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Fort Worth Independent School District



Comprehensive Annual Financial Report

Fiscal Year Ended August 31, 2008



Fort Worth, Texas



Comprehensive Annual Financial Report

Fiscal Year Ended August 31, 2008

Prepared by

Ronald M. Wilson, Chief Financial Officer

Michele Beck CPA, Interim Controller

Samella Wilson, Assistant Controller

Fort Worth Independent School District

100 North University Drive

Fort Worth, Texas 76107

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED AUGUST 31, 2008**

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January 13, 2009

To the Board of Trustees and the Citizens of Fort Worth Independent School District:

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 Trustees, 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 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 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 section provides a brief overview of these financial reports. This transmittal letter is designed simply to be read in conjunction with the MD & A. 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. Fort Worth Independent School District is not a component unit nor does it have component units.

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. 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 District Board of Trustees exercises authority and/or oversees responsibilities are included.

GENERAL INFORMATION

Fort Worth Independent School District was organized independent of the City of Fort Worth by a special act of the Texas State Legislature in March 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.

Semi-monthly 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.

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 are generally: to set 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 78,857 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. Finally, service departments of the District ensure that student needs for transportation, nutrition, guidance, counseling, and facilities maintenance are addressed.

ECONOMIC CONDITION AND OUTLOOK

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.

Fort Worth is one of the fastest growing large cities in the country and the fifth most populous metro area in Texas. Tarrant County alone has a population of approximately 1.7 million people. The population of the City of Fort Worth is 681,818. Between 2001 and 2010, the Fort Worth-Dallas metroplex is expected to grow by 1,000,000 persons.

Quality of Life

Fort Worth is a colorful and cosmopolitan city, often ranked as one of the best places in which to live and work. Newcomers and visitors love Fort Worth's many surprises.

Fort Worth is home to three world-class art museums, the Kimbell Art Museum, the Amon Carter Museum of Art and the Fort Worth Modern Museum of Art.

Additionally, the city's cultural district 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.

The Historic Stockyards district celebrates Fort Worth's western heritage and is a popular entertainment destination for both tourists and locals.

Fort Worth's shining star is its downtown, where Sundance Square offers restaurants, theaters, hotels and nightspots. The Bass Performance Hall downtown hosts an impressive array of art groups. In fact, Fort Worth supports a variety of performing arts, festivals and major events as well as housing, retail and restaurant development.

North Texas is one of the few metropolitan regions that is home to professional football, baseball, basketball, hockey, golf, soccer, auto racing and major college sports.

Texas Motor Speedway is the second largest sports facility in the nation and hosts two NASCAR races each year as well as IRL events.

Six Flags Over Texas anchors Arlington's entertainment district.

Health care in Fort Worth is superior. Fort Worth is a regional health care center offering a complete range of medical services. Cook's Fort Worth Children's Hospital is the largest independent pediatric hospital in the nation.

Public Safety

Fort Worth is known as a safe city with a low crime rate. Many feel this is attributable to an innovative and proactive approach to policing, financed by the city's Crime Tax. The Crime Tax monies fund a variety of successful approaches, 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.

Economy

Fort Worth is a major center for technology, distribution and transportation. Abundant land and low operation costs make the city an attractive place for corporations to do business. Fighter jets and \$20 bills are manufactured in Fort Worth, the most diverse high-tech manufacturing location in Texas. Aerospace, transportation and distribution are all vital components of Fort Worth's economy. RadioShack, Pier 1, Burlington Northern Santa Fe and American Airlines are headquartered in Fort Worth and have major operations here. FedEx has a major hub in Fort Worth. Other significant economic sectors include health care, finance, telecommunications, education, tourism, retail trade and services.

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 for 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 is a major hub; and Alliance Airport is a master-planned industrial airport that is home to FedEx, American Airlines, Galaxy Aerospace, Intel, the Drug Enforcement Agency and dozens of others.

Labor Force

Fort Worth’s labor force is large and diverse, providing a sufficient supply of employees at all skill levels for even the largest locations or expansions. Fort Worth is a bustling metropolitan area with excellent education and training. 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 150,000 college and university students in North Texas and this region’s substantial active and retired military population, further enhance the labor force.

Fort Worth’s 30-mile radius labor pool includes parts of the Dallas metro area in addition to the labor force of the four-county Fort Worth metro area. It is similar in magnitude to Denver’s or Portland’s, and much larger than the labor force found in cities like San Antonio, Austin, Charlotte, Oklahoma City or Salt Lake City. Only 19 states have a metro market as large as Fort Worth.

2008 Economic Outlook

Aggressive, forward-thinking city government and modern amenities make Fort Worth an ideal place for business prosperity. Tax rates and cost of living remain well below the national average, encouraging locations here. Issues such as mobility and air quality are receiving attention as they also may affect site locations. While many of the parts of the country are floundering due to the real estate downturn, Fort Worth was on the cover of Personal Real Estate Investor as a place to consider. “Fort Worth may well be the West’s best kept secret, for both investment and quality of life,” reads the article’s opening line in the May/June 2008 issue. The magazine listed several items that sets Fort Worth apart – more than 65,000 jobs added in 2007, one of the highest rates in the country, rapid population growth expected to continue over the next 20 years, relatively low prices, and a “booming rehabbed downtown with a true Texas heritage.”

MAJOR INITIATIVES

VISION 2010: ONE DREAM, ONE TEAM

Mission: 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.

Vision: 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:** All students will learn at high levels of academic expectations resulting in the elimination of the achievement gap
- **Goal 2:** All operations in the District will be efficient and effective
- **Goal 3:** Family involvement and community partnerships will be an integral part of the education of all children

These tenets have been used to write action plans for the 2007-08 school year and to develop the District's budget.

Each division within the District has used 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 (CAD) software for all facilities. The study was completed in spring 2007.

The Fort Worth ISD Board of Education approved a \$593.6 million bond election for that will bring every school in the District up to standard in classroom technology and other initiatives to keep Fort Worth students competitive in a global marketplace.

The plan funds expansion, improvements and maintenance to the District, with 91.5 per cent of the funds going straight to the classroom.

Under the Capital Improvement Plan, the District would gain:

- 221 new classrooms in six new schools
- 122 new classrooms in eight existing schools
- Needed renovations to existing schools
- Improved technology instruction in every classroom
- Added measures of safety and security
- Improved athletic facilities

On November 6, 2007, the voters of the district authorized the sale of the bond issue.

FINANCIAL INFORMATION

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.

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, described above, tests are made to determine the adequacy of the internal controls, including that portion related to federal awards programs, as well as to determine that the District has complied 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 of Trustees. 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) varies within the District's many operating systems. Generally speaking, organizational units' expenditure requests are controlled at the fund-function-object, series-organization-program levels. District systems may 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 used through the 2007-2008 fiscal year, creates a 20 digit account code structure and requires budgetary control through the fund-function level. 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 reserved in the fund balance, but are treated as expenditures in the subsequent year upon receipt of goods and services.

The cost of operating schools and the revenues to cover these costs are accounted for through the General Fund. Special programs, primarily funded by the state or federal governments, which are designed to accomplish a particular objective, are accounted for in Special Revenue Funds.

The District allocates a portion of its tax rate for payment of bond interest and maturities and accounts for these transactions through its Debt Service Fund.

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities financed with bond proceeds.

The Enterprise Fund is used to account for the operations of the District's cafeterias and other food facilities. Revenues are derived primarily from charges to users and 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").

The Internal Service Fund is used to account for the accumulation of resources for the payment of employee claims and insurance policies as well as printing and postage charges to schools and departments and related costs.

The District also maintains Trust and Agency Funds which encompass both expendable and nonexpendable trusts as well as agency funds for student activity and other granting organizations.

Except for the Enterprise Fund, Internal Service Fund and the Nonexpendable Trust Fund, which are on an accrual basis, the District's other accounting records are maintained on a modified accrual basis. This format is prescribed by the Financial Accountability System Resource Guide of the Texas Education Agency. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Cash Management. Cash temporarily idle during the year was invested in a diversified portfolio consisting of demand deposits, obligations of the U.S. Treasury, the Local Government Investment Cooperative, the State Treasurer's Investment Pool, and in the case of bond proceeds collateralized flexible repurchase agreements. The District earned interest revenue of \$13.5 million on all investments for the year ended August 31, 2008. This represents a decrease of 8% from last year due to a drop in the interest rates.

The District's cash and investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral was held by the District's agents in the District's name. For 2007-2008, all investments were held by the District's depository bank (counterparty), in the District's name.

As evidenced by the diversity of its investment portfolio, the District is continuing to take advantage of additional investment opportunities available to it by virtue of House Bill ("HB")

1488. HB 1488 added several federal instruments to the list of authorized Texas school district investment vehicles. Safety of principal will continue to be foremost in the District's investment decisions. JPMorgan Chase N.A. was the official depository of the District, by contract, on August 31, 2008.

Risk Management. The District's risk management policies and practices incorporate all the functions of a sound risk management program. Included are surveys identifying potential risks, actions to address and correct those risks, and an overall plan to coordinate risk retention and risk transfer. A Risk Manager is employed to provide ongoing attention to the complex changes in health and workers' compensation benefits.

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 August 31, 2008.

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.

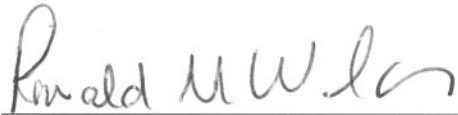
AWARDS

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 August 31, 2007. This was the twenty-second 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. Such a report 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

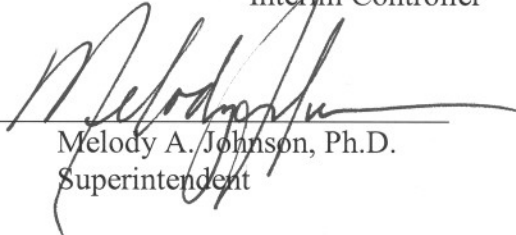
The preparation of this report on a timely basis could not have been accomplished without the dedicated efforts of the entire staff of the Accounting, Management & Budget, Purchasing, Division of Technology, and Communications Departments. Sincere appreciation for their time and efforts in this endeavor must be expressed. Also, thanks need to be extended to the Board of Trustees for their interest and support in the planning and operations of the financial services area of the District. Their concern that the business 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.



Ronald M. Wilson
Chief Financial Officer



Michele Beck, CPA
Interim Controller



Melody A. Johnson, Ph.D.
Superintendent

CERTIFICATE OF BOARD

Fort Worth Independent School District
Name of School District

Tarrant
County

220-905
Co.-Dist. Num.

We, the undersigned, do hereby certify that the attached auditors' report of the above named school district was reviewed and approved disapproved (check one) for the year ended August 31, 2008 at a meeting of the board of school trustees of such school district on the 20th day of January, 20 09.



Signature of Board Secretary



Signature of Board President

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fort Worth Independent School District, Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
August 31, 2007

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.



President

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 August 31, 2007

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

Gnome E. Brendel

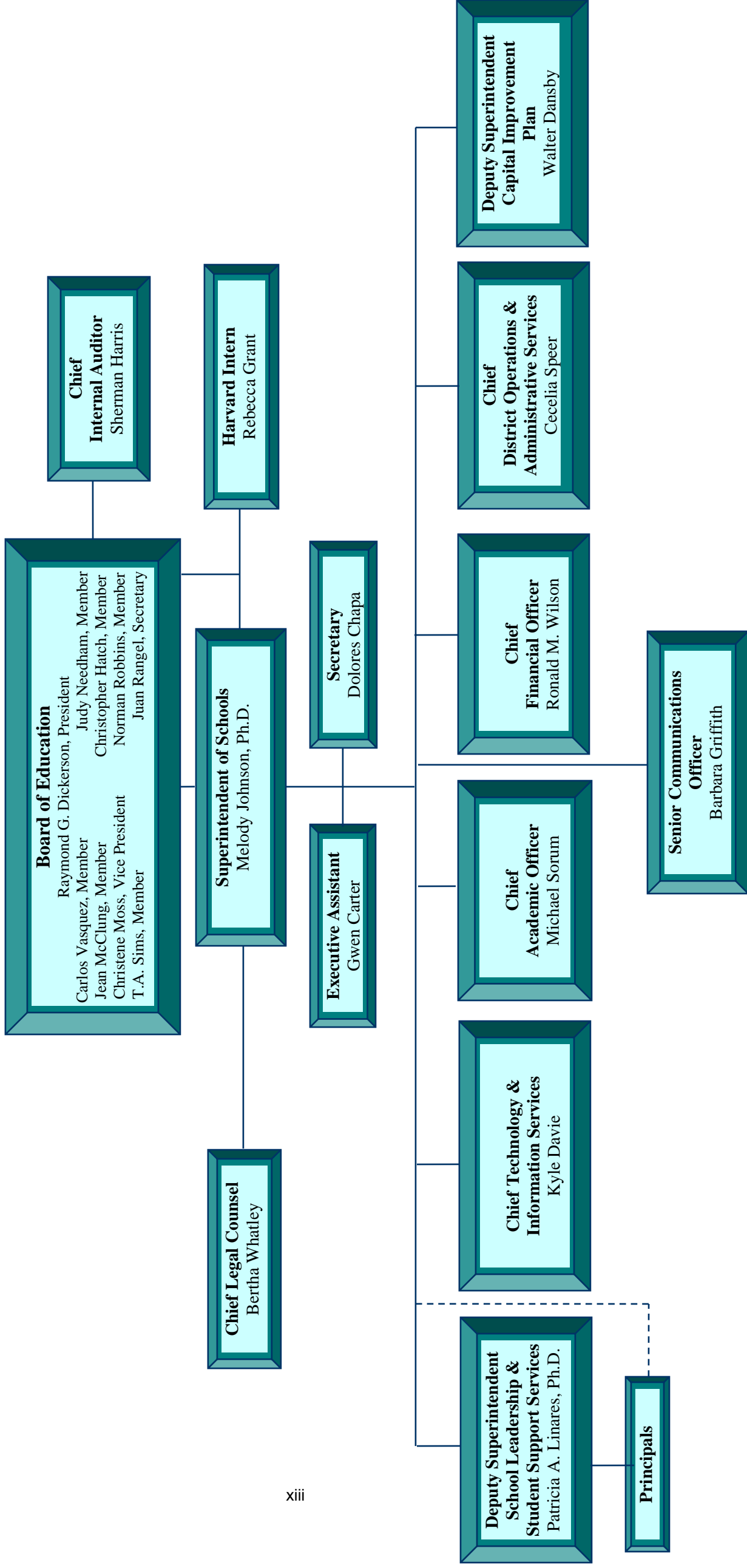
President

John D. Quasar

Executive Director

Fort Worth ISD Executive Staff

Revised: 10/22/08



BOARD MEMBERS AND THEIR DISTRICTS

RAYMOND DICKERSON

Board President

At Large

Elected 2008
Banker
Term expires 2012
2720 West 7th St.
76107, (817) 570-1000

CHRISTENE MOSS

Board Vice President

District 3

First elected 1990
State Nurse Surveyor
Term expires 2010
5625 Eisenhower
76112, (817) 429-9071

T. A. SIMS

Board Secretary

District 4

First elected 1983
Pharmacist
Term expires 2012
4421 Kingsdale Dr.
76119, (817) 534-6406

CHRISTOPHER R. HATCH

District 6

First elected 2004
CPA, Financial Planner
Term expires 2010
301 College Ave.
76104, (817) 332-3320

NORMAN ROBBINS

District 7

First elected 2004
Sr. Mgr., Community Relations
Term expires 2012
6144 Plum Valley Place
76116, (817) 731-8458

CARLOS VASQUEZ

District 1

Elected 2008
Educational Consultant
Term expires 2012
1214 Circle Park Blvd.
76106, (817) 625-7152

JEAN MCCLUNG

District 2

First elected 1990
Homemaker/Community
Volunteer
Term expires 2010
1744 Yolanda, 76112
(817) 446-3741

JUAN RANGEL

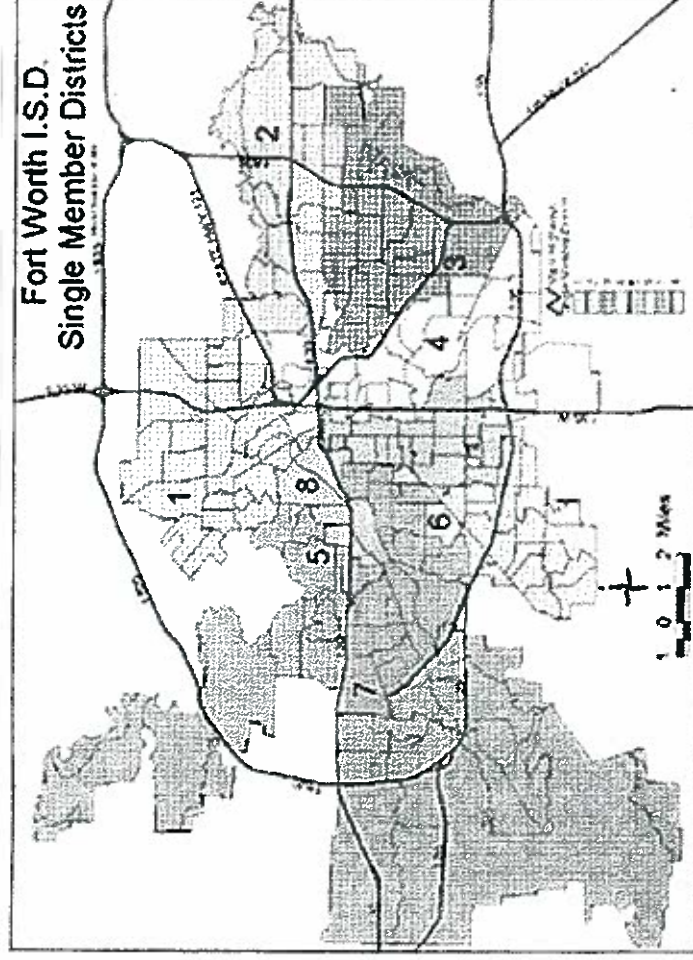
District 8

First elected 2000
Consultant
Term expires 2012
2259 Lipscomb
76110, (817) 923-3245

JUDY G. NEEDHAM

District 5

First elected 1996
Fundraising Consultant
Term expires 2010
5328 Collinwood Ave.
76107, (817) 732-0181



MELODY A. JOHNSON, PH.D.
Superintendent

FORT WORTH INDEPENDENT SCHOOL DISTRICT
SUPERINTENDENT'S CABINET

Melody A. Johnson, Ph.D.....Superintendent

Walter Dansby.....Deputy Superintendent -
FWISD, Capital Improvement Plan

Barbara Griffith.....Senior Communications Officer

Leslie James, Ed.D.....Assistant Superintendent
Policy, Planning & Governmental Relations

Patricia Linares, Ph.D.....Deputy Superintendent -
School Leadership & Student Support Services

Michael Sorum.....Chief Academic Officer

Cecilia Speer.....Chief, District Operations & Administrative Services

Bertha Bailey Whatley.....Chief Legal Counsel

Ronald M. Wilson.....Chief Financial Officer

Kyle Davie.....Chief, Technology & Information Services

BUSINESS/FINANCE DEPARTMENT

Michele Beck.....Interim Controller

Samella Wilson.....Assistant Controller

INTERNAL AUDIT

Sherman Harris.....Director, Internal Audit

ACCOUNTANTS AND ADVISORS

Weaver and Tidwell L.L.P.....Independent Auditors
Fort Worth, Texas

Kelly, Hart and Hallman.....Bond Counsel
Fort Worth, Texas

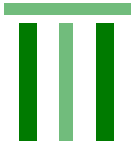
First Southwest Company.....Financial Advisors
Dallas, Texas



Fort Worth
INDEPENDENT SCHOOL DISTRICT

Financial section divider – 2 sided

Financial section divider – 2 sided



**WEAVER
AND
TIDWELL**

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

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 as of and for the year ended August 31, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Fort Worth Independent School 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 Fort Worth Independent School District as of August 31, 2008 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 13 and Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget to Actual: General Fund on page 65 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Board of Trustees
Fort Worth Independent School District

In accordance with Government Auditing Standards, we have also issued our report dated January 14, 2009, on our consideration of Fort Worth Independent School 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 the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fort Worth Independent School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for the purpose of additional analysis and are not a required part of the basic financial statements. This additional information is the responsibility of Fort Worth Independent School District's management. Such additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, other TEA required schedule section and statistical section listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements, and accordingly, we express no opinion on them.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
January 14, 2009

**Fort Worth Independent School District
Management's Discussion and Analysis
For the Year Ended August 31, 2008
(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 year ended August 31, 2008. Please read this section in conjunction with the transmittal letter, the independent auditors' report and the District's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- Total net assets for the District totaled \$340.5 million as of August 31, 2008. This was a decrease of 3.1% from the previous year.
- Expenses for the Governmental Activities increased \$67.2 million or 10.6% from the prior year and Business-Type Activities increased by \$4.1 million, or 13.9%.
- Net assets of the enterprise fund decreased by \$1,414,366 to \$6.0 million, a decrease of 19.0%.
- The total available general fund balance decreased by \$25.9 million from last year, to \$124.4 million.
- At the end of the current fiscal year, the unreserved, undesignated fund balance of the general fund was \$107.1 million, or 16.6% of total general fund expenditures.

USING THIS ANNUAL REPORT

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

The government-wide financial statements include the Statement of Net 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 fund statements offer short- and long-term financial information about the activities the government operates like businesses, such as food service. Fiduciary fund 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 in the financial statements and provide more detailed 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, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's tax base.

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.

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 you 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, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain 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.

We use internal service funds to report activities that provide supplies and services for the District's other programs and activities—such as the District's Insurance and Print Shop Funds.

- 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. We exclude these activities 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 approximately \$340.5 million on August 31, 2008 (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 \$170.7 million. These are funds available to fund the on-going activities of the District.

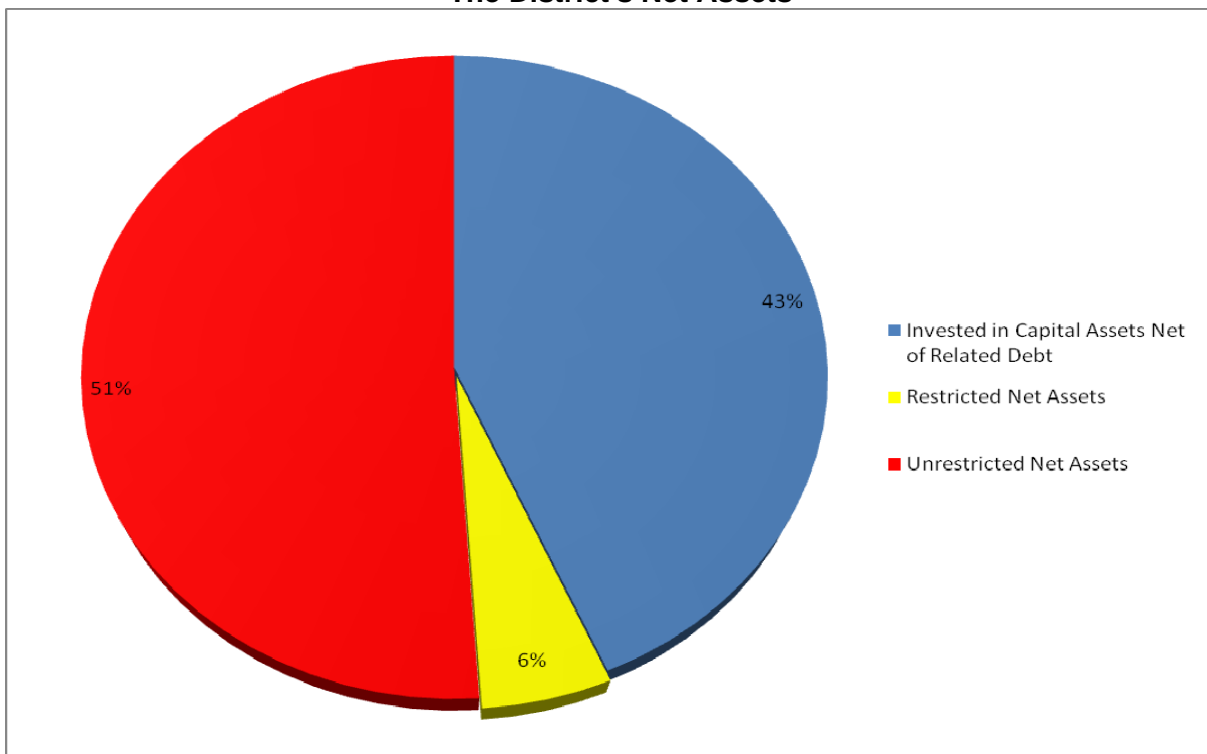
The restricted net assets of the business-type activities totaled \$6 million. These resources cannot be used for governmental activities. The District can generally only use these net assets to finance the continuing operations of its business activities in food service.

Year Ended August 31, 2008

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current Assets	\$477.4	\$265.7	\$6.3	\$7.6	\$483.7	\$273.3
Non-Current Assets	494.3	508.3	0.4	0.2	494.7	508.5
Total Assets	971.7	774.0	6.7	7.8	978.4	781.8
Current Liabilities	85.0	95.4	0.7	0.4	85.7	95.8
Non-Current Liabilities	552.2	334.5			552.2	334.5
Total Liabilities	637.2	429.9	0.7	0.4	637.9	430.3
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	145.3	152.9	0.4	0.2	145.7	153.1
Restricted Net Assets	18.4	16.9	5.6	7.2	24.1	24.1
Unrestricted Net Assets	170.7	174.3			170.7	174.3
Total Net Assets	\$334.4	\$344.1	\$6.0	\$7.4	\$340.4	\$351.5

The District's Net Assets



GOVERNMENT-WIDE ACTIVITIES

The District's total revenues were \$724.2 million. Of these amounts \$32.2 million were program revenues to operate is business type activities, which fund the district's food service operations and \$692 million were for governmental activities (see Table A-2).

The business type activities were funded primarily with operating grants, which totaled \$26.2 million or 81.4% of the total, with the remaining coming from charges for services, 18.2% and investment earnings, .4%.

A significant portion, 45.9%, of the District's governmental activities revenue came from property taxes. With the state's mandated reduction in property tax rates, tax revenues collected decreased by 14.96% from last year. State aid and state and federal grants and contributions were also a significant part of the District operations; representing 53.5% of the District's revenue. Revenues from the state foundation program increased by \$52.8 million, due to changes in program funding by the state mandated reduction in property tax. Investment income, charges for services and other revenue make up the remaining .6% of the District's total governmental activities revenue.

District's Total Revenue - Figure A-1

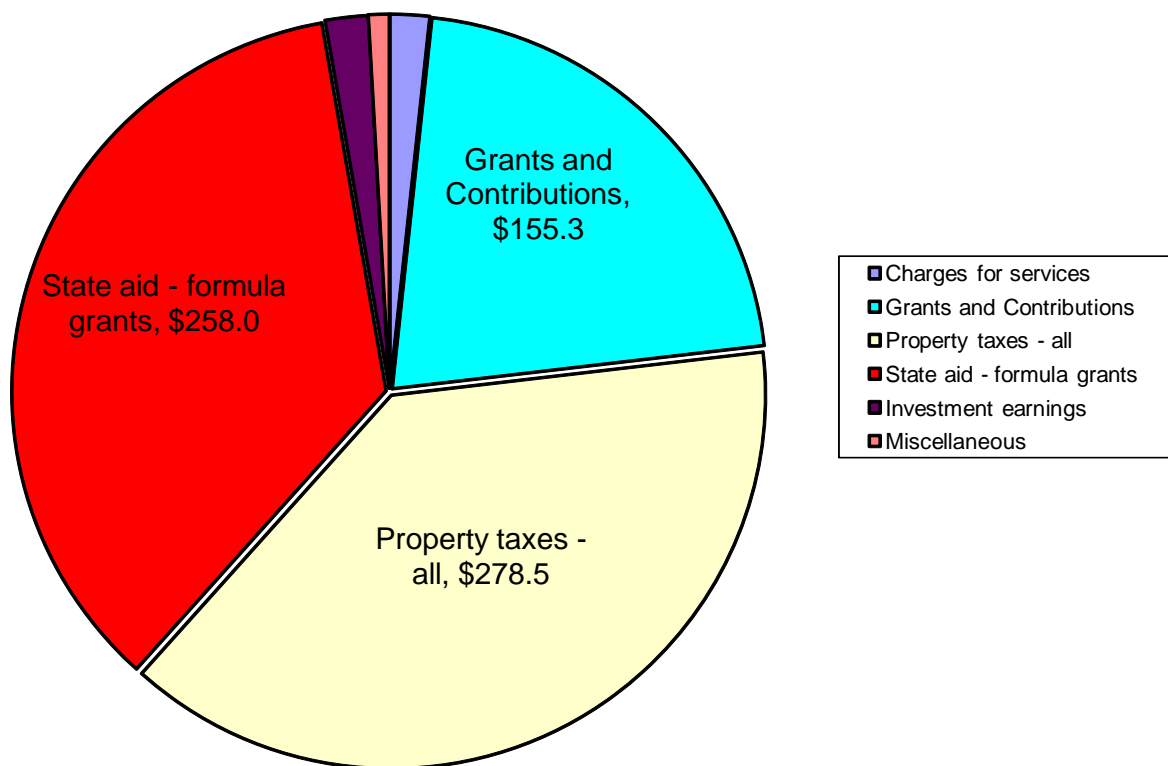


Table A-2
Changes in Net Assets
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
PROGRAM REVENUES:						
Charges for services	\$6.5	\$5.8	\$5.8	\$5.2	\$12.3	\$11.0
Operating Grants and Contributions	129.1	125.0	26.2	24.7	155.3	149.7
Capital Grants and Contributions		0.7				0.7
GENERAL REVENUE:						
Property taxes - Maintenance & Operations	243.2	296.4			243.2	296.4
Property taxes - Debt Service	35.3	31.1			35.3	31.1
State aid - formula grants	258.0	205.1			258.0	205.1
Investment earnings	13.3	14.4	0.1	0.3	13.4	14.7
Miscellaneous	6.5	4.4			6.5	4.4
TOTAL REVENUE	691.9	682.9	32.1	30.2	724.0	713.1
EXPENSES						
11 Instruction	387.6	349.2			387.6	349.2
12 Instructional resources and media services	11.9	11.8			11.9	11.8
13 Curriculum and staff development	31.1	26.8			31.1	26.8
21 Instructional leadership	14.7	11.8			14.7	11.8
23 School leadership	42.2	41.3			42.2	41.3
31 Guidance, counseling and evaluation services	29.5	28.7			29.5	28.7
32 Social work services	4.3	4.1			4.3	4.1
33 Health services	7.3	6.9			7.3	6.9
34 Student (pupil) transportation	20.9	16.7			20.9	16.7
35 Food services	0.2	0.5	33.5	29.6	33.7	30.1
36 Co curricular/Extracurricular activities	9.2	8.8			9.2	8.8
41 General administration	16.3	13.7			16.3	13.7
51 Plant maintenance and operations	75.1	66.5			75.1	66.5
52 Security and monitoring services	11.6	10.3			11.6	10.3
53 Data processing services	12.9	8.5			12.9	8.5
61 Community services	7.2	6.8			7.2	6.8
71 Debt service	16.0	18.4			16.0	18.4
81 Facilities acquisition and construction	0.1	0.3			0.1	0.3
95 Payments to juvenile justice alternative education programs	0.2	0.1			0.2	0.1
97 Payments to tax increment fund	3.2	3.2			3.2	3.2
Total Expenses	701.5	634.4	33.5	29.6	735.0	664.0
Increase in Net Assets	(9.6)	48.5	(1.4)	0.6	(11.0)	49.1
Beginning Net Assets	344.1	295.6	7.4	6.6	351.5	302.2
Other Changes				0.2	-	0.2
Ending Net Assets	<u>\$334.5</u>	<u>\$344.1</u>	<u>\$6.0</u>	<u>\$7.4</u>	<u>\$340.5</u>	<u>\$351.5</u>

CHANGES IN NET ASSETS

The total cost of governmental activities programs and services was \$701.6 million; 80% of these costs are for instructional and student services. The general administration represents 2.3% of the total cost, while maintenance and operations, which includes utilities and upkeep of the buildings, represented 10.7% of the total cost. Expenditures increased overall by \$67.1 or 10.6%. Total net assets for the District decreased by \$11 million, most of the decrease was in governmental activities with a decrease of \$9.6 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental funds totaled \$692.2 million. The increase in local revenues is the result of an increase in state aid. State program revenues increased due to funding by the state to fund the mandated property tax reduction.

Business-type activity revenues increased by \$700,000 due to increases in grants and contributions. There was also an increase in business-type expenses of \$4.1 million.

FUND BALANCE OF THE DISTRICT'S FUNDS

The total available fund balances available to the District was \$370.6 million, of this \$124.4 million is available in the General Fund. The \$124.4 represents a decrease of \$25.9 million from last year.

At the end of the current fiscal year, the unreserved and undesignated fund balance of the General Fund was \$107.1 million, an increase of \$6.1 million. In addition, \$12.1 million is designated for improving academic and technology programs and \$5.2 million is reserved for inventories and to fund prior year encumbrances carried forward. See the notes section for more information on these designations and reservations.

The federal grant fund reports no fund balance since unused balances are returned to the grantor at the close of the specified project periods. The debt service fund balance increased by \$2.0 million totaling \$16.1 million. This balance is managed as an integral part of the District's debt service program.

The capital projects fund balance increased by \$224.7 million. This increase was the result of a bond issuance in the Spring of 2008 for the amount of \$224.5 million and interest earnings on the unspent proceeds of \$2.7 million.

The non-major funds have a combined \$4.8 million fund balance. The largest part of this fund balance is the campus activity funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised its budget. These budget amendments generally fall 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.

With these adjustments, actual expenditures were \$10.6 million less than the final budget of \$587 million, and actual revenues and other sources were \$3.1 million more than the final budget of \$543 million.

The major budget changes from the original budget to the final approved budget were in the areas of data processing services, debt service, and facilities acquisition and construction. In DP Service, the budget was adjusted to cover the anticipated costs of the implementation of the District's new financial and human resources software, MUNIS. The DS budget was reduced due to the refunding of the Maintenance Tax Notes. The FA & C budget was increased to build and equip the Capital Program offices.

The largest budget variances were in state revenue (\$4.2 million) mainly due to a drop in the District's average daily attendance.

Funds were transferred from the General Fund to the Print Shop Internal Services Fund to cover a \$184,359 deficit. The Capital Projects Fund transferred \$501,553 to the General Fund to return part of the \$4,000,000 transferred in the 2006 fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008, the District had invested \$488 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. See Note 6 to the Financial Statements for more detailed analysis of the year's capital asset activity.

Table A-4
District's Capital Assets
(in millions of dollars)

	Governmental Activities		Business-type Activities	
	2007	2006	2007	2006
Land	\$44.7	\$44.7		
Buildings and Improvements	655.9	652.0		
Furniture and Equipment	72.9	69.0	\$11.0	\$11.0
Construction in Progress	.0	1.5		
Totals at historical cost	773.5	767.2	11.0	11.0
Total accumulated depreciation	(285.5)	(267.4)	(10.8)	(10.8)
Net capital assets	488.0	499.8	\$0.2	\$0.2

Debt Administration

On January 24, 2008, the District issued \$6,700,000 in Unlimited Tax Refunding Bonds. The bonds were used to refund 2008 through 2011 maturities of the Maintenance Tax Notes, Series 2004A and 2015 through 2018 maturities of the Maintenance Tax Notes, Series 2006. The refunding resulted in an increase in total debt service payments over the next ten years of \$471,187 and an economic loss (difference between the present values of the old and new debt service payments) of \$69,699.

On February 12, 2008, the District issued \$224,525,000 in School Building Unlimited Tax Bonds to be used for the acquisition of school buses, constructing and equipping school buildings, and for the acquisition of land for school buildings. The bonds have scheduled maturities between 2009 and 2028.

At year-end the District had \$534.3 million in outstanding long-term debt as shown in Table A-5, an increase of \$200.1 million from the prior fiscal year. More detailed information about the District's debt is presented in Note 9 to the Financial Statements.

Table A-5
District's Long Term Debt
(in millions of dollars)

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
Bonds Payable	\$534.3	\$327.5
Contractual Obligation	0.0	6.7
Compensation Payable	21.8	18.2
Total bonds and notes payable	<u>\$556.1</u>	<u>\$352.4</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Amounts available for appropriation in the general fund budget excluding existing fund balance are \$587.6 million. House Bill 1 was passed during the 79th Texas Legislature's third special session. HB1 changes included a compression of the previous statutory tax rate cap of \$1.50/\$100 for maintenance and operations. This has resulted in a decrease in property tax revenues. State revenues were increased to cover the decrease in the property tax revenues. The District's maintenance and operations tax rate for 2008-09 is \$1.04/\$100; the debt rate is \$0.217/\$100.

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 "Aa2" and Standard & Poors "AA".

The expenditure budget for 2008-09 has increased to provide for the District's strategic goals. District priorities include competitive compensation for teachers & administrators, additional curriculum and instruction, PEAK initiative, and adding teacher in secondary schools.

The adopted budget for 2008-09 utilizes \$27.10 million of the District's undesignated general fund balance and \$15 million of the District's designated fund balance. With this budgeted use of fund balance, the unreserved and undesignated fund balance for August 31, 2008 is estimated at \$63 million.

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, contact the Chief Financial Officer, or the District Controller's office at 100 N. University Drive, Fort Worth, Texas 76107, or by calling (817) 871-2100.



Basic Financial Statements



Government-Wide Financial Statements



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2008**

EXHIBIT A-1

DATA CONTROL CODES		Governmental Activities	Business-type Activities	Total
	<u>ASSETS</u>			
	Current Assets:			
1110	Cash and Temporary Investments	\$412,948,233	\$3,170,203	\$416,118,436
1220	Property Taxes	30,324,775		30,324,775
1230	Allowance for Uncollectible Taxes	(9,665,415)		(9,665,415)
1240	Due from Other Governments	33,727,876	622,248	34,350,124
1250	Accrued Interest Receivable	2,191,352		2,191,352
1290	Other Receivables	1,549,219		1,549,219
1310	Inventories	2,564,559	2,502,180	5,066,739
1410	Deferred Expenditures/Expenses	100,000		100,000
1430	Debt Issuance Costs	3,282,946		3,282,946
1490	Other Current Assets	383,025		383,025
	Total Current Assets	477,406,570	6,294,631	483,701,201
	Noncurrent Assets:			
1510	Depreciable, net	437,380,463	11,364,879	448,745,342
1520	Nondepreciable	50,456,733	(10,916,045)	39,540,688
1900	Long Term Investments	6,500,000		6,500,000
	Total Noncurrent Assets	494,337,196	448,834	494,786,030
1000	TOTAL ASSETS	971,743,766	6,743,465	978,487,231
	<u>LIABILITIES</u>			
	Current Liabilities:			
2110	Accounts Payable and Accrued Liabilities	20,062,775	655,952	20,718,727
2140	Interest Payable	2,901,941		2,901,941
2160	Accrued Wages Payable	18,223,291		18,223,291
2170	Due to Fiduciary Funds	1,480,333		1,480,333
2180	Due to Other Governments	4,619,697	10,749	4,630,446
2190	Due to Student Groups	13,613		13,613
2210	Accrued Expenditures	4,649,388		4,649,388
2121	Bonds Payable	25,675,000		25,675,000
2123	Compensated Absences	5,161,695		5,161,695
2310	Unearned Revenue	2,267,571	57,135	2,324,706
	Total Current Liabilities	85,055,304	723,836	85,779,140
	Noncurrent Liabilities:			
2210	Accrued Expenditures	7,370,542		7,370,542
2510	Bonds Payable	508,665,962		508,665,962
2121	Deferred Loss on Refunding	(13,819,971)		(13,819,971)
2510	Premium on Bonds	33,419,023		33,419,023
2590	Other Debt Payable	16,601,107		16,601,107
	Total Noncurrent Liabilities	552,236,663		552,236,663
2000	TOTAL LIABILITIES	637,291,967	723,836	638,015,803
3800	<u>NET ASSETS</u>			
3200	Invested in capital assets, net of related debt	145,313,995	448,834	145,762,829
3800	Restricted net assets:			
	Debt Service	18,424,880		18,424,880
	Food Service	-	5,570,795	5,570,795
3900	Unrestricted net assets	170,712,924		170,712,924
3000	TOTAL NET ASSETS	\$334,451,799	\$6,019,629	\$340,471,428

See Notes to Financial Statements



FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2008

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
11 Instructional resources and media services	\$387,636,765	\$5,976,475	\$70,207,216		(\$311,453,074)		(\$311,453,074)
12 Instructional staff development	11,855,870		2,295,363		(\$9,560,507)		(9,560,507)
13 Curriculum development and instructional staff development	31,099,018		26,804,907		(\$4,294,111)		(4,294,111)
21 Instructional leadership	14,688,568		5,016,190		(\$9,672,378)		(9,672,378)
23 School leadership	42,210,410		2,793,542		(\$39,416,868)		(39,416,868)
31 Guidance, counseling, and evaluation services	29,511,449		3,900,540		(\$25,610,909)		(25,610,909)
32 Social work services	4,256,897		387,052		(\$3,869,845)		(3,869,845)
33 Health services	7,304,766		998,095		(\$6,306,671)		(6,306,671)
34 Student (pupil) transportation	20,855,849		1,515,828		(\$19,340,021)		(19,340,021)
35 Food services	244,405		81,736		(\$162,669)		(162,669)
36 Cocurricular/Extracurricular activities	9,191,708	478,761	436,861		(\$8,276,086)		(8,276,086)
41 General administration	16,287,335		976,743		(\$15,310,592)		(15,310,592)
81 Facilities acquisition and construction - noncapitalizable	132,590		115,217		(\$17,373)		(17,373)
95 Payments to Juvenile Justice Alternative Education Prgm:	228,225		11,048		(217,177)		(217,177)
97 Payments to Tax Increment Fund	3,201,835		190,711		(3,011,124)		(3,011,124)
51 Plant maintenance and operations	75,128,938		3,662,919		(\$71,466,019)		(71,466,019)
52 Security and monitoring services	11,580,746		662,886		(\$10,917,860)		(10,917,860)
53 Data processing services	12,907,473		979,549		(\$11,927,924)		(11,927,924)
61 Community services	7,158,339		1,346,936		(\$5,811,403)		(5,811,403)
71 Debt service interest	16,024,902		6,616,254		(\$9,408,648)		(9,408,648)
93 Payments to Fiscal Agent	141,039		141,039				
Total governmental activities	701,647,127	6,455,236	129,140,632		(566,051,259)		(566,051,259)
Business-type activities:							
Food Service	33,565,119	5,833,544	26,183,832		(\$1,547,743)		(1,547,743)
Total business-type activities	33,565,119	5,833,544	26,183,832		(1,547,743)		(1,547,743)
Total primary government	\$735,212,246	\$12,288,780	\$155,324,464		(\$567,599,002)		(\$567,599,002)
General revenues:							
Taxes:							
Property taxes - Maintenance & Operations					243,217,453		243,217,453
Property taxes - Debt Service					35,289,258		35,289,258
State aid-formula grants					257,954,089		257,954,089
Investment earnings					13,255,462	133,377	13,388,839
Miscellaneous					6,539,155		6,539,155
Special items:							
Gain on Sale of Land					159,616		159,616
Total general revenues and special items					556,415,033	133,377	556,548,410
Change in net assets					(9,636,226)	(1,414,366)	(11,050,592)
Net assets - beginning					344,088,024	7,433,995	351,522,019
Net assets - ending					\$334,451,799	\$6,019,629	\$340,471,428



Fund Financial Statements



Governmental Fund Financial Statements

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2008**

EXHIBIT C-1

DATA CONTROL CODES	MAJOR FUNDS				NONMAJOR 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	TOTAL GOVERNMENTAL FUNDS	
<u>ASSETS</u>							
1110	Cash and Temporary Investments	\$104,459,771	\$1,554,436	\$17,324,647	\$232,360,212	\$7,948,193	\$363,647,259
1220	Property Taxes Receivable	24,478,755		5,846,020			30,324,775
1230	Allowance for Uncollectible Taxes	(7,802,113)		(1,863,302)			(9,665,415)
1240	Due from Other Governments	23,947,759	6,357,078			3,423,039	33,727,876
1250	Accrued Interest Receivable	895,440			1,295,912		2,191,352
1260	Due from Other Funds	11,788,221		17,054		145,809	11,951,084
1290	Other Receivables	1,479,622	8,420			61,177	1,549,219
1310	Inventories	2,564,559					2,564,559
1410	Deferred Expenditures/Expenses	100,000					100,000
1490	Other Current Assets	144,887					144,887
1910	Long Term Investments	6,500,000					6,500,000
1000	TOTAL ASSETS	\$168,556,901	\$7,919,934	\$21,324,419	\$233,656,124	\$11,578,218	\$443,035,596
<u>LIABILITIES</u>							
2110	Accounts Payable and Accrued Liabilities	\$8,711,706	\$314,215		\$5,468,108	\$465,070	\$14,959,099
2140	Interest Payable			\$1,287,941			\$1,287,941
2150	Payroll Deductions and Withholdings	1,024,259					1,024,259
2160	Accrued Wages Payable	18,148,172	16,286			58,833	18,223,291
2170	Due to Other Funds	341,667	6,119,302		2,951,232	4,033,298	13,445,499
2180	Due to Other Governments	13,744	1,464,878			1,301	1,479,923
2190	Due to Student Groups					13,613	13,613
2300	Deferred Revenue	15,620,177	5,253	\$3,980,316		2,173,520	21,779,266
2400	Other Payables	248,227					248,227
2000	TOTAL LIABILITIES	44,107,952	7,919,934	5,268,257	8,419,340	6,745,635	72,461,118
<u>FUND EQUITY</u>							
Fund Balances:							
Reserved For:							
3410	Inventory	2,564,559					2,564,559
3420	Retirement of Long-term Debt			16,056,162			16,056,162
3440	Outstanding Encumbrances	2,632,083					2,632,083
3490	Capital Projects				225,236,784		225,236,784
3590	Unreserved, Designated	12,122,295					12,122,295
3600	Unreserved, Undesignated - General Fund	107,130,012					107,130,012
	Unreserved, Undesignated reported in in Special Revenue Funds					4,832,583	4,832,583
3000	TOTAL FUND EQUITY	124,448,949		16,056,162	225,236,784	4,832,583	370,574,478
4000	TOTAL LIABILITIES AND FUND EQUITY	\$168,556,901	\$7,919,934	\$21,324,419	\$233,656,124	\$11,578,218	\$443,035,596

See Notes to Financial Statements

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2008**

EXHIBIT C-2

Total fund balances - governmental funds (Exhibit C-1)		\$370,574,478
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.		487,837,196
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.		19,511,695
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 Deferred Loss on Refunding	3,282,946 <u>13,819,971</u>
		17,102,917
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.		30,562,300
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	(534,340,962)
	Premium on Bonds	(33,419,023)
	Accrued interest on the bonds	(1,614,000)
	Compensated Absences	(21,762,802)
		<u>(591,136,787)</u>
Total net assets - governmental activities (Exhibit A-1)		<u>\$334,451,799</u>

See Notes to Financial Statements

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2008**

EXHIBIT C-3

	MAJOR FUNDS				NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
	100 - 199 GENERAL FUND	200 - 379 FEDERAL GRANT FUND	500 - 599 DEBT SERVICE FUND	600 - 698 CAPITAL PROJECTS	380 - 499 OTHER GOVERNMENTAL FUNDS	
REVENUES						
5700 Local and intermediate sources	\$260,917,185		\$35,540,547	\$2,683,584	\$7,129,579	\$306,270,895
5800 State program revenues	280,756,487		6,666,363		24,706,156	312,129,006
5900 Federal program revenues	5,117,684	\$67,233,089			1,503,439	73,854,212
Total Revenues	546,791,356	67,233,089	42,206,910	2,683,584	33,339,174	692,254,113
EXPENDITURES						
Current:						
11 Instruction	313,200,655	37,072,660		4,841,374	23,772,009	378,886,698
12 Instructional resources and media services	9,827,401	1,578,126			61,687	11,467,214
13 Curriculum development and instructional staff development	8,394,376	19,850,083			2,123,038	30,367,497
21 Instructional leadership	10,399,278	1,755,428			2,167,281	14,321,987
23 School leadership	40,307,948	520,217			432,756	41,260,921
31 Guidance, counseling, and evaluation services	26,208,020	2,468,528			376,214	29,052,762
32 Social work services	3,935,096	72,225			143,703	4,151,024
33 Health services	6,450,457	602,824			83,097	7,136,378
34 Student (pupil) transportation	20,030,316	337,960		4,325,952	147,063	24,841,291
35 Food services	245,232	3,367			69,172	317,771
36 Cocurricular/Extracurricular activities	8,791,351	3,702		4,956	191,415	8,991,424
41 General administration	15,656,289	218,877		6,752	17,220	15,899,138
51 Plant maintenance and operations	73,787,789	55,076		83,094	92,635	74,018,594
52 Security and monitoring services	11,027,720	141,211			121,154	11,290,085
53 Data processing services	18,491,053	12,537				18,503,590
61 Community services	4,565,521	2,441,266			179,829	7,186,616
Debt Service:						
71 Principal			18,797,629			18,797,629
71 Interest & Issuance Costs	7,536		21,119,040	1,679,026		22,805,602
Capital Outlay:						
81 Facilities acquisition and construction	2,380,073			9,267,171	177,704	11,824,948
Intergovernmental:						
93 Payments to Fiscal Agent		99,002			42,037	141,039
95 Payments to Juvenile Justice Alternative Education Programs	228,225					228,225
97 Payments to Tax Increment Fund	2,897,301		304,534			3,201,835
Total Expenditures	576,831,637	67,233,089	40,221,203	20,208,325	30,198,014	734,692,268
Excess (deficiency) of revenues over expenditures	(30,040,281)		1,985,707	(17,524,741)	3,141,160	(42,438,155)
OTHER FINANCING SOURCES (USES)						
7911 Sale of Bonds			6,700,000	224,525,000		231,225,000
7916 Premium or Discount on Bond Issuance			160,094	18,188,526		18,348,620
8949 Other Uses - Debt Refunding			(6,813,897)			(6,813,897)
7915 Transfers in	501,553					501,553
8911 Transfers out	(184,359)			(501,553)		(685,912)
Total other financing sources and uses	317,194		46,197	242,211,973		242,575,364
SPECIAL ITEM						
7912 Proceeds from Sale of Land	3,729,317					3,729,317
Net change in fund balances	(25,993,770)		2,031,904	224,687,232	3,141,160	203,866,527
Fund balances - beginning	150,442,718		14,024,258	549,552	1,691,423	166,707,951
Fund balances - ending	\$124,448,949		\$16,056,162	\$225,236,784	\$4,832,583	\$370,574,478

See Notes to Financial Statements

**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 AUGUST 31, 2008**

	Net change in fund balances - total governmental funds (Exhibit C-3)		\$203,866,527
	Amounts reported for governmental activities in the statement of activities are different because:		
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 depreciation exceeded capitalized expenditures in the current period.	Capital Outlay Added 23,884,631 Capital Outlay Removed (3,569,701) Depreciation Expense (20,476,037)	(161,107)
2	Statement of activities reports an increase in revenues due to current activity in deferred revenues which is not reported at fund level.		(406,585)
3	Some expenses reported in the fund level financials are deferred in the government-wide financials - change in debt issuance and accrued interest on bonds payable		(616,752)
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 repayments exceeded proceeds.		(220,125,523)
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.		7,807,215
	Change in net assets of governmental activities (Exhibit B-1).		(\$9,636,226)

See Notes to Financial Statements



Proprietary Fund Financial Statements



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
AUGUST 31, 2008**

EXHIBIT D-1

DATA CONTROL CODES	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	700 - 749	750 - 799
	FOOD SERVICE	PRINT SHOP & INSURANCE FUNDS
ASSETS		
Current assets:		
1110	Cash and temporary investments	\$49,300,974
1240	Due from other governments	
1260	Due from other funds	184,359
1290	Other Receivables	
1310	Inventories	
1410	Prepaid Insurance	238,138
	Total current assets	49,723,471
Noncurrent assets:		
Capital assets:		
1530	Furniture and equipment	18,700
1573	Less accumulated depreciation	(18,700)
	Total noncurrent assets	
	Total assets	49,723,471
LIABILITIES		
Current liabilities:		
2110	Accounts payable & accrued liab.	3,831,190
2170	Due to other funds	170,277
2180	Due to other governments	3,139,774
2310	Unearned Revenue	
2210	Accrued Expenses	4,649,388
	Total current liabilities	11,790,629
Noncurrent Liabilities:		
2210	Accrued Expenses	7,370,542
	Total noncurrent liabilities	7,370,542
	Total liabilities	19,161,171
NET ASSETS		
3200	Invested in capital assets	
3800	Restricted - insurance claims	30,562,300
3800	Restricted - food service	
	Total net assets	\$30,562,300

See Notes to Financial Statements

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINED STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2008**

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	\$5,598,439	\$54,515,168
Cash payments to employees for services	(16,691,000)	(774,423)
Cash payments for insurance claims		(48,487,488)
Cash payments to suppliers for goods and services	(13,981,198)	573,730
Cash payments for operating costs	(16,347)	(14,004)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(25,090,106)	5,812,983
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Non-operating grants received	23,805,412	
Transfer from Other Funds		184,359
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	23,805,412	184,359
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Purchase of capital assets	(550,725)	
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(550,725)	
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest on investments	133,377	
NET CASH PROVIDED BY INVESTING ACTIVITIES	133,377	
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,702,042)	5,997,342
CASH AND CASH EQUIVALENTS - SEPTEMBER 1	4,872,245	43,303,632
CASH AND CASH EQUIVALENTS - AUGUST 31	\$3,170,203	\$49,300,974
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	(\$27,966,680)	\$7,622,856
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	297,800	
Commodities used	2,582,708	
Changes in assets and liabilities:		
Receivables		378
Inventories	(351,751)	
Accounts Payable	394,448	(9,809)
Accrued Liabilities	46,879	(3,552,834)
Due from Other Funds		1,752,392
Due to Other Funds	(104,259)	
Due to other Governments	10,749	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(\$25,090,106)	\$5,812,983

See Notes to Financial Statements



Fiduciary Fund Financial Statements



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
AUGUST 31, 2008**

EXHIBIT E-1

DATA CONTROL CODES		<u>AGENCY FUND</u>	<u>PRIVATE PURPOSE TRUSTS</u>
		849 - 890	829 - 836
	<u>ASSETS</u>		
1110	Cash and Temporary Investments	\$326,438	\$998,647
1260	Due from Other Funds	1,480,333	
1910	Long-term Investments		23,190
1000	TOTAL ASSETS	<u>\$1,806,771</u>	<u>\$1,021,837</u>
	<u>LIABILITIES</u>		
2110	Accounts Payable	\$7,923	\$2,000
2190	Due to Student Groups	1,480,333	
2420	Amounts held for Granting Agencies	318,515	159,743
2000	TOTAL LIABILITIES	<u>1,806,771</u>	<u>161,743</u>
	<u>NET ASSETS</u>		
3000	Held in trust for Scholarships		<u>\$860,094</u>
3000	TOTAL NET ASSETS	<u><u> </u></u>	<u><u>\$860,094</u></u>

See Notes to Financial Statements

FORT WORTH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN PRIVATE PURPOSE TRUSTS NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED AUGUST 31, 2008

EXHIBIT E-2

	PRIVATE PURPOSE TRUSTS
	829 - 836
ADDITIONS	
Contributions:	
Donor	\$35,132
Total additions	35,132
 DEDUCTIONS	
Scholarships granted	13,084
Total deductions	13,084
Change in net assets	22,048
Net assets - beginning of the year	838,046
Net assets - end of the year	\$860,094

See Notes to Financial Statements

Notes to the 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 - 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 of self-balancing accounts that comprise its assets, liabilities, fund balance, retained earnings, revenues and expenditures/expenses. The following funds are used by the District:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Governmental Funds

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

Federal Grant Funds – used to account for the financial resources of federal program grants. The District has identified the Federal Grant Funds is considered 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 Nonmajor Governmental Funds - used to account for proceeds of specific programs that are legally restricted to expenditures for specified purposes. Other Governmental Funds are Special Revenue Funds received from local sources like property taxes, interest and other local sources; received from state sources for per capita and foundation or other state program revenues; or received from federal sources for program revenues as a pass through the state or other governmental agency or direct from the federal government.

Proprietary Funds

Enterprise Fund (Food Service) - 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 claims and insurance policies. 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 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 printing activities are 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.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.

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 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 is 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.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

Agency funds are reported using the accrual basis of accounting.

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.

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 *nonoperating* 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 nonoperating revenues and expenses.

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

Cash and Cash Equivalents - For the purposes of the statement of cash flows for the Proprietary Funds, investments are considered to be cash equivalents if they are highly liquid with maturity within three months or less when purchased.

Investments - Investments are, generally, 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 is 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. Inventory is recorded under the consumption method, and the costs are recorded as expenditures at the time individual inventory items are distributed to the various user locations.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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 seven years.

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

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

The capitalization threshold for recording capital assets 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 worked on a 240 or more day contract 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 \$1,941,178 including salary related payments.

Employees accrue between ten to 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 10.

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.

Comparative Data - Comparative data in each of the statements has not been included since their inclusion would make the combined statements unduly complex and difficult to read.

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 presented in

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

the Financial Accountability System Resource Guide. Mandatory codes are recorded in the order provided in that section.

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.

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

- a. Name of depository bank: JPMorgan Chase N.A.
- b. Amount of bond and/or security pledged (market value) as of the date of the highest combined balance on deposit was \$31,333,804.
- c. Largest cash, savings and time deposit combined account balance was \$31,333,804 and occurred during the month of July 2008.
- d. Total amount of FDIC coverage at the time of largest combined balance was \$100,000.

Investment Type	Fair Value	Book Value	Percent of Assets	Weighted Average Maturity (Days)	Credit Rating	
					Standard & Poor's	Moody's
Cash in Bank	\$ (4,827,229)	\$(4,827,229)	n/a			
Mutual Funds						
Highmark Funds	23,190	23,190	0.01%	1	A	A
U.S. Government Agency Obligations:						
Fannie Mae (FNMA)	68,900,842	69,078,188	16.11%	247	AAA	Aaa
Freddie Mac (FHLMC)	50,967,175	51,085,886	11.91%	164	AAA	Aaa
Federal Home Loan Bank (FHLB)	122,294,477	122,487,998	28.57%	184	AAA	Aaa
Federal Farm Credit Bank (FFCB)	3,004,687	2,999,662	0.70%	40	AAA	Aaa
Local Government Investment Pools						
MBIA Texas Class	92,789,214	92,789,214	21.64%	40	AAAm	n/a
TexPool	24,899,924	24,899,924	5.81%	44	AAAm	n/a
TexSTAR	65,136,149	65,136,149	15.19%	36	AAAm	n/a
Bank Deposits & Money Markets						
JPMorgan Chase Bank-High Yield	293,729	293,729	.07%	1	AA	AA
Total	\$423,482,158	\$423,966,711	100.00%	64		

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

2. CASH AND INVESTMENTS - continued

The market value of investments is \$484,553 less than the book value reported by the District. As required by GASB Statement No. 31, the District recognizes the net unrealized gain/loss on investments with a maturity date greater than one year from the acquisition date and investments that are callable.

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. State law limits investments in commercial paper to not less than A-1 or P-1 or equivalent rating by at least two nationally recognized credit rating agencies. As of August 31, 2008, the District had no commercial paper in the 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 by Standard & Poor's. As of August 31, 2008 the District's investment in these pools were \$182,825,287 with a fair value of \$182,825,287. Investments in Fannie Mae (FNMA), Federal 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.

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: Fannie Mae (FNMA) at 16.11%, Freddie Mac (FHLMC) at 11.91%, Federal Home Loan Bank (FHLB) at 28.57%, MBIA Texas Class at 21.64%, TexSTAR at 15.19%, and TexPool at 5.81%.

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, were fully collateralized. The district's collateral policy is governed by Texas Government Code 2257.023.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by third parties were fully collateralized and held in the District's name.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

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, 2008 were \$1.04 and \$.15 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 August 31, 2008, taxes receivable, net of estimated uncollectible taxes, aggregated \$16,676,642 and \$3,982,718 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 uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written-off, but the District is prohibited from writing-off real property taxes without specific statutory authority from the Texas Legislature.

The District has entered into an agreement with Tarrant County ("County") whereby the County bills and collects the District's property taxes.

The legislation which created county education districts ("CED's"), Texas House Bill 351, was declared unconstitutional by the Texas Supreme Court. The Texas legislature enacted Senate Bill 7 which abolished CED's effective as of September 1, 1993. The District currently receives any delinquent CED payments from the County.

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.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

5. INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Due From</u>	<u>Due To</u>
General Fund:		
Special Revenues	\$ 8,666,712	\$ 140,254
Debt Service		17,054
Capital Projects	2,951,232	
Internal Service	170,277	184,359
Special Revenues:		
General Fund	140,254	8,666,712
Special Revenues	5,555	5,555
Agency Funds		1,480,333
Debt Service:		
General Fund	17,054	
Capital Projects:		
General Fund		2,951,232
Internal Service:		
General Fund	184,359	170,277
Agency Funds:		
Internal Service	1,480,333	
Total	<u>\$13,615,776</u>	<u>\$13,615,776</u>

Interfund balances relate primarily to amounts paid by one fund on behalf of another and will be repaid or collected in the normal course of business, within one year of the end of the fiscal year-end.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

6. INTERFUND TRANSFERS

	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>	<u>PURPOSE</u>
Transfers:			
General Fund:			
Capital Projects Fund	\$501,553		Return unused transfer of funds from prior year
Internal Service Fund:			
Print shop Fund		\$184,359	Payment of expenditures
Capital Projects Fund		501,553	Return unused transfer of funds from prior year
Internal Service Fund:			
Print shop Fund			
General Fund	184,359		Payment of expenditures
TOTAL	\$685,912	\$685,912	

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 Printshop.

7. CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2008 was as follows

	Primary Government			Ending Balance
	Beginning Balance	Increase	Decrease	
Governmental activities:				
<u>Capital assets not being depreciated</u>				
Land	\$44,733,524	\$165,490	(\$3,569,701)	\$41,329,313
Construction in Progress	-	9,127,420	-	9,127,420
Total capital assets not being depreciated	\$44,733,524	\$9,292,910	(\$3,569,701)	\$50,456,733
<u>Other capital assets</u>				
Buildings and Improvements	\$655,909,652	\$5,213,765	(\$7,760)	\$661,115,657
Furniture and Equipment	72,909,191	9,377,956	(10,466,774)	71,820,373
Total other capital assets at historical cost	\$728,818,843	\$14,591,721	(\$10,474,534)	\$732,936,030
<u>Accumulated depreciation:</u>				
Buildings and Improvements	\$239,708,968	\$16,231,970	\$0	\$255,940,938
Furniture and Equipment	45,837,336	4,244,067	(10,466,774)	39,614,629
Total accumulated depreciation	285,546,304	20,476,037	(10,466,774)	295,555,567
Other capital assets, net	443,272,539	(5,884,316)	(7,760)	437,380,463
Governmental activities capital assets, net	\$488,006,063	\$3,408,594	(\$3,577,461)	\$487,837,196
<u>Business-type activities:</u>				
Furniture and Equipment	\$10,977,590	\$550,725	(\$163,436)	\$11,364,879
Totals at historical cost	10,977,590	550,725	(163,436)	11,364,879
Less accumulated depreciated depreciation for:				
Furniture and Equipment, Net of Prior Period	10,781,681	297,800	(163,436)	10,916,045
Business-type activities capital assets, net	\$195,909	\$252,925	\$0	\$448,834

Depreciation expense was charged to functions as follows:

Governmental activities:	
11 Instruction	\$11,496,157
12 Instruction resources and media services	359,873
13 Curriculum development and instructional personnel department	935,078
21 Instructional administration	441,258
23 School administration	1,270,398
31 Guidance and counseling services	887,439
32 Attendance and social work services	127,806
33 Health Services	219,723
34 Student (pupil) transportation	766,729
35 Food Services	9,784
36 Cocurricular/Extracurricular activities	276,838
41 General Administration	489,567
51 Plant Maintenance and operations	2,278,031
52 Security and monitoring services	347,612
53 Data processing services	569,744
Total governmental activities depreciation expens	\$20,476,037

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

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 August 31, 2008 was zero.

9. LONG-TERM LIABILITIES

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

	Balance August 31, 2007	Additions/ Adjustments	Reductions	Balance August 31, 2008	Amounts Due Within One Year
General obligation - principal General obligation bonds	\$319,581,124	\$231,225,000	\$18,797,629	\$532,008,495	\$23,748,500
Accretion on capital appreciation bonds	<u>7,894,240</u>	<u>385,598</u>	<u>5,947,371</u>	<u>2,332,467</u>	<u>1,926,500</u>
Total General Obligation Bonds	327,475,364	231,610,598	24,745,000	534,340,962	25,675,000
Compensated absences payable	16,305,186	5,648,890	2,132,452	19,821,624	2,132,452
Vacation payable	1,904,459	3,065,962	3,029,243	1,941,178	3,029,243
Contractual Obligations	<u>6,710,000</u>	<u> </u>	<u>6,710,000</u>	<u> </u>	<u> </u>
Total	<u>\$352,395,009</u>	<u>\$240,325,450</u>	<u>\$36,616,695</u>	<u>\$556,103,764</u>	<u>\$30,836,695</u>

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

Premium on the bonds in the amount of \$33,419,023 and the Deferred Amount on Refunding in the amount of \$(13,819,971) are not reflected in the note above.

There is \$16,056,162 in the Debt Service Fund at August 31, 2008 to service the general obligation bonds.

On January 24, 2008, the District issued \$6,700,000 in Unlimited Tax Refunding Bonds. The bonds were used to refund 2008 through 2011 maturities of the Maintenance Tax Notes, Series 2004A and 2015 through 2018 maturities of the Maintenance Tax Notes, Series 2006. The refunding resulted in an increase in total debt service payments over the next ten years of \$471,187 and an economic loss (difference between the present values of the old and new debt service payments) of \$69,699.

On February 12, 2008, the District issued \$224,525,000 in School Building Unlimited Tax Bonds to be used for the acquisition of school buses, constructing and equipping school buildings, and for the acquisition of land for school buildings. The bonds have scheduled

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

9. LONG-TERM LIABILITIES - continued

maturities between 2009 and 2028.

The District defeased certain outstanding general obligation bonds from the 1999, 2001, and 2001A General Obligation Series and the 2004A and 2006 Series Maintenance Tax Notes 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 August 31, 2008 the following outstanding bonds are considered defeased:

1999	General Obligation Series	\$55,440,000
2000	General Obligation Series	87,570,000
2001	General Obligation Series	46,300,000
2001A	General Obligation Series	41,465,000
2004A	Maintenance Tax Notes	1,150,000
2006	Maintenance Tax Notes	<u>5,560,000</u>
Total		<u>\$237,485,000</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

DATE OF ISSUE	DESCRIPTION	INTEREST RATE PAYABLE	ORIGINAL ISSUE AMOUNT	AMOUNTS OUTSTANDING SEPTEMBER 1, 2007	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	ACCRETION	AMOUNTS OUTSTANDING AUGUST 31, 2008
04/01/93	Unlimited Tax Refunding Series 1993	2.6% to 5.25%	\$52,934,476	\$9,840,474		\$7,815,000	\$362,877	\$2,388,351
04/13/99	Unlimited Tax School Building Refunding and Improvement Bonds Series 1999	3.15% to 5.0%	93,705,000	12,455,000		4,070,000		8,385,000
01/11/00	School Building Unlimited Tax Series 2000	5.25% to 6.0%	132,000,000	17,540,000		5,500,000		12,040,000
01/15/01	School Building Unlimited Tax Series 2001	4.375% to 5.00%	90,500,000	31,565,000		3,400,000		28,165,000
06/15/01	School Building Unlimited Tax Series 2001A	5.00%	85,500,000	28,915,000		3,520,000		25,395,000
02/01/05	Unlimited Tax Refunding Bonds, Series 2005	3.0% to 5.0%	117,235,000	117,000,000		120,000		116,880,000
12/15/06	Unlimited Tax Refunding Bonds, Series 2006	4.0% to 5.0%	112,339,995	110,159,890		320,000	22,721	109,862,611
01/24/08	Unlimited Tax Refunding Bonds, Series 2008	3.0% to 5.0%	6,700,000		6,700,000			6,700,000
02/01/08	School Building Unlimited Tax Series 2008	3.0% to 5.0%	224,525,000		224,525,000			224,525,000
Subtotal - Bond Issues				327,475,364	231,225,000	24,745,000	385,598	534,340,962
02/02/04	Maintenance Tax Notes (Capital Acquisition Program)	2.38%	1,925,000	1,150,000		1,150,000		
02/02/04	Maintenance Tax Notes 2006	2.38%	6,700,000	5,560,000		5,560,000		
Total				\$334,185,364	\$231,225,000	\$31,455,000	\$385,598	\$534,340,962

Premium on the bonds in the amount of \$33,411,808 and the Deferred Loss on Refunding in the amount of \$(13,813,720) is not reflected in the note above.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

9. LONG-TERM LIABILITIES - continued

Total Debt Service Requirements

Debt service requirements to maturity are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2009	\$23,748,500	\$33,532,339	\$57,280,839
2010	31,610,000	24,129,085	55,739,085
2011	30,305,000	22,587,428	52,892,428
2012	31,580,000	21,073,658	52,653,658
2013	32,120,000	19,546,067	51,666,067
2014 - 2018	178,789,995	73,514,348	252,304,343
2019 - 2023	128,215,000	30,551,006	158,766,006
2024 - 2028	75,640,000	9,832,500	85,472,500
<u>Total</u>	<u>\$532,008,495</u>	<u>\$234,766,431</u>	<u>\$766,774,926</u>

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.

10. EMPLOYEES' RETIREMENT PLAN - continued

Funding Policy: State law provides a state contribution rate of 6.0% and a member contribution rate of 6.4% for fiscal year 2006 and 2007 and a state contribution rate of 6.58% and a member contribution rate of 6.4% for 2008. In certain instances the reporting district (I.S.D., college, university, or state agency) 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: (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 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system during that fiscal year ; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a 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. State contributions to TRS made on behalf of the Fort Worth Independent School District's employees for the years ended August 31, 2008, 2007 and 2006 were \$22,638,392, \$19,109,097, and \$17,726,013 respectively. The amounts for on-behalf payments are recognized in the financial statements as revenues and expenditures/expenses.

The Fort Worth Independent School District paid additional state contributions for the years ended August 31, 2008, 2007 and 2006 in the amount of \$3,495,904, \$3,032,828, and \$3,872,344 respectively, on the portion of the employees' salaries that exceeded the statutory minimum and in amounts equal to 100% of the required contributions.

11. 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. By 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 August 31, 2008, a liability of \$19,821,624 in the Government-wide Statement of Net Assets and is financed on a pay-as-you-go basis.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

12. DESIGNATIONS OF FUND BALANCE

Designations of the General Fund fund balance are not a legally required segregation but are segregated for a specific purpose. Following are designations of the August 31, 2008 fund balance:

Designated:	
Site-Based Programs	\$ 3,983,587
Enterprise Resource Planning	8,138,708
TOTAL	<u>\$12,122,295</u>

13. RISK MANAGEMENT

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

Property and General Liability

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

The District purchases general liability coverage from the Texas Association of School Boards, limited special event liability insurance is purchased from the commercial market. There have been no significant reductions in insurance coverage from the prior year for any category of risk. Settlements have not exceeded insurance coverage in any of the last three fiscal years.

Health

During the year ended August 31, 2008, eligible employees and eligible dependents were offered a choice of medical plans provided through the Teachers Retirement System of Texas.

The District provides \$240 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 August 31, 2008 includes approximately \$12,019,930 for workers' compensation case reserve losses. This liability includes claims from fiscal year 1982 through August 31, 2008. Those liabilities reported in the fund at August 31, 2008, are based on the

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

13. RISK MANAGEMENT - continued

requirements of Governmental Accounting Standards Board Statement Nos. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This includes provisions for claims reported but not paid and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid each claimant. The provision for claims incurred but not yet reported is estimated based on the District's experience. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated 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 2007 and 2008 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>
2007	\$14,996,891	\$2,527,157	\$4,751,463	\$12,772,585	\$4,693,054
2008	12,772,585	3,863,303	4,615,958	12,019,930	4,649,388

The end of fiscal year liability decreased as a result of the District's Return-To-Work Program. Settled claims have not exceeded the aggregate coverage in any of the past three fiscal years. Insurance coverage has not been reduced for the year from the prior year.

14. COOPERATIVE PROGRAMS

The District participates in cooperative programs including Adult Basic Education and TANF/Jobs with Tarrant County College District and Arlington Independent School District. 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:

	<u>Adult Basic Education Federal</u>	<u>Adult Basic Education State</u>	<u>TANF Federal</u>	<u>Total</u>
Revenues:				
State Revenues		\$42,037		\$42,037
Federal Revenue	\$356,514		\$48,533	405,047
	<u>\$356,514</u>	<u>\$42,037</u>	<u>\$48,533</u>	<u>\$447,084</u>
Expenditures:				
Contracted Services	\$356,514	\$42,037	\$48,533	\$447,084
	<u>\$356,514</u>	<u>\$42,037</u>	<u>\$48,533</u>	<u>\$447,084</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT F

15. CONTINGENT LIABILITIES

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

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

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

16. DEFERRED REVENUE

Deferred revenue at year-end consisted of the following:

	General Fund	Federal	Debt Service Fund	Other Governmental Funds	Enterprise Funds	Total
Property Tax	\$15,620,177		\$3,980,316			\$19,600,493
Unearned Grant Revenue		\$5,253		\$2,173,520		2,178,773
Unearned Charges					\$57,135	57,135
Total	\$15,620,177	\$5,253	\$3,980,316	\$2,173,520	\$57,135	\$21,836,401

17. EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The District establishes legally adopted annual operating budgets for the General, Debt Service and Food Service Funds. The Food Service Fund had an excess of expenses over budget of \$40,119 for the year ended August 31, 2008.



Required Supplementary Information
(unaudited)



FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET-TO-ACTUAL: GENERAL FUND (GAAP BASIS)
FOR THE YEAR ENDED AUGUST 31, 2008

EXHIBIT G-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
Resources (inflows):				
5700 Local and intermediate sources	\$249,991,949	\$260,822,939	\$260,917,185	\$94,246
5800 State program revenues	297,004,656	279,121,430	280,756,487	1,635,057
5900 Federal program revenues	3,000,000	3,700,000	5,117,684	1,417,684
Amounts available for appropriation	<u>549,996,605</u>	<u>543,644,369</u>	<u>546,791,356</u>	<u>3,146,987</u>
Charges to appropriations (outflows)				
11 Instruction	317,665,627	315,546,868	313,200,655	2,346,213
12 Instructional resources and media services	9,351,762	9,913,203	9,827,401	85,802
13 Curriculum development and instructional personnel development	5,750,094	8,515,300	8,394,376	120,924
21 Instructional administration	10,564,842	10,871,930	10,399,278	472,652
23 School administration	38,460,691	40,885,759	40,307,948	577,811
31 Guidance and counseling services	26,427,282	26,793,551	26,208,020	585,531
32 Attendance and social work services	4,046,442	4,087,401	3,935,096	152,305
33 Health services	6,145,588	6,508,034	6,450,457	57,577
34 Student (pupil) transportation	21,813,870	20,313,888	20,030,316	283,572
35 Food services	253,322	266,331	245,232	21,099
36 Cocurricular/Extracurricular activities	8,680,574	8,823,473	8,791,351	32,122
41 General administration	15,565,182	16,575,646	15,656,289	919,357
51 Plant maintenance and operations	72,887,932	74,697,129	73,787,789	909,341
52 Security and monitoring services	9,903,018	11,066,209	11,027,720	38,489
53 Data processing services	6,793,983	21,258,210	18,491,053	2,767,157
61 Community services	4,352,804	4,801,867	4,565,521	236,346
71 Debt Service	3,563,165	7,536	7,536	
81 Facilities Acquisition & Construction	601,427	3,237,837	2,380,073	857,764
93 Pmts to Fiscal Agent of Shared Svc Arrangement		14		14
95 Juvenile Justice Alternative Education	314,000	314,000	228,225	85,775
97 Tax Increment Financing	3,300,000	2,969,466	2,897,301	72,165
Total charges to appropriations	<u>566,441,605</u>	<u>587,453,652</u>	<u>576,831,637</u>	<u>10,622,016</u>
OTHER FINANCING SOURCES (USES)				
7915 Operating transfers in		638,553	501,553	(137,000)
7949 Other resources	6,700,000	2,186,473		(2,186,473)
8911 Transfers out			(184,359)	(184,359)
8949 Other uses	(255,000)			
Total other financing sources and uses	<u>6,445,000</u>	<u>2,825,026</u>	<u>317,194</u>	<u>(2,507,832)</u>
SPECIAL ITEM				
7912 Proceeds from sale of real and personal property		3,729,317	3,729,317	
Net change in fund balances	<u>(10,000,000)</u>	<u>(37,254,940)</u>	<u>(25,993,770)</u>	<u>11,261,171</u>
Fund balances-beginning	150,442,718	150,442,718	150,442,718	
Fund balances-ending	<u>\$140,442,718</u>	<u>\$113,187,778</u>	<u>\$124,448,949</u>	<u>\$11,261,171</u>



Notes to the Required Supplementary Information



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2008**

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 for the General Fund. The budget for the General Fund is presented on the modified accrual basis of accounting.

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

1. Prior to August 31 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board of Education is then called for the purpose of adopting the proposed budget after public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board of Education.

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

The official school budget was prepared for adoption for the General Fund before August 31, 2008. 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 and in appropriated expenditures primarily for increases in property tax collections, state aid and federal revenues. The expenditures budget was increased to allow for the Facility Condition Analysis Report and E-Rate matching funds. The budget amounts reflected in the financial statements represent final amended budget amounts, as approved by the Board.

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



Other Supplementary Information



Nonmajor Governmental Funds



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2008**

EXHIBIT H-1

DATA CONTROL CODES	<u>(380 - 459)</u>	<u>(460 - 499)</u>	<u>08</u>	
	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>	
ASSETS				
1100	Cash and Temporary Investments	\$3,041,213	\$4,906,980	\$7,948,193
1240	Due from Other Governments	3,301,890	121,149	3,423,039
1260	Due from Other Funds	2,370	143,439	145,809
1290	Other Receivables	2,060	59,117	61,177
1100	TOTAL ASSETS	<u>\$6,347,533</u>	<u>\$5,230,685</u>	<u>\$11,578,218</u>
LIABILITIES:				
2110	Accounts Payable and Accrued Liabilities	\$302,639	\$162,431	\$465,070
2160	Accrued Wages Payable	57,823	1,010	58,833
2170	Due to Other Funds	2,512,762	1,520,536	4,033,298
2180	Due to Other Governments	1,301		1,301
2190	Due to Student Groups		13,613	13,613
2310	Deferred Revenue	253,400	1,920,120	2,173,520
2000	TOTAL LIABILITIES	<u>3,127,925</u>	<u>3,617,710</u>	<u>6,745,635</u>
FUND EQUITY				
3600	Unreserved, Undesignated Fund Balance	3,219,608	1,612,975	4,832,583
3000	TOTAL FUND EQUITY	<u>3,219,608</u>	<u>1,612,975</u>	<u>4,832,583</u>
4000	TOTAL LIABILITIES AND FUND EQUITY	<u>\$6,347,533</u>	<u>\$5,230,685</u>	<u>\$11,578,218</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2008**

EXHIBIT H-2

DATA CONTROL CODES		(380 - 459)	(460 - 499)	08
		STATE	LOCAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	REVENUES			
5700	Local and Intermediate Sources		\$7,129,579	\$7,129,579
5800	State Program Revenues	\$24,706,031	125	24,706,156
5900	Federal Program Revenues	1,503,439		1,503,439
5020	TOTAL REVENUES	26,209,470	7,129,704	33,339,174
	EXPENDITURES			
	Current:			
0010	Instruction and Instructional-Related Services:			
0011	Instruction	17,472,495	6,299,514	23,772,009
0012	Instructional Resources and Media Services	20,463	41,224	61,687
0013	Curriculum Development and Instructional Staff Development	2,000,167	122,871	2,123,038
	Total Instruction and Instructional-Related Services	19,493,125	6,463,609	25,956,734
0020	Instructional and School Leadership:			
0021	Instructional Leadership	2,151,986	15,295	2,167,281
0023	School Leadership	259,615	173,141	432,756
	Total Instructional and School Leadership	2,411,601	188,436	2,600,037
0030	Support Services - Student (Pupil):			
0031	Guidance, Counseling and Evaluation Services	355,652	20,562	376,214
0032	Social Work Services	124,360	19,343	143,703
0033	Health Services	83,053	44	83,097
0034	Student (Pupil) Transportation	147,063		147,063
0035	Food Service	66,499	2,673	69,172
0036	Cocurricular/Extracurricular Activities	11,336	180,079	191,415
	Total Support Services - Student (Pupil)	787,963	222,701	1,010,664
0040	Administrative Support Services:			
0041	General Administration		17,220	17,220
	Total Administrative Support Services		17,220	17,220
0050	Support Services - Nonstudent Based:			
0051	Plant Maintenance and Operations	66,316	26,319	92,635
0052	Security and Monitoring Services	102,468	18,686	121,154
0053	Data Processing Services			
	Total Support Services - Nonstudent Based	168,784	45,005	213,789
0060	Ancillary Services:			
0061	Community Services	86,352	93,477	179,829
	Total Ancillary Services	86,352	93,477	179,829
0080	Facilities Acquisition and Construction:			
0081	Facilities Acquisition and Construction		177,704	177,704
	Total Facilities Acquisition and Construction:		177,704	177,704
0090	Payments to Fiscal Agent/Member Districts of Shared Services Arrangements:			
0093	Payments to Fiscal Agent/Member Districts of Shared Services Arrangements	42,037		42,037
	Total Payments to Fiscal Agent/Member Districts of Shared Services Arrangements	42,037		42,037
	TOTAL EXPENDITURES	22,989,862	7,208,152	30,198,014
1100	EXCESS OF REVENUES OVER EXPENDITURES	3,219,608	(78,448)	3,141,160
1200	NET CHANGE IN FUND BALANCES	3,219,608	(78,448)	3,141,160
0100	FUND BALANCE - SEPTEMBER 1 (BEGINNING)		1,691,423	1,691,423
3000	FUND BALANCE - AUGUST 31 (ENDING)	\$3,219,608	\$1,612,975	\$4,832,583

Internal Service Funds



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
AUGUST 31, 2008**

EXHIBIT H-3

DATA CONTROL CODES	<u>753</u>	<u>752</u>	<u>08</u>
	<u>INSURANCE FUND</u>	<u>PRINTSHOP</u>	<u>AUGUST 31, 2008</u>
<u>ASSETS</u>			
Current Assets:			
1100	\$49,300,974		\$49,300,974
1260		\$184,359	184,359
1290			
1400	238,138		238,138
	<u>49,539,112</u>	<u>184,359</u>	<u>49,723,471</u>
Total Current Assets			
Capital Assets:			
1530		18,700	18,700
		(18,700)	(18,700)
1000	<u>49,539,112</u>	<u>184,359</u>	<u>49,723,471</u>
<u>LIABILITIES</u>			
Current Liabilities:			
2110	3,817,108	14,082	3,831,190
2170		170,277	170,277
2180	3,139,774		3,139,774
2210	4,649,388		4,649,388
	<u>11,606,270</u>	<u>184,359</u>	<u>11,790,629</u>
Total Current Liabilities			
Noncurrent Liabilities			
2210	<u>7,370,542</u>		<u>7,370,542</u>
	<u>7,370,542</u>		<u>7,370,542</u>
	<u>18,976,812</u>	<u>184,359</u>	<u>19,161,171</u>
TOTAL LIABILITIES			
<u>NET ASSETS</u>			
3900	<u>30,562,300</u>		<u>30,562,300</u>
3000	<u>\$30,562,300</u>		<u>\$30,562,300</u>
TOTAL NET ASSETS			

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2008**

EXHIBIT H-5

	<u>753</u>	<u>752</u>	<u>TOTAL</u>
	<u>INSURANCE FUND</u>	<u>PRINTSHOP</u>	<u>AUGUST 31, 2008</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash received from user charges	\$53,334,178	\$1,180,990	\$54,515,168
Cash payments to employees for services	(580,583)	(193,840)	(774,423)
Cash payments for insurance claims	(48,487,488)		(48,487,488)
Cash payments to suppliers for goods and services	1,754,827	(1,181,097)	573,730
Cash payments to operating costs	(13,783)	(221)	(14,004)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>6,007,151</u>	<u>(194,168)</u>	<u>5,812,983</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Transfer received from other funds		184,359	184,359
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		<u>184,359</u>	<u>184,359</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,007,151	(9,809)	\$5,997,342
CASH AND CASH EQUIVALENTS - SEPTEMBER 1	<u>43,293,823</u>	<u>9,809</u>	<u>43,303,632</u>
CASH AND CASH EQUIVALENTS - AUGUST 31	<u>\$49,300,974</u>	<u>\$49,300,974</u>	<u>\$49,300,974</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</u>			
Operating income (loss)	\$7,807,215	(184,359)	\$7,622,856
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation			
Changes in assets and liabilities:			
Receivables	378		378
Accounts Payable		(9,809)	(9,809)
Accrued Liabilities	(3,552,834)		(3,552,834)
Due from Other Funds	1,752,392		1,752,392
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$6,007,151</u>	<u>(\$194,168)</u>	<u>\$5,812,983</u>



Fiduciary Funds



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF AGENCY FUNDS NET ASSETS
AUGUST 31, 2008**

EXHIBIT H-6

DATA CONTROL CODES		STUDENT ACTIVITY AGENCY FUND	OTHER AGENCY FUND	TOTAL
		<u>890</u>	<u>849</u>	
	ASSETS			
1110	Cash and Temporary Investments	\$325,420	\$1,018	\$326,438
1260	Due from other funds	1,480,333		1,480,333
	TOTAL ASSETS	<u>1,805,753</u>	<u>1,018</u>	<u>1,806,771</u>
	LIABILITIES			
2190	Due to student groups	1,480,333		1,480,333
2210	Accounts payable and accrued liabilities	7,923		7,923
2420	Amounts held for granting agencies	317,497	1,018	318,515
	TOTAL LIABILITIES	<u>\$1,805,753</u>	<u>\$1,018</u>	<u>\$1,806,771</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF PRIVATE PURPOSE TRUST FUNDS NET ASSETS
AUGUST 31, 2008**

EXHIBIT H-7

DATA CONTROL CODES		PRIVATE PURPOSE TRUST FUNDS		TOTAL
		PRIVATE PURPOSE	SCHOLARSHIPS	
		829	836	
	ASSETS			
1110	Investments	\$75,281	\$923,366	\$998,647
1260	Due from other funds			
1910	Long-term Investments		23,190	23,190
	TOTAL ASSETS	75,281	946,556	1,021,837
	LIABILITIES			
2110	Accounts Payable		\$2,000	2,000
2420	Amounts held for granting agencies	\$75,281	84,462	159,743
	TOTAL LIABILITIES	75,281	86,462	\$161,743
	NET ASSETS			
3490	Held in Trust for Scholarships		\$860,094	\$860,094

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
YEAR ENDED AUGUST 31, 2008**

EXHIBIT H-8

	<u>BALANCE SEPTEMBER 1, 2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE AUGUST 31, 2008</u>
STUDENT ACTIVITY AGENCY FUND				
ASSETS				
Cash and temporary investments	\$208,855	\$780,092	\$663,527	\$325,420
Due from other funds	1,378,883	809,941	708,491	1,480,333
TOTAL ASSETS	<u>1,587,738</u>	<u>1,590,033</u>	<u>708,491</u>	<u>1,805,753</u>
LIABILITIES				
Accounts payable and accrued liabilities	9,468	663,527	665,072	7,923
Due to student groups	1,378,883	101,450		1,480,333
Amounts held for granting agencies	199,387	780,092	661,982	317,497
TOTAL LIABILITIES	<u>\$1,587,738</u>	<u>\$1,545,069</u>	<u>\$1,327,054</u>	<u>\$1,805,753</u>
OTHER AGENCY FUNDS				
ASSETS				
Cash and temporary investments		\$22,633	\$21,615	\$1,018
TOTAL ASSETS		<u>\$22,633</u>	<u>\$21,615</u>	<u>\$1,018</u>
LIABILITIES				
Amounts held for granting agencies		\$22,633	\$21,615	\$1,018
TOTAL LIABILITIES		<u>\$22,633</u>	<u>\$21,615</u>	<u>\$1,018</u>
ALL AGENCY FUNDS				
ASSETS				
Cash and temporary investments	208,855	802,725	685,142	\$326,438
Due from other funds	1,378,883	809,941	708,491	1,480,333
TOTAL ASSETS	<u>\$1,587,738</u>	<u>\$1,612,666</u>	<u>\$1,393,633</u>	<u>\$1,806,771</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$9,468	\$663,527	\$665,072	\$7,923
Due to student groups	1,378,883	101,450		1,480,333
Amounts held for granting agencies	199,387	802,725	683,597	\$318,515
TOTAL LIABILITIES	<u>\$1,587,738</u>	<u>\$1,567,702</u>	<u>\$1,348,669</u>	<u>\$1,806,771</u>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN PRIVATE PURPOSE TRUST FUNDS NET ASSETS
 FIDUCIARY FUNDS
 YEAR ENDED AUGUST 31, 2008**

EXHIBIT H-9

	PRIVATE PURPOSE TRUSTS		TOTAL
	PRIVATE PURPOSE	SCHOLARSHIPS	
	829	836	
ADDITIONS			
Contributions:			
Donor	\$1,099	\$34,033	\$35,132
Total additions	1,099	34,033	35,132
 DEDUCTIONS			
Scholarships granted	1,099	11,985	13,084
Total deductions	1,099	11,985	13,084
 Change in net assets	0	22,048	22,048
Net assets - beginning of the year	0	838,046	838,046
Net assets - end of the year	\$0	\$860,094	\$860,094

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 AUGUST 31, 2008**

EXHIBIT H-10

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Resources (inflows):				
5700 Local and intermediate sources	\$34,627,124	\$34,687,124	\$35,540,547	\$853,423
5800 State program revenues	5,639,248	5,639,248	6,666,363	1,027,115
Amounts available for appropriation	40,266,372	40,326,372	42,206,910	1,880,538
Charges to appropriations (outflows)				
71 Debt services	39,966,372	40,021,372	39,916,669	104,703
97 Tax increment Financing	300,000	305,000	304,534	466
Total charges to appropriations	40,266,372	40,326,372	40,221,203	105,169
OTHER FINANCING SOURCES (USES)				
7911 Sale of Bonds and Notes			6,700,000	(6,700,000)
7916 Premium on Bond Issuance			160,094	(160,094)
8949 Other Uses - Debt Refunding			(6,813,897)	6,813,897
Total other financing sources and uses			46,197	(46,197)
Net change in fund balances			2,031,904	2,031,904
Fund Balance - beginning	14,024,258	14,024,258	14,024,258	
Fund balances - ending	\$14,024,258	\$14,024,258	\$16,056,162	\$2,031,904

**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 AUGUST 31, 2008**

EXHIBIT H-11

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues (inflows):				
5700 Local and intermediate sources	\$6,500,000	\$5,454,152	\$5,731,816	\$277,664
5800 State program revenues	275,000	246,565	235,105	(11,460)
5900 State program revenues	<u>25,150,000</u>	<u>26,750,000</u>	<u>26,183,832</u>	<u>(566,168)</u>
Amounts available for appropriation	31,925,000	32,450,717	32,150,753	(299,964)
Charges to appropriations (outflows):				
35 Food services	31,925,000	33,346,675	33,391,215	(44,540)
51 Plant maintenance and operations		<u>178,325</u>	<u>173,904</u>	<u>4,421</u>
Total charges to appropriations	<u>31,925,000</u>	<u>33,525,000</u>	<u>33,565,119</u>	<u>(40,119)</u>
Net change in fund balances		(1,074,283)	(1,414,366)	(340,083)
Fund balances--beginning	<u>7,433,995</u>	<u>7,433,995</u>	<u>7,433,995</u>	
Fund balances--ending	<u>\$7,433,995</u>	<u>\$6,359,712</u>	<u>\$6,019,629</u>	<u>(\$340,083)</u>

Capital Assets Schedule



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
AUGUST 31, 2008**

EXHIBIT I-1

GENERAL FIXED ASSETS

Land	\$41,329,313
Buildings and improvements	661,115,657
Accumulated Depreciation - Buildings and improvements	(255,940,938)
Construction in Progress	9,127,420
Furniture and equipment	71,820,373
Accumulated Depreciation - Furniture and equipment	(39,614,629)
TOTAL GENERAL FIXED ASSETS	<u><u>\$ 487,837,196</u></u>



Compliance Schedules



FORT WORTH INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2008

EXHIBIT J-1

LAST TEN YEARS ENDED AUGUST 31	TAX RATES		NET ASSESSED/ APPRAISED VALUE FOR SCHOOL TAX PURPOSES	BEGINNING BALANCE 9/1/2007	CURRENT YEAR'S TOTAL LEVY (1)	MAINTENANCE TOTAL COLLECTIONS (2)	DEBT SERVICE TOTAL COLLECTIONS	ENTIRE YEAR'S ADJUSTMENTS	ENDING BALANCE 9/31/2008
	MAINTENANCE	DEBT SERVICE							
1999 and prior years	Various	Various	Various	\$7,274,768		\$300,629	\$35,884	(\$157,345)	\$6,780,910
2000	1.3955	0.1195	13,387,492,149	1,077,620		82,515	7,065	(43,820)	944,220
2001	1.4555	0.1856	14,508,397,762	1,759,262		75,133	9,581	(46,587)	1,627,961
2002	1.4617	0.1794	15,637,643,677	2,059,744		102,494	12,579	(24,947)	1,919,724
2003	1.5000	0.1858	16,533,242,923	2,294,048		201,454	24,953	(14,251)	2,053,390
2004	1.5000	0.1580	17,370,553,451	2,584,452		308,966	32,545	(9,960)	2,232,981
2005	1.5000	0.1580	18,601,738,084	2,682,359		443,607	46,727	(42,619)	2,149,406
2006	1.5000	0.1540	19,683,317,731	3,663,143		869,948	89,312	(92,917)	2,610,966
2007	1.3700	0.1440	21,903,297,019	7,440,339		2,409,463	253,258	(1,409,836)	3,367,782
2008	1.0400	0.1500	24,104,551,995		\$278,185,294	235,198,555	33,922,868	(3,085,549)	5,978,322
1000 TOTALS				\$30,835,735	\$278,185,294	\$239,992,764	\$34,434,772	(\$4,927,831)	\$29,665,662

County Education District Taxes Receivable

659,113
 \$30,324,775

(1) Current year's total levy is net of \$12,566,885 for levy less due to frozen taxes on "over-65" accounts.

(2) Amounts are net of settlement of overpayments.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2007-2008
GENERAL FUND, SPECIAL REVENUE FUNDS AND FOOD SERVICE FUND
YEAR ENDED AUGUST 31, 2008**

EXHIBIT J-2

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION

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	\$112,941		\$575,876	\$13,877,465	\$364		\$14,566,646
	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)			20,258	79,685			99,943
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)							
6211	Legal Services	145,754		306,079				451,833
6212	Audit Services				152,445			152,445
6213	Tax Appraisal and Collection		1,698,397					1,698,397
621X	Other Prof. Services			23,250	806,464			829,714
6220	Tuition and Transfer Payments							
6230	Education Service Centers							
6240	Contr. Maint. and Repair					1,216,947		1,216,947
6250	Utilities					2,253		2,253
6260	Rentals	6,931		4,319	125,212			136,462
6290	Miscellaneous Contr.	151,107		2,929	3,370,715			3,524,751
6310	Supplies & Mat. For Maint/Oper.				11,583			11,583
6320	Textbooks and Reading			1,671	9,007			10,678
6330	Testing Materials							
63XX	Other Supplies Materials	14,593		23,137	4,400,646	17,570		4,455,946
6410	Travel, Subsistence, Stipends	32,858		9,916	287,725	72		330,571
6420	Ins. and Bonding Costs							
6430	Election Costs							
6490	Miscellaneous Operating	216,454		3,917	526,760			747,131
6500	Debt Service							
6600	Capital Outlay						\$6,163,333	6,163,333
6000	TOTAL	\$680,638	\$1,698,397	\$971,352	\$23,647,707	\$1,237,206	\$6,163,333	\$34,398,633
	Total expenditures/expenses for General and Special Revenue Funds (plus Food Service Enterprise Fund if present)						(9)	\$707,827,859
	LESS: Deductions of Unallowable Costs							
	FISCAL YEAR							
	Total Capital Outlay (6600)					(10)	\$10,208,416	
	Total Debt & Lease (6500)					(11)	7,536	
	Plant Maintenance (Function 51, 6100-6400)					(12)	73,286,597	
	Food (Function 35, 6341 and 6499)					(13)	9,806,011	
	Stipends (6413)					(14)		
	Column 4 (above) - Total Indirect Cost						23,647,707	
	Subtotal							116,956,267
	Net Allowed Direct Cost							<u>\$590,871,592</u>
	CUMULATIVE							
	Total Cost of Buildings before Depreciation (1520)						(15)	\$661,115,657
	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 & 1540)						(18)	\$71,820,373
	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

(8) Note A - \$18,504,730 in Function 53 expenditures are included in this report on administrative costs.

Other TEA Required Schedules (unaudited)



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
OPTIMUM FUND BALANCE CALCULATION SCHEDULE - GENERAL FUND
AS OF AUGUST 31, 2008**

EXHIBIT J-3

DATA CONTROL CODE	EXPLANATION	AMOUNT
1	Total General Fund Balance 08/31/08(Exhibit C-1 object 3000 for the General Fund Only)	<u>\$ 124,448,949</u>
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	<u>5,196,642</u>
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	<u>12,122,295</u>
4	Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)	<u>14,756,611</u>
5	Estimate of one month's average cash disbursements during the regular school session (9/1/07 - 5/31/08)	<u>58,767,359</u>
6	Estimate of delayed payments from state sources (58XX) including August payment delays	<u>33,641,909</u>
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	<u></u>
8	Estimate of delayed payments from federal sources (59XX)	<u>2,732,819</u>
9	Optimum Fund Balance and Cash Flow (2+3+4+5+6+7+8)	<u>127,217,635</u>
10	Excess Undesignated Unreserved General Fund Fund Balance (1-10)	<u>\$ (2,768,687)</u>



Statistical section divider – 2 pages

Statistical section divider – 2 pages

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 seven years. Information for Government Wide statements are only available 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.
- 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.
- 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.



FINANCIAL TRENDS



FORT WORTH INDEPENDENT SCHOOL DISTRICT

Net Assets by Component

Last Seven Fiscal Years

(Unaudited)

(Amounts in thousands)

(Accrual basis of accounting)

TABLE I

	2008	2007	2006	2005	2004	2003	2002
Governmental activities							
Invested in capital assets, net of related debt Restricted for	\$145,314	\$152,916	\$161,831	\$138,992	\$137,704	\$137,187	\$123,791
Debt service	18,425	16,911	15,075	10,971	9,717	13,038	7,784
Capital Projects		-	-	1,175	-	-	-
Unrestricted	170,713	174,261	118,661	94,639	78,095	74,293	61,595
Total governmental net assets	\$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 Restricted for	\$449	\$196	\$1	\$8	\$78	\$120	\$94
Food service	5,571	7,238	6,563	5,598	4,967	4,532	4,556
Total business-type net assets	\$6,020	\$7,434	\$6,564	\$5,606	\$5,045	\$4,652	\$4,650
Total primary government							
Invested in capital assets, net of related debt Restricted for	\$145,763	\$153,112	\$161,832	\$139,000	\$137,782	\$137,307	\$123,885
Debt service	18,425	16,911	15,075	10,971	9,717	13,038	7,784
Capital Projects	-	-	-	1,175	-	-	-
Food service	5,571	7,238	6,563	5,598	4,967	4,532	4,556
Unrestricted	170,713	174,261	118,661	94,639	78,095	74,293	61,595
Total net assets	\$340,472	\$351,522	\$302,131	\$251,383	\$230,561	\$229,170	\$197,820

Note: The District adopted the provisions of GASB 34 in 2002, therefore only seven years are shown.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Government Wide Expenses, Program Revenues, and Change in Net Assets
Last Seven Fiscal Years (Unaudited)
(Accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses			
Governmental activities:			
11 Instruction	\$387,636,765	\$349,241,656	\$354,525,809
12 Instructional resources and media	11,855,870	11,834,531	14,673,562
13 Curriculum development and instructional staff development	31,099,018	26,800,783	14,244,072
21 Instructional leadership	14,688,568	11,761,820	13,906,315
23 School leadership	42,210,410	41,272,888	36,655,619
31 Guidance, counseling, and evaluation	29,511,449	28,730,856	26,810,288
32 Social work services	4,256,897	4,104,908	4,104,406
33 Health services	7,304,766	6,870,622	6,487,106
34 Student (pupil) transportation	20,855,849	16,704,755	18,562,336
35 Food services	244,405	537,243	530,193
36 Cocurricular/Extracurricular activities	9,191,708	8,751,072	7,417,263
41 General administration	16,287,335	13,762,084	13,305,053
51 Plant maintenance and operations	75,128,938	66,521,403	66,321,130
52 Security and monitoring services	11,580,746	10,351,168	9,894,992
53 Data processing services	12,907,473	8,459,265	11,198,162
61 Community services	7,158,339	6,775,556	6,550,334
71 Debt Service	16,024,902	18,384,592	17,650,904
81 Facilities acquisition and construction	132,590	331,106	678,059
93 Payments to Fiscal Agent	141,039		
95 Payments to Juvenile Justice Alternative Education Programs	228,225	62,170	170,610
97 Payments to Tax Increment Fund	3,201,835	3,195,443	2,836,851
Total government activities expenses	<u>701,647,127</u>	<u>634,453,921</u>	<u>626,523,064</u>
Business-Type Activities			
Food services	33,565,119	29,547,221	29,151,357
Total Business-Type Activities	<u>33,565,119</u>	<u>29,547,221</u>	<u>29,151,357</u>
Total Primary Government Expenses	<u>735,212,246</u>	<u>664,001,142</u>	<u>655,674,421</u>
Program Revenues			
Governmental Activities			
Charges for services			
Health Services			7,618,563
Extracurricular activities	478,761	551,865	532,132
Instruction	5,976,475	3,443,938	467,043
Other		1,841,667	131,632
Grants and contributions			
Instruction	70,207,216	71,139,826	84,603,240
Food service	81,736	3,797	304,100
Other	58,851,680	54,527,526	65,506,703
Business-Type Activities			
Charges for Services	5,833,544	5,152,344	5,512,378
Operating grants and contributions	<u>26,183,832</u>	<u>24,715,921</u>	<u>24,347,953</u>
Total primary government program revenues	<u>167,613,244</u>	<u>161,376,884</u>	<u>189,023,744</u>
Net (Expense) Revenue			
Governmental Activities	(566,051,259)	(502,945,302)	(467,359,651)
Business Type Activities	(1,547,743)	321,044	708,974
Total Primary Government	<u>\$ (567,599,002)</u>	<u>\$ (502,624,258)</u>	<u>\$ (466,650,677)</u>

Notes: The district began to report accrual information when it implemented GASB 34 in 2002

Table II

2005	2004	2003	2002
\$333,712,398	\$333,567,750	\$334,354,691	\$324,992,454
10,457,163	12,387,384	11,282,832	10,184,810
15,857,446	16,203,661	15,117,601	15,486,513
13,857,526	13,708,468	13,259,421	14,109,192
35,360,470	36,327,952	35,343,567	32,843,694
25,653,138	26,642,330	25,819,737	24,652,628
4,493,672	4,031,790	3,988,716	3,367,499
6,659,600	6,693,449	6,550,041	6,026,323
17,285,968	17,795,972	17,990,757	17,004,300
569,236	660,430	1,127,037	732,792
7,469,916	7,541,603	7,495,540	7,632,243
13,872,653	14,755,614	14,810,124	13,283,597
63,974,837	67,027,768	57,805,138	59,005,270
11,971,769	12,186,926	11,360,517	10,664,294
5,468,530	6,376,501	5,039,774	5,180,927
6,779,526	6,538,112	6,176,782	6,407,171
20,058,045	21,976,860	21,952,608	24,769,834
2,433,001	6,946,055	7,092,269	5,273,084
267,741	283,116	180,287	319,072
1,910,051	2,582,813	1,716,780	1,150,952
598,112,686	614,234,554	598,464,219	583,086,649
28,877,900	27,131,906	26,636,230	26,521,350
28,877,900	27,131,906	26,636,230	26,521,350
626,990,586	641,366,460	625,100,449	609,607,999
757,021	1,802,631	-	-
510,206	461,274	506,879	612,991
545,250	582,884	677,013	611,776
211,258	275,854	558,984	193,379
69,183,373	68,964,010	72,510,729	56,439,469
305,254	329,071	798,167	18,982
49,507,906	52,154,561	51,429,497	44,200,155
5,365,723	5,691,525	5,672,275	5,697,446
23,957,475	21,427,214	20,906,473	19,607,547
150,343,466	151,689,024	153,060,017	127,381,745
(477,092,418)	(489,664,269)	(471,982,950)	(481,009,897)
445,298	(13,167)	(57,482)	(1,216,357)
\$ (476,647,120)	\$ (489,677,436)	\$ (472,040,432)	\$ (482,226,254)

FORT WORTH INDEPENDENT SCHOOL DISTRICT
General Revenues and Total Change in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net (Expense)/Revenue			
Total primary government net expense	\$ (567,599,002)	(\$502,624,258)	(\$466,650,677)
General Revenues			
Property taxes - Maintenance & Operations	243,217,453	296,436,870	292,191,348
Property taxes - Debt Service	35,289,258	31,081,895	30,294,698
County Education District Taxes	-	-	-
State aid-formula grants	257,954,089	205,147,831	178,150,941
School Health and Related Services /Medicaid Administrative Claims	-	-	-
Investment earnings	13,255,462	14,352,727	10,081,487
Miscellaneous	6,539,155	4,447,359	3,729,276
Special item-gain on sale of property	159,616	-	-
Capital Contributions	-	-	-
Total General revenues	<u>556,415,033</u>	<u>551,466,682</u>	<u>514,447,750</u>
Business-type activities			
Investment earnings	133,377	313,357	249,613
Miscellaneous	-	-	-
Total Business-type activities	<u>133,377</u>	<u>313,357</u>	<u>249,613</u>
Total Primary Government	<u>556,548,410</u>	<u>551,780,039</u>	<u>514,697,363</u>
 Change in Net Assets	 <u>\$ (11,050,592)</u>	 <u>\$ 49,155,781</u>	 <u>\$ 48,046,686</u>

Notes: The district began to report accrual information when it implemented GASB 34 in 2002.

TABLE III

2005	2004	2003	2002
(\$476,647,120)	(\$489,677,436)	(\$472,040,432)	\$ (482,226,254)
271,046,254	259,413,739	242,467,193	220,649,967
28,564,334	24,523,786	33,213,277	27,017,790
-	138,465	78,326	122,719
186,687,291	203,561,213	213,807,306	216,660,415
-	-	2,312,360	1,647,260
4,876,116	2,858,890	6,319,199	14,268,819
6,180,748	2,302,456	5,130,024	4,608,035
-	2,327,890	-	9,121
-	188,000	-	-
<u>497,354,743</u>	<u>\$495,314,439</u>	<u>\$503,327,685</u>	<u>\$484,984,126</u>
115,735	362,779	60,059	104,941
	43,902		
<u>115,735</u>	<u>406,681</u>	<u>60,059</u>	<u>104,941</u>
<u>497,470,478</u>	<u>495,721,120</u>	<u>503,387,744</u>	<u>485,089,067</u>
<u>\$ 20,823,358</u>	<u>\$ 6,043,684</u>	<u>\$ 31,347,312</u>	<u>\$ 2,862,813</u>

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Seven Fiscal Years
(modified accrual basis of accounting)

TABLE IV

	2008	2007	2006	2005	2004	2003	2002
General Fund							
Reserved	\$ 3,618,292	\$ 7,187,419	\$ 4,827,539	\$ 3,063,669	\$ 4,275,759	\$ 6,484,743	\$ 2,946,436
Unreserved, Designated	23,407,090	42,197,217	28,711,512	16,272,490	20,497,017	13,239,475	16,250,669
Unreserved, Undesignated	97,423,567	101,058,082	80,000,000	61,263,178	44,062,133	50,239,998	33,453,597
Total General fund	<u>124,448,949</u>	<u>150,442,718</u>	<u>113,539,051</u>	<u>80,599,337</u>	<u>68,834,909</u>	<u>69,964,216</u>	<u>52,650,702</u>
Other Governmental Funds							
Reserved, reported in							
Debt Service Fund	16,056,162	14,024,258	12,872,108	10,971,129	9,717,025	8,252,814	7,373,629
Capital Projects Fund	225,236,784	549,552	3,967,464	1,175,141	14,620,207	65,077,857	157,239,690
Unreserved, Undesignated, reported in							
Non-major Special Revenue Funds	4,832,583	1,691,423	1,612,405	1,448,113	2,109,190	2,003,401	1,946,307
Total other governmental funds	<u>246,125,529</u>	<u>16,265,233</u>	<u>18,451,977</u>	<u>13,594,383</u>	<u>26,446,422</u>	<u>75,334,072</u>	<u>166,559,626</u>
Total Governmental Funds	<u>\$ 370,574,478</u>	<u>\$ 166,707,951</u>	<u>\$ 131,991,028</u>	<u>\$ 94,193,720</u>	<u>\$ 95,281,331</u>	<u>\$ 145,298,288</u>	<u>\$ 219,210,328</u>

Notes: Data only available to 2002.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Governmental Funds Revenues
Last Seven Fiscal Years
(modified accrual basis of accounting)

TABLE V

	2008	2007	2006	2005	2004	2003	2002
Federal sources:							
Federal source revenue	\$ 1,928,084	\$ 2,960,078	\$ 4,060,264	\$ 4,322,946	\$ 5,359,702	\$ 6,283,095	\$ 1,719,025
Other revenue	865,131	2,871,887	7,798,081	932,241	2,108,429	217,559	162,528
Through state agencies	71,060,997	71,725,684	86,194,615	55,402,064	51,537,439	47,291,964	36,497,055
Total federal sources	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	267,031,124	206,888,200	184,639,048	198,835,529	215,927,928	243,826,671	245,709,591
Other state revenue	45,097,882	46,478,440	48,893,607	42,326,331	45,656,838	40,433,103	30,779,204
Total state sources	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	278,913,263	327,518,765	322,486,046	299,610,588	283,937,525	275,680,470	247,667,757
Interest	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	14,102,169	8,841,041	8,579,448	11,534,438	9,782,552	9,771,028	7,721,827
Total local sources	306,270,895	350,462,920	341,146,981	316,021,142	296,578,967	287,456,021	269,658,403
Total revenues	\$ 692,254,113	\$ 681,387,209	\$ 672,732,596	\$ 617,840,253	\$ 617,169,303	\$ 625,508,413	\$ 584,525,806

Notes: Data only available to 2002.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Governmental Funds Expenditures and Debt Service Ratio
Last Seven Fiscal Years
(modified accrual basis of accounting)

TABLE VI

	2008	2007	2006	2005	2004	2003	2002
Non-Capital Operational Expenditures							
Instruction	\$378,886,698	\$341,220,538	\$345,713,732	\$325,613,655	\$322,889,937	\$329,509,812	\$314,230,105
Instruction resources and media services	11,467,214	11,674,438	14,526,400	10,310,386	12,441,849	10,927,929	10,068,407
Curriculum and staff development	30,367,497	26,100,621	13,823,252	15,401,467	15,575,771	15,094,994	15,167,028
Instructional Leadership	14,321,987	11,467,855	13,561,053	13,497,456	13,150,517	12,822,202	13,788,724
School leadership	41,260,921	40,258,283	35,825,691	34,550,656	34,757,972	34,097,872	31,986,690
Guidance, counseling, and evaluation services	29,052,762	28,021,788	26,640,220	25,439,995	26,525,179	26,162,190	24,626,081
Social work services	4,151,024	3,996,378	4,005,443	4,383,079	3,864,036	3,885,862	3,279,691
Health services	7,136,378	6,704,197	6,328,002	6,501,258	6,409,049	6,322,320	5,868,673
Student Transportation	24,841,291	19,929,434	18,283,493	17,011,254	19,216,985	18,086,202	17,349,370
Food service	317,771	520,539	514,548	552,541	635,091	1,093,810	279,839
Cocurricular/Extracurricular activities	8,991,424	8,514,965	7,286,065	7,374,535	7,385,375	7,250,300	7,506,804
General administration	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	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	11,290,085	10,215,139	9,701,246	11,694,026	11,662,446	10,958,470	10,430,412
Data processing services	18,503,590	9,466,235	11,175,270	5,615,504	7,032,897	5,178,536	5,163,413
Community services	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	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	141,039						
Payments to juvenile justice alternative ed. program	228,225	62,170	170,610	267,741	283,116	180,287	319,072
Payments to Tax Increment Fund	3,201,835	3,195,443	2,836,851	1,910,051	2,582,813	1,716,780	1,150,952
Total intergovernmental	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	11,824,948	1,661,717	1,661,717	15,751,162	54,118,456	96,931,535	92,858,372
Total capital outlay	11,824,948	2,751,036	1,661,717	15,751,162	54,118,456	96,931,535	92,858,372
Debt Service							
Principal	18,797,629	22,397,221	16,790,924	21,610,601	20,429,690	26,047,370	15,517,558
Interest and fiscal charges	22,805,602	20,503,165	25,078,204	21,340,467	22,243,519	20,394,957	30,240,455
Total debt service expenditures	41,603,231	42,900,386	41,869,128	42,951,068	42,673,209	46,442,327	45,758,013
Total expenditures	734,692,268	654,301,702	638,572,404	620,538,121	664,416,386	701,405,481	677,096,289
Total Expenditures less expenditures for capital outlay	\$ 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	5.8%	6.6%	6.6%	7.1%	7.0%	7.7%	7.8%

Notes: Data only available to 2002.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Other Financing Sources and Uses and Net Change in Fund Balances
Governmental Funds
Last Seven Fiscal Years
(modified accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002
Excess (deficiency) of revenues over (under) expenditures	(\$42,438,155)	\$27,085,507	\$34,160,192	(\$2,697,868)	(\$47,247,083)	(\$75,897,068)	(\$92,570,483)
Other Financing Sources (Uses)							
Refunding bonds issued	231,225,000	112,339,995	-	117,235,000	-	14,485,000	-
Proceeds from capital leases	-	-	-	-	366,825	1,746,775	496,730
Proceeds from maintenance tax notes	-	6,700,000	-	-	1,925,000	-	-
Sale of real or personal property	-	333,527	85,488	1,573,472	1,872,389	103,401	191,996
Transfers in	501,553	2,437,564	4,000,000	74,250	-	-	2,053,671
Premium (discount) on issuance of bonds	18,348,620	7,141,878	-	12,539,462	-	505,991	-
Transfers out	(685,912)	(2,774,543)	(4,299,407)	(151,952)	(8,696,593)	-	(2,053,671)
Payment to bond refunding escrow agent (use)	(6,813,897)	(118,529,575)	-	(129,663,453)	-	(14,856,139)	-
Other sources (uses)	-	(17,430)	1,150,589	3,478	1,762,505	-	-
Total other financing sources (uses)	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	-	-	-	-	-	6,117
Special item - Prior Period Adjustment	-	-	2,700,446	-	-	-	-
Net change in fund balances	203,866,527	34,716,923	35,096,862	(1,087,611)	(50,016,957)	(73,912,040)	(91,875,640)
Beginning Fund Balance - Sept 1	166,707,951	131,991,028	94,193,720	95,281,331	145,298,288	219,210,328	311,085,968
Ending Fund Balance - Aug 31	<u>\$370,574,478</u>	<u>\$166,707,951</u>	<u>\$131,991,028</u>	<u>\$94,193,720</u>	<u>\$95,281,331</u>	<u>\$145,298,288</u>	<u>\$219,210,328</u>

Notes: Data only available to 2002.



REVENUE CAPACITY INFORMATION



FORT WORTH INDEPENDENT SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

TABLE VIII

Fiscal Year	Actual Value		Less: Exemptions	Total Taxable Value	Total Direct Rate
	Real Property	Personal Property			
1999	\$ 11,162,649,516	\$ 3,401,250,939	\$ 1,847,820,023	\$ 12,716,080,432	\$ 1.4850
2000	11,694,026,467	3,530,192,519	1,836,726,837	\$ 13,387,492,149	1.5150
2001	12,682,680,215	3,734,398,857	1,908,681,310	\$ 14,508,397,762	1.6411
2002	13,789,741,408	3,874,752,105	2,026,849,836	\$ 15,637,643,677	1.6411
2003	14,687,217,847	3,946,078,282	2,100,053,206	\$ 16,533,242,923	1.6858
2004	15,655,094,799	3,854,883,860	2,139,425,208	\$ 17,370,553,451	1.6580
2005	16,797,492,079	4,012,451,002	2,208,204,997	\$ 18,601,738,084	1.6580
2006	18,057,120,063	4,019,368,633	1,098,644,775	\$ 20,977,843,921	1.6540
2007	20,046,813,455	4,383,505,474	2,527,021,910	\$ 21,903,297,019	1.5140
2008	25,773,692,707	5,042,360,958	6,711,501,670	\$ 24,104,551,995	1.1900

Source: Tax Reports obtained from Tarrant County

Notes: Assessed value = actual value

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	Direct District Rates			CITY OF ARLINGTON	CITY OF BENBROOK	CITY OF EDGECLIFF VILLAGE	CITY OF FOREST HILL	CITY OF FORT WORTH
	Maintenance	Debt Service	Total					
1999	1.3520	0.1330	1.4850	0.638	.7950	.24	.98	.8975
2000	1.3955	0.1195	1.5150	0.638	.7850	.24	.97	.885
2001	1.4555	0.1856	1.6411	0.634	.7850	.258932	.97	.875
2002	1.4617	0.1794	1.6411	0.634	.7725	.258932	.925	.865
2003	1.5000	0.1858	1.6858	0.634	.7725	.270330	.925	.865
2004	1.5000	0.1580	1.6580	0.648	.7625	.287572	.97	.865
2005	1.5000	0.1580	1.6580	0.648	.7625	.291375	.97	.865
2006	1.5000	0.1540	1.6540	0.648	.6770	.328408	.97	.865
2007	1.3700	0.1440	1.5140	0.648	.7225	.318408	.97	.860
2008	1.0400	0.1500	1.1900	0.648	.6975	.314112	.95	.855

Source : Various Assessors

TABLE IX

Overlapping Rates

CITY OF HALTOM CITY	CITY OF KENNEDALE	TARRANT COUNTY	TARRANT COUNTY HOSPITAL DISTRICT	TARRANT COUNTY COLLEGE DISTRICT 1	CITY OF WESTOVER HILLS	CITY OF WHITE SETTLEMENT
.46575	.635	.264836	.23407	.10641	.552281	.59
.46575	.635	.264836	.23407	.10641	.552281	.59
.45575	.635	.274785	.23407	.10641	.523805	.615
.45575	.6925	.274785	.23407	.10641	.502533	.615
.45575	.7125	.2725	.23240	.13938	.511092	.615
.52095	.7325	.2725	.235397	.13938	.520312	.618
.541730	.7225	.2725	.235397	.13938	.512720	.616946
.55776	.7225	.2725	.235397	.13938	.444791	.613
.5666	.7225	.2715	.235397	.13938	.420119	.613
.5983	.7225	.2665	.230397	.13938	.415570	.613



FORT WORTH INDEPENDENT SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years

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
1999	\$ 182,406,445	\$ 177,042,541	97.1%	\$ 4,104,872	\$ 181,147,413	99.31%
2000	195,863,401	189,459,149	96.7%	5,326,632	194,785,781	99.45%
2001	229,363,335	223,218,893	97.3%	4,385,180	227,604,073	99.23%
2002	246,882,131	240,230,428	97.3%	4,591,959	244,822,387	99.17%
2003	266,664,290	262,500,633	98.4%	1,869,609	264,370,242	99.14%
2004	274,852,060	274,360,266	99.8%	(2,092,658)	272,267,608	99.06%
2005	293,532,008	288,438,246	98.3%	2,411,403	290,849,649	99.09%
2006	309,982,014	310,128,704	100.0%	(3,809,833)	306,318,871	98.82%
2007	317,890,633	315,707,584	99.3%	(5,257,290)	310,450,294	97.66%
2008	278,185,294	269,121,423	96.7%	(3,085,549)	270,744,955	97.33%

Source: Tax Reports obtained from Tarrant County

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago

TABLE XI

Taxpayer	2008			1999		
	TAXABLE ASSESSED VALUATION	Percent of Total Assessed Taxable Value	Rank	TAXABLE ASSESSED VALUATION	Percent of Total Assessed Taxable Value	Rank
Ddr/Dtc City Investments Lp Etal	\$271,364,765	1.13%	1			
Oncor Electric Delivery Co Llc	270,401,855	1.12%	2			
Behringer Harvard Burnett Plaza	159,505,080	0.66%	3			
Southwestern Bell	151,637,198	0.63%	4	194,807,670	1.53%	2
Ms Crescent One Spv Llc	141,283,280	0.59%	5			
Sam's Real Estate Business Tr	114,730,913	0.48%	6			
Tarrant County College Dist	104,832,619	0.43%	7			
Ben E. Keith Company	104,640,891	0.43%	8			
Assoc Wholesale Grocers Inc	96,772,210	0.40%	9			
Miller Breweries West Llp	96,539,864	0.40%	10	111,164,524	0.87%	5
Texas Utilities Electric Co.				228,599,843	1.80%	1
City Center Development Co.				115,396,943	0.91%	3
Sprint Communications Co. Lp				113,883,895	0.90%	4
Tandy Corp.				110,722,302	0.87%	6
Albertsons, Inc.				102,317,103	0.80%	7
Alcon Laboratories Inc.				83,091,190	0.65%	8
All Saints Health Systems				61,291,650	0.48%	9
Crescent Real Estate Funding				60,320,717	0.47%	10
TOTAL	\$ 1,511,708,675	6.27%		\$1,181,595,837	9.29%	

Source: Tax information obtained from Tarrant Appraisal District.

DEBT CAPACITY INFORMATION

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assessed Value	\$24,104,551,995	\$21,903,297,019	\$19,683,317,731	\$ 18,601,738,084
Debt limit (10% of assessed value) *	\$ 2,410,455,200	\$ 2,190,329,702	\$ 1,968,331,773	\$ 1,860,173,808
Total net debt applicable to limit	<u>518,284,800</u>	<u>313,451,106</u>	<u>339,804,735</u>	<u>364,620,624</u>
Legal debt margin	1,892,170,400	1,876,878,596	1,628,527,038	1,495,553,184
Total net debt applicable to the limit as a percentage of debt limit	22%	14%	17%	20%

* This percentage is in accordance with the recommendation of the Texas Education Agency as stated in the Texas Education Code, Bulletin 721, Sec. 20.04.

TABLE XII

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$17,370,553,451	\$16,533,242,923	\$15,637,643,677	\$14,508,397,762	\$13,387,492,149	\$12,716,080,432
\$ 1,737,055,345	\$ 1,653,324,292	\$ 1,563,764,368	\$ 1,450,839,776	\$ 1,338,749,215	\$ 1,271,608,043
<u>388,474,050</u>	<u>409,862,081</u>	<u>433,499,137</u>	<u>453,150,761</u>	<u>303,718,002</u>	<u>161,287,721</u>
1,348,581,295	1,243,462,211	1,130,265,231	997,689,015	1,035,031,213	1,110,320,322
22%	25%	28%	31%	23%	13%

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Outstanding Debt by Type
Last Ten Fiscal Years

TABLE XIII

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of disposable personal income	Per Capita	Per Student Enrolled
	Contractual Obligations	General Obligation Bonds	Vacation and Termination Payable	Capital Leases				
1999	\$3,905,057	\$166,772,478	\$16,029,432	\$661,444	\$187,368,411	8.31%	\$ 372	2,646
2000	2,943,794	310,571,940	14,153,321	291,367	327,960,422	14.08%	613	4,577
2001	1,972,531	460,444,326	18,420,817	91,581	480,929,255	18.72%	889	6,569
2002	991,268	440,872,766	23,231,304	431,281	465,526,619	17.28%	836 \$	6,225
2003	-	418,114,895	18,965,685	1,586,547	438,667,127	14.07%	760	5,822
2004	1,925,000	398,191,075	16,400,033	1,263,986	417,780,094	14.63%	698	5,574
2005	1,685,000	375,591,753	16,947,832	622,712	394,847,297	14.12%	638	5,291
2006	1,420,000	352,676,843	17,772,862	253,629	372,123,334	N/A	562	4,965
2007	6,710,000	327,475,364	18,209,645	-	352,395,009	N/A	513	4,760
2008	-	534,340,962	21,762,802	-	556,103,764	N/A	791	7,519

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
Ratio of Net General Bonded Debt To Assessed
Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

YEAR END AUGUST 31	POPULATION *	ASSESSED VALUE	GROSS BONDED DEBT	LESS DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1999	504,350	\$12,716,080,432	\$166,772,478	\$5,484,757	\$161,287,721	1.27 %	\$320
2000	534,694	13,387,492,149	310,571,940	6,853,938	303,718,002	2.27	568
2001	540,950	14,508,397,762	460,444,326	7,293,565	453,150,761	3.12	838
2002	556,700	15,637,643,677	440,872,766	7,373,629	433,499,137	2.77	779
2003	577,500	16,533,242,923	418,114,895	8,252,814	409,862,081	2.48	710
2004	598,850	17,370,553,451	398,191,075	9,717,025	388,474,050	2.24	649
2005	618,600	18,601,738,084	375,591,753	10,971,129	364,620,624	1.96	589
2006	661,850	20,977,843,921	352,676,843	12,872,108	339,804,735	1.62	513
2007	686,850	21,903,297,019	327,475,364	14,024,258	313,451,106	1.43	456
2008	702,850	24,104,551,995	534,340,962	18,424,880	515,916,082	2.14	734

Source: Population estimate furnished by North Central Texas Council of Governments.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of August 31, 2008

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	\$515,916,082	100.00%	\$515,916,082
OVERLAPPING:			
City of Arlington	330,530,000	46.00%	152,043,800
City of Benbrook (3)	11,290,000	100.00%	11,290,000
City of Edgecliff Village (1)	-	-	-
City of Forest Hill	10,670,000	80.00%	8,536,000
City of Fort Worth (3)	-	-	-
City of Haltom City	58,155,000	7.10%	4,129,005
City of Kennedale	8,820,260	1.24%	109,371
Tarrant County	345,904,856	37.61%	130,094,816
Tarrant County Hospital District	64,620,000	37.61%	24,303,582
Tarrant County College District	45,157,713	37.61%	16,983,816
City of Westover Hills (3)	-	-	-
City of White Settlement (2)	-	-	-
Total direct and overlapping tax supported debt			<u>\$863,406,472</u>
Total Assessed Taxable Valuation			\$24,104,551,995
Total Population			702,850
Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation			3.58%
Per Capita Overlapping Total Direct and Overlapping Tax Supported Debt			\$1,228

Source: Financial statements (from each city's official website)

- (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
- (3) Information not available at the time of this report

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

DEMOGRAPHIC AND ECONOMIC INFORMATION



**FORT WORTH INDEPENDENT SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Calendar Years**

TABLE XVI

<u>Calendar Year</u>	<u>Population(A)</u>	<u>Fort Worth Disposable Personal Income(B)</u>	<u>Fort Worth Per Capita Disposable Personal Income(C)</u>	<u>Unemployment Rate(D)</u>
1999	504,350	\$ 2,254,440,000	\$ 4,470	2.52%
2000	534,694	2,329,322,000	4,356	2.26%
2001	540,950	2,568,397,000	4,748	2.14%
2002	556,700	2,693,980,000	4,839	2.36%
2003	577,500	3,118,525,000	5,400	3.09%
2004	598,850	2,855,740,000	4,769	4.31%
2005	618,600	2,796,665,000	4,521	4.40%
2006	661,850	Not available	Not available	3.85%
2007	686,850	Not available	Not available	4.61%
2008	702,850	Not available	Not available	5.00%

Notes

- A** Population estimate furnished by North Central Texas Council of Governments.
- B** From Official Statements of FWISD Bond Issuance. Amounts are for City of Ft Worth only
- C** Only population of Fort Worth was used to calculate per capita income figures.
- D** From US Department of Labor, Bureau of Labor Statistics

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago**

TABLE XVII

<u>Employer</u>	<u>2008 (2)</u>			<u>1999 (1)</u>		
	<u>Approx. # Employees</u>	<u>Rank</u>	<u>%age of Total Jobs</u>	<u>Approx. # Employees</u>	<u>Rank</u>	<u>%age of Total Jobs</u>
American Airlines	25,457	1	2.55%	30,000	1	6.67%
Lockheed Martin Aeronautics	14,332	2	1.44%	11,000	2	2.45%
Texas Health Resources	10,388	3	1.04%			
Fort Worth ISD	10,041	4	1.01%	8,000	3	1.78%
Arlington ISD	8,008	5	0.80%	6,413	5	1.43%
City of Fort Worth	6,144	6	0.62%	5,076	7	1.13%
Bell Helicopter Textron, Inc.	6,004	7	0.60%	7,800	4	1.73%
University of Texas at Arlington	5,422	8	0.54%	4,100	9	0.91%
Harris Methodist Hospital	4,500	9	0.45%			
JP Morgan Chase Bank	4,200	10	0.42%			
Teleservice Resources				6,000	6	1.33%
Delta Air Lines Inc.				5,000	8	1.11%
Tarrant County				4,000	10	0.89%
Totals by Top Ten Employer	94,496		9.48%	87,389		19.43%
Total Jobs Reported	996,500 (3)			449,793 (4)		

Source (1) 1999- Fort Worth Chamber of Commerce Economic Development Resource Center
(2) 2008- Fort Worth Chamber of Commerce Economic Development Resource Center
(3) 2008- Fort Worth Chamber of Commerce Economic Development Resource Center
(4) North Texas Council of Governments

OPERATING INFORMATION



FORT WORTH INDEPENDENT SCHOOL DISTRICT
Full-time-Equivalent District Employees by Type
Last Eight Fiscal Years

	Full-Time Equivalent Employees for fiscal year ending								Percentage Change '01 - '08
	2008	2007	2006	2005	2004	2003	2002	2001	
Professional Staff									
Teachers	5,002.8	4,838.9	4,793.6	4,804.3	4,792.6	4,967.3	5,024.4	4,745.5	5.4%
Professional Support	1,104.7	1,067.7	927.4	982.4	950.3	967.1	880.9	851.0	29.8%
Campus Administration	353.0	322.3	312.0	315.5	311.5	318.9	313.6	283.5	24.5%
Central Administration	112.0	110.1	106.5	102.7	103.0	102.9	100.0	68.0	64.7%
Total Professional Staff	6,572.4	6,339.0	6,139.5	6,204.9	6,157.4	6,356.2	6,318.9	5,948.0	10%
Educational Aides	816.3	794.0	816.5	815.1	873.3	904.9	853.6	768.7	6.2%
Auxiliary Staff	2,926.8	2,900.2	2,927.4	3,061.7	3,041.4	2,674.1	2,648.8	3,161.6	-7.4%
Total Staff	10,315.5	10,033.2	9,883.4	10,081.7	10,072.1	9,935.2	9,821.3	9,878.3	4%

Notes:

- A** Professional Support includes librarians, counselors, school nurses, etc.
- B** Data only available to 2001.

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

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
Teacher Base Salaries
Last Ten Fiscal Years**

TABLE XIX

Fiscal Year	Minimum Salary (A)	Maximum Salary (A)	District Average Salary (B)	Statewide Minimum Salary (B)	Statewide Maximum Salary (C)
1999	\$ 33,050	\$ 55,182	\$ 36,528	\$ 21,240	\$ 37,800
2000	35,000	57,251	39,316	24,240	40,800
2001	36,250	59,541	40,558	24,240	40,800
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	27,230	44,270

Sources:

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

TABLE XX

FORT WORTH INDEPENDENT SCHOOL DISTRICT
 Operating Statistics
 Last Seven Fiscal Years

Fiscal Year	Average Daily Enrollment	Direct Operating Expenditures(A)	Cost per Pupil	Percentage Change from PY	Direct Operating Expenses(B)	Cost per Pupil	Percentage 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	N/A	\$ 578,095,057	\$ 7,730	N/A	5,024	14.9	48,419	65%
2003	75,351	556,134,552	7,381	2.8%	594,158,505	7,885	2.0%	4,967	15.2	52,075	69%
2004	74,945	564,758,792	7,536	2.1%	609,577,616	8,134	3.2%	4,793	15.6	55,710	74%
2005	74,626	559,658,099	7,500	-0.5%	602,321,748	8,071	-0.8%	4,804	15.5	57,007	76%
2006	74,945	592,034,098	7,900	5.3%	634,337,997	8,464	4.9%	4,794	15.6	56,819	76%
2007	74,034	605,392,667	8,177	3.5%	642,027,831	8,672	2.5%	4,839	15.3	56,636	76%
2008	73,984	677,692,990	9,162	12.0%	715,483,655	9,673	11.5%	5,003	14.8	55,459	75%

Notes:

- All information provided by Fort Worth ISD.
- Data only available to 2002.
- A Total governmental funds expenditures less capital, debt service, and intergovernmental expenditures
- B Total Fund expenditures less capital, debt service, and intergovernmental expenditures.
- C From Table 18.
- D FWISD Food Services

FORT WORTH INDEPENDENT SCHOOL DISTRICT
School Building Information
Last Seven Fiscal Years

TABLE XXI

Elementary Schools:	Constructed	Acreage	Capacity	Enrollment	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	Square Feet	Square Feet	Square Feet	Square Feet	Square Feet
Alice Carlson Applied Learning Ctr.	1926	5.26	297	329	49,176	49,176	49,176	49,176	49,176	49,176	38,929	38,929	38,929	38,929	38,929	38,929	38,929	67,480
Alice Contreras	1996	9.3	825	796	61,554	61,554	61,554	61,554	61,554	61,554	64,726	64,726	64,726	64,726	64,726	64,726	64,726	67,480
A. M. Pate	1965	8.0	733	496	55,281	55,281	55,281	55,281	55,281	55,281	60,137	60,137	60,137	60,137	60,137	60,137	60,137	66,533
Atwood McDonald	1967	6.3	523	523	39,444	39,444	39,444	39,444	39,444	39,444	42,059	42,059	42,059	42,059	42,059	42,059	42,059	49,772
Benbrook	1953	8.5	597	452	60,544	60,544	60,544	60,544	60,544	60,544	62,536	62,536	62,536	62,536	62,536	62,536	62,536	60,633
Bill J. Elliott	1988	10.0	575	541	53,027	53,027	53,027	53,027	53,027	53,027	54,126	54,126	54,126	54,126	54,126	54,126	54,126	49,500
Bonnie Brae	2003	13.59	469	370	61,679	61,679	61,679	61,679	61,679	61,679	65,138	65,138	65,138	65,138	65,138	65,138	65,138	--
Boulevard Heights	1932	4.2	260	47	47,514	47,514	47,514	47,514	47,514	47,514	48,313	48,313	48,313	48,313	48,313	48,313	48,313	46,788
Bruce Shulkey	1958	5.9	601	513	64,568	64,568	64,568	64,568	64,568	64,568	74,059	74,059	74,059	74,059	74,059	74,059	74,059	70,823
Burton Hill	1958	12.0	622	373	59,633	59,633	59,633	59,633	59,633	59,633	61,881	61,881	61,881	61,881	61,881	61,881	61,881	56,873
Carroll Peak	1989	5.1	469	481	46,450	46,450	46,450	46,450	46,450	46,450	48,710	48,710	48,710	48,710	48,710	48,710	48,710	46,594
Center Park	1957	6.0	653	540	62,962	62,962	62,962	62,962	62,962	62,962	43,391	43,391	43,391	43,391	43,391	43,391	43,391	83,118
Cesar Chavez	2002	42.4	641	579	61,679	61,679	61,679	61,679	61,679	61,679	63,636	63,636	63,636	63,636	63,636	63,636	63,636	63,250
Charles E. Nash	1927	4.5	277	233	31,794	31,794	31,794	31,794	31,794	31,794	23,428	23,428	23,428	23,428	23,428	23,428	23,428	32,750
Christene C. Moss	1957	5.5	515	388	61,393	61,393	61,393	61,393	61,393	61,393	53,171	53,171	53,171	53,171	53,171	53,171	53,171	58,719
Clifford Davis	2002	10.0	522	488	61,690	61,690	61,690	61,690	61,690	61,690	51,440	51,440	51,440	51,440	51,440	51,440	51,440	63,250
Como	1954	3.1	594	434	56,832	56,832	56,832	56,832	56,832	56,832	58,697	58,697	58,697	58,697	58,697	58,697	58,697	49,176
Como Montessori	1949	3.1	523	322	54,381	54,381	54,381	54,381	54,381	54,381	63,756	63,756	63,756	63,756	63,756	63,756	63,756	57,700
Daggett Montessori	1980	5.74	557	514	83,729	83,729	83,729	83,729	83,729	83,729	111,709	111,709	111,709	111,709	111,709	111,709	111,709	--
David K. Sellers	1967	9.3	726	574	54,597	54,597	54,597	54,597	54,597	54,597	54,597	54,597	54,597	54,597	54,597	54,597	54,597	57,247
D. McRae	1990	5.2	918	844	52,089	52,089	52,089	52,089	52,089	52,089	49,339	49,339	49,339	49,339	49,339	49,339	49,339	61,043
De Zavala	1914	4.27	595	401	53,411	53,411	53,411	53,411	53,411	53,411	57,730	57,730	57,730	57,730	57,730	57,730	57,730	55,158
Diamond Hill	1988	5.8	733	613	56,221	56,221	56,221	56,221	56,221	56,221	65,465	65,465	65,465	65,465	65,465	65,465	65,465	66,510
Dolores Huerta	2004	6.67	581	514	66,067	66,067	66,067	66,067	66,067	66,067	69,174	69,174	69,174	69,174	69,174	69,174	69,174	--
E. M. Daggett	1926	5.9	832	598	88,367	88,367	88,367	88,367	88,367	88,367	94,769	94,769	94,769	94,769	94,769	94,769	94,769	90,664
East Handley	1958	8.2	469	376	46,155	46,155	46,155	46,155	46,155	46,155	42,473	42,473	42,473	42,473	42,473	42,473	42,473	43,239
Eastern Hills	1958	11.9	768	464	67,448	67,448	67,448	67,448	67,448	67,448	51,592	51,592	51,592	51,592	51,592	51,592	51,592	52,100
Edward J. Briscoe	1988	17.1	508	411	49,758	49,758	49,758	49,758	49,758	49,758	50,754	50,754	50,754	50,754	50,754	50,754	50,754	50,174
George C. Clarke	1914	4.3	752	578	64,152	64,152	64,152	64,152	64,152	64,152	59,402	59,402	59,402	59,402	59,402	59,402	59,402	84,660
Glen Park	1953	6.4	1,010	724	57,392	57,392	57,392	57,392	57,392	57,392	49,525	49,525	49,525	49,525	49,525	49,525	49,525	71,586
Greenbriar	1958	6.0	799	552	59,824	59,824	59,824	59,824	59,824	59,824	62,910	62,910	62,910	62,910	62,910	62,910	62,910	60,891
H. V. Helbing	1947	3.7	647	579	53,663	53,663	53,663	53,663	53,663	53,663	56,439	56,439	56,439	56,439	56,439	56,439	56,439	54,125
Harean B. Beal	2002	4.1	495	502	65,975	65,975	65,975	65,975	65,975	65,975	60,778	60,778	60,778	60,778	60,778	60,778	60,778	54,224
Hubbard Heights	1922	8.0	904	682	78,133	78,133	78,133	78,133	78,133	78,133	79,152	79,152	79,152	79,152	79,152	79,152	79,152	77,637
I. M. Terrell	1907	8.46	225	246	91,058	91,058	91,058	91,058	91,058	91,058	142,828	142,828	142,828	142,828	142,828	142,828	142,828	50,015
J. T. Stevens	1967	8.0	707	658	56,924	56,924	56,924	56,924	56,924	56,924	58,730	58,730	58,730	58,730	58,730	58,730	58,730	62,502
Lily B. Clayton	1923	7.3	502	465	62,747	62,747	62,747	62,747	62,747	62,747	77,104	77,104	77,104	77,104	77,104	77,104	77,104	60,638
Lowery Road	2000	20.00	806	750	61,447	61,447	61,447	61,447	61,447	61,447	105,520	105,520	105,520	105,520	105,520	105,520	105,520	65,980
Luella Merrett	1949	7.0	636	516	61,701	61,701	61,701	61,701	61,701	61,701	69,350	69,350	69,350	69,350	69,350	69,350	69,350	72,574
M. G. Ellis Primary	2002	2.5	614	449	67,730	67,730	67,730	67,730	67,730	67,730	66,076	66,076	66,076	66,076	66,076	66,076	66,076	70,000
M. H. Moore	1954	6.0	469	346	57,267	57,267	57,267	57,267	57,267	57,267	66,553	66,553	66,553	66,553	66,553	66,553	66,553	69,340
Manuel Jara	1990	7.0	786	666	55,683	55,683	55,683	55,683	55,683	55,683	66,553	66,553	66,553	66,553	66,553	66,553	66,553	66,600
Mary C. McMillian	1958	6.0	673	412	51,388	51,388	51,388	51,388	51,388	51,388	43,913	43,913	43,913	43,913	43,913	43,913	43,913	47,048
Mary Louise Phillips	1948	7.2	673	534	63,762	63,762	63,762	63,762	63,762	63,762	67,902	67,902	67,902	67,902	67,902	67,902	67,902	64,505
Maude I. Logan	1957	7.3	687	498	61,740	61,740	61,740	61,740	61,740	61,740	55,388	55,388	55,388	55,388	55,388	55,388	55,388	68,621
Maudrie M. Walton	1958	7.9	607	425	52,980	52,980	52,980	52,980	52,980	52,980	72,425	72,425	72,425	72,425	72,425	72,425	72,425	55,095
Meadowbrook	1933	15.0	984	813	72,867	72,867	72,867	72,867	72,867	72,867	82,093	82,093	82,093	82,093	82,093	82,093	82,093	75,616

(continued)

Elementary Schools:	Constructed	Acreage	Capacity	Enrollment	2008	2007	2006	2005	2004	2003	2002
Milton L. Kirkpatrick	1959	5.0	634	429	42,117	42,117	42,117	54,814	54,814	54,814	54,814
Mitchell Blvd.	1953	6.0	495	438	50,905	50,905	50,905	50,083	50,083	50,083	52,230
Morningside	1934	9.8	924	437	84,470	84,470	84,470	101,806	101,806	101,806	69,450
Natha Howell	1958	6.3	455	410	42,727	42,727	42,727	46,089	46,089	46,089	44,575
North Hi Mount	1936	4.1	390	250	39,791	39,791	39,791	51,308	51,308	51,308	46,295
Oakhurst	1927	7.7	819	623	76,646	76,646	76,646	94,975	94,975	94,975	94,575
Oaklawn	1950	5.9	752	339	59,128	59,128	59,128	40,965	40,965	40,965	49,340
Richard J. Wilson	1913	3.1	713	694	68,542	68,542	68,542	73,155	73,155	73,155	79,798
Ridgelea Hills	1958	8.0	720	572	61,864	61,864	61,864	63,118	63,118	63,118	74,517
Riverside Applied Learning Center	1955	6.1	374	287	41,472	41,472	41,472	34,947	34,947	34,947	45,811
Rufino Mendoza, Sr.	1910	3.9	568	426	54,027	54,027	54,027	59,928	59,928	59,928	59,408
Sagamore Hill	1998	5.0	924	722	82,021	82,021	82,021	82,602	82,602	82,602	77,530
Sara Rosen	1909	4.1	647	495	57,296	57,296	57,296	77,336	77,336	77,336	62,622
Seminary Hills Park	2004	9.85	548	515	65,918	65,918	65,918	69,174	69,174	--	--
South Hi Mount	1936	7.0	713	614	64,495	64,495	64,495	45,885	45,885	45,885	61,170
South Hills	1954	5.7	898	805	53,501	53,501	53,501	55,149	55,149	55,149	62,125
Springdale	1953	4.1	574	558	55,159	55,159	55,159	36,278	36,278	36,278	47,775
S. S. Dillow	1937	8.0	736	471	61,490	61,490	61,490	76,002	76,002	76,002	66,090
T. A. Sims	1989	8.0	970	745	58,544	58,544	58,544	54,887	54,887	54,887	65,400
Tanglewood	1960	6.0	588	600	63,234	63,234	63,234	68,396	68,396	68,396	76,312
Van-Zandt Guinn	1980	4.9	396	260	40,212	40,212	40,212	71,742	71,742	71,742	41,988
Versia Williams	1955	2.7	588	483	34,580	34,580	34,580	44,028	44,028	44,028	41,930
W. J. Turner	1949	4.1	627	495	66,490	66,490	66,490	64,469	64,469	64,469	69,123
W. M. Green	1959	6.0	851	585	53,762	53,762	53,762	47,061	47,061	47,061	63,034
Washington Heights	1977	4.0	515	363	59,255	59,255	59,255	19,128	19,128	19,128	39,187
Waverly Park	1958	6.8	766	795	68,794	68,794	68,794	54,379	54,379	54,379	54,721
Westcliff	1954	5.1	417	408	52,063	52,063	52,063	54,111	54,111	54,111	62,386
Westcreek	1967	6.0	756	636	71,627	71,627	71,627	74,829	74,829	74,829	74,329
Western Hills	1961	10.3	693	447	64,420	64,420	64,420	44,452	44,452	44,452	44,138
Western Hills Primary	2000	6.6	786	690	61,612	61,612	61,612	64,744	64,744	64,744	67,480
West Handley	1954	5.3	629	484	41,677	41,677	41,677	29,878	29,878	29,878	40,000
Westpark	1988	33.0	450	330	45,706	45,706	45,706	47,344	47,344	47,344	46,594
Woodway	1990	10.3	839	777	57,730	57,730	57,730	59,744	59,744	59,744	61,816
Worth Heights	1955	7.2	1,109	788	70,843	70,843	70,843	92,957	92,957	92,957	77,329

Notes: Data only available to 2002.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
 School Building Information
 Last Seven Fiscal Years

TABLE XXII

Middle Schools:	Constructed	Acreage	Capacity	Enrollment	Square Feet 2008	Square Feet 2007	Square Feet 2006	Square Feet 2005	Square Feet 2004	Square Feet 2003	Square Feet 2002
Academy on Camp Bowie	2000	12.1	1,254	427	139,967	139,967	139,967	229,130	229,130	229,130	119,941
Dunbar 6th Grade	1952	10.0	551	267	71,017	71,017	71,017	118,052	118,052	118,052	71,100
Dunbar Middle	1981	25.3	855	419	108,137	108,137	108,137	132,200	132,200	132,200	108,447
E. M. Daggett Middle	1954	7.6	600	318	83,104	83,104	83,104	83,735	83,735	83,735	77,974
Forest Oak Middle	1953	15.5	964	657	105,715	105,715	105,715	120,547	120,547	120,547	103,273
Glencrest 6th Grade	1953	6.0	664	375	47,064	47,064	47,064	44,120	44,120	44,120	49,054
Handley Middle	1980	20.0	896	644	92,302	92,302	92,302	94,571	94,571	94,571	98,158
J. P. Elder Middle	1918	14.9	1,208	999	156,425	156,425	156,425	161,026	161,026	161,026	159,000
Kirkpatrick Middle	1949	5.75	818	417	71,194	71,194	71,194	80,067	80,067	80,067	74,400
Leonard 6th Grade	2000	6.3	488	371	64,113	64,113	64,113	67,079	67,079	67,079	61,113
Leonard Middle	1962	15.0	1,005	735	117,419	117,419	117,419	117,314	117,314	117,314	123,470
McLean 6th Grade	1950	4.71	465	375	36,964	36,964	36,964	36,821	36,821	36,821	38,946
Meadowbrook Middle	1953	11.0	1,114	965	119,030	119,030	119,030	130,584	130,584	130,584	103,214
Morningside Middle	1959	13.2	994	409	107,289	107,289	107,289	126,752	126,752	126,752	94,691
Riverside Middle	1949	12.2	870	912	110,335	110,335	110,335	118,706	118,706	118,706	90,570
Rosemont 6th Grade	1922	9.2	533	420	52,648	52,648	52,648	46,725	46,725	46,725	55,254
Rosemont Middle	1936	20.5	1,076	848	130,322	130,322	130,322	112,406	112,406	112,406	112,763
W. A. Meacham Middle	1960	20.0	863	642	94,728	94,728	94,728	105,236	105,236	105,236	106,393
W. C. Stripling Middle	1928	7.7	803	498	98,848	98,848	98,848	117,513	117,513	117,513	102,434
W. P. McLean Middle	1953	15.2	863	739	100,462	100,462	100,462	105,878	105,878	105,878	105,878
Wedgwood 6th Grade	1960	7.6	544	418	56,354	56,354	56,354	60,983	60,983	60,983	60,516
Wedgwood Middle	1964	12.0	1,043	818	118,195	118,195	118,195	133,619	133,619	133,619	113,452
William James Middle	1926	8.0	1,384	1,039	132,411	132,411	132,411	161,615	161,615	161,615	143,480
William Monnig Middle	1951	7.3	821	572	99,792	99,792	99,792	140,512	140,512	140,512	84,355

Notes: Data only available to 2002.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
School Building Information
Last Seven Fiscal Years

TABLE XXIII

Senior High Schools:	Constructed	Acreage	Capacity	Enrollment	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	Square Feet	Square Feet	Square Feet	Square Feet	Square Feet
Amon Carter-Riverside	1935	18.2	1,320	880	110,533	110,533	110,533	114,407	110,533	114,407	114,407	114,407	114,407	114,407	114,407	114,407	114,407	105,541
Arlington Heights	1936	31.7	1,691	1,603	217,595	217,595	217,595	200,911	217,595	200,911	200,911	200,911	200,911	200,911	200,911	200,911	200,911	185,882
Diamond Hill-Jarvis	1952	21.0	1,178	819	134,784	134,784	134,784	205,618	134,784	205,618	205,618	205,618	205,618	205,618	205,618	205,618	205,618	143,589
Eastern Hills	1959	20.0	1,826	1,285	160,619	160,619	160,619	192,122	160,619	192,122	192,122	192,122	192,122	192,122	192,122	192,122	192,122	214,008
North Side High	1937	32.4	2,044	1,355	179,680	179,680	179,680	160,183	179,680	160,183	160,183	160,183	160,183	160,183	160,183	160,183	160,183	201,870
O. D. Wyatt	1968	30.0	1,605	1,012	248,812	248,812	248,812	216,707	248,812	216,707	216,707	216,707	216,707	216,707	216,707	216,707	216,707	251,989
Paul Lawrence Dunbar	1967	13.8	1,654	880	200,727	200,727	200,727	197,364	200,727	197,364	197,364	197,364	197,364	197,364	197,364	197,364	197,364	196,389
Polytechnic High	1936	18.6	1,358	894	167,044	167,044	167,044	159,127	167,044	159,127	159,127	159,127	159,127	159,127	159,127	159,127	159,127	157,174
R. L. Paschal	1936	24.9	2,164	2,054	272,466	272,466	272,466	334,951	272,466	334,951	334,951	334,951	334,951	334,951	334,951	334,951	334,951	287,241
South Hills	1969	27.7	1,511	1,127	195,447	195,447	195,447	220,584	195,447	220,584	220,584	220,584	220,584	220,584	220,584	220,584	220,584	192,835
Southwest High	1967	65.6	1,748	1,441	205,636	205,636	205,636	211,027	205,636	211,027	211,027	211,027	211,027	211,027	211,027	211,027	211,027	213,868
Trimble Technical	1917	11.0	2,115	1,779	363,320	363,320	363,320	379,684	363,320	379,684	379,684	379,684	379,684	379,684	379,684	379,684	379,684	259,448
Western Hills	1969	33.0	1,946	1,522	176,495	176,495	176,495	180,175	176,495	180,175	180,175	180,175	180,175	180,175	180,175	180,175	180,175	214,029

Notes: Data only available to 2002.

FORT WORTH INDEPENDENT SCHOOL DISTRICT
School Building Information
Last Seven Fiscal Years

TABLE XXIV

Other Schools:	Constructed	Capacity	Enrollment	Acreage	Square Feet 2008	Square Feet 2007	Square Feet 2005	Square Feet 2004	Square Feet 2003	Square Feet 2002
Horizons Alternative School*	N/A		54	N/A	21,638	21,638	21,638	21,638	21,638	21,638
Jo Kelly School	1943	146	46	5.8	19,928	19,928	18,826	18,826	18,826	18,826
Middle Level Learning Center	1954	244	61	2.6	29,647	29,647	24,578	24,578	24,578	31,099
Metro Opportunity School	2000	413	113	N/A	73,428	73,428	76,325	76,325	76,325	--
New Lives School*	1990		125	N/A	37,820	37,820	37,820	37,820	37,820	37,820

* Leased Property

Notes: Data only available to 2002.

**FORT WORTH INDEPENDENT
SCHOOL DISTRICT**

SINGLE AUDIT REPORTS

AUGUST 31, 2008

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L.L.P.
CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

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

To the Board of Education
Fort Worth Independent School District

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fort Worth Independent School District (the District) as of and for the year ended August 31, 2008, which collectively comprise Fort Worth Independent School District's basic financial statements and have issued our report thereon dated January 14, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Fort Worth Independent School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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HOUSTON

To the Board of Education
Fort Worth Independent School District

Page 2

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards, which is described in the Schedule of Findings and Questioned Costs as item 08-01.

This report is intended solely for the information and use of the Board of Education, management, the Texas Education Agency and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
January 14, 2009



**WEAVER
AND
TIDWELL**

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
Fort Worth Independent School District

Compliance

We have audited the compliance of Fort Worth Independent School District (the District) with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2008. Fort Worth Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Fort Worth Independent School District's management. Our responsibility is to express an opinion on Fort Worth Independent School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Fort Worth Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Fort Worth Independent School District's compliance with those requirements.

In our opinion, Fort Worth Independent School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2008.

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To the Board of Education
Fort Worth Independent School District

Page 2

Internal Control Over Compliance

The management of Fort Worth Independent School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is a more than remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

To the Board of Education
Fort Worth Independent School District

Page 3

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fort Worth Independent School District as of and for the year ended August 31, 2008, and have issued our report thereon dated January 14, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Fort Worth Independent School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management, the Texas Education Agency and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
January 14, 2009

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2008**

Federal Grantor Agency	Federal CFDA Number	Expenditures, Indirect Costs and Refunds	Passed Through to Sub-Recipients
U. S. DEPARTMENT OF EDUCATION			
<u>Direct Funding:</u>			
Flood Control	117013717	\$ 735	
ESEA Title IX Part A Subpart 1 Indian Education	84.060A	36,763	
ESEA Title IX Part A Subpart 1 Indian Education	84.060A	3,216	
Project Insight	84.215X	6,574	
Team Fort Worth Cycle 2 (Mentoring Project)	84.184B	185,043	
Summer School Program for Limited English Proficient Students in Kindergarten & First Grade	84.369A	50,221	
Highly Qualified Educators For Diversity (Transition To Teaching Program)	84.350A	295,623	
Teaching American History (American Eagle)	84.215X	57,087	
Smaller Learning Communities (OVAE)	84.215L	121,823	
ESEA Title V Part D Carol White Physical Fitness (Shape the Future)	84.215F	73,573	
Advanced Placement Incentive Program	84.330C	6,650	
<u>Passed Through Texas Education Agency:</u>			
Pre-Kindergarten Expansion Grant	93.558	1,503,439	
ESEA Title IV: Safe & Drug Free Schools and Communities Act	84.186A	393,815	
ESEA Title IV: Safe & Drug Free Schools and Communities Act	84.186A	5,101	
ESEA Title I, Part D, Subpart 2: At-Risk Children & Youth	84.010A	69,369	
ESEA Title I Part A Chapter 1 Improving Basic Programs	84.010A	28,710,145	
ESEA Title I Part A Chapter 1 Improving Basic Programs	84.010A	925,302	
ESEA Title I School Improvement Program AYP - Dunbar MS	84.010A	94,651	
ESEA Title I School Improvement Program AYP - Dunbar MS	84.010A	309	
ESEA Title I School Improvement Program AYP - Meadowbrook MS	84.010A	376,086	
ESEA Title I School Improvement Program AYP - Meadowbrook MS	84.010A	34,334	
ESEA Title I School Improvement Program AYP - Meacham MS	84.010A	50,000	
ESEA Title I School Improvement Program AYP - Polytechnic HS	84.010A	213,035	
ESEA Title I School Improvement Program AYP - Polytechnic HS	84.010A	8,387	
ESEA Title I School Improvement Program AYP - Carter Riverside HS	84.010A	7,846	
ESEA Title I School Improvement Program AYP - North Side HS	84.010A	196,155	
ESEA Title I School Improvement Program AYP - North Side HS	84.010A	14,585	
ESEA Title I School Improvement Program AYP - Diamond Hill-Jarvis HS	84.010A	183,650	
ESEA Title I School Improvement Program AYP - Diamond Hill-Jarvis HS	84.010A	583	
ESEA Title I School Improvement Program AYP - Daggett MS	84.010A	102,224	
ESEA Title I School Improvement Program AYP - Daggett MS	84.010A	2,437	
ESEA Title I School Improvement Program AYP - South Hills HS	84.010A	139,338	
ESEA Title I School Improvement Program AYP - South Hills HS	84.010A	35,533	
ESEA Title I School Improvement Program AYP - Dunbar HS	84.010A	176,877	
ESEA Title I School Improvement Program AYP - Dunbar HS	84.010A	3,365	
ESEA Title I School Improvement Program AYP - Eastern Hills HS	84.010A	175,752	
ESEA Title I School Improvement Program AYP - Eastern Hills HS	84.010A	13,302	
ESEA Title I School Improvement Program AYP - O D Wyatt HS	84.010A	162,208	
ESEA Title I School Improvement Program AYP - O D Wyatt HS	84.010A	4,423	

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2008**

Federal Grantor Agency	Federal CFDA Number	Expenditures, Indirect Costs and Refunds	Passed Through to Sub-Recipients
ESEA Title I School Improvement Program AYP - Wedgwood 6th	84.010A	34,897	
ESEA Title I School Improvement Program AYP - Handley MS	84.010A	116,410	
ESEA Title I School Improvement Program AYP - Handley MS	84.010A	29	
ESEA Title I School Improvement Program AYP - William James MS	84.010A	44,711	
ESEA Title I School Improvement Program AYP - Rosemont MS	84.010A	172,898	
ESEA Title I School Improvement Program AYP - Rosemont MS	84.010A	3,681	
ESEA Title I School Improvement Program AYP - Leonard MS	84.010A	180,764	
ESEA Title I School Improvement Program AYP - Leonard MS	84.010A	1,987	
ESEA Title I School Improvement Program AYP - McLean MS	84.010A	38,078	
ESEA Title I Part C Migrant Education Programs	84.011A	56,613	
ESEA Title I Part C Migrant Education Programs	84.011A	7,934	
Title II Adult Education (ABE) Section 231	84.002A	1,769,270	99,002
Title II Adult Education (ABE) Section 231	84.002A	97,186	
Adult Ed - English Literacy & Civics Education, Section 231	84.002A	127,828	
Adult Ed - English Literacy & Civics Education, Section 231	84.002A	864	
IDEA Title VI Part B Special Education Formula	84.027*	15,530,927	
IDEA Title VI Part B Special Education Formula	84.027*	1,579,530	
IDEA Title VI Part B Special Education Preschool	84.027*	301,666	
IDEA Title VI Part B Special Education Preschool	84.027*	892	
IDEA Title VI Part B Special Education Discretionary (Deaf)	84.027*	71,363	
IDEA Title VI Part B Special Education Formula (Deaf)	84.027*	68,456	
IDEA Title VI Part B Special Education Pre-School (Deaf)	84.173*	10,221	
Vocational Education Basic Carl Perkins Career & Technology	84.048A	1,337,825	
Vocational Education Basic Carl Perkins Career & Technology	84.048A	29,091	
Achieve Texas College & Career Redesign	84.048A	29,682	
IDEA Part C: Early Intervention (Deaf)	84.181	1,051	
ESEA Title II Part A Teacher & Principal Training & Recruiting	84.367A	4,316,466	
ESEA Title II Part A Teacher & Principal Training & Recruiting	84.367A	397,175	
Governor's Educators Excellence Grant Program	84.367A	59,803	
Texas Reading First Initiative for Grades K-3 Continuation Cycle 1 Year 4 Continuation	84.357A	433	
Texas Reading First Initiative for Grades K-3 Continuation Cycle 1 Year 5 Continuation	84.357A	1,855,927	
ESEA Title II Part D Enhancing Education Through Technology	84.318X	308,617	
ESEA Title III Part A Immigrant (English Language Acquisition)	84.365A	2,287,628	
ESEA Title III Part A Immigrant (English Language Acquisition)	84.365A	306,500	
ESEA Title IV 21st Century Community Learning Centers Cycle 3 Year 3	84.287C	682,923	
ESEA Title IV 21st Century Community Learning Centers Cycle 3 Year 3	84.287C	523,909	
ESEA Title IV 21st Century Community Learning Centers Cycle 4 Year 2	84.287C	726,180	
ESEA Title IV 21st Century Community Learning Centers Cycle 4 Year 2	84.287C	33,472	
ESEA Title IV 21st Century Community Learning Centers Cycle 4 Year 2	84.287C	669,349	
ESEA Title IV 21st Century Community Learning Centers Cycle 4 Year 2	84.287C	28,933	
ESEA Title IV 21st Century Community Learning Centers Cycle 1 Year 5	84.287C	505,840	

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2008**

Federal Grantor Agency	Federal CFDA Number	Expenditures, Indirect Costs and Refunds	Passed Through to Sub-Recipients
ESEA Title IV 21st Century Community Learning Centers Cycle 1 Year 5	84.287C	8,843	
ESEA Title IV 21st Century Community Learning Centers Cycle 2 Year 4	84.287C	595,397	
ESEA Title IV 21st Century Community Learning Centers Cycle 2 Year 4	84.287C	15,467	
ESEA Title V Part A Innovative Programs	84.298A	229,051	
ESEA Title V Part A Innovative Programs	84.298A	24,772	
Title I SIP Academy - South Hills HS	84.377A	44,596	
Title I SIP Academy - Diamond Hill-Jarvis HS	84.377A	4,965	
Title I SIP Academy - Diamond Hill-Jarvis HS	84.377A	23,434	
Title I SIP Academy - Dunbar HS	84.377A	408	
Title I SIP Academy - Dunbar HS	84.377A	11,646	
Title I SIP Academy - Eastern Hills HS	84.377A	3,236	
Title I SIP Academy - North Side HS	84.377A	19,558	
Title I SIP Academy - North Side HS	84.377A	965	
Title I SIP Academy - O D Wyatt HS	84.377A	19,100	
Title I SIP Academy - Daggett MS	84.377A	5,769	
Title I SIP Academy - Daggett MS	84.377A	19,470	
Title I SIP Academy - Handley MS	84.377A	27	
Title I SIP Academy - Handley MS	84.377A	32,337	
Title I SIP Academy - Rosemont MS	84.377A	2,667	
Title I SIP Academy - Rosemont MS	84.377A	27,223	
Title I SIP Academy - Dunbar MS	84.377A	2,570	
Title I SIP Academy - Dunbar MS	84.377A	52,341	
<u>Passed Through Southern Methodist University:</u>			
Maximizing Literacy Learning Among Children With Mild To Moderate Mental Retardation [Project Maximize]	84.324K	221,518	
<u>Passed Through Tarrant County College:</u>			
Tech Prep	84.048A	877	
Tech Prep	84.048A	5,000	
<u>Passed Through Texas Workforce Commission:</u>			
Apprenticeship Program	10.561	10,413	
TOTAL U.S. DEPARTMENT OF EDUCATION		\$ 70,138,218	99,002
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Department of Human Services:</u>			
SSA Title XX Temporary Assistance for Needy Families (TANF)	93.558	\$ 52,446	-
SSA Title XX Temporary Assistance for Needy Families (TANF)	93.558	159,260	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		\$ 211,706	-
U.S. DEPARTMENT OF AGRICULTURE			
<u>Direct Funding:</u>			
Contributed Commodity Inventory	10.550	\$ 2,582,708	
National School Breakfast Program	10.553*	3,933,964	
National School Lunch Program	10.555*	18,625,155	
National School Snack Program	10.555*	534,717	
Summer Feeding Program - Breakfast	10.559*	134,632	
Summer Feeding Program - Lunch	10.559*	372,656	

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED AUGUST 31, 2008**

<u>Federal Grantor Agency</u>	<u>Federal CFDA Number</u>	<u>Expenditures, Indirect Costs and Refunds</u>	<u>Passed Through to Sub-Recipients</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE		\$ 26,183,832	-
U.S. DEPARTMENT OF DEFENSE			
ROTC	12.000	\$ 1,135,855	
TOTAL U.S. DEPARTMENT OF DEFENSE		\$ 1,135,855	-
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 97,669,611	99,002

* Clustered Programs as required by Compliance Supplement March 2008

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

NOTE 1. BASIS OF PRESENTATION

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Federal grant funds were accounted for in either the General Fund or Federal Special Revenue Funds, governmental funds, or the Food Service Fund, an enterprise fund. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Generally, unused balances are returned to the grantor at the close of specified project periods.

The modified accrual basis of accounting is used for governmental funds. This basis of accounting recognizes revenue in the accounting period in which they become measurable and available. Expenditures are recorded in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net assets.

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

NOTE 2. BASIS OF FUNDING

Federal funding for Food Services under child nutrition programs is primarily based upon the number and type of meals served and in user charges as reported to the US Department of Agriculture. Federal funding received related to various grant programs is based upon periodic reports detailing reimbursable expenditures made in compliance with the program guidelines to the grantor agencies. The programs are governed by various rules and regulations of the grantors. Amounts received and receivable under these various funding

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

NOTE 2. BASIS OF FUNDING – CONTINUED

programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, that the District has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of funding monies may be required. In the opinion of the District's management, there are no significant contingent liabilities relating to matters of compliance and, accordingly, no provision has been made in the basic financial statements for such contingences.

NOTE 3. PERIOD OF AVAILABILITY

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

NOTE 4. LIKE KIND GOODS RECEIVED

Under the Commodity Supplement (CFDA 10.550), the District received like kind goods during the year. The monetary value of these goods was \$2,582,708 for the year ended August 31, 2008.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2008**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number:	84.010A	ESEA Title I, Part A Improving Basic Programs and Part D, Subpart 2 Delinquent Programs
	10.553*	National School Breakfast Program
	10.555*	National School Lunch and Snack Program
	10.559*	Summer Feeding Program

*Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs? \$2,934,088

Auditee qualified as low-risk auditee? Yes No

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2008**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 08-01

BUDGET

Criteria or Specific Requirement:

Controls should be in place to provide assurance that the budget is appropriately amended by the School Board before funds are expended in excess of the budget at the functional level and in total.

Condition:

(X) Compliance Finding () Significant Deficiency () Material Weakness The

Context:

District overexpended budgeted amounts in total and at functional levels in the food service fund.

Effect:

Funds were expended in excess of budgeted amounts at the legal level of control in the food service fund.

Recommendation:

Implement procedures to ensure budgeted amounts are not overexpended at the legal level of control.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no matters reported.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS– (CONTINUED)
AUGUST 31, 2008**

Finding 07-01

CFDA 84.027 IDEA Title VI, Part B: Special Education
CFDA 84.287C ESEA Title IV, Part B 21st Century Community Learning Centers

Condition:

(X)Compliance Finding ()Significant Deficiency ()Material Weakness

Context:

The District has not implemented a consistent District-wide policy that requires certifications on a semi-annual basis, for employees that work solely on a single Federal award or cost objective. The District did not obtain semi-annual certifications for 10 of 40 employees tested.

Status:

The District has implemented procedures to ensure that certifications are being obtained on a semi-annual basis, for employees that work solely on a single Federal award or cost objective.

Finding 07-02

CFDA 84.027 IDEA Title VI, Part B: Special Education

Condition:

(X)Compliance Finding ()Significant Deficiency ()Material Weakness

Context:

The District has not implemented a consistent District-wide policy that requires employees who work on multiple activities or cost objectives related to Federal awards to maintain time and effort documentation. The District did not maintain the required documentation for 3 of 40 employees tested.

Status:

The District has implemented procedures to ensure that all employees who work on multiple activities or cost objectives of Federal awards are maintaining time and effort documentation.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
AUGUST 31, 2008**

Finding 07-03

CFDA 84.027 IDEA Title VI, Part B: Special Education

Condition:

(X) Compliance Finding () Significant Deficiency () Material Weakness

Context:

The District has not implemented procedures to ensure nurse costs coded to the IDEA B program are supplemental in nature. The District could not substantiate costs as supplemental for two nurses selected for testing. Total costs related to these nurses were \$40,870.

Status:

The District has implemented reconciliation procedures related federal funds to ensure that charges are adequately substantiated.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
AUGUST 31, 2008**

Finding Number

Corrective Action Plan

08-01

The Budget and Accounting departments will work more closely to properly identify costs and amend the budget accordingly and in a timely manner.