200,911	200,911	185,882
Diamond Hill-Jarvis	1952	21.0	1,065	636	134,784	205,618	134,784	134,784	134,784	134,784	205,618	205,618	205,618	143,589
Eastern Hills	1959	20.0	1,601	1,217	160,619	192,122	160,619	160,619	160,619	160,619	192,122	192,122	192,122	214,008
North Side High	1937	32.4	1,406	1,376	179,680	160,183	179,680	179,680	179,680	179,680	160,183	160,183	160,183	201,870
O. D. Wyatt	1968	30.0	1,586	1,057	250,700	216,707	248,812	248,812	248,812	248,812	216,707	216,707	216,707	251,989
Paul Lawrence Dunbar	1967	13.8	1,560	777	200,727	197,364	200,727	200,727	200,727	200,727	197,364	197,364	197,364	196,389
Polytechnic High	1936	18.6	1,189	1,055	167,044	159,127	167,044	167,044	167,044	167,044	159,127	159,127	159,127	157,174
R. L. Paschal	1936	24.6	2,014	1,918	272,466	334,951	272,466	272,466	272,466	272,466	334,951	334,951	334,951	287,241
South Hills	1969	27.7	1,436	1,330	195,447	195,447	195,447	195,447	195,447	195,447	220,584	220,584	220,584	192,835
Southwest High	1967	65.6	1,560	1,126	205,636	211,027	205,636	205,636	205,636	205,636	211,027	211,027	211,027	213,868
Trimble Technical	1917	11.0	2,115	1,743	363,320	379,684	363,320	363,320	363,320	363,320	379,684	379,684	379,684	259,448
Western Hills	1969	33.0	1,478	1,434	176,495	180,175	176,495	176,495	176,495	176,495	180,175	180,175	180,175	214,029

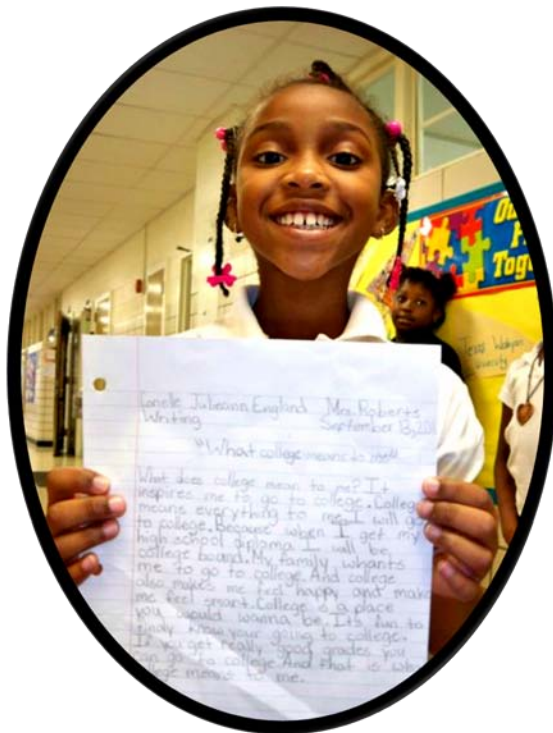
Sources:

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

FORT WORTH INDEPENDENT SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years (Unaudited)

Other Schools:	(2) Constructed	(2) Capacity	(1) Enrollment	(2) Acreage	(2) Square Feet 2011	Square Feet 2010	Square Feet 2009	Square Feet 2008	Square Feet 2007	Square Feet 2006	Square Feet 2005	Square Feet 2004	Square Feet 2003	Square Feet 2002
Horizons Alternative School*	N/A		150	N/A	21,638	21,638	21,638	21,638	21,638	21,638	21,638	21,638	21,638	21,638
Jo Kelly School	1943	139	57	5.8	19,928	20,800	19,928	19,928	19,928	19,928	18,826	18,826	18,826	18,826
Middle Level Learning Center	1964	488	207	2.6	64,113	24,578	29,647	29,647	29,647	29,647	24,578	24,578	24,578	31,099
Metro Opportunity School	2000	400	194	2.0	73,428	76,325	73,428	73,428	73,428	73,428	76,325	76,325	76,325	76,325
New Lives School*	1990		107	N/A	37,820	37,820	37,820	37,820	37,820	37,820	37,820	37,820	37,820	37,820

Fort Worth Independent School District



Building the Future



Fort Worth
INDEPENDENT SCHOOL DISTRICT