



Fort Worth
INDEPENDENT SCHOOL DISTRICT
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FORT WORTH ISD
ANNUAL FINANCIAL
ACCOUNTABILITY
MANAGEMENT REPORT

FISCAL YEAR ENDED
JUNE 30, 2015

FORT WORTH INDEPENDENT SCHOOL DISTRICT
FORT WORTH, TEXAS





Fort Worth
INDEPENDENT SCHOOL DISTRICT

2016

Annual Financial
Accountability
Management Report
(School FIRST)

Fiscal Year Ended June 30, 2015

Public Hearing

Tuesday, December 13, 2016.

2903 Shotts Street, Fort Worth, Texas 76107



2016 Annual Financial Accountability Management Report

Reporting Period
Fiscal Year 2015-2016

This is the fourteenth year of School FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of School FIRST is to achieve quality performance in the management of a school district’s financial resources, a goal made more significant due to the complexity of accounting associated with Texas’ school finance system.

Annually, each school district must prepare a Financial Accountability Management Report containing required disclosures within two months of release of final FIRST rating. These disclosures include a copy of the Superintendent’s current contract, compensation received by the Superintendent from other districts or outside entities, a schedule of the reimbursements received by the Superintendent and each Board Member, as well as reportable gifts and business transactions received by the Superintendent, Board of Trustees and Executive Officers. The report must be presented at a Public Hearing. Final FIRST ratings were issued on October 24, 2016 and the School FIRST report will be presented at a public hearing on December 13, 2016, commencing at 5:30 p.m.

In addition to a Superior School FIRST rating, Fort Worth ISD has been awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association, (GFOA) and the Certificate of Excellence in Financial Reporting Award from the Association of School Business Officials International (ASBO) for the 2014-2015 Comprehensive Annual Financial Report, (CAFR). For more information, please contact the Fort Worth ISD Controller’s Office at (817) 814-2141.



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Overview

The 77th Legislature (2001) authorized the implementation of a financial accountability rating system referred to as School FIRST. FWISD's School FIRST rating is based upon an analysis of staff and student data reported for the 2014-2015 school year, and budgetary and actual financial data for the 2015 fiscal year which ended for FWISD on June 30, 2015. Fort Worth ISD's rating under School FIRST for the year ended June 30, 2015, was "A=Superior" with a score of 98.

A FIRST rating sheet is used to rate the District according to fifteen (15) defined indicators. A negative response on one of the first five indicators would result in the District receiving a rating of "F=Substandard Achievement" regardless of the score earned.

The rating criteria for the School FIRST was revised for the 2015 report. Instead of a passing or substandard score, the state has adopted a superior through substandard rating for each district. FWISD has been awarded a superior rating with score of 98. As referenced in the Three Year Comparison, many indicators have been added in the 2015 report. Districts that receive a substandard score rating under FIRST must file a corrective action plan with the Texas Education Agency.

This report briefly describes data used to calculate the rating indicators and includes the required disclosures.



Purpose of the Rating System

The Financial Accountability Rating System ensures that school districts will be:

- Held accountable for the quality of their financial management practices; and
- Achieve improved performance in the management of their financial resources.

It discloses the quality of local management and decision-making processes that impact the allocation of financial resources in Texas public schools.

This rating system was designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes.

BOARD OF EDUCATION



JACINTO RAMOS JR.

President, District 1

May 2015 - Present

ASHLEY PAZ

First Vice President, District 9

May 2016 – Present

Second Vice President

May 2015 – 2016

TOBI JACKSON

Board Secretary, District 2

May 2015 – May 2016

ANN SUTHERLAND

Second Vice President, District 6

May 2016 – Present

CHRISTENE C. MOSS

First Vice President, District 3

May 2015 – May 2016

JUDY NEEDHAM

District 5

NORMAN ROBBINS

Board Secretary, District 7

May 2016 – Present

T.A. SIMS

District 4

MATTHEW AVILA

District 8

DR. KENT P. SCRIBNER

Superintendent



OUR MOTTO, MISSION, VISION, & VALUES

- With over 86,000 students in 83 elementary schools, 29 middle schools and 6th grade centers, 18 high schools and 16 other campuses, Fort Worth ISD enjoys a diverse student population and strong community partnerships. Under the leadership of the superintendent and the Board of Education, the District is undergoing a series of initiatives that will redesign, transform, and revitalize Fort Worth ISD Schools.

Our Motto is... ***"Singleness of Purpose"***

Our Mission is... ***"Preparing all students for success in college, career and community leadership"***

Our Vision is... ***"Fort Worth ISD: Igniting in every child a passion for learning"***

Our Values are...

- **Student Achievement**
- **Stakeholder Collaboration**
- **Leadership Development**
- **Respect for Diversity**
- **Equity in Access**
- **Perseverance and Commitment**
- **Continuous Improvement**



Financial Integrity Rating System of Texas

2015-2016 RATINGS BASED ON SCHOOL YEAR 2014-2015 DATA - DISTRICT STATUS DETAIL

Name: FORT WORTH ISD(220905)		Publication Level 1: 8/8/2016 6:20:16 PM	
Status: Passed		Publication Level 2: 8/8/2016 6:20:16 PM	
Rating: A = Superior		Last Updated: 8/8/2016 6:20:16 PM	
District Score: 98		Passing Score: 31	
#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	3/16/2016 4:39:02 PM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	<u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u>	3/16/2016 4:39:03 PM	Yes
2.B	<u>Did the external independent auditor report that the AFR was free of any instance (s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)</u>	3/16/2016 4:39:03 PM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	3/16/2016 4:39:03 PM	Yes
4	<u>Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?</u>	3/16/2016 4:39:04 PM	Yes

5	<u>Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)</u>	3/16/2016 4:39:04 PM	Yes
			1 Multiplier Sum
6	<u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (See ranges below.)</u>	8/4/2016 2:01:52 PM	10
7	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>	6/30/2016 1:40:50 PM	8
8	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.) (See ranges below.)</u>	8/4/2016 2:01:52 PM	10
9	<u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?</u>	8/4/2016 2:01:53 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	8/4/2016 2:01:53 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/16/2016 4:39:06 PM	10
12	<u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)</u>	3/16/2016 4:39:07 PM	10
13	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?</u>	3/16/2016 4:39:08 PM	10
14	<u>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</u>	3/25/2016 2:14:17 PM	10
15	<u>Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?</u>	3/24/2016 4:41:13 PM	10
			98 Weighted Sum
			1 Multiplier Sum

DETERMINATION OF RATING

A.	Did the district answer ' No ' to Indicators 1, 3, 4, 5, or 2.A? If so, the school district's rating is F for Substandard Achievement regardless of points earned.								
B.	Determine the rating by the applicable number of points. (Indicators 6-15)								
	<table border="1"> <tr> <td data-bbox="245 432 1159 506">A = Superior</td> <td data-bbox="1159 432 1435 506">70-100</td> </tr> <tr> <td data-bbox="245 506 1159 579">B = Above Standard</td> <td data-bbox="1159 506 1435 579">50-69</td> </tr> <tr> <td data-bbox="245 579 1159 653">C = Meets Standard</td> <td data-bbox="1159 579 1435 653">31-49</td> </tr> <tr> <td data-bbox="245 653 1159 714">F = Substandard Achievement</td> <td data-bbox="1159 653 1435 714"><31</td> </tr> </table>	A = Superior	70-100	B = Above Standard	50-69	C = Meets Standard	31-49	F = Substandard Achievement	<31
A = Superior	70-100								
B = Above Standard	50-69								
C = Meets Standard	31-49								
F = Substandard Achievement	<31								

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

THE **TEXAS EDUCATION AGENCY**

1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734

FIRST 4.2.8.0



Fort Worth ISD
Financial Integrity Rating System of Texas
2014-2015 REPORT (THREE YEAR COMPARISON)



The district's financial management performance under each indicator for the current and previous years' financial accountability ratings is shown below:

Previous Indicators	Current Indicators	Indicator Description	2013 Result	2014 Result	2015 Result
1	1	Was the complete Annual Financial Report (AFR) and data submitted to TEA within 30 days of the November 27 or January 28 deadline depending upon the District's fiscal year end date of June 30 or August 31, respectively?	Yes	Yes	Yes
2	2.A	Was There An Unmodified Opinion in Annual Financial Report as a whole?	Yes	Yes	Yes
-	2.B	Was the AFR was free of any instance (s) of material weakness in internal controls over financial reporting and compliance for local, state, or federal funds?	N/A	N/A	Yes
3	3	Was the District in compliance with the payment terms of all debt agreements at fiscal year end?	N/A	Yes	Yes
-	4	Did District make timely payments to the Teachers Retirement System, Texas Workforce Commission, Internal Revenue Service, and other government agencies?	N/A	N/A	Yes
4	5	Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) in the Governmental Activities Column in the Statement of Net Assets greater than zero?	Yes	Yes	Yes
-	6	Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures?	N/A	N/A	10
-	7	Was the measure of current assets to current liabilities ratio sufficient to cover short-term debt?	N/A	N/A	8

Previous Indicators	Current Indicators	Indicator Description	2013 Result	2014 Result	2015 Result
-	8	Was the ration of long-term liabilities to total assets sufficient to support long-term solvency?	N/A	N/A	10
Indicator Removed	9	Did the District's general fund revenues equal or exceed expenditures?	N/A	N/A	10
-	10	Was the debt service coverage ratio sufficient to meet the required debt service?	N/A	N/A	10
5	11	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	5	10	10
-	12	Did the District not have a 15 percent decline in students to staff ratio over 3 years (total enrollment to total staff)?	N/A	N/A	10
6	13	Did the comparisons of PEIMS data to like information in Annual Financial Report result in an aggregate variance of less than 3 Percent of expenditures per fund type (Data Quality Measure)?	5	10	10
7	14	Did the external independent auditor report the Annual Financial Reports was free of any material weakness in internal controls over financial reports and compliance for local, state, or federal funds?	Yes	10	10
-	15	Did the District not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	N/A	N/A	10

**Texas Administrative Code
Chapter 109 Disclosures
Disclosure A
For the Year Ended June 30, 2015**

Copy of the Superintendent's Current Employment Contract and all Amendments

The Superintendent employment contracts, together with all amendments, may be viewed on the District's website.

Please visit

Dr. Kent Scribner's contract:

<http://www.fwisd.org/Page/4002>

Dr. Patricia Linares' contract:

<http://www.fwisd.org/Page/4003>

**Texas Administrative Code
Chapter 109 Disclosures
Disclosure B**

**Reimbursements Received by Superintendent and Board Members
For the Year Ended June 30, 2015**

A summary schedule for the fiscal year (12-month period) of total reimbursements received by the superintendent and each board member. The summary schedule reports reimbursements for meals, lodging, transportation, motor fuel, and other items separately. It does not include reimbursements for supplies, materials and other costs that were purchased for the operation of the school district or allowances paid as part of the superintendent's employment contract.

Name	Meals	Lodging	Transportation (Air Fare + Mileage+ Rental Car)	Other (Registration, Incidentals, Parking, Baggage + Other)	Total
Patricia Linares	\$3,075.05	\$4,793.08	\$3,114.99	\$3,270.99	\$14,254.11
Jacinto Ramos	\$5,385.20	\$8,853.28	\$4,315.75	\$4,942.12	\$23,496.35
Tobi Jackson	\$910.70	\$1,395.80	\$8,154.53	\$1,012.31	\$11,473.34
Christene C Moss	\$2,334.70	\$3,952.63	\$4,459.71	\$4,438.57	\$15,185.61
T.A. Sims	\$664.20	\$495.18	\$644.43	\$825.00	\$2,628.81
Judy Needham	\$1,181.55	\$1,837.12	\$2,137.33	\$1,428.58	\$6,584.58
Ann Sutherland	\$441.75	\$770.70	\$554.12	\$700.00	\$2,466.57
Norman Robbins	\$851.40	\$1,280.61	\$1,119.11	\$1,316.20	\$4,567.32
Matthew Avila	\$382.80	\$799.09	\$830.75	\$1,511.00	\$3,523.64
Ashley Paz	\$2,454.20	\$4,534.36	\$2,810.13	\$2,008.88	\$11,807.57
Totals	\$17,681.55	\$28,711.85	\$28,140.85	\$21,453.65	\$95,987.90

**Texas Administrative Code
Chapter 109 Disclosures
Disclosure C**

**Reportable Superintendent's Compensation
For the Year Ended June 30, 2015**

Summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services. The schedule shall separately report the amount received from each entity.

No Amounts Reported

**Texas Administrative Code
Chapter 109 Disclosures
Disclosure D**

**Reportable Gifts
For the Year Ended June 30, 2015**

A summary schedule for the fiscal year of the dollar amount of gifts that had an economic value of \$250 or more in the aggregate in the fiscal year. This reporting requirement only applies to gifts received by the executive officers and board members (and their immediate family as described by Government Code, Chapter 573, Subchapter B, as a person related to another person within the first degree by consanguinity or affinity) from an outside entity that received payments from the school district in the prior fiscal year, and gifts from competing vendors that were not awarded contracts in the prior fiscal year. This reporting requirement does not apply to reimbursement of travel-related expenses by an outside entity when the purpose of the travel is to investigate or explore matters directly related to the duties of an executive officer or board member, or matters related to attendance at education-related conferences and seminars whose primary purpose is to provide continuing education (this exclusion does not apply to trips for entertainment related purposes or pleasure trips). This reporting requirement excludes an individual gift or a series of gifts from a single outside entity that had an aggregate economic value of less than \$250 per executive officer or board member.

No Amounts Reported

**Texas Administrative Code
Chapter 109 Disclosures
Disclosure E**

**Business Transactions with District
For the Year Ended June 30, 2015**

A summary schedule for the fiscal year of the dollar amount received by board members for the aggregate amount of business transactions with the school district. This reporting requirement is not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.

No Amounts Reported

**Texas Administrative Code
Chapter 109 Disclosures
Disclosure F**

**Summary Schedule of Data Submitted
under the Financial Solvency Provisions of TEC §39.0822**

General Fund - First-Quarter Expenditures By Object Code (2015-2016)

Payroll-	Expenditures for payroll costs	object codes 6110-6149	\$77,383,794
Contract Costs-	Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	\$ 8,701,471
Supplies and Materials-	Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6300	\$ 5,353,757
Other Operating-Debt Service-Capital Outlay-	Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	\$ 3,016,055
	Expenditures for debt service	object code series 6500	\$ -0-
	Expenditures for land, buildings, and equipment	object code series 6600	\$ 793,645

Districts with a July 1- June 30 fiscal year:

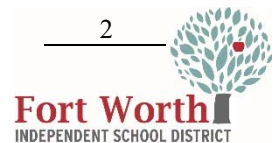
Within the last two years, did the school district	YES	NO
1) draw funds from a short-term financing note (term less than 12 months) between the months of July and October, inclusive, and	_____	X
2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?	_____	X
2) Has the school district declared financial exigency within the past two years?	_____	X

3) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district's financial solvency.

<u>Mean Enroll-to-Teacher Ratio</u>	<u>85% of Mean Enroll-to-Teacher Ratio</u>	<u>School District Size</u>
8.39	7.13	Under 100
9.48	8.06	100 to 249
10.73	9.12	250 to 499
11.48	9.76	500 to 999
12.45	10.58	1,000 to 1,599
13.52	11.50	1,600 to 2,999
14.29	12.15	3,000 to 4,999
14.80	12.58	5,000 to 9,999
14.88	12.65	10,000 to 24,999
15.01	12.76	25,000 to 49,999
15.06	12.80	50,000 and Over

No significant deficiencies or unfavorable variances to report

4) How many superintendents has your school district had in the last five years?	3
5) How many business managers has your school district had in the last five years?	2







FORT WORTH INDEPENDENT SCHOOL DISTRICT
SINGLENES OF PURPOSE



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