



ANNUAL FINANCIAL ACCOUNTABILITY MANAGEMENT REPORT

FISCAL YEAR ENDED
JUNE 30, 2011

COVER PHOTO:
GLEN PARK ELEMENTARY STUDENTS FINISH UP BREAKFAST
AS ONE OF FORT WORTH ISD'S BREAKFAST IN THE
CLASSROOM PARTICIPANTS.

2012
Annual Financial
Accountability
Management Report
(School FIRST)

Fiscal Year Ended June 30, 2011

Public Hearing

Tuesday, October 23, 2012, 5:30 p.m.

2903 Shotts Street, Fort Worth, Texas 76107

2012 Annual Financial Accountability Management Report

Fort Worth ISD Earns State’s Highest Accountability Rating

The Fort Worth Independent School District has received a rating of “Superior Achievement” for the tenth time under the Texas Education Agency’s school finance accountability rating system.

This is the tenth 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.

“We are very pleased with our District’s School FIRST rating,” said Fort Worth ISD Deputy Superintendent, Hank Johnson. “This shows how everyone in our District is working collaboratively to make the most of our resources. Our Board of Trustees and our Superintendent, our administrators, teachers and support staff are all well aware of the importance of making every taxpayer dollar count toward classroom success. This rating shows that Fort Worth’s schools are accountable not only for student learning, but also for achieving academic results cost-effectively and efficiently.” Mr. Johnson further concluded that “the Superior Achievement rating is the State’s highest, demonstrating the quality of FWISD’s financial management and reporting.”

Annually, each school district must prepare a Financial Accountability Management Report. The report must contain certain disclosures. 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. The School FIRST report will be presented at a public hearing on October 23, 2012, commencing at 5:30 p.m.

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



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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.

Overview

The 77th Legislature (2001) authorized the implementation of a financial accountability rating system referred to as School FIRST. The primary goal of School FIRST is to improve the management of school districts' financial resources. FWISD's School FIRST rating is based upon an analysis of staff and student data reported for the 2010-2011 school year, and budgetary and actual financial data for the 2011 fiscal year which ended for FWISD on June 30, 2011. To receive a "Superior Achievement Rating" you must score between 64 – 70 points and answer affirmatively to Indicators 1 – 6. Fort Worth ISD's rating under School FIRST for the year ended June 30, 2011, was "Superior Achievement" with a score of 70.

The School FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being Superior Achievement, followed by Above-Standard Achievement, Standard Achievement and Substandard Achievement. Districts with serious data quality problems may receive the additional rating of "Suspended – Data Quality." Districts that receive the "Substandard Achievement" or "Suspended – Data Quality" ratings under FIRST must file a corrective action plan with the Texas Education Agency.

A FIRST rating sheet is used to rate the District according to twenty (20) defined Indicators, each weighted equally, except for the first six critical indicators. A negative response on one of the first four indicators or to both the fifth and sixth critical indicators results in the District receiving a rating of "Substandard Achievement."

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

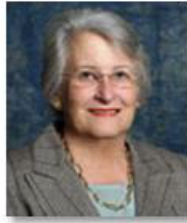
Meet the Board of Education



T. A. SIMS, SR.
Board President
District 4



CHRISTINE C. MOSS
Board Vice President
District 3



JUDY NEEDHAM
Board Secretary
District 5



CARLOS VASQUEZ
District 1



TOBI JACKSON
District 2



ANN SUTHERLAND
District 6



NORMAN ROBBINS
District 7



JOE RALPH (J.R.) MARTINEZ
District 8



JUAN RANGEL
District 9

Superintendent



WALTER D. DANSBY
Superintendent

All nine trustees, active in business, neighborhoods and community groups, are dedicated to the overall success and performance of all students enrolled in FWISD.

Visit the Tarrant County Website at <https://voterlookup.tarrantcounty.com/>. Enter your name in the space provided, and you will receive your voter data including voter precinct, polling place and state, county and local representatives.

Fort Worth ISD

District Goals

Goal 1: Student Achievement

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

Goal 2: Operational Efficiency & Effectiveness

All operations in the District will be efficient and effective.

Goal 3: Family Involvement & Community Partnerships

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



YEAR **2010-2011** | **Select An Option** | **Help** | **Home** | **Log Out**



Financial Integrity Rating System of Texas

2010-2011 DISTRICT STATUS DETAIL

Name: FORT WORTH ISD(220905)	Publication Level 1: 6/28/2012 12:33:14 PM
Status: Passed	Publication Level 2: 9/20/2012 3:18:39 PM
Rating: Superior Achievement	Last Updated: 9/20/2012 3:18:39 PM
District Score: 70	Passing Score: 52

#	Indicator Description	Updated	Score
1	<u>Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?</u>	6/15/2012 4:30:42 PM	Yes
2	<u>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? (If the District's 5 Year % Change in Students was 10% more)</u>	6/15/2012 4:30:42 PM	Yes
3	<u>Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?</u>	6/15/2012 4:30:43 PM	Yes
4	<u>Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?</u>	6/15/2012 4:30:43 PM	Yes
5	<u>Was There An Unqualified Opinion in Annual Financial Report?</u>	6/15/2012 4:30:43 PM	Yes
6	<u>Did The Annual Financial Report Not Disclose Any</u>	6/15/2012	Yes

	<u>Instance(s) Of Material Weaknesses In Internal Controls?</u>	4: 30: 43 PM	
			1 Multiplier Sum
7	<u>Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?</u>	6/15/2012 4: 30: 44 PM	5
8	<u>Did The Comparison 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)?</u>	6/15/2012 4: 30: 44 PM	5
9	<u>Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)</u>	6/15/2012 4: 30: 45 PM	5
10	<u>Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?</u>	6/15/2012 4: 30: 45 PM	5
11	<u>Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)</u>	6/15/2012 4: 30: 45 PM	5
12	<u>Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?</u>	6/15/2012 4: 30: 46 PM	5
13	<u>If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)</u>	6/15/2012 4: 30: 46 PM	5
14	<u>Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1: 1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)</u>	6/15/2012 4: 30: 47 PM	5

15	<u>Was The Administrative Cost Ratio Less Than The Threshold Ratio?</u>	6/15/2012 4: 30: 47 PM	5
16	<u>Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?</u>	6/15/2012 4: 30: 47 PM	5
17	<u>Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?</u>	6/15/2012 4: 30: 48 PM	5
18	<u>Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If Total Revenues > Operating Expenditures In The General Fund,Then District Receives 5 Points)</u>	6/15/2012 4: 30: 48 PM	5
19	<u>Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?</u>	6/15/2012 4: 30: 49 PM	5
20	<u>Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?</u>	6/15/2012 4: 30: 49 PM	5
			70 Weighted Sum
			1 Multiplier Sum
			70 Score

DETERMINATION OF RATING

A.	Did The District Answer ' No ' To Indicators 1, 2, 3 Or 4? OR Did The District Answer ' No ' To Both 5 and 6? If So, The District's Rating Is Substandard Achievement .	
B.	Determine Rating By Applicable Range For summation of the indicator scores (Indicators 7-20)	
	Superior Achievement	64-70
	Above Standard Achievement	58-63

Standard Achievement	52-57
Substandard Achievement	<52

INDICATOR 17 & 18 RATIOS

Indicator 17	Ranges for Ratios		Indicator 18	Ranges for Ratios	
	Low	High		Low	High
District Size - Number of Students Between			District Size - Number of Students Between		
< 500	7	22	< 500	5	14
500-999	10	22	500-999	5.8	14
1000-4999	11.5	22	1000-4999	6.3	14
5000-9999	13	22	5000-9999	6.8	14
= > 10000	13.5	22	= > 10000	7.0	14

OPTIONS

Suspension Reason.

Audit Home Page: [School Financial Audits](#) | Send comments or suggestions to schoolaudits@tea.state.tx.us

THE **TEXAS EDUCATION AGENCY**

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

**Fort Worth ISD
Financial Integrity Rating System of Texas
2010-2011 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	2009 Result	2010 Result	2011 Result
1	1	Was The Total Fund Balance Less Non-Spendable and Restricted Fund Balance Greater Than Zero In The General Fund?	Yes	Yes	Yes
2	2	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 Assts Greater than Zero? (If the District's 5 year % Change in Students was 10% More)	Yes	Yes	Yes
3	3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	Yes	Yes	Yes
4	4	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?	Yes	Yes	Yes
5	5	Was There An Unqualified Opinion in Annual Financial Report?	Yes	Yes	Yes
6	6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	No	No	Yes
7	Indicator Removed	Did the District's Academic Rating Exceed Academically Unacceptable?	5	5	Removed as Indicator
8	7	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	5	5	5
9	8	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	5	5

Previous Indicators	Current Indicators	Indicator Description	2009 Result	2010 Result	2011 Result
10	9	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000, Then Answer This Indicator Yes)	5	5	5
11	10	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	5	5	5
12	11	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)	5	5	5
13	Indicator Removed	Was The Percent Of Operating Expenditures Expended For Instruction More Than 65%? (Phased in over 3 years, 55% for 06-07; 60% for 07-08; and 65% for 08-08)	Removed as Indicator	N/A	N/A
14	Indicator Removed	Was the Percent of Operating Expenditures Expended for Instruction More Than or Equal to 65% (Functions 11,12,31,33,36,93,95)	Removed as Indicator	N/A	N/A
15	12	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?	5	5	5
16	13	If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)	5	5	5
17	14	Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivables) In The General Fund = Or > 1:1? (If Deferred Revenues < Net Delinquent Taxes Receivable)	5	5	5

Previous Indicators	Current Indicators	Indicator Description	2009 Result	2010 Result	2011 Result
18	15	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	5	5	5
19	16	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?	5	5	5
20	17	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	5	5	5
21	Indicator Removed	Was The Total Fund Balance In The General Fund More Than 50% And Less Than 150% Of Optimum According To The Fund Balance And Cash Flow Calculation Worksheet In The Annual Financial Report?	5	5	Removed as Indicator
22	18	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If Total Revenues > Operating Expenditures In The General Fund, Then District Receives 5 Points)	5	5	5
23	19	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?	5	5	5
24	20	Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-month Treasury Bill Rate?	5	0*	5**

***For 2009-2010 the district received zero points for Indicator 22 as investment income per student did not equal the \$20 per student threshold. The District appealed this rating showing that based upon market conditions during this reporting period and the district's investment policies and strategies, that it would not have been possible to achieve this per student investment dollar amount. No action was taken by TEA on the appeal since the overall "Superior Rating" was not affected by this indicator.**

****For the 2010-2011 reporting period, the criteria used for rating investment earnings performance changed. In previous years, investment earnings performance was determined by the amount of investment earnings per student (i.e. \$20.00). Starting with the 2010-2011 reporting period, the investment earnings rating was measured against the 3-month Treasury Bill Rate and whether the District met or exceeded that rate.**

**Texas Administrative Code
Chapter 109 Disclosures
Disclosure A
For the Year Ended June 30, 2011**

**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

<http://www.fwisd.org/business/Documents/Forms/AllItems.aspx>

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

**Reimbursements Received by Superintendent and Board Members
For the Year Ended June 30, 2011**

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
Johnson, Melody	\$2,132.15	\$2,692.02	\$1,907.38	\$2,348.28	\$9,079.83
Dickerson, Raymond	0	\$174.27	0	\$1,340.00	\$1,514.27
Jackson, Tobi	\$1,317.05	\$1,448.94	\$1,395.86	\$2,004.58	\$6,166.43
Moss, Christene	\$841.10	\$1,379.96	\$1,783.46	\$3,715.05	\$7,719.57
Needham, Judy	\$1,892.45	\$2,113.20	\$2,873.93	\$2,860.97	\$9,740.55
Rangel, Juan	\$2,533.65	\$1,807.58	\$2,825.83	\$1,331.00	\$8,498.06
Robbins, Norman	\$106.50	0	\$355.11	\$134.92	\$596.53
Sims, TA		\$174.27		\$735.00	\$909.27
Sutherland, Ann	\$310.00	\$966.11	\$1,333.38	\$714.95	\$3,324.44
Vasquez, Carlos	\$2,280.75	\$1,948.97	\$2,106.62	\$2,046.04	\$8,382.38
	\$11,413.65	\$12,705.32	\$14,581.57	\$17,230.79	\$55,931.33

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

**Reportable Superintendent's Compensation
For the Year Ended June 30, 2011**

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, 2011**

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, 2011**

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 (2011-2012)			
Payroll-	Expenditures for payroll costs	object codes 6110-6149	\$ 60,890,878
Contract Costs-	Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	\$ 8,321,398
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	\$ 4,357,821
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	\$ 2,375,873
	Expenditures for debt service	object code series 6500	\$ 0
	Expenditures for land, buildings, and equipment	object code series 6600	\$ 166,528

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