

Annual Financial Report

Fiscal Year Ended
August 31, 2010



Mansfield Independent School District
605 E. Broad Street
Mansfield, Texas 76063
817-299-6300
www.mansfieldisd.org

ANNUAL FINANCIAL REPORT

of the

**MANSFIELD
INDEPENDENT SCHOOL
DISTRICT**

for the

FISCAL YEAR ENDED AUGUST 31, 2010

PREPARED BY

FINANCE DEPARTMENT

**605 East Broad Street
Mansfield, Texas 76063
(817) 299-6300
www.mansfieldisd.org**

**Mansfield Independent School District
Annual Financial Report
Year Ended August 31, 2010
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Introductory Section





January 17, 2011

To the Board of Trustees and the Citizens of Mansfield Independent School District:

The Annual Financial Report of the Mansfield 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. The government-wide financial statements in this report provide an overview of the District's governmental activities, while detailed fund financial statements describe specific activities of each fund used in accounting for the District's financial transactions. This report was prepared by the District's Finance Department in accordance with generally accepted accounting principles and reporting standards as promulgated by the Governmental Accounting Standards Board ("GASB").

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 its material respects. 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 Annual Financial Report is presented here in four sections: 1) introductory, 2) financial, 3) statistical, and 4) federal awards. The introductory section includes this transmittal letter, the Certificate of Board, and lists of Board members and administrative staff. The financial section includes the basic financial statements, the required supplementary information, combining and individual fund statements and schedules, and other supplementary information. Also included in the financial section is the independent auditors' report on these financial statements and Management's Discussion and Analysis. Reference should be made to Management's Discussion and Analysis for additional information regarding the District's financial operations. The statistical section consists of unaudited tables which reflect both financial and demographic data. This information is for the purpose of presenting social and economic information, financial trends and fiscal capacity of the District, and is generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, and the independent auditors' reports on compliance and internal control over financial reporting and compliance with requirements applicable to each major program and internal control over compliance, are included in the federal awards section.

This report includes all funds of the District. The District is a public school system offering a full prekindergarten through grade twelve educational opportunity 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

Mansfield Independent School District was established in 1909 and encompasses approximately 80 square miles in Tarrant County and 14 square miles in Johnson County. The District is governed by a seven member Board of Trustees who serve staggered three-year terms with elections held in May of each year. All candidates must be qualified voters and residents of the District.

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 prekindergarten through grade twelve. All schools within the District are fully accredited by the Texas Education Agency. In order to serve its current enrollment of 32,223 students (as of November 2010), the District provides regular, special education, vocational, gifted/talented, and bilingual/ESL curriculums. A broad range of elective and extracurricular 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

In recent years, the District's tax base has continued to increase at a higher level than some adjoining areas which have seen smaller or level property values. This is a direct result of new housing construction, not being dependent upon any one major industry and the drilling of gas wells in the Barnett Shale. The increased emphasis by the City of Mansfield to enhance their economic development efforts should continue to help with this trend. From 2008-2009 to 2009-2010, there was a 3.86% increase in the District's appraisal roll of assessed values. In addition, like other Texas school districts, the District is concerned with the financial impact of the changing methods of allocation of state education funds. In 1990, the method of allocation of state education funds to school districts in Texas was determined to be unconstitutional by the Texas Supreme Court. In 1991, the Texas State Legislature developed a new funding methodology. In accordance with the new funding methodology, a new taxing entity (County Education District) was established by the State of Texas with the stated purpose to collect local property taxes and redistribute the taxes among the school districts within the county. Subsequently, the legislation which created county education districts ("CED's"), Texas House Bill 351, was declared unconstitutional by the Texas Supreme Court.

In May 1993, the Texas Legislature enacted Senate Bill 7 ("S.B. 7") which abolished CED's effective as of September 1, 1993. On September 1, 1993, the remaining assets and liabilities of the CED's were transferred to the successors-in-interest of the CED's. The Fort Worth School District was designated successor-in-interest to the former Tarrant County Education District. Legislation has since been passed abolishing the successor-in-interest. Each District now collects and retains its own CED taxes. Also established was a mechanism by which school districts determined to be "property-rich" by the Texas Commissioner of Education would be required to select from among five alternatives which would effectively transfer revenues from the "property rich" district to one or more "property-poor" districts. In its January 30, 1995 ruling the Texas Supreme Court upheld the constitutionality of the finance system, as implemented by the State legislature through its enactment of S.B. 7 in 1993. On November 22, 2005, the Texas Supreme Court ruled that the current school finance system violates the Texas Constitution because its operation constitutes a statewide property tax. The Court directed the State legislature to enact a new funding system by June 1, 2006 and provided an injunction against the funding of Texas public schools if the legislature failed to enact a funding system by that date. The 79th Legislature in a third special session approved legislation in May 2006, for the funding of Texas school districts effective for the 2006-2007 school year.

The emphasis of this legislation was to relieve the tax burden of local property owners with regards to school district tax levies.

The 81st Legislature passed legislation whereby funds are allocated to districts in a manner that requires districts to “compress” their tax rates in order to receive increased State funding at a level that equalizes local tax wealth at the 88th percentile yield for the 2006-07 fiscal year. The state compression percentage is a basic component of the funding formulas. For fiscal year 2009-10 and thereafter, the Commissioner is required to determine the state compression percentage for each fiscal year based on the percentage by which a district is able to reduce its M & O Tax rate for that year, as compared to such district’s adopted M & O Tax rate for the 2005-06 fiscal year, as a result of State funds appropriated for distribution for the current fiscal year from the property tax relief fund established under the Reform Legislation, or from any other funding source made available by the Legislature for school district property tax relief. For fiscal years 2008-09 and 2009-10, the State compression percentage is 66.67%.

With the implementation of the Instructional Facilities Allotment (“IFA”) funding by the 1997 Legislative session the District benefited from this funding on several debt issues. This funding, in addition to the Existing Debt Allotment (Tier III) passed during the 1999 Legislative session, has helped the District to continue to issue debt for needed facilities while maintaining a debt tax rate well below the legally mandated fifty cents limit.

The District is constantly planning ways to address sustained educational quality and improvement within the constraints of available revenues. Even with projected growth, the District is confidently committed to serving its students, parents, and taxpayers with the best possible educational opportunities for the youth of the area within the available funding.

ACCOMPLISHMENTS AND INITIATIVES

For the Year Ended August 31, 2010 the following are summaries of some of the District's achievements for the 2009-2010 school year:

- In 1998 the Mansfield Education Foundation was established, and since then, has awarded in excess of \$2,000,000.00 in grants. In 2009-2010 alone, they awarded 92 grants that totaled \$243,361.00.
- In September, 2009, Roberta Tipps Elementary School was named a 2010 Honor Roll School by a highly regarded non-profit business and education group, Texas Business & Education Coalition (TBEC). This was the third year for Tipps to be named an Honor Roll School.
- September, 2009, MISD had three students named as National Merit Semifinalists.
- October, 2009, MISD had thirteen National Merit Commended Students, one National Achievement Program Semifinalist, three National Achievement Program Participants, and four National Hispanic Scholars.
- January, 2010, Sixteen MISD students were selected to the Texas Music Educators Association All-State Band and Choir. This selection is the highest individual music award to be given a student participating in Texas Public School Music Education.
- March, 2010, Nineteen MISD Latin students placed sixth in state and qualify for nationals.
- April, 2010, Danny Jones Middle School students competed in a Math and Science UIL competition at Azle High School on March 13 and are the first group of middle school students to represent MISD at an Academic UIL competition. In all, 18 students and teams placed in the competition.
- May, 2010, Terry Murphree, 1st Grade Dual Language Teacher at Glenn Harmon Elementary, was named 2010 Texas Bilingual Teacher of the Year, by the Bilingual/ESL Education Association of the Metroplex.
- May, 2010, Karen Law, Teacher at Summit High School, was selected 2010 Winner of the Frank Kemerer Award for Outstanding Teaching of Social Studies at the high school level by the Texas School Administrators Legal Digest and Texas Association of Secondary School Principals.

- In August, 2010, Two MISD principals were honored with state-level recognitions.
Chuck Roe, Principal at Brockett Elementary, was named District 11 President-Elect for the Texas Elementary Principals and Supervisors Association (TEPSA).
David Wright, Principal at Legacy High School, was named Region XI Outstanding High School Principal by the Texas Association of Secondary School Principals (TASSP).

FINANCIAL INFORMATION

The administration of the Mansfield Independent School District is responsible for establishing and maintaining internal controls which are designed to ensure that the assets of the District are protected from loss, theft, and misuse. Also, to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The finance department of the District has fulfilled these responsibilities.

The 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.

Single Audit. As a recipient of federal, state and local awards, 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. These internal controls are subject to ongoing review by management 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 financial award programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended August 31, 2010 provided no instances of material weaknesses in the internal controls over financial reporting or over compliance with requirements applicable to each major program. In addition, the audit disclosed no material instances of non-compliance with certain provisions of laws, regulations, contracts and grants and that the District complied with all material compliance requirements applicable to each major program.

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, National School Lunch and Breakfast Program Fund, Debt Service 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) is the fund-function level. District systems may exercise budgetary control at varying combinations of the account code structure. The Texas accounting system for school districts as codified in the Texas Education Agency Financial Accountability System Resource Guide creates a 20 digit account code structure and requires budgetary control through the fund-function level.

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 lapse at year-end, and are treated as expenditures in the subsequent year upon receipt of goods.

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 District accounts for school construction financed by bond sales and other revenues through Capital Projects Fund.

The National School Lunch and Breakfast Program 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 District also maintains Trust and Agency Funds which encompass private purpose trusts as well as agency funds for student activity and other granting organizations.

The financial statement format is prescribed by 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, U.S. Agencies, the Local Government Investment Cooperative, the Texas Short Term Asset Reserve Program and the State Treasurer's Investment Pool. The District earned interest income of \$658,752 on all general governmental funds investments for the year ended August 31, 2010.

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.

As evidenced by the diversity of its investment portfolio, the District is continuing to take advantage of all investment opportunities available to it. Safety of principal will continue to be foremost in the District's investment decisions. Frost National Bank, N.A. was the official depository of the District, by contract, for the fiscal year ended August 31, 2010.

Fund Balance. The total General Fund fund balance is managed as an integral part of the subsequent year's budget adoption and tax rate setting process. The Board has as one of its goals to maintain at least three months of operating costs in unreserved and undesignated fund balance. The three months operating costs goal is obtained even with a slight decrease in the total fund balance of \$145,557 for fiscal year 2010. The General Fund fund balance as of August 31, 2010 is \$87,401,206 with an unreserved and undesignated balance of \$73,477,462.

General Government Functions. Revenues for general governmental functions (including General, Special Revenue, Debt Service, and Capital Projects) totaled \$293,783,300 for 2009-2010, an increase of 2.94% over 2008-2009.

Revenue from various sources and comparisons with last year are shown in the tabulation that follows:

Revenue Sources	Amount	Percent of Total	Increase (Decrease) Over 2008-2009
Local	\$ 149,869,587	51.0%	\$ 3,870,353
State	119,578,422	40.7%	(4,238,227)
Federal	24,335,291	8.3%	8,753,796
Total	\$ 293,783,300	100.0%	\$ 8,385,922

The increase in local revenues is primarily due to the local tax values increasing and maintaining the same tax rate which would automatically generate more local tax revenue. Even with increased student growth, as the local property values increase at a greater rate than the student growth, then under the funding formula the state funding declines and the local funding must assume a larger share of the cost. The federal increase is largely due to stimulus funding, see the federal awards section for detail of these funds.

The following schedule presents a summary of general governmental (includes General, Special Revenue, Debt Service, and Capital Project) expenditures by function for the fiscal year ended August 31, 2010 and the increases and decreases in relation to prior year amounts.

Function of Expenditures	Amount	Percent of Total	Increase (Decrease) Over 2008-09
Current:			
Instruction	\$ 145,746,962	45.54%	\$ 11,852,631
Instructional resources & Media Services	3,139,000	0.98%	253,122
Curriculum & Staff Development	2,933,416	0.92%	549,233
Instructional Leadership	2,368,959	0.74%	400,717
School Leadership	14,274,401	4.46%	1,164,112
Guidance & Counseling Services	8,991,462	2.81%	277,497
Social Work Services	64,763	0.02%	2,287
Health Services	3,489,049	1.09%	391,832
Student Transportation	9,683,749	3.03%	2,109,046
Food Service	11,439,137	3.57%	1,095,359
Extracurricular Activities	6,499,619	2.03%	336,656
General Administration	4,171,723	1.30%	90,848
Plant Maintenance and Operations	22,971,553	7.18%	1,729,434
Security and Monitoring Services	2,534,475	0.79%	310,942
Data Processing Services	4,933,357	1.54%	2,723,784
Community Services	233,572	0.07%	36,337
Debt Service:			
Principal on long-term debt	16,827,892	5.26%	2,835,986
Interest and fiscal charges	33,090,112	10.34%	(991,269)
Capital Outlay:			
Facilities Acquisition and Construction	25,645,000	8.01%	(27,638,148)
Intergovernmental:			
Payments related to shared services arrangements	124,884	0.04%	(47,049)
Other Intergovernmental Charges	869,244	0.28%	(62,197)
Total Expenditures	\$ 320,032,329	100.00%	\$ (2,516,643)

Debt Administration. The ratio of net bonded debt to taxable assessed valuation is 7.85%.

Outstanding general obligation bonds and accumulated interest accretion at August 31, 2010 totaled \$670,529,026.

The District's bonds presently (October 2010) carry very favorable ratings as follows:

Moody's Investor Services	"Aa2" up from "Aa3"
Standard & Poors	"AA"
Fitch	"AA+" up from "AA"

In October of 2003, the voters approved \$226,100,000 in bonds in three separate propositions. The first proposition, which totaled \$193,300,000, is for the construction of five elementary schools, one intermediate school, one middle school, one high school and renovations and improvements to support facilities. The second proposition, which totaled \$19,500,000, is for the construction of a new multipurpose stadium. The third proposition, which totaled \$13,300,000, is for the construction of a natatorium. All bonds have been issued and all projects related to this bond program have been completed.

The voters approved a \$241.455 million bond package in May 2006 for another high school (high school number 5), middle school, intermediate school, three new elementary schools and a satellite bus parking facility. Also included is HVAC, roofing, electrical upgrades, and renovations at various existing locations. As of August 31, 2010 the District had issued \$188.9 million in bonds for this authorization leaving \$52.555 million in authorized but unissued bonds.

Fiduciary Funds. The District maintains the following fiduciary funds:

- a) Private Purpose Trust Fund - used to account for assets held by the District in a trustee capacity for individuals and private organizations.
- b) Agency Funds - used to account for the receipts and disbursements of monies from student activity, and other granting organizations. These funds have no equity, assets are equal to liabilities, and do not include revenue and expenditures for general operations of the District. This accounting reflects the agency relationship of the District to the student activity and other granting organizations.

Enterprise Funds. The District also maintains the following Enterprise Funds:

- a) Day Care Center – This enterprise fund is for the purpose of providing employee child care. The center is located within the Career Tech Center. It is the intention of the District to operate this facility at no cost to the taxpayers.
- b) Natatorium – The construction of the natatorium has created many new opportunities for the students of the District and the community. The program structure is designed like a pyramid with each level built on the base created by the one below. The base of the District’s aquatic program is the elementary water safety program. Not only is water safety the basis of all the other aquatic programs, it is the origin of the revenue stream that will enable the facility to generate income which will off-set much of the operating expenses of the facility. The learn-to-swim program will be the single largest revenue generating program conducted at the natatorium. Many students graduating from this program will move on to participate in the District’s competitive swim club. While also being a revenue generating program, the swim club will serve as a feeder program for the District’s middle school and high school competitive teams. In addition, many of the parents whose children are involved in the afore mentioned programs; will choose to take advantage of the lap swimming, masters swimming, and aqua aerobic classes offered at the same time their children are participating in the youth programs. Again this is an opportunity to generate revenue by exposing more people in the community to the programs offered at the natatorium

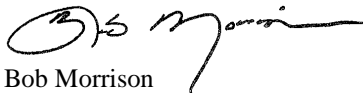
Risk Management. The District's risk management policies and practices incorporate all the functions of a sound risk management program. Included are surveys identifying potential risks, actions to address and correct those risks, and an overall plan to coordinate risk retention and risk transfer. A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

Independent Audit. State law and District policy require an annual audit by independent certified public accountants. The annual audit was performed by Deloitte & Touche LLP for the year ended August 31, 2010.

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 is included in the financial section of this report. Also included in this report are the independent auditors' reports relating specifically to the single audit.

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 Finance office. 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.



Bob Morrison
Superintendent



Lou Spiegel
Associate Superintendent
for Business and Governmental Relations



Chris Moad
Assistant Superintendent
of Finance and Construction Accounting


CERTIFICATE OF BOARD

Mansfield Independent School District Tarrant County County District #220-908


We, the undersigned, do hereby certify that the attached independent auditors' report of the above-named school district was reviewed and:

approved disapproved
(check one)

for the year ended August 31, 2010, at a meeting of the Board of School Trustees of such school district on the **25th** day of **January, 2011**.



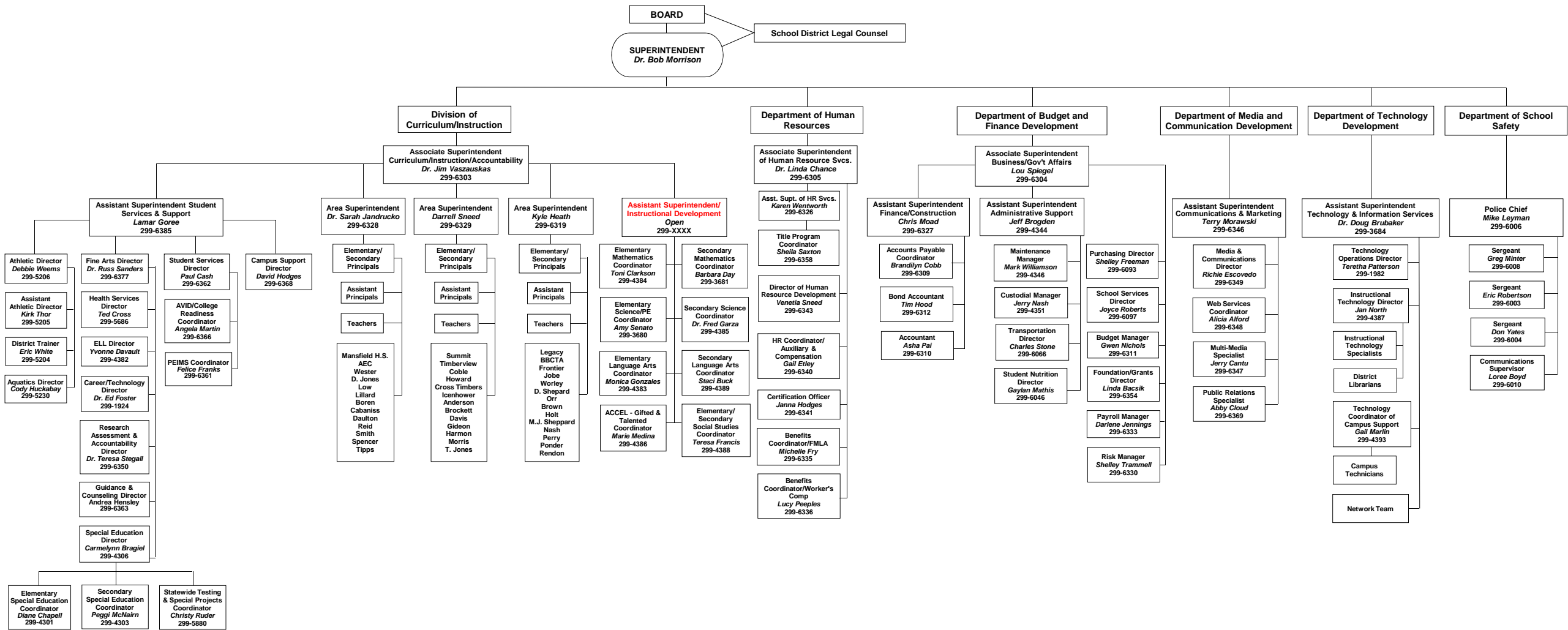
Signature of Board Vice President



Signature of Board President

If the auditors' report was checked above as disapproved, the reason(s) therefore is/are (attach list if necessary):

MANSFIELD ISD
ORGANIZATIONAL CHART 2010 - 2011



Mansfield Independent School District

Board of Trustees

Mr. Terry Moore

Place 1

First elected 2006

Current Term Expires 2012

Ms. Beth Light

Place 2, Vice President

First elected 2006

Current Term Expires 2012

Mr. Michael Evans

Place 3, Secretary

First elected 2007

Current Term Expires 2013

Mr. Raul Gonzalez

Place 4

First elected 2010

Current Term expires 2013

Ms. Sandra Vathauer

Place 5, President

First Elected 2004

Current Term expires 2013

Mr. Gale Moericke

Place 6

First elected 2002

Current Term expires 2011

Mr. Scott Snow

Place 7

Appointed To Fill an Unexpired Term Starting February 2010

Nine Years Previous Board Experience

Current Term expires 2011

Mansfield Independent School District
Administrative Staff

Dr. Bob Morrison
Superintendent of Schools

Dr. Linda Chance
Associate Superintendent
Human Resources

Lou Spiegel
Associate Superintendent
Business and Governmental Relations

Dr. Jim Vaszauskas
Associate Superintendent
Curriculum/Instruction/Accountability

Jeff Brogden
Assistant Superintendent
Administrative Support

Dr. Doug Brubaker
Assistant Superintendent
Technology & Information Services

Lamar Goree
Assistant Superintendent
Student Services and Support

Chris Moad
Assistant Superintendent
Finance and Construction Accounting

Terry Morawski
Assistant Superintendent
Communication & Marketing

Karen Wentworth
Assistant Superintendent
Human Resources

Kyle Heath
Area Superintendent

Dr. Sara Jandrucko
Area Superintendent

Darrell Sneed
Area Superintendent

Additional Accounting Staff

Tim Hood
Accountant

Asha Pai
Accountant

Gwen Nichols
Budget Manager

Keia Wilson
Accounting Clerk

Financial Section



INDEPENDENT AUDITORS' REPORT

Members of the Board of Trustees
Mansfield Independent School District
Mansfield, Texas

We have audited the accompanying basic financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Mansfield Independent School District (the "District"), as of and for the year ended August 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Mansfield Independent School District's management. Our responsibility is to express opinions on the respective 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Mansfield Independent School District, as of August 31, 2010, and the respective changes in financial position and respective cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2011, on our consideration of Mansfield Independent School District's internal control over financial reporting and 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.

Management's Discussion and Analysis and the schedule of revenues, expenditures and changes in fund balance – budget to actual for the General Fund are not required parts of the basic financial statements, but are supplementary information required by the Government Accounting Standards Board. This supplementary information is the responsibility of Mansfield Independent School District's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and we do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the District's respective financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements listed in the foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. These financial statements and schedules are the responsibility of Mansfield Independent School District's management. Such additional information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole. Exhibits J-1 through J-5 as required by the Texas Education Agency are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of the District's management. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The introductory section and statistical section as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements for the District. This information is the responsibility of Mansfield Independent School District's management. 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 it.

Deloitte & Touche LLP

January 17, 2011

**MANSFIELD INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2010
(UNAUDITED)**

This section of Mansfield Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2010. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

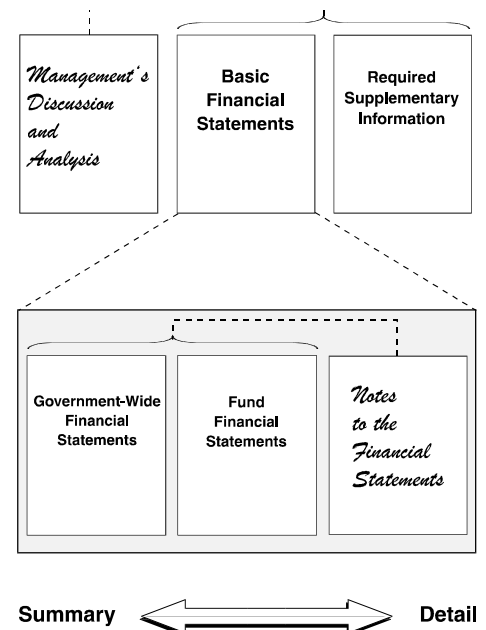
- On the government-wide governmental financial statements, the assets of the District exceeded liabilities by \$113,407,219. Of this amount \$93,408,667 is unrestricted.
- The District's governmental funds financial statements reported combined ending fund balance of \$217,312,839. Of this amount, \$73,477,462 is unreserved, undesignated in the General Operating Fund and is available for spending at the District's discretion as of August 31, 2010 as compared to \$79,219,128 available as of August 31, 2009.
- The District issued no new bonds during fiscal 2010. A balance of \$52.55 million in authorized but unissued bonds from the 2006 authorization remains at year end. Two bond refunding issues resulting in economic gains of \$2,839,186 and \$5,005,638 were completed during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial section consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that 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*.
 - *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

Figure A-1. Required Components of the District's Annual Financial Report



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. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information for all the current year's revenues and expenses regardless of when the cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows for future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities*) as opposed to *business-type activities* that are intended to recover all of a significant portion of their costs through user fees and charges. The District has two business-type activities, District employee day care and District natatorium.

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.

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, which explain the relationship (or differences) between them.
- *Proprietary funds*—Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The District uses enterprise funds to account for its Employee day care operations and District natatorium.
- *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 and a statement of changes in 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 \$114 million at August 31, 2010. (See Table A-1).

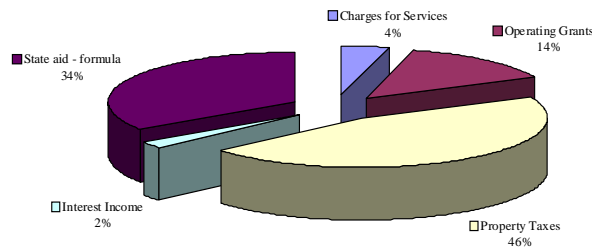
Table A-1
The District's Net Assets
As of August 31

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Other Assets	\$ 256,746,544	\$ 298,537,696	\$ 657,479	\$ 512,521	\$ 257,404,023	\$ 299,050,217
Capital Assets	575,880,939	573,848,559	-	-	575,880,939	573,848,559
Total Assets	832,627,483	872,386,255	657,479	512,521	833,284,962	872,898,776
Current Liabilities	49,452,903	64,916,369	3,852	103	49,456,755	64,916,472
Long Term Liabilities	669,767,361	689,155,462	-	-	669,767,361	689,155,462
Total Liabilities	719,220,264	754,071,831	3,852	103	719,224,116	754,071,934
Net Assets:						
Invested in Capital Assets						
net of related debt	2,753,827	9,753,562	-	-	2,753,827	9,753,562
Restricted	17,244,725	14,369,220	-	-	17,244,725	14,369,220
Unrestricted	93,408,667	94,191,642	653,627	512,418	94,062,294	94,704,060
Total Net Assets	\$ 113,407,219	\$ 118,314,424	\$ 653,627	\$ 512,418	\$ 114,060,846	\$ 118,826,842

Investment in capital assets (e.g. land, buildings, furniture, and equipment) less any related debt used to acquire those assets that is still outstanding is \$2,753,827. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. An additional portion of the District's net assets \$17,244,725, represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$93,408,667 may be used to meet the District's ongoing obligations.

The District's total revenues were \$294,408,133 in fiscal 2010 as compared to \$287,590,968 in fiscal 2009. A significant portion, approximately 46%, of the District's revenue come from taxes. (See Figure A-3) 33% percent comes from state aid - formula grants, while only 4% relate to charges for services. The total cost of all programs and services was \$297,411,575.

Figure A-3
Sources of Revenue for the Year Ended August 31, 2009



Government-wide Activities

The District's total net assets decreased by \$4,907,205. The total cost of all government-wide activities for the fiscal year 2010 was \$299,174,129. Funding for these government-wide activities is by specific program revenue or through general revenues such as property taxes and investment earnings. The following is a summary of governmental funds activities:

- The cost of all *governmental* activities this year was \$298,699,705.
- The amount that taxpayers paid for these activities through property taxes was \$136,557,008 or 47%.
- Some of the cost was paid by those who directly benefited from the programs, \$10,615,134, or 4%.
- Some cost was covered by grants and contributions of \$45,723,842, or 16%.

Table A-2 presents the cost of each of the District's largest Governmental Activity functions as well as each function's *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

Table A-2
Net Cost of Selected Governmental Activities Functions
(in millions)

	<u>Total Cost of Services</u>	<u>Percent of Total Cost</u>	<u>Net Cost of Services</u>	<u>Percent of Net Cost</u>
Instruction	\$163.3	54.66%	\$139.7	57.66%
School Leadership	15.6	5.24%	14.8	6.11%
Plant Maintenance and Operations	23.4	7.82%	22.2	9.17%
Interest and Fiscal Charges	30.6	10.25%	23.1	9.57%

Change in the District's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
Revenues						
Program Revenues						
Charges for Services	\$ 10,615,134	\$ 11,045,716	\$ 615,633	\$ 606,051	\$ 11,230,767	\$ 11,651,767
Operating Grants and Contributions	45,723,842	40,754,158			45,723,842	40,754,158
General Revenues						
Property Taxes	136,557,008	129,511,034			136,557,008	129,511,034
Grants and Contributions Not Restricted	98,649,734	99,130,655			98,649,734	99,130,655
Investment Earnings	658,752	4,695,226			658,752	4,695,226
Other	1,588,030	1,596,066			1,588,030	1,596,066
Extra Ordinary, Insurance Proceeds	-	252,062			-	252,062
Total Revenues	293,792,500	286,984,917	615,633	606,051	294,408,133	287,590,968
Expenses						
Instruction	163,272,516	150,057,613			163,272,516	150,057,613
Instructional Resources & Media Services	4,418,426	4,031,093			4,418,426	4,031,093
Curriculum & Staff Development	2,934,834	2,387,118			2,934,834	2,387,118
Instructional Leadership	2,403,080	2,002,363			2,403,080	2,002,363
School Leadership	15,646,416	14,382,678			15,646,416	14,382,678
Guidance & Counseling Services	9,237,209	8,946,235			9,237,209	8,946,235
Social Work Services	64,763	62,476			64,763	62,476
Health Services	3,642,173	3,241,021			3,642,173	3,241,021
Student Transportation	9,101,290	7,983,672			9,101,290	7,983,672
Food Service	13,613,046	12,449,256			13,613,046	12,449,256
Extracurricular Activities	8,284,147	7,980,978			8,284,147	7,980,978
General Administration	4,407,044	4,316,196			4,407,044	4,316,196
Plant Maintenance and Operations	23,350,908	21,646,664			23,350,908	21,646,664
Security and Monitoring Services	2,564,195	2,334,253			2,564,195	2,334,253
Data Processing Services	3,877,101	2,165,964			3,877,101	2,165,964
Community Services	233,572	197,786			233,572	197,786
Interest and Fiscal Charges	30,614,760	33,053,653			30,614,760	33,053,653
Facilities Acquisition and Construction	37,097	69,705			37,097	69,705
Payments related to shared services arrangements	127,884	171,933			127,884	171,933
Other Intergovernmental Charges	869,244	931,441			869,244	931,441
Day Care			196,526	179,799	196,526	179,799
Natorium			277,898	220,585	277,898	220,585
Total Expenses	298,699,705	278,412,098	474,424	400,384	299,174,129	278,812,482
Increase/(Decrease) in Net Assets	(4,907,205)	8,572,819	141,209	205,667	(4,765,996)	8,778,486
Beginning Net Assets	118,314,424	109,741,605	512,418	306,751	118,826,842	110,048,356
Ending Net Assets	<u>\$113,407,219</u>	<u>\$118,314,424</u>	<u>\$ 653,627</u>	<u>\$ 512,418</u>	<u>\$114,060,846</u>	<u>\$118,826,842</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental funds totaled \$293,783,300, an increase of 2.9% over the preceding year. This increase in revenues was primarily driven by a 3.5% increase in the General Fund from \$206,833,731 in fiscal 2009 to \$214,051,998 in fiscal 2010 and a 19.2% increase in the Other Nonmajor Funds from \$27,977,042 in fiscal 2009 to \$33,352,062 in fiscal 2010.

Total local revenues increased approximately 2.7%. This increase in local revenues is a result of state legislation and increased property values. The legislation has set a funding amount per student and as property values increase state revenue decreases as the funding per student stays neutral. Additionally, approximately \$8 million in state funds were classified as federal stimulus funds fiscal 2010 and not in fiscal 2009. As a result State revenue

decreased by 3.4% during fiscal 2010. Federal revenues increased 56.2% or \$8.7 million due to stimulus funds and increased School Lunch Program activity in fiscal 2010.

Investment earnings decreased sharply for the second straight year as compared to fiscal 2008 levels. Fiscal 2010 expenditures for instruction increased approximately 8.9% from fiscal 2009. This increase was mainly driven by the need for additional instructional staff as the student population increased combined with a salary increase for 2010. Additional instructional materials were also required to handle student population growth. Debt Service charges increased approximately 3.8% in fiscal 2010 as compared to fiscal 2009. This increase was a result of a new debt issued during the past fiscal years. The new debt is used to fund capital projects as the District continues to expand facilities to handle student population growth.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. Even with these adjustments, actual expenditures were \$11,384,162 (5.0% of total actual) below final budget amounts in the General Fund. There were no significant variances, positive or negative, within the General Fund expenditures.

During the year certain budget amendments were passed to address general growth in the District. This activity is normal for the District as the administration responds to growth and change throughout the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District has invested \$576 million, net of depreciation, in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-3.) This amount represents a net increase (including capital asset additions and deductions) of \$2 million, or .4% over last year.

Table A-3
District's Capital Assets

	Fiscal 2010			Fiscal 2009
	Carrying Value	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 47,457,140	N/A	\$ 47,457,140	\$ 46,535,886
Buildings and improvements	664,039,391	178,703,262	485,336,129	494,589,747
Furniture and equipment	3,070,090	2,043,590	1,026,500	885,075
Vehicles	21,218,990	8,339,886	12,879,104	12,018,333
Construction in progress	29,182,066	N/A	29,182,066	19,819,518
Totals	\$ 764,967,677	\$ 189,086,738	\$ 575,880,939	\$ 573,848,559

The voters approved a \$241.5 million bond package in May 2006 for another high school (high school number 5), middle school, intermediate school (which requires moving/rebuilding an existing middle school field house), three new elementary schools and a satellite bus parking facility. Also included are HVAC, roofing, electrical upgrades and renovations at various existing locations.

More detailed information about the District's capital assets is presented in Note 4 and 9 of the financial statements.

Debt Administration

Debt-management policies seek to provide the most favorable climate for District debt projects while upholding the highest rating possible for debt instruments. Management policies include the following points:

- All debt service obligations will be met when due.
- Long-term financing will be restricted to capital projects and capital equipment acquisition.
- Long-term bonds will not be issued to finance current operations.
- The District will cooperate and communicate with bond-rating agencies and work towards obtaining the most favorable municipal bond rating possible.
- Outstanding obligations will be reviewed frequently to ensure the most favorable funding structure for the District.
- All necessary information and material regarding the District's financial status will be provided to the appropriate parties.

As of August 31, 2010, the District had total bonded debt principal outstanding of \$666,804,943. In fiscal 2010 the district paid \$16,827,892 in bonded debt principal. More detailed information about the District's debt is presented in Note 5 of the financial statements.

The District has authorized but unissued general obligation bonds under the 2006 authorization of \$52,555,000 as of August 31, 2010. The District continues to enjoy good bond ratings. The "AAA" long-term rating on the District's bonds reflect the Texas Permanent Fund guarantee. The latest underlying review by the rating agencies was made in October 2010, see Note 14 Subsequent Event. The underlying rating of the District is "Aa2" by Moody's Investors Service, Inc., "AA" by Standard & Poor's Ratings Services, and "AA+" by Fitch Inc.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Net taxable value (July 25, 2010) used for the fiscal 2011 budget preparation will be down \$109 million, or 1.2% to \$8.613 billion. New construction for 2011 is down, as expected, \$175.3 million to \$160.0 million.
- General Operating Fund spending per projected enrolled student increased in the 2011 budget from \$6,949 to \$6,955.
- The District's fiscal 2011 budget is prepared with average daily attendance expected to be 30,754 up 2.9% from 2010 actual attendance of 29,896.

These indicators were taken into account when adopting the General Fund budget for 2011. Amounts available for appropriation in the General Fund budget are \$225.0 million, an decrease of 4.4% over the final 2010 budget of \$235.3 million. Property tax rates for fiscal 2011 will increase by \$.046 cents. The rates per \$100 in valuation are: \$1.04 maintenance and operations, \$.456 debt service. Enrollment continues to grow for the District reaching 32,223 students during November 2010 as compared to 31,680 students during November 2009. As attendance drives funding this is expected to be positive for the District. The District will use these increases in revenues to finance programs currently offered.

Expenditures are budgeted to rise 3.6% to \$225 million. The largest increments are increased staffing, and teacher salary schedule adjustments. These competitive salary schedule adjustments allowed the District to open the 2010-2011 school year with no teacher vacancies. The District has added no major new programs or initiatives to the

2011 budget. If these estimates are realized, the District's budgetary General Fund balance will not change as of the close of fiscal 2011.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and 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 District's Finance Department, at 605 East Broad Street, Mansfield, Texas 76063, or call (817) 299-6300.

Basic Financial Statements



MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2010

TEA Exhibit A-1

Data Control Codes		Governmental Activities	Business Type Activities	Total
ASSETS				
1110	Cash and Temporary Investments	\$ 241,657,690	\$ 657,479	\$ 242,315,169
1220	Property Taxes Receivable - Delinquent	5,123,169		5,123,169
1230	Allowance for Uncollectible Taxes	(153,695)		(153,695)
1240	Due from Other Governments	3,382,918		3,382,918
1290	Other Receivables	1,301,134		1,301,134
1310	Inventories	185,449		185,449
1420	Capital Bond & Other Debt Issuance Costs	5,249,879		5,249,879
1510	Land	47,457,140		47,457,140
1520	Buildings, net	485,336,129		485,336,129
1530	Furniture and Equipment, net	13,905,604		13,905,604
1580	Construction in Progress	29,182,066		29,182,066
1000	Total Assets	<u>832,627,483</u>	<u>657,479</u>	<u>833,284,962</u>
LIABILITIES				
2110	Accounts Payable	9,898,153	3,340	9,901,493
2150	Payroll Deductions and Withholdings Payable	4,749,709		4,749,709
2160	Accrued Wages Payable	10,290,304		10,290,304
2165	Other Current Liabilities		512	512
2180	Due to Other Governments	126,178		126,178
2200	Accrued Interest Payable	1,318,751		1,318,751
2300	Unearned Revenues	6,639,808		6,639,808
	Long-Term Liabilities			
	Portion Due or Payable within One Year:			
2125	Bonds Payable	16,430,000		16,430,000
	Portion Due or Payable after One Year:			
2500	Bonds Payable	669,767,361		669,767,361
2000	Total Liabilities	<u>719,220,264</u>	<u>3,852</u>	<u>719,224,116</u>
NET ASSETS				
3200	Invested in Capital Assets, Net of Related Debt	2,753,827		2,753,827
3820	Restricted for Food Service	4,978,834		4,978,834
3850	Restricted for Debt Service	12,265,891		12,265,891
3900	Unrestricted Net Assets	93,408,667	653,627	94,062,294
3000	Total Net Assets	<u>\$ 113,407,219</u>	<u>\$ 653,627</u>	<u>\$ 114,060,846</u>

The accompanying notes are an integral part of this statement

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2010

TEA Exhibit B-1

Data Control Codes		Program Revenues			Total Governmental Activities	Business Type Activities	Total
		Expenses	Charges for Services	Operating Grants and Contributions			
GOVERNMENTAL ACTIVITIES							
11	Instruction	\$ 163,272,516	\$ 3,540,000	\$ 19,991,985	\$ (139,740,531)	\$ -	\$ (139,740,531)
12	Instructional resources & Media Services	4,418,426		299,530	(4,118,896)		(4,118,896)
13	Curriculum & Staff Development	2,934,834		1,267,837	(1,666,997)		(1,666,997)
21	Instructional Leadership	2,403,080	2,986	153,394	(2,246,700)		(2,246,700)
23	School Leadership	15,646,416		844,785	(14,801,631)		(14,801,631)
31	Guidance & Counseling Services	9,237,209		1,358,059	(7,879,150)		(7,879,150)
32	Social Work Services	64,763		3,631	(61,132)		(61,132)
33	Health Services	3,642,173		447,900	(3,194,273)		(3,194,273)
34	Student Transportation	9,101,290	4,423	3,105,203	(5,991,664)		(5,991,664)
35	Food Service	13,613,046	5,750,929	6,481,648	(1,380,469)		(1,380,469)
36	Extracurricular Activities	8,284,147	881,800	215,923	(7,186,424)		(7,186,424)
41	General Administration	4,407,044		209,132	(4,197,912)		(4,197,912)
51	Plant Maintenance and Operations	23,350,908	331,450	804,342	(22,215,116)		(22,215,116)
52	Security and Monitoring Services	2,564,195	103,546	124,109	(2,336,540)		(2,336,540)
53	Data Processing Services	3,877,101		2,827,006	(1,050,095)		(1,050,095)
61	Community Services	233,572		44,521	(189,051)		(189,051)
72	Interest and fiscal charges	30,614,760		7,432,312	(23,182,448)		(23,182,448)
81	Facilities Acquisition and Construction	37,097		8,266	(28,831)		(28,831)
	Payments related to shared						
95	services arrangements	127,884		104,259	(23,625)		(23,625)
99	Other Intergovernmental Charges	869,244			(869,244)		(869,244)
TG	Total Governmental Activities:	298,699,705	10,615,134	45,723,842	(242,360,729)	-	(242,360,729)
BUSINESS-TYPE ACTIVITIES							
	Day Care	196,526	213,504	-	-	16,978	16,978
	Natorium	277,898	402,129	-	-	124,231	124,231
TB	Total Business-Type Activities:	474,424	615,633	-	-	141,209	141,209
TP	TOTAL PRIMARY GOVERNMENT:	\$ 299,174,129	\$ 11,230,767	\$ 45,723,842	(242,360,729)	141,209	(242,219,520)
General Revenues:							
MT	Property Taxes, Levied for General Purposes				97,950,432		97,950,432
DT	Property Taxes, Levied for Debt Service				38,606,576		38,606,576
GC	Grants and Contributions not Restricted				98,649,734		98,649,734
IE	Investment Earnings				658,752		658,752
MI	Miscellaneous				1,588,030		1,588,030
TR	Total General Revenues				237,453,524	-	237,453,524
CN	Change in Net Assets				(4,907,205)	141,209	(4,765,996)
NB	Net Assets-- Beginning				118,314,424	512,418	118,826,842
NE	Net Assets-- Ending				\$ 113,407,219	\$ 653,627	\$ 114,060,846

The accompanying notes are an integral part of this statement

MANSFIELD INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2010

TEA Exhibit C-1

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Other Nonmajor Funds	98 Total Governmental Funds
ASSETS					
1110	Cash and Temporary Investments	\$ 106,765,849	\$ 13,255,005	\$ 114,072,864	\$ 241,657,690
1220	Property Taxes Receivable - Delinquent	3,805,681	1,317,488		5,123,169
1230	Allowance for Uncollectible Taxes	(114,170)	(39,525)		(153,695)
1240	Due from Other Governments	139,891	-	3,243,027	3,382,918
1260	Due from Other Funds	1,933,224	84,943		2,018,167
1290	Other Receivables	1,149,077	6,625	145,432	1,301,134
1300	Inventories	185,449	-		185,449
1000	Total Assets	<u>\$ 113,865,001</u>	<u>\$ 14,624,536</u>	<u>\$ 114,072,864</u>	<u>\$ 253,514,832</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ 3,867,103	\$ 10,426	\$ 4,726,698	\$ 9,898,153
2150	Payroll Deductions and Withholdings Payable	4,749,709			4,749,709
2160	Accrued Wages Payable	10,024,759		265,545	10,290,304
2170	Due to Other Funds	84,943		1,933,224	2,018,167
2180	Due to Other Governments	69,699		56,479	126,178
2300	Deferred Revenues	7,667,582	1,029,468	422,432	9,119,482
2000	Total Liabilities	<u>26,463,795</u>	<u>1,039,894</u>	<u>4,726,698</u>	<u>36,201,993</u>
Fund Balances:					
Reserved For:					
3410	Investments in Inventory	185,449			185,449
3420	Retirement of Long-Term Debt		13,584,642		13,584,642
3450	Food Service			4,978,834	4,978,834
3470	Capital Projects		109,346,166		109,346,166
Unreserved Designated For:					
3520	Benefits/Worker's Compensation	746,815			746,815
3530	Gas Lease Proceeds - Other Capital Projects	1,953,934			1,953,934
3530	Gas Lease Proceeds - Computer Upgrade	613,624			613,624
3590	Technology Replacement Program	2,000,000			2,000,000
3590	2010 Technology Upgrade	6,877,704			6,877,704
3590	High School Allotment	1,230,380			1,230,380
3590	Other - Safe School, Energy Program	315,838			315,838
Unreserved and Undesignated					
3600	Reported in the General Fund	73,477,462			73,477,462
3610	Reported in the Special Revenue Funds			2,001,991	2,001,991
3000	Total Fund Balances	<u>87,401,206</u>	<u>13,584,642</u>	<u>109,346,166</u>	<u>6,980,825</u>
4000	Total Liabilities and Fund Balances	<u>\$ 113,865,001</u>	<u>\$ 14,624,536</u>	<u>\$ 114,072,864</u>	<u>\$ 253,514,832</u>

The accompanying notes are an integral part of this statement

MANSFIELD INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
AUGUST 31, 2010

TEA Exhibit C-1R

Total Fund Balances - Governmental Funds \$ 217,312,839

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.

Costs of the assets	
Beginning balance	736,079,411
Added during year (net of retirements)	28,888,266
Accumulated depreciation	
Beginning balance	(162,230,852)
Added during year (net of retirements)	(26,855,886)

Certain liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds. These liabilities at year-end consist of:

Bonds Payable	(666,804,943)
Accrued Interest Payable	(1,318,751)
Interest Accretion on Capital Appreciation Bonds	(3,724,083)

Various other adjustments and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include:

Deferred revenue	2,479,674
Bond issue costs	5,249,879
Deferred loss on refunding	15,299,315
Bond premium	(30,967,650)

Total Net Assets of Governmental Activities \$ 113,407,219

The accompanying notes are an integral part of this statement

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED AUGUST 31, 2010

TEA Exhibit C-2

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Other Nonmajor Funds	98 Total Governmental Funds	
REVENUES:						
5700	Total Local and Intermediate Sources	\$ 101,535,527	\$ 38,652,067	\$ 294,861	\$ 9,387,132	\$ 149,869,587
5800	State Program Revenues	110,821,779	7,432,312	-	1,324,331	119,578,422
5900	Federal Program Revenues	1,694,692	-	-	22,640,599	24,335,291
5020	Total Revenues	<u>214,051,998</u>	<u>46,084,379</u>	<u>294,861</u>	<u>33,352,062</u>	<u>293,783,300</u>
EXPENDITURES:						
Current:						
0011	Instruction	131,104,580			14,642,382	145,746,962
0012	Instructional Resources & Media Services	2,986,528			152,472	3,139,000
0013	Curriculum & Staff Development	1,742,333			1,191,083	2,933,416
0021	Instructional Leadership	2,317,611			51,348	2,368,959
0023	School Leadership	14,196,488			77,913	14,274,401
0031	Guidance & Counseling Services	8,058,678			932,784	8,991,462
0032	Social Work Services	64,763			-	64,763
0033	Health Services	3,223,369			265,680	3,489,049
0034	Student Transportation	8,361,036			1,322,713	9,683,749
0035	Food Service	-			11,439,137	11,439,137
0036	Extracurricular Activities	6,246,686			252,933	6,499,619
0041	General Administration	4,151,396			20,327	4,171,723
0051	Plant Maintenance and Operations	22,815,440			156,113	22,971,553
0052	Security and Monitoring Services	2,531,390			3,085	2,534,475
0053	Data Processing Services	2,197,774			2,735,583	4,933,357
0061	Community Services	95,384			138,188	233,572
Debt Service:						
0071	Principal on Long-Term Debt	-	16,827,892		-	16,827,892
0171	Interest and Fiscal Charges	-	33,090,112		-	33,090,112
Capital Outlay:						
0080	Facilities Acquisition and Construction	8,266		25,636,734	-	25,645,000
Intergovernmental:						
0095	Payments Related to Shared Services Arrangements	23,625			104,259	127,884
0099	Other Intergovernmental Charges	869,244			-	869,244
6030	Total Expenditures	<u>210,994,591</u>	<u>49,918,004</u>	<u>25,636,734</u>	<u>33,486,000</u>	<u>320,035,329</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,057,407</u>	<u>(3,833,625)</u>	<u>(25,341,873)</u>	<u>(133,938)</u>	<u>(26,252,029)</u>
OTHER FINANCING SOURCES (USES):						
7901	Proceeds from the Sale of Refunding Bonds		130,065,000			130,065,000
7912	Proceeds from Sale of Equipment	16,790	-			16,790
7915	Transfer In	2,403,986	4,500,000		1,123,740	8,027,726
7916	Premium on Issuance of Bonds		16,084,926			16,084,926
8911	Transfer (Out)	(5,623,740)	-		(2,403,986)	(8,027,726)
8940	Payment to Refunding Bond Escrow		(144,770,776)			(144,770,776)
7080	Total Other Financing Sources	<u>(3,202,964)</u>	<u>5,879,150</u>	<u>-</u>	<u>(1,280,246)</u>	<u>1,395,940</u>
1200	Change In Fund Balance	(145,557)	2,045,525	(25,341,873)	(1,414,184)	(24,856,089)
0100	Fund Balance - September 1 (Beginning)	87,546,763	11,539,117	134,688,039	8,395,009	242,168,928
3000	Fund Balance - August 31 (Ending)	<u>\$ 87,401,206</u>	<u>\$ 13,584,642</u>	<u>\$ 109,346,166</u>	<u>\$ 6,980,825</u>	<u>\$ 217,312,839</u>

The accompanying notes are an integral part of this statement

MANSFIELD INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2010

TEA Exhibit C-3

Total Net Change in Fund Balances - Governmental Funds \$ (24,856,089)

Amounts Reported for governmental activities in the statement of net assets are different because:

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 as depreciation expense.

Costs of the assets	29,145,658
Current year depreciation	(27,113,278)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Payments on Bonds Payable	16,827,892
Change in Accreted Interest on Capital Appreciation Bonds	(423,799)
Bonds issued net	(8,716)

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include:

Deferred revenue change	(79,121)
Gas lease amortization	71,531
Bond Premium and issue cost amortization	1,440,177
Decrease in Bond interest payable	88,540

Change in Net Assets of Governmental Activities \$ (4,907,205)

The accompanying notes are an integral part of this statement

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2010

TEA Exhibit D-1

	Business-type Activities	Total Enterprise Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 657,479	
Total Assets		657,479
LIABILITIES		
Current Liabilities:		
Accounts Payable	3,340	
Prepaid Tuition	512	
Total Liabilities		3,852
NET ASSETS		
Unrestricted Net Assets		653,627
Total Net Assets	\$ 653,627	653,627

The accompanying notes are an integral part of this statement

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2010

TEA Exhibit D-2

	Business-type Activities
	Total Enterprise Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 615,633
Total Operating Revenues	615,633
OPERATING EXPENSES:	
Payroll Costs	388,414
Professional and Contracted Services	38,156
Supplies and Materials	12,794
Other Expenses	35,060
Total Operating Expenses	474,424
Operating Income	141,209
Total Net Assets September 1 (Beginning)	512,418
Total Net Assets - August 31 (Ending)	\$ 653,627

The accompanying notes are an integral part of this statement

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2010

TEA Exhibit D-3

	Business-type Activities	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from User Charges	\$ 615,633	
Cash Received from Club Fees	492	
Cash Payments to Employees for Services	(385,074)	
Cash Payments for Contracted Services	(38,156)	
Cash Payments for Supplies	(12,794)	
Cash Payments for Other Expenses	(35,143)	
	144,958	
Net Cash Provided by Operating Activities		144,958
Cash and Cash Equivalents at Beginning of the Year		512,521
Cash and Cash Equivalents at the End of the Year	\$ 657,479	657,479
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 141,209	
Effect of Increase and Decreases in Current Assets and Liabilities:		
Increase in Accounts Payable	3,257	
Increase in Club Fees Payable	492	
	144,958	
Net Cash Provided by Operating Activities	\$ 144,958	

The accompanying notes are an integral part of this statement

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AUGUST 31, 2010

TEA Exhibit E-1

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Cash and Temporary Investments	\$ 67,688	\$ 596,716
Total Assets	<u>67,688</u>	<u>\$ 596,716</u>
LIABILITIES		
Due to Student Groups	-	\$ 596,716
Total Liabilities	<u>-</u>	<u>\$ 596,716</u>
NET ASSETS		
Restricted Net Assets	67,688	
Total Net Assets	<u>\$ 67,688</u>	

The accompanying notes are an integral part of this statement

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
YEAR ENDED AUGUST 31, 2010

TEA Exhibit E-2

	Private Purpose Trust Fund
<hr/>	
ADDITIONS:	
Investment Income	\$ 168
Total Additions	<u>168</u>
Change in Net Assets	168
Net Assets - September 1 (Beginning)	67,520
Net Assets - August 31 (Ending)	<u><u>\$ 67,688</u></u>

The accompanying notes are an integral part of this statement

Mansfield Independent School District
Notes to Basic Financial Statements
Year Ended August 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Board of School Trustees, a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of Mansfield Independent School District ("the District"). Because members of the Board of Trustees are elected by the public; have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters; the District is not included in any other governmental "reporting entity" as defined in Governmental Accounting Standards Board ("GASB") Statement No. 14. Also, there are no component units for which the District or the Board of Trustees is financially accountable.

Since the District receives funding from local, state and federal government sources, it must comply with the requirements of the entities providing those funds.

Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the District's nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. *Business-type activities*, which are reported separately, rely to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and private purpose trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as

all eligibility requirements imposed by the provider have been met. The District has elected to follow accounting standards issued by GASB and only those accounting standards issued by the Financial Accounting Standards Board on or before November 30, 1989, as allowed by GASB Statement No. 20. During the year, the District implemented GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and did not identify any derivative instruments as defined by the GASB Statement 53 that would require disclosure or recording in the financial statements. The District also implemented GASB No. 51, *Accounting and Financial Reporting for Intangible Assets* during the year and did not identify any intangible assets that would require recording under the statement.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the District considered revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments are recorded only when payments are due.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors may require the District to refund all or part of the unused amounts.

Proprietary funds operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the District's enterprise funds are for charges to patrons for use of the two facilities, District employee day care and the District natatorium. Operating expenses for the enterprise funds include salaries and other operating expenses. 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.

Fund Accounting

The District reports the following major governmental funds:

The General Fund which accounts for financial resources related to the general operations of the District, including financial resources not required to be accounted for in some other fund.

The Debt Service Fund which is utilized to account for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs arising from general obligation bonds.

The Capital Projects Fund which accounts for proceeds from sales of bonds and other revenues to be used for authorized construction and acquisition of capital facilities.

Additionally, the District reports the following funds:

Governmental Funds:

The Special Revenue Funds which account for federal, state and locally financed programs where unused balances are generally returned to the grantor at the close of specified project periods. Proceeds of specific revenue sources that are legally restricted to or designated for specific purposes by a grantor are accounted for in a special revenue fund. The District also accounts for its food service and campus activities in special revenue funds. Project accounting is employed to maintain integrity for the various sources of funds.

Proprietary Funds:

Enterprise Funds account for the activities of the District's employee day care and natatorium.

Fiduciary Funds:

Private Purpose Trust Fund is used to account for resources legally held in trust under which principal and income benefit individuals, private organizations or other governments.

Agency Fund which is custodial in nature and accounts for activities of student groups and other types of activities requiring clearing accounts. This fund has no equity. Assets are equal to liabilities and do not include revenues and expenditures for general operations of the District. This accounting reflects the District's agency relationship with the student activity organizations. Fiduciary funds use the modified accrual basis of accounting to recognize assets and liabilities.

Cash, Cash Equivalents and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of one year or less from the date of acquisition. All investments in pools are considered cash equivalents.

Investments

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report temporary investment contracts using cost based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term temporary refers to investments that have a remaining term of one year or less at the time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Inventories

Supplies and materials are recorded as expenditures when requisitioned. Inventories of supplies on the balance sheet are recorded at cost, using the average cost method. Supplies and materials are used for almost all functions of activity.

Interfund Transactions and Receivables and Payables

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations.

Capital Assets

Capital assets, which include land, buildings, furniture and equipment are reported in the government-wide financial statements. Assets are capitalized by the District if the cost of the item is more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20-25 Years
Furniture and Equipment	5 Years
Vehicles	5 -15 Years
Property Under Capital Leases	5 Years

Data Control Codes

These codes refer to the account code structure prescribed by the Texas Education Agency ("TEA") in the Resource Guide.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue for fiscal 2010 will ultimately change from the amount calculated as of August 31, 2010 because of the factors that TEA uses in its calculation.

NOTE 2: CASH AND INVESTMENTS

The District’s funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust with the District’s agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (“FDIC”) Insurance.

At August 31, 2010, the District’s carrying amount of deposits was \$576,250 and the bank balance was \$3,569,877. The District’s bank balance at August 31, 2010, was entirely covered by FDIC insurance and pledged collateral held by the District’s bank in the District’s name. The deposits were collateralized in accordance with Texas Law.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Name of bank: Frost National Bank, N.A., Mansfield, Texas
- b. The amount of bond and/or the market value of securities pledged as of the date of the highest combined balance on deposit was: \$4,752,000.
- c. The largest combined balances of cash, savings, and time deposit accounts amounted to \$5,866,000 and occurred during the month of November 2009.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Credit Risk

State law and the Mansfield ISD adopted Investment Policy restrict demand deposits, certificates of deposit (CD) and share certificates to those fully collateralized or FDIC insured from eligible depositories (banks and savings banks) doing business in Texas. Such CDs are limited to maturities under one (1) year and are further collateralized to 102% with pledged securities (and 110% if mortgage backed securities) with all collateral held by an independent custodian.

State law and the Mansfield ISD adopted Investment Policy limit repurchase agreements to banks and primary dealers, require an industry standard, written master repurchase agreement, require independent safekeeping of collateral, and require a 102% margin on collateral. Fully collateralized flex repurchase agreements are restricted by Policy to be used only with bond funds and are required to match the expected expenditure plan of the bond proceeds.

Local government investment pools, as defined by state law (2256.016) and approved by adopted Policy are authorized. By State law, all local government pools are rated AAA or equivalent by at least one Nationally Recognized Statistical Rating Organization. The investment pools are all SEC 2a7-like government investment pools.

As of August 31, 2010,

- local government investment pools represented 45.82% of the total portfolio, and
- the remainder of the portfolio (54.18%) was in US Government and Agency securities rated AAA.

Concentration of Credit Risk

Mansfield ISD's adopted Investment Policy requires diversification on all authorized investment types which are monitored on at least a monthly basis.

As of August 31, 2010,

- funds in one investment pool, LOGIC, represented 5.06% of the total portfolio,
- funds in one investment pool, TexStar, represented 39.23% of the total portfolio,
- funds in one investment pool, Texpool, represented 1.53% of the total portfolio,
- the remainder of the portfolio, 54.18% was invested in US Government securities rated AAA.

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, Mansfield ISD's adopted Investment Policy sets a maximum maturity of one (1) year and a maximum weighted average maturity (WAM) of 180 days on any operating fund. A maximum maturity of two (2) years and a maximum weighted average maturity of 270 days is established, by Policy, for capital project funds.

As of August 31, 2010, the portfolio contained:

- no holdings that had a stated maturity beyond one year and
- the dollar weighted average maturity of the total portfolio was 79 days.

A segmented maturity distribution of the portfolio follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities Less than 1 Year</u>
US Agencies		
FHLB*	\$ 10,516,406	\$ 10,516,406
FHLMC*	54,671,900	54,671,900
FNMA*	66,155,780	66,155,780
Constant Dollar Pools		
Texpool	3,717,644	3,717,644
LOGIC	12,265,542	12,265,542
TexStar	95,076,051	95,076,051
Total Value	<u>\$ 242,403,323</u>	<u>\$ 242,403,323</u>
% of Total Portfolio		100.00%

* Abbreviations:

FHLB is an abbreviation for Federal Home Loan Bank

FHLMC is an abbreviation of Federal Home Loan Mortgage Corporation

FNMA is an abbreviation for Federal National Mortgage Association

NOTE 3: PROPERTY TAXES

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The assessed value of the roll on January 1, 2009, upon which the levy for the 2010 fiscal year was based, was \$8,321,526,050.

The tax rates assessed for the year ended August 31, 2010 to finance general fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$.41 per \$100 of valuation, respectively, for a total of \$1.45 per \$100 of valuation. Current tax collections for the year ended August 31, 2010 were 98.6% of the tax levy.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the District for the year ended August 31, 2010, was as follows:

	Balance September 1, 2009	Additions/ Transfers	Deletions/ Transfers	Balance August 31, 2010
Capital assets, not being depreciated:				
Land	\$ 46,535,886	\$ 921,254		\$ 47,457,140
Construction in progress	<u>19,819,518</u>	<u>25,571,424</u>	<u>\$ (16,208,876)</u>	<u>29,182,066</u>
Total capital assets, not being depreciated	<u>66,355,404</u>	<u>26,492,678</u>	<u>(16,208,876)</u>	<u>76,639,206</u>
Capital assets, being depreciated:				
Buildings & improvements	647,830,515	16,208,876		664,039,391
Furniture & equipment	2,580,928	489,162		3,070,090
Vehicles	<u>19,312,564</u>	<u>2,163,818</u>	<u>(257,392)</u>	<u>21,218,990</u>
Total capital assets, being depreciated	<u>669,724,007</u>	<u>18,861,856</u>	<u>(257,392)</u>	<u>688,328,471</u>
Less accumulated depreciation for:				
Buildings & improvements	(153,240,768)	(25,462,494)		(178,703,262)
Furniture & equipment	(1,695,853)	(347,737)		(2,043,590)
Vehicles	<u>(7,294,231)</u>	<u>(1,303,047)</u>	<u>257,392</u>	<u>(8,339,886)</u>
Total accumulated depreciation	<u>(162,230,852)</u>	<u>(27,113,278)</u>	<u>257,392</u>	<u>(189,086,738)</u>
Total capital assets being depreciated, net	<u>507,493,155</u>	<u>(8,251,422)</u>	<u>-</u>	<u>499,241,733</u>
Total capital assets, net	<u>\$ 573,848,559</u>	<u>\$ 18,241,256</u>	<u>\$ (16,208,876)</u>	<u>\$ 575,880,939</u>

Depreciation expense of the governmental activities was charged to functions / programs as follows:

Instruction	\$ 17,553,147
Instructional resources & Media Services	1,279,426
Curriculum & Staff Development	1,418
Instructional Leadership	34,121
School Leadership	1,372,015
Guidance & Counseling Services	245,747
Health Services	153,124
Student Transportation	1,517,624
Food Service	2,307,220
Extracurricular Activities	1,789,823
General Administration	235,321
Plant Maintenance and Operations	450,082
Security and Monitoring Services	93,455
Data Processing Services	80,755
Total depreciation expense	<u>\$ 27,113,278</u>

NOTE 5: LONG-TERM OBLIGATIONS

Bonds and accreted interest are secured by ad valorem taxes levied against all taxable property and are serviced by the Debt Service Fund with an apportionment of the ad valorem tax levy. Interest rates on the bonds range from .31% to 6.00%. The principal amount of bond indebtedness cannot exceed 10% of the assessed valuation of taxable property in the District according to the last completed and approved ad valorem tax rolls of the District. At August 31, 2010 \$13,584,642 was available in the Debt Service Fund to service these bonds.

The District issued \$44,600,000 of Unlimited Tax Refunding Bonds, Series 2009 dated December 1, 2009 delivered December 22, 2009. The bonds were used to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for a portion of the future debt service payments on the a) Unlimited Tax Refunding Bonds, Series 1997, b) Unlimited Tax School Building Bonds, Series 1999, c) Unlimited Tax School Building & Refunding Bonds, Series 2000, d) Unlimited Tax School Building Bonds, Series 2001, e) Unlimited Tax School Building & Refunding Bonds, Series 2001, f) Unlimited Tax Refunding Bonds, Series 2001, and pay the costs associated with the issuance of the Bonds. The advance refunding was undertaken to achieve a restructuring of the debt service requirements of the District. As a result, the refunded portions of the bonds are considered defeased and the liability has been removed from the general long-term debt of the District. The reacquisition price exceeded the net carrying amount of the old debt resulting in a loss on the refunding of \$2,818,281. This amount is being netted against the new debt and amortized using the straight-line method over the remaining life of the refunded debt. This refunding was undertaken to reduce total debt service payments over the next 15 years by \$3,602,484 and resulted in an economic gain/present value of \$2,839,186. The issuance cost of \$481,704 is being amortized over the life of the bond using the straight-line method. The net premium paid of \$3,614,889 is being amortized over the life of the bond using the effective interest method.

The District issued \$85,465,000 of Unlimited Tax Refunding Bonds, Series 2010 dated July 14, 2010 delivered August 18, 2010. The bonds were used to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for a portion of the future debt service payments on the a) Unlimited Tax School Building & Refunding Bonds, Series 2002, b) Unlimited Tax School Building & Refunding Bonds, Series 2003, c) Unlimited Tax School Building Bonds, Series 2004, and pay the costs associated with the issuance of the Bonds. The advance refunding was undertaken to achieve a restructuring of the debt service requirements of the District. As a result, the refunded portions of the bonds are considered defeased and the liability has been removed from the general long-term debt of the District. The reacquisition price exceeded the net carrying amount of the old debt resulting in a loss on the refunding of \$7,829,133. This amount is being netted against the new debt and amortized using the straight-line method over the remaining life of the refunded debt. This refunding was undertaken to reduce total debt service payments over the next 14 years by \$5,566,204 and resulted in an economic gain/present value of \$5,005,638. The issuance cost of \$884,429 is being amortized over the life of the bond using the straight-line method. The net premium paid of \$12,470,037 is being amortized over the life of the bond using the effective interest method.

As of August 31, 2010, the District has \$52,555,000 in authorized but unissued general obligation bonds, see Note 14 Subsequent Event. \$185,235,000, of bonds outstanding are considered defeased at fiscal year end and have been removed from the District's Statement of Net Assets.

The following is a summary of changes in long-term obligations of the District for the year ended August 31, 2010:

	September 1, 2009 Obligations	New Obligations Incurred	Obligations Retired or Transferred	August 31, 2010 Obligations	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable					
General obligation bonds	\$ 687,857,835	\$ 130,065,000	\$151,117,892	\$ 666,804,943	\$ 15,086,514
Accreted interest	3,300,284	\$ 935,907	512,108	3,724,083	1,343,486
Premium on bond Issuance	18,829,449	16,084,926	3,946,725	30,967,650	
Loss on refunding	(6,177,108)	(10,644,414)	(1,522,207)	(15,299,315)	
Total Bonds and Notes Payable	<u>\$ 703,810,460</u>	<u>\$ 136,441,419</u>	<u>\$154,054,518</u>	<u>\$ 686,197,361</u>	<u>\$ 16,430,000</u>

The annual requirements to pay principal and interest on the bond obligations outstanding as of August 31, 2010 are as follows:

Year Ending August 31	Principal	Interest	Total Requirements
2011	\$ 15,086,514	\$ 34,024,338	\$ 49,110,852
2012	18,388,466	32,889,388	51,277,854
2013	21,225,000	31,146,638	52,371,638
2014	22,806,589	31,142,022	53,948,611
2015	20,768,374	32,441,874	53,210,248
2016-2020	136,055,000	124,990,861	261,045,861
2021-2025	184,185,000	86,765,703	270,950,703
2026-2030	189,525,000	36,941,731	226,466,731
2031-2033	58,765,000	3,837,625	62,602,625
	<u>\$ 666,804,943</u>	<u>\$ 414,180,180</u>	<u>\$ 1,080,985,123</u>

Note: Accreted interest is included in the interest column the year payable.

Bonds payable at August 31, 2010 are composed of the following individual issues:

**MANSFIELD INDEPENDENT SCHOOL DISTRICT
DEBT DETAIL**

Description - Authorization (Dated)	Interest Rate	Amount Original Issue	Due Within One Year
Variable Rate Unlimited Tax School Building Bonds* - 1996 (7/15/96)	0.31% as of 8/31/2010	\$ 15,000,000	\$ -
School Building Unlimited Tax Bonds - 2001 (3/13/01)	4.5% to 6.0%	44,005,000	1,635,000
School Building Unlimited Tax Refunding Bonds - 2001 (8/9/01)	3.5% to 5.5%	63,989,995	3,240,000
School Building Unlimited Building & Refunding 2002 (9/3/2002)	3.25% - 5.5%	79,789,984	2,710,000
School Building Unlimited Building & Refunding Fixed Bonds - 2001 (7/31/2003)	2.0% - 5.0%	70,435,000	2,155,000
School Building Unlimited Building & Refunding Variable Bonds* - 2001 (8/14/2003)	0.31% as of 8/31/2010	20,000,000	-
School Building Unlimited Building Bonds (3/30/2004)	2.0% - 5.25%	76,330,000	1,685,000
Unlimited Tax Refunding Bonds - (1/15/2005)	2.25% - 5.0%	35,744,980	441,514
School Building Unlimited Building Bonds 2003 - (7/12/2005)	3.0% - 5.0%	77,610,000	750,000
School Building Unlimited Building Bonds 2003 & 2006 - (7/1/2006)	4.25% - 5.0%	98,830,000	320,000
Unlimited Tax Refunding Bonds - (8/15/2006)	4.00% - 5.00%	47,349,797	245,000
School Building Unlimited Building Bonds 2006 - (5/15/2007)	4.00% - 5.00%	72,070,000	100,000
School Building Unlimited Building Bonds 2006 - (6/15/2008)	4.00% - 5.00%	80,000,000	-
Unlimited Tax Refunding Bonds - (11/20/2009)	3.00% - 5.00%	44,600,000	1,805,000
Unlimited Tax Refunding Bonds - (7/15/2010)	4.00% - 5.00%	85,465,000	-
		Total	\$ 15,086,514
		Accumulated Accretion	1,343,486
			<u>\$ 16,430,000</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
DEBT ROLLFORWARD

Description - (Dated)	Outstanding September 1,		Retired	Defeased	Accumulated Interest Accretion	Outstanding August 31, 2010
	2009	Issued				
Variable Rate* Bldg - 7/15/96	5,400,000		900,000	-		4,500,000
Bldg/Refunding - 7/15/97	3,975,000		-	3,975,000		-
Building - 10/5/99	585,000		-	585,000		-
Refunding - 6/27/00	2,337,892		867,892	1,470,000	-	-
Building - 3/13/01	31,200,000		1,150,000	28,415,000		1,635,000
Bldg/Refunding - 8/9/01	21,760,000		2,595,000	8,650,000		10,515,000
Refunding - 12/12/01	2,225,000		410,000	1,815,000		-
Bldg/Refunding - 9/3/02	60,074,984		2,605,000	50,370,000	1,147,547	8,247,531
Bldg/Refunding - 7/31/03	60,870,000		2,355,000	17,410,000		41,105,000
Variable Rate* Bldg/Refund 8/14/03	16,900,000		1,000,000			15,900,000
Building - 3/30/04	75,620,000		1,445,000	21,600,000	642,941	53,217,941
Refunding 1/15/05	34,559,980		320,000		1,155,876	35,395,856
Building - 7/12/05	75,175,000		855,000			74,320,000
Building - 7/1/06	98,830,000		-			98,830,000
Refunding 8/15/06	46,364,979		235,000		777,719	46,907,698
Building 5/15/07	71,980,000		100,000			71,880,000
Building 6/15/08	80,000,000		-			80,000,000
Refunding - 11/20/09	-	44,600,000	1,990,000			42,610,000
Refunding - 7/15/10	-	85,465,000				85,465,000
Total	<u>\$ 687,857,835</u>	<u>\$ 130,065,000</u>	<u>\$ 16,827,892</u>	<u>\$ 134,290,000</u>	<u>\$ 3,724,083</u>	<u>\$ 670,529,026</u>
				Accumulated Interest Accretion		<u>(3,724,083)</u>
						<u>\$ 666,804,943</u>

*For the variable rate debt issues, each one has a contractually bound liquidity agent, Dexia Credit Local bank. Both issues have interest rates separately remarketed under a contractual arrangement with First Southwest Company. For further detailed information the CUSIP numbers are 1996 issue – 564385TM4 and 2003 issue - 564385N40.

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at August 31, 2010 consisted of the following individual fund receivables and payables:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Special Revenue	\$ 1,933,224	Cash transaction pending
Debt Service	General Fund	84,943	Property tax cash transfer
Total		<u>\$2,018,167</u>	

During Fiscal year 2010, a transfer from the General Fund to the Debt Service Fund totaling \$4.5 million was recorded for the purpose of managing the Debt Service Fund tax rate. Another transfer from the General Fund to the Special Revenue Fund of \$1,123,740 was recorded for a grant match on some transportation department compressed natural gas projects. Finally a transfer of \$2,403,986 was made from the Special Revenue Fund to the General Fund due to a Texas Education Agency accounting change

of the High School Allotment funds moving to the General Fund. These transactions are eliminated in the government wide financial statements.

NOTE 7: DEFERRED REVENUE

Deferred revenue at year-end for the fund statements consisted of the following:

Purpose	General Fund	Debt Service Fund	Non Major Funds	Total
Net Tax Revenue	\$ 1,588,640	\$ 381,014		\$ 1,969,654
State Funding Payments	5,959,055	648,454	\$ 18,894	6,626,403
Parking Permits	41,727			41,727
United of Omaha/Employee Benefits	54,955			54,955
Pending Property Lawsuits	23,205			23,205
MISD Foundation			34,550	34,550
Prepaid Lunch Cards			354,103	354,103
Scholarships			13,280	13,280
Miscellaneous Local Grants/Awards			1,605	1,605
Total	<u>\$ 7,667,582</u>	<u>\$ 1,029,468</u>	<u>\$ 422,432</u>	<u>\$ 9,119,482</u>

For government-wide financial statements, amounts relating to taxes and other earned revenues that were deferred at the fund level are recognized as revenues.

NOTE 8: OPERATING LEASES

The following is a schedule of the District's future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of August 31, 2010.

Year Ending August 31:

2011	\$ 295,701
2012	230,615

Rental expense for the year ended August 31, 2010 was \$143,320.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Litigation - The District is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of District's management, the potential losses after insurance coverage, on all claims will not have a material adverse effect on the District's financial statements; thus, no provision for losses has been recorded.

Grant Programs - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent the District has not complied with the rules and regulations governing the grants, refunds of any monies received may be required, and the collectability of any related receivable at August 31, 2010, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic statements for such contingencies.

Construction - The District was obligated at August 31, 2010, under major contracts for construction, renovations, and repair of various facilities. The construction contract details associated with some of the major projects are as follows:

	August 31, 2010	
	Contract Amount	Completed and Stored
	<u> </u>	<u> </u>
<u>New Construction:</u>		
High School #5	\$ 59,520,607	\$ 14,574,317
Fine Arts Performing Center	40,400,000	1,397,222
Nancy Neal Elem #23	10,700,000	1,797,875
<u>Other Project:</u>		
Data Center Renovation	260,900	228,180
Total	<u>\$ 110,881,507</u>	<u>\$ 17,997,594</u>

NOTE 10: PENSION PLAN

Plan Description. The Mansfield 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. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a the particular action, the time required to amortize TRS' 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 law provides for a member contribution rate of 6.4% for fiscal years 2010, 2009 and 2008, and a state contribution rate of 6.644% for fiscal years 2010 and 6.58% for fiscal years 2009 and 2008. In certain instances the reporting district is required to make all or a portion of the state's 6.644% contribution, limited to 6.4% for the period September through December 2009 and increased to 6.644% for the period January through August 2010. State contributions to TRS made on behalf of the Mansfield Independent School District's employees for the years ended August 31, 2010, 2009 and 2008 were \$10,087,206, \$7,961,678, and \$7,614,379, respectively. The Mansfield Independent School District paid additional state contributions for the years ended August 31, 2010, 2009, and 2008 in the amount of \$2,035,148, \$2,012,906, and \$1,724,914, respectively, on the portion of the employees' salaries that exceeded the statutory minimum.

NOTE 11: SCHOOL DISTRICT RETIREE HEALTH PLAN

Plan Description. The Mansfield Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2010, 2009 and 2008. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2010, 2009, and 2008, the State's contributions to TRS-Care were \$279,250,547, \$267,471,299, and \$254,722,174, respectively, the active member contributions were \$181,512,856, \$173,856,344, and \$165,569,413, respectively, and the District's contributions were \$954,090, \$911,599, and \$791,405, respectively, which equaled the required contributions each year.

NOTE 12: HEALTH CARE

During the year ended August 31, 2010, employees of the District were covered by a health insurance plan ("the Plan"). The District paid premiums of \$247 per month per employee who worked at least 20 hours per week to the Plan; and employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

NOTE 13: RISK MANAGEMENT

As of September 1, 1998, the District has fully insured all workers' compensation claims. The current contract covers the period from September 1, 2009 through August 31, 2010. Premium payments are expensed as paid.

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal 2010, the district purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

NOTE 14: SUBSEQUENT EVENT

The District issued \$49,225,000 of Unlimited Tax School Building Bonds, Series 2010, dated October 13, 2010 delivered November 4, 2010. The \$49,225,000 (authorization premium yielded \$52,555,000) bonds were issued for the construction, renovation, and equipping of school buildings and to pay the costs associated with the issuance of the bonds. After this issuance of Bonds, the District will not have any authorized but unissued unlimited tax bonds outstanding.

NOTE 15: NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 is intended to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The statement establishes a hierarchy of fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources. This statement is effective for the District beginning in fiscal year 2011.

GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*. GASB 57 clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirements. This Statement is effective for the District in fiscal year 2012.

GASB Statement No. 59, *Financial Instruments Omnibus*, was issued in June 2010 to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The standard is intended to improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards; applying the reporting provisions of Statement 31 for interest-earning investment contracts to unallocated insurance contracts improves consistency of investment measurements that are reported by pension and other postemployment benefit plans; emphasizing the applicability of SEC requirements to 2a7-like external investment pools provides practitioners with improved guidance; limiting interest rate risk disclosures for investments in mutual funds, external investment pools, and other pooled investments to debt investment pools provides better guidance regarding the applicability of interest rate risk disclosures; and finally, addressing the applicability of Statement 53 to certain financial instruments and refines which financial instruments are within the scope of that Statement. This statement is effective for the District in fiscal year 2011.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, was issued in December 2010 to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard addresses SCAs in which there is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The statement also includes required disclosures about the SCAs. This standard becomes effective for the District in fiscal year 2013.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, was issued in November 2010 to improve financial reporting for a governmental reporting entity. The standard modifies certain requirements for inclusion of component units, amends criteria for blending, and clarifies the reporting of equity interests in legally separate entities. This standard becomes effective for the District in fiscal year 2013.

The District will evaluate the impact of the standards on its financial statements and take the necessary steps to implement.

Required Supplementary Information



MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED AUGUST 31, 2010
(Unaudited)

TEA Exhibit G-1

Data Control Codes		Budgeted Amounts		Actual (GAAP Basis)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 95,294,236	\$ 101,030,468	\$ 101,535,527	\$ 505,059
5800	State Program Revenues	112,672,138	110,559,977	110,821,779	261,802
5900	Federal Program Revenues	9,292,157	1,650,803	1,694,692	43,889
5020	Total Revenues	<u>217,258,531</u>	<u>213,241,248</u>	<u>214,051,998</u>	<u>810,750</u>
EXPENDITURES:					
Current:					
0011	Instruction	131,813,909	138,057,487	131,104,580	6,952,907
0012	Instructional resources & Media Services	3,370,536	3,353,738	2,986,528	367,210
0013	Curriculum & Staff Development	2,162,578	1,760,627	1,742,333	18,294
0021	Instructional Leadership	2,337,177	2,267,324	2,317,611	(50,287)
0023	School Leadership	14,140,392	14,123,945	14,196,488	(72,543)
0031	Guidance & Counseling Services	8,010,269	8,012,433	8,058,678	(46,245)
0032	Social Services	64,348	64,512	64,763	(251)
0033	Health Services	3,319,881	3,215,110	3,223,369	(8,259)
0034	Student Transportation	9,725,212	10,156,331	8,361,036	1,795,295
0036	Extracurricular Activities	6,400,670	6,431,710	6,246,686	185,024
0041	General Administration	4,423,296	4,292,713	4,151,396	141,317
0051	Plant Maintenance and Operations	25,108,514	24,598,508	22,815,440	1,783,068
0052	Security and Monitoring Services	2,556,702	2,574,992	2,531,390	43,602
0053	Data Processing Services	2,645,223	2,242,840	2,197,774	45,066
0061	Community Services	110,397	102,726	95,384	7,342
0081	Facilities Acquisition and Construction	95,427	94,271	8,266	86,005
0095	Payments related to shared services arrangements	-	55,486	23,625	31,861
0099	Other Intergovernmental Charges	974,000	974,000	869,244	104,756
6030	Total Expenditures	<u>217,258,531</u>	<u>222,378,753</u>	<u>210,994,591</u>	<u>11,384,162</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(9,137,505)</u>	<u>3,057,407</u>	<u>12,194,912</u>
OTHER FINANCING SOURCES (USES):					
7912	Proceeds from Sale of Equipment		16,790	16,790	-
7915	Transfer In		2,403,986	2,403,986	-
7919	Extraordinary Item, Insurance Proceeds				
8911	Transfer (Out)		(4,500,000)	(5,623,740)	(1,123,740)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,079,224)</u>	<u>(3,202,964)</u>	<u>(1,123,740)</u>
1200	Change In Fund Balance	-	(11,216,729)	(145,557)	11,071,172
0100	Fund Balance - September 1 (Beginning)	87,546,763	87,546,763	87,546,763	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 87,546,763</u>	<u>\$ 76,330,034</u>	<u>\$ 87,401,206</u>	<u>\$ 11,071,172</u>

See notes to required supplemental information

Mansfield Independent School District
Notes to Required Supplementary Information
Year Ended August 31, 2010

NOTE 1: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The District is required by state law to adopt annual budgets for the General Fund, National School Lunch and Breakfast Program fund (Food Service Fund) and Debt Service Fund. Special Revenue Funds, other than the Food Service Fund, are required to be budgeted on a project basis. Each budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America.

The District uses the following procedures in establishing the budgets reflected in the financial statements:

Prior to August 20th 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 means of financing them.

A meeting of the Board of School Trustees is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given.

Prior to September 1, the budget is legally enacted by the Board of School Trustees.

The officially adopted district budget, as amended, must be filed with TEA through PEIMS (Public Education Information Management System) by the date prescribed in the annual system guidelines. This requirement for filing the amended budget with TEA is satisfied when the school district files its Annual Financial and Compliance Report.

Once a budget is approved, it can be amended at the function and fund level only by approval of a majority of the members of the Board of School Trustees. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board of School Trustees. All budget appropriations lapse at year-end.

Over the course of the year, the District revised its budget several times. Even with these adjustments, actual expenditures were \$11,384,162 (5.0% of total actual) below final budget amounts in the General Fund. The revenue variance was \$810,750 of total revenues. There were no significant variances, positive or negative, within the General Fund expenditures and revenues.

During the year certain budget amendments were passed to address general growth in the District. This activity is normal for the District as the administration responds to growth and change throughout the year.

Combining and Individual Fund Statements and Schedules



MANSFIELD INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2010

TEA Exhibit H-1

	Federal	State	Local	National School Lunch & Breakfast Program	Total Nonmajor Governmental Funds
ASSETS					
Cash and Temporary Investments (market)		\$ 271,974	\$ 1,421,200	\$ 5,870,798	\$ 7,563,972
Due from Other Governments	\$ 3,023,673	25,414	-	193,940	3,243,027
Other Receivables	50,429	137	19,790	75,076	145,432
Total Assets	<u>\$ 3,074,102</u>	<u>\$ 297,525</u>	<u>\$ 1,440,990</u>	<u>\$ 6,139,814</u>	<u>\$ 10,952,431</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 615,815	\$ 133,046	\$ 5,373	\$ 539,692	\$ 1,293,926
Accrued Wages Payable		-	-	265,545	265,545
Due to Other Funds	1,931,382	-	202	1,640	1,933,224
Due to Other Governments	50,429	-	6,050	-	56,479
Deferred Revenues		20,499	47,830	354,103	422,432
Total Liabilities	<u>2,597,626</u>	<u>153,545</u>	<u>59,455</u>	<u>1,160,980</u>	<u>3,971,606</u>
Fund Balances:					
Reserved For:					
Food Service				4,978,834	4,978,834
Unreserved and Undesignated					
Reported in the Special Revenue Funds	476,476	143,980	1,381,535		2,001,991
Total Fund Balances	<u>476,476</u>	<u>143,980</u>	<u>1,381,535</u>	<u>4,978,834</u>	<u>6,980,825</u>
Total Liabilities and Fund Balances	<u>\$ 3,074,102</u>	<u>\$ 297,525</u>	<u>\$ 1,440,990</u>	<u>\$ 6,139,814</u>	<u>\$ 10,952,431</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED AUGUST 31, 2010

TEA Exhibit H-2

	Federal	State	Local	National School Lunch & Breakfast Program	Total Nonmajor Governmental Funds
REVENUES:					
Total Local and Intermediate Sources	\$ -	\$ 7,200	\$ 3,629,003	\$ 5,750,929	\$ 9,387,132
State Program Revenues		1,238,331	-	86,000	1,324,331
Federal Program Revenues	16,242,235	2,716	-	6,395,648	22,640,599
Total Revenues	<u>16,242,235</u>	<u>1,248,247</u>	<u>3,629,003</u>	<u>12,232,577</u>	<u>33,352,062</u>
EXPENDITURES:					
Current:					
Instruction	10,149,690	1,327,696	3,164,996		14,642,382
Instructional resources & Media Services	26,775	117,550	8,147		152,472
Curriculum & Staff Development	1,080,407	86,634	24,042		1,191,083
Instructional Leadership	48,363	-	2,985		51,348
School Leadership	77,681	-	232		77,913
Guidance & Counseling Services	931,755	-	1,029		932,784
Health Services	265,680	-	-		265,680
Student Transportation	1,318,290	-	4,423		1,322,713
Food Service	-	-	-	11,439,137	11,439,137
Extracurricular Activities	-	-	252,933	-	252,933
General Administration	20,327	-	-	-	20,327
Plant Maintenance and Operations	103,968	-	145	52,000	156,113
Security and Monitoring Services	-	2,715	370	-	3,085
Data Processing Services	2,735,583	-	-	-	2,735,583
Community Services	26,721	-	111,467	-	138,188
Intergovernmental:	-				
Payments related to shared services arrangements	104,259	-	-	-	104,259
Total Expenditures	<u>16,889,499</u>	<u>1,534,595</u>	<u>3,570,769</u>	<u>11,491,137</u>	<u>33,486,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(647,264)</u>	<u>(286,348)</u>	<u>58,234</u>	<u>741,440</u>	<u>(133,938)</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	1,123,740	-	-	-	1,123,740
Transfer (Out)	-	(2,403,986)	-	-	(2,403,986)
Total other Financing Sources (Uses)	<u>1,123,740</u>	<u>(2,403,986)</u>	<u>-</u>	<u>-</u>	<u>(1,280,246)</u>
Change In Fund Balance	<u>476,476</u>	<u>(2,690,334)</u>	<u>58,234</u>	<u>741,440</u>	<u>(1,414,184)</u>
Fund Balance - September 1 (Beginning)	-	2,834,314	1,323,301	4,237,394	8,395,009
Fund Balance - August 31 (Ending)	<u>\$ 476,476</u>	<u>\$ 143,980</u>	<u>\$ 1,381,535</u>	<u>\$ 4,978,834</u>	<u>\$ 6,980,825</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
AUGUST 31, 2010

TEA Exhibit H-3

	Day Care Center	Natatorium	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 123,975	\$ 533,504	\$ 657,479
Total Assets	<u>123,975</u>	<u>533,504</u>	<u>657,479</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,364	1,976	3,340
Prepaid Tuition	-	512	512
Total Liabilities	<u>1,364</u>	<u>2,488</u>	<u>3,852</u>
NET ASSETS			
Unrestricted Net Assets	<u>122,611</u>	<u>531,016</u>	<u>653,627</u>
Total Net Assets	<u><u>\$ 122,611</u></u>	<u><u>\$ 531,016</u></u>	<u><u>\$ 653,627</u></u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS
 ENTERPRISE FUNDS
 YEAR ENDED AUGUST 31, 2010

TEA Exhibit H-4

	Day Care Center	Natatorium	Total Enterprise Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 213,504	\$ 402,129	\$ 615,633
Total Operating Revenues	213,504	402,129	615,633
OPERATING EXPENSES:			
Payroll Costs	163,437	224,977	388,414
Professional and Contracted Services	26,000	12,156	38,156
Supplies and Materials	5,650	7,144	12,794
Other Expenses	1,439	33,621	35,060
Total Operating Expenses	196,526	277,898	474,424
Operating Income	16,978	124,231	141,209
Total Net Assets September 1 (Beginning)	105,633	406,785	512,418
Total Net Assets - August 31 (Ending)	\$ 122,611	\$ 531,016	\$ 653,627

MANSFIELD INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 ENTERPRISE FUNDS
 YEAR ENDED AUGUST 31, 2010

TEA Exhibit H-5

	Day Care Center	Natatorium	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from User Charges	\$ 213,504	\$ 402,129	\$ 615,633
Cash Payments for Club Fees	-	492	492
Cash Payments to Employees for Services	(162,073)	(223,001)	(385,074)
Cash Payments for Contracted Services	(26,000)	(12,156)	(38,156)
Cash Payments for Supplies	(5,650)	(7,144)	(12,794)
Cash Payments for Other Expenses	(1,439)	(33,704)	(35,143)
Net Cash Provided by Operating Activities	<u>18,342</u>	<u>126,616</u>	<u>144,958</u>
Cash and Cash Equivalents at Beginning of the Year	<u>105,633</u>	<u>406,888</u>	<u>512,521</u>
Cash and Cash Equivalents at the End of the Year	<u>\$ 123,975</u>	<u>\$ 533,504</u>	<u>\$ 657,479</u>
RECONCILIATION OF OPERATING GAIN TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income	\$ 16,978	\$ 124,231	\$ 141,209
Effect of Increase and Decreases in Current Assets and Liabilities:			
Increase in Accounts Payable	1,364	1,893	3,257
Increase in Club Fees Payable	-	492	492
Net Cash Provided by Operating Activities	<u>\$ 18,342</u>	<u>\$ 126,616</u>	<u>\$ 144,958</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED AUGUST 31, 2010

TEA Exhibit H-6

	Balance September 1, 2009	Additions	Deductions	Balance August 31, 2010
ASSETS				
Cash	\$ 552,233	\$ 2,354,318	\$ 2,309,835	\$ 596,716
Total Assets	<u>\$ 552,233</u>	<u>\$ 2,354,318</u>	<u>\$ 2,309,835</u>	<u>\$ 596,716</u>
LIABILITIES				
Due To Student Groups	552,233	2,354,318	2,309,835	596,716
Total Liabilities	<u>\$ 552,233</u>	<u>\$ 2,354,318</u>	<u>\$ 2,309,835</u>	<u>\$ 596,716</u>

Other Supplementary Information



MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2010

TEA Exhibit J-1

LAST TEN YEARS ENDED AUGUST 31	TAX RATES		ASSESSED OR APPRAISED VALUATION	DELINQUENT BALANCE BY YEAR SEPTEMBER 1, 2009	CURRENT YEAR'S TOTAL LEVY	TAX COLLECTIONS (1)			DELINQUENT BALANCE BY YEAR AUGUST 31, 2010
	MAINTENANCE	DEBT SERVICE				MAINTENANCE	DEBT SERVICE	ADJUSTMENTS	
2001 and prior	Various	Various	Various	\$ 949,550		\$ 4,994	\$ 1,532	\$ (57,133)	885,891
2002	1.343000	0.328400	\$ 3,520,513,536	206,621		2,742	670	(15,678)	187,531
2003	1.367000	0.315000	\$ 4,197,906,445	178,316		3,492	805	(653)	173,366
2004	1.367000	0.315000	\$ 4,782,448,164	200,208		8,321	1,917	(637)	189,333
2005	1.377000	0.340000	\$ 5,403,399,519	249,663		44,960	11,101	14,381	207,983
2006	1.407000	0.365000	\$ 6,038,031,204	296,184		71,205	18,472	34,292	240,799
2007	1.287500	0.400000	\$ 6,896,362,253	349,708		83,033	25,797	30,377	271,255
2008	1.040000	0.410000	\$ 7,831,929,983	512,914		181,165	71,421	71,853	332,181
2009	1.040000	0.410000	\$ 8,012,638,378	2,033,251		1,235,674	487,140	462,496	772,933
2010 (Current)	1.040000	0.410000	\$ 8,321,526,050	n/a	\$ 119,187,918	95,254,712	37,552,335	15,481,026	1,861,897
Total				<u>\$ 4,976,415</u>	<u>\$ 119,187,918</u>	<u>\$ 96,890,298</u>	<u>\$ 38,171,190</u>	<u>\$ 16,020,324</u>	<u>\$ 5,123,169</u>

(1) Amounts are total collections net of adjustments, and do NOT include penalties and interest.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2010-2011
 GENERAL AND SPECIAL REVENUE FUNDS
 YEAR ENDED AUGUST 31, 2010

FUNCTION 41 AND RELATED FUNCTION 53 AND 99 - GENERAL ADMINISTRATION

TEA Exhibit J-2

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
611X-6146	PAYROLL COSTS	\$ 37,602	\$ -	\$ 318,262	\$ 2,438,980	\$ 432,296	\$ -	\$ 3,227,140
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)							
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)							
6211	Legal Services	136,301				95,030		231,331
6212	Audit Services				102,200			102,200
6213	Tax Appraisal and Collection		869,244					869,244
621X	Other Prof. Services	2,859			6,265			9,124
6220	Tuition and Transfer Payments							-
6230	Education Service Centers	835						835
6240	Contr. Maint. and Repair							-
6250	Utilities							-
6260	Rentals				13,493	532		14,025
6290	Miscellaneous Contr.	5,821		4,473	215,752	27,271	15,614	268,931
6320	Textbooks and Reading	152		366	309	738		1,565
6330	Testing Materials							-
63XX	Other Supplies Materials	912		1,319	80,956	2,749		85,936
6410	Travel, Subsistence, Stipends	7,642		14,971	22,170	10,103		54,886
6420	Ins. and Bonding Costs				100,793			100,793
6430	Election Costs	34,951						34,951
6490	Miscellaneous Operating	42,231		2,032	2,847	1,166		48,276
6500	Debt Service							-
6600	Capital Outlay						55,589	55,589
6000	TOTAL	\$ 269,306	\$ 869,244	\$ 341,423	\$ 2,983,765	\$ 569,885	\$ 71,203	\$ 5,104,826

Total expenditures/expenses for General and Special Revenue Funds
 (plus Food Service Enterprise Fund if present)

9 \$244,480,591

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	10	\$ 12,919,723
Total Debt & Lease (6500)	11	-
Plant Maintenance (Function 51, 6100-6400)	12	22,537,093
Food (Function 35, 6341 and 6499)	13	4,799,001
Stipends (6413)	14	-
Column 4 (above) - Total Indirect Cost		<u>2,983,765</u>

Subtotal:

\$43,239,582

Net Allowed Direct Cost

\$201,241,009

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	15	\$664,039,391
Historical Cost of Buildings over 50 years old	16	N/A
Amount of Federal Money in building Cost (Net of #16)	17	-
Total Cost of Furniture & Equipment before Depreciation (1530&1540)	18	24,289,080
Historical Cost of Furniture & Equipment over 16 years old	19	N/A
Amount of Federal Money in Furniture & Equipment (Net of #19)	20	-

Note A - \$63,859 in Function 53, \$869,244 in Function 99 expenditures are included in this report on administrative costs.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
 FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
 GENERAL FUND AS OF AUGUST 31, 2010

Exhibit J-3

Data Control Code	Explanation	Amount
1	Total General Fund Balance 8/31/10 (Exhibit C-1 object 3000 for the General Fund Only)	\$ 87,401,206
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	\$ 185,449
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	\$ 13,738,295
4	Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)	\$ 25,829,439
5	Estimate of one month's average cash disbursements during the regular school session (9/1/10-5/31/11)	\$ 18,023,620
6	Estimate of delayed payments from state sources (58XX) including August payment delays	\$ 72,996
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	\$ -
8	Estimate of delayed payments from federal sources (59XX)	\$ 11,807,297
9	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	\$ -
10	Optimum Fund Balance and Cash Flow (2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	\$ 69,657,096
11	Excess/(Deficit) Undesignated Unreserved General Fund Fund Balance (1 -10)	\$ 17,744,110

If item 11 is a positive number

Explanation of need for and/or projected use of net positive Undesignated Unreserved General Fund Fund Balance:
 The District is rapidly growing with numerous school openings scheduled. Funds will be needed for start up/opening costs.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NATIONAL SCHOOL LUNCH & BREAKFAST PROGRAM
YEAR ENDED AUGUST 31, 2010

TEA Exhibit J-4

Data Control Codes		Budgeted Amounts		Actual (GAAP Basis)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 5,912,053	\$ 5,698,685	\$ 5,750,929	\$ 52,244
5800	State Program Revenues	82,354	86,000	86,000	-
5900	Federal Program Revenues	5,491,368	6,183,775	6,395,648	211,873
5020	Total Revenues	<u>11,485,775</u>	<u>11,968,460</u>	<u>12,232,577</u>	<u>264,117</u>
EXPENDITURES:					
Current:					
0035	Food Service	11,056,133	11,632,943	11,439,137	193,806
0051	Plant Maintenance and Operations	52,000	52,000	52,000	-
6030	Total Expenditures	<u>11,108,133</u>	<u>11,684,943</u>	<u>11,491,137</u>	<u>193,806</u>
1100	Excess of Revenues Over Expenditures	377,642	283,517	741,440	457,923
0100	Fund Balance - September 1 (Beginning)	4,237,394	4,237,394	4,237,394	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 4,615,036</u>	<u>\$ 4,520,911</u>	<u>\$ 4,978,834</u>	<u>\$ 457,923</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED AUGUST 31, 2010

TEA Exhibit J-5

Data Control Codes		Budgeted Amounts		Actual (GAAP Basis)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 37,861,654	\$ 38,587,234	\$ 38,652,067	\$ 64,833
5800	State Program Revenues	6,856,101	7,469,021	7,432,312	(36,709)
5020	Total Revenues	<u>44,717,755</u>	<u>46,056,255</u>	<u>46,084,379</u>	<u>28,124</u>
EXPENDITURES:					
Current:					
Debt Service:					
0071	Principal on long-term debt	15,082,892	16,827,892	16,827,892	-
0171	Interest and fiscal charges	33,634,863	33,180,867	33,090,112	90,755
6030	Total Expenditures	<u>48,717,755</u>	<u>50,008,759</u>	<u>49,918,004</u>	<u>90,755</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,000,000)</u>	<u>(3,952,504)</u>	<u>(3,833,625)</u>	<u>118,879</u>
OTHER FINANCING SOURCES:					
7901	Proceeds from the Sale of Refunding Bonds	-	130,065,000	130,065,000	-
7915	Transfer In	-	4,500,000	4,500,000	-
7916	Premium on Issuance of Bonds	-	16,084,926	16,084,926	-
8940	Payment to Refunding Bond Escrow	-	(144,770,776)	(144,770,776)	-
7080	Total Other Financing Sources	<u>-</u>	<u>5,879,150</u>	<u>5,879,150</u>	<u>-</u>
1200	Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources	<u>(4,000,000)</u>	<u>1,926,646</u>	<u>2,045,525</u>	<u>118,879</u>
0100	Fund Balance - September 1 (Beginning)	11,539,117	11,539,117	11,539,117	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 7,539,117</u>	<u>\$ 13,465,763</u>	<u>\$ 13,584,642</u>	<u>\$ 118,879</u>

Statistical Section



Government-wide Information



MANSFIELD INDEPENDENT SCHOOL DISTRICT
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST NINE FISCAL YEARS
(unaudited)

Table I

	2002	2003	2004	2005	2006	2007	2008	2009	2010
GOVERNMENTAL ACTIVITIES									
Current:									
Instruction	\$ 65,970,915	\$ 78,075,748	\$ 89,017,482	\$ 98,520,031	\$ 108,159,386	\$ 118,760,250	\$ 135,516,619	\$ 150,057,613	\$ 163,272,516
Instructional resources & Media Services	1,725,314	1,847,820	2,158,792	2,655,597	2,938,673	3,746,113	3,702,772	4,031,093	4,418,426
Curriculum & Staff Development	1,243,203	1,467,543	1,548,785	1,551,717	2,101,693	2,550,473	2,418,015	2,387,118	2,934,834
Instructional Leadership	960,604	1,194,163	1,439,259	1,515,561	1,644,198	1,645,236	1,827,040	2,002,363	2,403,080
School Leadership	7,262,739	8,725,344	9,761,336	11,722,706	12,988,034	15,079,181	16,176,022	14,382,678	15,646,416
Guidance & Counseling Services	3,432,712	4,136,343	4,853,632	5,693,197	6,251,689	6,685,272	7,833,097	8,946,235	9,237,209
Social Work Services	52,804	54,915	22,562	-	-	-	59,722	62,476	64,763
Health Services	1,183,173	1,383,833	1,550,873	1,981,895	2,262,622	2,577,899	3,052,568	3,241,021	3,642,173
Student Transportation	3,478,988	3,987,808	4,248,039	4,377,859	5,186,853	6,162,455	7,235,427	7,983,672	9,101,290
Food Service	4,620,144	5,477,450	6,367,375	7,712,525	9,114,489	10,092,907	11,387,701	12,449,256	13,613,046
Extracurricular Activities	2,748,549	3,099,236	3,487,623	4,330,073	4,428,243	6,695,046	7,505,036	7,980,978	8,284,147
General Administration	2,717,270	3,041,352	3,275,262	3,544,630	3,834,351	4,225,047	4,363,211	4,316,196	4,407,044
Plant Maintenance and Operations	10,122,119	11,090,051	13,172,948	16,084,667	17,448,738	19,731,930	23,661,508	21,646,664	23,350,908
Security and Monitoring Services	904,574	1,033,243	1,094,225	1,314,240	1,465,348	1,711,638	2,124,971	2,334,253	2,564,195
Data Processing Services	1,051,949	1,081,643	1,017,428	1,280,561	1,400,922	1,521,952	1,751,777	2,165,964	3,877,101
Community Services	138,743	132,955	166,745	167,110	174,678	183,725	196,613	197,786	233,572
Debt Service:									
Interest and fiscal charges	9,217,167	16,402,107	19,822,889	15,795,741	22,944,117	26,777,679	29,991,212	33,053,653	30,614,760
Capital Outlay:									
Facilities Acquisition and Construction	161,623	105,453	-	-	-	-	144,760	69,705	37,097
Intergovernmental:									
Payments related to shared services arrangements	124,151	77,351	64,778	74,682	109,082	101,026	164,834	171,933	127,884
Other Charges								931,441	869,244
Other									
Transfers to Business-Type Activities					60,000	-	-	-	-
Total Governmental Activities	<u>117,116,741</u>	<u>142,414,358</u>	<u>163,070,033</u>	<u>178,322,792</u>	<u>202,513,116</u>	<u>228,247,829</u>	<u>259,112,905</u>	<u>278,412,098</u>	<u>298,699,705</u>
BUSINESS-TYPE ACTIVITIES									
Enterprise Fund - Day Care*	n/a	n/a	n/a	n/a	86,444	133,025	170,702	179,799	196,526
Enterprise Fund - Natatorium*	n/a	n/a	n/a	n/a	8,190	86,776	166,520	220,585	277,898
Total Business-type Activities					<u>94,634</u>	<u>219,801</u>	<u>337,222</u>	<u>400,384</u>	<u>474,424</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 117,116,741</u>	<u>\$ 142,414,358</u>	<u>\$ 163,070,033</u>	<u>\$ 178,322,792</u>	<u>\$ 202,607,750</u>	<u>\$ 228,467,630</u>	<u>\$ 259,450,127</u>	<u>\$ 278,812,482</u>	<u>\$ 299,174,129</u>

* These activities did not start until fiscal year 2006

MANSFIELD INDEPENDENT SCHOOL DISTRICT
GOVERNMENT-WIDE REVENUES
LAST NINE FISCAL YEARS
(unaudited)

Table II

	2002	2003	2004	2005	2006	2007	2008	2009	2010
GOVERNMENTAL ACTIVITIES									
Program Revenues:									
Charges for Services	\$ 4,963,580	\$ 5,968,011	\$ 6,503,566	\$ 7,851,120	\$ 8,360,186	\$ 10,054,985	\$ 10,234,900	\$ 11,045,716	\$ 10,615,134
Operating Grants and Contributions	16,883,628	23,806,134	26,285,932	25,673,852	34,175,153	34,889,444	36,395,859	40,754,158	45,723,842
General Revenues:									
Property Taxes - General	47,859,537	59,698,432	67,199,679	76,746,234	86,310,970	90,259,714	83,310,338	92,931,920	97,950,432
Property Taxes - Debt Service	11,735,704	13,791,384	15,534,720	18,897,541	22,395,705	27,945,826	32,557,528	36,579,114	38,606,576
State Aid - other than program revenues	41,004,920	44,642,705	45,997,926	48,251,525	52,850,345	74,377,336	102,577,334	99,130,655	98,649,734
Interest Income	2,415,601	1,940,025	1,629,989	3,718,628	6,692,914	10,522,339	10,203,353	4,695,226	658,752
Extra Ordinary Item Insurance Proceeds								252,062	-
Miscellaneous					398,197	1,614,612	2,917,624	1,596,066	1,588,030
Total Governmental Activities	\$ 124,862,970	\$ 149,846,691	\$ 163,151,812	\$ 181,138,900	211,183,470	249,664,256	278,196,936	286,984,917	293,792,500
BUSINESS-TYPE ACTIVITIES									
Program Revenues:									
Charges for Services									
Day Care*					63,156	149,752	213,727	208,968	213,504
Natatorium*					-	159,324	312,449	397,083	402,129
General Revenues:									
Transfers from Governmental Activities					60,000	-	-	-	-
Total Business-type Activities	-	-	-	-	123,156	309,076	526,176	606,051	615,633
TOTAL PRIMARY GOVERNMENT	<u>\$ 124,862,970</u>	<u>\$ 149,846,691</u>	<u>\$ 163,151,812</u>	<u>\$ 181,138,900</u>	<u>\$ 211,306,626</u>	<u>\$ 249,973,332</u>	<u>\$ 278,723,112</u>	<u>\$ 287,590,968</u>	<u>\$ 294,408,133</u>

*These activities did not start until fiscal year 2006

Fund Information



MANSFIELD INDEPENDENT SCHOOL DISTRICT
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION *
LAST TEN FISCAL YEARS
(unaudited)

Table III

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Current:										
Instruction	\$ 53,465,133	\$ 61,670,568	\$ 72,361,079	\$ 82,147,296	\$ 88,059,852	\$ 96,371,503	\$ 105,327,398	\$ 119,956,811	\$ 133,894,331	\$ 145,746,962
Instructional resources & Media Services	1,210,578	1,414,199	1,502,589	1,651,340	1,923,111	2,119,800	2,931,845	2,589,716	2,885,878	3,139,000
Curriculum & Staff Development	1,085,244	1,243,203	1,467,543	1,556,921	1,550,062	2,100,038	2,555,202	2,414,942	2,384,183	2,933,416
Instructional Leadership	794,655	960,604	1,194,163	1,439,259	1,507,031	1,610,077	1,611,115	1,792,919	1,968,242	2,368,959
School Leadership	5,697,530	6,931,586	8,274,469	9,205,656	10,894,427	12,065,484	14,034,743	14,998,055	13,110,289	14,274,401
Guidance & Counseling Services	2,736,671	3,374,318	4,051,135	4,750,986	5,541,629	6,084,630	6,498,787	7,607,895	8,713,965	8,991,462
Social Work Services	49,828	52,804	54,915	22,562	-	-	-	59,722	62,476	64,763
Health Services	945,904	1,147,899	1,339,127	1,490,411	1,884,915	2,152,967	2,454,941	2,914,308	3,097,217	3,489,049
Student Transportation	3,274,449	3,521,523	4,199,607	4,370,256	4,362,250	5,205,418	8,134,025	12,769,502	7,574,703	9,683,749
Food Service	3,503,822	4,031,153	4,752,497	5,550,690	6,362,623	7,568,994	8,348,935	9,581,138	10,343,778	11,439,137
Extracurricular Activities	1,553,222	2,668,980	3,015,889	3,553,068	4,153,704	4,260,065	5,187,215	5,805,559	6,162,963	6,499,619
General Administration	2,217,915	2,694,514	2,935,094	3,159,504	3,323,044	3,606,648	3,996,611	4,167,767	4,080,875	4,171,723
Plant Maintenance and Operations	8,563,642	10,158,044	11,089,513	13,339,468	16,062,429	17,171,844	19,511,045	23,461,662	21,242,119	22,971,553
Security and Monitoring Services	798,408	912,690	1,007,311	1,152,922	1,322,761	1,439,035	1,730,064	2,115,985	2,223,533	2,534,475
Data Processing Services	781,931	1,071,483	1,042,037	1,013,350	1,323,546	1,339,072	1,512,689	1,704,213	2,209,573	4,933,357
Community Services	169,402	138,743	132,955	200,040	159,024	166,592	175,639	188,527	197,235	233,572
Debt Service:										
Principal on long-term debt	8,477,942	4,519,484	6,309,259	8,047,452	7,463,536	9,270,433	9,976,913	12,487,069	13,991,906	16,827,892
Interest and fiscal charges	8,035,696	12,679,930	14,823,072	17,084,699	23,125,309	24,851,615	29,952,365	31,190,661	34,081,381	33,090,112
Capital Outlay:										
Facilities Acquisition and Construction	54,823,695	42,049,534	90,292,794	77,128,451	74,996,033	107,703,799	41,297,263	43,486,470	53,283,148	25,645,000
Intergovernmental:										
Payments related to shared services arrangements	123,446	124,151	77,351	64,778	74,682	109,082	101,026	164,834	171,933	127,884
Other Intergovernmental Charges	-	-	-	-	-	-	-	-	931,441	869,244
Total Expenditures	<u>\$ 158,309,113</u>	<u>\$ 161,365,410</u>	<u>\$ 229,922,399</u>	<u>\$ 236,929,109</u>	<u>\$ 254,089,968</u>	<u>\$ 305,197,096</u>	<u>\$ 265,337,821</u>	<u>\$ 299,457,755</u>	<u>\$ 322,611,169</u>	<u>\$ 320,035,329</u>

* The above computations include the following funds:
General Fund, Special Revenue Funds, Debt Service Fund
Capital Projects Fund

MANSFIELD INDEPENDENT SCHOOL DISTRICT
GENERAL GOVERNMENTAL REVENUES BY SOURCE *
LAST TEN FISCAL YEARS
(unaudited)

Table IV

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenue From Local Sources:										
Property Taxes	\$ 50,542,844	\$ 59,595,241	\$ 73,500,780	\$ 82,734,399	\$ 95,638,699	\$ 108,706,675	\$ 118,205,540	\$ 115,867,866	\$ 129,782,632	\$ 136,636,129
Interest	3,856,235	2,434,815	1,923,774	1,629,989	3,773,973	6,834,602	10,707,730	10,339,500	4,745,746	676,580
User charges, tuition, rental and other	4,785,639	5,168,973	6,163,772	6,741,963	8,216,420	9,887,264	14,990,693	11,970,990	11,470,856	12,556,878
Total Revenue From Local Sources	<u>59,184,718</u>	<u>67,199,029</u>	<u>81,588,326</u>	<u>91,106,351</u>	<u>107,629,092</u>	<u>125,428,541</u>	<u>143,903,963</u>	<u>138,178,356</u>	<u>145,999,234</u>	<u>149,869,587</u>
Revenue From State Sources:										
Per Capita and foundation	42,673,619	49,423,580	45,925,025	47,376,095	49,604,797	54,367,412	76,310,902	104,653,879	103,441,987	100,702,207
Other State Revenue	4,873,464	4,895,332	16,436,901	17,198,020	16,999,524	20,930,933	22,164,782	22,183,557	20,374,662	18,876,215
Total Revenue From State Sources	<u>47,547,083</u>	<u>54,318,912</u>	<u>62,361,926</u>	<u>64,574,115</u>	<u>66,604,321</u>	<u>75,298,345</u>	<u>98,475,684</u>	<u>126,837,436</u>	<u>123,816,649</u>	<u>119,578,422</u>
Revenue From Federal Sources:										
Received Direct from Federal Agencies	50,731	43,615	216,590	129,854	110,343	175,681	160,519	172,205	323,860	673,042
Received Through State Agencies	3,135,784	3,860,219	5,316,950	6,693,977	7,558,083	10,730,978	10,115,593	11,323,963	15,257,635	23,662,249
Total Revenue From Federal Sources	<u>3,186,515</u>	<u>3,903,834</u>	<u>5,533,540</u>	<u>6,823,831</u>	<u>7,668,426</u>	<u>10,906,659</u>	<u>10,276,112</u>	<u>11,496,168</u>	<u>15,581,495</u>	<u>24,335,291</u>
Total Revenues	<u><u>109,918,316</u></u>	<u><u>125,421,775</u></u>	<u><u>149,483,792</u></u>	<u><u>162,504,297</u></u>	<u><u>181,901,839</u></u>	<u><u>211,633,545</u></u>	<u><u>252,655,759</u></u>	<u><u>276,511,960</u></u>	<u><u>285,397,378</u></u>	<u><u>293,783,300</u></u>

* The above computations include the following funds:
General Fund, Special Revenue Funds, Debt Service Fund
Capital Projects Fund

MANSFIELD INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE V

TAX ROLL FOR FISCAL YEAR	ASSESSED OR APPRAISED VALUATION	TOTAL TAX LEVY (1)	COLLECTED WITHIN FISCAL YEAR OF LEVY		COLLECTIONS IN SUBSEQUENT YEARS (2)	TOTAL COLLECTIONS TO DATE	
			AMOUNT	PERCENT OF LEVY		AMOUNT	PERCENT OF LEVY (1)
2001	\$2,973,741,285	\$49,577,507	\$48,414,541	97.7%	\$1,615,002	\$50,029,543	100.9%
2002	3,520,513,536	58,178,619	57,010,427	98.0%	1,902,300	58,912,727	101.3%
2003	4,197,906,445	69,779,707	69,452,461	99.5%	2,237,468	71,689,929	102.7%
2004	4,782,448,164	79,460,380	79,441,297	100.0%	2,375,843	81,817,140	103.0%
2005	5,403,399,519	91,584,060	90,637,869	99.0%	2,135,141	92,773,010	101.3%
2006	6,038,031,204	105,594,177	104,764,183	99.2%	2,539,730	107,303,913	101.6%
2007	6,896,362,253	115,037,219	113,825,706	98.9%	2,592,905	116,418,611	101.2%
2008	7,831,929,983	112,643,758	111,118,257	98.6%	1,845,703	112,963,960	100.3%
2009	8,012,638,378	127,658,467	125,625,216	98.4%	1,722,814	127,348,030	99.8%
2010	8,321,526,050	134,668,944	132,807,047	98.6%	0	132,807,047	98.6%
Total		<u>\$986,304,806</u>	<u>\$974,501,932</u>	98.8%	<u>\$20,301,839</u>	<u>\$994,803,771</u>	100.9%

(1) Prior to 2009 original levy includes all property categories, 2009 includes adjustments due to gas well category not included in original levy. See detailed adjustments on Schedule J-1.

(2) Amounts are total collections net of adjustments, and do NOT include penalties and interest.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS
(unaudited)

Table VI

Year Ended	Debt Service Expenditures			Total General Governmental Expenditures *	Ratio of Debt Service to General Governmental Fund Types Expenditures (Percent)
	Principal	Interest and Fiscal Charges	Total		
August 31					
2001	\$8,477,942	\$8,035,696	\$16,513,638	\$158,309,113	10.43%
2002	4,519,484	12,679,930	17,199,414	161,365,410	10.66%
2003	6,309,259	14,823,072	21,132,331	229,922,399	9.19%
2004	8,047,452	17,084,699	25,132,151	236,929,109	10.61%
2005	7,463,536	22,318,553	29,782,089	254,089,968	11.72%
2006	9,270,433	23,868,665	33,139,098	305,197,096	10.86%
2007	9,976,913	29,195,082	39,171,995	265,337,821	14.76%
2008	12,487,069	30,350,402	42,837,471	299,457,755	14.31%
2009	13,991,906	34,081,381	48,073,287	322,611,169	14.90%
2010	16,827,892	33,090,112	49,918,004	320,035,329	15.60%

* Includes the following funds:
General Fund, Special Revenue Funds
Debt Service Fund, Capital Projects Fund

MANSFIELD INDEPENDENT SCHOOL DISTRICT
TEN LARGEST TAXPAYERS
AUGUST 31, 2010
(UNAUDITED)

Table VII

Name of Taxpayer	Nature of Property	Fiscal 2010			Fiscal 2000		
		2010 Taxable Assessed Valuation	Percent of Total Taxable Assessed	Rank	2000 Taxable Assessed Valuation	Percent of Total Taxable Assessed	Rank
XTO Energy Inc	Oil and Gas	\$ 252,252,513	3.02%	1			
Oncor Electric Delivery Co Inc*	Electric Utility	76,533,624	0.92%	2	\$ 42,630,352	1.46%	1
Carrizo Oil & Gas	Oil and Gas	73,919,026	0.88%	3			
EOG Resources Inc	Oil and Gas	68,886,858	0.82%	4			
Walmart	Retail Sales	51,987,355	0.62%	5	34,849,358	1.20%	2
Chesapeake Land Dev Co LLC	Oil and Gas	41,426,072	0.50%	6			
TTI Inc/Mouser Electronics	Electronics Manufacturer	35,763,522	0.43%	7			
Range Production Co	Oil and Gas	32,432,386	0.39%	8			
Mansfield KDC II & III LP	Apartment Managers	32,000,584	0.38%	9			
Target Corp	Retail Sales	31,768,511	0.38%	10			
Pier I Imports (U.S.), Inc.	Retail Store				21,725,898	0.75%	3
Texas Ultra Pure Inc	Chemical Clean-Up Industry				18,562,867	0.64%	4
Southwestern Bell	Telephone Utility				16,515,350	0.57%	5
VDM LP	Apartment Manager				15,990,999	0.55%	6
Simeus Foods International, Inc.	Food Processing Mfg.				15,645,415	0.54%	7
Solvay Engineered Polymers	Plastics Manufacturer				12,874,273	0.44%	8
Alberton's Inc	Grocery Store				12,171,361	0.42%	9
Parkland Pointe Ltd. Prtshp	Apartment Manager				11,091,225	0.38%	10
		<u>\$ 696,970,451</u>	<u>8.34%</u>		<u>\$ 202,057,098</u>	<u>6.94%</u>	

¹ July 25, 2010 Taxable Value \$8,361,317,401

² July 26, 2000 Taxable Value \$2,912,418,136

Source: Tax information obtained from Tarrant Appraisal District

*Texas Utilities Electric Company Prior Year Name

MANSFIELD INDEPENDENT SCHOOL DISTRICT
 INSTRUCTIONAL BUILDING INFORMATION
 YEAR ENDED AUGUST 31, 2010
 (UNAUDITED)

District Geographic Area: 94.5 square miles

Table VIII

	Constructed	Building - Sq. Ft.	Acreage
<u>Elementary Schools:</u>			
Alice Ponder Elementary	1967	77,641	12.120
Tarver Rendon Elementary	1969	71,047	17.500
J.L. Boren Elementary	1979	57,241	16.197
Charlotte Anderson Elementary	1986	69,947	10.340
Glenn Harmon Elementary	1988	74,081	10.500
Willie Brown Elementary	1998	65,885	16.000
D.P. Morris Elementary	1998	65,885	10.000
Kenneth Davis Elementary	2001	72,256	17.238
Imogene Gideon Elementary	2001	72,256	12.482
Thelma Jones Elementary	2003	77,038	16.592
Roberta Tipps Elementary	2003	77,038	15.075
Erma Nash Elementary (New)	2003	84,631	18.751
Elizabeth Smith Elementary	2004	77,038	13.316
Martha Reid Elementary	2004	77,038	12.500
Mary Jo Sheppard Elementary	2005	79,070	12.150
Janet Brockett Elementary	2005	79,070	12.758
Anna May Daulton Elementary	2006	79,274	12.200
Cora Spencer Elementary	2006	79,274	12.004
Carol Holt Elementary	2007	79,274	12.000
Louise Cabaniss Elementary	2008	74,275	12.000
Annette Perry Elementary (midyear opening)	2010	79,679	12.860
<u>Intermediate Schools:</u>			
Cross Timbers Intermediate	1994	108,000	16.637
Mary Orr Intermediate	1998	110,229	44.000
Donna Shepard Intermediate	2001	116,794	23.800
Della Icenhower Intermediate	2004	122,600	32.977
Mary Lillard Intermediate	2006	128,340	50.000
Asa E. Low Jr. Intermediate	2008	133,385	37.533
<u>Middle Schools:</u>			
Brooks Wester Middle	1974	251,151	56.000
Rogene Worley Middle	1986	126,689	27.310
T.A. Howard Middle	1994	130,000	41.000
Danny Jones Middle	2004	160,000	40.110
James L. Coble Middle	2006	164,719	40.455
Linda Jobe Middle	2008	165,350	37.217
<u>Senior High Schools:</u>			
ACE Campus (Old Erma Nash Bldg)	1952	64,021	11.040
Summit High	1995	370,000	60.141
Mansfield High	2002	390,000	69.991
Timberview High	2004	416,000	75.340
Ben Barber Career Tech Academy	2005	180,964	13.300
Legacy High	2007	426,650	69.069
<u>Sites Under Construction:</u>			
Nancy Neal Elementary (opening August 2011)		80,584	13.797
High School Number 5 (opening August 2012)		422,411	74.768

MANSFIELD INDEPENDENT SCHOOL DISTRICT
CAMPUS ENROLLMENT BY GRADE LEVEL
LAST TEN FISCAL YEARS

Table IX

Campus	Grade	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Alice Ponder Elementary											
	Early Childhood	13	7	9	3	9	11	9	-	-	5
	Pre-Kindergarten	28	23	46	43	47	70	53	79	64	71
	Kindergarten	134	118	130	148	178	96	89	79	108	115
	Grade 1	155	137	122	149	171	92	100	103	98	118
	Grade 2	146	152	152	130	163	80	95	99	101	89
	Grade 3	162	118	165	151	150	85	85	87	114	115
	Grade 4	151	161	120	161	175	77	77	82	93	110
	TOTAL	789	716	744	785	893	511	508	529	578	623
Tarver Rendon Elementary											
	Early Childhood	-	5	11	6	5	10	6	5	5	5
	Pre-Kindergarten	14	24	37	27	24	36	25	31	30	35
	Kindergarten	97	105	91	98	105	96	106	108	109	109
	Grade 1	123	98	117	82	90	104	101	109	110	117
	Grade 2	102	116	103	120	83	90	110	101	112	124
	Grade 3	94	107	114	107	110	84	87	109	103	121
	Grade 4	103	92	114	121	101	105	86	83	106	101
	TOTAL	533	547	587	561	518	525	521	546	575	612
J.L. Boren Elementary											
	Early Childhood	-	-	10	-	-	-	-	-	16	16
	Pre-Kindergarten	-	-	-	-	-	-	-	-	-	-
	Kindergarten	138	152	128	155	137	122	138	122	114	118
	Grade 1	141	153	154	141	151	136	128	138	131	129
	Grade 2	142	152	153	161	149	151	135	132	137	137
	Grade 3	138	151	154	158	166	155	162	141	141	145
	Grade 4	144	148	152	149	154	162	153	162	146	138
	TOTAL	703	756	751	764	757	726	716	695	685	683
Charlotte Anderson Elementary											
	Early Childhood	8	11	9	8	9	10	3	3	-	-
	Pre-Kindergarten	15	15	23	20	18	27	25	45	43	43
	Kindergarten	130	127	152	164	135	141	129	101	110	95
	Grade 1	159	131	143	154	163	143	146	104	114	121
	Grade 2	147	151	139	141	154	172	136	98	113	113
	Grade 3	151	138	155	152	145	163	181	108	103	125
	Grade 4	140	153	141	161	154	148	156	108	116	108
	TOTAL	750	726	762	800	778	804	776	567	599	605
Glenn Harmon Elementary											
	Early Childhood	10	3	5	14	18	11	-	-	-	-
	Pre-Kindergarten	43	40	58	63	89	72	62	45	44	66
	Kindergarten	185	132	136	158	148	179	143	87	105	117
	Grade 1	194	128	147	149	159	153	172	123	99	124
	Grade 2	177	130	142	163	159	160	141	133	125	101
	Grade 3	177	147	146	137	170	173	147	93	126	126
	Grade 4	209	134	182	173	151	175	175	130	105	127
	TOTAL	995	714	816	857	894	923	840	611	604	661
Erma Nash Elementary											
	Early Childhood								2	-	-
	Pre-Kindergarten	31	35	48	44	44	46	43	67	47	54
	Kindergarten	122	107	116	149	149	135	154	139	137	121
	Grade 1	124	124	111	116	128	148	140	145	137	118
	Grade 2	108	136	134	122	109	126	145	138	140	117
	Grade 3	130	115	142	145	124	118	120	124	137	106
	Grade 4	120	131	128	143	144	130	128	127	119	121
	TOTAL	635	648	679	719	698	703	730	742	717	637
Willie Brown Elementary											
	Early Childhood	8	8	8	7	9	6	8	14	10	11
	Pre-Kindergarten	12	9	24	28	13	13	16	24	27	14
	Kindergarten	148	140	147	199	88	97	124	139	154	112
	Grade 1	132	133	163	182	89	102	127	145	158	122
	Grade 2	115	139	162	192	90	106	120	146	158	116
	Grade 3	141	109	154	196	113	102	137	140	159	128
	Grade 4	121	133	127	191	122	113	134	156	161	125
	TOTAL	677	671	785	995	524	539	666	764	827	628

MANSFIELD INDEPENDENT SCHOOL DISTRICT
CAMPUS ENROLLMENT BY GRADE LEVEL
LAST TEN FISCAL YEARS

Table IX

Campus	Grade	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>D.P. Morris Elementary</i>											
	Early Childhood	14	8	13	6	7	6	3	3	7	11
	Pre-Kindergarten	37	24	41	24	47	38	47	46	45	43
	Kindergarten	187	151	163	154	128	127	149	122	138	123
	Grade 1	190	129	183	131	157	135	137	153	118	142
	Grade 2	194	123	174	140	128	164	138	133	150	116
	Grade 3	188	150	175	135	149	131	165	151	129	162
	Grade 4	187	147	177	144	145	155	127	170	138	135
	TOTAL	997	732	926	734	761	756	766	778	725	732
<i>Kenneth Davis Elementary (Opened FY 2002)</i>											
	Early Childhood		9	10	5	11	10	7	-	-	1
	Pre-Kindergarten		42	35	44	43	47	44	48	48	66
	Kindergarten		150	136	122	139	181	149	125	123	130
	Grade 1		154	165	120	128	170	208	121	138	129
	Grade 2		146	149	161	123	146	154	150	111	130
	Grade 3		109	157	138	164	150	149	127	151	114
	Grade 4		116	113	152	134	176	161	125	121	152
	TOTAL		726	765	742	742	880	872	696	692	722
<i>Imogene Gideon Elementary (Opened FY 2002)</i>											
	Early Childhood		6	-	-	-	-	-	-	1	1
	Pre-Kindergarten		26	53	28	39	33	40	38	47	36
	Kindergarten		147	211	144	137	97	106	101	98	103
	Grade 1		137	191	155	151	93	89	105	106	93
	Grade 2		123	187	138	146	99	96	96	99	108
	Grade 3		125	175	131	121	113	93	95	90	102
	Grade 4		126	173	140	124	84	110	95	100	88
	TOTAL		690	990	736	718	519	534	530	541	531
<i>Thelma Jones Elementary (Opened FY 2004)</i>											
	Early Childhood				5	4	9	4	20	14	7
	Pre-Kindergarten				29	26	45	45	44	40	42
	Kindergarten				88	112	144	130	105	83	112
	Grade 1				100	106	139	148	148	75	83
	Grade 2				87	111	138	132	160	95	76
	Grade 3				101	102	138	129	142	96	95
	Grade 4				78	116	124	146	142	75	98
	TOTAL				488	577	737	734	761	478	513
<i>Roberta Tipps Elementary (Opened FY 2004)</i>											
	Early Childhood				10	6	8	1	-	-	-
	Pre-Kindergarten				19	21	29	26	37	36	40
	Kindergarten				84	122	124	164	140	171	135
	Grade 1				67	105	133	147	171	157	170
	Grade 2				82	94	122	143	141	171	150
	Grade 3				74	107	100	135	151	142	174
	Grade 4				65	97	128	124	138	157	141
	TOTAL				401	552	644	740	778	834	810
<i>Elizabeth Smith Elementary (Opened FY 2005)</i>											
	Early Childhood							4	11	15	14
	Pre-Kindergarten					10	16	15	19	18	21
	Kindergarten					81	131	83	100	94	110
	Grade 1					92	118	89	97	104	99
	Grade 2					81	142	92	103	99	105
	Grade 3					79	114	103	105	109	93
	Grade 4					66	120	90	108	96	111
	TOTAL					409	641	476	543	535	553
<i>Martha Reid Elementary (Opened FY 2005)</i>											
	Early Childhood					5	7	-	-	-	-
	Pre-Kindergarten					17	34	43	39	45	44
	Kindergarten					108	117	131	130	113	115
	Grade 1					98	142	137	133	133	112
	Grade 2					94	127	156	151	136	132
	Grade 3					71	118	135	163	147	133
	Grade 4					85	97	135	133	163	131
	TOTAL					478	642	737	749	737	667

MANSFIELD INDEPENDENT SCHOOL DISTRICT
 CAMPUS ENROLLMENT BY GRADE LEVEL
 LAST TEN FISCAL YEARS

Table IX

Campus	Grade	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Mary Jo Sheppard Elementary (Opened FY 2006)											
	Early Childhood						-	-	-	14	15
	Pre-Kindergarten						-	-	-	24	30
	Kindergarten						98	104	111	109	148
	Grade 1						104	109	127	131	128
	Grade 2						102	115	115	137	130
	Grade 3						92	113	119	118	140
	Grade 4						97	101	117	148	121
	TOTAL	-	-	-	-	-	493	542	589	681	712
Janet Brockett Elementary (Opened FY 2006)											
	Early Childhood						6	8	-	-	-
	Pre-Kindergarten						28	23	48	47	40
	Kindergarten						67	127	147	118	136
	Grade 1						78	98	142	130	114
	Grade 2						81	110	147	115	131
	Grade 3						73	96	146	136	114
	Grade 4						58	105	135	123	147
	TOTAL	-	-	-	-	-	391	567	765	669	682
Anna May Daulton Elementary (Opened FY 2007)											
	Early Childhood							-	-	-	-
	Pre-Kindergarten							15	25	30	36
	Kindergarten							61	94	117	135
	Grade 1							70	90	126	132
	Grade 2							66	92	108	127
	Grade 3							61	90	114	117
	Grade 4							55	80	107	125
	TOTAL	-	-	-	-	-	-	328	471	602	672
Cora Spencer Elementary (Opened FY 2007)											
	Early Childhood							-	-	-	-
	Pre-Kindergarten							-	-	-	-
	Kindergarten							56	62	82	83
	Grade 1							48	66	70	89
	Grade 2							52	51	80	79
	Grade 3							48	53	61	80
	Grade 4							51	60	50	73
	TOTAL	-	-	-	-	-	-	255	292	343	404
Carol Holt Elementary (Opened FY 2008)											
	Early Childhood								14	12	9
	Pre-Kindergarten								20	25	28
	Kindergarten								98	103	115
	Grade 1								118	113	108
	Grade 2								119	125	121
	Grade 3								101	128	126
	Grade 4								116	115	128
	TOTAL	-	-	-	-	-	-	-	586	621	635
Louise Cabaniss Elementary (Opened FY 2009)											
	Early Childhood									-	-
	Pre-Kindergarten									34	37
	Kindergarten									89	96
	Grade 1									76	107
	Grade 2									81	81
	Grade 3									110	86
	Grade 4									103	111
	TOTAL	-	-	-	-	-	-	-	-	493	518
Annette Perry Elementary (Opened FY 2010)											
	Early Childhood										-
	Pre-Kindergarten										-
	Kindergarten										52
	Grade 1										64
	Grade 2										51
	Grade 3										61
	Grade 4										47
	TOTAL	-	-	-	-	-	-	-	-	-	275
ELEMENTARY SCHOOL TOTAL		6,079	6,926	7,805	8,582	9,299	10,434	11,308	11,992	12,536	12,875

MANSFIELD INDEPENDENT SCHOOL DISTRICT
CAMPUS ENROLLMENT BY GRADE LEVEL
LAST TEN FISCAL YEARS

Table IX

Campus	Grade	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>Cross Timbers Intermediate</i>											
	Grade 5	611	538	543	589	662	608	494	451	494	456
	Grade 6	603	494	573	555	615	668	469	486	454	468
	TOTAL	1,214	1,032	1,116	1,144	1,277	1,276	963	937	948	924
<i>Mary Orr Intermediate</i>											
	Grade 5	653	447	606	639	448	515	425	449	487	448
	Grade 6	650	448	540	687	438	509	490	469	459	401
	TOTAL	1,303	895	1,146	1,326	886	1,024	915	918	946	849
<i>Donna Shepard Intermediate (Opened FY 2002)</i>											
	Grade 5		353	367	343	429	450	428	405	427	392
	Grade 6		442	382	393	377	434	467	463	431	352
	TOTAL	-	795	749	736	806	884	895	868	858	744
<i>Della Icenhower Intermediate (Opened FY 2005)</i>											
	Grade 5					311	427	515	603	568	304
	Grade 6					287	385	498	564	613	311
	TOTAL	-	-	-	-	598	812	1,013	1,167	1,181	615
<i>Mary Lillard Intermediate (Opened FY 2007)</i>											
	Grade 5							281	344	361	382
	Grade 6							264	337	370	401
	TOTAL	-	-	-	-	-	-	545	681	731	783
<i>Asa Low Intermediate (Opened FY 2010)</i>											
	Grade 5										435
	Grade 6										442
	TOTAL	-	-	-	-	-	-	-	-	-	877
INTERMEDIATE											
SCHOOL TOTAL		<u>2,517</u>	<u>2,722</u>	<u>3,011</u>	<u>3,206</u>	<u>3,567</u>	<u>3,996</u>	<u>4,331</u>	<u>4,571</u>	<u>4,664</u>	<u>4,792</u>
<i>Brooks Wester Middle (Opened FY 2003)</i>											
	Grade 7			577	658	448	513	430	497	487	414
	Grade 8			513	645	461	485	480	467	512	525
	Total	-	-	1,090	1,303	909	998	910	964	999	939
<i>Rogene Worley Middle</i>											
	Grade 7	605	761	461	414	431	413	454	459	458	435
	Grade 8	588	694	410	475	434	442	436	483	487	286
	Total	1,193	1,455	871	889	865	855	890	942	945	721
<i>T.A. Howard Middle</i>											
	Grade 7	573	637	541	597	616	655	505	498	503	497
	Grade 8	571	610	602	568	601	639	489	493	528	534
	Total	1,144	1,247	1,143	1,165	1,217	1,294	994	991	1,031	1,031
<i>Danny Jones Middle (Opened FY 2005)</i>											
	Grade 7					312	357	247	293	397	414
	Grade 8					281	385	245	297	307	404
	Total	-	-	-	-	593	742	492	590	704	818
<i>James Coble Middle (Opened FY 2007)</i>											
	Grade 7							520	569	578	331
	Grade 8							467	538	554	323
	Total	-	-	-	-	-	-	987	1,107	1,132	654
<i>Linda Jobe Middle (Opened FY2010)</i>											
	Grade 7										347
	Grade 8										346
	Total	-	-	-	-	-	-	-	-	-	693
MIDDLE SCHOOL TOTAL		<u>2,337</u>	<u>2,702</u>	<u>3,104</u>	<u>3,357</u>	<u>3,584</u>	<u>3,889</u>	<u>4,273</u>	<u>4,594</u>	<u>4,811</u>	<u>4,856</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
CAMPUS ENROLLMENT BY GRADE LEVEL
LAST TEN FISCAL YEARS

Table IX

Campus	Grade	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Mansfield High											
	Grade 9	1,297	1,463	706	819	775	732	801	649	700	715
	Grade 10	1,084	1,235	585	636	687	657	650	549	561	611
	Grade 11	816	1,033	494	549	555	637	642	495	547	545
	Grade 12	721	735	660	481	481	506	588	471	418	496
	TOTAL	3,918	4,466	2,445	2,485	2,498	2,532	2,681	2,164	2,226	2,367
Summit High (Opened FY 2003)											
	Grade 9			968	1,052	682	777	810	611	681	672
	Grade 10			810	876	637	670	778	508	481	556
	Grade 11			636	765	543	640	635	530	433	441
	Grade 12			263	588	598	534	583	488	402	355
	TOTAL	-	-	2,677	3,281	2,460	2,621	2,806	2,137	1,997	2,024
Timberview High (Opened FY 2005)											
	Grade 9					565	748	833	649	620	707
	Grade 10					445	533	695	495	607	585
	Grade 11					373	452	558	507	491	579
	Grade 12					123	343	407	403	453	426
	TOTAL	-	-	-	-	1,506	2,076	2,493	2,054	2,171	2,297
Legacy High (Opened FY 2008)											
	Grade 9								774	712	700
	Grade 10								620	599	563
	Grade 11								453	557	571
	Grade 12								192	345	479
	TOTAL	-	-	-	-	-	-	-	2,039	2,213	2,313
ACE Campus											
	Grade 4	-	-	-	-	-	-	-	-	-	-
	Grade 5	-	-	-	-	-	-	-	-	-	-
	Grade 6	-	-	-	-	-	-	-	-	-	-
	Grade 7	-	-	-	-	-	-	-	-	-	-
	Grade 8	-	-	-	-	-	-	-	-	-	-
	Grade 9	2	-	1	1	-	-	-	-	-	-
	Grade 10	1	12	3	8	6	-	1	-	4	7
	Grade 11	24	25	22	29	28	32	22	24	44	35
	Grade 12	10	11	25	15	31	29	20	35	31	43
	TOTAL	37	48	51	53	65	61	43	59	79	85
Other Campus' (JJAEP, Center for Behavior Mgmt, ABIDE, Oak Grove Residential)											
	Grade 1	-	-	-	-	-	-	-	-	-	-
	Grade 2	-	-	-	-	-	-	-	-	-	-
	Grade 3	-	-	-	-	-	-	-	-	-	-
	Grade 4	-	-	-	-	-	-	-	-	-	-
	Grade 5	-	-	-	-	-	-	-	-	-	-
	Grade 6	-	-	-	-	-	-	-	-	-	-
	Grade 7	-	1	-	1	-	-	-	3	1	1
	Grade 8	-	1	3	-	1	-	1	-	1	-
	Grade 9	-	-	4	2	-	2	2	1	-	2
	Grade 10	-	-	-	-	1	5	-	-	-	1
	Grade 11	-	-	-	-	-	1	2	1	-	1
	Grade 12	-	-	-	-	-	-	-	-	-	-
	TOTAL	-	2	7	3	2	8	5	5	2	5
HIGH SCHOOL TOTAL		<u>3,955</u>	<u>4,516</u>	<u>5,180</u>	<u>5,822</u>	<u>6,531</u>	<u>7,298</u>	<u>8,028</u>	<u>8,458</u>	<u>8,688</u>	<u>9,091</u>

MANSFIELD INDPENDENT SCHOOL DISTRICT
 CAMPUS ENROLLMENT BY GRADE LEVEL
 LAST TEN FISCAL YEARS

Table IX

Campus	Grade	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>District Total</i>											
	Early Childhood	53	57	75	64	83	94	53	72	94	95
	Pre-Kindergarten	180	238	365	369	438	534	522	655	694	746
	Kindergarten	1,141	1,329	1,410	1,663	1,767	1,952	2,143	2,110	2,275	2,380
	Grade 1	1,218	1,324	1,496	1,546	1,788	1,990	2,194	2,338	2,324	2,419
	Grade 2	1,131	1,368	1,495	1,637	1,684	2,010	2,136	2,305	2,393	2,334
	Grade 3	1,181	1,269	1,537	1,625	1,771	1,905	2,146	2,245	2,414	2,463
	Grade 4	1,175	1,341	1,427	1,678	1,768	1,949	2,114	2,267	2,342	2,438
	Grade 5	1,264	1,338	1,516	1,571	1,850	2,000	2,143	2,252	2,337	2,417
	Grade 6	1,253	1,384	1,495	1,635	1,717	1,996	2,188	2,319	2,327	2,375
	Grade 7	1,178	1,398	1,579	1,670	1,807	1,938	2,156	2,319	2,424	2,439
	Grade 8	1,159	1,305	1,528	1,688	1,778	1,951	2,118	2,278	2,389	2,418
	Grade 9	1,299	1,464	1,679	1,872	2,022	2,259	2,446	2,684	2,713	2,796
	Grade 10	1,085	1,247	1,398	1,522	1,776	1,865	2,124	2,172	2,252	2,323
	Grade 11	840	1,058	1,152	1,343	1,499	1,762	1,859	2,010	2,072	2,172
	Grade 12	731	746	948	1,084	1,233	1,412	1,598	1,589	1,649	1,799
	TOTAL	14,888	16,866	19,100	20,967	22,981	25,617	27,940	29,615	30,699	31,614

Source: Texas Education Agency AEIS report

MANSFIELD INDEPENDENT SCHOOL DISTRICT
MEALS SERVED BY CAMPUS
FOR THE YEAR ENDED AUGUST 31, 2010
(unaudited)

Table X

Campus	School Lunch Program				School Breakfast Program			
	Regular Type A	Reduced Type A	Free Type A	Total	Regular Type A	Reduced Type A	Free Type A	Total
High School								
Summit	49,270	17,996	76,145	143,411	5,317	3,842	27,761	36,920
Mansfield	70,499	11,457	36,895	118,851	8,077	3,078	14,587	25,742
Timberview	53,483	17,738	55,637	126,858	4,724	3,889	15,882	24,495
Legacy	70,731	15,436	58,513	144,680	4,430	2,830	20,122	27,382
AEC	5,560	1,465	9,429	16,454	1,041	447	3,239	4,727
Ben Barber	24,812	5,955	20,986	51,753	4,341	1,870	8,723	14,934
Total	274,355	70,047	257,605	602,007	27,930	15,956	90,314	134,200
Middle School								
Worley	39,691	10,547	38,461	88,699	5,376	2,210	10,577	18,163
Howard	56,866	14,237	51,263	122,366	5,749	4,391	24,888	35,028
Wester	49,246	7,384	23,770	80,400	3,684	1,202	7,639	12,525
D. Jones	51,499	9,050	23,910	84,459	10,328	3,185	9,373	22,886
Coble	36,486	13,025	32,826	82,337	4,959	3,515	11,563	20,037
Jobe	37,103	5,492	30,522	73,117	4,311	848	13,831	18,990
Total	270,891	59,735	200,752	531,378	34,407	15,351	77,871	127,629
Intermediate School								
Orr	42,878	11,936	31,050	85,864	4,282	2,540	14,956	21,778
C. Timbers	51,042	14,058	59,033	124,133	3,235	2,708	23,196	29,139
D. Shepard	37,023	8,564	41,475	87,062	4,688	3,012	19,793	27,493
Icenhower	38,707	13,236	33,614	85,557	4,065	4,472	14,851	23,388
Lillard	58,015	9,534	23,283	90,832	3,946	1,223	6,738	11,907
Low	51,923	6,741	27,200	85,864	5,447	1,667	13,302	20,416
Total	279,588	64,069	215,655	559,312	25,663	15,622	92,836	134,121
Elementary School								
Ponder	16,687	6,566	62,572	85,825	3,319	3,291	35,204	41,814
Rendon	27,309	5,395	31,494	64,198	4,272	1,641	15,634	21,547
Boren	40,195	3,628	8,745	52,568	1,231	296	2,985	4,512
Anderson	27,953	7,834	27,889	63,676	4,019	3,509	13,008	20,536
Harmon	17,713	10,178	58,047	85,938	2,261	3,911	29,018	35,190
Morris	30,896	10,255	44,088	85,239	5,882	3,219	21,160	30,261
Brown	37,193	3,565	6,782	47,540	3,910	1,021	2,339	7,270
Davis	33,625	10,818	47,299	91,742	5,165	2,244	16,571	23,980
Gideon	25,206	9,441	32,119	66,766	3,843	2,023	12,696	18,562
Nash	16,268	10,278	59,031	85,577	1,387	2,840	20,623	24,850
Smith	38,416	2,863	9,733	51,012	3,448	1,011	3,117	7,576
Tipps	48,093	5,172	17,827	71,092	3,808	2,010	7,306	13,124
Reid	34,143	6,527	22,249	62,919	2,943	1,700	7,421	12,064
T. Jones	28,918	9,970	24,518	63,406	5,255	4,652	12,901	22,808
M. J. Sheppard	32,558	6,244	25,332	64,134	3,827	2,868	13,568	20,263
Brockett	33,875	12,446	29,103	75,424	4,148	2,882	9,579	16,609
Daulton	49,488	5,761	13,088	68,337	4,735	756	3,505	8,996
Spencer	29,943	4,952	14,094	48,989	5,681	2,001	6,981	14,663
Cabaniss	27,485	7,501	25,828	60,814	7,735	2,864	15,146	25,745
Holt	25,243	4,146	27,655	57,044	1,814	818	16,638	19,270
Perry	7,709	2,795	11,610	22,114	1,003	844	5,791	7,638
Total	628,916	146,335	599,103	1,374,354	79,686	46,401	271,191	397,278
District Total	1,453,750	340,186	1,273,115	3,067,051	167,686	93,330	532,212	793,228

MANSFIELD INDEPENDENT SCHOOL DISTRICT
 ECONOMICALLY DISADVANTAGE PER CAMPUS
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Table XI

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<u>Elementary Schools:</u>										
Alice Ponder	27.1%	32.4%	36.3%	39.4%	38.6%	56.9%	59.3%	65.8%	68.3%	72.6%
Tarver Rendon	32.6%	32.4%	37.3%	37.4%	36.5%	38.1%	40.5%	41.2%	41.2%	46.1%
J.L. Boren	2.0%	4.4%	3.5%	5.8%	5.7%	7.0%	6.4%	6.5%	8.6%	12.9%
Charlotte Anderson	11.1%	8.3%	11.7%	12.3%	13.0%	16.8%	15.7%	39.0%	40.1%	42.5%
Glenn Harmon	23.0%	36.0%	42.5%	43.3%	49.6%	53.7%	50.5%	63.5%	67.2%	74.1%
Erma Nash	53.9%	58.3%	58.9%	61.5%	66.2%	68.1%	66.8%	70.1%	69.5%	73.0%
Willie Brown	9.3%	7.7%	11.0%	13.3%	17.2%	15.6%	17.0%	18.8%	19.6%	12.3%
D.P. Morris	18.2%	18.6%	21.5%	30.0%	36.0%	36.8%	36.4%	39.5%	43.6%	49.5%
Kenneth Davis		26.2%	29.3%	29.2%	31.8%	42.0%	48.9%	45.4%	51.2%	54.8%
Imogene Gideon		19.0%	26.3%	26.1%	27.2%	34.1%	37.3%	43.8%	51.0%	53.3%
Thelma Jones				32.6%	32.9%	36.8%	39.0%	42.0%	42.7%	46.2%
Roberta Tipps				12.7%	16.5%	21.7%	20.3%	20.2%	19.8%	21.6%
Martha Reid					8.3%	12.3%	27.8%	26.7%	29.4%	33.3%
Elizabeth Smith					12.8%	19.9%	18.7%	19.2%	17.8%	17.0%
Mary Jo Sheppard						24.1%	26.8%	26.3%	30.0%	33.6%
Janet Brockett						34.0%	31.7%	34.5%	37.4%	42.7%
Anna May Daulton							17.1%	15.9%	19.6%	20.5%
Cora Spencer							12.9%	16.4%	14.6%	17.3%
Carol Holt								25.8%	34.1%	35.6%
Louise Cabaniss									39.6%	44.2%
Annette Perry										50.9%
<u>Intermediate Schools:</u>										
Cross Timbers	18.0%	21.6%	24.7%	27.6%	28.8%	35.4%	29.6%	35.3%	39.6%	47.9%
Mary Orr	19.0%	10.3%	13.9%	15.5%	10.3%	13.1%	13.9%	12.1%	13.6%	34.2%
Donna Shepard		33.7%	37.1%	40.9%	40.2%	38.1%	40.1%	40.9%	43.7%	42.6%
Della Icenhower					24.9%	27.8%	38.6%	36.5%	42.3%	47.5%
Mary Lillard							19.3%	24.4%	25.7%	27.7%
Asa Low										25.2%
<u>Middle Schools:</u>										
Brooks Wester	16.3%	18.6%	12.3%	14.4%	10.9%	10.6%	13.3%	13.1%	14.9%	21.6%
Rogene Worley	17.3%	19.4%	32.3%	34.3%	37.5%	38.8%	39.2%	38.3%	40.0%	42.3%
T.A. Howard			20.9%	24.9%	27.9%	32.9%	29.5%	32.7%	36.4%	42.5%
Danny Jones						29.2%	23.2%	21.7%	23.3%	27.6%
James Coble							38.3%	35.8%	42.2%	43.9%
Linda Jobe										35.6%
<u>High Schools:</u>										
Mansfield	10.4%	12.2%	11.8%	15.2%	16.3%	18.9%	18.6%	13.7%	15.7%	18.6%
Summit			18.3%	19.6%	15.2%	14.8%	21.4%	30.5%	37.9%	43.2%
Timberview					28.8%	17.8%	30.2%	27.8%	27.7%	33.1%
Legacy								25.0%	23.9%	27.5%
ACE Campus	13.5%	29.2%	27.5%	15.1%	26.2%	12.5%	16.3%	13.6%	31.6%	43.5%
District	17.2%	19.6%	22.4%	24.2%	25.3%	28.2%	29.1%	30.3%	32.7%	36.2%

Source: Texas Education Agency AEIS report

Federal Awards Section



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 Trustees of the
Mansfield Independent School District:

We have audited the financial statements of Mansfield Independent School District (the “District”) as of and for the year ended August 31, 2010, and have issued our report thereon dated January 17, 2011. 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 the District’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 deficiency in internal control 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the District in a separate letter dated January 17, 2011.

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

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

Deloitte & Touche LLP

January 17, 2011

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees of the
Mansfield Independent School District:

Compliance

We have audited the compliance of Mansfield Independent School District (the “District”) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended August 31, 2010. The 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 the District’s management. Our responsibility is to express an opinion on the 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 the 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 the District’s compliance with those requirements.

In our opinion, Mansfield Independent School District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2010.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 more than a 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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, 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. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 10-01. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on the response.

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

Deloitte & Touche LLP

January 17, 2011

**MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2010**

Pass-Through Grantor/ Program, or Cluster Title	CFDA	Federal Awards
U. S. DEPARTMENT OF DEFENSE		
Direct Programs—		
Air Force -ROTC	12.XXX	\$ 1,759
ROTC	12.XXX	<u>245,368</u>
Total Direct Programs		<u>247,127</u>
TOTAL U. S. DEPARTMENT OF DEFENSE		<u>247,127</u>
U. S. DEPARTMENT OF JUSTICE		
Direct Programs—		
Law Enforcement Standards	16.XXX	<u>2,716</u>
Total Direct Programs		<u>2,716</u>
TOTAL U. S. DEPARTMENT OF DEFENSE		<u>2,716</u>
U. S. DEPARTMENT OF ENERGY		
Passed through the North Central Texas Council of Governments:		
ARRA - Energy Program Special Projects	81.119	<u>423,200</u>
Total Direct Programs		<u>423,200</u>
TOTAL U. S. DEPARTMENT OF ENERGY		<u>423,200</u>
U. S. DEPARTMENT OF EDUCATION		
Passed Through State Department of Education:		
* ESEA Title I, Part A - Improving Basic Programs	84.010A	1,427,916
* ARRA - ESEA Title I, Part A	84.389	351,713
ESEA Title II, Part A	84.367	396,536
ESEA Title III, Part A Limited English	84.365	340,506
* IDEA - Part B, Formula	84.027	3,199,553
* IDEA - Part B, Preschool	84.173	60,322
* ARRA - IDEA - Part B, Formula	84.391	1,709,717
* ARRA - IDEA - Part B, Preschool	84.392	23,952
Federal Career Tech Grant (Carl D. Perkins Grant)	84.048A	147,437
ESEA Title IV - Safe and Drug-Free Schools	84.186A	51,827
Title VI, Part A Summer School LEP	84.369A	17,451
ARRA - Title II, Part D Technology	84.386A	33,704
ARRA - Title XIV State Stabilization	84.394	<u>8,070,524</u>
Total Passed Through State Department of Education		<u>15,831,158</u>
TOTAL U. S. DEPARTMENT OF EDUCATION		<u>15,831,158</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Programs—		
Medicaid Administrative Claiming Program - MAC	93.778	<u>36,547</u>
Total Direct Programs		<u>36,547</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>36,547</u>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2010**

Pass-Through Grantor/ Program, or Cluster Title	CFDA	Federal Awards
U. S. DEPARTMENT OF AGRICULTURE		
Direct Programs - Non-Cash Awards (Commodities):		
* National School Lunch Program	10.555	782,401
Passed Through the State Department of Education - Cash Awards:		
* National School Breakfast Program	10.553	1,055,994
* National School Lunch Program	10.555	<u>4,557,253</u>
Total Passed Through State Department of Education		<u>5,613,247</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE		<u>6,395,648</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 22,936,396</u>

*Clustered programs under OMB Circular A-133

See notes to Schedule of Expenditures of Federal Awards.

MANSFIELD INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2010

1. The District utilizes the funds specified in the *Texas Education Agency Resource Guide*.

Special Revenue Funds—are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state awards generally are accounted for in the General Fund and in Special Revenue Funds. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Funds are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Funds. 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 modified accrual basis of accounting is used for the Governmental Funds; accordingly, the Schedule of Expenditures of Federal Awards was prepared under this basis of accounting, which requires that revenues are recognized in the accounting period in which they become susceptible to accrual; i.e., both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for interest on Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds 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.

3. 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 period extends 30 days beyond the federal project period ending date in accordance with provisions in Section H Period of Availability of Federal Funds, Part 3, *OMB Circular A-133 Compliance Supplement*.
4. Funds were received by the District for school health and related services reimbursements. However, such reimbursements are not considered federal awards and are not included in the schedule of expenditures of federal awards.

* * * * *

MANSFIELD INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED AUGUST 31, 2010

Part I—Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510(a))?	Yes

Identification of major programs:

Special Education Cluster:

84.027	IDEA – Part B, Formula
84.173	IDEA – Part B, Preschool
84.391	ARRA – IDEA, Part B
84.392	ARRA – IDEA, Part B, Preschool
84.394	ARRA – Title XIV State Stabilization
81.119	ARRA – Energy Program Special Projects

Dollar threshold used to distinguish between Type A and Type B programs: \$688,000

Auditee qualified as low-risk auditee? Yes

Part II—Findings Related to the Financial Statements

None

Part III—Findings and Questioned Costs Related to Federal Awards

10-01 Significant Deficiency in Internal Controls: Suspension and Debarment

81.119 ARRA – Energy Program Special Projects

84.394 ARRA – Title XIV State Stabilization

Criteria – Prior to committing to a contract where Federal funding will be used, the entity should ensure that the vendor has not been suspended or debarred.

Condition – Documentation of the check for suspension and debarment could not be located.

Questioned Costs – None

Context – Of the 11 contracts selected for testing, 3 had no documentation of the check for suspension and debarment.

Cause - The Purchasing group normally documents the check for suspension and debarment for each contract. A contract that did not pass through Purchasing did not have appropriate documentation of the check for suspension and debarment.

Effect – Lack of proper suspension and debarment checks could lead to the District unintentionally using a vendor that has been suspended or debarred.

Recommendation – During the purchasing process, ensure that all vendors are checked for suspension and debarment and documentation is retained in the vendor file.

Views of Responsible Officials/ Corrective Action Plan – Corrective action has already been put into place to appropriately document this procedure. Contact Person: Shelley Freeman, Director of Purchasing

Part IV—Findings and Questioned Costs Reported in the Prior Year

09-01 Non-Compliance Finding: Suspension and Debarment

84.010A ESEA Title I, Part A

84.389 ARRA - ESEA Title I, Part A

84.027 IDEA – Part B, Formula

84.173 IDEA – Part B, Preschool

84.391 ARRA – IDEA, Part B

84.394 ARRA – Title XIV State Stabilization

Criteria – Prior to committing to a contract where Federal funding will be used, the entity should ensure that the vendor has not been suspended or debarred.

Condition – Documentation of the check for suspension and debarment could not be located.

Questioned Costs – None

Context – All 5 of the contracts selected for testing had no documentation of the check for suspension and debarment

Cause - Purchasing did not appropriately document the check for suspension and debarment.

Effect – Lack of documentation for suspension and debarment checks could lead to the District unintentionally using a vendor that has been suspended or debarred.

Recommendation - Maintain documentation of the check for suspension and debarment in the vendor file as it is being performed.

Current Status of Corrective Action Plan: See current year finding.

09-02 Non-Compliance Finding: Allowable Costs and Cost Principles

84.010A	ESEA Title I, Part A
84.389	ARRA - ESEA Title I, Part A
84.027	IDEA – Part B, Formula
84.173	IDEA – Part B, Preschool
84.391	ARRA – IDEA, Part B

Criteria – In accordance with OMB Circular A-87, charges for employees’ salaries and wages that are expected to work solely on a single Federal award or cost objective should be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications should be prepared at least semi-annually and signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Condition – Semi-annual time and effort certifications were not completed.

Questioned Costs – None

Context - Time and effort certifications were not completed for the 9 employees selected for testing in Title I and the 18 employees selected for testing in IDEA B. In all cases, the District was able to provide job descriptions for each of the selected employees that described their positions as solely dedicated to their respective Federal award programs and cost objectives.

Cause - The District was not aware of the requirement to obtain semi-annual time and effort certifications in addition to the job descriptions for the employees who solely work on the Federal award and cost objectives.

Effect – Failure to obtain semi-annual time and effort certifications could result in questioned costs and amounts being paid back to granting agencies.

Recommendation - Complete time and effort forms semi-annually for all employees whose salaries are funded by Federal awards.

Current Status of Corrective Action Plan: Corrected.