

Mansfield Independent School District

2011 Schools FIRST Rating

Public Hearing

September 27, 2011 – 7:00 p.m.

What is FIRST?

- Financial Integrity Rating System of Texas
- Created by Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999 to measure the performance of school districts' financial resources
- Rating system includes 22 indicators
- Rating calculations are based on data from the 2009-2010 fiscal year

Determination of Rating

- Ratings are determined by the number of points earned on the 22 indicators:
 - Superior Achievement
 - 72-80 points and “YES” answer on indicator 7
 - Above Standard Achievement
 - 64-71 points or ≥ 72 points and “NO” answer on indicator 7
 - Standard Achievement
 - 56-63 points
 - Substandard Achievement
 - < 56 points or “NO” answer on one
 - default indicator

Objectives

- Assess the quality of financial management in Texas public schools.
- Measure and report the extent to which financial resources are allocated for direct instructional purposes.
- Fairly evaluate the quality of financial management decisions.
- Openly report results to the general public.

Mansfield ISD

Superior Achievement

- MISD received a score of 75.
- MISD has received a Superior Rating since the inception of the rating system 9 years ago.

Indicators

1. Was the total fund balance less reserved fund balance greater than zero in the general fund?

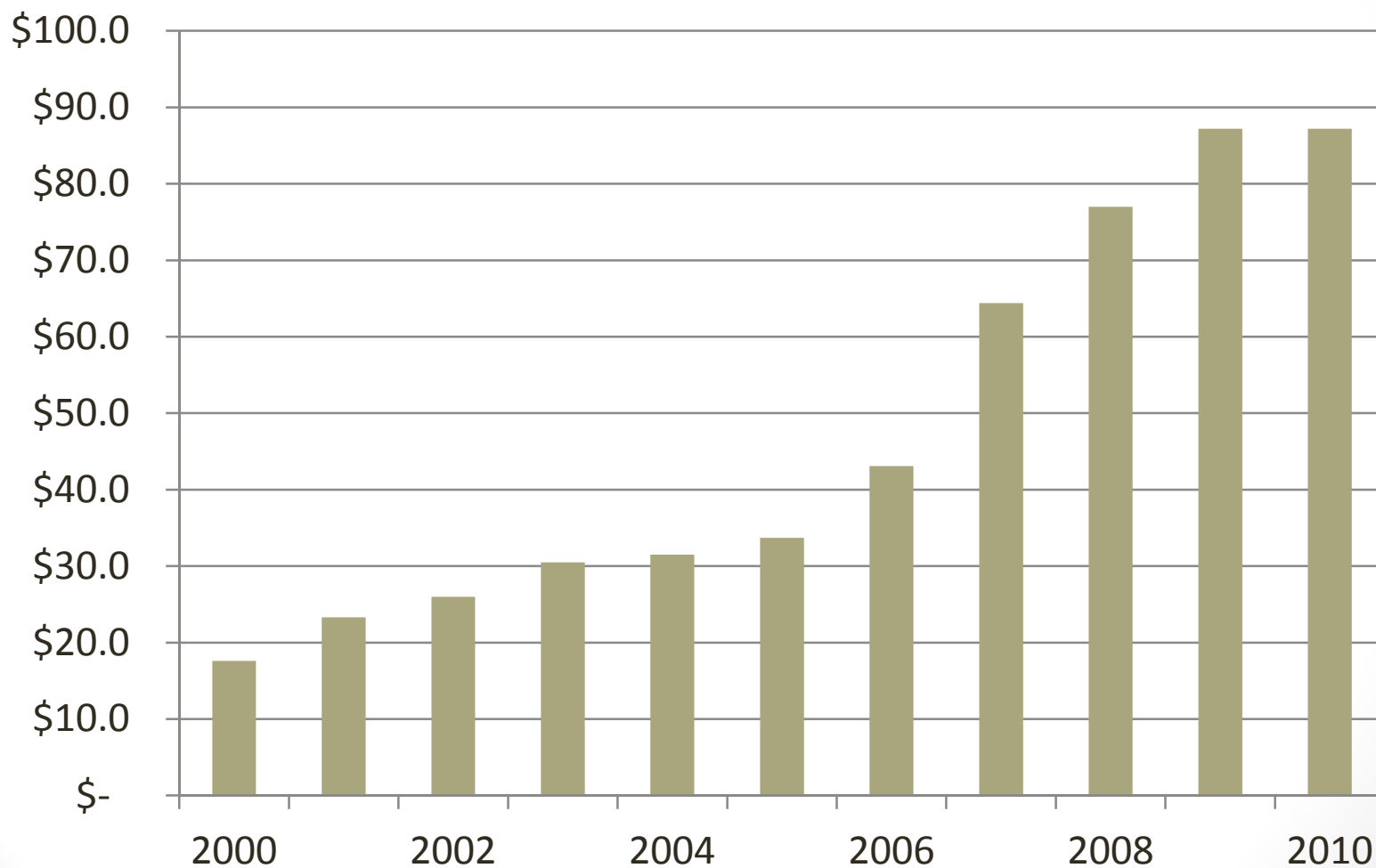
YES – 2009-2010 General Fund Balance \$87,215,757
(2008-2009 \$87,216,384)

2. Was the total unrestricted net asset balance in the governmental activities column in the statement of net assets greater than zero?

YES – 2009-2010 Unrestricted net asset balance
\$93,408,667 (2008-2009 \$97,491,926)

Mansfield ISD Fund Balance

(in millions)



Indicators (continued)

3. Were there no disclosures in the annual financial report and/or other sources of information concerning default on bonded indebtedness obligations?

YES – The district has not defaulted on bonded indebtedness. (2008-2009 Yes)

4. Was the annual financial report filed within one month after the January 28th deadline?

YES – The 2009-2010 annual financial report was filed with TEA on January 28, 2011. The due date was February 28, 2011. (2008-2009 Yes)

Indicators (continued)

5. Was there an unqualified opinion in the annual financial report?

YES – The district received an unqualified opinion on the 2009-2010 annual financial report. This is the highest rating a district can receive. (2008-2009 Yes)

6. Did the annual financial report not disclose any instances of material weakness in internal controls?

YES – The District's 2009-2010 annual financial report did not disclose an instance of material weakness in internal controls. (2008-2009 Yes)

Indicators (continued)

7. Did the district's academic rating exceed academically unacceptable?

YES – The district's academic rating for 2009-2010 exceeded academically unacceptable. (2008-2009 Yes)

8. Was the three-year average percent of total tax collections (including delinquent) greater than 98 percent?

YES – The District's three-year average percent of total tax collections (including delinquents) was 108.8 percent. (2008-2009 Yes at 104.475 percent)

Indicators (continued)

9. Did the comparison of PEIMS data to like information in the annual financial report result in an aggregate variance of less than 3 percent of expenditures per fund type?

YES – The district had zero aggregate variance in PEIMS data versus the annual financial report.
(2008-2009 Yes at .09% variance)

10. Were debt related expenditures (net of IFA and/or EDA allotment) less than \$350 per student?

YES – The district was exempted from this indicator since property taxes collected per penny of tax effort is greater than \$200,000 per student. (2008-2009 Yes)

Indicators (continued)

11. Was there no disclosure in the annual audit report of material noncompliance?

YES – There was no disclosure in the 2009-2010 annual audit report of material noncompliance . (2008-2009 Yes)

12. Did the district have full accreditation status in relation to financial management practices?

YES – The district had full accreditation status in relation to financial management practices. (2008-2009 Yes)

Indicators (continued)

13. Was the aggregate of budgeted expenditures and other uses less than the aggregate of total revenues, other resources and fund balance in the general fund?

YES – For 2009-2010, the aggregate of budgeted expenditures and other uses was less the aggregate of total revenues, other resources and fund balance.
(2008-2009 Yes)

Indicators (continued)

14. If the district's aggregate fund balance in the general fund and capital projects fund was less than zero, were construction projects adequately financed?

YES – The district's 2009-2010 aggregate fund balance in the general fund and capital projects fund was greater than zero. (2008-2009 Yes)

Indicators (continued)

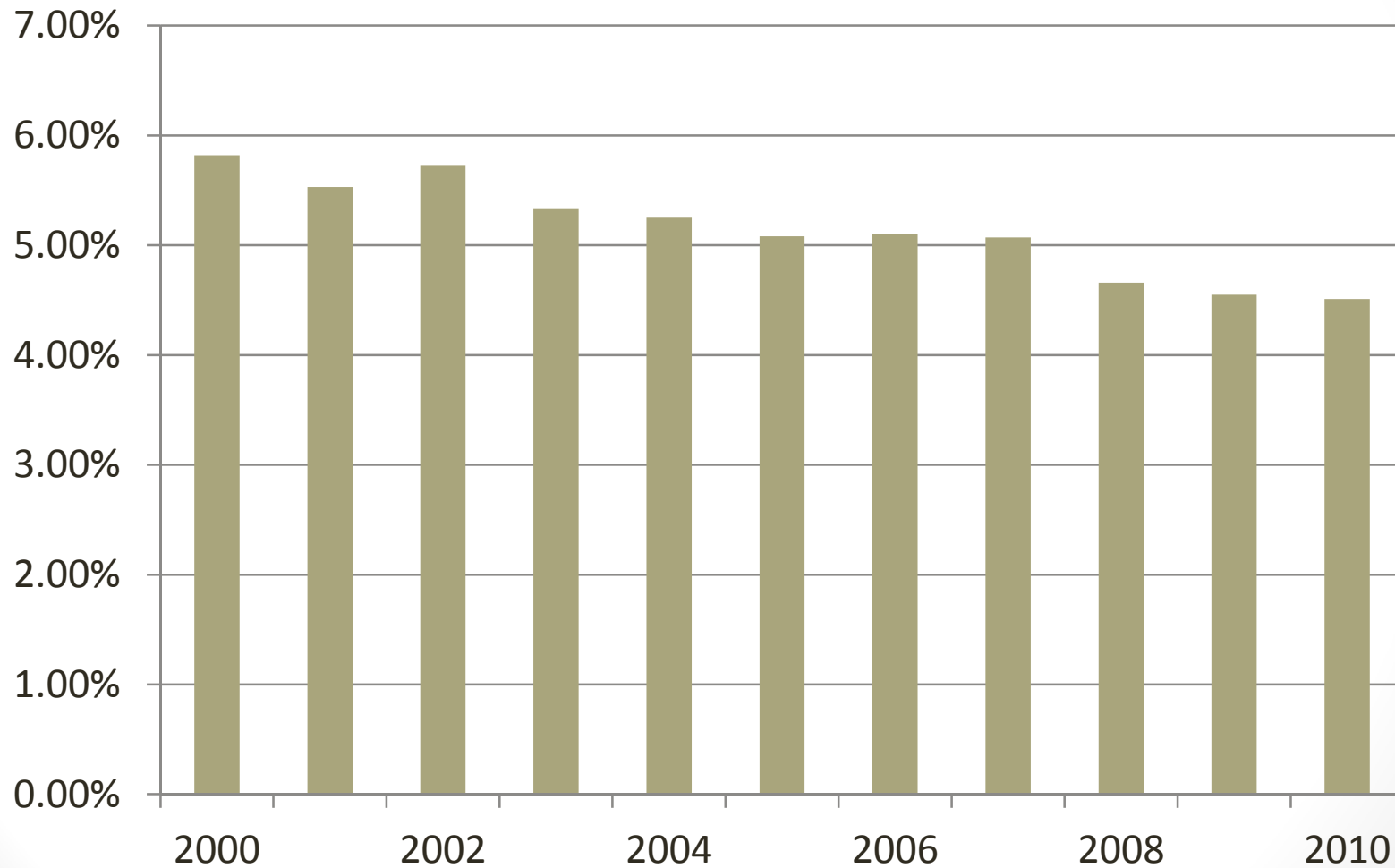
15. Was the ratio of cash and investments to deferred revenues in the general fund greater than or equal to 1:1?

YES – The ratio of cash and investments to deferred revenues in the general fund for 2009-2010 was greater than 1:1.
(2008-2009 Yes)

16. Was the administrative cost ratio less than the threshold ratio?

YES – The administrative cost ratio for 2009-2010 was 4.51 percent. The maximum percentage for district's with greater than 10,000 ADA was 11.05 percent.
(2008-2009 Yes at 4.55 percent)

Mansfield ISD Administrative Cost Ratio



Indicators (continued)

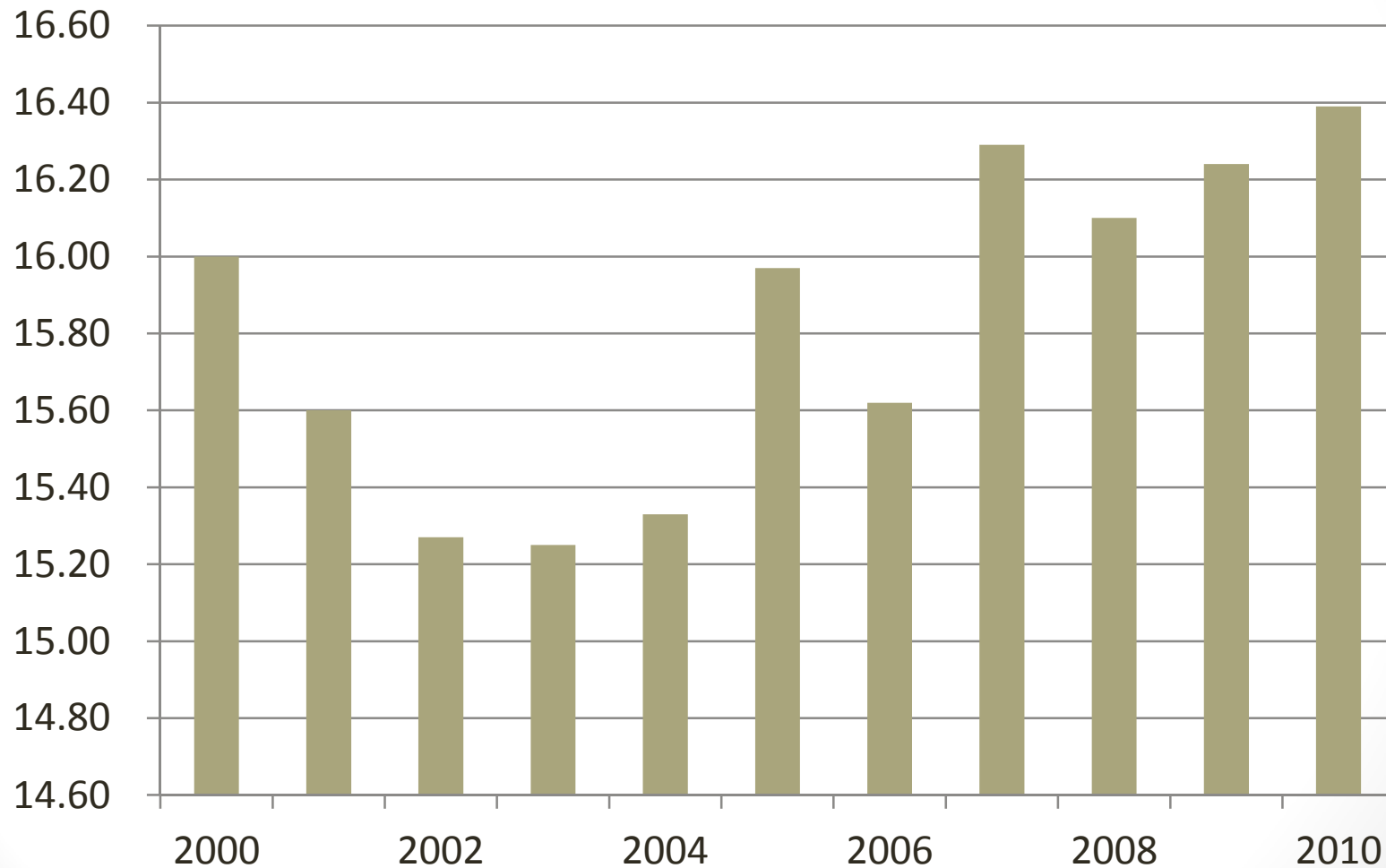
17. Was the ratio of students to teachers within the range according to district size?

YES – The ratio of students to teachers for 2009-2010 was 16.3955. The range was 13.5 to 22.
(2008-2009 Yes at 16.2354)

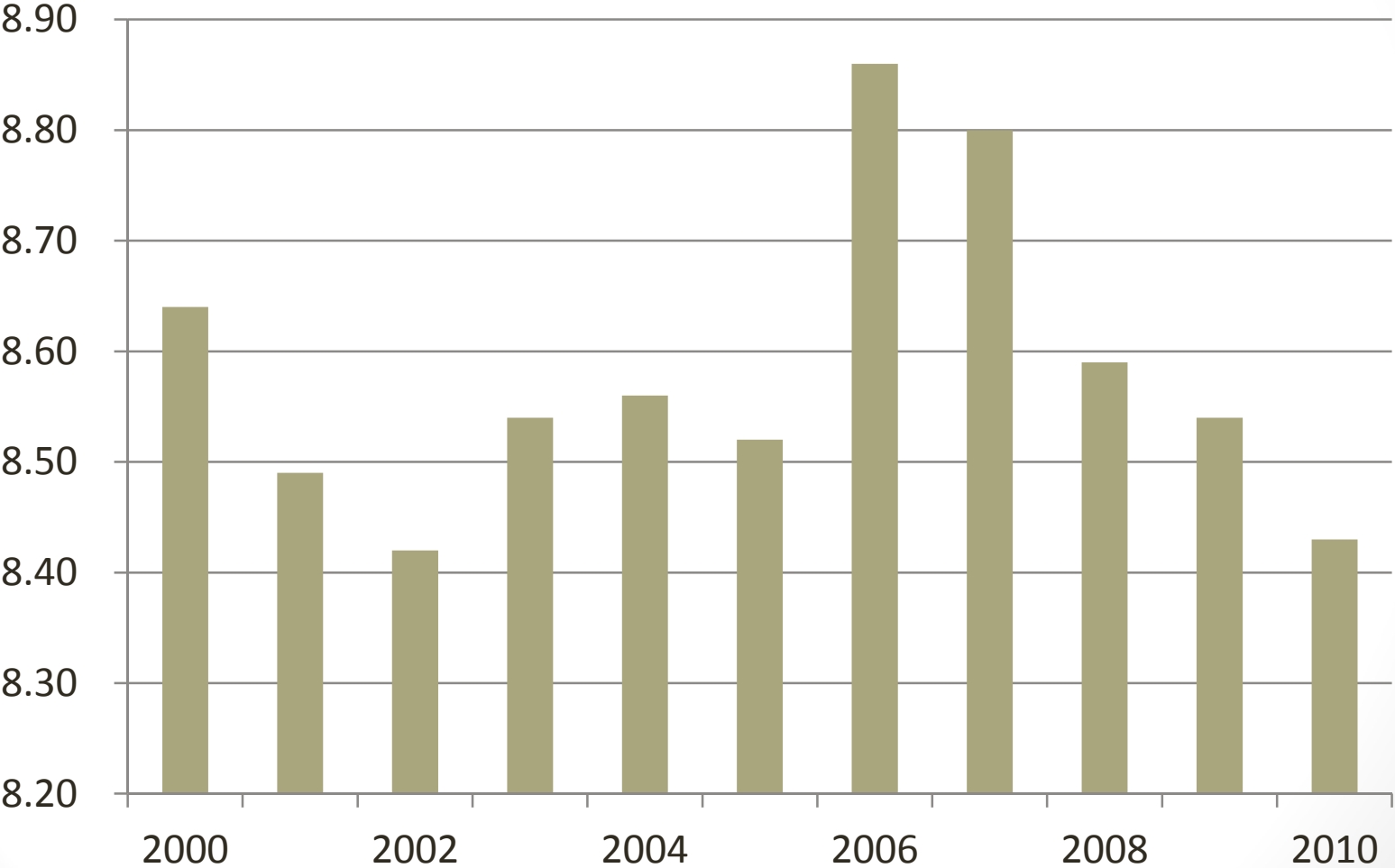
18. Was the ratio of students to total staff within the range according to district size?

YES – The ratio of students to total staff for 2009-2010 was 8.4317. The range was 7 to 14.
(2008-2009 Yes at 8.5427)

Mansfield ISD Pupil Teacher Ratios



Mansfield ISD Total Staff Ratios



Indicators (continued)

19. Was the total fund balance in the general fund more than 50 percent and less than 150 percent of optimum according to the fund balance and cash flow calculation worksheet in the annual financial report?

YES – The total fund balance for 2009-2010 in the general fund was 125.4735 percent of optimum fund balance.
(2008-2009 Yes)

20. Was the decrease in undesignated unreserved fund balance less than 20 percent over the two fiscal years?

YES – The undesignated unreserved fund balance increased approximately 6 percent over the last two fiscal years.
(2008-2009 Yes)

Indicators (continued)

21. Was the aggregate total of cash and investments in the general fund more than zero?

YES – Cash and Investments at the end of 2009-2010 were \$106,765,849. (2008-2009 Yes at \$122,101,177)

22. Were investment earnings in all funds (excluding debt service fund and capital projects fund) more than \$20 per student?

NO – Investment earnings for 2009-2010 were \$12.14 per student. The District is proposing minor changes to the current investment policy to address this indicator. (2008-2009 Yes at \$46.77 per student)

Six Additional Disclosures

1. Superintendent's Employment Contract in place during the public hearing
2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2010
3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services for Fiscal Year 2010
4. Gifts Received by the Executive Officer and Board Members (and First Degree Relatives, if any) in Fiscal Year 2010
5. Business Transactions Between School District and Board Members for Fiscal Year 2010
6. Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC Section 39.0822

Disclosure No. 1

Superintendent's Employment Contract

The superintendent's current contract is posted on the Mansfield ISD website

Disclosure No. 2

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2010 (including amounts paid on-behalf of the Superintendent and Board members)

All reimbursements received by the Superintendent and the Board Members for the period ending August 31, 2010 are listed by category on the following worksheet.

Disclosure No. 2 (continued)

For the Period Ending August 31, 2010	Bob Morrison	Sandra Vathauer	Beth Light	Michael Evans	Gale Moericke	Scott Snow	Raul Gonzales	Terry Moore	Dan Phillips
Description of Reimbursements	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7	Board Member 8
Meals	1,878	0	0	0	0	0	0	0	0
Lodging	4,351	585	195	0	348	0	0	0	174
Transportation	5,811	246	244	310	278	0	0	0	295
Motor Fuel	0	0	0	0	0	0	0	0	0
Other	4,964	1062	688	261	688	0	298	1,023	261
Total	17,004	1,893	1,127	571	1,314	0	298	1,023	730

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2010, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

Meals – Meals consumed off of the school district’s premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

Lodging - Hotel charges.

Transportation - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.

Motor fuel – Gasoline.

Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

Disclosure No. 3

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services for Fiscal Year 2010

No outside compensation and/or fees for professional consulting and/or other personal services were received by the Superintendent during fiscal year 2010.

Disclosure No. 4

Gifts Received by the Executive Officer and Board Members (and First Degree Relatives, if any) in Fiscal Year 2010 (gifts with an economic value of \$250 or more in the aggregate)

No gifts with an economic value of \$250 or more in the aggregate were received by any executive officer or board member (or first degree relatives) during fiscal year 2010.

Disclosure No. 5

Business Transactions Between School District and Board Members for Fiscal Year 2010

No business transactions occurred between the school district and the Board Members during Fiscal Year 2010

Disclosure No. 6

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

General Fund-2010-2011 First Quarter Expenditures by Object Code

Object Codes			
Payroll-	Expenditures for payroll costs	object codes 6110-6149	\$42,234,776
Contract Costs-	Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	2,615,840
Supplies and Materials-	Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6300	1,246,596
Other Operating-	Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	1,287,145
Debt Service-	Expenditures for debt service	object code series 6500	0
Capital Outlay-	Expenditures for land, buildings, and equipment	object code series 6600	396,657
		Total	50,781,015

Disclosure No. 6 (continued)

Additional Financial Solvency Questions

1. Within the last two years, did the school district:

- Draw funds from a short-term financing note (less than 12 months) between the months of September and December, inclusive, and
- For the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?

No

No

Disclosure No. 6 (continued)

Additional Financial Solvency Questions

2. Has the school district declared financial exigency within the past two years?

No

Disclosure No. 6 (continued)

Additional Financial Solvency Questions

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

Disclosure No. 6 (continued)

Additional Financial Solvency Questions

Question 3-continued

Mean Enrollment-to-Teacher Ratio	85% of Mean Enroll-to-Teacher Ratio	School District Size	Actual Enroll-to-Teacher Ratio
15.01	12.76	25,000-49,000	16.40

Mansfield ISD falls within the acceptable range for enrollment-to-teacher ratios for the 2009-2010 fiscal year. For the last few years, the Mansfield ISD's general fund balance has been growing. The 2011-2012 General Fund adopted in August 2011, represents a balanced budget in spite of the revenue reductions passed by the State Legislature. The Mansfield ISD just received a FAST rating of 4.5 stars out of 5 possible stars. The FAST is a new rating system by the Texas Comptroller in regard to academic progress and fiscal accountability. A 5 star rating means the district is operating at the highest level of academic progress and fiscal accountability.

Disclosure No. 6 (continued)

Additional Financial Solvency Questions

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