



# Mansfield Independent School District

## Comprehensive Annual Financial Report

### Fiscal Year Ended August 31, 2015

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**MANSFIELD  
INDEPENDENT SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL  
AND COMPLIANCE REPORT**

For the Fiscal Year Ended August 31, 2015



Issued By

Business and Financial Services Department  
Karen Wiesman, EdD, CPA, RTSBA  
Associate Superintendent of Business and Finance

Mansfield Independent School District • 605 E. Broad Street • Mansfield, TX 76063  
(817) 299-6300 • <http://www.mansfieldisd.org/>



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## Table of Contents

	Page	Exhibit/ Table
<b>Introductory Section</b>		
Board of Trustees	i	
Administrative Council	ii	
Certificate of the Board	iii	
Transmittal Letter	v	
<b>Financial Section</b>		
Report of Independent Auditors	1	
Management's Discussion and Analysis	7	
Basic Financial Statements:		
Government-Wide Financial Statements		
Statement of Net Position	21	A-1
Statement of Activities	22	B-1
Governmental Fund Financial Statements		
Balance Sheet	24	C-1
Reconciliation of Balance Sheet for Governmental Funds to the Statement of Net Position	25	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balance	26	C-3
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	28	C-4
Proprietary Fund Financial Statements		
Statement of Net Position	29	D-1
Statement of Revenues, Expenses and Changes in Fund Net Position	30	D-2
Statement of Cash Flows	31	D-3
Fiduciary Fund Financial Statements		
Statement of Fiduciary Net Position	32	E-1
Statement of Changes in Fiduciary Net Position	33	E-2
Notes to the Financial Statements	34	F-1
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Original Budget, Amended Final (GAAP Basis) and Actual - General Fund	67	G-1
Notes to Required Supplementary Information	68	
Schedule of District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple Employer Pension Plan	69	G-2
Schedule of District's Contribution to the Teacher Retirement System of Texas (TRS)	70	G-3
Other Supplementary Information:		
Combining Fund Statements:		
Combining Balance Sheet - Nonmajor Govt. Funds	74	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Govt. Funds	80	H-2

	Page	Exhibit/ Table
<b>Financial Section (continued)</b>		
Other Supplementary Information (continued):		
Combining Fund Statements (cont.):		
Combining Statement of Net Position - Nonmajor Enterprise Funds	86	H-3
Combining Statement of Revenues, Expenses, and Changes in Net Position - Nonmajor Enterprise Funds	87	H-4
Combining Stmt. Cash Flows - Nonmajor Enterprise Funds	88	H-5
Statement of Changes in Assets and Liabilities - Agency Fund	89	H-6
Required TEA Schedules		
Schedule of Delinquent Taxes Receivable	94	J-1
Schedule of Expenditures for Computation of Indirect Cost for 2013-2014 - General and Special Revenue Funds	96	J-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Original Budget, Amended Final and Actual - Child Nutrition Fund	97	J-3
<b>Statistical Section</b>		
Net Position by Component	102	1
Changes in Net Position	104	2
Fund Balances of Governmental Funds	106	3
Changes in Fund Balances of Governmental Funds	108	4
Assessed Value and Actual Value of taxable Property	110	5
Property Tax Rates – Direct and Overlapping Governments	112	6
Principal Property Taxpayers	114	7
Property Tax Levies and Collections	115	8
Outstanding Debt by Type	116	9
Ratios of net General Obligation Bonded Debt Outstanding	117	10
Direct and Overlapping Governmental Activities Debt (1)	118	11
Legal Debt Margin Information (1)	120	12
Demographic and Economic Statistics	122	13
Principal Employers	123	14
Full-time Equivalent District Employees by Position	124	15
Operating Statistics	126	16
Teacher Base Salaries	128	17
School Building Information	130	18
<b>Government Auditing Standards Report Section</b>		
Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	141	
Report of Independent Auditors 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 <i>OMB Circular A-133</i>	143	
<b>Federal Awards Section</b>		
Schedule of Findings and Questioned Costs	147	
Schedule of Expenditures of Federal Awards	149	K-1
Notes to Schedule of Expenditures of Federal Awards	150	K-2



# Introductory Section



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**Mansfield Independent School District**  
***Board of Trustees***

**Ms. Michelle Newsom**  
**Place 1**

First elected 2015  
Current Term Expires 2018

**Dr. Michael Evans**  
**Place 3, President**  
First elected 2007  
Current Term Expires 2016

**Ms. Karen Marcucci**  
**Place 5, Secretary**  
First Elected 2014  
Current Term expires 2016

**Ms. Beth Light**  
**Place 2**

First elected 2006  
Current Term Expires 2018

**Mr. Raul Gonzalez**  
**Place 4, Vice President**  
First elected 2010  
Current Term Expires 2016

**VACANT**  
**Place 6**  
First Elected  
Current Term expires

**Mrs. Courtney Lackey-Wilson**  
**Place 7**  
First Elected 2011  
Current Term expires 2017

**Mansfield Independent School District**  
***Administrative Council***

**Dr. Jim Vaszauskas**  
Superintendent of  
Schools

**Karen Wentworth**  
*Associate Superintendent*  
*Human Resources Services*

**Darrell Sneed**  
*Associate Superintendent*  
*Curriculum/Instruction/Accountability*

**Dr. Karen Wiesman**  
*Associate Superintendent*  
*Business and Finance*

**Holly Teague**  
*Associate Superintendent of*  
*Student Services and Support*

**Dr. Sean Scott**  
*Assistant Superintendent*  
*Technology and Information*  
*Services*

**Jeff Brogden**  
*Associate Superintendent*  
*Administrative Support*

**Dr. Kim Cantu**  
*Assistant Superintendent*  
*Human Resources Services*

**Donald Williams**  
*Assistant Superintendent*  
*Communication and Marketing*

**Tammy Rountree**  
*Area Superintendent*

**Donna O'Brian**  
*Area Superintendent*

**Cynthia McCallum**  
*Area Superintendent*

**Accounting Staff**

**Susan Ebert**  
*Director of Accounting*

**Marinda Bramlett**  
*Accounting Manager*

**Chelcie Howley**  
*Activity Accountant*

**Tara Rockafellow**  
*Revenue Accountant*

**Jeannette Slack**  
*Accounting Assistant*

**Ryan Blodgett**  
*Accounting Assistant*



## CERTIFICATE OF THE BOARD

**Mansfield Independent School District**

Name of School District

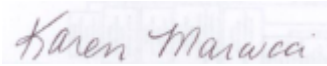
**Tarrant**

County

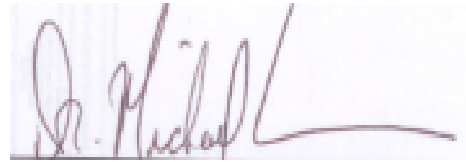
**220-908**

Co. - Dist. No.

We, the undersigned, certify that the annual financial reports for the above named school district were reviewed and approved for the year ended August 31, 2015, at a meeting of the Board of Trustees of such school district on the 23<sup>rd</sup> day of February, 2016.



Signature of Board Secretary



Signature of Board President





January 23, 2016

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

The Annual Financial Report of the Mansfield Independent School District (the 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 (GAAP) 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 education 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. The District is governed by a seven member Board of Trustees (the Board) serving 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, and all schools within the District are fully accredited by the Texas Education Agency. In order to serve its current enrollment of 32,869 students (as of December 2015), the District provides regular, special education, vocational, gifted/talented, and bilingual/ESL curriculums. A broad range of elective and extracurricular programs are also offered. Finally, support departments of the District ensure that student needs for transportation, nutrition, guidance, counseling, and facilities maintenance are addressed.

## **ECONOMIC CONDITION AND OUTLOOK**

The District is located southeast of Fort Worth, in the southeastern corner of Tarrant County, due south of Arlington, with a small portion overlapping the northeastern portion of Johnson County. The District encompasses approximately 80 square miles in Tarrant County and 14.5 square miles in Johnson County serving students in Mansfield, Arlington, Grand Prairie, and Burleson.

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. Property values have increased an average of 4.7 percent over the last three years; however, value increases have been steadily declining.

While the District has experienced slower growth in property values due to the economic downturn, this trend began a reversal with the fiscal 2012 values increasing 6%. This expansion in the tax base was primarily attributable to new residential construction accompanied by some growth in retail and commercial development. In fiscal 2013 property values were \$9.2 billion reflecting a 2% decline from 2012 due to a drop off in oil and gas values. The District continues to enjoy diversity in its tax base as the top 10 taxpayers constitute a mere 8% of the 2012 assessed value.

Job availability and stability have affected both the national and local economies. Despite the concerns of higher unemployment and of stagnating sectors of the local economy, jobs-and the potential for jobs-are still providing pull to Texas and to key suburban locations within the Dallas-Fort Worth-Arlington metro area. Consultants predict that the District's employment gains will outpace almost all of the State's school districts as the national recovery begins.

The student population of the District has seen explosive growth over the last decade. While the growth has slowed, student enrollment growth has averaged 1.3 percent for the last three years. The current estimated District population is 146,603.

## **LONG-RANGE PLANNING**

### **Mission:**

Mansfield Independent School District ensures educational and personal success by:

- aspiring to high academic standards
- fostering a community built on mutual support and excellence
- delivering innovative educational opportunities
- cultivating productive, lifelong learners.

### **Beliefs:**

We believe that:

- Our foundation is built on personal beliefs, integrity, and respect.
- Building positive relationships is vital for success.
- Effective communication is essential.
- Development and achievement are self-determined.
- Responsibility and accountability are crucial.
- Lifelong learning is imperative.
- A safe, nurturing environment strengthens education.
- Leadership is inherent within all of us.

### **Strategic Objectives & Strategies:**

The District's main goal for each and every student is that they will 1) master and demonstrate skills that build character and integrity; 2) actively engage in extracurricular activities and community involvement beyond the classroom setting; 3) creatively pursue hopes and dreams which will have a positive impact on society; and 4) graduate on the Distinguished Achievement Program.

We will implement the following strategies to reach our goal:

- Ensure educational opportunities for all students delivered through innovative and inspiring teaching methods.
- Address funding challenges through efficient operations and alternative funding sources.
- Ensure that all District facilities are equitable.
- Unify our District around a common mission.
- Engage all parents in a partnership committed to student success.
- Educate our community about the strengths of our diversity.
- Communicate effectively throughout our community to achieve the district's mission.

## **MAJOR ACHIEVEMENTS AND INITIATIVES**

The following summarizes various District achievements for the 2014-2015 school year:

- The Mansfield Education Foundation, established in 1998, raised over \$362,000 and funded more than 50 grant projects.
- Two students received National Merit Scholarships and one student was awarded the National Achievement Scholarship
- Five students were named National Merit Semifinalists. The District had 20 National Merit Commended student and seven National Hispanic Scholars.
- Two hundred and thirty-three high school students earned Advanced Placement (AP) Scholar awards; 29 students were awarded the AP Scholar with Honor Award; 75 students received the AP Scholar with Distinction Award; and six MISD students earned the national AP Scholar Award.
- Two students received their Associate of Arts degree from Tarrant County College. During the 2014-2015 school year, high school juniors and seniors earned 11,389 college credit hours through our dual credit partnerships with TCC and UTA.
- Two students were awarded scholarships from the Dell Scholars program, receiving \$20,000.00, a laptop, textbook credits, a mentor and other support services.
- Thirty-four District students were selected as Texas Music Educators Association All-State Musicians.
- Ben Barber Career Tech Academy had thirty-nine DECA students compete in the State Competition held in Corpus Christi, taking home 9 first-place winners. These students advanced to the International competition.
- The Duke Talent Identification Program recognized 23 MISD seventh grade students (from all six MISD Middle Schools) as eligible for the Duke University Talent Identification Program (TIP).
- The District was recognized as an Apple Distinguished Program for their innovation, leadership and educational excellence.

2006 Bond Election: Work continues on construction related to the 2006 bond election. The new Nancy Neal Elementary School opened for the 2011-2012 school year. During the summer of 2012, construction on Lake Ridge High School (the District's 5<sup>th</sup> high school) and the new Center for Performing Arts was completed. The Center for Performing Arts opened in time for the May 2012 graduation ceremonies. Lake Ridge High School opened for the 2012-2013 school year.

2011 Bond Election: District voters approved a \$198,530,000 bond package in November 2011. Projects include replacement of older campuses, renovations, technology improvements, safety and security, and many other projects identified through the District facility condition assessment. During 2011-2012 many of these projects were kicked off and continue through 2012-2013.

## RELEVANT FINANCIAL INFORMATION

The District's management is responsible for establishing and maintaining internal controls that are designed to ensure that the assets of the District are protected from loss, theft, and misuse, and 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 internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are 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. Management believes the internal controls adequately meet the above objectives.

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, 2015 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. 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 and 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 the Capital Projects Fund.

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.



The National School Lunch and Breakfast Program Fund (Child Nutrition) 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.

Cash Management. Cash temporarily idle during the year was invested in a diversified portfolio consisting of: demand deposits, U.S. Agencies, Government Sponsored Entities, Municipal Bonds and Constant Dollar Pools. The District's cash and investment policy minimizes credit and market risks while maintaining a competitive yield on its portfolio. As evidenced by the diversity of its investment portfolio, the District continues 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, 2015. Detailed information regarding the District's investments can be found in the Notes to the Basic Financial Statements.

Fund Balance. The total General Fund balance is managed as an integral part of the subsequent year's budget adoption and tax rate setting process. The Board has been proactive in building the District's fund balances over time striving to maintain at least three months operating expenditures in the unassigned general fund balance. Changes in fund balance policy occurred in 2011 through the implementation of GASB 54. Fund balance descriptions and policy requirements were added through this new standard. In August 2011, the Board voted to set aside all oil and gas revenues for future capital projects and an additional \$2 million per year for technology improvements and replacements.

In 2011-2012 various expenditure reductions were made, to offset state funding cuts of \$4 billion passed in the 82<sup>nd</sup> Legislative session. These reductions included 10% reductions in departmental budgets, changes in campus schedules, and personnel savings through attrition. Effective with the 2012-2013 budget, the District's healthy fund balance is being strategically used in addition to the reductions already in place.

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 the school district.

Independent Audit. State law and District policy require an annual audit by independent certified public accountants. The annual audit was performed by Whitley Penn for the year ended August 31, 2012.

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.

## **AWARDS AND ACKNOWLEDGEMENTS**

Mansfield Independent School District received a Certificate of Achievement for the Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for its CAFR for the fiscal year end August 31, 2014. The Certificate of Achievement requires the governmental unit to publish an easily readable and efficiently organized CAFR with contents that conform to program standards. The CAFR also needs to satisfy both the GAAP and applicable legal requirements. This Certificate of Achievement is valid for one year only. We believe that this current report will conform to the Certificate of Achievement Program requirements and is being submitted to the GFOA for review.

The district also received the Association of School Business Officials' (ASBO) Certificate of Excellence in Financial Reporting for the prior fiscal year. This award certifies that the CAFR for the fiscal year ended August 31, 2014 substantially conforms to the principles and standards of reporting as recommended and adopted by ASBO. We believe that our current report will also meet the Certificate of Excellence Program requirements and will be submitted to ASBO for review.

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 and the independent auditors' staff. 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.

**Dr. Jim Vaszauskas**  
*Superintendent*

**Dr. Karen Wiesman**  
*Associate Superintendent  
Business and Finance*



**Susan Ebert**  
*Director of Accounting*



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Mansfield Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2014**

Executive Director/CEO

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## Mansfield Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended August 31, 2014*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



Mark C. Pepera, MBA, RSBO, SFO  
President



John D. Musso, CAE, RSBA  
Executive Director

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# Financial Section



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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mansfield Independent School District, as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Trustees  
Mansfield Independent School District

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1 and Note 17 to the financial statements, the District adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of August 31, 2015. Our opinion is not modified with respect to these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and pension information on pages 9-20 and 69-72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information such as the combining and individual nonmajor fund financial statements, the Texas Education Agency required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other information, such as the introductory and statistical sections, are also presented for purposes of additional analysis and are not required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the Texas Education Agency required schedules, and schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic



To the Board of Trustees  
Mansfield Independent School District

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the Texas Education Agency required schedules, and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2016 on our consideration of the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* is considering the District's internal control over financial reporting and compliance.

*Whitley Penn LLP*

Fort Worth, Texas  
January 23, 2016

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## Management's Discussion and Analysis



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## **MANSFIELD INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Mansfield Independent School District's (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2015. It should be read in conjunction with the report of independent auditors preceding and the basic financial statements following this section.

### **Financial Highlights**

- At August 31, 2015, the District's combined assets and deferred outflows exceeded its liabilities and deferred inflows by \$14,771,086 (net position). The unrestricted portion of \$43,076,340 may be used to meet the District's ongoing obligations. The District's total net position decreased by \$18,201,394 before a prior period adjustment for implementation of GASB 68 and GASB 71 that reduced beginning net position in the amount of (47,660,099).
- At the close of the fiscal year, the District's governmental funds reported \$173,747,618 combined ending fund balances. Of the combined fund balances at year end, the District had \$78,726,760 or 45% of total fund balance available for the District's ongoing obligations (unassigned fund balance).
- As of August 31, 2015, the General Fund's unassigned fund balance was \$78,726,760 representing 30% of the total General Fund expenditures in the current fiscal year.
- During the fiscal year, the District issued \$90 million in new bonds to construct, renovate and equip school buildings.

### **Overview of the Financial Statements**

The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two types of statements that present different views of the District, the government-wide financial statements and the fund financial statements.

#### **Government-wide Financial Statements**

The government-wide financial statements, including the *Statement of Net Position* and the *Statement of Activities*, report on the District as a whole and are designed to provide readers with a broad overview of the District's finances. These statements are presented on the accrual basis of accounting similar to the accounting basis used by most private-sector entities.

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. The *Statement of Activities* presents the increases and decreases in net position for the current fiscal year regardless of when cash is received or paid. Increases and decreases in net position over time may serve as one indicator of whether the financial position of the District is improving or deteriorating but should be considered with additional factors as well.



## **MANSFIELD INDEPENDENT SCHOOL DISTRICT**

### ***MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)***

Government-wide financial statements distinguish net position and the changes in net position between *governmental activities*, which are supported principally by taxes and intergovernmental revenues, and *business-type activities*, which are intended to recover all or a significant portion of their costs through user fees and charges.

#### **Fund Financial Statements**

The fund financial statements provide detailed information about the District's most significant funds as opposed to the District as a whole. Funds are accounting devices used to account for specific sources of funding and spending for particular purposes. State law and bond covenants require the District to establish some funds. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The District's funds include three types: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

#### **Governmental funds**

Most of the District's activities are reported in governmental funds. Governmental funds report on the modified accrual basis of accounting which focuses on 1) how cash and other financial resources can be readily converted to cash inflows and outflows and 2) the balances remaining at year end available for future spending. The governmental fund statements provide a detailed short-term view of the District's operations and funds available to finance future operations. Because the focus and accounting methods are different for the governmental fund statements and the government-wide statements, reconciliation schedules are presented following each of the fund financial statements.

#### **Proprietary funds**

Proprietary funds are used to account for operations that provide services and/or goods for a fee, whether to outside users or units within the District. Proprietary funds use the same accrual basis of accounting used in the government-wide financial statements. There are two types of proprietary funds: enterprise funds and internal service funds. The enterprise funds report the same functions presented as *business-type activities* in the government-wide financial statements. Internal service funds are an accounting tool used to accumulate and allocate costs internally among various functions. The District uses enterprise funds to account for its day care operations and the natatorium.

#### **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These funds are excluded from the District's government-wide financial statements as the District cannot use these assets to finance its operations.

## **MANSFIELD INDEPENDENT SCHOOL DISTRICT**

### ***MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)***

All of the District's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The focus of governmental funds is narrower than that of the government-wide financial statements; therefore it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 29 governmental funds. Information is presented separately in fund financial statements for the general, debt service and capital projects funds, all of which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The District adopts an annual appropriated budget for its general fund, debt service fund, and the child nutrition fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets.

**Proprietary funds** - Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. Enterprise funds are used to report the same function presented as business-type activities in the government-wide financial statements. The District has two business-type activities (enterprise funds), which consist of Day Care and Natatorium. The second type of proprietary fund is the internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District does not have any internal service fund.

**Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is the trustee, or fiduciary, for money raised by student activities. All of the District's fiduciary activities are reported in a separate Statements of Fiduciary Net Position on page 32. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Table I below provides a concise view of the major features of the District's financial statements including the portion of the District they cover and types of information they contain.

<b>Table I</b> <b>Major Features of the District's Financial Statements</b>				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary funds	Fiduciary Funds
<i>Scope</i>	Entire District (except fiduciary funds)	Activities of the District that are not proprietary or fiduciary	Activities of the District that charge fee for services and or goods	Activities for which the District is the trustee/agent for other parties
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures &amp; Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses &amp; Changes in Fund Net Position</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
<i>Accounting basis and measurement focus</i>	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
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities to be paid during the year or soon thereafter; no capital assets or long-term debt	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; the District's fiduciary funds do not currently have capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year 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 the year, regardless of when cash is received or paid	All revenues and expenditures during the year, regardless of when cash is received or paid. Agency funds do not report revenues and expenditures

**Notes to the Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information concerning the District.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Government-Wide Financial Analysis**

**Changes in Net Position.** Total combined net position of the District decreased before the prior period adjustment related to GASB 68 and 71 by \$18,201,394 during the year ended August 31, 2015 (see Table II). Funding for government-wide activities is through specific program revenues or general revenues such as property taxes and unrestricted grants and contributions. The following is a summary of governmental funds activities:

- The cost of all activities this year was \$360,291,529 an increase of \$18,340,615 million over the previous year. Increase was due primarily to the planned reduction of net position by funding additional capital outlay of school buses and the implementation of the one-to-one iPad initiative and replacement program at the middle and high schools.
- Some of these costs were funded by program revenues, \$28,041,208, directly attributable to specific activities. Some of the costs were supported by the additional of a capital lease to fund some of the one-to-one iPad initiative and replacement program.
- The remaining cost of government-wide activities was funded from general revenues, \$314,048,927, such as property taxes and unrestricted state and federal grants and contributions.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

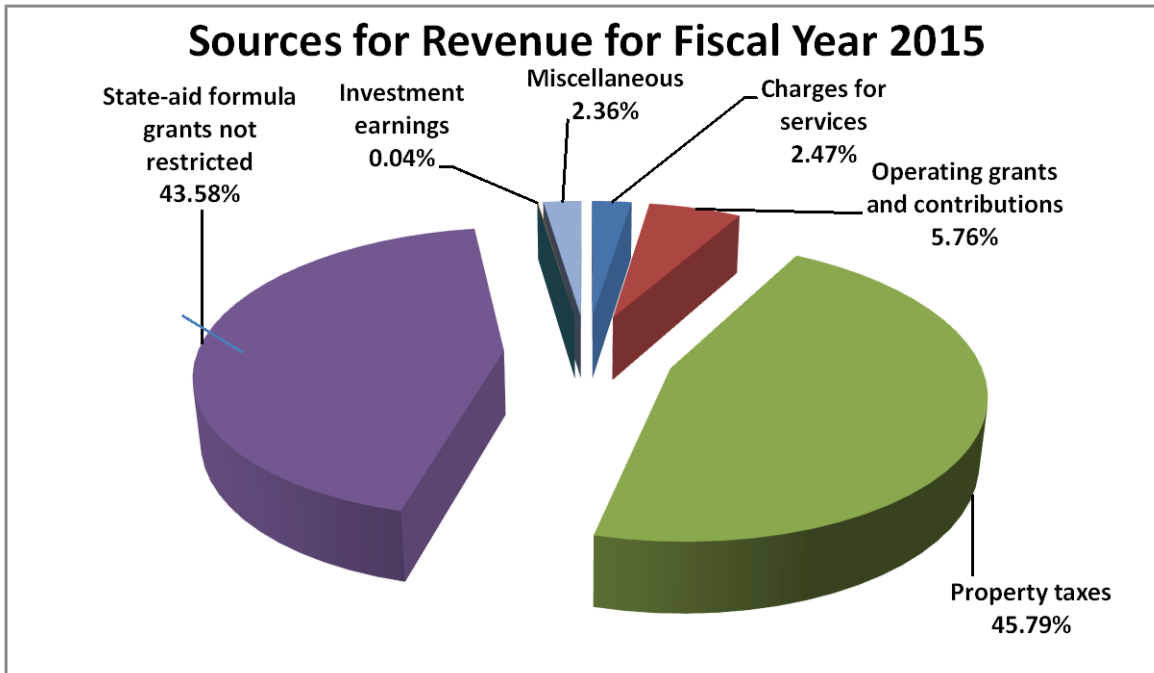
**Table II - Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Program Revenues</b>						
Charges for services	\$ 7,524,684	\$ 7,544,626	\$ 887,621	\$ 822,701	\$ 8,412,305	\$ 8,367,327
Operating grants and contributions	19,628,903	24,085,575			19,628,903	24,085,575
<b>General</b>						
Property taxes	156,131,737	148,695,529			156,131,737	148,695,529
State-aid formula grants not restricted	148,589,830	134,382,711			148,589,830	134,382,711
Grants and contributions not restricted		2,966,262			-	2,966,262
Investment earnings	140,319	431,042			140,319	431,042
Miscellaneous	8,050,438	4,470,365			8,050,438	4,470,365
<b>Total Revenues</b>	<b>340,065,911</b>	<b>322,576,110</b>	<b>887,621</b>	<b>822,701</b>	<b>340,953,532</b>	<b>323,398,811</b>
<b>Expenses</b>						
Instruction	\$ 196,877,689	\$ 184,350,106	\$ -	\$ -	\$ 196,877,689	\$ 184,350,106
Instructional resources and media services	5,148,254	5,006,141			5,148,254	5,006,141
Curriculum and staff development	3,009,627	3,018,380			3,009,627	3,018,380
Instructional leadership	3,218,190	4,775,035			3,218,190	4,775,035
School leadership	18,597,772	16,402,242			18,597,772	16,402,242
Guidance, counseling, and evaluation services	11,310,609	10,648,255			11,310,609	10,648,255
Social work services	8,984	6,680			8,984	6,680
Health services	4,681,032	4,398,982			4,681,032	4,398,982
Student Transportation	11,497,836	10,858,804			11,497,836	10,858,804
Food Service	16,105,884	16,202,321			16,105,884	16,202,321
Extracurricular activities	9,789,023	9,647,359			9,789,023	9,647,359
General Administration	6,577,006	6,334,806			6,577,006	6,334,806
Facilities maintenance and operations	28,269,616	29,335,643			28,269,616	29,335,643
Security and monitoring services	3,880,820	3,481,481			3,880,820	3,481,481
Data processing services	3,623,084	4,375,949			3,623,084	4,375,949
Community services	380,162	304,351			380,162	304,351
Interest and fiscal charges	35,612,988	31,118,938			35,612,988	31,118,938
Payments to Fiscal SSA	107,216	82,725			107,216	82,725
Payments to Juvenile Justice Alt. Ed Programs		19,173			-	19,173
Other governmental charges	900,491	947,074			900,491	947,074
Day Care			200,221	200,754	200,221	200,754
Natatorium			489,968	435,715	489,968	435,715
Adult Education			5,057		5,057	
<b>Total Expenses</b>	<b>359,596,283</b>	<b>341,314,445</b>	<b>695,246</b>	<b>636,469</b>	<b>360,291,529</b>	<b>341,950,914</b>
Excess (deficiency) before special items and transfers	(19,530,372)	(18,738,335)	192,375	186,232	(19,337,997)	(18,552,103)
Special items	1,136,603				1,136,603	
Increase (Decrease) in Net Position	(18,393,769)	(18,738,335)	192,375	186,232	(18,201,394)	(18,552,103)
<b>Net Position - Beginning, restated</b>	<b>79,378,198</b>	<b>98,116,353</b>	<b>1,254,381</b>	<b>1,068,149</b>	<b>80,632,579</b>	<b>99,184,682</b>
<b>Prior Period Adjustments</b>	<b>(47,660,099)</b>				<b>(47,660,099)</b>	
<b>Net Position - Ending</b>	<b>\$ 13,324,330</b>	<b>\$ 79,378,018</b>	<b>\$ 1,446,756</b>	<b>\$ 1,254,381</b>	<b>\$ 14,771,086</b>	<b>\$ 80,632,579</b>

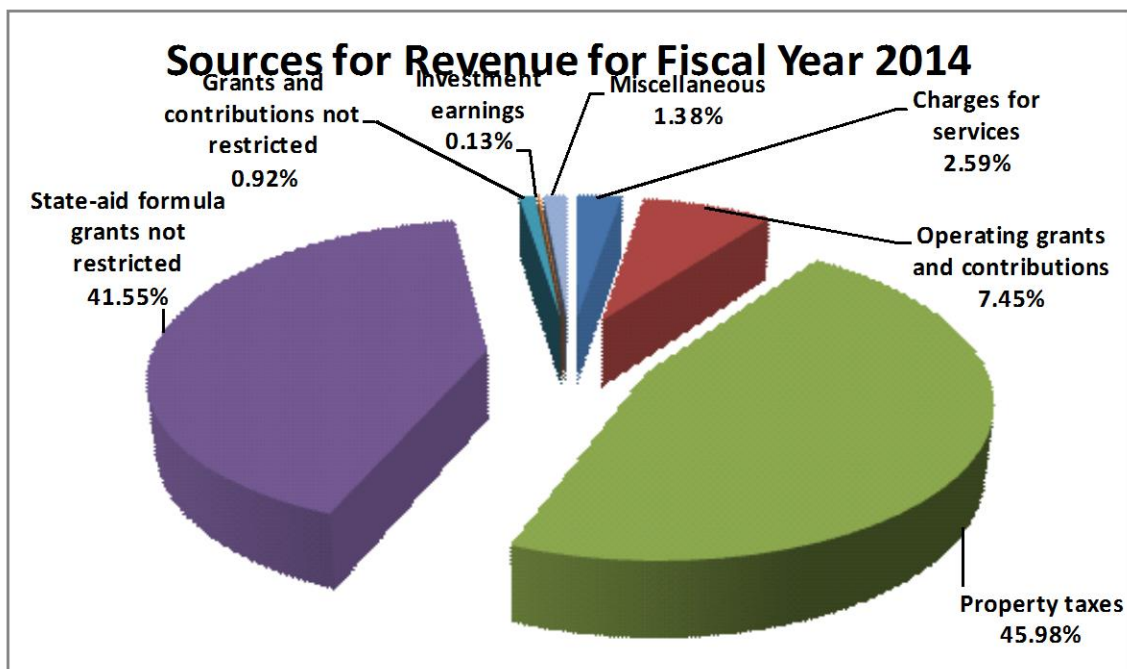
**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Figures 1 and 2 depict the District's revenue sources for fiscal year 2015 and 2014. The graphs show that property taxes are the primary source of revenue for the District followed by state aid and operating grants. Property taxes as a percentage of total revenues increased and state aid as a percentage of total revenues decreased as these two revenues have inverse relationships in the state funding formulas.

**Figure 1**



**Figure 2**



**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Expenses are shown in Table II by functional categories. Various operating expenses are reflected in each functional category. Total expenses in the current fiscal year were \$360.3 million, an \$18.3 million or 5% percent increase from the prior year which is largely attributable to an overall increase in operating costs and personnel raises.

Table IV shows the Districts largest governmental functions as well as their related net cost (total cost less fees and grants and contributions for the activities). The net cost reflects what was funded by property taxes, unrestricted state and federal grants and contributions and other miscellaneous local revenues.

**Table IV**  
**Costs of Services for Major Functions**

	<b>Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2015</b>	<b>% of Total</b>	<b>2015</b>	<b>% of Total</b>
Instruction	\$ 196,877,689	54.6%	\$ 187,884,978	56.5%
School Leadership	18,597,772	5.2%	18,540,473	5.6%
Facilities Maintenance and				
Operations	28,269,616	7.8%	28,099,296	8.5%
Interest and Fiscal Charges	35,612,988	9.9%	35,612,988	10.7%

**Financial Analysis of the District's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

As of August 31, 2015, the District's governmental funds reported combined fund balances of \$173,747,618, an increase of \$52.2 million from the prior year. The unassigned fund balance, \$78.7 million or 45% of the total ending fund balance is available for spending at the District's on-going operations. The remainder of fund balance has various spending constraints as detailed in Table V.



**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Table V**  
**Governmental Fund Balances**

		<b>% of Total</b>
Non- Spendable		
Inventory	\$ 532,874	0.3%
Prepaid items	1,020,900	0.6%
Total Non-spendable	1,553,774	0.9%
Restricted		
Federal, State and Local Grants	5,014,388	2.9%
Capital Acquisitions	74,188,574	42.7%
Retirement of Long-Term Debt	9,806,721	5.6%
Total Restricted	89,009,683	51.2%
Committed		
Capital Acquisition Projects	2,752,666	1.6%
Campus activity funds	1,704,735	1.0%
Total Committed	4,457,401	2.6%
Unassigned	78,726,760	45.3%
Total Governmental Fund Balances	\$ 173,747,618	100.0%

The General Fund is the primary operating fund of the District. At August 31, 2015, unassigned fund balance of the General Fund was \$78,726,760, which is 92% percent of the total General Fund balance of \$85,177,665. As a measure of the General Fund's liquidity and financial health, it may be useful to compare unassigned fund balance to the total fund expenditures. Unassigned fund balance represents 30% of the current year General Fund expenditures.

The fund balance of the District's General Fund decreased \$4.1 million during the current fiscal year.

The Debt Service Fund balance of \$9,806,721 is restricted for the payment of debt service. The fund balance increased \$2,272,526 from the prior year. The increase was a result of activity related to additional bond refunding transactions that occurred during the year.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

At year end, the Capital Projects Fund had a combined fund balance of \$74,188,574 which is an increase of \$54,824,919 million from the prior year. The fund balance is restricted for various construction projects and related encumbrances. The increase in fund balance resulted from the issuance of the remaining authorized bonds for construction projects approved through the 2011 voter approved bonds.

The District's other governmental funds are composed of various special revenue funds. The other governmental funds ended the year with a combined fund balance of \$4,574,658. This represents a decrease of \$711,609 from the prior year. Revenues typically approximate expenditures in the other governmental funds as grant funds, which make up the largest portion of activity in these funds, and are generally earned when expended.

**Proprietary Funds**

The District's Proprietary Funds include the Day Care Center, the Natatorium, and the Adult Education Program. At year end, the Proprietary Funds had a net position of \$1,446,756 which is an increase \$192,375 from the prior year. This increase is a result of user fees that are higher than the operating costs incurred by the programs.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised its General Fund budget. Actual expenditures were \$4.7 million or .9% below final budgeted expenditures.

Actual reported revenues were approximately \$3.1 million more than the final total revenues budgeted. The revenue variance in revenues was due to additional student enrollment.

During the year certain budget amendments were passed to address changes in planned expenditures for the District. This activity is normal for the District as the administration responds to changing needs throughout the year.

**Capital Asset and Debt Administration**

**Capital Assets**

As of August 31, 2015, the District had invested approximately \$717 million in a broad range of capital assets, including land, equipment, and buildings, less depreciation (see Table VI). Net capital assets increased 10.7 million from the prior year. The increase was primarily due to the completion of the renovation packages at various campuses and facilities.

**Table VI – Capital Asset Summary (Net of Depreciation)**

	Governmental Activities		
	2015	2014	% Change
Land	\$ 56,126,265	\$ 55,630,446	0.89%
Construction in progress	83,917,926	91,484,986	-8.27%
Buildings and improvements	559,826,126	542,176,784	3.26%
Furniture and equipment	17,293,028	17,128,656	0.96%
Total	<u>\$ 717,163,345</u>	<u>\$ 706,420,872</u>	1.52%

More detailed information about the District's capital assets is presented in the Note 6 to Basic Financial Statements.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Long-Term Debt**

The District had \$869.4 million in long-term debt at year end, an increase of \$91.4 million from the prior year (see Table VII). The District issued \$90 million in bonds to construct, renovate and equip school buildings and \$137.8 million in refunding bonds that resulted in net present value savings of \$9,839,004. In addition, the District made principal payments of \$19.9 million on the bonds during the fiscal year. More detailed information about the District's debt is presented in Note 7 to Basic Financial Statements.

**Table VII - Long-Term Debt**

	<b>Balance September 1, 2014</b>	<b>Additions</b>	<b>Retirements/ Refundings</b>	<b>Balance August 31, 2015</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
<b>Bonds and notes payable:</b>					
General obligation bonds	\$719,518,373	\$228,235,000	\$(159,433,373)	\$788,320,000	\$22,060,000
Accreted interest on premium	3,488,163		(3,488,163)	-	
Premium on bond issuance	55,018,934	24,394,918	(3,701,383)	75,712,469	
Capital lease payable		5,434,140		5,434,140	1,821,183
<b>Total Bonds and Notes Payable</b>	<b>\$778,025,470</b>	<b>\$258,064,058</b>	<b>\$(166,622,919)</b>	<b>\$869,466,609</b>	<b>\$23,881,183</b>

The District continues to receive excellent bond ratings. The latest underlying review by the rating agencies was performed in September 2015. The bonds have a municipal bond rating of "Aaa" by Moody's Investors Service, Inc. ("Moody's"), "AAA" by Standard & Poor's Ratings Services ("S&P") and "AAA" by Fitch Ratings ("Fitch") by virtue of the guarantee of the Permanent School Fund of the State of Texas. The underlying ratings for the District remained "Aa2" by Moody's, "AA" by S&P and "AA+" by Fitch.

**Economic Factors and Next Year's Budgets and Rates**

During the 82nd Texas Legislative Session in the spring of 2011, the Legislature approved cuts of \$4 billion from the Foundation School Program for the 2012-2014 State fiscal biennium. Over the two year period, the District projected a \$9 million per year reduction in revenue from these legislative actions in comparison with previous funding formulas. District staff began working on budget reduction plans in the fall of 2011 in anticipation of these cuts. Various reductions included:

- Reduced non-personnel department budgets by 10 percent
- Maximized state revenue generation of career and technology funding with schedule changes
- Utilized attrition for instructional staffing reductions generated through bell schedule changes
- Continued implementation of energy efficiency projects to further cut utility costs
- Utilized the federal Jobs Grant funds

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

In addition, a zero-based approach was used for the preparation of the 2014-2015 non-personnel department budgets. Based upon these reduction strategies, the district's two year net change only reduced the fund balance by \$900,000.

The District began the 2014-2015 fiscal year with a fund balance of \$89.4 million and ended the year with \$85.2 million. This healthy fund balance level will assist the District in absorbing the impact of state funding cuts in addition to the changes implemented during the 2012-2014 biennium. Beginning with the 2013-2014 budget, the District is strategically using a portion of fund balance to offset further cuts. The District adopted a ten-month budget for the 2015-2016 budget while in the process of changing its fiscal year to a June 30 year end. The adopted budget reflects a \$10.4 million budget surplus which included a 3% cost of living increase for all staff.

Property values for the 2015-2016 fiscal year increased almost 3 percent over the 2014-2015 year. The 2015-2016 total District tax rate per \$100 of property value was decreased to \$1.51 with a Maintenance and Operations (M&O) rate of \$1.04 and an Interest and Sinking (I&S) rate of \$0.47. The District's enrollment for 2015-2016 increased approximately .67 percent over the prior year.

Current 2015-2016 estimated ten-month budgets for the Child Nutrition Fund and Debt Service Fund include estimated revenues and expenditures of approximately \$17.2 million and \$53.5 million, respectively.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the funding it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Finance Department, Mansfield Independent School District, 605 E. Broad Street, Mansfield, TX, 76063.



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# **Basic Financial Statements**

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**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**August 31, 2015**

**Exhibit A-1**

<b>Data Control Codes</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
1110 Cash and cash equivalents	\$ 185,967,447	\$ 1,476,553	\$ 187,444,000
1220 Delinquent property taxes receivable	6,102,939		6,102,939
1230 Allowance for uncollectible taxes	(1,583,596)		(1,583,596)
1240 Due from other governments	8,705,159		8,705,159
1250 Accrued interest			
1260 Internal balances	39	(39)	
1290 Other receivables, net	505,309		505,309
1300 Inventories	532,874		532,874
1410 Prepaid items	1,024,885		1,024,885
Capital assets not subject to depreciation:			
1510 Land	56,126,265		56,126,265
1580 Construction in progress	83,917,926		83,917,926
Capital assets net of depreciation:			
1520 Buildings and improvements, net	559,826,126		559,826,126
1530 Furniture and equipment, net	17,293,028		17,293,028
<b>1000 Total Assets</b>	<b>918,418,401</b>	<b>1,476,514</b>	<b>919,894,915</b>
<b>Deferred Outflows of Resources</b>			
1700 Deferred charge on refunding	35,068,946		35,068,946
1701 Deferred outflows - pension	9,117,360		9,117,360
<b>Total Deferred Outflows of Resources</b>	<b>44,186,306</b>		<b>44,186,306</b>
<b>Liabilities</b>			
2110 Accounts payable	9,327,874	1,396	9,329,270
2140 Interest payable	1,473,789		1,473,789
2150 Payroll deductions and withholdings	2,522,426	714	2,523,140
2160 Accrued wages payable	9,792,510	27,648	9,820,158
2180 Due to other governments	90,006		90,006
2190 Due to student groups	23,424		23,424
2300 Unearned revenue	1,650,609		1,650,609
Noncurrent Liabilities:			
2540 Net pension liability	42,065,247		42,065,247
2501 Due within one year	23,881,183		23,881,183
2502 Due in more than one year	845,585,426		845,585,426
<b>2000 Total Liabilities</b>	<b>936,412,494</b>	<b>29,758</b>	<b>936,442,252</b>
<b>Deferred Inflows of Resources</b>			
<b>2600 Deferred inflows</b>	<b>12,867,883</b>		<b>12,867,883</b>
Total Deferred Inflows of Resources	12,867,883		12,867,883
<b>Net Position</b>			
3200 Net investment in capital assets	(43,045,744)		(43,045,744)
Restricted for:			
3820 Federal and state programs	2,759,688		2,759,688
3840 Food service	2,366,948		2,366,948
3850 Debt service	9,613,854		9,613,854
3900 Unrestricted	41,629,584	1,446,756	43,076,340
<b>3000 Total net position</b>	<b>\$ 13,324,330</b>	<b>\$ 1,446,756</b>	<b>\$ 14,771,086</b>

See Notes to the Financial Statements



**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**August 31, 2015**

Data Control Codes	Functions/Programs	Program Revenue		
		Expenses	Charges for Services	Operating Grants and Contributions
	<b>Governmental activities:</b>			
11	Instruction	\$ 196,877,689	\$ 195,506	\$ 8,797,205
12	Instruction resources and media services	5,148,254		22,457
13	Curriculum and staff development	3,009,627		650,371
21	Instructional leadership	3,218,190		73,156
23	School leadership	18,597,772		57,299
31	Guidance, counseling and evaluation services	11,310,609		2,292,273
32	Social work services	8,984		8,984
33	Health services	4,681,032		583,464
34	Student transportation	11,497,836		79,330
35	Food services	16,105,884	6,458,270	6,585,060
36	Extracurricular activities	9,789,023	870,908	2,609
41	General administration	6,577,006		325
51	Facilities maintenance and operations	28,269,616		170,320
52	Security and monitoring services	3,880,820		2,152
53	Data processing services	3,623,084		-
61	Community services	380,162		196,682
72	Interest and fiscal charges	35,612,988		-
93	Payments related to shared service arrangements	107,216		107,216
99	Other governmental charges	900,491		-
<b>TG</b>	<b>Total governmental activities</b>	<b>359,596,283</b>	<b>7,524,684</b>	<b>19,628,903</b>
	<b>Business-type activities:</b>			
01	Day Care	\$ 200,221	\$ 228,899	\$ -
02	Natatorium	\$ 489,968	\$ 651,849	
3	Adult Education	5,057	6,873	
<b>TB</b>	<b>Total business-type activities</b>	<b>695,246</b>	<b>887,621</b>	
<b>TP</b>	<b>Total primary government</b>	<b>\$ 360,291,529</b>	<b>\$ 8,412,305</b>	<b>\$ 19,628,903</b>

**General revenues**

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

State-aid formula grants not restricted

Grants and contributions not restricted

Investment earnings

Miscellaneous

Special item - gain on sale of asset

Special item - oil and gas funds

**Total general revenues**

Change in net position

**Net position - beginning**

Prior period adjustments

**Net position - ending**

MT  
DT  
SF  
GC  
IE  
MI  
SI  
SI  
TR  
CN  
NB  
PA  
NE

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (187,884,978)	\$ -	\$ (187,884,978)
(5,125,797)		(5,125,797)
(2,359,256)		(2,359,256)
(3,145,034)		(3,145,034)
(18,540,473)		(18,540,473)
(9,018,336)		(9,018,336)
-		-
(4,097,568)		(4,097,568)
(11,418,506)		(11,418,506)
(3,062,554)		(3,062,554)
(8,915,506)		(8,915,506)
(6,576,681)		(6,576,681)
(28,099,296)		(28,099,296)
(3,878,668)		(3,878,668)
(3,623,084)		(3,623,084)
(183,480)		(183,480)
(35,612,988)		(35,612,988)
-		-
(900,491)		(900,491)
(332,442,696)		(332,442,696)
\$ -	\$ 28,678	\$ 28,678
	161,881	
	1,816	1,816
	192,375	192,375
\$ (332,442,696)	\$ 192,375	\$ (332,250,321)
\$ 106,539,695	\$ -	\$ 106,539,695
49,592,042		49,592,042
148,589,830		148,589,830
-		-
140,319		140,319
8,050,438		8,050,438
208,276		208,276
928,327		928,327
314,048,927		314,048,927
(18,393,769)	192,375	(18,201,394)
79,378,198	1,254,381	80,632,579
(47,660,099)		(47,660,099)
\$ 13,324,330	\$ 1,446,756	\$ 14,771,086

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**August 31, 2015**

**Exhibit C-1**

<b>Data Control Codes</b>	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmenta l Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
1110 Cash and cash equivalents	\$ 89,633,537	\$ 9,563,698	\$ 79,405,388	\$ 7,364,824	\$ 185,967,447
Receivables:					
1220 Delinquent property taxes receivables	4,442,860	1,660,079			6,102,939
1230 Allowance for uncollectible taxes (credit)	(1,352,969)	(230,627)			(1,583,596)
1240 Receivables from other governments	6,434,601			2,122,028	8,556,629
1250 Accrued interest					
1260 Due from other funds	3,947,349	94,493			4,041,842
1290 Other receivables	505,309				505,309
1300 Inventories, at cost	420,626			112,248	532,874
1410 Prepaid items	1,020,900			3,985	1,024,885
1000 <b>Total Assets</b>	<b>\$ 105,052,213</b>	<b>\$ 11,087,643</b>	<b>\$ 79,405,388</b>	<b>\$ 9,603,085</b>	<b>\$ 205,148,329</b>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>					
<b>Liabilities:</b>					
2110 Accounts payable	\$ 2,098,555	\$	\$ 5,209,405	\$ 2,019,915	\$ 9,327,875
2150 Payroll deduction and withholdings	2,427,024		85	95,317	2,522,426
2160 Accrued wages payable	9,281,278		7,324	503,908	9,792,510
2170 Due to other funds	2,059,160			1,982,643	4,041,803
2180 Payable to other governments	89,755			251	90,006
2190 Due to student groups	8,053			15,371	23,424
2300 Unearned revenue	1,239,587			411,022	1,650,609
2000 <b>Total Liabilities</b>	<b>17,203,412</b>		<b>5,216,814</b>	<b>5,028,427</b>	<b>27,448,653</b>
<b>Deferred Inflows of Resources:</b>					
2600 Unavailable revenue - property taxes	2,671,136	1,280,922			3,952,058
<b>Total Deferred Inflows of Resources</b>	<b>2,671,136</b>	<b>1,280,922</b>			<b>3,952,058</b>
<b>Fund Balances:</b>					
<b>Non-Spendable:</b>					
3410 Inventories	420,626			112,248	532,874
3430 Prepaid items	1,020,900				1,020,900
<b>Restricted:</b>					
3450 Grant funds	2,256,713			2,757,675	5,014,388
3470 Capital acquisitions and contractual oblig.			74,188,574		74,188,574
3480 Retirement of long-term debt		9,806,721			9,806,721
<b>Committed:</b>					
3510 Capital acquisition projects	2,752,666				2,752,666
3530 Technology projects					
3545 Campus activity funds				1,704,735	1,704,735
3600 <b>Unassigned</b>	<b>78,726,760</b>				<b>78,726,760</b>
3000 <b>Total fund balances</b>	<b>85,177,665</b>	<b>9,806,721</b>	<b>74,188,574</b>	<b>4,574,658</b>	<b>173,747,618</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>					
4000 <b>Fund Balances</b>	<b>\$ 105,052,213</b>	<b>\$ 11,087,643</b>	<b>\$ 79,405,388</b>	<b>\$ 9,603,085</b>	<b>\$ 205,148,329</b>

See Notes to the Financial Statements.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF NET POSITION**  
**August 31, 2015**

**Exhibit C-2**

<b>Data Control Codes</b>		
	<b>Total fund balance, governmental funds (from C-1)</b>	<b>\$ 173,747,618</b>
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
<b>1</b>	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	717,163,345
<b>2</b>	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes (net of allowance for uncollectible accounts) are deferred in the fund financial statements.	4,100,589
<b>3</b>	The deferred charge on refunding does not provide current resources. As such, this amount is not included in the fund financial statements. It is amortized over the life of the new bonds.	35,068,946
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
<b>4</b>	Deferred outflows - pension liability	9,117,360
<b>5</b>	General obligation bonds	(788,320,000)
<b>6</b>	Net pension liability	(42,065,247)
<b>7</b>	Capital Lease Payable	(5,434,140)
<b>8</b>	Premiums on issuance	(75,712,469)
<b>9</b>	Deferred inflows related to pension liability	(12,867,883)
<b>10</b>	Accrued interest payable	<u>(1,473,789)</u>
	<b>Total net position, governmental activities (from A-1)</b>	<b><u>\$ 13,324,330</u></b>

See Notes to the Financial Statements.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2015**

<b>Data Control Codes</b>		<b>General Fund</b>
	<b>Revenues</b>	
5700	Local and intermediate sources	\$ 108,353,009
5800	State program revenues	140,949,328
5900	Federal program revenues	3,318,833
5020	Total revenues	<u>252,621,170</u>
	<b>Expenditures</b>	
	<b>Current:</b>	
0011	Instruction	163,485,840
0012	Instruction resources and media services	3,413,383
0013	Curriculum and staff development	2,328,126
0021	Instructional leadership	3,008,442
0023	School leadership	16,536,577
0031	Guidance, counseling and evaluation services	8,651,332
0032	Social work services	
0033	Health services	3,867,635
0034	Student transportation	10,290,855
0035	Food services	39,373
0036	Extracurricular activities	7,640,602
0041	General administration	6,342,364
0051	Facilities maintenance and operations	28,901,862
0052	Security and monitoring services	3,795,990
0053	Data processing services	3,745,902
0061	Community services	203,100
	<b>Debt service:</b>	
0071	Principal on long-term debt	
0072	Interest on long-term debt	
0073	Bond issuance costs and fees	
	<b>Capital outlay:</b>	
0081	Facilities acquisition and construction	
	<b>Intergovernmental:</b>	
0093	Payments related to shared services arrangements	
0099	Other intergovernmental charges	900,491
6030	Total Expenditures	<u>263,151,874</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(10,530,704)</u>
	<b>Other Financing Sources (Uses)</b>	
7911	Capital related debt issue (regular bonds)	
7911	Capital-related debt issued (refunding bonds)	
7912	Sale of real or personal property	86,376
7913	Proceeds from capital leases	5,434,140
7916	Premium or discount on issuance of bonds	
7915	Transfers in	
8911	Transfers out	(53,150)
8949	Other uses- Settlement Agreements	(41,000)
8949	Payment to Bond Refunding Escrow Agent	
7918	Special Items - Oil and gas royalties	928,327
7080	<b>Total other financing sources and uses</b>	<u>6,354,693</u>
1200	Net change in fund balances	<u>(4,176,011)</u>
0100	Fund Balance - September 1 (Beginning)	<u>89,353,676</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 85,177,665</u>

**Exhibit C-3**

<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 49,592,042	\$ 42,670	\$ 10,209,689	\$ 168,197,410
\$ 8,533,889	5,474	2,789,950	152,278,641
		16,668,675	19,987,508
58,125,931	48,144	29,668,314	340,463,559
		11,570,581	175,056,421
		22,243	3,435,626
		660,347	2,988,473
		74,507	3,082,949
		57,299	16,593,876
		2,292,273	10,943,605
		8,984	8,984
		583,464	4,451,099
		82,150	10,373,005
		14,389,899	14,429,272
		226,725	7,867,327
		325	6,342,689
	30,670	170,320	29,102,852
		2,152	3,798,142
			3,745,902
		196,682	399,782
19,873,374			19,873,374
34,665,959			34,665,959
1,359,291	945,426		2,304,717
	43,890,091		43,890,091
		107,216	107,216
			900,491
55,898,624	44,866,187	30,445,167	394,361,852
2,227,307	(44,818,043)	(776,853)	(53,898,293)
	90,435,000		90,435,000
137,800,000			137,800,000
	158,650	12,094	257,120
			5,434,140
15,345,606	9,049,312		24,394,918
		53,150	53,150
			(53,150)
			(41,000)
(153,100,387)			(153,100,387)
			928,327
45,219	99,642,962	65,244	106,108,118
2,272,526	54,824,919	(711,609)	52,209,825
7,534,195	19,363,655	5,286,267	121,537,793
\$ 9,806,721	\$ 74,188,574	\$ 4,574,658	\$ 173,747,618



**MANSFIELD INDEPENDENT SCHOOL DISTRICT****Exhibit C-4****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES****For the Year Ended August 31, 2015**

<b>Data Control Codes</b>		
	Net change in fund balances - total governmental funds (from C-3)	\$ 52,209,825
	Amounts reported for governmental activities in the statement of activities (B-1) 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.	
1	Governmental funds capital outlays	48,237,174
2	Governmental activities depreciation expense	(37,445,857)
	Loss on disposal	(48,844)
3	Change in deferred inflows for property tax revenues.	542,213
4	Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	19,873,374
5	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(90,435,000)
	Proceeds from issuance of capital lease	(5,434,140)
6	Proceeds from issuance of refunding bonds is reported as an other financing source	(137,800,000)
7	Payments to escrow agent for refunding bonds	153,100,391
	Premiums received from issuance of long-term debt	(24,394,918)
	Pension expense	(2,989,329)
	Contributions made after measurement date	5,732,515
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
	Accrued interest paid off during FY 2015	3,488,163
8	Increase in interest payable not recognized in fund statements	207,976
9	Pension liability deferred inflow due to state revenue	(898,861)
10	Amortization of deferred charges on refunding as well as premiums and discounts on issuance of bonds	(2,338,451)
	Change in net position of governmental activities (see B-1)	<u>\$ (18,393,769)</u>

See Notes to the Financial Statements.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**August 31, 2015**

**Exhibit D-1**

	<b>Business-type Activities - Enterprise Funds</b>
<b>Assets</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 1,476,553
<b>Total Assets</b>	<u>1,476,553</u>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts payable	1,396
Payroll deduction and withholdings payable	714
Accrued wages payable	27,648
Due to other funds	39
<b>Total current liabilities</b>	<u>29,797</u>
<b>Total Liabilities</b>	<u>29,797</u>
<b>Net Position</b>	
Unrestricted net position	1,446,756
<b>Total Net Position</b>	<u><u>\$ 1,446,756</u></u>

See Notes to the Financial Statements

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended August 31, 2015**

**Exhibit D-2**

	<b>Business-type Activities - Enterprise Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 887,621
<b>Total Operating Revenues</b>	<u>887,621</u>
<b>Operating Expenses</b>	
Payroll costs	517,542
Professional and contracted services	20,018
Supplies and materials	32,944
Other operating costs	124,742
<b>Total Operating Expenses</b>	<u>695,246</u>
Operating Income (Loss)	<u>192,375</u>
<b>Net Position - September 1 (Beginning)</b>	<u>1,254,381</u>
<b>Net Position - August 31 (Ending)</b>	<u><u>\$ 1,446,756</u></u>
See Notes to the Financial Statements	

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended August 31, 2015**

**Exhibit D-3**

	<b>Business-type Activities - Enterprise Funds</b>
<b>Cash Flows from Operating Activities:</b>	
Cash received from user charges	\$ 888,481
Cash payments to employees for services	(489,894)
Cash payments for contracted services	(20,018)
Cash payments for supplies	(31,699)
Cash payments for other expenses	(133,971)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>212,899</u>
 Net Increase in Cash and Cash Equivalents	 212,899
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>1,263,654</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 1,476,553</u></u>
 <b>Reconciliation to Balance Sheet</b>	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 1,476,553</u>
 Cash and Cash Equivalents per Balance Sheet	<u><u>\$ 1,476,553</u></u>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ 192,375
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>	
 <b>Change in Assets and Liabilities:</b>	
(Increase) Decrease in receivables	860
Increase (Decrease) in accounts payable	1,245
Increase (decrease) in payroll taxes payable	714
Increase (decrease) in accrued wages payable	27,648
Increase (decrease) in Interfund Receivables	(9,943)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u><u>\$ 212,899</u></u>

See Notes to the Financial Statements

**Mansfield Independent School District**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**August 31, 2015**

**Exhibit E-1**

	<b>Private Purpose Trust Fund</b>	<b>Agency Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 84,880	\$ 769,661
Other receivables		3,530
<b>Total Assets</b>	<u>84,880</u>	<u>773,191</u>
<b>Liabilities</b>		
Due to student groups		773,191
<b>Total Liabilities</b>		<u>\$ 773,191</u>
<b>Net Position</b>		
Restricted	<u>\$ 84,880</u>	
<b>Total Net Position</b>		

See Notes to the Financial Statements

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**August 31, 2015**

*Exhibit E-2*

	<b>Purpose Trust Fund</b>
<b>Additions</b>	
Investment income	\$ 71
Donations	16,658
<b>Total additions</b>	<u>16,729</u>
 Change in net position	 16,729
 <b>Net Position, beginning of year</b>	 <u>68,151</u>
 <b>Net Position, end of year</b>	 <u><u>\$ 84,880</u></u>

See Notes to the Financial Statements



**MANSFIELD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1**

**Note 1 - Summary of Significant Accounting Policies**

Mansfield Independent School District (the "District") is an independent public educational agency operating under applicable laws and regulations of the State of Texas. The District is autonomously governed by a seven-member Board of Trustees elected by the District's residents.

The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement on Auditing Standards No. 69*, as amended by *Statement on Auditing Standards No.'s 91 and 93* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide" or "FASRG") and the requirements of contracts and grants of agencies from which it receives funds.

The District's Financial Statements are in accordance with GASB Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus" which provides additional guidance for the implementation of GASB No. 34, and GASB Statement No. 38 "Certain Financial Statement Disclosures" which changes the note disclosure requirements in the financial statements for governmental entities.

GASB Statement No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow user's of financial reports to assess a government's operational accountability. The GASB 34 reporting model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

The following is a summary of the most significant accounting policies.

**A. Reporting Entity**

The Board of 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 as amended by GASB Statement No. 39 *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61 – *The Financial Reporting Entity; Omnibus*. 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.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**B. Government-Wide and Fund Financial Statements**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's non-fiduciary 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 non-operating.

**C. 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.

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.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(continued)**

Revenues from local sources consist primarily of property taxes. Property tax revenues, revenues received from the State, and gas lease revenues 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 unearned 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.

**D. 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.

The District also reports the following fund type under **Other Governmental Funds** as non-major:

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 restricted or committed to expenditure for specified purposes other than debt service or capital projects are accounted for in special revenue funds. Project accounting is employed to maintain integrity for the various sources of funds.

Additionally, the District reports one type of **Proprietary Fund**:

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

The District does not have any **Internal Service Funds**.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**D. Fund Accounting (continued)**

**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. These funds are used for scholarships and special education activities as specified by the trust funds.

**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 accrual basis of accounting to recognize assets and liabilities.

**E. Other Accounting Policies- Assets, Liabilities and Net Position or Equity**

**1. Cash and Cash Equivalents**

The District's cash, cash equivalents and investments are classified as cash and temporary investments. The cash and temporary investments include cash on hand, deposits with financial institutions, investments in public funds investment pools, and short-term, highly liquid investments that are readily convertible to cash.

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 two years or less at the time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

**2. Inventories and Prepaid Items**

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.

Commodities are recognized as revenues in the period received when all the eligibility requirements are met. Commodity inventory items are recorded as expenditures when distributed to user locations. A portion of fund balance is considered non-spendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method of accounting.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**E. Other Accounting Policies- Assets, Liabilities and Net Position or Equity (continued)**

**3. Interfund Transactions and Receivables and Payables**

Interfund receivables and payables arise from interfund transactions in the normal course of operations and are recorded in all affected funds in the period in which transactions are executed. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations.

**4. 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 and has a useful life of greater than one year. 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:

<b>Assets</b>	<b>Years</b>
Buildings and improvements	20-25
Furniture and equipment	5
Vehicles	5-15
Property under capital leases	5

**5. Fund Balance**

In the fund financial statements, governmental funds report fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which the amounts in the respective governmental funds can be spent. The District reports the following classifications of fund balance:

**Non-spendable** – amounts that are not in spendable form or that are legally and contractually required to be maintained intact. The amounts reported in this category pertain to inventories or prepayments that the District does not expect to convert to cash.

**Restricted** – amounts that have external constraints imposed upon the use of the resources by bondholders, grantors, laws, or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The amounts reported in this category include funding from external sources such as state and federal grants, tax levies for the repayment of principal and interest on long-term debt, and unspent bond proceeds for capital projects.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**E. Other Accounting Policies- Assets, Deferred Outflows/Inflows of Resources,  
Liabilities and Net Position or Equity (continued)**

**5. Fund Balance (continued)**

Committed – amounts constrained to specific purposes imposed by formal action of the District's Board of Trustees. These amounts can only be used for the purpose intended, which requires formal Board action to establish (as noted in Board minutes), unless the Board modifies or removes the specific purpose use by taking the same formal Board action. The District has committed \$2,752,666 for capital acquisitions and technology projects

Assigned – amounts that the District intends to use for a specific purpose. The Board delegates to the Superintendent or designee the responsibility to assign funds. There were no amounts reported in this category for the current year.

Unassigned – amounts not in the other classifications; applicable to the General Fund only.

The District policy is that the order of spending the fund balances shall be to reduce the funds in the following order: restricted, committed, assigned, and unassigned. When both restricted and unrestricted are available for use for the same purpose, the District considers restricted funds to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**6. Data Control Codes**

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

**7. Use of 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 2015 will ultimately change from the amount calculated as of August 31, 2015 because of the factors that TEA uses in its calculation.

**8. Implementation of New Accounting Standards**

In the current fiscal year, the District implemented the following new standards: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* ("GASB No. 68") establishes accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or similar arrangements that meet certain criteria. GASB No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of

**Note 1 - Summary of Significant Accounting Policies (continued)**

**E. Other Accounting Policies- Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity (continued)**

**8. Implementation of New Accounting Standards (continued)**

resources, and expense/expenditures. Implementation is reflected in the financial statements, notes to the financial statements and required supplementary information. GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* ("GASB No. 71") amends the transition provisions of GASB No. 68. GASB No. 71 requires that, at transition, a government recognizes a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability. Implementation is reflected in the financial statements and the notes to the financial statements.

**9. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has two items that qualify for reporting in this category. First, deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Second, deferred outflows of resources for pensions reported in the government-wide statement of net position. A deferred outflow of resources for pensions, results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred outflow of resources related to pensions resulting from District Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan which is currently 6.94 years.

**10. Other Accounting Policies- Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity (continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two items of this type. First, unavailable revenue from property taxes exists under the modified accrual basis of accounting and is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available. Second, deferred inflows of resources for pensions reported in the government-wide statement of net position. These deferred inflows result primarily from the differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five year period.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**E. Other Accounting Policies- Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity (continued)**

**11. Pensions**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the Net Position for governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. Also, the property taxes receivable which is included as deferred in the fund financial statements are adjusted based on when the tax levy was made and adjusted for uncollectible amounts.

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in Net Position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net asset balance and the change in Net Position. The debt payments on retirement of debt are recorded as expenditures for fund basis financial statements but are a reduction of debt in the government wide financial statements. The capital asset additions are expenditures in the fund basis financial statements but are capitalized in the government-wide financial statements. The fund-basis financial statements do not include depreciation expense. The depreciation expense is a deduction to reconcile to the Government-Wide Statement of Activities. New debt issues are treated as sources of revenue for fund-basis financial statements, but for the government-wide statements, those amounts are recorded as a liability. Property taxes are adjusted for the accrual basis and the deferred revenues are adjusted based on prior year levies and current year uncollectible amounts.



**Note 3 - Deposits (Cash) and Investments**

Deposits and investment transactions of the District are regulated by State statutes through provisions of Chapter 23, Subchapter E, Sections 23.71 through 23.8 (the School Depository Act) of the Texas Education Code and other Code sections referenced therein and through provisions of the Texas Revised Civil Statutes, Title 47, Articles 2529c, and 2548a regarding security for District funds in depository institutions.

In accordance with applicable statutes, the District has a depository contract with an area bank (depository) providing for interest to be earned on deposited funds and for banking charges the District incurs as a result of banking services received. All depository contracts have a term of two years, commencing with the start of every odd-numbered fiscal year. Depository contracts are awarded on the basis of competitive bids received from area banks and can be awarded to more than one bank if the bids received are relatively equal.

The District may place funds with the depository in interest and non-interest bearing accounts. Statutes and the depository contract require that all funds in the depository institution be fully secured by federal depository insurance or a combination of federal depository insurance and acceptable collateral securities and/or an acceptable surety bond. The collateral securities must be delivered to the District or placed with an independent trustee institution with safekeeping receipts delivered to the District. In accordance with State statutes pertaining to lawful collateralization of District deposits, safekeeping receipts are issued in the name of the depository with proper indication that the collateral securities are pledged by the depository to secure funds of the District.

Acceptable collateral securities include direct obligations of the United States of America (U.S.), bonds of any agency of the U.S. (except Farmers Home Administration Insured Notes), Bonds of the State of Texas or of any county, school district, city, or town of the State of Texas that have been rated A or better by Moody's Investors Service, Inc., as authorized by Chapter 2257 Collateral for Public Funds of the Government Code.

The District must approve all collateral securities prior to the security being pledged. The depository can change collateral securities pledged to secure District funds only upon obtaining the written approval of the District.

All demand and time deposits in the depository bank were entirely covered by federal depository insurance and by acceptable collateral securities held in the District's name by an agent of the District at year-end in accordance with provisions of the depository contract. Demand and time deposits at various banks held on behalf of different student groups were entirely covered by federal depository insurance at year-end.

At August 31, 2015, the District's carrying amount of deposits was \$12,027,433 and the bank balance was \$5,863,545. The District's bank balance at August 31, 2015, 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.

***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

**Note 3 - Deposits (Cash) and Investments (continued)**

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.

The Board of Trustees of the District has adopted a written investment policy (the "Investment Policy") regarding the investment of its funds as defined in the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). The Public Funds Investment Act requires an annual audit of investment practices. Audit procedures in this area, conducted as part of the audit, disclosed that in the area of investment practices, management reports, and establishment of appropriate policies, the District was in substantial compliance with the requirements of the Act. Additionally, the investments and investment practices of the District are in compliance with the Trustees' investment policies.

The District's Investment Policy emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity, and addresses the quality and capability of investment personnel. The Investment Policy includes a list of authorized investment instruments.

The District is authorized to invest in the following investment instruments provided that they meet the guidelines of the Investment Policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009;
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010;
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011;
4. A securities lending program as permitted by Government Code 2256.0115;
5. Bankers' acceptances as permitted by Government Code 2256.012;
6. Commercial paper as permitted by Government Code 2256.013;
7. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014;
8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015;
9. Public funds investment pools as permitted by Government Code 2256.016.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1  
(continued)**

**Note 3 - Deposits (Cash) and Investments**

A summary of the District's cash and investments at August 31 2015, are shown below.

	Cash on	Local Government	Invesco Premier		
	Deposit	Investment	US Government	Money	Total
		Pools	Money	Market	
<b>Governmental Activities:</b>					
General Fund	\$ 5,345,616	\$ 84,269,156	\$ 18,765		\$ 89,633,537
Debt Service Fund	4,560	9,559,138			9,563,698
Capital Projects Fund		30,875,230		48,530,158	79,405,388
Nonmajor Governmental Funds	4,414,384	2,950,440			7,364,824
<b>Total Governmental Activities</b>	<u>9,764,560</u>	<u>127,653,964</u>	<u>18,765</u>	<u>48,530,158</u>	<u>185,967,447</u>
<b>Business-type Activities:</b>					
Nonmajor Enterprise Funds	1,476,553				1,476,553
<b>Total Business-type Activities</b>	<u>1,476,553</u>				<u>1,476,553</u>
<b>Fiduciary Funds:</b>					
Agency Funds	786,320	68,221			854,541
<b>Total Fiduciary Funds</b>	<u>786,320</u>	<u>68,221</u>			<u>854,541</u>
<b>Total</b>	<u>\$ 12,027,433</u>	<u>\$ 127,722,185</u>	<u>\$ 18,765</u>	<u>\$ 48,530,158</u>	<u>\$ 188,298,541</u>

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.

As of August 31, 2015:

- Fully collateralized or FDIC insured time and demand deposits represented 6.39% of the total portfolio,
- Municipal bonds rated A or better represented 25.77% of the total portfolio,
- The remainder of the portfolio, 67.84%, was in local government investment pools rated AAAm.

On August 5, 2011 Standard and Poor's, one of three nationally recognized raters of US debt and securities, downgraded the rating of long-term US and government sponsored entities sovereign debt from AAA to AA+ for the first time since 1941 with a negative outlook. The two other national raters, Moody's and Fitch, continue to have the highest ratings, but also have the debt on their watch lists.

**Note 3 - Deposits (Cash) and Investments (continued)**

*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, 2015:

- Funds in one investment pool, LOGIC, represented 12.8% of the total portfolio,
- Funds in one investment pool, TexSTAR, represented 29.4% of the total portfolio,
- Funds in one investment pool, Texas Class, represented 30.3% of the total portfolio,
- Funds in one money market account, Fidelity, represented 27.5% of the total portfolio,
- The remainder of the portfolio, was invested in municipal bonds rated A or better and represented less than .01% of the total portfolio.

*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 year and a maximum weighted average maturity (WAM) of 180 days on any operating and debt service fund. A maximum weighted average maturity of 270 days is established, by Policy, for capital project funds. Maturities longer than one year are authorized provided legal limits are not exceeded.

As of August 31, 2015, the portfolio contained:

- No holdings that had a stated maturity beyond 699 days
- The dollar weighted average maturity of the total portfolio was 1 days.

A segmented maturity distribution of the portfolio follows:

<b>Investment Type:</b>	<b>Fair Value</b>	<b>Credit Quality Rating</b>	<b>Percentage of Investments</b>	<b>Weighted Average Maturity</b>
Invesco Premier US Government Money				
Bank of Texas	\$ 18,765	AAAm	-	1
Money Market				
Fidelity	48,530,158	AAAm	27.5%	1
Local Government Investment Pools				
LOGIC	22,544,963	AAAm	12.8%	1
TexStar	51,761,027	AAAm	29.4%	1
Texas Class	53,416,195	AAAm	30.3%	1
Total Value	<u>\$ 176,271,108</u>		<u>100.0%</u>	

**Local Government Investment Pools**

As of August 31, 2015, the District's investments included the Local Government Investment Cooperative ("LOGIC"), TexSTAR, and Texas Class local government investment pools. LOGIC, TexSTAR, and Texas Class investment pools' investments are not evidenced by securities that exist in physical or book entry form and, accordingly, do not have custodial risk.

**Note 3 - Deposits (Cash) and Investments (continued)**

LOGIC and TexSTAR are organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. LOGIC and TexSTAR were created in April 1994 and April 2002, respectively, through contracts among their participating governmental units, and are governed by a board of directors to provide for the joint investments of participant's public funds and funds under their control. LOGIC's policy seeks to invest pooled assets in a manner that will provide for safety of principal, liquidity in accordance with the operating requirements of the participants, and a competitive rate of return by utilizing economies of scale and professional investment expertise. TexSTAR's policy seeks to invest pooled assets in a manner that will provide for preservation and safety of principal and competitive investment returns while meeting the daily liquidity needs of the participants by utilizing economies of scale and professional investment expertise. JPMorgan Chase Bank, N.A. provides custody, fund accounting, and transfer agency services to both LOGIC and TexSTAR.

LOGIC's investment objectives are to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The portfolio's maximum final stated maturity is 397 days for fixed-rate securities and 24 months for variable rate notes. The portfolio will maintain a dollar-weighted average maturity to reset that does not exceed 60 days and a dollar-weighted average to final maturity of 90 days or less. LOGIC may invest in securities including: certain obligations of the United States or its agencies and instrumentalities; repurchase agreements; and SEC-registered money-market funds rated in the highest rating category by at least one nationally recognized statistical rating organization. It can also invest in commercial paper.

TexSTAR's portfolio is a government-repurchase agreement (REPO) pool, utilizing primarily U.S. Treasury securities, U.S. agency securities - both fixed and floating - and REPO collateralized obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of the United States or its agencies or its instrumentalities. The weighted average maturity to reset of the pool's assets is limited to 60 days or less and the weighted average to final maturity of the pool's assets is limited to 90 days or less.

Texas Class is organized under the Sixth Amended and Restated Trust Agreement in accordance with all the requirements contained in section 2256.016 of the Act. Texas Class is administered by Public Trust Advisors, LLC and all funds are held by the custodial agent, Wells Fargo N.A. Texas Class may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements, SEC-registered money market funds rated in the highest category by at least one NRSRO; and commercial paper rated A-1, P-1 or equivalent by two nationally recognized rating agencies.

The fair value of District portions in LOGIC and TexSTAR are the same as the value of the shares. These external pooled funds operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The external pooled funds use amortized cost rather than market value to report net position to compute share price. Accordingly, the fair value of the positions of the pooled funds is the same as the value of the external pool shares. The funds are structured similar to a money market mutual fund which allows shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$1, although this cannot be fully guaranteed.

**Note 3 - Deposits (Cash) and Investments (continued)**

*Custodial Credit Risk*

To control custody risk, State law and Mansfield ISD's adopted Investment Policy requires collateral for all time and demand deposits as well as repurchase agreements be transferred delivery versus payment and held by an independent party approved by the District and held in the District's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions and position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% (and 110% for mortgaged backed securities) and be executed under a written agreement. The counterparty of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of August 31, 2015:

- The portfolio contained no certificates of deposit,
- The portfolio contained no flex repurchase agreements,
- All bank demand deposits were fully insured and collateralized. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

**Note 4 - 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, 2014, upon which the levy for the 2015 fiscal year was based, was \$10,273,127,261.

The tax rates assessed for the year ended August 31, 2015 to finance general fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$.4871 per \$100 of valuation, respectively, for a total of \$1.5271 per \$100 of valuation. Current tax collections for the year ended August 31, 2015 were 99.00% 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.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1**  
**(continued)**

**Note 5 - Interfund Receivables and Payables**

Interfund balances at August 31, 2015, consisted of the following individual fund receivables and payables:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<b>Governmental Funds</b>		
General Fund	\$ 3,947,349	\$ 2,059,160
Debt Service Fund	94,493	
Nonmajor Governmental Funds		1,982,643
<b>Proprietary Funds</b>		
Enterprise Funds		39
<b>Total</b>	<u>\$ 4,041,842</u>	<u>\$ 4,041,842</u>

Interfund balances result from the time lag between the dates reimbursable expenditures occur and payments between funds are made.

Transfers between funds during August 31, 2015, consisted of the following individual fund transfers in and transfers out:

	<u>Transfers Out</u>	<u>Transfers In</u>
<b>Governmental Funds</b>		
General Fund	\$ 53,150	\$ -
NonMajor Governmental Funds		53,150
<b>Total</b>	<u>\$ 53,150</u>	<u>\$ 53,150</u>

An interfund transfer was used between the General Fund and the Alternative P.E. Fund to correct a deficit situation.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1**  
**(continued)**

**Note 6 - Capital Assets**

The District records assets are based on historical costs and calculate depreciation on capital assets in accordance with GASB Statement 34. The District's capitalization policy is to capitalize assets costing over \$5,000 and with a life expectancy of 1 year or more. Depreciation expense is allocated to functional categories based upon expenditures in the general fund.

Capital asset activity for the governmental activities of the District for the year ended August 31, 2015, are as follows:

	<b>Balance September 1, 2014</b>	<b>Additions</b>	<b>Retirements and Transfers</b>	<b>Balance August 31, 2015</b>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 55,630,446	\$ 495,819	\$	\$ 56,126,265
Construction in progress	91,484,986	44,671,210	(52,238,270)	83,917,926
<b>Total Capital assets, not being depreciated</b>	147,115,432	45,167,029	(52,238,270)	140,044,191
Capital assets, being depreciated:				
Buildings and improvements	836,532,254	52,078,843	(170,125)	888,440,972
Furniture and equipment	9,788,497	2,404,182		12,192,679
Vehicles	24,754,390	825,390	(245,169)	25,334,611
<b>Total Capital assets, being depreciated</b>	871,075,141	55,308,415	(415,294)	925,968,262
Less accumulated depreciation for:				
Buildings and improvements	(294,355,470)	(34,414,881)	155,505	(328,614,846)
Furniture and Equipment	(4,862,582)	(1,612,439)		(6,475,021)
Vehicles	(12,551,649)	(1,418,537)	210,945	(13,759,241)
<b>Total Accumulated depreciation</b>	(311,769,701)	(37,445,857)	366,450	(348,849,108)
<b>Total capital assets being depreciated, net</b>	559,305,440	17,862,558	(48,844)	577,119,154
<b>Governmental Capital Assets</b>	<u>\$ 706,420,872</u>	<u>\$63,029,587</u>	<u>\$ (52,287,114)</u>	<u>\$717,163,345</u>



**MANSFIELD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1  
(continued)**

**Note 6 - Capital Assets (continued)**

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

<b>Function</b>	<b>Depreciation Expense</b>
<b>Governmental Activities:</b>	
Instruction	\$ 24,951,846
Instructional resources and media services	1,753,924
Instructional leadership	37,800
School leadership	1,976,945
Guidance, counseling and evaluation services	370,441
Health services	207,900
Student transportation	1,868,493
Food Services	3,233,652
Extracurricular activities	1,915,070
General administration	253,478
Facilities maintenance and operations	423,670
Security and monitoring services	90,528
Data processing services	362,110
Facilities Acquisition & Construction	
<b>Total Governmental Activities</b>	<b>\$ 37,445,857</b>

**Note 7 - Long-Term Debt and Debt Service Requirements**

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 1.75% to 5.25%. 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, 2015, \$7,534,195 was available in the Debt Service Fund to service these bonds.

The District issued \$47,145,000 of Unlimited Tax School Building Bonds, Series 2014 dated September 2014 delivered December 30, 2014. The District also issued \$43,290,000 of Unlimited Tax School Building Bonds, Series 2015 dated August 1, delivered August 20, 2015. Proceeds from the sale of these bonds will be used to acquire, construct, renovate, improve and equip various school facilities and to pay the costs associated with the sale and issuance of the bonds. The issuance costs, respectively of \$480,185 and \$472,405, and premiums, respectively of \$3,336,406 and \$5,712,906, are being amortized over the life of the bonds using the straight-line method.

The District issued \$59,445,000 of Unlimited Tax Refunding Bonds, Series 2014 dated December 19, 2014 delivered December 30, 2014 and \$78,355,000 of Unlimited Tax Refunding Bonds, Series 2015 dated April 1, 2015 delivered April 30, 2015. Proceeds from the sales of the bonds were used to refund the District's Unlimited Tax School Building Bonds, Series 2006 and Series 2008, respectively, for debt service savings and to pay the costs associated with the sale and issuance of the bonds. 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

**MANSFIELD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1  
(continued)**

**Note 7 - Long-Term Debt and Debt Service Requirements (continued)**

refundings of \$3,547,496 and \$6,291,508, respectively. These amounts are being netted against the new debt and amortized using the straight-line method over the remaining life of the refunded debt. These refundings were undertaken to reduce total debt service payments over the next 17 years by \$11,556,329 and resulted in economic gains/present value of \$2,569,402 and \$8,377,971, respectively. The issuance costs of \$585,783 and \$750,303, respectively, and premiums of \$7,234,054 and \$8,111,552, respectively, are being amortized over the life of the bonds using the straight-line method.

As of August 31, 2015, the District had no authorized but unissued general obligation bonds, but see **Note 16 Subsequent Event**.

At year end, \$219,350,000 of bonds outstanding are considered defeased and have not been included in the District's Statement of Net Position.

The following is a summary of changes in long-term obligations of the District for the year ended August 31, 2015:

	<u>Balance September 1, 2014</u>	<u>Additions</u>	<u>Retirements/ Refundings</u>	<u>Balance August 31, 2015</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
<b>Bonds and leases payable:</b>					
General obligation bonds	\$719,518,373	\$228,235,000	\$(159,433,373)	\$788,320,000	\$22,060,000
Accreted interest on premium	3,488,163		(3,488,163)	-	
Premium on bond issuance	55,018,934	24,394,918	(3,701,383)	75,712,469	
Capital lease payable		5,434,140		5,434,140	1,821,183
<b>Total Bonds and Capital Leases Payable</b>	<u>\$778,025,470</u>	<u>\$258,064,058</u>	<u>\$(166,622,919)</u>	<u>\$869,466,609</u>	<u>\$23,881,183</u>

Annual requirements to amortize all bonded debt outstanding as of August 31, 2015, follow:

<u>Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 22,060,000	\$ 34,087,335	\$ 56,147,335
2017	22,280,000	33,168,229	55,448,229
2018	22,760,000	34,294,498	57,054,498
2019	23,815,000	33,246,094	57,061,094
2020	26,050,000	32,061,651	58,111,651
2021-2025	171,885,000	138,303,675	310,188,675
2026-2030	207,120,000	93,213,781	300,333,781
2031-2035	119,480,000	54,959,584	174,439,584
2036-2040	82,120,000	34,851,625	116,971,625
2041-2045	90,750,000	10,546,875	101,296,875
	<u>\$788,320,000</u>	<u>\$498,733,347</u>	<u>\$1,287,053,347</u>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1  
(continued)**

**Note 7 - Long-Term Debt and Debt Service Requirements (continued)**

**Bonds Payable**

Bonds payable at August 31, 2015, are composed of the following individual issues:

Description - Authorization (Dated)	Maturity Range	Interest Rate	Amount Original Issue
Unlimited Tax School Building & Refunding Bonds 2002 (9/3/2002)	2002-2027	3.25% - 5.50%	\$ 79,789,984
Unlimited Tax School Building Bonds 2006 (7/1/06)	2006-2016	4.25% - 5.00%	98,830,000
Unlimited Tax Refunding Bonds 2006 (8/15/2006)	2006-2026	4.00% - 5.00%	47,349,797
Unlimited Tax School Building Bonds - 2006 (5/15/2007)	2006-2017	4.00% - 5.00%	72,070,000
Unlimited Tax School Building Bonds - 2008 (6/15/2008)	2008-2017	4.00% - 5.00%	80,000,000
Unlimited Tax Refunding Bonds 2009 (11/20/2009)	2009-2023	3.00% - 5.00%	44,600,000
Unlimited Tax School Building Bonds 2010 (10/1/2010)	2010-2027	2.00% - 5.00%	49,225,000
Unlimited Tax Refunding Bonds 2011 (4/15/2011)	2011-2026	2.00% - 4.00%	9,500,000
Unlimited Tax School Building Variable Rate Bonds 2012* (2/15/2012)	2012-2035	1.75% as of 8/31/2012	50,000,000
Unlimited Tax Refunding Bonds 2012 (12/15/2011)	2011-2027	3.00% - 5.00%	16,915,000
Unlimited Tax Refunding Bonds 2012A (7/1/2012)	2012-2029	3.00% - 5.00%	41,275,000
Unlimited Tax Refunding Bonds, Series 2012B	2012-2028	3.00% - 5.00%	30,460,000
Unlimited Tax Refunding Bonds, Series 2013A	2013-2030	2.00% - 5.00%	63,255,000
Unlimited Tax Refunding Bonds, Series 2013B	2013-2031	2.00% - 5.00%	86,170,000
Unlimited Tax Refunding Bonds Taxable, Series 2013C	2013-2025	4.00%	21,855,000
Unlimited Tax School Building Bonds 2013 (11/1/2013)	2013-2043	4.25%-5.00%	49,355,000
Unlimited Tax Refunding Bonds, Series 2014 (12/1/14)	2014-2032	4.00%-5.00%	59,445,000
Unlimited Tax School Building Bonds, Series 2014 (12/1/14)	2014-2044	3.375%-5.00%	47,145,000
Unlimited Tax Refunding Bonds, Series 2015 (4/1/15)	2015-2033	2.00%-5.00%	78,355,000
Unlimited Tax School Building Bonds, Series 2015	2015-2045	5.00%	43,290,000

\*The outstanding \$50,000,000 of Series 2012 Bonds currently bear interest at an initial fixed rate of 1.75% from the date of the initial delivery, which occurred on March 15, 2012 through July 31, 2017 (the "Initial Rate Period"). Thereafter, the Bonds will convert to and bear interest at a Term Rate determined per annum by the Remarketing Agent for a Term Rate Period of one year in duration, unless a different Rate Period is specified by the District; provided, however, that the interest rate mode applicable to the Bonds may be (a) changed from time to time to a Weekly Rate, Monthly Rate, Quarterly Rate, Semiannual Rate, or Term Rate (each, a "Variable Rate"), (b) changed to a Flexible Rate (term of up to 270 days), or (c) converted to a Fixed Rate until stated maturity.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1  
(continued)**

**Note 7 - Long-Term Debt and Debt Service Requirements (continued)**

Description - Authorization (Dated)	Amount Outstanding September 1,	Issued	Retired	Refunded	Amount Outstanding August 31,	Due Within One Year
	2014				2015	
Unlimited Tax School Building & Refunding Bonds 2002 (9/3/2002)	\$1,118,395		\$ (508,395)	\$ -	\$610,000	\$35,000
Unlimited Tax Refunding Bonds 2005 (1/15/05)	3,439,999		(3,439,999)			
Unlimited Tax School Building Bonds 2005 (7/12/05)	2,290,000		(2,290,000)			
Unlimited Tax School Building Bonds 2006 (7/1/06)	6,375,000		(2,860,000)	-	\$3,515,000	3,515,000
Unlimited Tax Refunding Bonds 2006 (8/15/2006)	45,089,979		(909,979)		\$44,180,000	3,510,000
Unlimited Tax School Building Bonds - 2006 (5/15/2007)	66,900,000		(2,095,000)	-59,785,000	\$5,020,000	2,385,000
Unlimited Tax School Building Bonds - 2008 (6/15/2008)	80,000,000		-	-79,775,000	\$225,000	
Unlimited Tax Refunding Bonds 2009 (11/20/2009)	28,680,000		(2,095,000)		\$26,585,000	2,190,000
Unlimited Tax Refunding Bonds 2010 (7/15/10)	82,145,000		(1,105,000)		\$81,040,000	3,835,000
Unlimited Tax School Building Bonds 2010 (10/1/2010)	46,425,000		-	-	\$46,425,000	
Unlimited Tax Refunding Bonds 2011 (4/15/2011)	8,320,000		(350,000)		\$7,970,000	375,000
Unlimited Tax Refunding Variable Rate Bonds 2012* (2/15/2012)	50,000,000		-	-	\$50,000,000	
Unlimited Tax Refunding Bonds 2012 (12/15/2011)	16,915,000		-	-	\$16,915,000	
Unlimited Tax Refunding Bonds 2012A (7/1/2012)	40,890,000		(200,000)	-	\$40,690,000	
Unlimited Tax Refunding Bonds, Series 2012B	24,290,000		(1,650,000)	-	\$22,640,000	
Unlimited Tax Refunding Bonds, Series 2013A	61,870,000		(390,000)	-	\$61,480,000	1,945,000
Unlimited Tax Refunding Bonds, Series 2013B	84,170,000		(620,000)	-	\$83,550,000	
Unlimited Tax Refunding Bonds, Series 2013C	21,245,000		(255,000)	-	\$20,990,000	3,545,000
Unlimited Tax School Building Bonds - 2013 (11/01/2013)	49,355,000		-	-	\$49,355,000	
Unlimited Tax School Building Bonds - 2014 (12/01/2014)	-	47,145,000	-	-	\$47,145,000	
Unlimited Tax Refunding Bonds, Series 2014	-	59,445,000	(1,105,000)	-	\$58,340,000	
Unlimited Tax Refunding Bonds, Series 2015	-	78,355,000	-	-	\$78,355,000	725,000
Unlimited Tax School Building Bonds - 2015 08/20/2015)	-	43,290,000	-	-	\$43,290,000	
	<u>\$719,518,373</u>	<u>\$228,235,000</u>	<u>\$ (19,873,373)</u>	<u>\$(139,560,000)</u>	<u>\$788,320,000</u>	<u>\$22,060,000</u>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1**  
**(continued)**

**Note 8 – Lease Obligations**

**Commitments under Operating Leases**

The following is a schedule of the District's future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of August 31, 2015

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 215,244

Rental expense for the year ended August 31, 2015 was \$860,976.

**Commitments under Capital Leases**

This year the District entered into a lease agreement as lessee for financing the acquisition of iPads for the one-to-one initiative. The equipment has a three-year estimated useful life. Depreciation was not recorded in the current year since the iPads were delivered at the end of August. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. Imputed interest rate for the lease is .49%. The future minimum lease obligations and the net present value of these minimum lease payments as of August 31, 2015, were as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 1,821,183
2017	1,821,183
2018	1,821,183
Total minimum lease payments	\$ 5,463,549
Less: amount representing interest	29,409
Present value of minimum lease payments	<u>\$ 5,434,140</u>

**Note 9 - Unearned Revenue/Deferred Inflows of Resources**

Deferred revenue at year end represents assets that are not available for use by the District to liquidate current year liabilities. A summary of unearned revenue/deferred inflows by fund follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Unearned Revenue</b>				
Miscellaneous Fees	\$ 418,755	\$	\$	\$ 418,755
Contributions and grants	779,013			779,013
Prepaid lunch cards			411,022	411,022
Parking permits	41,819			41,819
<b>Deferred Inflows</b>				
Property taxes receivable	2,671,136	1,280,922		3,952,058
<b>Total</b>	<u>\$ 3,910,723</u>	<u>\$1,280,922</u>	<u>\$ 411,022</u>	<u>\$ 5,602,667</u>

Property tax revenues are earned but are not available as of year end; therefore, they are recognized as revenues in the government-wide financial statements and deferred in the fund level financial statements.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1  
(continued)**

**Note 10 - Committed Fund Balances**

Committed fund balances as of August 31, 2015, are composed of the following:

	<b>Total</b>
High School Allotment	\$ 2,752,666
Campus Activity Funds	1,704,735
<b>Total</b>	<b>\$ 4,457,401</b>

**Note 11 - Retirement Plan –Defined Benefit Pension Plans**

*A. Plan Description*

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

*B. Pension Plan Fiduciary Net Position*

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

*C. Benefits Provided*

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

*D. Contributions*

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members

**Note 11 - Retirement Plan –Defined Benefit Pension Plans (continued)**

of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

**Contribution Rates**

	2015	2014
Member	6.7%	6.4%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Employers/District OASDI	1.5%	0.0%

**Contribution Amounts**

Employer Contributions	\$ 5,732,519
Member Contributions	\$13,158,648
NECE On-behalf Contributions (State)	\$ 9,976,136

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1**  
**(continued)**

**Note 11 - Retirement Plan –Defined Benefit Pension Plans (continued)**

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

*E. Actuarial Assumptions*

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

*\*Includes Inflation of 3%*

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees were decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

*F. Discount Rate*

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized on the next page:



**MANSFIELD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1  
(continued)**

**Note 11 - Retirement Plan –Defined Benefit Pension Plans (continued)**

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
<b>Global Equity</b>			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
<b>Stable Value</b>			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	8.9%	0.4%
Alpha			1.0%
<b>Total</b>	<u>100%</u>		<u>8.7%</u>

\* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

**G. Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability:	\$75,168,045	\$42,065,247	\$17,310,519

**Note 11 - Retirement Plan –Defined Benefit Pension Plans (continued)**

*H. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At August 31, 2014, the District reported a liability of \$42,065,247 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate share of the collective net pension liability	\$ 42,065,247
State's proportionate share that is associated with District	<u>\$ 95,803,997</u>
Total	<u>\$137,869,244</u>

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 thru August 31, 2014.

At August 31, 2014 the employer's proportion of the collective net pension liability was .16%. The change in proportion was immaterial and therefore disregarded this year.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective 09/01/2013. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2015, the District recognized pension expense of \$3,888,190 and revenue of \$8,856,901 for support provided by the State.

**Note 11 - Retirement Plan –Defined Benefit Pension Plans (continued)**

At August 31, 2014, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,384,841	
Net difference between projected and actual investment earnings		12,867,883
District contributions after measurement date	5,732,519	
Totals	<u>\$ 9,117,360</u>	<u>\$ 12,867,883</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31:	Pension Amount	Expense
2016	\$(2,646,289)	
2017	\$(2,646,289)	
2018	\$(2,646,289)	
2019	\$(2,646,289)	
2020	\$ 567,925	
Thereafter	\$ 534,190	

**TRS - Care Health Insurance Benefits for Retirees**

*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). TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under TRS. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, or 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](http://www.trs.state.tx.us), under the TRS Publications heading.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1  
(continued)**

**Note 11 - Retirement Plan (continued)**

*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 .65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at .55% for fiscal years 2015, 2014, and 2013. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than .25% or greater than .75% of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribute 1.0%.

Contributions made by the State, District, and staff members, for the years ended August 31, 2015, 2014, and 2013 are as follows:

<b>Fiscal Year</b>	<b>State TRS Contributions Made on Behalf of the District</b>	<b>District Required Contributions to TRS</b>	<b>Employee Contributions to TRS</b>	<b>District's Annual Covered Payroll</b>
2015	\$ 1,491,910	\$ 1,162,647	\$ 1,276,587	\$ 196,282,211
2014	1,626,046	1,119,088	1,237,674	190,403,757
2013	1,445,026	1,011,555	1,156,231	177,880,862

For the current fiscal year and each of the past two years, the District's actual contributions were equal to 100 percent of the required contributions. The contributions made by the State on behalf of the District have been recorded in the governmental funds financial statements of the District as both state revenues and expenditures. These contributions are the legal responsibility of the State.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2015, 2014, and 2013, the subsidy payments received by TRS-Care on-behalf of the District were \$823,746, \$506,958, and \$474,819, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

The Early Retiree Reinsurance Program ("ERRP") is a provision of the Patient Protection and Affordable Care Act and provides reimbursement to plan sponsors for a portion of the cost of providing health benefits to retirees between the ages of 55-64 and their covered dependents regardless of age. An "early retiree" is defined as a plan participant ages 55-64 who is eligible for Medicare and is not covered by an active employee of the plan sponsor. This temporary program is available to help employers continue to provide coverage for early retirees. TRS has received funds from the ERRP program in fiscal year 2012. For the year ended August 31, 2015, the subsidy payments received by the ERRP program on-behalf of the District were \$428,475. These payments were recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

**Note 12 - Risk Management**

During the year ended August 31, 2015, employees of the District were covered by a health insurance plan ("the Plan"). The District paid premiums of \$250 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.

As of September 1, 1998, the District has fully insured all workers' compensation claims. The current contract covers the period from September 1, 2014 through August 31, 2015. 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 year 2015, 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 13 - Litigation, 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, 2015, 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.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

**Exhibit F-1  
(continued)**

**Note 13 - Litigation, Commitments and Contingencies (continued)**

**Construction** - The District was obligated at August 31, 2015, 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:

<b>Project</b>	<b>Approved Construction Budget</b>	<b>Construction in Progress</b>	<b>Estimated Remaining Commitment</b>
Student Nutrition	\$ 1,160,000	\$ 30,047	\$ 1,129,953
Turf Project	5,112,971	5,066,918	46,053
Ben Barber Career Tech	13,000,000	2,664,326	10,335,674
Charlotte Anderson	17,215,538	661,297	16,554,241
Glenn Harmon Elementary	18,084,856	5,002,642	13,082,214
Renovations Project # 1	27,968,762	29,034,643	(1,065,881)
Renovations Project # 2	20,356,640	19,253,361	1,103,279
Renovations Project # 3	10,111,746	3,647,792	6,463,954
Construction Wave # 1	24,138,260	17,810,274	6,327,986
Construction Wave # 2	3,571,387	746,626	2,824,761
	<u>\$ 140,720,160</u>	<u>\$ 83,917,926</u>	<u>\$ 56,802,234</u>

**Note 14 - Shared Service Arrangement**

The District participates in a Shared Service Arrangement (SSA) for students with auditory impairments attending the Regional Day School Program for the Deaf. The District does not account for revenues or expenditures of this program and does not disclose them in these financial statements. However, intergovernmental charges in a special revenue fund include payments to the fiscal agent for the District's share of project deficits. The District neither has a joint ownership interest in capital outlay purchased by the fiscal agent, Arlington ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Mansfield ISD. The fiscal agent manager is responsible for all financial activities of the SSA. Shared Service Arrangement expenditures of \$127,500 were attributable to Mansfield ISD participation.

**Note 15 – Compensated Absences**

Annual non-duty days (vacation days) are granted to 226-day non-professional and professional employees; however, non-duty days are required to be used during the current year. Five (5) non-duty days may be carried over, but must be used by December 1<sup>st</sup>. The number of days carried over to December 1<sup>st</sup> are not recorded in the financial statements since the dollar amount is insignificant.

Non-exempt staff may not carry more than 60 hours of compensatory time during the fiscal year and must either use the time or be paid for the compensatory time at year end. No accrued compensatory time is carried forward to the next fiscal year.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

***Exhibit F-1***  
***(continued)***

**Note 16 - Subsequent Event**

The District issued \$48,530,000 of Unlimited Tax Refunding Bonds, Series 2015A dated October 1, 2015, and delivered October 8, 2015, to advance refund \$46,425,000 of outstanding Unlimited Tax School Building and Refunding Bonds, Series 2010. The proceeds were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the refunded bonds.

**Note 17 – Prior Period Adjustment**

Net Position as of September 1, 2014 was restated as per the following table for the implementation of GASB 68 and GASB 71:

	<u>Governmental Activities</u>
Beginning Net Position, as Previously Reported	\$ 79,378,198
Implementation of GASB 68 and GASB 71 for pensions	<u>(47,660,099)</u>
Beginning Net Position, Restated	<u>\$ 31,718,099</u>





# Required Supplementary Information







## Mansfield Independent School District

Exhibit G-1

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
ORIGINAL BUDGET, AMENDED FINAL (GAAP BASIS) AND ACTUAL - GENERAL FUND  
August 31, 2015**

Data Control Codes		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget - Positive (Negative)
		Original	Final		
	<b>Revenues</b>				
5700	Local revenues	\$ 108,973,307	\$ 107,576,271	\$ 108,353,009	\$ 776,738
5800	State program revenues	134,524,702	138,343,053	140,949,328	2,606,275
5900	Federal program revenues	4,072,600	3,572,600	3,318,833	(253,767)
<b>5000</b>	<b>Total revenues</b>	<u>247,570,609</u>	<u>249,491,924</u>	<u>252,621,170</u>	<u>3,129,246</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	155,312,565	164,968,781	163,485,840	1,482,941
	Instructional resources and media				
0012	services	3,050,631	3,535,771	3,413,383	122,388
0013	Curriculum and staff development	2,390,512	2,438,927	2,328,126	110,801
0021	Instructional leadership	3,012,615	3,120,360	3,008,442	111,918
0023	School leadership	16,151,422	16,675,184	16,536,577	138,607
0031	services	8,792,219	8,752,533	8,651,332	101,201
0033	Health services	4,105,934	4,210,032	3,867,635	342,397
0034	Student transportation	8,977,354	11,748,962	10,290,855	1,458,107
0035	Food services		40,000	39,373	627
0036	Extracurricular activities	7,513,954	7,713,909	7,640,602	73,307
0041	General administration	7,209,323	7,040,188	6,342,364	697,824
0051	Facilities maintenance and operations	27,878,908	28,220,620	28,901,862	(681,242)
0052	Security and monitoring services	3,642,875	3,830,427	3,795,990	34,437
0053	Data processing services	4,151,755	4,366,736	3,745,902	620,834
0061	Community services	180,913	212,588	203,100	9,488
0095	Prgm.	25,000	25,000		25,000
0099	Other intergovernmental charges	966,000	973,666	900,491	73,175
<b>6030</b>	<b>Total Expenditures</b>	<u>253,361,980</u>	<u>267,873,684</u>	<u>263,151,874</u>	<u>4,721,810</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(5,791,371)</u>	<u>(18,381,760)</u>	<u>(10,530,704)</u>	<u>7,851,056</u>
	<b>Other Financing Sources (Uses):</b>				
7912	Sale of real or personal property	50,000	125,000	86,376	(38,624)
7913	Proceeds from capital leases		5,338,774	5,434,140	95,366
7918	Special item - oil and gas royalties	1,500,000	1,550,000	928,327	(621,673)
8911	Transfers out		(53,150)	(53,150)	
8949	Other Uses		(41,500)	(41,000)	500
<b>7080</b>	<b>Total other financing sources (uses)</b>	<u>1,550,000</u>	<u>6,919,124</u>	<u>6,354,693</u>	<u>(564,431)</u>
1200	Net change in fund balances	<u>(4,241,371)</u>	<u>(11,462,636)</u>	<u>(4,176,011)</u>	<u>7,286,625</u>
0100	<b>Fund balances - beginning</b>	<u>89,353,676</u>	<u>89,353,676</u>	<u>89,353,676</u>	
<b>3000</b>	<b>Fund balances - ending</b>	<u>\$ 85,112,305</u>	<u>\$ 77,891,040</u>	<u>\$ 85,177,665</u>	<u>\$ 7,286,625</u>

## **Budgets and Budgetary Accounting**

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.

## **Expenditures over Appropriations**

The District had expenditures over appropriations in the General Fund function for Facilities and Maintenance Operations in the amount of \$681,242.

**Mansfield Independent School District****Exhibit G-2****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY OF A COST-SHARING MULTIPLE-EMPLOYER PENSION PLAN  
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)****August 31, 2015**

District's Proportion of the Net Pension Liability	0.16%
District's Proportionate Share of the Net Pension Liability	\$ 42,065,247
State's Proportionate Share of the Net Pension Liability	95,803,997
Total	<u>\$ 137,869,244</u>

District's Covered-Employee Payroll	\$ 190,412,115
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District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	22.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.25%

\* The amounts presented for the fiscal year were determined as of the Plan's fiscal year end,  
August 31 of the prior year.

Ten years of data is not available.

**Mansfield Independent School District**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTION TO THE**  
**TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)**  
**August 31, 2015**

**Exhibit G-3**

	<u>2015</u>
TRS	
Contractually Required Contributions	\$ 5,732,519
Contributions in Relation to the Contractually Required Contributions	<u>\$ 5,732,519</u>
Contribution Deficiency (Excess)	\$ -
 District's Covered Employee Payroll	 \$ 196,397,727

Contributions as a Percentage of Covered - Employee Payroll 2.92%

\*The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, August 31 of the prior year.

Ten years of data is not available.

**Notes to Required Supplementary Information**

**A. Changes in Assumptions**

Modifications to the actuarial methods and assumptions are based on a study of actual experience as adopted on April 8, 2011. The assumptions and methods used in the current valuation are the same except for the following modifications:

- Small reductions in the rates of retirements at most age and service combinations.
- Decrease in the post-retirement rates of mortality for both males and females.
- The salary increase assumption in the first year of employment was reduced.
- The method for determining the actuarial value of assets was modified to a method that sets the actuarial value of assets as the expected actuarial value of assets plus 20% of the difference between the actual market value of the assets and the expected actuarial value of assets.

Amounts reported for 2014 reflect the adoption of the new mortality assumption that the average life expectancy for members over 65 years of age will increase by roughly nine months over the next four years.



## **Other Supplementary Information**



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## NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for all federal, state and locally-funded grants and campus activity funds. These grants are awarded to the District with the purpose of accomplishing specific educational goals, described by the fund name:

- **ESEA, Title I, Part A – Basic:** supplemental service designed to accelerate the academic achievement of economically disadvantaged students, especially in the tested areas, to ensure that state standards are met on identified campuses.
- **IDEA, Part B – Formula:** salaries and supplies to aid children with disabilities with low reading achievement.
- **IDEA, Part B – Preschool:** aids preschool students with disabilities.
- **Child Nutrition Program:** federal reimbursement revenues originating from the United States Department of Agriculture and fees from child and adult meals.
- **Summer Feeding** – federal program for seamless school nutrition during the summer
- **Vocational Education – Basic:** funds are for the use of various vocationally-inclined students in regular, disadvantaged and disability classes.
- **ESEA, Title II, Part A – TPTR (Teacher and Principal Training and Recruiting):** supplements the professional development, retention and recruitment programs district-wide, specifically on high needs campuses.
- **ESEA, Title III, Part A – English Language Acquisition:** provides additional educational opportunities to supplemental programs for students of limited English proficiency and immigrant children by assisting the children to learn English and meet challenges.
- **Medicaid Administrative Claiming Program:** provides the district with the ability to receive reimbursement for outreach and case management.
- **Miscellaneous Federal Grants** – includes several federal grants designed to provide support for the development of the additional state assessments and standards and to support the administration of those assessments; grants included also provide funds for safety equipment.
- **Visually Impaired State Grant** – aids visually impaired students.
- **Advanced Placement Incentives** – enhancement of advanced placement programs on specific campuses based on student scores on advanced placement examinations.
- **Instructional Materials Allotment** – provides funds to purchase instructional materials technological equipment and technology-related services.
- **Read To Succeed** – provides funds generated through the sale of read to succeed license plates designed by a Texas student to purchase educational materials for public school libraries.
- **Campus Activity Funds** – proceeds from fundraising activities, vending sales, corporate and private donations benefiting students and staff of the campus.
- **Educational Foundation Awards** – provides innovative grant funds for district teachers.
- **Alternative P.E.** – provides funds for students electing an alternative physical education class for credit.
- **Miscellaneous Grants** – various grants provides support as designated.
- **Miscellaneous Donations** – various donations provides support as designated.
- **TCC Grant** – grants from Tarrant County College.
- **Lockheed Martin Grant** – provides support to various programs, but primarily career and technology projects.
- **iPad Summit** – local fund accounting for professional development program.



**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2015**

Data Control Codes		ESEA, Title I,		
		PT A - Improving Basic Ed	IDEA B - Formula	IDEA B - Preschool
	<b>Assets</b>			
1110	Cash and cash equivalents	\$	\$	\$
1240	Receivables from other governments	260,549	1,576,274	14,821
1260	Due from other funds			
1290	Other receivables			
1300	Inventories			
1410	Prepaid items			
<b>1000</b>	<b>Total Assets</b>	<u>\$ 260,549</u>	<u>\$ 1,576,274</u>	<u>\$ 14,821</u>
	<b>Liabilities and Fund Balances</b>			
	<b>Liabilities:</b>			
	<b>Current Liabilities:</b>			
2110	Accounts payable	\$	\$ 7,023	\$
2150	Payroll deductions and withholdings	19,807	30,934	276
2160	Accrued wages payable		40	
2170	Due to other funds	240,491	\$ 1,538,277	14,545
2180	Due to other governments	251		
2190	Due to student groups			
2300	Unearned revenues			
<b>2000</b>	<b>Total Liabilities</b>	<u>260,549</u>	<u>1,576,274</u>	<u>14,821</u>
	<b>Fund Balance:</b>			
	<b>Non-Spendable:</b>			
3410	Inventories			
3430	Prepaid items			
	<b>Restricted:</b>			
3450	Grant funds			
	<b>Committed:</b>			
3545	Campus activity funds			
<b>3000</b>	<b>Total Fund Balance</b>			
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$ 260,549</u>	<u>\$ 1,576,274</u>	<u>\$ 14,821</u>

<b>Child Nutrition</b>	<b>Summer Feeding</b>	<b>Vocational Ed - Basic</b>	<b>ESEA Title II, Pt A - Improving Teacher Quality</b>	<b>ESEA, Title III, Pt A - BIL/ESL</b>
\$ 3,518,669	\$ 4,499	\$	\$	\$
223,614				19,136
112,248				
<u>\$ 3,854,531</u>	<u>\$ 4,499</u>	<u>\$</u>	<u>\$</u>	<u>\$ 19,136</u>
\$ 388,813	\$	\$	\$	\$
42,667	109			1,469
500,434				
144,647				17,667
411,022				
<u>1,487,583</u>	<u>109</u>	<u></u>	<u></u>	<u>19,136</u>
112,248				
2,254,700	4,390			
<u>2,366,948</u>	<u>4,390</u>	<u></u>	<u></u>	<u></u>
<u>\$ 3,854,531</u>	<u>\$ 4,499</u>	<u>\$</u>	<u>\$</u>	<u>\$ 19,136</u>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2015**

<b>Data Control Codes</b>		<b>Medicaid Admin. Claiming Program</b>	<b>Misc. Federal Grants</b>	<b>Visually Impaired State Grant</b>
	<b>Assets</b>			
1110	Cash and cash equivalents	\$	\$ 960	\$
1240	Receivables from other governments		20,108	
1260	Due from other funds			
1290	Other receivables			
1300	Inventories			
1410	Prepaid items			
<b>1000</b>	<b>Total Assets</b>	<u>\$</u>	<u>\$ 21,068</u>	<u>\$</u>
	<b>Liabilities and Fund Balances</b>			
	<b>Liabilities:</b>			
	<b>Current Liabilities:</b>			
2110	Accounts payable	\$	\$	\$
2150	Payroll deductions and withholdings			
2160	Accrued wages payable			
2170	Due to other funds		20,867	
2180	Due to other governments			
2190	Due to student groups			
2300	Unearned revenues			
<b>2000</b>	<b>Total Liabilities</b>	<u></u>	<u>20,867</u>	<u></u>
	<b>Fund Balance:</b>			
	<b>Non-Spendable:</b>			
3410	Inventories			
3430	Prepaid items			
	<b>Restricted:</b>			
3450	Grant funds		201	
	<b>Committed:</b>			
3545	Campus activity funds			
	<b>Total Fund Balance</b>	<u></u>	<u>201</u>	<u></u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$</u>	<u>\$ 21,068</u>	<u>\$</u>

<b>Advanced Placement Incentive</b>	<b>Instructional Materials Allotment</b>	<b>Read to Succeed</b>	<b>Campus Activity Funds</b>	<b>Education Foundation Awards</b>
\$ 76,350	\$ 2,017,771	\$ 623	\$ 1,710,718	\$ 18,371
			3,985	
<u>\$ 76,350</u>	<u>\$ 2,017,771</u>	<u>\$ 623</u>	<u>\$ 1,714,703</u>	<u>\$ 18,371</u>
\$	\$ 1,616,646	\$	\$ 6,479 55 3434	\$ 954
				7,299
	<u>1,616,646</u>		<u>9,968</u>	<u>8,253</u>
76,350	401,125	623		10,118
<u>76,350</u>	<u>401,125</u>	<u>623</u>	<u>1,704,735</u>	<u>10,118</u>
<u>\$ 76,350</u>	<u>\$ 2,017,771</u>	<u>\$ 623</u>	<u>\$ 1,714,703</u>	<u>\$ 18,371</u>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2015**

<b>Data Control Codes</b>		<b>Alternative PE</b>	<b>Misc. Grants</b>	<b>Misc. Donations</b>
	<b>Assets</b>			
1110	Cash and cash equivalents	\$	\$ 133	\$ 8,132
1240	Receivables from other governments		7,526	
1260	Due from other funds			
1290	Other receivables			
1300	Inventories			
1410	Prepaid items			
<b>1000</b>	<b>Total Assets</b>	<u>\$</u>	<u>\$ 7,659</u>	<u>\$ 8,132</u>
	<b>Liabilities and Fund Balances</b>			
	<b>Liabilities:</b>			
	<b>Current Liabilities:</b>			
2110	Accounts payable	\$	\$	\$
2150	Payroll deductions and withholdings			
2160	Accrued wages payable			
2170	Due to other funds		6,149	
2180	Due to other governments			
2190	Due to student groups			2,474
2300	Unearned revenues			
<b>2000</b>	<b>Total Liabilities</b>	<u></u>	<u>6,149</u>	<u>2,474</u>
	<b>Fund Balance:</b>			
	<b>Non-Spendable:</b>			
3410	Inventories			
3430	Prepaid items			
	<b>Restricted:</b>			
3450	Grant funds		1,510	5,658
	<b>Committed:</b>			
3545	Campus activity funds			
	<b>Total Fund Balance</b>	<u></u>	<u>1,510</u>	<u>5,658</u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$</u>	<u>\$ 7,659</u>	<u>\$ 8,132</u>

<b>TCC Grant</b>	<b>Lockheed Martin Grant</b>	<b>iPad Summit</b>	<b>Total Nonmajor Governmental Funds</b>
\$	\$ 6,658	\$ 1,940	\$ 7,364,824
			2,122,028
			112,248
			3,985
<u>\$</u>	<u>\$ 6,658</u>	<u>\$ 1,940</u>	<u>\$ 9,603,085</u>
\$	\$	\$	\$ 2,019,915
			95,317
			503,908
			1,982,643
			251
	3,658	1,940	15,371
			411,022
<u></u>	<u>3,658</u>	<u>1,940</u>	<u>5,028,427</u>
			112,248
	3,000		2,757,675
			1,704,735
<u></u>	<u>3,000</u>	<u></u>	<u>4,574,658</u>
<u>\$</u>	<u>\$ 6,658</u>	<u>\$ 1,940</u>	<u>\$ 9,603,085</u>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2015**

<b>Data Control Codes</b>		<b>ESEA, TITLE I, PT A - Improving Basic Ed</b>	<b>IDEA B - Formula</b>	<b>IDEA B - Preschool</b>
	<b>Revenues</b>			
5700	Local and Intermediate Sources	\$	\$	\$
5800	State Program Revenues			
5900	Federal Program Revenues	2,968,973	5,902,793	49,839
<b>5020</b>	<b>Total Revenues</b>	<u>2,968,973</u>	<u>5,902,793</u>	<u>49,839</u>
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction	2,489,538	2,946,614	41,228
0012	Instructional Resources and Media Services	15,976		
0013	Curriculum and Instructional Staff Development	96,159	26,395	
0021	Instructional Leadership	33,059	33,211	
0023	School Leadership	45,959		
0031	Guidance, Counseling and Evaluation Services	7,671	2,273,646	8,611
0032	Social work services	8,984		
0033	Health Services	9,492	515,711	
0034	Student Transportation	79,330		
0035	Food Services			
0036	Cocurricular/Extracurricular Activities			
0041	General Administration			
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services			
0061	Community Services	182,805		
0093	Payments related to shared services arrangements		107,216	
<b>6030</b>	<b>Total Expenditures</b>	<u>2,968,973</u>	<u>5,902,793</u>	<u>49,839</u>
1100	Excess (deficiency) of revenues over expenditures			
	<b>Other Financing Sources (Uses)</b>			
7912	Sale of real or personal property			
7915	Operating Transfers In			
	<b>Total Other Financing Sources (Uses)</b>			
1200	Net change in fund balances			
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>			
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>

<b>Child Nutrition</b>	<b>Summer Feeding</b>	<b>Vocational Ed - Basic</b>	<b>ESEA Title II, Pt A - Improving Teacher Quality</b>	<b>ESEA, Title III, Pt A - BIL/ESL</b>
\$ 6,457,555	\$ 715	\$	\$	\$
76,242	565			
6,620,622	57,951	274,417	280,575	433,621
<u>13,154,419</u>	<u>59,231</u>	<u>274,417</u>	<u>280,575</u>	<u>433,621</u>
		274,417	60,507	145,758
			208,728	268,073
			11,340	6,886
14,335,058	54,841			
170,320				
				12,904
<u>14,505,378</u>	<u>54,841</u>	<u>274,417</u>	<u>280,575</u>	<u>433,621</u>
<u>(1,350,959)</u>	<u>4,390</u>			
12,094				
<u>12,094</u>				
(1,338,865)	4,390			
<u>3,705,813</u>				
<u>\$ 2,366,948</u>	<u>\$ 4,390</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>



**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2015**

<b>Data Control Codes</b>		<b>Medicaid Admin Claiming Program</b>	<b>Misc. Federal Grants</b>	<b>Visually Impaired State Grant</b>
	<b>Revenues</b>			
5700	Local and Intermediate Sources	\$	\$	\$
5800	State Program Revenues			19,239
5900	Federal Program Revenues	58,261	21,623	
<b>5020</b>	<b>Total Revenues</b>	<u>58,261</u>	<u>21,623</u>	<u>19,239</u>
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction		21,422	19,239
0012	Instructional Resources and Media Services			
0013	Curriculum and Instructional Staff Development			
0021	Instructional Leadership			
0023	School Leadership			
0031	Guidance, Counseling and Evaluation Services			
0032	Social work services			
0033	Health Services	58,261		
0034	Student Transportation			
0035	Food Services			
0036	Cocurricular/Extracurricular Activities			
0041	General Administration			
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services			
0061	Community Services			
0093	Payments related to shared services arrangements			
<b>6030</b>	<b>Total Expenditures</b>	<u>58,261</u>	<u>21,422</u>	<u>19,239</u>
1100	Excess (deficiency) of revenues over expenditures		<u>201</u>	
	<b>Other Financing Sources (Uses)</b>			
7912	Sale of real or personal property			
7915	Operating Transfers In			
	<b>Total Other Financing Sources (Uses)</b>			
1200	Net change in fund balances		201	
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>			
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<u>\$</u>	<u>\$ 201</u>	<u>\$</u>

<b>Advanced Placement Incentive</b>	<b>Instructional Materials Allotment</b>	<b>Read to Succeed</b>	<b>Campus Activity Funds</b>	<b>Education Foundation Awards</b>
\$ 46,350	\$ 2,631,378	\$ 240	\$ 3,579,721 1,420	\$ 123,398
<u>46,350</u>	<u>2,631,378</u>	<u>240</u>	<u>3,581,141</u>	<u>123,398</u>
	2,229,928	26	3,174,565	112,611
32,026			24,300	6,241
			1,351	4,666
				2,345
			2,820	
			224,116	
	325			
<u>32,026</u>	<u>2,230,253</u>	<u>26</u>	<u>3,427,152</u>	<u>125,863</u>
<u>14,324</u>	<u>401,125</u>	<u>214</u>	<u>153,989</u>	<u>(2,465)</u>
14,324	401,125	214	153,989	(2,465)
62,026		409	1,550,746	12,583
<u>\$ 76,350</u>	<u>\$ 401,125</u>	<u>\$ 623</u>	<u>\$ 1,704,735</u>	<u>\$ 10,118</u>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2015**

<b>Data Control Codes</b>		<b>Alternative PE</b>	<b>Misc. Grants</b>	<b>Misc. Donations</b>
	<b>Revenues</b>			
5700	Local and Intermediate Sources	\$	\$ 45,300	\$
5800	State Program Revenues		14,516	
5900	Federal Program Revenues			
<b>5020</b>	<b>Total Revenues</b>		<b>59,816</b>	
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction		53,957	497
0012	Instructional Resources and Media Services			
0013	Curriculum and Instructional Staff Development			
0021	Instructional Leadership			
0023	School Leadership			
0031	Guidance, Counseling and Evaluation Services			
0032	Social work services			
0033	Health Services			
0034	Student Transportation			
0035	Food Services			
0036	Cocurricular/Extracurricular Activities		1,289	1,320
0041	General Administration			
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services		2,152	
0061	Community Services		971	2
0093	Payments related to shared services arrangements			
<b>6030</b>	<b>Total Expenditures</b>		<b>58,369</b>	<b>1,819</b>
1100	Excess (deficiency) of revenues over expenditures		<b>1,447</b>	<b>(1,819)</b>
	<b>Other Financing Sources (Uses)</b>			
7912	Sale of real or personal property			
7915	Operating Transfers In	53,150		
	<b>Total Other Financing Sources (Uses)</b>	<b>53,150</b>		
1200	Net change in fund balances	53,150	1,447	(1,819)
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	<b>(53,150)</b>	<b>63</b>	<b>7,477</b>
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<b>\$</b>	<b>\$ 1,510</b>	<b>\$ 5,658</b>

<b>TCC Grant</b>	<b>Lockheed Martin Grant</b>	<b>iPad Summit</b>	<b>Total Nonmajor Governmental Funds</b>
\$	\$ 3,000	\$	\$ 10,209,689
			2,789,950
			16,668,675
	3,000		29,668,314
300			11,570,581
			22,243
			660,347
			74,507
			57,299
			2,292,273
			8,984
			583,464
			82,150
			14,389,899
			226,725
			325
			170,320
			2,152
			196,682
			107,216
300			30,445,167
(300)	3,000		(776,853)
			12,094
			53,150
			65,244
(300)	3,000		(711,609)
300			5,286,267
\$	\$ 3,000	\$	4,574,658

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS - NONMAJOR ENTERPRISE FUNDS**  
**August 31, 2015**

**Exhibit H-3**

	<b>Day Care Center</b>	<b>Natatorium</b>	<b>Adult Education</b>	<b>Business- type Activities Total</b>
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 167,509	\$ 1,306,682	\$ 2,362	\$ 1,476,553
Other receivables				
Inventories, at cost				
Other current assets				
<b>Total current assets</b>	<u>167,509</u>	<u>1,306,682</u>	<u>2,362</u>	<u>1,476,553</u>
<b>Total Assets</b>	<u>167,509</u>	<u>1,306,682</u>	<u>2,362</u>	<u>1,476,553</u>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable		1,396		1,396
Payroll taxes payable	187	527		714
Accrued wages payable	505	26,597	546	27,648
Due to other funds		39		39
<b>Total current liabilities</b>	<u>692</u>	<u>28,559</u>	<u>546</u>	<u>29,797</u>
<b>Net Position</b>				
Unrestricted net position	166,817	1,278,123	1,816	1,446,756
<b>Total Net Position</b>	<u>\$ 166,817</u>	<u>\$ 1,278,123</u>	<u>\$ 1,816</u>	<u>\$ 1,446,756</u>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS - NONMAJOR ENTERPRISE FUNDS**  
**August 31, 2015**

**Exhibit H-4**

	<b>Day Care Center</b>	<b>Natatorium</b>	<b>Adult Education</b>	<b>Business- type Activities Total</b>
<b>Operating Revenues</b>				
Local and Intermediate Sources	\$ 228,899	\$ 651,849	\$ 6,873	\$ 887,621
Donations				
<b>Total Operating Revenues</b>	<u>228,899</u>	<u>651,849</u>	<u>6,873</u>	<u>887,621</u>
<b>Operating Expenses</b>				
Payroll costs	163,063	351,793	2,686	517,542
Purchased and contracted services	12	20,006		20,018
Supplies and materials	4,422	26,151	2,371	32,944
Other operating costs	32,724	92,018		124,742
Interest expense				
Depreciation				
<b>Total operating expenses</b>	<u>200,221</u>	<u>489,968</u>	<u>5,057</u>	<u>695,246</u>
Operating income (loss)	<u>28,678</u>	<u>161,881</u>	<u>1,816</u>	<u>192,375</u>
<b>Change in Net Position</b>	28,678	161,881	1,816	192,375
<b>Net position - September 1 (beginning)</b>	<u>138,139</u>	<u>1,116,242</u>		<u>1,254,381</u>
<b>Net position - August 31 (ending)</b>	<u>\$ 166,817</u>	<u>\$ 1,278,123</u>	<u>\$ 1,816</u>	<u>1,446,756</u>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS - NONMAJOR ENTERPRISE FUNDS**  
**August 31, 2015**

**Exhibit H-5**

	<b>Day Care Center</b>	<b>Natatorium</b>	<b>Adult Education</b>	<b>Business- type Activities Total</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities:</b>				
Cash received from user charges	\$ 228,899	\$ 652,709	\$ 6,873	888,481
Cash payments to employees for services	(162,558)	(325,196)	(2,140)	(489,894)
Cash payments for contracted services	(12)	(20,006)		(20,018)
Cash payments for supplies	(4,422)	(24,906)	(2,371)	(31,699)
Cash payments for other expenses	(32,704)	(101,267)		(133,971)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>29,203</b>	<b>181,334</b>	<b>2,362</b>	<b>212,899</b>
 Net Increase (Decrease) in Cash and Cash Equivalents	 29,203	 181,334	 2,362	 212,899
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>138,306</b>	<b>1,125,348</b>		<b>1,263,654</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 167,509</b>	<b>\$ 1,306,682</b>	<b>\$ 2,362</b>	<b>\$ 1,476,553</b>
 <b>Reconciliation to Balance Sheet:</b>				
Cash and Cash Equivalents Per Cash Flow	167,509	\$ 1,306,682	2,362	1,476,553
Cash and Cash Equivalents per Balance Sheet	\$ 167,509	\$ 1,306,682	\$ 2,362	\$ 1,476,553
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	\$ 28,678	\$ 161,881	\$ 1,816	\$ 192,375
<b>Change in Assets and Liabilities:</b>				
Decrease (increase) in receivables		860		860
Increase (decrease) in accounts payable		1,245		1,245
Increase (decrease) in payroll taxes payable	187	527		714
Increase (decrease) in accrued wages payable	505	26,597	546	27,648
Increase (decrease) in due to other funds	(167)	(9,776)		(9,943)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 29,203</b>	<b>\$ 181,334</b>	<b>\$ 2,362</b>	<b>\$ 212,899</b>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**August 31, 2015**

**Exhibit H-6**

	<b>Balance</b> <b>September 1, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance</b> <b>August 31, 2015</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 760,569	\$ 9,092	\$	\$ 769,661
Other receivables		3,530		3,530
<b>Total Assets</b>	<u>\$ 760,569</u>	<u>\$ 12,622</u>	<u>\$</u>	<u>\$ 773,191</u>
<b>Liabilities</b>				
Due to student groups	\$ 760,569	\$ 2,425,767	\$ (2,413,145)	\$ 773,191
<b>Total liabilities</b>	<u>\$ 760,569</u>	<u>\$ 2,425,767</u>	<u>\$ (2,413,145)</u>	<u>\$ 773,191</u>



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# Required TEA Schedules



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MANSFIELD INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2015

		(1)	(2)	(3)
Last Ten Years		Tax Rates		Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2006	and prior years	Various	Various	Various
2007		1.287500	0.400000	6,896,362,253
2008		1.040000	0.410000	7,831,929,983
2009		1.040000	0.410000	8,012,638,378
2010		1.040000	0.410000	8,321,526,050
2011		1.040000	0.456000	8,574,290,921
2012		1.040000	0.456000	9,354,124,064
2013		1.040000	0.500000	8,828,749,026
2014		1.040000	0.487100	9,072,174,412
2015	(School year under audit)	1.040000	0.4871000	10,273,127,261
1000	TOTALS			

## EXHIBIT J-1

(10) Beginning Balance 9/1/2014	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2015
1,596,196	-	8,815	2,287	(1,499)	\$ 1,583,595
165,275	-	2,957	767	(44)	\$ 161,507
152,314	-	3,025	940	(38)	\$ 148,311
299,234	-	28,787	11,349	(989)	\$ 258,109
413,358	-	118,463	46,702	73,378	\$ 321,571
383,555	-	91,053	35,896	139,173	\$ 395,779
458,683	-	119,767	52,513	141,746	\$ 428,149
651,436	-	181,540	79,598	140,656	\$ 530,954
1,468,634		487,041	234,154	(15,831)	\$ 731,608
\$ -	154,744,727	104,334,640	48,866,734	3	\$ 1,543,356
<u>\$ 5,588,685</u>	<u>\$ 154,744,727</u>	<u>\$ 105,376,088</u>	<u>\$ 49,330,940</u>	<u>\$ 476,555</u>	<u>\$ 6,102,939</u>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - CHILD NUTRITION FUND**  
**For the Year Ended August 31, 2015**

**Exhibit J-2**

		Child Nutrition			
Data Control Codes		Original	Final	Actual Amounts, GAAP Basis	Variance with Final Budget - Positive (Negative)
Revenues					
5700	Local and intermediate sources	\$ 5,903,930	\$ 5,903,930	\$ 6,457,555	\$ 553,625
5800	State program revenues	83,200	83,200	76,242	(6,958)
5900	Federal program revenues	6,794,695	6,794,695	6,620,622	(174,073)
5020	Total revenues	12,781,825	12,781,825	13,154,419	372,594
Expenditures					
Current:					
0035	Food services	13,285,227	15,992,661	14,335,058	1,657,603
0051	Facilities maintenance and operations	1,251,406	906,175	170,320	735,855
6030	Total Expenditures	14,536,633	16,898,836	14,505,378	2,393,458
1100	Excess (deficiency) of revenues over expenc	(1,754,808)	(4,117,011)	(1,350,959)	2,766,052
Other Financing Sources (Uses)					
7912	Sale of real or personal property		12,094	12,094	-
7080	Total other financing sources and uses		12,094	12,094	
1200	Net change in fund balances	(1,754,808)	(4,104,917)	(1,338,865)	2,766,052
0100	Fund Balance - September 1 (Beginning)	3,705,813	3,705,813	3,705,813	-
3000	Fund Balance - August 31 (Ending)	\$ 1,951,005	\$ (399,104)	\$ 2,366,948	\$ 2,766,052

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - DEBT SERVICE FUND**  
**For the Year Ended August 31, 2015**

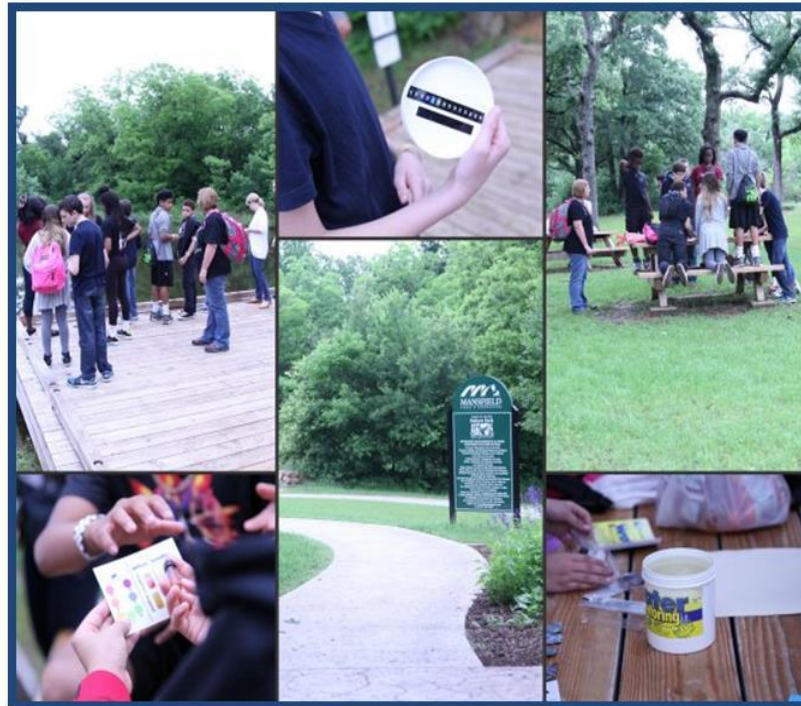
**Exhibit J-3**

**Debt Service**

<b>Data Control Codes</b>		<b>Original</b>	<b>Final</b>	<b>Actual Amounts, GAAP Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>					
5700	Local and intermediate sources	\$49,369,585	\$ 49,279,585	\$ 49,592,042	\$ 312,457
5800	State program revenues	6,827,231	6,827,231	8,533,889	1,706,658
5020	Total revenues	<u>56,196,816</u>	<u>56,106,816</u>	<u>58,125,931</u>	<u>2,019,115</u>
<b>Expenditures</b>					
<b>Current:</b>					
<b>Debt service:</b>					
0071	Principal on long-term debt	18,768,375	21,194,979	19,873,374	1,321,605
0072	Interest on long-term debt	35,789,199	33,314,292	34,665,959	(1,351,667)
0073	Bond issuance costs and fees	10,000	1,362,689	1,359,291	3,398
6030	Total Expenditures	<u>54,567,574</u>	<u>55,871,960</u>	<u>55,898,624</u>	<u>(26,664)</u>
1100	Excess (deficiency) of revenues over expendit	1,629,242	234,856	2,227,307	1,992,451
<b>Other Financing Sources (Uses)</b>					
7911	Refunding bonds issued		137,800,000	137,800,000	-
7916	Premium or discount on issuance of bonds		15,345,606	15,345,606	-
8949	Payment to Bond Refunding Escrow Agent		(153,100,391)	(153,100,387)	4
7080	<b>Total other financing sources and uses</b>		<u>45,215</u>	<u>45,219</u>	<u>4</u>
1200	Net change in fund balances	1,629,242	280,071	2,272,526	1,992,455
0100	Fund Balance - September 1 (Beginning)	<u>7,534,195</u>	<u>7,534,195</u>	<u>7,534,195</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 9,163,437</u>	<u>\$ 7,814,266</u>	<u>\$ 9,806,721</u>	<u>\$ 1,992,455</u>



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## Statistical Section

*Statistical Tables are used to provide detailed data on the physical, economic, social and political characteristics of a government. They are intended to provide financial report users with a broader and more complete understanding of the government and its financial affairs than it is possible from the basic financial statements.*

*The District's Statistical Tables usually cover ten fiscal years and often present data from outside the accounting records. The tables are unaudited due to the nature of the information contained therein.*

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## Statistical Section

The statistical section of the Mansfield Independent School District's Comprehensive Annual Financial Report presents detailed information (both of current and historical) as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and other supplementary information says about the District's economic condition and overall financial health. To assist financial statement users, this section is categorized as follows:

### **Financial Trends**

These schedules contain trend information to assist in understanding how the District's financial performance and position have changed over time.

### **Revenue Capacity**

These schedules contain information to help assess the factors affecting the District's most significant local revenue source, the property tax.

### **Debt Capacity**

These schedules present information to assist in assessing the affordability of the District's current debt burden and its ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to aid in understanding the socioeconomic environment in which the District operates and to facilitate comparisons over time.

### **Operating Information**

These schedules contain information about the District's operations and resources to assist in using the financial statement information to better understand and assess the District's economic condition.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ (43,045,743)	\$ (24,672,550)	\$ (12,080,569)	\$ (6,755,499)
Restricted	14,740,490	35,442,189	20,208,753	18,765,336
Unrestricted	41,629,583	68,608,559	89,988,349	103,720,882
<b>Total Governmental Activities Net Position</b>	<b><u>13,324,330</u></b>	<b><u>79,378,198</u> (1)</b>	<b><u>98,116,533</u></b>	<b><u>115,730,719</u></b>
<b>Business-Type Activities:</b>				
Unrestricted	1,446,756	1,254,381	1,068,149	874,251
<b>Total Business-Type Activities Net Position</b>	<b><u>1,446,756</u></b>	<b><u>1,254,381</u></b>	<b><u>1,068,149</u></b>	<b><u>874,251</u></b>
<b>Primary Government:</b>				
Net Investment in Capital Assets	(43,045,743)	(24,672,550)	(12,080,569)	(6,755,499)
Restricted	14,740,490	35,442,189	20,208,753	18,765,336
Unrestricted	43,076,339	69,862,940	91,056,498	104,595,133
<b>Total Primary Government Activities Net Position</b>	<b><u>\$ 14,771,086</u></b>	<b><u>\$ 80,632,579</u></b>	<b><u>\$ 99,184,682</u></b>	<b><u>\$ 116,604,970</u></b>

(1) Net position decreased after the effect of a prior period adjustment for bond issuance costs with the implementation of GASB 65 and an increase of current year activities primarily due to an increase in property tax collections.

Table 1

2011	2010	2009	2008	2007	2006
\$ (1,167,932)	\$ 2,753,827	\$ 9,753,562	\$ 15,982,154	\$ 13,767,614	\$ 23,937,249
13,249,799	17,244,725	14,369,220	13,511,636	11,695,292	10,014,949
103,320,172	93,408,667	94,191,642	80,247,815	65,194,668	35,288,949
<b>115,402,039</b>	<b>113,407,219</b>	<b>118,314,424</b>	<b>109,741,605</b>	<b>90,657,574</b>	<b>69,241,147</b>
768,686	653,627	512,418	306,751	117,797	28,522
<b>768,686</b>	<b>653,627</b>	<b>512,418</b>	<b>306,751</b>	<b>117,797</b>	<b>28,522</b>
(1,167,932)	2,753,827	9,753,562	15,982,154	13,767,614	23,937,249
13,249,799	17,244,725	14,369,220	13,511,636	11,695,292	10,014,949
104,088,858	94,062,294	94,704,060	80,554,566	65,312,465	35,317,471
<b>\$ 116,170,725</b>	<b>\$ 114,060,846</b>	<b>\$ 118,826,842</b>	<b>\$ 110,048,356</b>	<b>\$ 90,775,371</b>	<b>\$ 69,269,669</b>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	2015	2014	2013	2012
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$ 196,877,689	\$ 184,350,106	\$ 168,551,277	\$ 170,101,863
Instructional Resources and Media Services	5,148,254	5,006,141	4,909,866	4,487,952
Curriculum and Instructional Staff Development	3,009,627	3,018,380	2,730,568	2,537,353
Instructional Leadership	3,218,190	4,775,035	2,654,455	2,514,569
School Leadership	18,597,772	16,402,242	17,405,398	15,834,356
Guidance, Counseling, and Evaluation Services	11,310,609	10,648,255	10,150,159	9,581,037
Social Work Services	8,984	6,680	70,136	65,867
Health Services	4,681,032	4,398,982	4,103,746	3,700,939
Student Transportation	11,497,836	10,858,804	10,704,464	9,720,955
Food Services	16,105,884	16,202,321	16,038,738	13,888,854
Extracurricular Activities	9,789,023	9,647,359	9,428,187	8,250,483
General Administration	6,577,006	6,334,806	5,494,170	4,818,303
Plant Maintenance and Operations	28,269,616	29,335,643	24,887,716	23,972,101
Security and Monitoring Services	3,880,820	3,481,481	3,238,120	2,555,072
Data Processing Services	3,623,084	4,375,949	3,598,745	2,983,474
Community Services	380,162	304,351	228,789	155,257
Interest on Long-term Debt	35,612,988	31,118,938	29,316,634	31,399,229
Bond Issuance Costs and Fees	-	-	(1)	-
Facilities Acquisition and Construction	-	-	-	93,949
Payments to Shared Services Arrangements	107,216	82,725	105,000	112,500
Payments to Juvenile Justice Alternative Ed. Program	-	19,173	35,625	21,000
Other Intergovernmental Charges	900,491	947,074	997,230	900,040
<b>Total Governmental Activities Expenses</b>	<b>359,596,283</b>	<b>341,314,445</b>	<b>314,649,023</b>	<b>307,695,153</b>
Business-Type Activities:				
Day Care	200,221	200,754	169,076	180,976
Natatorium	489,968	435,715	343,419	287,078
Adult Education	5,057	-	-	-
<b>Total Business-Type Expenses</b>	<b>695,246</b>	<b>636,469</b>	<b>512,495</b>	<b>468,054</b>
<b>Total Primary Government Expenses</b>	<b>360,291,529</b>	<b>341,950,914</b>	<b>315,161,518</b>	<b>308,163,207</b>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Instruction	195,506	247,111	3,964,368	306,423
Food Services	6,458,270	6,047,179	5,873,890	5,921,093
Extracurricular Activities	870,908	758,176	1,001,593	785,728
Other Activities	-	492,160	1,429,768	630,649
Operating Grants and Contributions	19,628,903	24,085,575	36,894,601	51,973,150
<b>Total Governmental Activities Program Revenues</b>	<b>27,153,587</b>	<b>31,630,201</b>	<b>49,164,220</b>	<b>59,617,043</b>
Business-Type Activities:				
Charges for Services:				
Day Care	228,899	205,860	190,476	180,633
Natatorium	651,849	616,841	515,917	402,480
Adult Education	6,873	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>887,621</b>	<b>822,701</b>	<b>706,393</b>	<b>583,113</b>
<b>Total Primary Government Revenues</b>	<b>28,041,208</b>	<b>32,452,902</b>	<b>49,870,613</b>	<b>60,200,156</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(332,442,696)	(309,684,244)	(265,484,803)	(248,078,110)
Business-Type Activities	192,375	186,232	193,898	115,059
<b>Total Primary Government Net Expense</b>	<b>\$ (332,250,321)</b>	<b>\$ (309,498,012)</b>	<b>\$ (265,290,905)</b>	<b>\$ (247,963,051)</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 106,539,695	\$ 102,097,705	\$ 97,232,201	\$ 97,735,195
Property Taxes, Levied for Debt Service	49,592,042	46,597,824	46,889,675	42,678,614
State-aid Formula Grants Not Restricted	148,589,830	134,382,711	107,413,121	105,197,068
Investment Earnings	140,319	431,042	459,186	1,694,908
Grants and Contributions Not Restricted to Specific Programs	-	2,966,262	623,107	23,179
Gain on Sale of Capital Assets	208,276	145,734	-	-
Miscellaneous	8,978,765	4,324,631	995,376	384,920
<b>Total Primary Government General Revenues</b>	<b>314,048,927</b>	<b>290,945,909</b>	<b>253,612,666</b>	<b>247,713,884</b>
<b>Change in Net Position - Total Primary Government</b>	<b>\$ (18,201,394)</b>	<b>\$ (18,552,103)</b>	<b>\$ (11,678,239)</b>	<b>\$ (249,167)</b>

(1) The District implemented GASB 65 which requires bond issuance costs and fees to be expensed in the current period rather than capitalized and amortized.

Table 2

2011	2010	2009	2008	2007	2006
\$ 163,272,516	\$ 150,057,613	\$ 135,516,619	\$ 118,760,250	\$ 108,159,386	\$ 98,520,031
4,418,426	4,031,093	3,702,772	3,746,113	2,938,673	2,655,597
2,934,834	2,387,118	2,418,015	2,550,473	2,101,693	1,551,717
2,403,080	2,002,363	1,827,040	1,645,236	1,644,198	1,515,561
15,646,416	14,382,678	16,176,022	15,079,181	12,988,034	11,722,706
9,237,209	8,946,235	7,833,097	6,685,272	6,251,689	5,693,197
64,763	62,476	59,722	-	-	-
3,642,173	3,241,021	3,052,568	2,577,899	2,262,622	1,981,895
9,101,290	7,983,672	7,235,427	6,162,455	5,186,853	4,377,859
13,613,046	12,449,256	11,387,701	10,092,907	9,114,489	7,712,525
8,284,147	7,980,978	7,505,036	6,695,046	4,428,243	4,330,073
4,407,044	4,316,196	4,363,211	4,225,047	3,834,351	3,544,630
23,350,908	21,646,664	23,661,508	19,731,930	17,448,738	16,084,667
2,564,195	2,334,253	2,124,971	1,711,638	1,465,348	1,314,240
3,877,101	2,165,964	1,751,777	1,521,952	1,400,922	1,280,561
233,572	197,786	196,613	183,725	174,678	167,110
30,614,760	33,053,653	29,991,212	26,777,679	22,944,117	15,795,741
-	-	-	-	-	-
37,097	69,705	144,760	-	-	-
-	-	-	-	-	-
127,884	171,933	164,834	101,026	109,082	74,682
869,244	931,441	-	-	-	-
<u>298,699,705</u>	<u>278,412,098</u>	<u>259,112,905</u>	<u>228,247,829</u>	<u>202,453,116</u>	<u>178,322,792</u>
196,526	179,799	170,702	133,025	86,444	-
277,898	220,585	166,520	86,776	8,190	-
<u>474,424</u>	<u>400,384</u>	<u>337,222</u>	<u>219,801</u>	<u>94,634</u>	<u>-</u>
<u><u>299,174,129</u></u>	<u><u>278,812,482</u></u>	<u><u>259,450,127</u></u>	<u><u>228,467,630</u></u>	<u><u>202,547,750</u></u>	<u><u>178,322,792</u></u>
3,540,000	4,164,085	537,739	1,317,304	460,013	507,252
5,750,929	5,533,108	5,340,554	4,681,802	4,313,705	4,013,254
881,800	847,782	696,727	715,130	497,512	526,475
442,405	500,741	3,659,880	3,340,749	3,088,956	2,804,139
45,723,842	40,754,158	36,395,859	34,889,444	34,175,153	25,673,852
<u>56,338,976</u>	<u>51,799,874</u>	<u>46,630,759</u>	<u>44,944,429</u>	<u>42,535,339</u>	<u>33,524,972</u>
213,504	208,968	213,727	149,752	63,156	-
402,129	397,083	312,449	159,324	-	-
<u>615,633</u>	<u>606,051</u>	<u>526,176</u>	<u>309,076</u>	<u>63,156</u>	<u>-</u>
<u><u>56,954,609</u></u>	<u><u>52,405,925</u></u>	<u><u>47,156,935</u></u>	<u><u>45,253,505</u></u>	<u><u>42,598,495</u></u>	<u><u>33,524,972</u></u>
(242,360,729)	(226,612,224)	(212,482,146)	(183,303,400)	(159,917,777)	(144,797,820)
141,209	205,667	188,954	89,275	(31,478)	-
<u>\$ (242,219,520)</u>	<u>\$ (226,406,557)</u>	<u>\$ (212,293,192)</u>	<u>\$ (183,214,125)</u>	<u>\$ (159,949,255)</u>	<u>\$ (144,797,820)</u>
<u><u>\$ (242,219,520)</u></u>	<u><u>\$ (226,406,557)</u></u>	<u><u>\$ (212,293,192)</u></u>	<u><u>\$ (183,214,125)</u></u>	<u><u>\$ (159,949,255)</u></u>	<u><u>\$ (144,797,820)</u></u>



**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>	<u>2012 (1)</u>
<b>General Fund (2)</b>				
Non-Spendable	\$ 1,441,526	\$ 1,228,365	\$ 1,634,056	\$ 276,912
Restricted	2,256,713	2,680,838	-	
Committed	2,752,666	14,492,082 (3)	9,015,355	9,015,355
Assigned				15,760,810
Unassigned	78,726,760	70,952,391	85,164,360	75,273,604
Reserved				
Unreserved				
<b>Total General Fund</b>	<b>\$ <u>85,177,665</u></b>	<b>\$ <u>89,353,676</u></b>	<b>\$ <u>95,813,771</u></b>	<b>\$ <u>100,326,681</u></b>
<b>All Other Governmental Funds (2)</b>				
Non-spendable	\$ 112,248	\$ -	\$ 133,276	\$ 153,184
Restricted	86,752,970	30,633,371 (4)	58,227,625	100,139,764
Committed	1,704,735	1,550,746	1,547,303	1,557,317
Reserved (5)				
<b>Total All Other Governmental Fun</b>	<b>\$ <u>88,569,953</u></b>	<b>\$ <u>32,184,117</u></b>	<b>\$ <u>59,908,204</u></b>	<b>\$ <u>101,850,265</u></b>

- (1) Beginning with fiscal year 2011, GASB Statement No. 54 provides more clearly defined fund balance categories
- (2) The increases/decreases in fund balances are explained in the governmental funds section of the Management Discussion and Analysis on page 22.
- (3) Budget deficits are expected to decrease.
- (4) The decrease is mostly due to ongoing construction renovation projects.
- (5) The fluctuations were primarily due to the outlay of bond proceeds for capital projects.

Table 3

<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
276,973	\$ 185,449	\$ 330,379	\$ 255,926	\$ 275,404	\$ 207,238
8,684,545	13,738,295	7,997,256	7,595,774	7,229,925	2,205,597
18,671,663					
69,089,777	73,477,462	79,219,128	69,083,321	56,861,074	40,917,314
<u><u>96,722,958</u></u>	<u><u>\$ 87,401,206</u></u>	<u><u>\$ 87,546,763</u></u>	<u><u>\$ 76,935,021</u></u>	<u><u>\$ 64,366,403</u></u>	<u><u>\$ 43,330,149</u></u>
102,248,735	\$ 129,911,633	\$ 154,622,165	\$ 202,184,627	\$ 156,844,688	\$ 114,284,360
<u><u>102,248,735</u></u>	<u><u>\$ 129,911,633</u></u>	<u><u>\$ 154,622,165</u></u>	<u><u>\$ 202,184,627</u></u>	<u><u>\$ 156,844,688</u></u>	<u><u>\$ 114,284,360</u></u>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>REVENUES</b>				
Local, Intermediate, and Out-of-State	\$ 168,197,410	\$ 158,146,630	\$ 158,483,450	\$ 155,885,508
State Programs	152,278,641	144,170,156 (5)	126,637,360	123,391,236
Federal Programs	19,987,508	18,898,563	18,062,643	21,481,940
Total Revenues	<u>340,463,559</u>	<u>321,215,349</u>	<u>303,183,453</u>	<u>300,758,684</u>
<b>EXPENDITURES</b>				
Current:				
Instruction (1)	175,056,421	161,579,109	146,559,762	146,704,735
Instructional Resources and Media Services	3,435,626	3,438,158	3,354,269	3,256,185
Curriculum and Instructional Staff Development	2,988,473	2,983,656	2,730,568	2,698,109
Instructional Leadership	3,082,949	2,958,950	2,620,334	2,539,799
School Leadership	16,593,876	16,061,943	15,651,388	14,622,732
Guidance, Counseling, and Evaluation Services	10,943,605	10,648,255	9,831,715	9,121,194
Social Work Services	8,984	6,680	70,136	71,347
Health Services	4,451,099	4,207,998	3,917,708	3,699,367
Student Transportation	10,373,005	9,544,679	9,004,086	9,681,755
Food Services	14,429,272	14,643,714	13,900,246	11,863,085
Extracurricular Activities	7,867,327	7,890,071	7,672,871	6,689,229
General Administration	6,342,689	6,177,914	5,260,278	4,671,210
Plant Maintenance and Operations	29,102,852	28,143,666	25,550,889	23,256,887
Security and Monitoring Services	3,798,142	3,778,148	3,268,530	2,685,817
Data Processing Services	3,745,902	4,474,275	3,262,360	4,140,458
Community Services	399,782	304,351	228,789	119,593
Debt Service: (2)				
Principal on Long-term Debt	19,873,374	21,011,589	25,015,000	15,928,467
Interest on Long-term Debt	34,665,959	33,306,740	29,541,743	33,722,505
Bond Issuance Costs and Fees	2,304,717	518,202	1,929,685	794,018
Capital Outlay:				
Facilities Acquisition and Construction (3)	43,890,091	74,478,173	41,268,635	53,921,623
Intergovernmental:				
Payments to Shared Services Arrangements	107,216	82,725	105,000	127,500
Payments to Juvenile Justice Alternative Education	-	19,173	35,625	53,500
Other Intergovernmental Charges (4)	900,491	947,074	997,230	968,689
Total Expenditures	<u>394,361,852</u>	<u>407,205,243</u>	<u>351,776,847</u>	<u>351,337,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(53,898,293)</u>	<u>(85,989,894)</u>	<u>(48,593,394)</u>	<u>(50,579,120)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Capital-Related Bonds	90,435,000	49,355,000		
Issuance of Refunding Bonds	137,800,000		201,740,000	
Premium/Discount from Issuance of Bonds	24,394,918	1,157,050	31,429,056	11,134,466
Sale of Real and Personal Property	257,120	145,734	175,719	80,803
Loan/Lease Proceeds	5,434,140		-	50,000,000
Insurance Proceeds			-	58,190,000
Special Item - oil and gas royalties	928,327	1,143,109		
Other Resources	-	4,819	18,726	
Transfers In	53,150			584,500
Transfers Out	(53,150)			(584,500)
Payment to Refunded Bond Escrow Agent	(153,100,387)		#####	(67,479,593)
Other Uses	(41,000)	-	-	-
Total Other Financing Sources (Uses)	<u>106,108,118</u>	<u>51,805,712</u>	<u>2,138,423</u>	<u>51,925,676</u>
<b>EXTRAORDINARY ITEM</b>				
Insurance Proceeds for Fire Damages	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ <u>52,209,825</u></b>	<b>\$ <u>(34,184,182)</u></b>	<b>\$ <u>(46,454,971)</u></b>	<b>\$ <u>1,346,556</u></b>
<b>Debt Service as a Percentage of Noncapital Expe</b>	<b>15.76%</b>	<b>16.43%</b>	<b>17.70%</b>	<b>20.06%</b>

- (1) Expenditures for instruction have risen over the past ten years due to fast student growth.  
(2) Noncapital expenditures consist of total expenditures less capital outlays noted in the reconciliation of governmental funds to governmental activities. Debt service includes principal and interest only.  
(3) Fluctuations are due to changes in annual construction contracts.  
(4) Due to a change in Texas coding requirements, other intergovernmental charges includes Tarrant County tax appraisal fees which were recorded in general administration in prior years.  
(5) Increase is due to an increase in students resulting in additional state aid.

Table 4

2011	2010	2009	2008	2007	2006
\$ 150,949,495	\$ 149,869,587	\$ 145,999,234	\$ 138,178,356	\$ 143,903,963	\$ 125,428,541
130,078,101	119,578,422	123,816,649	126,837,436	98,475,684	75,298,345
26,885,791	24,335,291	15,581,495	11,496,168	10,276,112	10,906,659
<u>307,913,387</u>	<u>293,783,300</u>	<u>285,397,378</u>	<u>276,511,960</u>	<u>252,655,759</u>	<u>211,633,545</u>
152,297,294	145,746,962	133,894,331	119,956,811	105,327,398	96,371,503
3,183,395	3,139,000	2,885,878	2,589,716	2,931,845	2,119,800
2,535,935	2,933,416	2,384,183	2,414,942	2,555,202	2,100,038
2,480,448	2,368,959	1,968,242	1,792,919	1,611,115	1,610,077
14,432,664	14,274,401	13,110,289	14,998,055	14,034,743	12,065,484
9,330,377	8,991,462	8,713,965	7,607,895	6,498,787	6,084,630
65,867	64,763	62,476	59,722		
3,543,459	3,489,049	3,097,217	2,914,308	2,454,941	2,152,967
9,585,763	9,683,749	7,574,703	12,769,502	8,134,025	5,205,418
11,599,797	11,439,137	10,343,778	9,581,138	8,348,935	7,568,994
6,469,586	6,499,619	6,162,963	5,805,559	5,187,215	4,260,065
4,582,982	4,171,723	4,080,875	4,167,767	3,996,611	3,606,648
23,603,548	22,971,553	21,242,119	23,461,662	19,511,045	17,171,844
2,611,565	2,534,475	2,223,533	2,115,985	1,730,064	1,439,035
2,933,737	4,933,357	2,209,573	1,704,213	1,512,689	1,339,072
155,257	233,572	197,235	188,527	175,639	166,592
19,946,514	16,827,892	13,991,906	12,487,069	9,976,913	9,270,433
33,932,523	33,090,112	34,081,381	31,190,661	29,952,365	24,851,615
781,908					
74,446,945	25,645,000	53,283,148	43,486,470	41,297,263	107,703,799
112,500	127,884	171,933	164,834	101,026	109,082
21,000					
900,040	869,244	931,441		-	-
<u>379,553,104</u>	<u>320,035,329</u>	<u>322,611,169</u>	<u>299,457,755</u>	<u>265,337,821</u>	<u>305,197,096</u>
<u>(71,639,717)</u>	<u>(26,252,029)</u>	<u>(37,213,791)</u>	<u>(22,945,795)</u>	<u>(12,682,062)</u>	<u>(93,563,551)</u>
4,327,968	16,084,926		840,659	6,131,134	2,250,600
44,409	16,790	11,009	13,693	15,695	8,310
58,725,000	-	-	80,000,000	72,070,000	98,830,000
-	130,065,000			47,349,979	
-					
262,974	8,027,726	2,000,000	400	1,974	
(262,974)	(8,027,726)	(2,000,000)	(400)	(1,974)	(60,000)
(9,783,003)	(144,770,776)			(49,288,164)	
(15,803)	-	-	-	-	-
<u>53,298,571</u>	<u>1,395,940</u>	<u>11,009</u>	<u>80,854,352</u>	<u>76,278,644</u>	<u>101,028,910</u>
-	-	252,062	-	-	-
<u>\$ (18,341,146)</u>	<u>\$ (24,856,089)</u>	<u>\$ (36,950,720)</u>	<u>\$ 57,908,557</u>	<u>\$ 63,596,582</u>	<u>\$ 7,465,359</u>
19.00%	22.99%	19.79%	16.52%	19.98%	14.10%

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

**Table 5**

<b>Fiscal Year Ended 8/31:</b>	<b>Assessed and Actual Value</b>			<b>Total Assessed and Actual Value</b>	<b>Total Direct Rate (2)</b>
	<b>Real Property Value (1)</b>	<b>Personal Property Value (1)</b>	<b>Less: Exemptions</b>		
2015	\$ 11,072,058,335	\$ 1,160,847,343	\$ (1,959,778,417)	\$ 10,273,127,261	\$ 1.5271
2014	10,670,634,595	98,237,212	(1,696,697,395)	9,072,174,412	1.5271
2013	9,280,227,979	93,492,044	(544,970,997)	8,828,749,026	1.5000
2012	9,338,974,160	932,382,648	(917,232,744)	9,354,124,064	1.4960
2011	9,044,245,282	893,509,026	(1,363,464,017)	8,574,290,291	1.4960
2010	9,148,313,874	1,045,174,715	(1,871,962,529)	8,321,526,060	1.4500
2009	8,627,164,728	1,042,942,282	(1,657,468,632)	8,012,638,378	1.4500
2008	7,582,896,099	955,689,971	(706,656,087)	7,831,929,983	1.4500
2007	7,465,837,764	660,406,061	(1,229,881,572)	6,896,362,253	1.6875
2006	6,624,864,263	618,940,664	(1,205,773,723)	6,038,031,204	1.7720

- (1) The value is the appraised value at original certification and fluctuates due to property owner protests and prelim appraisal values at the time of certification.  
(2) Tax Rates are per \$100 of assessed value.

Source: Tarrant County (Texas) Appraisal District annually provides the District's tax office with appraised values for properties within the District's taxing authority. Appraised value equals actual value. Actual value less exemptions equals taxable value. Taxable value times the tax rate set by the District's Board of Trustees each fall equal the tax levy. The term "assessed value" means taxable value.

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**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(PER \$100 OF ASSESSED VALUE)**

<u>Taxing Authority</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><u>Overlapping Rates:</u></b>				
City of Arlington	\$ 0.6480	\$ 0.6480	\$ 0.6480	\$ 0.6480
City of Fort Worth	0.8550	0.8550	0.8550	0.8550
City of Grand Prairie	0.6700	0.6700	0.6700	0.6700
City of Mansfield	0.7100	0.7100	0.7100	0.7500
Tarrant County (2)	0.7414	0.7414	0.7249	0.7249
Johnson County	0.4450	0.4450	0.4202	0.3822
Total Other Entities	<u>\$ 4.0694</u>	<u>\$ 4.0694</u>	<u>\$ 4.0280</u>	<u>\$ 4.0301</u>
<b><u>District Direct Rates (1):</u></b>				
Maintenance & Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.4871	0.4871	0.5000	0.4560
<b>Total District Direct Rates</b>	<u><b>\$ 1.5271</b></u>	<u><b>\$ 1.5271</b></u>	<u><b>\$ 1.5400</b></u>	<u><b>\$ 1.4960</b></u>

- (1) The District voted its maintenance tax under former Article 2784e-1 which provided for a maximum rate of \$1.50 per \$100 assessed valuation. Effective with the 2006-07 fiscal year, State legislation limits the rate to the sum of the product of the "state compression percentage" multiplied by \$1.50 plus \$0.17 (contingent on the amount of the rate). Section 45.003(b)(1) of the Texas Education Code provides for an unlimited tax rate for debt service to the extent of the ability to pay standards as outlined in Chapter 45 of the Texas Education Code.
- (2) Includes Tarrant County, Tarrant County College, Tarrant Regional Water District, JPS Health Network, and the City of Fort Worth.
- Source: Guide to Taxing Units - Tarrant County, Texas

**Table 6**

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 0.6480	\$ 0.6480	\$ 0.6480	\$ 0.6480	\$ 0.6480	\$ 0.6480
0.8550	0.8550	0.8550	0.8550	0.8600	0.8650
0.6700	0.6700	0.6700	0.6700	0.6700	0.6700
0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
0.7135	0.7136	0.7139	0.7203	0.7353	0.7366
0.3795	0.3795	0.3534	0.3595	0.4098	0.4218
<u>\$ 4.0160</u>	<u>\$ 4.0161</u>	<u>\$ 3.9903</u>	<u>\$ 4.0028</u>	<u>\$ 4.0731</u>	<u>\$ 4.0914</u>
\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.2875	\$ 1.4070
0.4560	0.4100	0.4100	0.4100	0.4000	0.3650
<u>\$ 1.4960</u>	<u>\$ 1.4500</u>	<u>\$ 1.4500</u>	<u>\$ 1.4500</u>	<u>\$ 1.6875</u>	<u>\$ 1.7720</u>



**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

**Table 7**

Taxpayer	2015			2006		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Mouser Electronics Inc.	232,390,127	1	2.56%	-	-	-
XTO Energy Inc.	110,529,279	2	1.22%	-	-	-
Oncor Electric Delivery Comp	84,197,414	3	0.93%	-	-	-
DFW Midstream Services LLC	49,749,930	4	0.55%	-	-	-
Mid-America Apartments LP	55,480,000	5	0.61%	-	-	-
Mansfield KDC II & III LP	65,196,357	6	0.72%	-	-	-
Advenir-Mansfield LLC	37,476,000	7	0.41%	-	-	-
Wal Mart Stores, Inc.	56,309,305	8	0.62%	51,769,913	2	0.78%
Chesapeake Operating (WI)	37,504,370	9	0.41%	-	-	-
KIMCO Weber Lake Prairie Tr	32,841,335	10	0.36%	-	-	-
TXU Electric Delivery Compar	-	-	-	72,164,371	1	1.08%
Mansfield KDC, LP	-	-	-	26,113,710	3	0.39%
Solvay Engineered Polymers	-	-	-	22,874,888	4	0.34%
Pier One Imports, Inc.	-	-	-	19,945,654	5	0.30%
Southwestern Bell	-	-	-	18,174,811	6	0.27%
F S Town Crossing LP Etal	-	-	-	17,579,831	7	0.26%
Spyglass of Mansfield	-	-	-	17,337,969	8	0.26%
Target Corp	-	-	-	16,898,370	9	0.25%
Manfield Commons, LTD	-	-	-	16,383,475	10	0.25%
<b>TOTALS</b>	<b>\$ 761,674,117</b>		<b>8.40%</b>	<b>\$ 279,242,992</b>		<b>4.38%</b>

(1) Assessed (taxable) value equals appraised value after exemptions.

(2) Total assessed value equals: \$ 10,273,127,261

(3) Total assessed value equals: \$ 6,664,503,281

Source: Tarrant County (Texas) and Central Appraisal District.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

**Table 8**

<b>Fiscal Year Ended 8/31:</b>	<b>Net Tax Levy For The Fiscal Year (1)</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Net Tax Levy</b>		<b>Amount</b>	<b>Percent of Total Tax Collections to Net Tax Levy</b>
2015	\$ 154,744,727	\$ 153,201,374	99.00%	\$ -	\$ 153,201,374	99.00%
2014	145,270,362	143,801,664	98.99%	721,195	144,522,859	99.49%
2013	143,585,117	142,201,209	99.04%	937,808	143,139,017	99.69%
2012	139,937,696	138,328,256	98.85%	1,092,141	139,420,397	99.63%
2011	135,785,731	134,310,039	98.91%	984,887	135,294,926	99.64%
2010	135,013,066	132,807,047	98.37%	1,859,264	134,666,311	99.74%
2009	128,357,289	125,625,216	97.87%	2,454,674	128,079,890	99.78%
2008	113,442,010	111,118,257	97.95%	2,133,134	113,251,391	99.83%
2007	116,799,359	113,825,706	97.45%	2,791,663	116,617,369	99.84%
2006	107,631,973	104,764,183	97.34%	2,680,529	107,444,712	99.83%

(1) Appraised value less exemptions equals taxable value. The beginning taxable value net of adjustments times the tax rate set each fall by the District's Board of Trustees equals the total net tax levy. The net tax levy for prior years reflects ongoing adjustments applied to that year's tax levy.

Source: Tarrant County (Texas) Appraisal District provides the District's tax office with appraised values for properties within the District's taxing authority.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

**Table 9**

<b>Fiscal Year Ended 8/31:</b>	<b>Governmental Activities</b>		<b>Total Primary Government</b>	<b>Ratio of Debt to Assessed Value (2)</b>	<b>Debt Per Student (3)</b>
	<b>General Obligation Bonds (1)</b>	<b>Leases Payable (1)</b>			
2015	\$ 788,320,000	\$ 5,434,140	\$ 793,754,140	7.73%	\$ 25,399
2014	\$ 740,529,963	\$ -	\$ 740,529,963	8.16%	\$ 23,695
2013	691,174,962	-	691,174,962	7.83%	22,149
2012	724,279,962	-	724,279,962	7.74%	23,413
2011	696,013,429	-	696,013,429	8.12%	22,783
2010	666,804,943	-	666,804,943	8.01%	22,331
2009	687,857,835	-	687,857,835	8.58%	23,683
2008	701,849,741	-	701,849,741	8.96%	25,184
2007	634,336,810	-	634,336,810	9.20%	23,912
2006	572,243,744	-	572,243,744	9.48%	23,495

- (1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements  
Outstanding debt is presented at par value which excludes accreted interest and premiums.
- (2) See Table 5 for assessed value data.
- (3) See Table 16 for student enrollment data.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT****Table 10****RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended 8/31:</u>	<u>General Obligation Bonds (1)</u>	<u>Less Amounts Available in Debt Service Fund (4)</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value (2)</u>	<u>Net Bonded Debt Per Student (3)</u>
2015	\$ 788,320,000	\$ 9,806,721	\$ 778,513,279	7.58%	24,531
2014	\$ 740,529,963	\$ 7,534,195	\$ 732,995,768	8.08%	23,454
2013	691,174,962	8,431,807	682,743,155	7.73%	21,878
2012	724,279,962	8,870,666	715,409,296	7.65%	23,127
2011	696,013,429	7,559,801	688,453,628	8.03%	22,535
2010	666,804,943	13,584,642	653,220,301	7.85%	21,876
2009	687,857,835	11,539,117	676,318,718	8.44%	23,286
2008	701,849,741	10,123,053	691,726,688	8.83%	24,821
2007	634,336,810	9,022,740	625,314,070	9.07%	23,572
2006	572,243,744	7,685,187	564,558,557	9.35%	23,179

(1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt is presented at par value which excludes accreted interest and premiums.

(2) See Table 5 for assessed value data.

(3) See Table 16 for student enrollment data.

(4) This is the amount restricted for debt service payments on general obligation bonds in the governmental fund financial statements.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT****Table 11**

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)*  
*AS OF AUGUST 31, 2015*

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to School District</u>
<b><u>Overlapping:</u></b>			
City of Arlington	\$ 355,615,000	13.82%	\$ 49,145,993
City of Fort Worth	715,565,000	0.00% (4)	-
City of Kennedale	14,470,000	4.83%	698,901
City of Mansfield	94,200,000	93.71%	88,274,820
City of Grand Prairie	219,610,000	10.10%	22,180,610
Johnson County	13,081,322	4.47%	584,735
Tarrant County (2)	341,260,000	6.93%	23,649,318
Total Overlapping Debt			<u>187,976,919</u>
<b><u>Direct:</u></b>			
Mansfield Independent School District (3)	793,754,140	100.0%	<u>793,754,140</u>
<b>TOTAL OVERLAPPING AND DIRECT DEBT</b>			<b>\$ <u>981,731,059</u></b>

Ratio of Total Overlapping Debt and Direct Debt to Assessed Value for Fiscal Year Ended August 31, 2013 ( **8.37%**

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.  
The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

\$ 11,734,906,867

(2) Tarrant County includes Tarrant County, Tarrant County College and JPS Health Network

(3) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt is presented at par value which excludes accreted interest and premiums.

(4) Less than 0.01%

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**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION (1)**  
**LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 1,027,312,726	\$ 907,217,441	\$ 882,874,903	\$ 935,412,406	\$ 857,429,029
Total Net Debt Applicable to Limit	<u>778,513,279</u>	<u>732,995,768</u>	<u>682,743,355</u>	<u>715,409,296</u>	<u>688,453,628</u>
Legal Debt Margin	<u>\$ 248,799,447</u>	<u>\$ 174,221,673</u>	<u>\$ 200,131,548</u>	<u>\$ 220,003,110</u>	<u>\$ 168,975,401</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	75.78%	80.80%	77.33%	76.48%	80.29%

**Legal Debt Margin Calculation for Fiscal Year 2014:**

Assessed Value (2)	\$ 10,273,127,261
Debt Limit Percentage of Assessed Value	10%
Debt Limitation	<u>1,027,312,726</u>
Debt Applicable to Debt Limitation:	
Total Bonded Debt	\$ 788,320,000
Less Restricted for Retirement of Bonded Debt (3)	<u>9,806,721</u>
Total Amount of Debt Applicable to Debt Limitation	<u>778,513,279</u>
	<u>\$ 248,799,447</u>

- (1) The District voted its maintenance tax under former Article 2784e-1, which provided that the net bonded indebtedness of the District shall not exceed 10% of all assessed real and personal property in the District.  
(2) See Table 5.  
(3) See Restricted for long-term debt at the fund level.

**Table 12**

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 832,152,606	\$ 801,263,838	\$ 783,192,998	\$ 689,636,225	\$ 603,803,120
<u>653,220,301</u>	<u>676,318,718</u>	<u>691,726,688</u>	<u>625,314,070</u>	<u>564,558,557</u>
<u>\$ 178,932,305</u>	<u>\$ 124,945,120</u>	<u>\$ 91,466,310</u>	<u>\$ 64,322,155</u>	<u>\$ 39,244,563</u>
78.50%	84.41%	88.32%	90.67%	93.50%



**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

**Table 13**

<b>Fiscal Year Ended 8/31:</b>	<b>Residential Units (1)</b>	<b>Total Assessed Value of Residential Units (1)</b>	<b>Average Assessed Value per Residential Unit</b>	<b>Personal Income (amounts expressed in thousands) (4)</b>	<b>Per Capita Personal Income</b>	<b>Average Daily Attendance (2)</b>	<b>Unemployment Rate (3)</b>
2015	46,858	\$ 7,398,513,630	\$ 157,892	(5)	\$ 34,795	31,736	3.9%
2014	46,641	7,562,334,234	162,139	1,890,450	31,917	31,252	4.9%
2013	46,243	6,532,102,347	141,256	1,717,276	29,554	31,206	5.3%
2012	46,095	6,299,029,609	136,653	1,704,065	29,639	30,934	6.0%
2011	45,968	6,212,641,445	135,151	1,505,296	26,478	30,550	6.5%
2010	46,022	6,131,245,747	133,224	1,492,534	26,478	29,860	7.1%
2009	45,947	6,309,569,629	137,323	1,481,466	26,478	29,044	7.2%
2008	45,856	6,297,049,800	137,322	1,576,745	29,638	27,869	4.4%
2007	47,053	6,024,322,275	128,033	1,520,433	29,638	26,528	3.9%
2006	46,569	7,463,017,687	160,257	1,443,825	29,466	24,356	3.8%

(1) Source: Tarrant County (Texas) Appraisal District.

(2) Source: Texas Education Agency Summary of Finances Report.

(3) Source: TRACER of Texas Workforce Commission; Unemployment rate is for Tarrant County.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

**Table 14**

Employer	2015			2006		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Mansfield Independent School Distr	4228	1	13.68%	2089	1	10.48%
Mouser Electronics	1300	2		275	5	
Methodist Mansfield	735	3	2.38%	-	-	0.00%
City of Mansfield, Texas	524	4	1.70%	435	2	2.18%
Walmart	400	5	1.29%	400	3	-
Target	250	6	0.81%	-	-	-
Lifetime Fitness	200	7	0.65%	-	-	-
SJ Louis Construction Company	200	7	0.65%	-	-	-
Tarrant County	199	8	0.64%	-	-	-
Walnut Creek Country Club	190	9	0.61%	-	-	-
SJ Louis Construction Company	180	10	0.58%	-	-	0.80%
Trinity Forge	180	10	0.58%	143	7	-
Simeus Foods	-	-	0.00%	375	4	-
Vencor Hospital	-	-	0.00%	150	6	0.75%
RMD	-	-	-	125	8	0.63%
Martin Conveying Machinery	-	-	-	120	9	0.60%
Conveyors, Inc.	-	-	-	115	10	0.58%
	<u>8,586</u>		<u>26.77%</u>	<u>4,227</u>		<u>15.46%</u>
(1) Total Employment for 2015:	30,898					
(2) Total Employment for 2006:	<u>19,925</u>					

Sources: Texas Workforce Commission(Tarrant County), Mansfield Economic Development, and City of Mansfield.  
Employment data is for the City of Mansfield, Texas and is not seasonally adjusted.

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION**  
**LAST TEN FISCAL YEARS**

<b>POSITION:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Administrator	53	49.3	46.0	33.2
Associate/Assistant Principal	75	74.0	74.0	72.0
Athletic Trainer	11	11.0	11.5	3.0
Auxiliary Staff	1479	1,426.2	1,437.6	1,233.8
Counselor	89	89.0	83.0	78.8
Educational Diagnostician	30	30.0	29.0	26.9
Librarian	40	40.0	40.0	29.2
Music Therapist	3	3.0	2.0	1.0
Nurse	44	44.0	41.0	43.3
Occupational Therapist	7	7.0	7.0	5.9
Other Campus Prof. Personel	-	-	-	5.8
Other Non-Campus Prof. Personel	72	64.0	66.0	28.8
Orientation/Mobility Instructor	2	2.0	2.0	3.0
Physical Therapist	2	2.0	3.0	2.0
Psychological Associate	0	-	-	-
Psychologist/LSSP	6	5.5	6.5	4.5
Principal	41	41.0	41.0	38.2
Social Worker	1	1.0	1.0	1.0
Speech Therapist/Speech Lang. Pa	31	30.5	30.5	27.5
Teacher	2171	2,138.0	2,116.7	1,992.1
Teacher Facilitator	-	-	-	15.0
Teacher - Special Duty	0	-	-	-
Educational Aide	376	382.5	354.5	320.8
<b>Total Employees</b>	<b>4,533.0</b>	<b>4,440.0</b>	<b>4,392.3</b>	<b>3,965.8</b>

Source: District records.

Table 15

2011	2010	2009	2008	2007	2006
32.6	34.8	33.8	31.7	24.0	27.7
70.0	64.1	66.0	60.0	53.9	49.1
3.8	6.0	7.9	6.2	5.3	3.1
1,128.8	1,131.2	1,122.5	1,052.6	1,018.9	913.2
77.0	74.9	75.0	71.0	69.0	59.8
26.1	25.0	22.8	22.1	20.1	25.0
38.3	37.4	36.3	33.2	28.5	28.1
1.0	1.0	1.0	1.0	1.0	1.0
43.0	41.0	42.0	38.0	38.9	32.0
4.0	5.0	6.0	5.0	4.0	3.9
2.2	3.4	2.7	2.1	3.3	-
27.0	27.0	25.0	24.0	21.0	14.0
3.0	2.0	1.0	1.0	1.0	1.0
2.0	2.0	2.0	1.0	2.0	2.0
-	-	-	-	1.0	-
4.5	4.5	4.5	4.5	3.0	7.0
41.0	40.0	39.0	36.0	34.0	34.0
1.0	1.0	1.0	1.0	1.0	-
25.5	24.5	26.0	24.5	21.0	24.5
1,946.0	1,980.7	1,928.2	1,855.2	1,817.4	1,692.3
15.0	14.9	12.1	13.0	13.0	9.0
			35.7	21.8	23.4
302.8	309.8	304.1	284.2	255.5	233.1
<b>3,794.6</b>	<b>3,830.2</b>	<b>3,758.9</b>	<b>3,603.0</b>	<b>3,458.6</b>	<b>3,183.2</b>

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

<b><u>Fiscal Year Ended 8/31:</u></b>	<b><u>Average Daily Attendance</u></b>	<b><u>Operating Expenditures (1)</u></b>	<b><u>Cost Per Student</u></b>	<b><u>Percentage Change</u></b>
2015	31,736	\$ 352,368,712	\$ 11,103	24.87%
2014	31,252	\$ 277,890,539	\$ 8,892	9.40%
2013	31,206	253,647,143	8,128	1.81%
2012	30,934	246,971,191	7,984	-2.62%
2011	30,550	250,453,295	8,198	0.13%
2010	29,860	244,480,591	8,187	7.46%
2009	29,044	221,285,917	7,619	-0.01%
2008	27,869	212,348,438	7,620	9.78%
2007	26,528	184,119,850	6,941	3.44%
2006	24,356	163,432,875	6,710	-1.20%

(1) Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditures categories.

(2) Technology plan replacements and upgrades implemented in 2014 for increase in operating expenditures and cost per student

Source: Non-financial data is from Texas Education Agency Summary of Finances Report and District records.

Table 16

<u>Government Wide Expenses</u>	<u>Cost Per Student (2)</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program</u>
\$ 359,596,283	\$ 11,331	8.31%	2,171	14.62	40.80%
\$ 341,314,445	\$ 10,921	8.31%	2,148	14.55	38.10%
314,649,023	10,083	3.20%	2,117	14.74	38.50%
302,234,138	9,770	-3.00%	2,007	15.41	37.20%
307,695,153	10,072	0.69%	1,961	15.58	37.00%
298,699,705	10,003	4.35%	1,996	14.96	36.20%
278,412,098	9,586	3.10%	1,940	14.97	32.70%
259,112,905	9,298	8.06%	1,904	14.64	30.30%
228,247,829	8,604	3.51%	1,852	14.32	29.10%
202,453,116	8,312	2.02%	1,725	14.12	28.20%

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**TEACHER BASE SALARIES**  
**LAST TEN FISCAL YEARS**

**Table 17**

<b>Fiscal Year Ended 8/31:</b>	<b>District</b>		<b>Region Average Salary (2)</b>	<b>Statewide Average Salary (2)</b>
	<b>Minimum Salary (1)</b>	<b>Maximum Salary (1)</b>		
2015	\$ 51,000	\$ 68,735	\$ 49,845	\$ 45,570
2014	\$ 50,000	\$ 65,287	\$ 52,208	\$ 49,692
2013	\$ 48,500	\$ 65,425	\$ 52,140	\$ 48,821
2012	48,000	64,666	51,953	48,375
2011	47,500	64,250	52,431	48,639
2010	46,800	63,946	51,826	48,263
2009	45,800	62,988	51,718	47,158
2008	44,000	61,355	49,561	46,178
2007	42,200	59,670	47,907	44,897
2006	39,500	57,170	44,386	41,743

(1) Source: District records.

(2) Source: Texas Education Agency website.

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**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>HIGH SCHOOLS</b>				
<b>ACE Campus (1952)</b>				
Square Footage	64,021	64,021	64,021	64,021
Capacity	1,200	1,200	1,200	1,200
Enrollment	103	3,561	3,561	3,112
<b>Summit High (1995)</b>				
Square Footage	370,000	370,000	370,000	370,000
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,020	2,157	2,087	2,228
<b>Mansfield High (2002)</b>				
Square Footage	390,000	390,000	390,000	390,000
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,333	2,385	2,315	2,325
<b>Timberiew High (2004)</b>				
Square Footage	416,000	416,000	416,000	416,000
Capacity	2,500	2,500	2,500	2,500
Enrollment	1,657	1,895	1,665	1,641
<b>Ben Barber Career Tech Academy/Frontier High (2005)</b>				
Square Footage	180,964	180,964	180,964	180,964
Capacity	1,200	1,200	1,200	1,200
Enrollment	1,225	1,225	1,225	1,188
<b>Legacy High (2007)</b>				
Square Footage	207,360	207,360	207,360	426,650
Capacity	2,500	2,500	2,500	2,500
Enrollment	1,945	1,916	1,937	1,856
<b>Lake Ridge (2012)</b>				
Square Footage	422,411	422,411	422,411	422,411
Capacity	2,500	2,500	2,500	1,257
Enrollment	2,085	2,006	2,005	1,888
<b>MIDDLE SCHOOLS</b>				
<b>Brooks Wester (1974)</b>				
Square Footage	251,151	251,151	251,151	251,151
Capacity	1,000	1,000	1,000	1,000
Enrollment	872	866	847	840
<b>Rogene Worley (1986)</b>				
Square Footage	126,689	126,689	126,689	126,689
Capacity	1,000	1,000	1,000	1,000
Enrollment	929	925	949	909
<b>T.A. Howard (1994)</b>				
Square Footage	130,000	130,000	130,000	130,000
Capacity	1,000	1,000	1,000	1,000
Enrollment	855	855	924	953
<b>Danny Jones (2004)</b>				
Square Footage	160,000	160,000	160,000	160,000
Capacity	1,000	1,000	1,000	1,000
Enrollment	843	794	976	960

Source: District records and Population and Survey Analysts.

Table 18  
1 of 4

2011	2010	2009	2008	2007	2006
64,021	64,021	64,021	64,021	64,021	64,021
1,200	1,200	1,200	1,200	1,200	1,200
90	85	79	59	43	61
370,000	370,000	370,000	370,000	370,000	370,000
2,500	2,500	2,500	2,500	2,500	2,500
2,013	2,024	1,997	2,137	2,806	2,621
390,000	390,000	390,000	390,000	390,000	390,000
2,500	2,500	2,500	2,500	2,500	2,500
2,416	2,367	2,226	2,164	2,681	2,532
416,000	416,000	416,000	416,000	416,000	416,000
2,500	2,500	2,500	2,500	2,500	2,500
2,401	2,297	2,171	2,054	2,493	2,076
180,964	180,964	180,964	180,964	180,964	180,964
1,200	1,200	1,200	1,200	1,200	1,200
199	-	-	-	-	-
426,650	426,650	426,650	426,650	426,650	-
2,500	2,500	2,500	2,500	2,500	-
2,251	2,313	2,213	2,039	-	-
422,411	-	-	-	-	-
1,257	-	-	-	-	-
-	-	-	-	-	-
251,151	251,151	251,151	251,151	251,151	251,151
1,000	1,000	1,000	1,000	1,000	1,000
874	939	999	964	910	998
126,689	126,689	126,689	126,689	126,689	126,689
1,000	1,000	1,000	1,000	1,000	1,000
874	721	945	942	890	855
130,000	130,000	130,000	130,000	130,000	130,000
1,000	1,000	1,000	1,000	1,000	1,000
973	1,031	1,031	991	994	1,294
160,000	160,000	160,000	160,000	160,000	160,000
1,000	1,000	1,000	1,000	1,000	1,000
822	818	704	590	492	742

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>James Coble (2006)</b>				
Square Footage	164,719	164,719	164,719	164,719
Capacity	1,000	1,000	1,000	1,000
Enrollment	884	934	699	682
<b>Linda Jobe (2008)</b>				
Square Footage	165,350	165,350	165,350	165,350
Capacity	1,000	1,000	1,000	1,000
Enrollment	809	813	833	740
<b>INTERMEDIATE SCHOOLS</b>				
<b>Cross Timbers (1994)</b>				
Square Footage	108,000	108,000	108,000	108,000
Capacity	1,000	1,000	1,000	1,000
Enrollment	842	855	822	866
<b>Mary Orr (1998)</b>				
Square Footage	110,229	110,229	110,229	110,229
Capacity	1,000	1,000	1,000	1,000
Enrollment	845	879	952	952
<b>Donna Shepard (2001)</b>				
Square Footage	116,794	116,794	116,794	116,794
Capacity	1,000	1,000	1,000	1,000
Enrollment	877	793	713	756
<b>Della Icenhower (2004)</b>				
Square Footage	116,794	116,794	116,794	122,600
Capacity	1,000	1,000	1,000	1,000
Enrollment	862	925	635	691
<b>Mary Lillard (2006)</b>				
Square Footage	128,340	128,340	128,340	128,340
Capacity	1,000	1,000	1,000	1,000
Enrollment	945	905	995	896
<b>Asa Low (2008)</b>				
Square Footage	133,385	133,385	133,385	133,385
Capacity	1,000	1,000	1,000	1,000
Enrollment	864	869	874	879
<b>ELEMENTARY SCHOOLS</b>				
<b>Alice Ponder (1967)</b>				
Square Footage	77,641	77,641	77,641	77,641
Capacity	800	800	800	800
Enrollment	494	470	473	516
<b>Tarver Rendon (1969)</b>				
Square Footage	71,047	71,047	71,047	71,047
Capacity	800	800	800	800
Enrollment	597	641	610	583
<b>J.L. Boren (1979)</b>				
Square Footage	57,241	57,241	57,241	57,241
Capacity	800	800	800	800
Enrollment	567	556	567	642
<b>Charlotte Anderson (1986)</b>				
Square Footage	69,947	69,947	69,947	69,947
Capacity	800	800	800	800
Enrollment	497	498	491	550

Source: District records and Population and Survey Analysts.

Table 18  
2 of 4

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
164,719	164,719	164,719	164,719	164,719	164,719
1,000	1,000	1,000	1,000	1,000	1,000
663	654	1,132	1,107	987	-
165,350	165,350	165,350	165,350	-	-
1,000	1,000	1,000	1,000	-	-
681	693	-	-	-	-
108,000	108,000	108,000	108,000	108,000	108,000
1,000	1,000	1,000	1,000	1,000	1,000
958	924	948	937	963	1,276
110,229	110,229	110,229	110,229	110,229	110,229
1,000	1,000	1,000	1,000	1,000	1,000
893	849	946	918	915	1,024
116,794	116,794	116,794	116,794	116,794	116,794
1,000	1,000	1,000	1,000	1,000	1,000
798	744	858	868	895	884
122,600	122,600	122,600	122,600	122,600	122,600
1,000	1,000	1,000	1,000	1,000	1,000
636	615	1,181	1,167	1,013	812
128,340	128,340	128,340	128,340	128,340	128,340
1,000	1,000	1,000	1,000	1,000	1,000
859	783	731	681	545	-
133,385	133,385	133,385	133,385	-	-
1,000	1,000	1,000	1,000	-	-
834	877	-	-	-	-
77,641	77,641	77,641	77,641	77,641	77,641
800	800	800	800	800	800
621	623	578	529	508	511
71,047	71,047	71,047	71,047	71,047	71,047
800	800	800	800	800	800
603	612	575	546	521	525
57,241	57,241	57,241	57,241	57,241	57,241
800	800	800	800	800	800
691	683	685	695	716	726
69,947	69,947	69,947	69,947	69,947	69,947
800	800	800	800	800	800
594	605	599	567	776	804

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>ELEMENTARY SCHOOLS</b>				
<b>Glenn Harmon (1988)</b>				
Square Footage	74,081	74,081	74,081	74,081
Capacity	800	800	800	800
Enrollment	541	593	627	676
<b>Willie Brown (1998)</b>				
Square Footage	65,885	65,885	65,885	65,885
Capacity	800	800	800	800
Enrollment	602	566	552	540
<b>D.P. Morris (1998)</b>				
Square Footage	65,885	65,885	65,885	65,885
Capacity	800	800	800	800
Enrollment	534	549	533	610
<b>Kenneth Davis (2001)</b>				
Square Footage	72,256	72,256	72,256	72,256
Capacity	800	800	800	800
Enrollment	616	587	607	654
<b>Imogene Gideon (2001)</b>				
Square Footage	72,256	72,256	72,256	72,256
Capacity	800	800	800	800
Enrollment	520	527	525	555
<b>Thelma Jones (2003)</b>				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	551	573	568	558
<b>Roberta Tipps (2003)</b>				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	666	663	699	737
<b>Erma Nash (2003)</b>				
Square Footage	84,631	84,631	84,631	84,631
Capacity	800	800	800	800
Enrollment	622	515	495	508
<b>Elizabeth Smith (2004)</b>				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	706	730	717	653
<b>Martha Reid (2004)</b>				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	667	653	686	687
<b>Mary Jo Sheppard (2005)</b>				
Square Footage	79,070	79,070	79,070	79,070
Capacity	800	800	800	800
Enrollment	543	519	559	537
<b>Janet Brockett (2005)</b>				
Square Footage	79,070	79,070	79,070	79,070
Capacity	800	800	800	800
Enrollment	649	661	649	657

Source: District records and Population and Survey Analysts.

Table 18  
3 of 4

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
74,081	74,081	74,081	74,081	74,081	74,081
800	800	800	800	800	800
650	661	604	611	840	923
65,885	65,885	65,885	65,885	65,885	65,885
800	800	800	800	800	800
608	628	827	764	666	539
65,885	65,885	65,885	65,885	65,885	65,885
800	800	800	800	800	800
745	732	725	778	766	756
72,256	72,256	72,256	72,256	72,256	72,256
800	800	800	800	800	800
706	722	692	696	872	880
72,256	72,256	72,256	72,256	72,256	72,256
800	800	800	800	800	800
555	531	541	530	534	519
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
510	513	478	761	734	737
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
771	810	834	778	740	644
84,631	84,631	84,631	84,631	84,631	84,631
800	800	800	800	800	800
619	637	717	742	730	703
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
588	553	535	543	476	641
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
691	667	737	749	737	642
79,070	108,293	108,293	108,293	108,293	108,293
800	800	800	800	800	800
751	712	681	589	542	493
79,070	79,079	79,070	79,070	79,070	79,070
800	800	800	800	800	800
662	682	669	765	567	391

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>ELEMENTARY SCHOOLS</b>				
<b>Anna May Daulton (2006)</b>				
Square Footage	79,274	79,274	79,274	79,274
Capacity	800	800	800	800
Enrollment	665	676	680	770
<b>Cora Spencer (2006)</b>				
Square Footage	79,274	79,274	79,274	79,274
Capacity	800	800	800	800
Enrollment	739	733	607	532
<b>Carol Holt (2007)</b>				
Square Footage	79,274	79,274	79,274	79,274
Capacity	800	800	800	800
Enrollment	476	454	509	517
<b>Louise Cabaniss (2008)</b>				
Square Footage	74,275	74,275	74,275	74,275
Capacity	800	800	800	800
Enrollment	588	627	650	532
<b>Annette Perry (2010)</b>				
Square Footage	79,679	79,679	79,679	79,679
Capacity	800	800	800	800
Enrollment	342	398	392	411
<b>Nancy Neal (2011)</b>				
Square Footage	80,584	80,584	80,584	80,584
Capacity	800	800	800	800
Enrollment	432	421	410	424

Source: District records and Population and Survey Analysts.

Table 18  
4 of 4

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
79,274	79,274	79,274	79,274	79,274	79,274
800	800	800	800	800	800
716	672	602	471	328	-
79,274	79,274	79,274	79,274	79,274	79,274
800	800	800	800	800	800
461	404	343	292	255	-
79,274	79,274	79,274	79,274	79,274	-
800	800	800	800	800	-
625	635	621	586	-	-
74,275	74,275	74,275	74,275	-	-
800	800	800	800	-	-
508	518	493	-	-	-
79,679	79,679	-	-	-	-
800	800	-	-	-	-
339	275	-	-	-	-
80,584	-	-	-	-	-
800	-	-	-	-	-
-	-	-	-	-	-



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**Government  
Auditing  
Standards  
Reports  
Section**



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**INDEPENDENT AUDITOR'S 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  
Mansfield Independent School District  
Mansfield, Texas

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mansfield Independent School District as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 23, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Trustees  
Mansfield Independent School District

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Whitley Penn LLP*

Fort Worth, Texas  
January 23, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited Mansfield Independent School District's compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) 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, 2015. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance 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, 2015.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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.

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Whitley Penn LLP*

Fort Worth, Texas  
January 23, 2016





## **Federal Awards Section**





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**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended August 31, 2015*

**I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are 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 deficiencies identified that are not considered to be material weaknesses?	None Reported.
Type of auditor's report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) 2-7 of OMB Circular A-133?	No

Identification of major programs:

**Name of Federal Program or Cluster:** **CFDA Numbers:**

**Child Nutrition Cluster:**

National School Lunch Program - USDA Commodities	10.555
National School Lunch Program	10.555
Seamless Summer Option	10.555
School Breakfast Program	10.553

**ESEA, Title III, Part A Limited English Proficiency** 84.365A

Dollar Threshold Considered Between Type A and Type B Federal Programs \$539,840

Auditee qualified as low risk auditee? Yes

**MANSFIELD INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF FEDERAL AWARDS**  
*For the Year Ended August 31, 2015*

**II. Financial Statements Findings**

There were no current year findings

**III. Federal Awards Findings and Questioned Costs**

There were no current year findings.

**IV. Summary Schedule of Prior Audit Findings**

There were not prior audit findings

**Mansfield Independent School District  
Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2015**

**Exhibit K-1**

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
<b>U.S. Department of Defense</b>			
<b>Direct Program:</b>			
<i>Air Force Jr ROTC</i>	12.000	None	1,941
<i>Law Enforcement Officer Safety</i>	12.000	None	960
<b>Total U.S. Department of Defense</b>			<b>2,901</b>
<b>U. S. Department of Education</b>			
<b>Passed Through State Department of Education:</b>			
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	84.010A	15610101220908	3,015,656
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	84.010A	16610101220908	5,279
<i>ESEA, Title II, Part A, Teacher/Principal Training and Recruiting</i>	84.367A	15694501220908	285,505
<i>ESEA, Title III, Part A Limited English Proficiency</i>	84.365A	15671001220908	429,489
<i>ESEA, Title III, Part A Limited English Proficiency</i>	84.365A	16671001220908	4,132
<i>IDEA-B Formula **</i>	84.027A	156600012209086600	5,902,793
<i>IDEA-B Preschool **</i>	84.173A	156610012209086610	49,839
<i>Carl D. Perkins Basic Grant</i>	84.048A	15420006220908	274,417
<i>Title VI Part A Summer School LEP</i>	84.369A	69551502	18,722
<b>Total Passed through State Department of Education</b>			<b>9,985,832</b>
<b>U. S. Department of Agriculture</b>			
<b>Passed Through the Texas Department of Agriculture (Non-Cash Assistance)</b>			
<i>National School Lunch Program - USDA Commodities *</i>	10.555	220-908	805,189
<b>Passed Through State Department of Education (Cash Assistance)</b>			
<i>School Breakfast Program *</i>	10.553	71401501	1,365,953
<i>School Lunch Program *</i>	10.555	71301501	5,718,583
<i>Seamless Summer Option *</i>	10.555	71301501	57,951
<b>Total Passed Through State Department of Education</b>			<b>7,142,487</b>
<b>Total U.S. Department of Agriculture</b>			<b>7,947,676</b>
<b>U.S. Department of Health and Human Services</b>			
<b>Passed Through Texas Health and Human Services Commission</b>			
<i>Medical Administrative Claiming (MAC)</i>	93.778	220-908	58,261
<b>Total U.S. Department of Health and Human Services</b>			<b>58,261</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 17,994,670</b>
* Child Nutrition Cluster			
** Special Education Cluster			
Total shown on Schedule of Expenditures of Federal Awards			\$ 17,994,670
Federal Revenue Accounted for in the General Fund:			
Flood Control			65,837
Junior ROTC			261,034
Medicaid SHARS			1,665,967
Reconciled balance			<b>\$ 19,987,508</b>

**Note 1 Basis of Presentation**

The District accounts for all awards under federal programs in the General Fund and certain Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus. 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 these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

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 unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

**Note 2 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**Note 3 - Reconciliation of Basic Financial Statements**

The following is a reconciliation of expenditures of federal awards program per the Schedule of Expenditures of Federal Awards and expenditures reported on Exhibit C-3:

Total shown on Schedule of Expenditures of Federal Awards	\$17,994,670
Federal Revenue Accounted for in the General Fund:	
Flood Control	65,837
Junior ROTC	261,034
Medicaid SHARS	1,665,967
Reconciled balance	<u><u>\$19,987,508</u></u>





