

Annual Financial Accountability Management Report



Fort Worth Independent School District

Fiscal Year Ended August 31, 2008



Annual Financial Accountability Management Report

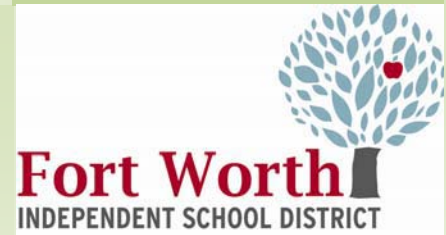
Fiscal Year Ended August 31, 2008

Public Hearing

October 13, 2009



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 seventh time under the Texas Education Agency’s school finance accountability rating system.

This is the seventh year of Schools 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 Schools 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 Schools FIRST rating,” said Fort Worth ISD Interim Chief Financial Officer, Cheryl Kennon, “as it shows that our district is making the most of our taxpayer’s dollars. This rating shows that FWISD’s schools are accountable not only for student learning, but also for achieving these results cost-effectively and efficiently.”

“The “Superior Achievement” rating system is the state’s highest, demonstrating the quality of FWISD’s financial management and reporting,” concluded Mrs. Kennon.

The Schools 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 Schools FIRST must file a corrective action plan with the Texas Education Agency.

In addition to the Superior 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) 871-2103 or visit us online at www.fortworthisd.org.

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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.

The 77th Legislature (2001) authorized the implementation of a financial accountability rating system, which is officially referred to as Schools FIRST. The primary goal of Schools FIRST is to improve the management of school districts' financial resources. FWISD's Schools FIRST rating is based upon an analysis of staff and student data reported for the 2007-2008 school year, and budgetary and actual financial data for the 2008 fiscal year which ended August 31, 2008. Fort Worth ISD's rating under Schools FIRST for the year ended August 31, 2008, was "Superior Achievement" with a score of 82.

Each school district must prepare an Annual 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 Schools FIRST rating sheet is used to rate the District according to twenty-four 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 indicator and includes the required disclosures.

Meet the Board of Education



Standing: Carlos Vasquez, District 1; Norman Robbins, District 7; T.A. Sims Sr., District 4; Chris Hatch, District 6; Judy Needham, District 5; Jean McClung, District 2
Seated: Christene Moss, District 3; Ray Dickerson, President; Juan Rangel, District 8, Board Secretary.

All nine trustees, active in business, neighborhoods and community groups, are dedicated to upholding the Fort Worth ISD Strategic Plan – Vision 2010.

To determine your Board Member or District, visit the Tarrant County Website, <https://voterlookup.tarrantcounty.com/>, enter your name and you will receive your voter data including voter precinct, city and ISD districts.

FORT WORTH ISD

STRATEGIC PLAN

VISION

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

MISSION

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

STRATEGIC 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.

Fort Worth ISD Performance Rating For the Year Ended August 31, 2008



Financial Integrity Rating System of Texas

2007-2008 DISTRICT STATUS DETAIL

Name: FORT WORTH ISD(220905)	Publication Level 1: 6/8/2009 4:39:05 PM
Status: Passed	Publication Level 2: 8/25/2009 1:41:58 PM
Rating: Superior Achievement	Last Updated: 8/25/2009 1:41:58 PM
District Score: 82	Passing Score: 55

The indicators used to determine a District’s rating are known as the Financial Integrity Rating System of Texas of “Schools FIRST” and are set forth as questions. The primary goal of Schools FIRST is to guide and assist districts in improving the management of financial resources. An Affirmative or “Yes” answer means that the District meets or exceeds the indicatory. Beginning in the 2007 year, Questions 7 – 24 were also given a numerical score between 0 and 5. The FIRST rating system rates a passing score of 55. As a result of the District’s “Yes” response to twenty-two of the twenty-four indicators, the Fort Worth Independent School District has earned the highest rating – Superior Achievement with a numerical score of 82. The District has earned Superior Achievement ratings for the last seven years.

**Fort Worth ISD
Financial Integrity Rating System of Texas
2007-2008 DISTRICT STATUS DETAIL**

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

#	Indicator Description	2006 Result	2007 Result	2008 Result
1	Was The Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?	Yes	Yes	Yes
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?	--	Yes*	Yes
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	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	Was There An Unqualified Opinion in Annual Financial Report?	Yes	Yes	Yes
6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	Yes	Yes	Yes
7	Did the District's Academic Rating Exceed Academically Unacceptable?	--	Yes* 5	Yes 5
8	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	Yes	Yes* 5	Yes 5
9	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)?	Yes	Yes* 5	Yes 5

10	Were Debt Related Expenditures (Net Of IFA And/OR EDA Allotment) < \$250.00 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)	Yes	Yes* 5	Yes 5
11	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	Yes	Yes 5	Yes 5
12	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Master Or Monitor Assigned)	Yes	Yes 5	Yes 5
13	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)	Yes	Yes* 3	No 1
14	Was the Percent of Operating Expenditures Expended for Instruction More Than or Equal to 65% (Functions 11,12,31,33,36,93,95)	--	Yes* 2	No 2
15	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?	Yes	Yes 5	Yes 5
16	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)	Yes	Yes 5	Yes 5
17	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, Then Answer This Indicator Yes)	Yes	Yes 5	Yes 5
18	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	Yes	Yes 5	Yes 5
19	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?	Yes	Yes 5	Yes 5

20	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	Yes	Yes 5	Yes 5
21	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?	Yes	Yes 5	Yes 5
22	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If 1.5 Times Optimum Fund Balance < Total Fund Balance In General Fund Or If Total Revenues > Operating Expenditures In The General Fund, Then Answer This Indicator Yes)	Yes	Yes 5	Yes 5
23	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?	Yes	Yes 5	Yes 5
24	Were Investment Earnings In All Funds More Than \$20Per Student?	Yes	Yes* 4	Yes 4

***Indicates a new or changed requirement for the 2006-2007 report. Each new requirement does not have a comparison answer for the prior year. Each changed requirement indicates the answer given in the prior year as it pertained to the previous requirement. Numerical scores not in effect prior to 2006-2007 report.**

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

Copy of the Superintendent's Current Employment Contract

The Superintendent's employment contract may be viewed on the District's website.

Please visit

www.fwisd.org/business/Pages/accounting.aspx

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

**Reimbursements Received by Superintendent and Board Members
For the Year Ended August 31, 2008**

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	Motor Fuel	Registration & Other	Total
Melody Johnson	\$1,148.65	\$2,270.71	\$3,217.03	\$0.00	\$1,567.34	\$8,203.73
Raymond Dickerson	0.00	0.00	0.00	0.00	0.00	0.00
Chris Hatch	0.00	0.00	0.00	0.00	0.00	0.00
Jean McClung	16.50	716.72	211.66	0.00	285.00	1,229.88
Christene Moss	313.23	1,501.75	773.37	0.00	1263.10	3,851.45
Judy Needham	614.50	2,503.15	2,328.13	0.00	1,346.26	6,792.04
Juan Rangel	1,211.20	985.17	1,948.33	0.00	578.53	4,723.23
Norman Robbins	296.50	1,136.25	957.61	0.00	1,114.00	3,504.36
Camille Rodriguez	250.48	983.34	856.15	0.00	555.50	2,645.47
TA Sims	180.00	0.00	310.78	0.00	170.00	660.78
Carlos Vasquez	0.00	0.00	0.00	0.00	0.00	0.00
Total All Travelers	\$4,031.06	\$10,097.09	\$10,603.06	\$0.00	\$6,879.73	\$31,610.94

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

Reportable Superintendent's Compensation

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

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

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



Financial Integrity Rating System of Texas

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 7-24)

Superior Achievement	75-85 and Yes to indicator 7
Above Standard Achievement	65-74 or ≥ 75 and No to indicator 7
Standard Achievement	55-64
Substandard Achievement	< 55 or No to one default indicator

INDICATOR 19 & 20 RATIOS

Indicator 19	Ranges for Ratios		Indicator 20	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

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

THE **TEXAS EDUCATION AGENCY**

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