



Mansfield Independent School District

Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 2017

Mansfield ISD
605 East Broad Street
Mansfield, TX 76063
817-299-6300

<http://www.mansfieldisd.org>

**MANSFIELD
INDEPENDENT SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL
AND COMPLIANCE REPORT**

For the Fiscal Year Ended June 30, 2017



Issued By

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

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Introductory Section



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Mansfield Independent School District
Board of Trustees



Ms. Michelle Newsom
Place 1, Trustee
First elected 2015
Current Term Expires 2018



Ms. Beth Light
Place 2, Trustee
First elected 2006
Current Term Expires 2018



Sandy Vathauer
Place 3, Trustee
First appointed 2017
Current Term Expires 2018



Mr. Raul Gonzalez
Place 4, President
First elected 2010
Current Term Expires 2019



Ms. Karen Marcucci
Place 5, Vice President
First Elected 2014
Current Term expires 2019



Mr. Darrell Sneed
Place 6, Trustee
First Elected 2017
Current Term expires 2020



Ms. Courtney Lackey-Wilson
Place 7, Secretary
First Elected 2011
Current Term expires 2020

**Mansfield Independent School District
Administrative Council**



Dr. Jim Vaszauskas
Superintendent of Schools



Dr. Karen Wiesman
Associate
Superintendent
Business and Finance



Holly Teague
Associate
Superintendent
Curriculum, Instruction
and Accountability



Dr. Kim Cantu
Associate
Superintendent
Human Resources
Services



Jeff Brogden
Associate
Superintendent
Administrative Support



Donald Williams
Associate
Superintendent
Communication and
Marketing



Dr. Sean Scott
Assistant
Superintendent
Curriculum & Instruction
and High Schools



Cynthia McCallum
Area Superintendent,
Intermediate and
Middle Schools



Donna O'Brian
Area Superintendent,
Elementary Schools



Tammy Rountree
Area Superintendent,
Elementary Schools



David Wright
Assistant
Superintendent
Student Services and
Support



Jimmy Womack
Chief of Police

CERTIFICATE OF THE BOARD

Mansfield Independent School District

Name of School District

Tarrant

County

220-908

Co. - Dist. No.

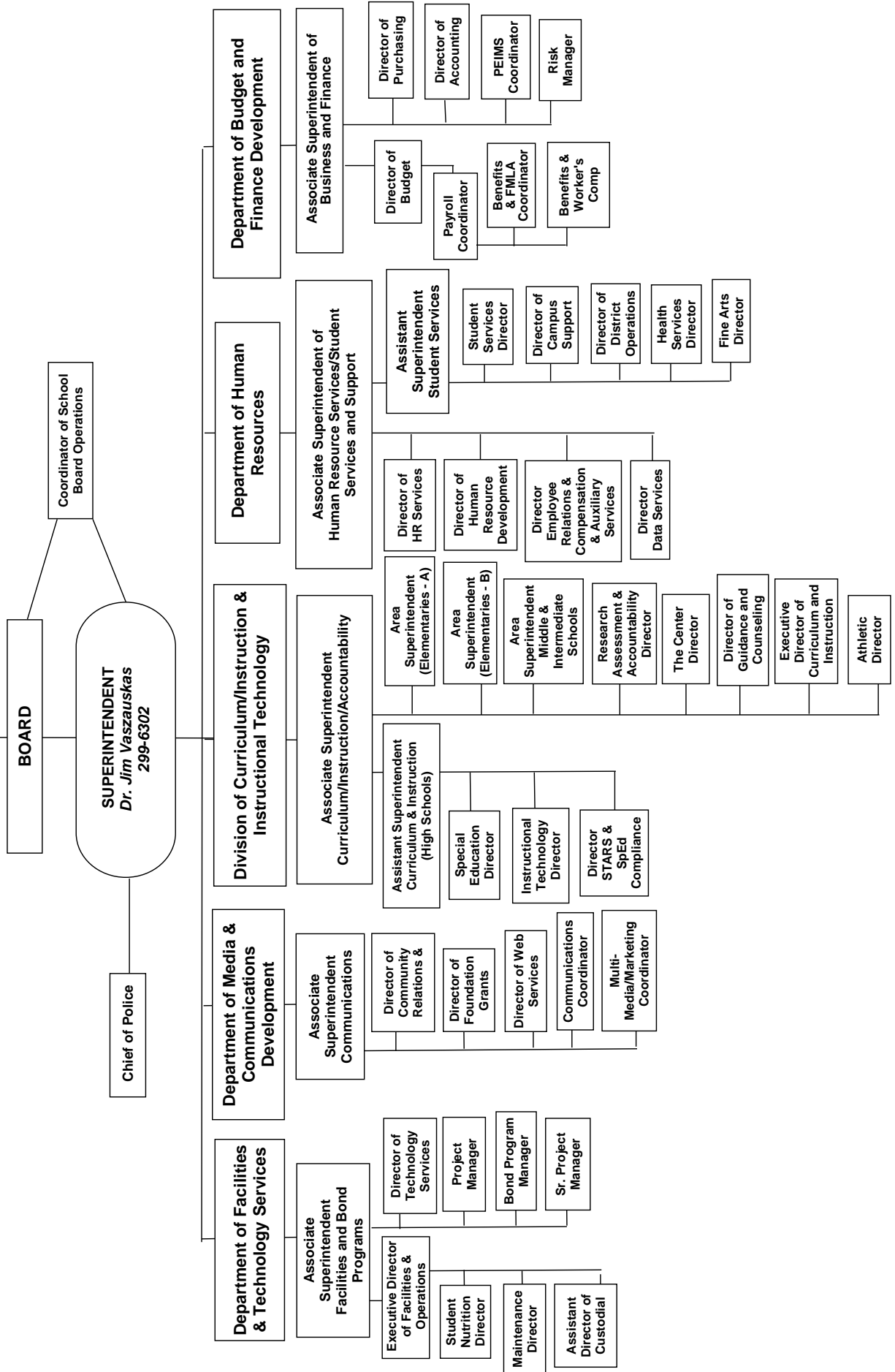
We, the undersigned, certify that the annual financial reports for the above named school district were reviewed and approved for the year ended June 30, 2017, at a meeting of the Board of Trustees of such school district on the 14th day of November, 2017.



Signature of Board Secretary



Signature of Board President





November 11, 2017

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

The Comprehensive 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 and business-type 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 Comprehensive 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 Uniform Guidance. 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 34,357 students (as of June 2017), 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, Burleson, Fort Worth, Venus, Alvarado, and Kennedale.

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 6.8 percent over the last three years, and value increases are steadily increasing.

While the District had 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 2017, property values were \$11.6 billion reflecting a 9.8% increase from 2016 due to a property value study. The District continues to enjoy diversity in its tax base as the top 10 taxpayers constitute a mere 7% of the 2016 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 student enrollment slowed down in 2012, the District has experienced an increase in enrollment of more than 700 students in 2016-2017. Annual growth rates could range between 1.3 percent and 2.93 percent over the next ten years.

Our district has something for everyone, and we all collaborate together to make sure that each and every student reaches the utmost level of success. From our Apple Distinguished Program and award-winning fine arts and athletics programs to our focus on data-driven instruction and individualized pathways for college and career readiness, you will see why MISD is truly a destination district.

We will always seek for continual improvement and growth in all areas to ensure our students, staff, and overall learning environment remain some of the best in the state. We believe that the district is accountable to meet the needs of all students, and focusing resources to accomplish this goal is of highest priority with campus leadership actively involved in making requests that specifically improve student performance.



Long Range Planning

The Mansfield Independent School District exists to strengthen the social and economic foundation of our population by assuring its youth the highest quality elementary and secondary education available anywhere. The district has implemented a 5-year plan called Vision 2020. Vision 2020 defines the school district's mission, vision, and core values; and its guiding statements provide clear focus for improvement. This plan will help drive our district to greater heights.

Our mission is "to inspire and educate students to be productive citizens." This means that we prepare all of our students to succeed after graduation in their college or career path.

MISD's vision is to be "a destination district committed to excellence." We want to always strive to be the best of the best and settle for nothing less in all areas of what we do.

The values MISD upholds to achieve this are: students first, continuous improvement, integrity, communication, positive relationships and resiliency.

Mansfield Independent School District



Mission To inspire and educate students to be productive citizens.

A destination district committed to excellence. **Vision**

Values

- Students First
- Continuous Improvement
- Integrity
- Communication
- Positive Relationships
- Resiliency

Motto MISD: A great place to live, learn, and teach.

Guiding Statements

1. Students will read on level or higher by the beginning of third grade and will remain on level or higher as an MISD student.
2. Students will demonstrate mastery of Algebra I by the end of ninth grade.
3. Students will graduate with 24+ college hours and/or industry certification or a certificate.
4. Students will participate in an extra or co-curricular activity.
5. Our parents and students will have choices with educational opportunities.

2016-2017 Points of Pride

The following summarizes various District achievements for the 2016-2017 school year:

- ❖ The Mansfield Education Foundation, established in 1998, awarded more than 95 grants, totaling \$272,387.61 funded.
- ❖ Mansfield ISD had four students named as a National Merit Scholarship Semifinalist. Less than 1 percent of high school students receive this honor. Eric Li, Mark Sterling, and Austin Whitt from Mansfield High School, along with Daniel Erickson from Summit High School
- ❖ Mansfield ISD also had nine students named as National Hispanic Scholars for their outstanding scores on the PSAT. Analisa Garcia (Summit High School), Cheyenne Macias (Summit High School), Samone Card (Summit High School), Briana Moreno-Maldonado (Legacy High School), Ryan Mata (Legacy High School), Lauren Higuera (Legacy High School), Sulia Drewery (Legacy High School), Nathan Button (Frontier High School) and Anthony Reilly (Timberview High School) are part of the top 2 percent of Hispanic/Latino pupils who took the test.
- ❖ More than 80 MISD Student Athletes participated in National Signing Day, earning millions of dollars in scholarships to further their academic and athletic careers.
- ❖ Five choir students and 12 band students were named All-State musicians by the Texas Music Educators Association (TMEA). This is the highest honor a Texas music student can receive. given
- ❖ Lake Ridge High School's Hunter Jaynes, Legacy High School's Haley Yelle and Jeff Jameson brought home medals in various events at the UIL State Swimming and Diving Meet.
- ❖ The entire Mansfield ISD community came out to show record-breaking support for the fifth annual MISD Toys for Tots event. With the amazing generosity of everyone involved, more than 31,000 toys and approximately \$7,500 were donated to the campaign.
- ❖ On the first Monday of each month in the 2016-17 school year, Mansfield ISD encouraged the community to wear a color that represents a cancer that affected the life of a loved one. Superintendent Dr. Jim Vaszauskas was very grateful for the support felt during his bout with cancer that he wanted to make sure that everyone fighting the battle felt encouraged and loved by the Mansfield ISD community.



Bond Update

Since 2000, Mansfield ISD residents have voted in support of six different bond packages for the district. Those bond programs have allowed the school district to expand effectively with MISD's fast-growing community. On May 6, 2017, Mansfield ISD voters resoundingly passed the \$275 million bond. The bond proposal addresses growth, student safety and security, student equity, infrastructure improvements and the overall student experience in MISD.

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. Currently the district has rebuilt Tarver Rendon Elementary School, J.L Boren Elementary School, Alice Ponder Elementary School, Glenn Harmon Elementary School and Charlotte Anderson Elementary which will open in August 2017. Wireless internet has been installed at all campuses and departments, security cameras and keyless entry updates have been completed at all campuses and departments as well as secure entry vestibules on each campus.

2017 Bond Election

In February 2017, the Mansfield ISD Board of Trustees voted to accept the Facilities & Growth Planning Committee's (FGPC) recommendation to call for a \$275 million bond package addressing district growth, equity, safety and aging infrastructure across the district. Development of the bond proposal involved an almost two-year, in-depth process of information gathering, research and community input. The district completed a demographic report, a district-wide facilities assessment, educational visioning, and campus and department staff interviews.

On May 6, 2017, Mansfield ISD voters resoundingly passed the \$275 million bond. The bond proposal addresses growth, student safety and security, student equity, infrastructure improvements and the overall student experience in MISD. With over 7,700 MISD voters casting ballots, 65.12% voted in favor of the bond proposition.

2017 Bond Overview: **\$275,000,000**

Growth: **\$143,300,000**

- New Elementary School
- New Intermediate School
- New Middle School

The district is anticipated to grow by approximately 3,000 students over the next five years.

[To learn more, click here.](#)

Equity & Student Experience: **\$67,400,000**

- Classroom additions at Howard and Worley Middle Schools by enclosing the courtyards
- Renovations for equity, safety and updated standards at various campuses including Mansfield HS, Summit HS, Howard MS, Worley MS, Cross Timbers IS, and The Phoenix Academy
- Science labs at all elementary schools by converting existing space
- Multipurpose building to serve all athletic programs at each high school

Safety & Security: **\$10,050,000**

- New playground equipment, shade structures and synthetic play-surface at all elementary and intermediate schools
- Enhance video surveillance at every campus
- Upgrade fire alarm systems in need of replacement
- Exterior lighting installation at all middle schools

Infrastructure Improvements: **\$54,250,000**

- Technology infrastructure upgrades to cabling and backup systems
- HVAC upgrades and replacements
- Roof replacements
- Site and exterior improvements including drainage, paving, and weatherproofing
- Interior finish and hardware upgrades

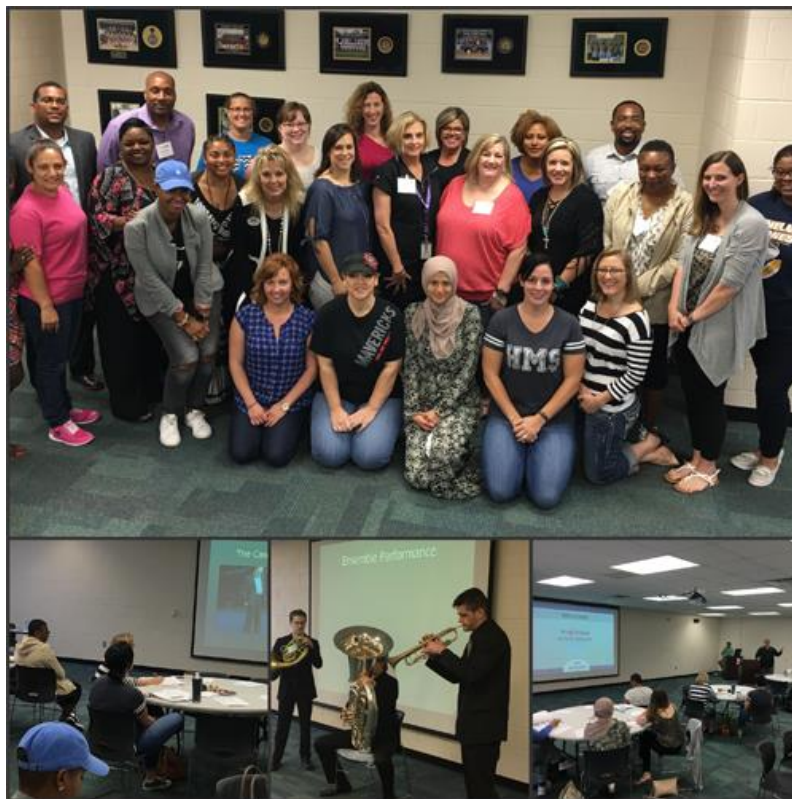
Relevant Financial Information

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 June 30, 2017 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, money market mutual funds and Constant Dollar Pools (external investment 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 June 30, 2017. 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 82nd Legislative session. These reductions included 10% reductions in departmental budgets, changes in campus schedules, and personnel savings through attrition. From fiscal years 2012 to 2016, the District's healthy fund balance was being strategically used in addition to the reductions already in place. The District adopted a balanced budget for fiscal year 2017-2018.

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 June 30, 2017.

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 Uniform Guidance. 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 June 30, 2016. 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 June 30, 2016 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*



Monica Irvin
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, 2016

A handwritten signature in black ink, reading "Jeffrey R. Enser", is positioned above the title of the signatory.

Executive Director/CEO

Note: GFOA had not updated MISD's new fiscal year end.



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Mansfield Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, reading 'Anthony N. Dragona'.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

Financial Section



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Fort Worth Office
1400 West 7th Street
Suite 400
Fort Worth, Texas 76102
817.259.9100 Main
whitleypenn.com

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 ten month period ended June 30, 2016, 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.

Dallas

Fort Worth

Houston



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 June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the ten month period then ended in accordance with accounting principles generally accepted in the United States of America.

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 7-19 and 79-82 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 Uniform Guidance 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 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.

To the Board of Trustees
Mansfield Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 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
November 11, 2016

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Management's Discussion and Analysis



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This section of the Mansfield Independent School District's (the "District") Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance for the twelve months ended June 30, 2017. It should be read in conjunction with the report of independent auditors preceding and the basic financial statements following this section.

Financial Highlights

- At June 30, 2017, the District's combined assets and deferred outflows exceeded its liabilities and deferred inflows by \$27,587,442 (net position). The unrestricted portion of \$35,274,478 may be used to meet the District's ongoing obligations. The District's total net position decreased by \$13,435,095.
- The District's total net position decreased by \$13,435,095. The primary reason for the decrease is due to the increase in expenses due to our fiscal year change. Functions 11, 36, 51, and 72 all had significant increases.
- At the close of the fiscal year, the District's governmental funds reported \$143,051,088.
- District had \$81,385,035 or 57% of total fund balance available for the District's ongoing obligations (unassigned fund balance).
- As of June 30, 2017, the General Fund's unassigned fund balance was \$81,412,592 (general fund unassigned fund balance) representing 29% of the total General Fund expenditures in the current fiscal year.



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.

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.

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 24 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.

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. An enterprise fund is 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, adult education, catering and the natatorium.

The second type of proprietary fund is the internal service fund. An internal service fund is an accounting device used to accumulate and allocate costs internally among the various functions. The District does not have any internal service funds.



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.

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.

Table I Major Features of the District's Financial Statements				
	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"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses & Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
<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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information concerning the District. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds; therefore, the general fund and the District's participation in TRS are presented as required supplementary information.

Other Supplementary information

The combining and individual fund statements and schedules and the compliance schedule comprise the supplementary information and are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

Table I - Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$ 181,169,780	\$ 213,939,411	\$ 1,573,318	\$ 1,556,222	\$ 182,743,098	\$ 215,495,633
Capital assets	719,722,472	728,198,001			719,722,472	728,198,001
Total Assets	900,892,252	942,137,412	1,573,318	1,556,222	902,465,570	943,693,634
Deferred Outflows of Resources						
Deferred charge on refunding	31,921,824	34,611,839			31,921,824	34,611,839
Deferred outflows - pension	30,872,457	23,562,408			30,872,457	23,562,408
Total Deferred Outflows of Resources	62,794,281	58,174,247			62,794,281	58,174,247
Liabilities						
Other liabilities	142,456,199	142,530,577	58,730	71,385	142,514,929	142,601,962
Long term liabilities	783,031,334	813,151,247			783,031,334	813,151,247
Total Liabilities	925,487,533	955,681,824	58,730	71,385	925,546,263	955,753,209
Deferred Inflows of Resources						
Deferred inflows - pension	12,126,146	5,092,135			12,126,146	5,092,135
Total Deferred Outflows of Resources	12,126,146	5,092,135			12,126,146	5,092,135
Net Position						
Net investment in capital assets	(26,334,536)	(39,531,821)			(26,334,536)	(39,531,821)
Restricted	18,647,500	17,165,462			18,647,500	17,165,462
Unrestricted	33,759,890	61,904,059	1,514,588	1,484,837	35,274,478	63,388,896
Total Net Position	\$ 26,072,854	\$ 39,537,700	\$ 1,514,588	\$ 1,484,837	\$ 27,587,442	\$ 41,022,537

The District's net investment in capital assets of \$(26,334,536) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position of \$18,647,500 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$33,759,890 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Mansfield Independent School District is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Changes in Net Position.

Total combined net position of the District decreased by \$13,435,095 during the year ended June 30, 2017 (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 government-wide activities:

- The cost of all activities this year was \$381,158,705, an increase of \$51,908,091 million over the previous year. Increase was due primarily to the change in fiscal year in reporting twelve months rather than the ten months in the prior year.
- Some of these costs were funded by program revenues, \$22,473,533, directly attributable to specific activities. Some of the costs were supported by the addition of a capital lease to assist in funding the capital outlay replacement program.
- The remaining cost of government-wide activities was funded from general revenues, \$336,424,798, such as property taxes and unrestricted state and federal grants and contributions.

Table II - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program Revenues						
Charges for services	\$ 7,670,816	\$ 7,586,243	\$ 1,154,463	\$ 855,938	\$ 8,825,279	\$ 8,442,181
Operating grants and contributions	22,473,533	21,478,526			22,473,533	21,478,526
General						
Property taxes	173,251,565	160,466,566			173,251,565	160,466,566
State-aid formula grants not restricted	155,691,235	159,053,982			155,691,235	159,053,982
Investment earnings	1,131,607	463,804			1,131,607	463,804
Miscellaneous	3,522,747	4,839,409			3,522,747	4,839,409
Total Revenues	363,741,503	353,888,530	1,154,463	855,938	364,895,966	354,744,468
Expenses						
Instruction	\$ 209,606,195	\$ 189,208,988			\$ 209,606,195	\$ 189,208,988
Instructional resources and media	5,749,795	4,784,056			5,749,795	4,784,056
Curriculum and staff development	3,734,124	2,981,156			3,734,124	2,981,156
Instructional leadership	3,337,935	2,824,063			3,337,935	2,824,063
School leadership	17,723,656	17,080,137			17,723,656	17,080,137
Guidance, counseling, and Social work services	13,883,147	11,093,643			13,883,147	11,093,643
Health services	11,847	176,479			11,847	176,479
Student Transportation	5,065,973	5,821,137			5,065,973	5,821,137
Food Service	9,877,060	11,154,026			9,877,060	11,154,026
Extracurricular activities	17,254,724	15,478,401			17,254,724	15,478,401
General Administration	12,098,882	8,234,188			12,098,882	8,234,188
Facilities maintenance and operations	8,774,962	6,069,681			8,774,962	6,069,681
Security and monitoring services	30,401,466	25,089,753			30,401,466	25,089,753
Data processing services	4,702,763	3,448,765			4,702,763	3,448,765
Community services	5,337,701	3,749,626			5,337,701	3,749,626
Interest and fiscal charges	858,142	373,064			858,142	373,064
Payments related to shared services arrangements	30,456,653	20,022,826			30,456,653	20,022,826
Payments to Juvenile Justice Alt.	177,654	70,579			177,654	70,579
Other governmental charges	129	10,707			129	10,707
Day Care	981,185	761,482			981,185	761,482
Natatorium			357,426	219,591	357,426	219,591
Adult Education			669,329	581,830	669,329	581,830
Catering			7,095	16,436	7,095	16,436
			90,862		90,862	-
Total Expenses	380,033,993	328,432,757	1,124,712	817,857	381,158,705	329,250,614
Excess (deficiency) before special items	(16,292,490)	25,455,773	29,751	38,081	(16,262,739)	25,493,854
Special items	2,827,644	757,597			2,827,644	757,597
Increase (Decrease) in Net Position	(13,464,846)	26,213,370	29,751	38,081	(13,435,095)	26,251,451
Net Position - Beginning	39,537,700	13,324,330	1,484,837	1,446,756	41,022,537	14,771,086
Net Position - Ending	\$ 26,072,854	\$ 39,537,700	\$ 1,514,588	\$ 1,484,837	\$ 27,587,442	\$ 41,022,537

The District's revenues are derived primarily from property taxes and state aid (see Figure 1). Property taxes represents 47.63% of total revenues while state aid is 42.80%. The remaining 9.57 % of revenues is derived from operating grants and contributions, charges for services and miscellaneous revenues.

Figure 1

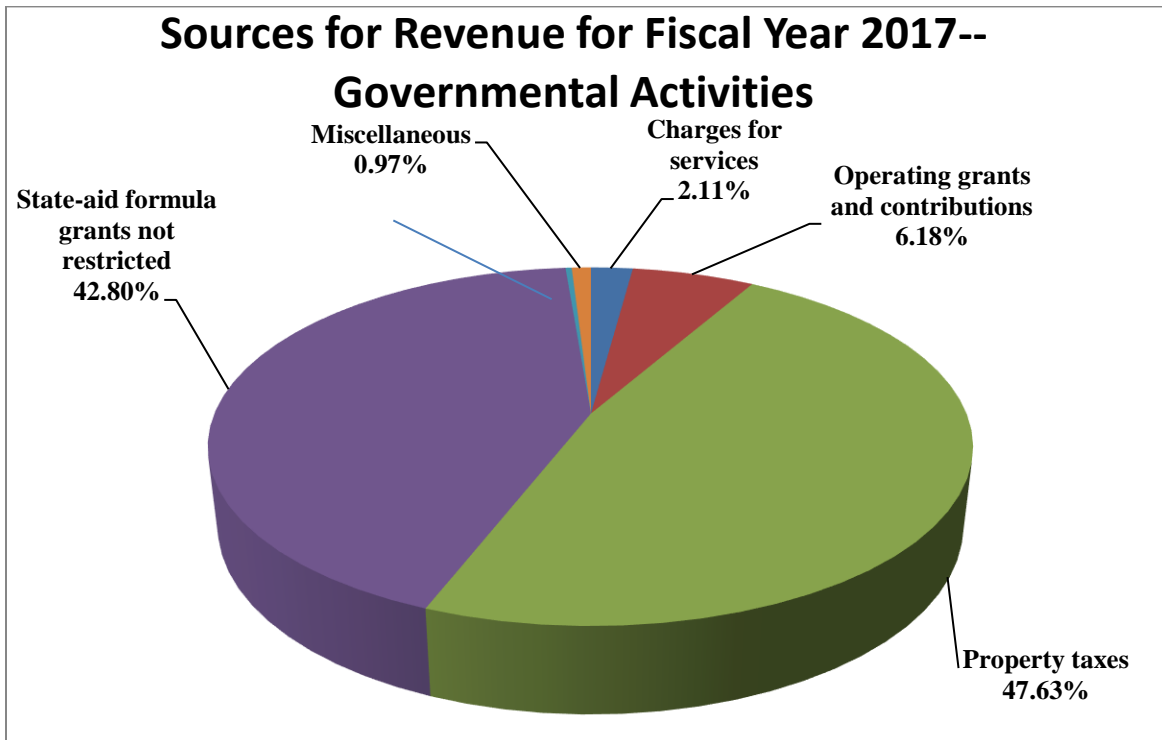
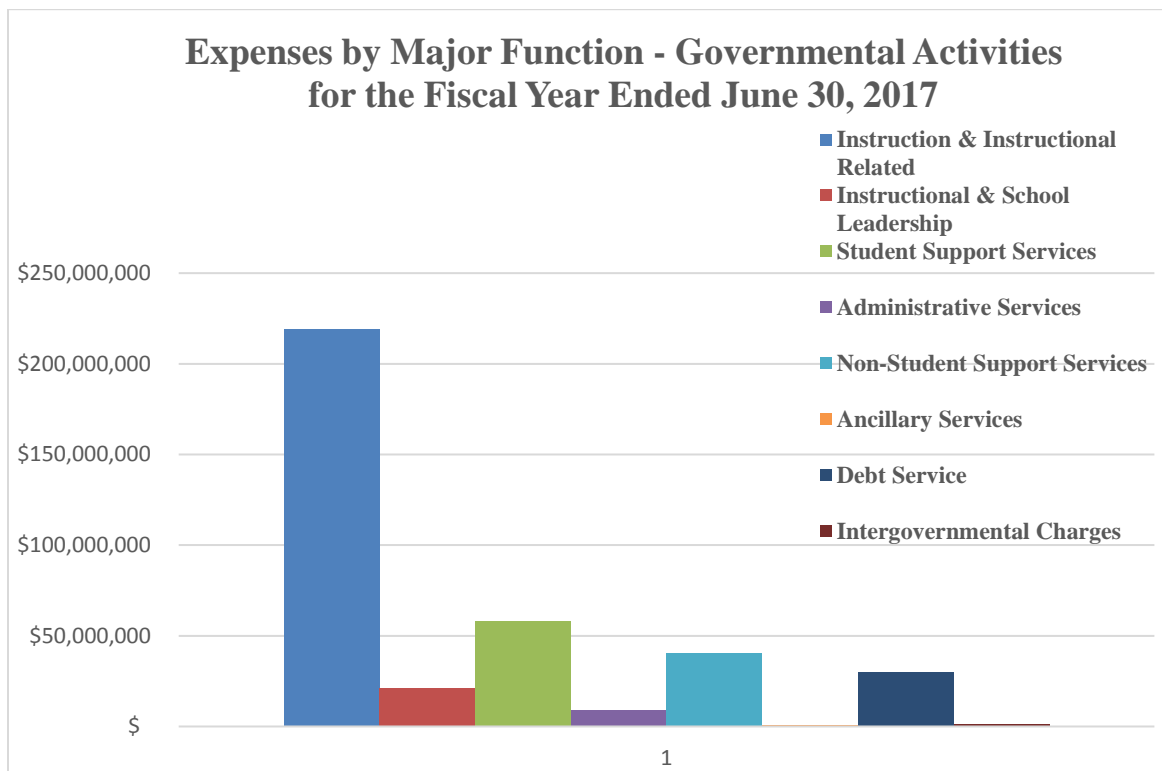


Figure 2



The primary functional expense (see Figure 2) of the District is instruction at \$209 million which represents 55.2% of total expenses. Student Support represents 18.33%, Non-student Support represents 10.68%, Interest on Debt represents 8.00%, and Instructional and School Leadership represents 4.7%. The remaining individual functional categories are each less than 4%. Total expenses in the current fiscal year were \$360.5 million, a \$51.6 million or 16% percent increase from the prior year which is largely attributable to the change in the district's fiscal year, representing twelve months rather than ten months of operating expenditures.

Table III 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 III - Costs of Services for Major Functions

	Cost of Services		Net Cost of Services	
	2017	% of Total	2017	% of Total
Instruction	\$ 209,606,195	55.2%	\$ 200,556,482	55.8%
School Leadership	17,723,656	4.7%	17,080,137	4.7%
Facilities Maintenance and Operations	30,401,466	8.0%	25,089,753	7.0%
Interest and Fiscal Charges	30,456,653	8.0%	20,022,826	5.6%



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 June 30, 2017, the District's governmental funds reported combined fund balances of \$143,051,088 a decrease of \$28.4 million from the prior year. The unassigned fund balance, \$81 million or 56.9% 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 IV.

Table IV - Governmental Fund Balances

	Amounts	% of Total
Non- Spendable		
Inventory	\$ 553,728	0.4%
Prepaid items	1,924,893	1.3%
Total Non-spendable	2,478,621	1.7%
Restricted		
Federal, State and Local Grants	791,432	0.6%
Capital Acquisitions	29,770,045	20.8%
Retirement of Long-Term Debt	27,198,818	19.0%
Total Restricted	57,760,295	40.4%
Committed		
Campus activity funds	1,427,137	1.0%
Total Committed	1,427,137	1.0%
Unassigned	81,385,035	56.9%
Total Governmental Fund Balances	\$ 143,051,088	100.0%

The General Fund is the primary operating fund of the District. At June 30, 2017, unassigned fund balance of the General Fund was \$81,412,591 which is 98% percent of the total General Fund balance of \$82,698,652. 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 29% of the current year General Fund expenditures.

The fund balance of the District's General Fund decreased \$24.4 million during the current fiscal year due to the change in the fiscal year. The increase in last year's fund balance was transferred over to the capital project fund so that Mansfield ISD would have funding for our new STEM Academy and our Early College High School; both schools opened in the Fall of 2017.

The Debt Service Fund balance of \$27,198,818 is restricted for the payment of debt service. The fund balance increased \$1,930,041 from the prior year.

At year end, the Capital Projects Fund had a combined fund balance of \$29,770,045 which is a decrease of \$5,245,464 million from the prior year. The fund balance is restricted for various construction projects and related encumbrances. The decrease in fund balance resulted from the construction projects from the 2006 and 2011 bond programs.

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 \$3,383,573. This represents a decrease of \$616,639 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, the Adult Education Program, and Catering. At year end, the Proprietary Funds had a net position of \$1,514,588 which is an increase of \$29,751 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 \$435,000 above final budgeted expenditures, and the actual reported revenues were approximately \$.7 million more than the final total revenues budgeted. The 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 June 30, 2017, the District had invested approximately \$719.7 million in a broad range of capital assets, including land, equipment, and buildings, less depreciation (see Table V). Net capital assets decreased \$8 million from the prior year. The decrease was primarily due to the completion of the renovation packages at various campuses and facilities in addition to depreciation.

Table V – Capital Asset Summary (Net of Depreciation)

	Governmental Activities		
	2017	2016	% Change
Land	\$ 56,191,085	\$ 56,126,265	0.12%
Construction in progress	68,423,111	118,130,266	-42.08%
Buildings and improvements	577,976,618	536,766,980	7.68%
Furniture and equipment	17,131,657	17,174,490	-0.25%
Total	\$ 719,722,471	\$ 728,198,001	-1.16%

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



Long-Term Debt

The District had \$807.7 million in long-term debt at year end, a decrease of \$23.8 million from the prior year (see Table VI). The District issued \$37 million in refunding bonds that resulted in net present value savings of \$5,849,258. In addition, the District made principal payments of \$23.1 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 VI - Long-Term Debt

	Balance July 1 2016	Additions	Retirements	Balance June 30, 2017	Due Within One Year
Governmental Activities					
Bonds and leases payable:					
General obligation bonds	\$ 764,415,000	\$ 32,760,000	\$ (60,045,000)	\$ 737,130,000	\$ 22,780,000
Premium on bond issuance	68,683,962	5,417,653	(5,815,025)	68,286,590	-
Capital lease payable	4,258,208		(1,925,922)	2,332,286	1,937,542
Total Bonds and Capital Leases Payable	\$ 837,357,170	\$ 38,177,653	\$ (67,785,947)	\$ 807,748,876	\$ 24,717,542

The District continues to receive excellent bond ratings. The latest underlying review by the rating agencies was performed in October 2016. The bonds have a municipal bond rating of "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by Standard & Poor's Ratings Services ("S&P") 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 and "AA" by S&P.



Economic Factors and Next Year's Budgets and Rates

During the 84th Texas Legislative Session in the spring of 2015, the Legislature put \$1.2 billion back into Public Education for the 2015-2016 biennium related to the Basic Allotment, \$860 million related to The Austin Yield, and a \$1.2 billion increase in the state mandated homestead exemption for a total of \$3.26 billion in these areas. Continued growth is expected through out the district as well. All of these factors have resulted in a healthy fund balance for the district.

The District began the 2016-2017 fiscal year with a fund balance of \$107.1 million and ended the year with \$82.7 million. This healthy fund balance level will assist the District in absorbing the impact of any state funding cuts that may occur in the future as well provide funds for any unexpected expenses that may arise. The District adopted a balanced budget for 2017-2018 which included a 2% cost of living increase for all staff.

Property values for the 2017-2018 fiscal year increased almost 6 percent over the 2016-2017 year. The 2017-2018 total District tax rate per \$100 of property value increased three cents to \$1.54 with a Maintenance and Operations (M&O) rate of \$1.04 and an Interest and Sinking (I&S) rate of \$0.50. The District's enrollment for 2017-2018 increased approximately 1 percent over the prior year.

Current 2017-2018 budgets for the Child Nutrition Fund and Debt Service Fund include estimated revenues and expenditures of approximately \$18.8 million and \$58.6 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
Exhibit A-1
STATEMENT OF NET POSITION
June 30, 2017

Data Control Codes	Governmental Activities	Business-type Activities	Total
Assets			
1110 Cash and cash equivalents	\$ 132,856,727	\$ 1,624,405	\$ 134,481,132
1220 Delinquent property taxes receivable	7,326,710		7,326,710
1230 Allowance for uncollectible taxes	(1,785,434)		(1,785,434)
1240 Due from other governments	40,063,783		40,063,783
1260 Internal balances	51,087	(51,087)	
1290 Other receivables	178,287		178,287
1300 Inventories	553,728		553,728
1410 Prepaid items	1,924,893		1,924,893
Capital assets not subject to depreciation:			
1510 Land	56,191,085		56,191,085
1580 Construction in progress	68,423,111		68,423,111
Capital assets net of depreciation:			
1520 Buildings and improvements, net	577,976,618		577,976,618
1530 Furniture and equipment, net	17,131,657		17,131,657
1000 Total Assets	900,892,252	1,573,318	902,465,570
Deferred Outflows of Resources			
1700 Deferred charge on refunding	31,921,824		31,921,824
1701 Deferred outflows - pension	30,872,457		30,872,457
Total Deferred Outflows of Resources	62,794,281		62,794,281
Liabilities			
2110 Accounts payable	3,412,031	17,019	3,429,050
2140 Interest payable	11,982,559		11,982,559
2150 Payroll deductions and withholdings	1,501,967	855	1,502,822
2160 Accrued wages payable	26,382,163	40,856	26,423,019
2180 Due to other governments	38,785		38,785
2190 Due to student groups	23,671		23,671
2300 Unearned revenue	1,216,800		1,216,800
Noncurrent Liabilities:			
2540 Net pension liability	73,180,681		73,180,681
2501 Due within one year	24,717,542		24,717,542
2502 Due in more than one year	783,031,334		783,031,334
2000 Total Liabilities	925,487,533	58,730	925,546,263
Deferred Inflows of Resources			
2600 Deferred inflows	12,126,146		12,126,146
Total Deferred Inflows of Resources	12,126,146		12,126,146
Net Position			
3200 Net investment in capital assets	(26,334,536)		(26,334,536)
Restricted for:			
3820 Federal and state programs	1,494,357		1,494,357
3840 Food service	489,636		489,636
3850 Debt service	16,663,507		16,663,507
3900 Unrestricted	33,759,890	1,514,588	35,274,478
3000 Total net position	\$ 26,072,854	\$ 1,514,588	\$ 27,587,442

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Twelve Months Ended June 30, 2017

Data Control Codes	Functions/Programs	Program Revenue		
		Expenses	Charges for Services	Operating Grants and Contributions
	Governmental activities:			
11	Instruction	\$ 209,606,195	\$ 158,316	\$ 8,891,397
12	Instruction resources and media services	5,749,795		24,989
13	Curriculum and staff development	3,734,124		625,915
21	Instructional leadership	3,337,935		78,602
23	School leadership	17,723,656		29,473
31	Guidance, counseling and evaluation services	13,883,147		2,758,864
32	Social work services	11,847		11,847
33	Health services	5,065,973		2,571,017
34	Student transportation	9,877,060		11,893
35	Food services	17,254,724	6,681,100	6,881,090
36	Extracurricular activities	12,098,882	831,400	-
41	General administration	8,774,962		-
51	Facilities maintenance and operations	30,401,466		236,201
52	Security and monitoring services	4,702,763		3,754
53	Data processing services	5,337,701		-
61	Community services	858,142		239,396
72	Interest and fiscal charges	30,456,653		-
93	Payments related to shared service arrangements	177,654		109,095
95	JJAEP	129		-
99	Other governmental charges	981,185		-
TG	Total governmental activities	380,033,993	7,670,816	22,473,533
	Business-type activities:			
01	Day Care	\$ 357,426	\$ 303,576	\$ -
02	Natatorium	669,329	769,042	
03	Adult Education	7,095	8,573	
04	Catering	90,862	73,272	
TB	Total business-type activities	1,124,712	1,154,463	
TP	Total primary government	\$ 381,158,705	\$ 8,825,279	\$ 22,473,533

General revenues

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

State-aid formula grants not restricted

Investment earnings

Miscellaneous

Special items

Special item - gain on sale of asset

Special item - oil and gas funds

Total general revenues

Change in net position

Net position - beginning

Net position - ending

MT
DT
SF
IE
MI

SI
SI
TR
CN
NB
NE

See Notes to the Financial Statements.

Net (Expense) Revenue and Changes in Net Position					
Primary Government					
Governmental Activities		Business-type Activities	Total		
\$	(200,556,482)	\$ -	\$	(200,556,482)	
	(5,724,806)			(5,724,806)	
	(3,108,209)			(3,108,209)	
	(3,259,333)			(3,259,333)	
	(17,694,183)			(17,694,183)	
	(11,124,283)			(11,124,283)	
	-			-	
	(2,494,956)			(2,494,956)	
	(9,865,167)			(9,865,167)	
	(3,692,534)			(3,692,534)	
	(11,267,482)			(11,267,482)	
	(8,774,962)			(8,774,962)	
	(30,165,265)			(30,165,265)	
	(4,699,009)			(4,699,009)	
	(5,337,701)			(5,337,701)	
	(618,746)			(618,746)	
	(30,456,653)			(30,456,653)	
	(68,559)			(68,559)	
	(129)			(129)	
	(981,185)			(981,185)	
	(349,889,644)			(349,889,644)	
\$	-	\$ (53,850)	\$	(53,850)	
		99,713		99,713	
		1,478		1,478	
		(17,590)		(17,590)	
		29,751		29,751	
\$	(349,889,644)	\$ 29,751	\$	(349,859,893)	
\$	119,269,358	\$ -	\$	119,269,358	
	53,982,207			53,982,207	
	155,691,235			155,691,235	
	1,131,607			1,131,607	
	3,522,747			3,522,747	
	2,431,288			2,431,288	
	396,356			396,356	
	336,424,798			336,424,798	
	(13,464,846)	29,751		(13,435,096)	
	39,537,700	1,484,837		41,022,537	
\$	26,072,854	\$ 1,514,588	\$	27,587,441	

MANSFIELD INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

Exhibit C-1

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
1110	Cash and cash equivalents	\$ 72,649,975	\$ 25,871,511	\$ 30,992,021	\$ 3,343,220	\$ 132,856,727
	Receivables:					
1220	Delinquent property taxes receivables	5,413,149	1,913,561			7,326,710
1230	Allowance for uncollectible taxes (credit)	(1,319,122)	(466,312)			(1,785,434)
1240	Receivables from other governments	37,439,557	368,020		2,256,205	40,063,782
1260	Due from other funds	2,151,084	971,481		28	3,122,593
1290	Other receivables	174,296			3,995	178,291
1300	Inventories, at cost	494,528			59,200	553,728
1410	Prepaid items	791,532			1,133,361	1,924,893
1000	Total Assets	<u>\$ 117,794,999</u>	<u>\$ 28,658,261</u>	<u>\$ 30,992,021</u>	<u>\$ 6,796,009</u>	<u>\$ 184,241,290</u>
Liabilities, Deferred Inflows, and Fund Balances						
Liabilities:						
2110	Accounts payable	\$ 2,123,727	\$	\$ 1,221,202	\$ 67,106	\$ 3,412,035
2150	Payroll deduction and withholdings	1,415,743		774	85,450	1,501,967
2160	Accrued wages payable	25,428,656			953,507	26,382,163
2170	Due to other funds	972,453	12,195		2,086,858	3,071,506
2180	Payable to other governments	38,785			-	38,785
2190	Due to student groups	3,381			20,290	23,671
2300	Unearned revenue				199,225	199,225
2400	Due to Other	1,017,575				1,017,575
2000	Total Liabilities	<u>31,000,320</u>	<u>12,195</u>	<u>1,221,976</u>	<u>3,412,436</u>	<u>35,646,927</u>
Deferred Inflows of Resources:						
2600	Unavailable revenue - property taxes	4,096,027	1,447,248			5,543,275
	Total Deferred Inflows of Resources	<u>4,096,027</u>	<u>1,447,248</u>			<u>5,543,275</u>
Fund Balances:						
Non-Spendable:						
3410	Inventories	494,528			59,200	553,728
3430	Prepaid items	791,532			1,133,361	1,924,893
Restricted:						
3450	Grant funds				791,432	791,432
3470	Capital acquisitions and contractual oblig.			29,770,045		29,770,045
3480	Retirement of long-term debt		27,198,818			27,198,818
Committed:						
3545	Campus activity funds				1,427,137	1,427,137
3545	Other committed					
3600	Unassigned	<u>81,412,592</u>			<u>(27,557)</u>	<u>81,385,035</u>
3000	Total fund balances	<u>82,698,652</u>	<u>27,198,818</u>	<u>29,770,045</u>	<u>3,383,573</u>	<u>143,051,088</u>
	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 117,794,999</u>	<u>\$ 28,658,261</u>	<u>\$ 30,992,021</u>	<u>\$ 6,796,009</u>	<u>\$ 184,241,290</u>

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
June 30, 2017

Exhibit C-2

Data Control Codes		
	Total fund balance, governmental funds (from C-1)	\$ 143,051,088
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	719,722,471
2	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.	5,543,276
3	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.	31,921,824
4	Deferred outflows - pension liability	30,872,457
	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:	
5	General obligation bonds	(737,130,000)
6	Net pension liability	(73,180,681)
7	Capital Lease Payable	(2,332,286)
8	Premiums on issuance	(68,286,590)
9	Deferred inflows related to pension liability	(12,126,146)
10	Accrued interest payable	(11,982,559)
	Total net position, governmental activities (from A-1)	\$ 26,072,854

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Twelve Months Ended June 30, 2017

Data Control Codes		General Fund	Debt Service Fund
Revenues			
5700	Local and intermediate sources	\$ 122,642,329	\$ 53,982,207
5800	State program revenues	145,973,061	3,923,721
5900	Federal program revenues	5,316,434	-
5020	Total revenues	<u>273,931,824</u>	<u>57,905,928</u>
Expenditures			
Current:			
0011	Instruction	170,954,737	
0012	Instruction resources and media services	3,707,892	
0013	Curriculum and staff development	2,996,548	
0021	Instructional leadership	3,173,935	
0023	School leadership	17,097,930	
0031	Guidance, counseling and evaluation services	8,771,047	
0032	Social work services		
0033	Health services	4,500,806	
0034	Student transportation	11,421,574	
0035	Food services	66,545	
0036	Extracurricular activities	8,447,870	
0041	General administration	6,608,987	
0051	Facilities maintenance and operations	29,764,813	
0052	Security and monitoring services	4,512,032	
0053	Data processing services	5,326,802	
0061	Community services	219,747	
Debt service:			
0071	Principal on long-term debt	1,925,922	23,070,000
0072	Interest on long-term debt	33,448	32,892,179
0073	Bond issuance costs and fees		370,107
Capital outlay:			
0081	Facilities acquisition and construction	107,376	
Intergovernmental:			
0093	Payments related to shared services arrangements	68,559	
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	129	
0099	Other intergovernmental charges	981,185	
6030	Total Expenditures	<u>280,687,884</u>	<u>56,332,286</u>
1100	Excess (deficiency) of revenues over expenditures	(6,756,060)	1,573,642
Other Financing Sources (Uses)			
7911	Capital-related debt issued (refunding bonds)		32,760,000
7912	Sale of real or personal property	2,514,195	
7915	Transfers in	18,564	
8911	Transfers out	(20,589,000)	
7916	Premium or discount on issuance of bonds		5,417,652
8949	Other Uses/Payment to Bond Refunding Escrow Agent		(37,821,253)
8849	Other Uses	(13,500)	
	Special Items		
7918	Special Items - Oil and gas royalties	396,356	
7080	Total other financing sources and uses	<u>(17,673,385)</u>	<u>356,399</u>
1200	Net change in fund balances	(24,429,445)	1,930,041
0100	Fund Balance - July 1 (Beginning)	<u>107,128,097</u>	<u>25,268,777</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 82,698,652</u>	<u>\$ 27,198,818</u>

See Notes to the Financial Statements.

Exhibit C-3

Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 229,770	\$ 10,012,075	\$ 186,866,381
44,712	3,158,706	153,100,200
	15,659,216	20,975,650
<u>274,482</u>	<u>28,829,997</u>	<u>360,942,231</u>
	9,668,168	180,622,905
	199,963	3,907,855
	669,576	3,666,124
	79,000	3,252,935
	58,884	17,156,814
	2,759,983	11,531,030
	11,847	11,847
	52,319	4,553,125
	10,448	11,432,022
	15,116,436	15,182,981
	201,592	8,649,462
	3,437	6,612,424
716,872	236,392	30,718,077
	4,225	4,516,257
	416	5,327,218
	255,979	475,726
		24,995,922
		32,925,627
		370,107
25,392,074		25,499,450
	109,095	177,654
		129
		981,185
<u>26,108,946</u>	<u>29,437,760</u>	<u>392,566,876</u>
(25,834,464)	(607,763)	(31,624,645)
		32,760,000
	9,688	2,523,883
20,589,000		20,607,564
	(18,564)	(20,607,564)
		5,417,652
		(37,821,253)
		(13,500)
		396,356
<u>20,589,000</u>	<u>(8,876)</u>	<u>3,263,138</u>
(5,245,464)	(616,639)	(28,361,507)
<u>35,015,509</u>	<u>4,000,212</u>	<u>171,412,595</u>
\$ 29,770,045	\$ 3,383,573	\$ 143,051,088

MANSFIELD INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Twelve Months Ended June 30, 2017

Exhibit C-4

**Data
Control
Codes**

Net change in fund balances - total governmental funds (from C-3) \$ (28,361,507)

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	29,448,497
2	Governmental activities depreciation expense	(37,841,629)
3	Loss on disposal	(82,398)
4	Change in deferred inflows for property tax revenues.	208,238
5	Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	23,070,000
6	Proceeds from issuance of refunding bonds is reported as an other financing source	(32,760,000)
7	Repayment of capital lease is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,925,922
8	Payments to escrow agent for refunding bonds	37,821,253
9	Premiums received from issuance of long-term debt	(5,417,653)
10	Pension expense	(10,505,798)
11	Pension contributions made during the current fiscal year are reported as expenditures in the governmental funds and are reported as deferred outflows and reductions in net pension liability as opposed to expenses in the statement of activity.	6,191,147
12	Decrease in interest payable not recognized in fund statements	560,323
13	Amortization of deferred charges on refunding as well as premiums and discounts on issuance of bonds	2,278,759
	Change in net position of governmental activities (see B-1)	<u>\$ (13,464,846)</u>

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

Exhibit D-1

	Business-type Activities - Enterprise Funds
Assets	
Current Assets:	
Cash and cash equivalents	\$ 1,624,405
Total current assets	<u>1,624,405</u>
Total Assets	<u>1,624,405</u>
Liabilities	
Current Liabilities:	
Accounts payable	17,019
Payroll deduction and withholdings payable	855
Accrued wages payable	40,856
Due to other funds	51,087
Total current liabilities	<u>109,817</u>
Total Liabilities	<u>109,817</u>
Net Position	
Unrestricted net position	1,514,588
Total Net Position	<u><u>\$ 1,514,588</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 Twelve Months Ended June 30, 2017

Exhibit D-2

	Business-type Activities - Enterprise Funds
Operating Revenues	
Charges for services	\$ 1,154,463
Total Operating Revenues	<u>1,154,463</u>
Operating Expenses	
Payroll costs	690,541
Professional and contracted services	21,227
Supplies and materials	243,933
Other operating costs	169,011
Total Operating Expenses	<u>1,124,712</u>
Operating Income (Loss)	<u>29,751</u>
Net Position - July 1 (Beginning)	<u>1,484,837</u>
Net Position -June 30 (Ending)	<u><u>\$ 1,514,588</u></u>

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Twelve Months Ended June 30, 2017

Exhibit D-3

	Business-type Activities - Enterprise Funds
Cash Flows from Operating Activities:	
Cash received from user charges	\$ 1,154,463
Cash payments to employees for services	(716,962)
Cash payments for contracted services	(21,227)
Cash payments for supplies	(226,044)
Cash payments for other expenses	(119,401)
Net Cash Provided by (Used for) Operating Activities	70,829
 Net Increase in Cash and Cash Equivalents	 70,829
Cash and Cash Equivalents at Beginning of Year	1,553,576
Cash and Cash Equivalents at End of Year	\$ 1,624,405
 Reconciliation to Balance Sheet	
Cash and Cash Equivalents Per Cash Flow	\$ 1,624,405
 Cash and Cash Equivalents per Balance Sheet	 \$ 1,624,405
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ 29,751
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
 Change in Assets and Liabilities:	
(Increase) Decrease in receivables	2,661
Increase (Decrease) in accounts payable	13,765
Increase (decrease) in payroll taxes payable	169
Increase (decrease) in accrued wages payable	(26,590)
Increase (decrease) in Interfund Receivables	51,073
Net Cash Provided by (Used for) Operating Activities	\$ 70,829

See Notes to the Financial Statements.

Mansfield Independent School District
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2017

Exhibit E-1

	Private Purpose Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 156,795	\$ 740,258
Receivables:		
Due from other government		38,949
Total Assets	<u>156,795</u>	<u>779,207</u>
Liabilities		
Accounts payable	70,462	1,587
Due to other funds		
Due to other	33,288	13,058
Due to student groups		764,562
Total Liabilities	<u>103,750</u>	<u>\$ 779,207</u>
Net Position		
Held in Trust for Other Purposes		
Restricted		
Total Net Position	<u>\$ 53,045</u>	

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Twelve Months Ended June 30, 2017

Exhibit E-2

	Private Purpose Trust Fund
Additions	
Investment income	\$ 610
Donations	125,202
Total additions	<u>125,812</u>
Deductions	
Non-operating expenses	6,495
Scholarships	243,925
Total deductions	<u>250,420</u>
Change in net position	(124,608)
Net Position, beginning of year	<u>177,653</u>
Net Position, end of year	<u><u>\$ 53,045</u></u>

See Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS



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 therefore, should 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.

Note 1 - Summary of Significant Accounting Policies (continued)

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*. In addition, 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.

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 nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. *Business-type activities*, which are reported separately, rely to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments are recorded only when payments are due.

Revenues from local sources consist primarily of property taxes. Property tax revenues, 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 deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors may require the District to refund all or part of the unused amounts.

Proprietary funds operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the District's enterprise funds are for charges to patrons for use of the two facilities, District employee day care and the District natatorium. Operating expenses for the enterprise funds include salaries and other operating expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.



Note 1 - Summary of Significant Accounting Policies (continued)

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 **Nonmajor 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, adult education program, catering, and natatorium.

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

Fiduciary Funds:

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

1. Cash and Cash Equivalents

The District reports cash and cash equivalents in the District's statement of cash flows in all financial statements of financial position. The District considers cash and cash equivalents to be cash on hand, demand deposits, money market mutual funds and certificates of deposit with original maturities of three months or less from acquisition date.

2. Investments

Investments consist of balances in privately managed public funds investment pools and investments, money market mutual funds, and municipal bonds. The District reports all investments at fair value, except for investment pools. The District's investment pools are valued and reported at amortized cost, which approximates fair value.

The District recognizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

3. 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.

4. 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.

Note 1 - Summary of Significant Accounting Policies (continued)

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

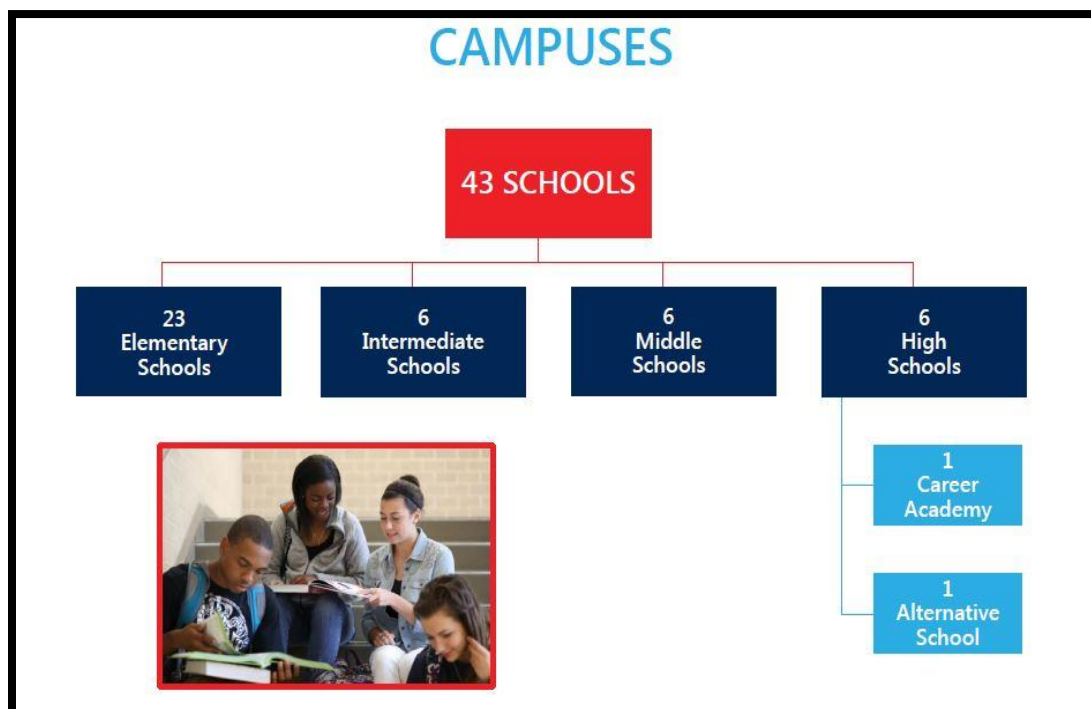
5. Capital Assets

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 acquisition value at the date of donation.

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

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

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



Note 1 - Summary of Significant Accounting Policies (continued)

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

6. 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.

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 \$1,427,137 for campus activity funds.

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.

7. 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*.

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. 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 2017 will ultimately change from the amount calculated as of June 30, 2017 because of the factors that TEA uses in its calculation.



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)

9. Deferred Outflows/Inflows of Resources

A deferred outflow of resources is a consumption of a government's net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

- Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, this 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.
- Deferred outflows of resources for pension – Reported in the government wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred outflows 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 deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period. The remaining 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.



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)

10. Deferred Outflows/Inflows of Resources (continued)

A deferred inflow of resources is an acquisition of a government's net position (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for pension – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the District's proportional share of pension liabilities. These pension related deferred inflows 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.



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 inflows of resources 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 position 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 inflows of resources 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 June 30, 2017, the District's carrying amount of deposits was \$4,021,581 and the bank balance was \$8,188,488. The District's bank balance at June 30, 2017, 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.

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

A. Credit Risk

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

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

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;

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

A. Credit Risk (continued)

A summary of the District's cash and investments at June 30, 2017, is shown below:

Types of Investments	Fair Value	Weighted Average Maturity	Percentage of Investment Portfolio	Credit Quality Rating Standard & Poors
Money Market Mutual Funds	24,115,782	4.22	18.36%	AAAm
Public Funds Investment Pools:				
LOGIC	\$ 88,941,151	16.93	67.73%	AAAm
TexSTAR	18,119,550	4.14	13.80%	AAAm
TexasCLASS	77,919	0.04	0.06%	AAAm
Governmental Activities	\$107,138,620		81.58%	
Fiduciary Funds (LOGIC)	69,045	16.93	0.05%	AAAm
	<u>\$107,207,665</u>		<u>81.64%</u>	
Total Investments	<u>\$131,323,447</u>		<u>100.00%</u>	
Cash and Cash Equivalents				
Governmental Activities	\$ 1,602,325		1.18%	
Business-Type Activities	1,624,405		1.20%	
Fiduciary Activities	828,008		0.61%	
Total Cash and Cash Equivalents	<u>\$ 4,054,738</u>		<u>3.00%</u>	
	<u>\$135,378,185</u>		<u>103.00%</u>	
Portfolio Weighted Average Maturity		25.33		

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

B. Credit Risk (continued)

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 June 30, 2017,

- Fully collateralized or FDIC insured time and demand deposits represented 3% of the total portfolio,
- Money market mutual funds rated A or better represented 18.36% of the total portfolio, and
- The remainder of the portfolio, 81.64%, was in local government investment pools rated AAAM.

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 June 30, 2017,

- Funds in one investment pool, LOGIC, represented 67.73% of the total portfolio,
- Funds in one investment pool, TexSTAR, represented 13.8% of the total portfolio,
- Funds in one investment pool, Texas Class, represented .06% of the total portfolio,
- Funds in money market funds rated A or better represented 18.36 % 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 June 30, 2017, the portfolio contained:

- No holdings that had a stated maturity beyond 699 days
- The dollar weighted average maturity of the total portfolio was 25.33 days.

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

C. Credit Risk (continued)

Local Government Investment Pools

As of June 30, 2017, the District's investments included the Local Government Investment Cooperative ("LOGIC"), Texas CLASS and TexSTAR local government investment pools. LOGIC, Texas CLASS and TexSTAR investment pools' investments are not evidenced by securities that exist in physical or book entry form and, accordingly, do not have custodial risk. LOGIC, Texas CLASS 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, TexasCLASS and TexSTAR were created in April 1994, 1996 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. TexasCLASS's policy seeks to invest pooled assets in order to preserve principal, maintain the liquidity of the funds, and to maximize yield. Public Trust Advisor's LLC is the program administrator and Wells Fargo Bank Texas, N.A. is the custodian. 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.

TexasCLASS's investment policy seeks to invest the pooled assets of its participants with four objectives in mind; to 1) invest only in legally permissible investments, 2) provide for safety of the participants assets, 3) provide liquidity to its participants, and 4) maximize income while remaining legal, safe, and liquid.

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.

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

D. Credit Risk (continued)

Local Government Investment Pools (continued)

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, the Local Government Investment Pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

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 June 30, 2017:

- 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, 2017, upon which the levy for the 2017 fiscal year was based, was \$11,611,647,624.

The tax rates assessed for the twelve months ended June 30, 2017 to finance general fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$.4700 per \$100 of valuation, respectively, for a total of \$1.5100 per \$100 of valuation. Current tax collections for the year ended June 30, 2017 were 99% of the tax levy.

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

Note 5 - Interfund Receivables and Payables

Interfund balances at June 30, 2017, consisted of the following individual fund receivables and payables:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental Funds		
General Fund	\$ 2,151,084	\$ 972,453
Debt Service Fund	971,481	12,195
Nonmajor Governmental Funds	28	2,086,858
Proprietary Funds		
Enterprise Funds		51,087
Total	<u>\$ 3,122,593</u>	<u>\$ 3,122,593</u>

Interfund balances result from the time lag between the dates reimbursable expenditures occur and payments between funds are made. Payroll costs are reimbursed after month end, resulting in balances between funds.

Note 6 - Capital Assets

The District records assets based on historical costs and calculates 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 twelve months ended June 30, 2017, are as follows:

	Balance July 1, 2016	Additions	Retirements and Transfers	Balance June 30, 2017
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 56,126,265	\$ 107,376	\$ (42,556)	\$ 56,191,085
Construction in progress	118,130,266	26,137,363	(75,844,517)	68,423,111
Total Capital assets, not being depreciated	174,256,531	26,244,739	(75,887,073)	124,614,196
Capital assets, being depreciated:				
Buildings and improvements	893,989,959	75,696,454	(106,520)	969,579,893
Furniture and equipment	13,030,995	877,632	(38,501)	13,870,126
Vehicles	26,863,689	2,474,189	(220,496)	29,117,382
Total Capital assets, being depreciated	933,884,643	79,048,275	(365,517)	1,012,567,401
Less accumulated depreciation for:				
Buildings and improvements	(357,222,979)	(34,452,122)	71,826	(391,603,275)
Furniture and Equipment	(7,851,050)	(1,830,381)	33,354	(9,648,077)
Vehicles	(14,869,144)	(1,559,126)	220,496	(16,207,774)
Total Accumulated depreciation	(379,943,173)	(37,841,629)	325,676	(417,459,126)
Total capital assets being depreciated, net	553,941,470	41,206,646	(39,841)	595,108,275
 Governmental Capital Assets	 \$ 728,198,001	 \$ 67,451,384	 \$ (75,926,914)	 \$ 719,722,471

MANSFIELD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Exhibit F-1

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

Function	Depreciation Expense
Governmental Activities:	
Instruction	\$ 24,979,259
Instructional resources and media services	1,755,852
Instructional leadership	37,842
School leadership	1,979,118
Guidance, counseling and evaluation services	370,848
Health services	208,129
Student transportation	1,952,628
Food Services	3,379,257
Extracurricular activities	1,998,038
General administration	264,891
Facilities maintenance and operations	442,747
Security and monitoring services	94,604
Data processing services	378,416
Total Governmental Activities	\$ 37,841,629



Note 7 - Long-Term Debt and Debt Service Requirements

Bonds 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 1.00% to 5.50%. 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 June 30, 2017, \$27,198,817 was available in the Debt Service Fund to service these bonds.

The District issued \$32,760,000 of Unlimited Tax Refunding Bonds, Series 2016 dated October 15, 2016 and delivered November 20, 2016. Proceeds from the sales of the bonds were used to refund the District's Unlimited Tax School Building Bonds, Series 2006 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 refundings of \$4,143,031. 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 10 years by \$6,580,577 and resulted in economic gains/present value of \$5,849,258. The premiums of \$5,417,653 are being amortized over the life of the bonds using the straight-line method.

As of June 30, 2017, the District had \$275 million authorized but unissued general obligation bonds, but see Note 16 Subsequent Event.

At year end, \$302,750,000 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 twelve months ended June 30, 2017:

	Balance July 1 2016	Additions	Retirements	Balance June 30, 2017	Due Within One Year
Governmental Activities					
Bonds and leases payable:					
General obligation bonds	\$ 764,415,000	\$ 32,760,000	\$ (60,045,000)	\$ 737,130,000	\$ 22,780,000
Premium on bond issuance	68,683,962	5,417,653	(5,815,025)	68,286,590	-
Capital lease payable	4,258,208		(1,925,922)	2,332,286	1,937,542
Total Bonds and Capital Leases Payable	<u>\$ 837,357,170</u>	<u>\$ 38,177,653</u>	<u>\$ (67,785,947)</u>	<u>\$ 807,748,876</u>	<u>\$ 24,717,542</u>

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

Annual requirements to amortize all bonded debt outstanding as of June 30, 2017 follow:

Year Ending				
June 30,	Principal	Interest	Totals	
2018	\$ 22,780,000	\$ 33,102,771	\$ 55,882,771	
2019	23,745,000	33,304,971	57,049,971	
2020	25,940,000	32,250,934	58,190,934	
2021	28,200,000	31,017,074	59,217,074	
2022	31,905,000	29,688,774	61,593,774	
2023-2027	184,345,000	124,356,249	308,701,249	
2028-2032	197,430,000	79,015,894	276,445,894	
2033-2037	73,360,000	47,991,056	121,351,056	
2038-2042	90,805,000	28,058,950	118,863,950	
2043-2045	58,620,000	4,628,700	63,248,700	
	<u>\$ 737,130,000</u>	<u>\$ 443,415,373</u>	<u>\$ 1,180,545,373</u>	



\$ 2001 - \$180.5 million

- Timberview High School
- Summit High School Performing Arts Center and Cafeteria Addition
- Danny Jones Middle School
- Della Icenhower Intermediate
- Elizabeth Smith Elementary
- Erma Nash Conversion
- Erma Nash Elementary
- Martha Reid Elementary
- Mary Jo Sheppard Elementary
- Roberta Tipps Elementary
- Thelma Jones Elementary
- A/C for Five Elementary Campuses
- Roof Replacement and Repair
- Stadium Improvements
- Warehouse Cooler and Freezer
- Additional Bus Parking
- Capital Maintenance Items



\$ 2002 - \$25 million

- Ben Barber Career Tech Academy



\$ 2003 - \$225.8 million

- Anderson Education Complex
 - Newsom Stadium
 - MISD Natatorium
- Mansfield Legacy High School
- James L. Coble Middle School
- Mary Lillard Intermediate
- Janet Brockett Elementary
- Anny May Daulton Elementary
- Louise Cabaniss Elementary
- Cora Spencer Elementary
- Food Services Warehouse
- Maintenance Facility
- MISD Student Services Bldg.
 - Purchasing
- Transportation and Bus Maintenance Building
- Police and Technology Renovations



\$ 2006 - \$241.5 million

- Center for the Performing Arts
- Lake Ridge High School
- Linda Jobe Middle School
- Asa E. Low Jr. Intermediate
- Annette Perry Elementary
- Judy Miller Elementary
- Nancy Neal Elementary
- Multi-Campus HVAC and Roof Rep.
 - HVAC Automation Systems
 - Brooks Wester Track
- Sixth Ave. Bus Transp. Facility
- Agricultural Science Facility
- Tarver Rendon Lighting
- Willie Pigg Auditorium
- High School Turf Conversions
- Ben Barber Career Tech Academy Facility Additions
- Student Nutrition Services Renovations



\$ 2011- \$198.5 million

- Alice Ponder Elementary
- J.L. Boren Elementary
- Charlotte Anderson Elementary
- Glenn Harmon Elementary
- Tarver-Rendon Elementary
- Summit High School Gym
- Mansfield High School Gym
- Summit HS Stadium Concession
- Cross Timbers & Mary Orr Intermediate Band Halls
- Worley Middle School Athletic Renovations
- Howard Middle School Athletic Renovations
- Security System Upgrades
- Wireless and Technology Upgrades
- Renovations and Improvements at 40 District Facilities
- Roof Replacement at 8 District Facilities

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

Bonds Payable

Bonds payable at June 30, 2017, are composed of the following individual issues:

Description - Authorization (Dated)	Maturity Range	Interest Rate	Amount Original Issue
Unlimited Tax School Building & Refunding Bonds, Series 200	2002-2027	3.25%-5.5%	\$ 79,789,984
Unlimited Tax Refunding Bonds, Series 2006	2006-2026	4.00%-5.00%	47,349,797
Unlimited Tax School Building Bonds, Series 2007	2006-2017	4.00%-5.00%	72,070,000
Unlimited Tax School Building Bonds, Series 2008	2008-2017	4.00%-5.00%	80,000,000
Unlimited Tax Refunding Bonds, Series 2009	2009-2023	3.0-5.0%	44,600,000
Unlimited Tax Refunding Bonds, Series 2010	2010-2027	4.0-5.0%	85,465,000
Unlimited Tax Refunding Bonds, Series 2011	2011-2026	2.0-4.0%	9,500,000
Unlimited Tax Refunding Bonds, Series 2012	2011-2027	3.0-5.0%	16,915,000
Unlimited Tax School Building Bonds, Series 2012	2012-2035	Variable	50,000,000
Unlimited Tax Refunding Bonds, Series 2012A	2012-2029	3.0-5.0%	41,275,000
Unlimited Tax Refunding Bonds, Series 2012B	2012-2028	3.0-5.0%	30,460,000
Unlimited Tax Refunding Bonds, Series 2013A	2013-2030	2.0-5.0%	63,255,000
Unlimited Tax Refunding Bonds, Series 2013B	2013-2031	2.0-5.0%	86,170,000
Unlimited Tax Refunding Bonds, Series 2013C	2013-2025	4.00%	21,855,000
Unlimited Tax Building Bonds, Series 2013	2013-2043	4.25-4.5%	49,355,000
Unlimited Tax School Building Bonds, Series 2014	2014-2044	3.375%-5.00%	47,145,000
Unlimited Tax Refunding Bonds, Series 2014	2014-2032	4.00%-5.00%	59,445,000
Unlimited Tax Refunding Bonds, Series 2015	2015-2033	2.00%-5.00%	78,355,000
Unlimited Tax School Building Bonds, Series 2015	2015-2045	5.00%	43,290,000
Unlimited Tax Refunding Bonds, Series 2015A	2015-2035	2.00%-4.00%	45,275,000
Unlimited Tax Refunding Bonds, Series 2016	2017-2026	1.00%-5.00%	32,760,000

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 (continued)

Exhibit F-1

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

Bonds Payable (continued)

Description - Authorization (Dated)	Amount Outstanding July 1, 2016	Issued	Retired	Refunded	Amount Outstanding June 30, 2017	Due Within One Year
Unlimited Tax School Building & Refunding Bonds 2002 (9/3/2002)	\$575,000		\$ (40,000)		\$535,000	\$40,000
Unlimited Tax Refunding Bonds 2006 (8/15/2006)	40,670,000		(3,695,000)	(36,975,000)	\$0	\$0
Unlimited Tax School Building Bonds - 2006 (5/15/2007)	2,635,000	-	(2,635,000)	\$ -	\$0	\$0
Unlimited Tax School Building Bonds - 2008 (6/15/2008)	225,000	-	(225,000)	\$ -	\$0	\$0
Unlimited Tax Refunding Bonds 2009 (11/20/2009)	24,395,000	-	(2,290,000)	0	\$22,105,000	\$2,390,000
Unlimited Tax Refunding Bonds 2010 (7/15/10)	77,205,000	-	(4,495,000)	0	\$72,710,000	\$5,065,000
Unlimited Tax Refunding Bonds 2011 (4/15/2011)	7,595,000	-	(380,000)	-	\$7,215,000	\$395,000
Unlimited Tax Refunding Variable Rate Bonds 2012* (2/15/2012)	50,000,000	-	-	-	\$50,000,000	\$0
Unlimited Tax Refunding Bonds 2012 (12/15/2011)	16,915,000	-	-	-	\$16,915,000	\$0
Unlimited Tax Refunding Bonds 2012A (7/1/2012)	40,690,000	-	-	-	\$40,690,000	\$0
Unlimited Tax Refunding Bonds, Series 2012B	22,640,000	-	-	-	\$22,640,000	\$0
Unlimited Tax Refunding Bonds, Series 2013A	59,535,000	-	(2,135,000)		\$57,400,000	\$2,060,000
Unlimited Tax Refunding Bonds, Series 2013B	83,550,000	-	(1,955,000)		\$81,595,000	\$2,260,000
Unlimited Tax Refunding Bonds, Series 2013C	17,445,000	-	(3,690,000)		\$13,755,000	\$3,850,000
Unlimited Tax School Building Bonds - 2013 (11/01/2013)	49,355,000	-	-	-	\$49,355,000	\$0
Unlimited Tax School Building Bonds - 2014 (12/01/2014)	47,145,000	-	-	-	\$47,145,000	\$0
Unlimited Tax Refunding Bonds, Series 2014	58,340,000	-	-	-	\$58,340,000	\$1,455,000
Unlimited Tax Refunding Bonds, Series 2015	77,630,000	-	(740,000)		\$76,890,000	\$1,360,000
Unlimited Tax School Building Bonds - 2015 08/20/2015)	43,290,000	-	-	-	\$43,290,000	\$0
Unlimited Tax School Building Bonds, Series 2015A	44,580,000	-	-	-	\$44,580,000	\$0
Unlimited Tax Refunding Bonds, Series 2016 (11/29/16)		32,760,000	(790,000)		\$31,970,000	\$3,905,000
	<u>\$764,415,000</u>	<u>\$32,760,000</u>	<u>(\$23,070,000)</u>	<u>(\$36,975,000)</u>	<u>\$737,130,000</u>	<u>\$22,780,000</u>

Note 8 – Lease Obligations

A. Commitments under Operating Leases

The District's had no future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2017.

Rental expense for the twelve months ended June 30, 2017 was \$285,994.

B. Commitments under Capital Leases

This year the District entered into a lease agreement as lessee for financing the acquisition of athletic scoreboards. The equipment has a ten-year estimated useful life. Depreciation was not recorded in the current year since the scoreboard was installed at the end of June. 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 June 30, 2017, were as follows:

Commitments Under Capital Leases

<u>Fiscal Year</u>	
2018	\$ 1,959,370
2019	138,187
2020	138,187
2021	138,187
Total minimum lease payments	<u>\$ 2,373,931</u>
Less: amount representing interest	<u>41,645</u>
Present value of minimum lease payments	<u>\$ 2,332,286</u>



Note 9 - Unearned Revenue/Deferred Inflows of Resources

Unavailable Revenue

Deferred revenue at year end represents assets that are not available for use by the District to liquidate current year liabilities.

Unearned Revenue

Governmental funds do not recognize revenue in connection with resources that have been received, but not yet earned. A summary of unearned revenue/deferred inflows by fund follows:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Unearned Revenue				\$
Miscellaneous Fees				
Prepaid Lunch Cards			199,225	199,225
Deferred Inflows				
Property Taxes	4,096,027	1,447,248		5,543,275
Receivable				
Total	<u>\$ 4,096,027</u>	<u>\$ 1,447,248</u>	<u>\$ 199,225</u>	<u>\$ 5,742,500</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.



Note 10 - Committed Fund Balances

Committed fund balances as of June 30, 2017, is composed of the following:

	Total
Campus Activity Funds	\$ 1,427,137
Total	<u>\$ 1,427,137</u>

Note 11 - Employee Retirement Systems and Pension Plans

A. Plan Description

The Mansfield Independent School 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 above.



Note 11 - Employee Retirement Systems and Pension Plans (continued)

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 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. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Legislature, GAA established the employer contribution rates for fiscal year 2016 and 2017.

	Contribution Rates	
	2017	2016
Member (Employee)	7.7%	7.2%
Non-employer contributing agency (State)	6.8%	6.8%
District	6.8%	6.8%

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).

	Measurement Year (2016)	Fiscal Year (2017)
	Contributions Required and Made	TRS Contributions
Member (Employee)	\$ 14,796,260	\$ 16,161,374
Non-employer contributing agency (State)	10,394,924	10,755,041
District	6,153,022	6,178,909

Note 11 - Employee Retirement Systems and Pension Plans (continued)

D. Contributions (continued)

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.

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, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Inflation	2.5%
Salary Increases including inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

Note 11 - Employee Retirement Systems and Pension Plans (continued)

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 June 30, 2017, are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long Term Expected Portfolio Real Rate of Return *
Global Equity			
1) U.S.	18%	4.6%	1.0%
2) Non-U.S. Developed	13%	5.1%	0.9%
3) Emerging Markets	9%	5.9%	0.7%
4) Directional Hedge Funds	4%	5.3%	0.1%
5) Private Equity	13%	7.0%	0.1%
Stable Value			
1) U.S. Treasuries	11%	0.7%	0.1%
2) Absolute Return	0%	1.8%	0.0%
3) Stable Value Hedge Funds	4%	3.0%	0.1%
4) Cash	1%	-0.2%	0.0%
Real Return			
1) Global Inflation Linked Bonds	3%	0.9%	0.0%
2) Real Assets	16%	5.1%	1.1%
3) Energy and Natural Resources	3%	6.6%	0.2%
4) Commodities	0%	1.2%	0.0%
Risk Parity			
1) Risk Parity	5%	6.7%	0.3%
2) Inflation Expectation			2.2%
3) Alpha			1.0%
Total	100%		8.7%

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

Note 11 - Employee Retirement Systems and Pension Plans (continued)

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 2016 Net Pension Liability.

	1% Decrease 7%	Current Discount Rate 8%	1% Increase 9%
District's proportional share of the net pension liability	\$113,259,043	\$73,180,681	\$39,186,129

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

At June 30, 2017, the District reported a liability of \$73,180,681 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	\$ 73,180,681
State's proportionate share that is associated with the District	123,386,140
Total	<u>\$ 196,566,821</u>

The net pension liability was measured as of August 31, 2016, 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, 2015 thru August 31, 2016.

At August 31, 2016, the employer's proportion of the collective net pension liability was 0.1937% which was an increase of 0.0003% from its proportion measured as of August 31, 2015. The change in proportion was immaterial and therefore disregarded this year.



Note 11 - Employee Retirement Systems and Pension Plans (continued)

I. Change Since the Prior Actuarial Valuation

The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

1. Economic Assumptions:

- a. The inflation assumption was decreased from 3.00% to 2.50%
- b. The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%
- c. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
- d. The payroll growth assumption was lowered from 3.50% to 2.50%
- e. The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- f. The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- g. The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

2. Other Demographic Assumptions

- a. Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
- b. There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
- c. Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
- d. Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
- e. For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

Note 11 - Employee Retirement Systems and Pension Plans (continued)

J. Actuarial Methods and Policies

The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source. There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.



For the twelve months ended June 30, 2017, the District recognized pension expense of \$10,505,798 and revenue of \$12,804,539 for support provided by the State. At June 30, 2017, 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 actuarial experience	\$ 1,147,459	\$ (2,185,133)
Changes in actuarial assumptions	2,230,416	(2,028,471)
Differences between projected and actual investment earnings	14,102,017	(7,905,228)
Changes in proportion and differences between District contributions and proportionate share of contributions	8,214,414	(7,314)
Contributions paid to TRS subsequent to the measurement date	5,178,151	
Total	<u>\$ 30,872,457</u>	<u>\$ (12,126,146)</u>

Note 11 - Employee Retirement Systems and Pension Plans (continued)

K. TRS - Care Health Insurance Benefits for Retirees

\$5,178,151 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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 June 30,	Amount
2018	\$ 2,208,859
2019	2,208,859
2020	6,161,473
2021	1,905,183
2022	829,624
2023	254,162
	<u>\$ 13,568,160</u>

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, under the TRS Publications heading.

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 2017, 2016, and 2015. 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%.

Note 11 - Employee Retirement Systems and Pension Plans (continued)

L. TRS - Care Health Insurance Benefits for Retirees

Contributions made by the State, District, and staff members, for the years ended June 30, 2017, 2016 and August 31, 2015 are as follows:

Fiscal Year	State TRS Contributions Made on Behalf of the District	District Required Contributions to TRS	Employee Contributions to TRS	District's Annual Covered Payroll
2017	\$ 2,039,526	\$ 1,254,084	\$ 1,378,469	\$ 212,075,812
2016	1,642,822	1,034,302	1,116,968	171,834,329
2015	1,491,910	1,162,647	1,276,587	196,282,211

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 know 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 June 30, 2017, 2016, and August 31, 2015, the subsidy payments received by TRS-Care on-behalf of the District were:

Fiscal Year	Medicare Part D
2017	\$ 989,421
2016	791,860
2015	823,746

Funding Policy

These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 12 - Risk Management

During the year ended June 30, 2017, 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 July 1, 2016 through June 30, 2017. 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 2017, 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

A. Litigation

The District is a party to various legal actions, none of which is believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

B. 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 June 30, 2017, 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.

Note 13 - Litigation, Commitments and Contingencies (continued)

C. Construction

The District was obligated at June 30, 2017, 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:

Project	Approved Construction Budget	Construction in Progress	Estimated Remaining Commitment
STEM Academy	\$ 5,600,000	\$ 2,358,106	3,241,894
Early Literacy Center	14,989,000	437,563	14,551,437
Danny Griffin/6th Ave Fuel Station	870,000	326,391	543,609
Student Nutrition	1,252,441	1,224,953	27,488
Ben Barber Career Tech	13,040,678	13,384,246	(343,568)
Charlotte Anderson	18,246,688	16,100,014	2,146,674
Renovations Package 2	19,422,250	20,459,931	(1,037,681)
Renovations Package 2B	781,030	218,376	562,654
Renovations Package 3	10,097,746	10,333,538	(235,792)
Construction Wave 2	3,815,553	3,579,993	235,560
	<u>\$ 88,115,386</u>	<u>\$ 68,423,111</u>	<u>\$ 19,692,275</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 \$177,654 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 1st. The number of days carried over to December 1st 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 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.



Note 16 - Subsequent Event

The District issued \$43,985,000 of Unlimited Tax Refunding Bonds, Series 2017 dated August 1, 2017, and delivered September 1, 2017, as the first issue of the 2017 Bond Program. The proceeds were deposited into the Capital Projects Fund to be used for the first projects.

Note 17 – Fiscal Year Change

On March 2, 2015, the Board of Trustees voted to change the District's fiscal year-end date from August 31st to June 30th. A ten month transition year began on September 1, 2015 and ended on June 30, 2016. Subsequent fiscal years will begin on July 1st and end on June 30th.

Note 18 – Deficit Fund Balances

The Miscellaneous Grant Fund category on Schedule H-1 reflects a deficit fund balance in fiscal year 2017 of \$19,326 because there was not an accrual of revenue made to cover the expenditures paid out for the LEOSE grant. Revenue is to be received subsequent to year-end.

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Required Supplementary Information



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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**

Data Control Codes		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget - Positive (Negative)
		Original	Final		
	Revenues				
5700	Local revenues	\$ 122,610,644	\$ 123,088,734	\$ 122,642,329	\$ (446,405)
5800	State program revenues	143,736,861	145,236,861	145,973,061	736,200
5900	Federal program revenues	4,828,737	4,862,737	5,316,434	453,697
5000	Total revenues	<u>271,176,242</u>	<u>273,188,332</u>	<u>273,931,824</u>	<u>743,492</u>
	Expenditures				
	Current:				
0011	Instruction	168,866,126	168,813,431	170,954,737	(2,141,306)
	Instructional resources and media				
0012	services	3,687,484	3,705,860	3,707,892	(2,032)
0013	Curriculum and staff development	2,685,971	2,877,510	2,996,548	(119,038)
0021	Instructional leadership	3,294,160	3,268,994	3,173,935	95,059
0023	School leadership	17,492,761	17,438,282	17,097,930	340,352
0033	Health services	4,840,754	4,573,920	4,500,806	73,114
0034	Student transportation	10,325,058	11,979,977	11,421,574	558,403
0035	Food services		110,000	66,545	43,455
0036	Extracurricular activities	8,072,570	8,521,561	8,447,870	73,691
0041	General administration	6,793,671	6,783,456	6,608,987	174,469
0051	Facilities maintenance and operations	30,134,873	29,580,495	29,764,813	(184,318)
0052	Security and monitoring services	4,026,566	4,769,850	4,512,032	257,818
0053	Data processing services	5,057,925	5,797,800	5,326,802	470,998
0061	Community services	231,041	274,989	219,747	55,242
	Debt Service:				
0071	Principal on long-term debt	1,818,372	1,925,923	1,925,922	1
0072	Interest on long-term debt	2,810	33,447	33,448	(1)
	Capital Outlay:				
0081	Capital Outlay		108,000	107,376	624
	Intergovernmental:				
0093	Payments related to shared				
	services arrangements		68,560	68,559	1
0095	Prgm.	25,000	25,000	129	24,871
0099	Other intergovernmental charges	975,000	981,185	981,185	
6030	Total Expenditures	<u>277,365,709</u>	<u>280,253,138</u>	<u>280,687,885</u>	<u>(434,747)</u>
1100	Excess (deficiency) of revenues over				
	expenditures	<u>(6,189,467)</u>	<u>(7,064,806)</u>	<u>(6,756,061)</u>	<u>308,746</u>
	Other Financing Sources (Uses):				
7912	Sale of real or personal property	550,000	3,450,000	2,514,195	(935,805)
7915	Transfers in		18,564	18,564	
8911	Transfers out		(20,589,000)	(20,589,000)	
8949	Other Uses		(13,500)	(13,500)	
	Special Item				
7918	Special item - oil and gas royalties			396,356	396,356
7080	Total other financing sources (uses)	<u>550,000</u>	<u>(17,133,936)</u>	<u>(17,673,385)</u>	<u>(539,449)</u>
1200	Net change in fund balances	<u>(5,639,467)</u>	<u>(24,198,742)</u>	<u>(24,429,445)</u>	<u>(230,703)</u>
0100	Fund balances - beginning	<u>107,128,097</u>	<u>107,128,097</u>	<u>107,128,097</u>	
3000	Fund balances - ending	<u>101,488,630</u>	<u>82,929,355</u>	<u>82,698,652</u>	<u>(230,703)</u>

Mansfield Independent School District

Exhibit G-2

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)

	2016	2015	2014
District's Proportion of the Net Pension Liability	0.1937%	0.1940%	0.1576%
District's Proportionate Share of the Net Pension Liability	\$ 73,180,681	\$ 68,589,992	\$ 42,065,247
State's Proportionate Share of the Net Pension Liability	123,386,140	119,628,598	95,803,997
Total	<u>\$ 196,566,821</u>	<u>\$ 188,218,590</u>	<u>\$ 137,869,244</u>
District's Covered-Employee Payroll (for measurement year)	\$ 205,501,392	\$ 196,390,208	\$ 190,412,115
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	35.61%	34.93%	22.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability *	78.00%	78.43%	83.25%
Plan Fiduciary Net Position as a Percentage of covered-employee payroll *	92.75%	91.94%	72.89%

* The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

*Per Teacher Retirement System of Texas' comprehensive annual financial report

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)
For the Last Three Fiscal Years

Exhibit G-3

	2017	2016	2015
TRS			
Contractually Required Contributions	\$ 6,178,909	\$ 5,152,264	\$ 5,732,519
Contributions in Relation to the Contractually Required Contributions	<u>\$ 6,178,909</u>	<u>\$ 5,152,264</u>	<u>\$ 5,732,519</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
 District's Covered Employee Payroll	 \$ 212,075,812	 \$ 171,834,329	 \$ 196,397,727
 Contributions as a Percentage of Covered - Employee Payroll	 2.91%	 3.00%	 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.

During the fiscal year 2015, the District adopted GASB Statement No. 68 and 71. Ten years of data is not available.

During the fiscal year 2016, the District changed its fiscal year to June 30. This year represents ten months of data.

Stewardship, Compliance, and Accountability

Budgetary Information

The Board adopts an “appropriated budget” on a basis consistent with GAAP for the General Fund, Debt Service Fund, and National School Breakfast and Lunch Program Fund (which is included in special revenue funds). At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three funds.

The following procedures are followed in establishing the budgetary data reflected in the general purpose financial statements:

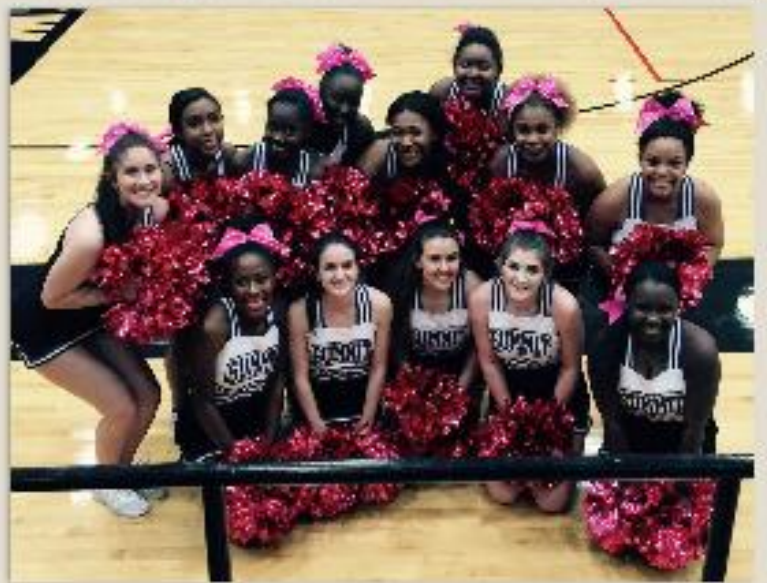
- Prior to June 19th for a fiscal year start date of July 1, the District prepares a budget based on the incremental budgeting concept for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- After one or more budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten days but not more than 30 days public notice of the meeting is required.
- Prior to June 30th for a fiscal year start date of July 1, the Board legally adopts the budget for the general fund, debt service fund, and food service fund.
- After the budgets for the above listed funds are approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources major object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and/or special board meetings and are reflected in the official minutes. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.
- Expenditure budgets are controlled at the expenditure functional and object level by the appropriate budget manager (principal, department director, or divisional administrator). Budget managers may authorize transfers within functional and organizational categories that do not affect the total functional and organizational appropriation. All budget appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Encumbrances outstanding at year end are commitments that do not constitute expenditures or liabilities, but are reported as assignments, commitments, or restrictions of fund balance depending on the fund type. Since appropriations lapse at the end of each year, outstanding encumbrances are appropriately provided for in the subsequent fiscal year’s budget to provide for the liquidation of the prior commitments. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

For the year ended June 30, 2017, expenditures exceeded appropriations in the following expenditure functions (the legal level of budgetary control) within the General Fund.

11 – Instruction	\$2,141,306
12 – Instructional resources and media services	2,032
13 – Curriculum and staff development	119,038
31 – Guidance, counseling and evaluation services	156,149
51 – Facilities maintenance and operations	184,318

Other Supplementary Information



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 provide support as designated.
- **Miscellaneous Donations** – various donations provide support as designated.
- **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
June 30, 2017

Data Control Codes		ESEA, Title I, PT A - Improving Basic Ed	IDEA B - Formula	IDEA B - Preschool
	Assets			
1110	Cash and cash equivalents			
1240	Receivables from other governments	872,567	1,002,177	30,685
1260	Due from other funds	28		
1290	Other receivables			
1300	Inventories			
1410	Prepaid items			
1000	Total Assets	<u>\$ 872,595</u>	<u>\$ 1,002,177</u>	<u>\$ 30,685</u>
	Liabilities and Fund Balances			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$ 210	\$ 350	
2150	Payroll deductions and withholdings	14,688	22,772	270
2160	Accrued wages payable	360,745	284,064	5,879
2170	Due to other funds	496,952	\$ 694,991	24,536
2190	Due to student groups			
2300	Unearned revenues			
2000	Total Liabilities	<u>872,595</u>	<u>1,002,177</u>	<u>30,685</u>
	Fund Balance:			
	Non-Spendable:			
3410	Inventories			
3430	Prepaid items			
	Restricted:			
3450	Grant funds			
	Committed:			
3545	Campus activity funds			
3545	Other committed			
3600	Unassigned			
3000	Total Fund Balance	<u></u>	<u></u>	<u></u>
4000	Total Liabilities and Fund Balances	<u>\$ 872,595</u>	<u>\$ 1,002,177</u>	<u>\$ 30,685</u>

Child Nutrition	Summer Feeding	Vocational Ed - Basic	ESEA Title II, Pt A - Improving Teacher Quality	ESEA, Title III, Pt A - BIL/ESL
\$ 1,514,166				
	47,963	113,577	40,012	48,668
59,200				
1,969				
<u>\$ 1,575,335</u>	<u>\$ 47,963</u>	<u>\$ 113,577</u>	<u>\$ 40,012</u>	<u>\$ 48,668</u>
\$ 10,811	\$ 38,332			
45,502	63		474	1,238
226,208	1,589		10,734	2,606
603,953	16,210	113,577	28,804	44,824
199,225				
<u>1,085,699</u>	<u>56,194</u>	<u>113,577</u>	<u>40,012</u>	<u>48,668</u>
59,200				
1,969				
428,467				
	(8,231)			
<u>489,636</u>	<u>(8,231)</u>			
<u>\$ 1,575,335</u>	<u>\$ 47,963</u>	<u>\$ 113,577</u>	<u>\$ 40,012</u>	<u>\$ 48,668</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

Data Control Codes		Medicaid Admin. Claiming Program	Misc. Federal Grants	Visually Impaired State Grant
	Assets			
1110	Cash and cash equivalents			
1240	Receivables from other governments		17,608	
1260	Due from other funds			
1290	Other receivables			
1300	Inventories			
1410	Prepaid items			
1000	Total Assets	<u>\$</u>	<u>\$ 17,608</u>	<u>\$</u>
	Liabilities and Fund Balances			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable			
2150	Payroll deductions and withholdings			
2160	Accrued wages payable		15,000	
2170	Due to other funds		2,407	
2190	Due to student groups			
2300	Unearned revenues			
2000	Total Liabilities	<u></u>	<u>17,407</u>	<u></u>
	Fund Balance:			
	Non-Spendable:			
3410	Inventories			
3430	Prepaid items			
	Restricted:			
3450	Grant funds		201	
	Committed:			
3545	Campus activity funds			
3545	Other committed			
3600	Unassigned			
	Total Fund Balance	<u></u>	<u>201</u>	<u></u>
4000	Total Liabilities and Fund Balances	<u>\$</u>	<u>\$ 17,608</u>	<u>\$</u>

Advanced Placement Incentive	Instructional Materials Allotment	Read to Succeed	Campus Activity Funds	Education Foundation Awards
\$ 4,109	\$ 346,463	\$ 743	\$ 1,433,344	\$ 23,394
			3,995	
	1,129,072		2,320	
<u>\$ 4,109</u>	<u>\$ 1,475,535</u>	<u>\$ 743</u>	<u>\$ 1,439,659</u>	<u>\$ 23,394</u>
\$ 500	\$ 9,824		\$ 4,153 109 5,940	\$ 2,191
				8,845
<u>500</u>	<u>9,824</u>	<u></u>	<u>10,202</u>	<u>11,036</u>
	1,129,072		2,320	
3,609	336,639	743		12,358
			1,427,137	
<u>3,609</u>	<u>1,465,711</u>	<u>743</u>	<u>1,429,457</u>	<u>12,358</u>
<u>\$ 4,109</u>	<u>\$ 1,475,535</u>	<u>\$ 743</u>	<u>\$ 1,439,659</u>	<u>\$ 23,394</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

Data Control Codes		Alternative PE	Misc. Grants	Misc. Donations
	Assets			
1110	Cash and cash equivalents		\$ 141	\$ 8,734
1240	Receivables from other governments		82,948	
1260	Due from other funds			
1290	Other receivables			
1300	Inventories			
1410	Prepaid items			
1000	Total Assets	<u>\$</u>	<u>\$ 83,089</u>	<u>\$ 8,734</u>
	Liabilities and Fund Balances			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$	\$ 735	\$
2150	Payroll deductions and withholdings		334	
2160	Accrued wages payable		40,742	
2170	Due to other funds		60,604	
2190	Due to student groups			2,319
2300	Unearned revenues			
2000	Total Liabilities	<u></u>	<u>102,415</u>	<u>2,319</u>
	Fund Balance:			
	Non-Spendable:			
3410	Inventories			
3430	Prepaid items			
	Restricted:			
3450	Grant funds			6,415
	Committed:			
3545	Campus activity funds			
3545	Other committed			
3600	Unassigned		(19,326)	
	Total Fund Balance	<u></u>	<u>(19,326)</u>	<u>6,415</u>
4000	Total Liabilities and Fund Balances	<u>\$</u>	<u>\$ 83,089</u>	<u>\$ 8,734</u>

Exhibit H-1
Page 3 of 3

Lockheed Martin Grant	iPad Summit	Total Nonmajor Governmental Funds
\$ 10,186	\$ 1,940	\$ 3,343,220
		2,256,205
		28
		3,995
		59,200
		1,133,361
<u>\$ 10,186</u>	<u>\$ 1,940</u>	<u>\$ 6,796,009</u>
\$	\$	\$ 67,106
		85,450
		953,507
		2,086,858
7,186	1,940	20,290
		199,225
<u>7,186</u>	<u>1,940</u>	<u>3,412,436</u>
		59,200
		1,133,361
3,000		791,432
		1,427,137
		-27,557
<u>3,000</u>	<u></u>	<u>3,383,573</u>
<u>\$ 10,186</u>	<u>\$ 1,940</u>	<u>\$ 6,796,009</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Twelve Months Ended June 30, 2017

Data Control Codes		ESEA, TITLE I, PT A - Improving Basic Ed	IDEA B - Formula	IDEA B - Preschool
	Revenues			
5700	Local and Intermediate Sources	\$	\$	\$
5800	State Program Revenues			
5900	Federal Program Revenues	3,029,547	4,236,194	67,990
5020	Total Revenues	<u>3,029,547</u>	<u>4,236,194</u>	<u>67,990</u>
	Expenditures			
	Current:			
0011	Instruction	2,622,223	1,333,042	53,306
0012	Instructional Resources and Media Services	21,497		
0013	Curriculum and Instructional Staff Development	104,951	18,540	
0021	Instructional Leadership	40,759	30,865	
0023	School Leadership	19,875		
0031	Guidance, Counseling and Evaluation Services	2,465	2,741,715	14,684
0032	Social work services	11,847		
0033	Health Services	707	2,937	
0034	Student Transportation	11,893		
0035	Food Services			
0036	Cocurricular/Extracurricular Activities			
0041	General Administration			
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services			
0053	Data Processing Services			
0061	Community Services	193,330		
0093	Payments related to shared services arrangements		109,095	
6030	Total Expenditures	<u>3,029,547</u>	<u>4,236,194</u>	<u>67,990</u>
1100	Excess (deficiency) of revenues over expenditures			
	Other Financing Sources (Uses)			
7912	Sale of real or personal property			
7915	Operating Transfers In			
	Total Other Financing Sources (Uses)			
1200	Net change in fund balances			
0100	Fund Balance - July 1 (Beginning)			
3000	Fund Balance -June 30 (Ending)	<u>\$</u>	<u>\$</u>	<u>\$</u>

Child Nutrition	Summer Feeding	Vocational Ed - Basic	ESEA Title II, Pt A - Improving Teacher Quality	ESEA, Title III, Pt A - BIL/ESL
\$ 6,687,811	\$ 1,061		\$	\$
83,797				
7,369,154	74,907	274,984	229,397	306,769
14,140,762	75,968	274,984	229,397	306,769
		274,984	44,445	106,358
			176,832	177,358
				6,978
			8,120	1,478
15,029,164	87,272			
236,201				
				14,597
15,265,365	87,272	274,984	229,397	306,769
(1,124,603)	(11,304)			
9,688				
9,688				
(1,114,915)	(11,304)			
1,604,551	3,073			
\$ 489,636	\$ (8,231)	\$	\$	\$

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Twelve Months Ended June 30, 2017

Data Control Codes		Medicaid Admin Claiming Program	Misc. Federal Grants	Visually Impaired State Grant
	Revenues			
5700	Local and Intermediate Sources			
5800	State Program Revenues			17,574
5900	Federal Program Revenues	48,105	22,169	
5020	Total Revenues	<u>48,105</u>	<u>22,169</u>	<u>17,574</u>
	Expenditures			
	Current:			
0011	Instruction		18,765	17,574
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	48,105		
0034	Student Transportation			
0035	Food Services			
0036	Cocurricular/Extracurricular Activities			
0041	General Administration			
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services		3,404	
0053	Data Processing Services			
0061	Community Services			
0093	Payments related to shared services arrangements			
6030	Total Expenditures	<u>48,105</u>	<u>22,169</u>	<u>17,574</u>
1100	Excess (deficiency) of revenues over expenditures			
	Other Financing Sources (Uses)			
7912	Sale of real or personal property			
7915	Operating Transfers In			
	Total Other Financing Sources (Uses)			
1200	Net change in fund balances			
0100	Fund Balance - July 1 (Beginning)		201	
3000	Fund Balance -June 30 (Ending)	<u>\$</u>	<u>\$ 201</u>	<u>\$</u>

Advanced Placement Incentive	Instructional Materials Allotment	Read to Succeed	Campus Activity Funds	Education Foundation Awards
			\$ 3,058,089	\$ 263,757
42,300	2,541,584	132	1,699	29
<u>42,300</u>	<u>2,541,584</u>	<u>132</u>	<u>3,059,788</u>	<u>263,786</u>
	1,943,418		2,636,852	249,196
		132	174,974	3,360
38,692	13,024		47,269	
			398	
			29,411	
			1,119	
			570	
			(1,445)	
			201,592	
			3,437	
			191	
			471	
			416	
			16,583	
<u>38,692</u>	<u>1,956,442</u>	<u>132</u>	<u>3,111,838</u>	<u>252,556</u>
<u>3,608</u>	<u>585,142</u>		<u>(52,050)</u>	<u>11,230</u>
(18,564)				
<u>(18,564)</u>				
(14,956)	585,142		(52,050)	11,230
18,565	880,569	743	1,481,507	1,128
<u>\$ 3,609</u>	<u>\$ 1,465,711</u>	<u>\$ 743</u>	<u>\$ 1,429,457</u>	<u>\$ 12,358</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Twelve Months Ended June 30, 2017

Data Control Codes		Alternative PE	Misc. Grants	Misc. Donations
	Revenues			
5700	Local and Intermediate Sources	\$ 100	\$ 500	757
5800	State Program Revenues		471,591	
5900	Federal Program Revenues			
5020	Total Revenues	<u>100</u>	<u>472,091</u>	<u>757</u>
	Expenditures			
	Current:			
0011	Instruction	100	367,905	
0012	Instructional Resources and Media Services			
0013	Curriculum and Instructional Staff Development		92,910	
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			
0041	General Administration			
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services		350	
0053	Data Processing Services			
0061	Community Services		31,469	
0093	Payments related to shared services arrangements			
6030	Total Expenditures	<u>100</u>	<u>492,634</u>	
1100	Excess (deficiency) of revenues over expenditures		<u>(20,543)</u>	<u>757</u>
	Other Financing Sources (Uses)			
7912	Sale of real or personal property			
7915	Operating Transfers In			
	Total Other Financing Sources (Uses)	<u>.</u>	<u></u>	<u></u>
1200	Net change in fund balances		(20,543)	757
0100	Fund Balance - July 1 (Beginning)	<u></u>	<u>1,217</u>	<u>5,658</u>
3000	Fund Balance -June 30 (Ending)	<u>\$</u>	<u>\$ (19,326)</u>	<u>\$ 6,415</u>

Exhibit H-2
Page 3 of 3

Lockheed Martin Grant	iPad Summit	Total Nonmajor Governmental Funds
\$	\$	\$ 10,012,075
		3,158,706
		15,659,216
		28,829,997
		9,668,168
		199,963
		669,576
		79,000
		58,884
		2,759,983
		11,847
		52,319
		10,448
		15,116,436
		201,592
		3,437
		236,392
		4,225
		416
		255,979
		109,095
		29,437,760
		(607,763)
		9,688
		(18,564)
		(8,876)
		(616,639)
3,000		4,000,212
\$ 3,000	\$	3,383,573

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - NONMAJOR ENTERPRISE FUNDS
June 30, 2017

Exhibit H-3

	Day Care Center	Natatorium	Adult Education	Catering	Business- type Activities Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 162,780	\$ 1,455,848	\$ 5,777	\$	\$ 1,624,405
Total current assets	<u>162,780</u>	<u>1,455,848</u>	<u>5,777</u>		<u>1,624,405</u>
Total Assets	<u>162,780</u>	<u>1,455,848</u>	<u>5,777</u>		<u>1,624,405</u>
Liabilities					
Current Liabilities:					
Accounts payable		3,495	58	13,466	17,019
Payroll taxes payable	289	509	57		855
Accrued wages payable	27,845	12,811	200		40,856
Due to other funds		46,963		4,124	51,087
Total current liabilities	<u>28,134</u>	<u>63,778</u>	<u>315</u>	<u>17,590</u>	<u>109,817</u>
Net Position					
Unrestricted net position	134,646	1,392,070	5,462	(17,590)	1,514,588
Total Net Position	<u>\$ 134,646</u>	<u>\$ 1,392,070</u>	<u>\$ 5,462</u>	<u>\$ (17,590)</u>	<u>\$ 1,514,588</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT

Exhibit H-4

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - NONMAJOR ENTERPRISE FUNDS
For the Twelve Months Ended June 30, 2017**

	Day Care Center	Natatorium	Adult Education	Catering	Business- type Activities Total
Operating Revenues					
Local and Intermediate Sources	\$ 303,576	\$ 769,042	\$ 8,573	\$ 73,272	\$ 1,154,463
Total Operating Revenues	<u>303,576</u>	<u>769,042</u>	<u>8,573</u>	<u>73,272</u>	<u>1,154,463</u>
Operating Expenses					
Payroll costs	196,445	446,900	4,457	42,739	690,541
Purchased and contracted services	1,025	20,202			21,227
Supplies and materials	120,062	73,125	2,638	48,108	243,933
Other operating costs	39,894	129,102		15	169,011
Total operating expenses	<u>357,426</u>	<u>669,329</u>	<u>7,095</u>	<u>90,862</u>	<u>1,124,712</u>
Operating income (loss)	<u>(53,850)</u>	<u>99,713</u>	<u>1,478</u>	<u>(17,590)</u>	<u>29,751</u>
Change in Net Position	<u>(53,850)</u>	<u>99,713</u>	<u>1,478</u>	<u>(17,590)</u>	<u>29,751</u>
Net position - July 1 (beginning)	<u>188,496</u>	<u>1,292,357</u>	<u>3,984</u>		<u>1,484,837</u>
Net position - June 30 (ending)	<u>\$ 134,646</u>	<u>\$ 1,392,070</u>	<u>\$ 5,462</u>	<u>\$ (17,590)</u>	<u>\$ 1,514,588</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - NONMAJOR ENTERPRISE FUNDS
June 30, 2017

Exhibit H-5

	Day Care Center	Natatorium	Adult Education	Catering	Business- type Activities Total
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities:					
Cash received from user charges	\$ 303,576	\$ 769,042	\$ 8,573	\$ 73,272	1,154,463
Cash payments to employees for services	(195,412)	(474,151)	(4,660)	(42,739)	(716,962)
Cash payments for contracted services	(1,025)	(20,202)			(21,227)
Cash payments for supplies	(120,062)	(72,884)	(2,580)	(30,518)	(226,044)
Cash payments for other expenses	(39,894)	(79,492)		(15)	(119,401)
Net Cash Provided by (Used for) Operating Activities	(52,817)	122,313	1,333	(0)	70,829
 Net Increase (Decrease) in Cash and Cash Equivalents	 (52,817)	 122,313	 1,333	 (0)	 70,829
Cash and Cash Equivalents at Beginning of Year	215,597	1,333,535	4,444		1,553,576
Cash and Cash Equivalents at End of Year	\$ 162,780	\$ 1,455,848	\$ 5,777	\$ (0)	\$ 1,624,405
 Reconciliation to Balance Sheet:					
Cash and Cash Equivalents Per Cash Flow	162,780	\$ 1,455,848	5,777	(0)	1,624,405
Cash and Cash Equivalents per Balance Sheet	\$ 162,780	\$ 1,455,848	\$ 5,777	\$ (0)	\$ 1,624,405
 Reconciliation of Operating Income (Loss) to					
Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ (53,850)	\$ 99,713	\$ 1,478	\$ (17,590)	\$ 29,751
Change in Assets and Liabilities:					
Decrease (increase) in receivables		2,661			2,661
Increase (decrease) in accounts payable		242	58	13,466	13,766
Increase (decrease) in payroll taxes payable	37	112	19		168
Increase (decrease) in accrued wages payable	996	(27,364)	(222)	4,124	(22,466)
Increase (decrease) in due to other funds		46,949			46,949
Net Cash Provided by (Used for) Operating Activities	\$ (52,817)	\$ 122,313	\$ 1,333	\$ (0)	\$ 70,829

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Period Ended June 30, 2017

Exhibit H-6

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Assets				
Cash and cash equivalents	\$ 747,054	\$ 4,892,688	\$ (4,899,484)	\$ 740,258
Due from Other Funds	-	108,572	(108,572)	-
Due from Other Governments	-	38,949		38,949
Other receivables	2,565	1,681,340	(1,683,905)	-
Total Assets	\$ 749,619	\$ 6,721,549	\$ (6,691,961)	\$ 779,207
Liabilities				
Accounts Payable	\$ -	\$ 1,804,521	\$ (1,802,934)	\$ 1,587
Due to other	6	42,711	(29,659)	13,058
Due to student groups	749,613	3,018,324	(3,003,375)	764,562
Total liabilities	\$ 749,619	\$ 4,865,556	\$ (4,835,968)	\$ 779,207

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Required TEA Schedules



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MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017

Last Ten Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2008 and prior years	Various	Various	Various
2009	1.040000	0.410000	7,831,929,983
2010	1.040000	0.410000	8,012,638,378
2011	1.040000	0.456000	8,321,526,050
2012	1.040000	0.456000	8,574,290,921
2013	1.040000	0.500000	9,354,124,064
2014	1.040000	0.487100	8,828,749,026
2015	1.040000	0.487100	9,072,174,412
2016	1.040000	0.470000	10,658,635,170
2017 (School year under audit)	1.040000	0.470000	11,444,353,095
1000 TOTALS			

EXHIBIT J-1

(10) Beginning Balance 7/1/2016	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2017
\$ 1,858,838	\$ -	\$ 9,964	\$ 3,759	\$ (168,634)	\$ 1,676,482
232,409	-	5,308	2,093	(59)	224,949
274,666	-	5,249	2,069	4,076	271,424
231,347	-	25,206	11,052	1,448	196,537
261,976	-	51,418	22,545	65,173	253,187
351,890	-	67,182	32,299	82,273	334,682
511,076	-	82,791	38,776	77,472	466,981
363,430	-	4,905	2,297	(130,397)	225,831
2,965,743		976,809	441,442	(646,444)	901,048
-	169,426,564	117,134,027	52,935,570	3,418,622	2,775,589
<u>\$ 7,051,375</u>	<u>\$ 169,426,564</u>	<u>\$ 118,362,858</u>	<u>\$ 53,491,902</u>	<u>\$ 2,703,531</u>	<u>\$ 7,326,710</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 Twelve Months Ended June 30, 2017

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	\$ 6,965,312	\$ 6,965,312	\$ 6,687,811	\$ (277,501)
5800	State program revenues	86,300	86,300	83,797	(2,503)
5900	Federal program revenues	9,070,567	9,070,567	7,369,154	(1,701,413)
5020	Total revenues	<u>16,122,179</u>	<u>16,122,179</u>	<u>14,140,762</u>	<u>(1,981,417)</u>
Expenditures					
Current:					
0035	Food services	15,736,835	15,736,835	15,029,164	707,671
0051	Facilities maintenance and operations	242,991	242,991	236,201	6,790
6030	Total Expenditures	<u>15,979,826</u>	<u>15,979,826</u>	<u>15,265,365</u>	<u>714,461</u>
1100	Excess (deficiency) of revenues over expendit	142,353	142,353	(1,124,603)	(1,266,956)
Other Financing Sources (Uses)					
7912	Sale of real or personal property			9,688	9,688
7080	Total other financing sources and uses			<u>9,688</u>	<u>9,688</u>
1200	Net change in fund balances	142,353	142,353	(1,114,915)	(1,257,268)
0100	Fund Balance - July 1 (Beginning)	<u>1,604,551</u>	<u>1,604,551</u>	<u>1,604,551</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 1,746,904</u>	<u>\$ 1,746,904</u>	<u>\$ 489,636</u>	<u>\$ (1,257,268)</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - DEBT SERVICE FUND
For the Twelve Months Ended June 30, 2017

Exhibit J-3

Data Control Codes		Debt Service			Variance with Final Budget - Positive (Negative)
		Original	Final	Actual Amounts, GAAP Basis	
	Revenues				
5700	Local and intermediate sources	\$ 54,038,162	\$ 54,038,162	\$ 53,982,207	\$ (55,955)
5800	State program revenues	3,748,990	3,923,990	3,923,721	(269)
5020	Total revenues	<u>57,787,152</u>	<u>57,962,152</u>	<u>57,905,928</u>	<u>(56,224)</u>
	Expenditures				
	Current:				
	Debt service:				
0071	Principal on long-term debt	22,280,000	23,070,000	23,070,000	-
0072	Interest on long-term debt	33,480,585	32,892,179	32,892,179	-
0073	Bond issuance costs and fees	10,000	395,000	370,107	24,893
6030	Total Expenditures	<u>55,770,585</u>	<u>56,357,179</u>	<u>56,332,286</u>	<u>24,893</u>
1100	Excess (deficiency) of revenues over expenditur	2,016,567	1,604,973	1,573,642	(31,331)
	Other Financing Sources (Uses)				
7911	Refunding bonds issued		32,760,000	32,760,000	-
7916	Premium or discount on issuance of bonds		5,417,653	5,417,652	1
8949	Payment to Bond Refunding Escrow Agent		(37,821,253)	(37,821,253)	-
7080	Total other financing sources and uses		<u>356,400</u>	<u>356,399</u>	<u>1</u>
1200	Net change in fund balances	2,016,567	1,961,373	1,930,041	(31,332)
0100	Fund Balance - July 1 (Beginning)	<u>25,268,777</u>	<u>25,268,777</u>	<u>25,268,777</u>	-
3000	Fund Balance - June 30 (Ending)	<u>\$ 27,285,344</u>	<u>\$ 27,230,150</u>	<u>\$ 27,198,818</u>	<u>\$ (31,332)</u>

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Statistical Section

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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>2017</u>	<u>2016 (2)</u>	<u>2015</u>	<u>2014</u>
Governmental Activities:				
Net Investment in				
Capital Assets	\$ (26,334,536)	\$ (39,531,821)	\$ (43,045,743)	\$ (24,672,550)
Restricted	17,514,139	17,165,462	14,740,490	35,442,189
Unrestricted	<u>34,893,251</u>	<u>61,904,059</u>	<u>41,629,583</u>	<u>68,608,559</u>
Total Governmental Activities Net Position	<u>26,072,854</u>	<u>39,537,700 (1)</u>	<u>13,324,330</u>	<u>79,378,198</u>
Business-Type Activities:				
Unrestricted	<u>1,514,588</u>	<u>1,484,837</u>	<u>1,446,756</u>	<u>1,254,381</u>
Total Business-Type Activities Net Position	<u>1,514,588</u>	<u>1,484,837</u>	<u>1,446,756</u>	<u>1,254,381</u>
Primary Government:				
Net Investment in				
Capital Assets	(26,334,536)	(39,531,821)	(43,045,743)	(24,672,550)
Restricted	17,514,139	17,165,462	14,740,490	35,442,189
Unrestricted	<u>36,407,839</u>	<u>63,388,896</u>	<u>43,076,339</u>	<u>69,862,940</u>
Total Primary Government Activities Net Position	\$ <u>27,587,442</u>	\$ <u>41,022,537</u>	\$ <u>14,771,086</u>	\$ <u>80,632,579</u>

(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.

(2) District changed the fiscal year from August 31st to June 30th, causing FY16 to be a ten month transition year.

Table 1

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ (12,080,569)	\$ (6,755,499)	\$ (1,167,932)	\$ 2,753,827	\$ 9,753,562	\$ 15,982,154
20,208,753	18,765,336	13,249,799	17,244,725	14,369,220	13,511,636
<u>89,988,349</u>	<u>103,720,882</u>	<u>103,320,172</u>	<u>93,408,667</u>	<u>94,191,642</u>	<u>80,247,815</u>
<u>98,116,533</u>	<u>115,730,719</u>	<u>115,402,039</u>	<u>113,407,219</u>	<u>118,314,424</u>	<u>109,741,605</u>
<u>1,068,149</u>	<u>874,251</u>	<u>768,686</u>	<u>653,627</u>	<u>512,418</u>	<u>306,751</u>
<u>1,068,149</u>	<u>874,251</u>	<u>768,686</u>	<u>653,627</u>	<u>512,418</u>	<u>306,751</u>
(12,080,569)	(6,755,499)	(1,167,932)	2,753,827	9,753,562	15,982,154
20,208,753	18,765,336	13,249,799	17,244,725	14,369,220	13,511,636
<u>91,056,498</u>	<u>104,595,133</u>	<u>104,088,858</u>	<u>94,062,294</u>	<u>94,704,060</u>	<u>80,554,566</u>
<u>\$ 99,184,682</u>	<u>\$ 116,604,970</u>	<u>\$ 116,170,725</u>	<u>\$ 114,060,846</u>	<u>\$ 118,826,842</u>	<u>\$ 110,048,356</u>

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

	<u>2017</u>	<u>2016 (1)</u>	<u>2015</u>	<u>2014</u>
Expenses				
Governmental Activities:				
Instruction	\$ 209,606,195	\$ 189,208,988	\$ 196,877,689	\$ 184,350,106
Instructional Resources and Media Services	5,749,795	4,784,056	5,148,254	5,006,141
Curriculum and Instructional Staff Development	3,734,124	2,981,156	3,009,627	3,018,380
Instructional Leadership	3,337,935	2,824,063	3,218,190	4,775,035
School Leadership	17,723,656	17,080,137	18,597,772	16,402,242
Guidance, Counseling, and Evaluation Services	13,883,147	11,093,643	11,310,609	10,648,255
Social Work Services	11,847	176,479	8,984	6,680
Health Services	5,065,973	5,821,137	4,681,032	4,398,982
Student Transportation	9,877,060	11,154,026	11,497,836	10,858,804
Food Services	17,254,724	15,478,401	16,105,884	16,202,321
Extracurricular Activities	12,098,882	8,234,188	9,789,023	9,647,359
General Administration	8,774,962	6,069,681	6,577,006	6,334,806
Plant Maintenance and Operations	30,401,466	25,089,753	28,269,616	29,335,643
Security and Monitoring Services	4,702,763	3,448,765	3,880,820	3,481,481
Data Processing Services	5,337,701	3,749,626	3,623,084	4,375,949
Community Services	858,142	373,064	380,162	304,351
Interest on Long-term Debt	30,456,653	20,022,826	35,612,988	31,118,938
Bond Issuance Costs and Fees				
Facilities Acquisition and Construction				
Payments to Shared Services Arrangements	177,654	70,579	107,216	82,725
Payments to Juvenile Justice Alternative Ed. Program	129	10,707	-	19,173
Other Intergovernmental Charges	981,185	761,482	900,491	947,074
Total Governmental Activities Expenses	<u>380,033,993</u>	<u>328,432,757</u>	<u>359,596,283</u>	<u>341,314,445</u>
Business-Type Activities:				
Day Care	357,426	219,591	200,221	200,754
Natatorium	669,329	581,830	489,968	435,715
Adult Education	7,095	16,436	5,057	
Catering	90,862			
Total Business-Type Expenses	<u>1,124,712</u>	<u>817,857</u>	<u>695,246</u>	<u>636,469</u>
Total Primary Government Expenses	<u>381,158,705</u>	<u>329,250,614</u>	<u>360,291,529</u>	<u>341,950,914</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	158,316	240,549	195,506	247,111
Food Services	6,681,100	6,371,846	6,458,270	6,047,179
Extracurricular Activities	831,400	973,848	870,908	758,176
Other Activities	-	-	-	492,160
Operating Grants and Contributions	22,473,533	21,478,526	19,628,903	24,085,575
Total Governmental Activities Program Revenues	<u>30,144,349</u>	<u>29,064,769</u>	<u>27,153,587</u>	<u>31,630,201</u>
Business-Type Activities:				
Charges for Services:				
Day Care	303,576	241,270	228,899	205,860
Natatorium	769,042	596,064	651,849	616,841
Adult Education	8,573	18,604	6,873	
Catering	73,272			
Total Business-Type Activities Program Revenues	<u>1,154,463</u>	<u>855,938</u>	<u>887,621</u>	<u>822,701</u>
Total Primary Government Revenues	<u>31,298,812</u>	<u>29,920,707</u>	<u>28,041,208</u>	<u>32,452,902</u>
Net (Expense)/Revenue				
Governmental Activities	(349,889,644)	(299,367,988)	(332,442,696)	(309,684,244)
Business-Type Activities	29,751	38,081	192,375	186,232
Total Primary Government Net Expense	<u>\$ (349,859,893)</u>	<u>\$ (299,329,907)</u>	<u>\$ (332,250,321)</u>	<u>\$ (309,498,012)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 119,269,358	\$ 110,937,613	\$ 106,539,695	\$ 102,097,705
Property Taxes, Levied for Debt Service	53,982,207	49,528,953	49,592,042	46,597,824
State-aid Formula Grants Not Restricted	155,691,235	159,053,982	148,589,830	134,382,711
Investment Earnings	1,131,607		140,319	431,042
Grants and Contributions Not Restricted		463,804		
to Specific Programs	1,131,607	4,839,409	-	2,966,262
Gain on Sale of Capital Assets	2,431,288	572,251	208,276	145,734
Miscellaneous	3,522,747	185,346	8,978,765	4,324,631
Total Primary Government General Revenues	<u>336,424,798</u>	<u>325,581,358</u>	<u>314,048,927</u>	<u>290,945,909</u>
Change in Net Position - Total Primary Government	<u>\$ (13,435,095)</u>	<u>\$ 26,251,451</u>	<u>\$ (18,201,394)</u>	<u>\$ (18,552,103)</u>

(1) District changed the fiscal year from August 31st to June 30th, causing FY16 to be a ten month transition year.

(2) 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

2013	2012	2011	2010	2009	2008
\$ 168,551,277	\$ 170,101,863	\$ 163,272,516	\$ 150,057,613	\$ 135,516,619	\$ 118,760,250
4,909,866	4,487,952	4,418,426	4,031,093	3,702,772	3,746,113
2,730,568	2,537,353	2,934,834	2,387,118	2,418,015	2,550,473
2,654,455	2,514,569	2,403,080	2,002,363	1,827,040	1,645,236
17,405,398	15,834,356	15,646,416	14,382,678	16,176,022	15,079,181
10,150,159	9,581,037	9,237,209	8,946,235	7,833,097	6,685,272
70,136	65,867	64,763	62,476	59,722	-
4,103,746	3,700,939	3,642,173	3,241,021	3,052,568	2,577,899
10,704,464	9,720,955	9,101,290	7,983,672	7,235,427	6,162,455
16,038,738	13,888,854	13,613,046	12,449,256	11,387,701	10,092,907
9,428,187	8,250,483	8,284,147	7,980,978	7,505,036	6,695,046
5,494,170	4,818,303	4,407,044	4,316,196	4,363,211	4,225,047
24,887,716	23,972,101	23,350,908	21,646,664	23,661,508	19,731,930
3,238,120	2,555,072	2,564,195	2,334,253	2,124,971	1,711,638
3,598,745	2,983,474	3,877,101	2,165,964	1,751,777	1,521,952
228,789	155,257	233,572	197,786	196,613	183,725
29,316,634	31,399,229	30,614,760	33,053,653	29,991,212	26,777,679
-	-	-	-	-	-
-	93,949	37,097	69,705	144,760	-
105,000	112,500	-	-	-	-
35,625	21,000	127,884	171,933	164,834	101,026
997,230	900,040	869,244	931,441	-	-
<u>314,649,023</u>	<u>307,695,153</u>	<u>298,699,705</u>	<u>278,412,098</u>	<u>259,112,905</u>	<u>228,247,829</u>
169,076	180,976	196,526	179,799	170,702	133,025
343,419	287,078	277,898	220,585	166,520	86,776
<u>512,495</u>	<u>468,054</u>	<u>474,424</u>	<u>400,384</u>	<u>337,222</u>	<u>219,801</u>
<u>315,161,518</u>	<u>308,163,207</u>	<u>299,174,129</u>	<u>278,812,482</u>	<u>259,450,127</u>	<u>228,467,630</u>
3,964,368	306,423	3,540,000	4,164,085	537,739	1,317,304
5,873,890	5,921,093	5,750,929	5,533,108	5,340,554	4,681,802
1,001,593	785,728	881,800	847,782	696,727	715,130
1,429,768	630,649	442,405	500,741	3,659,880	3,340,749
36,894,601	51,973,150	45,723,842	40,754,158	36,395,859	34,889,444
<u>49,164,220</u>	<u>59,617,043</u>	<u>56,338,976</u>	<u>51,799,874</u>	<u>46,630,759</u>	<u>44,944,429</u>
190,476	180,633	213,504	208,968	213,727	149,752
515,917	402,480	402,129	397,083	312,449	159,324
<u>706,393</u>	<u>583,113</u>	<u>615,633</u>	<u>606,051</u>	<u>526,176</u>	<u>309,076</u>
<u>49,870,613</u>	<u>60,200,156</u>	<u>56,954,609</u>	<u>52,405,925</u>	<u>47,156,935</u>	<u>45,253,505</u>
(265,484,803)	(248,078,110)	(242,360,729)	(226,612,224)	(212,482,146)	(183,303,400)
193,898	115,059	141,209	205,667	188,954	89,275
<u>\$ (265,290,905)</u>	<u>\$ (247,963,051)</u>	<u>\$ (242,219,520)</u>	<u>\$ (226,406,557)</u>	<u>\$ (212,293,192)</u>	<u>\$ (183,214,125)</u>
97,232,201	97,735,195				
46,889,675	42,678,614				
107,413,121	105,197,068				
459,186	1,694,908				
623,107					
-	23,179				
-	-				
995,376	384,920				
<u>253,612,666</u>	<u>247,713,884</u>				
<u>\$ (11,678,239)</u>	<u>\$ (249,167)</u>	<u>\$ (242,219,520)</u>	<u>\$ (226,406,557)</u>	<u>\$ (212,293,192)</u>	<u>\$ (183,214,125)</u>

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

	<u>2017 (1)</u>	<u>2016 (1)(6)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
General Fund (2)				
Non-Spendable	\$ 1,286,060	\$ 985,788	\$ 1,441,526	\$ 1,228,365
Restricted	-	-	2,256,713	2,680,838
Committed	-	-	(3) 2,752,666	14,492,082
Assigned				
Unassigned	81,412,592	106,142,308	78,726,760	70,952,391
Total General Fund	\$ <u>82,698,652</u>	\$ <u>107,128,096</u>	\$ <u>85,177,665</u>	\$ <u>89,353,676</u>
All Other Governmental Funds (2)				
Non-spendable	\$ 1,192,561	\$ 68,065	\$ 112,248	\$ -
Restricted	57,760,295	62,734,926	(4) 86,752,970	30,633,371
Committed	1,427,137	1,481,507	1,704,735	1,550,746
Total All Other Governmental	\$ <u>60,379,993</u>	\$ <u>64,284,498</u>	\$ <u>88,569,953</u>	\$ <u>32,184,117</u>

- (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's Discussion and Analysis on page 18.
(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.
(6) District changed the fiscal year from August 31st to June 30th, causing FY16 to be a ten month transition year.

Table 3

<u>2013 (1)</u>	<u>2012 (1)</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,634,056	\$ 276,912	\$ 276,973	\$ 185,449	\$ 330,379	\$ 255,926
-					
9,015,355	9,015,355	8,684,545	13,738,295	7,997,256	7,595,774
	15,760,810	18,671,663			
85,164,360	75,273,604	69,089,777	73,477,462	79,219,128	69,083,321
<u>\$ 95,813,771</u>	<u>\$ 100,326,681</u>	<u>\$ 96,722,958</u>	<u>\$ 87,401,206</u>	<u>\$ 87,546,763</u>	<u>\$ 76,935,021</u>
\$ 133,276	\$ 153,184	\$	\$	\$	\$
58,227,625	100,139,764	102,248,735	129,911,633	154,622,165	202,184,627
1,547,303	1,557,317				
<u>\$ 59,908,204</u>	<u>\$ 101,850,265</u>	<u>\$ 102,248,735</u>	<u>\$ 129,911,633</u>	<u>\$ 154,622,165</u>	<u>\$ 202,184,627</u>

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

	2017	2016 (6)	2015	2014
REVENUES				
Local, Intermediate, and Out-of-State	\$ 186,866,381	\$ 172,121,573	\$ 168,197,410	\$ 158,146,630
State Programs	153,100,200	150,383,369	152,278,641	(5) 144,170,156
Federal Programs	20,975,650	21,478,527	19,987,508	18,898,563
Total Revenues	<u>360,942,231</u>	<u>343,983,469</u>	<u>340,463,559</u>	<u>321,215,349</u>
EXPENDITURES				
Current:				
Instruction (1)	180,622,905	157,847,396	175,056,421	161,579,109
Instructional Resources and Media Services	3,907,855	3,252,398	3,435,626	3,438,158
Curriculum and Instructional Staff Development	3,666,124	2,916,156	2,988,473	2,983,656
Instructional Leadership	3,252,935	2,716,648	3,082,949	2,958,950
School Leadership	17,156,814	14,972,131	16,593,876	16,061,943
Guidance, Counseling, and Evaluation Services	11,531,030	10,443,775	10,943,605	10,648,255
Social Work Services	11,847	3,696	8,984	6,680
Health Services	4,553,125	4,116,121	4,451,099	4,207,998
Student Transportation	11,432,022	9,675,277	10,373,005	9,544,679
Food Services	15,182,981	13,942,822	14,429,272	14,643,714
Extracurricular Activities	8,649,462	8,639,426	7,867,327	7,890,071
General Administration	6,612,424	5,614,690	6,342,689	6,177,914
Plant Maintenance and Operations	30,718,077	24,910,792	29,102,852	28,143,666
Security and Monitoring Services	4,516,257	3,530,297	3,798,142	3,778,148
Data Processing Services	5,327,218	3,522,716	3,745,902	4,474,275
Community Services	475,726	369,064	399,782	304,351
Debt Service: (2)				
Principal on Long-term Debt	24,995,922	24,576,183	19,873,374	21,011,589
Interest on Long-term Debt	32,925,627	16,651,273	34,665,959	33,306,740
Bond Issuance Costs and Fees	370,107	505,364	2,304,717	518,202
Capital Outlay:				
Facilities Acquisition and Construction (3)	25,499,450	39,221,694	43,890,091	74,478,173
Intergovernmental:				
Payments to Shared Services Arrangements	177,654	70,579	107,216	82,725
Payments to Juvenile Justice Alternative Education	129	10,707	-	19,173
Other Intergovernmental Charges (4)	981,185	761,482	900,491	947,074
Total Expenditures	<u>392,566,877</u>	<u>348,270,687</u>	<u>394,361,852</u>	<u>407,205,243</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(31,624,646)</u>	<u>(4,287,218)</u>	<u>(53,898,293)</u>	<u>(85,989,894)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Capital-Related Bonds	-	-	90,435,000	49,355,000
Issuance of Refunding Bonds	32,760,000	45,275,000	137,800,000	
Premium/Discount from Issuance of Bonds	5,417,652	6,582,414	24,394,918	1,157,050
Sale of Real and Personal Property	2,523,883	640,094	257,120	145,734
Loan/Lease Proceeds	-	642,440	5,434,140	
Insurance Proceeds				
Special Item - oil and gas royalties	-	185,346	928,327	1,143,109
Other Resources	-	-	-	4,819
Transfers In	20,607,564	(2,496)	53,150	
Transfers Out	(20,607,564)	2,496	(53,150)	
Payment to Refunded Bond Escrow Agent	(37,821,253)	(51,373,099)	(153,100,387)	
Other Uses	-	-	(41,000)	-
Total Other Financing Sources (Uses)	<u>2,880,282</u>	<u>1,952,195</u>	<u>106,108,118</u>	<u>51,805,712</u>
EXTRAORDINARY ITEM				
Insurance Proceeds for Fire Damages	-	-	-	-
Net Change in Fund Balances	\$ <u>(28,744,363)</u>	\$ <u>(2,335,023)</u>	\$ <u>52,209,825</u>	\$ <u>(34,184,182)</u>

**Debt Service as a Percentage of Noncapital
Expenditures (2)**

15.95% 13.48% 15.76% 16.43%

- (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.
- (6) District changed the fiscal year from August 31st to June 30th, causing FY16 to be a ten month transition year.

Table 4

2013	2012	2011	2010	2009	2008
\$ 158,483,450	\$ 155,885,508	\$ 150,949,495	\$ 149,869,587	\$ 145,999,234	\$ 138,178,356
126,637,360	123,391,236	130,078,101	119,578,422	123,816,649	126,837,436
18,062,643	21,481,940	26,885,791	24,335,291	15,581,495	11,496,168
<u>303,183,453</u>	<u>300,758,684</u>	<u>307,913,387</u>	<u>293,783,300</u>	<u>285,397,378</u>	<u>276,511,960</u>
146,559,762	146,704,735	152,297,294	145,746,962	133,894,331	119,956,811
3,354,269	3,256,185	3,183,395	3,139,000	2,885,878	2,589,716
2,730,568	2,698,109	2,535,935	2,933,416	2,384,183	2,414,942
2,620,334	2,539,799	2,480,448	2,368,959	1,968,242	1,792,919
15,651,388	14,622,732	14,432,664	14,274,401	13,110,289	14,998,055
9,831,715	9,121,194	9,330,377	8,991,462	8,713,965	7,607,895
70,136	71,347	65,867	64,763	62,476	59,722
3,917,708	3,699,367	3,543,459	3,489,049	3,097,217	2,914,308
9,004,086	9,681,755	9,585,763	9,683,749	7,574,703	12,769,502
13,900,246	11,863,085	11,599,797	11,439,137	10,343,778	9,581,138
7,672,871	6,689,229	6,469,586	6,499,619	6,162,963	5,805,559
5,260,278	4,671,210	4,582,982	4,171,723	4,080,875	4,167,767
25,550,889	23,256,887	23,603,548	22,971,553	21,242,119	23,461,662
3,268,530	2,685,817	2,611,565	2,534,475	2,223,533	2,115,985
3,262,360	4,140,458	2,933,737	4,933,357	2,209,573	1,704,213
228,789	119,593	155,257	233,572	197,235	188,527
25,015,000	15,928,467	19,946,514	16,827,892	13,991,906	12,487,069
29,541,743	33,722,505	33,932,523	33,090,112	34,081,381	31,190,661
1,929,685	794,018	781,908			
41,268,635	53,921,623	74,446,945	25,645,000	53,283,148	43,486,470
105,000	127,500	112,500	127,884	171,933	164,834
35,625	53,500	21,000			
997,230	968,689	900,040	869,244	931,441	
<u>351,776,847</u>	<u>351,337,804</u>	<u>379,553,104</u>	<u>320,035,329</u>	<u>322,611,169</u>	<u>299,457,755</u>
(48,593,394)	(50,579,120)	(71,639,717)	(26,252,029)	(37,213,791)	(22,945,795)
201,740,000					
31,429,056	11,134,466	4,327,968	16,084,926		840,659
175,719	80,803	44,409	16,790	11,009	13,693
-	50,000,000	58,725,000	-	-	80,000,000
-	58,190,000	-	130,065,000		
18,726		-			
	584,500	262,974	8,027,726	2,000,000	400
	(584,500)	(262,974)	(8,027,726)	(2,000,000)	(400)
(231,225,078)	(67,479,593)	(9,783,003)	(144,770,776)		
-	-	(15,803)	-	-	-
<u>2,138,423</u>	<u>51,925,676</u>	<u>53,298,571</u>	<u>1,395,940</u>	<u>11,009</u>	<u>80,854,352</u>
-	-	-	-	252,062	-
<u>\$ (46,454,971)</u>	<u>\$ 1,346,556</u>	<u>\$ (18,341,146)</u>	<u>\$ (24,856,089)</u>	<u>\$ (36,950,720)</u>	<u>\$ 57,908,557</u>
17.70%	20.06%	19.00%	22.99%	19.79%	16.52%

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

Table 5

Fiscal Year Ended 6/30: (3)	Assessed and Actual Value			Total Assessed and Actual Value	Total Direct Rate (2)
	Real Property Value (1)	Personal Property Value (1)	Less: Exemptions		
2017	\$ 12,767,556,171	\$ 1,324,854,487	\$ (2,480,763,034)	\$ 11,611,647,624	\$ 1.5100
2016	11,839,933,616	1,018,867,807	(2,315,544,404)	10,543,257,019	1.5100
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

- (1) The value is the appraised value at original certification and fluctuates due to property owner protests and preliminary appraisal values at the time of certification.
(2) Tax Rates are per \$100 of assessed value.
(3) District changed its fiscal year to June 30th during 2016

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.



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

Taxing Authority	2017	2016	2015	2014
<u>Overlapping Rates:</u>				
City of Arlington	\$ 0.6448	\$ 0.6480	\$ 0.6480	\$ 0.6480
City of Fort Worth	0.8350	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	0.7100
Tarrant County (2)	0.7414	0.7414	0.7414	0.7414
Johnson County	0.5197	0.4480	0.4450	0.4450
Total Other Entities	<u>\$ 4.1209</u>	<u>4.0724</u>	<u>4.0694</u>	<u>\$ 4.0694</u>
<u>District Direct Rates (1):</u>				
Maintenance & Operations	\$ 1.0400	1.0400	1.0400	\$ 1.0400
Debt Service	0.4700	0.4700	0.4871	0.4871
Total District Direct Rates	<u>\$ 1.5100</u>	<u>1.5100</u>	<u>1.5271</u>	<u>\$ 1.5271</u>

(1) The District voted its maintenance tax under former Article 2784e-1 which provided for a maximum maintenance tax rate of \$1.50 per \$100 assessed valuation. Effective with the 2006-07 fiscal year, State legislation limits the rate to the lesser of \$1.50 or the sum of the product of the "state compression percentage" multiplied by \$1.50 plus \$0.17 (contingent upon voter approval).
Section 45.003(b)(1) of the Texas Education Code provides for an unlimited tax rate for debt service if the District has met 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, & Tarrant County Emer. Services District
Source: Guide to Taxing Units - Tarrant County, Texas

Table 6

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 0.6480	\$ 0.6480	\$ 0.6480	\$ 0.6480	\$ 0.6480	\$ 0.6480
0.8550	0.8550	0.8550	0.8550	0.8550	0.8550
0.6700	0.6700	0.6700	0.6700	0.6700	0.6700
0.7100	0.7500	0.7500	0.7500	0.7500	0.7500
0.7249	0.7249	0.7135	0.7136	0.7139	0.7203
0.4202	0.3822	0.3795	0.3795	0.3534	0.3595
<u>\$ 4.0280</u>	<u>\$ 4.0301</u>	<u>\$ 4.0160</u>	<u>\$ 4.0161</u>	<u>\$ 3.9903</u>	<u>\$ 4.0028</u>
\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
0.5000	0.4560	0.4560	0.4100	0.4100	0.4100
<u>\$ 1.5400</u>	<u>\$ 1.4960</u>	<u>\$ 1.4960</u>	<u>\$ 1.4500</u>	<u>\$ 1.4500</u>	<u>\$ 1.4500</u>

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

Table 7

Taxpayer	2017			2008		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Mouser Electronics Inc.	318,402,108	1	3.51%	35,150,742	7	0.45%
Oncor Electric Delivery Comp	77,801,454	2	0.86%	81,331,656	2	1.04%
Wal Mart Stores, Inc.	74,162,722	3	0.82%	53,398,862	4	0.68%
Advenir-Mansfield LLC	68,950,000	4	0.76%	-		
Mid-America Apartments LP	62,700,000	5	0.69%	-		
Mansfield KDC II & III LP	59,728,936	6	0.66%	35,558,848	6	0.46%
DFW Midstream Services LLC	53,516,881	7	0.59%	-		
XTO Energy Inc.	43,496,553	8	0.48%	90,429,218	1	1.16%
Sir Mansfield Landing	35,280,000	9	0.39%	-		
WC/TPRF III Villa Del Mar LLC	32,700,000	10	0.36%	-		
EOG Resources, Inc.	-		-	63,633,156	3	0.82%
Target Corp	-		-	35,955,567	5	0.46%
Methodist Hospitals of Dallas	-		-	25,986,773	8	0.33%
Carrizo Oil & Gas	-		-	24,152,882	9	0.31%
Falls at Towne Crossing	-		-	23,500,000	10	0.30%
TOTALS	\$ 826,738,654		7.12%	\$ 469,097,704		5.99%

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

(2) Total assessed value equals: \$ 11,611,647,624

(3) Total assessed value equals: \$ 7,831,929,983

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

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

Table 8

Fiscal Year Ended 6/30:	Net Tax Levy For The Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections to Net Tax Levy
2017	\$ 172,845,186	\$ 170,069,597	98.39%	\$ -	\$ 170,069,597	98.39%
2016	159,203,181	156,063,483	98.03%	1,418,251	157,481,734	98.92%
2015	154,744,727	153,201,374	99.00%	900,423	154,101,797	99.58%
2014	145,270,362	143,801,664	98.99%	1,078,856	144,880,520	99.73%
2013	143,585,117	142,201,209	99.04%	1,221,066	143,422,275	99.89%
2012	139,937,696	138,328,256	98.85%	1,329,076	139,657,332	99.80%
2011	135,785,731	134,310,039	98.91%	1,144,180	135,454,219	99.76%
2010	135,013,066	132,807,047	98.37%	1,881,524	134,688,571	99.76%
2009	128,357,289	125,625,216	97.87%	2,470,995	128,096,211	99.80%
2008	113,442,010	111,118,257	97.95%	2,140,213	113,258,470	99.84%

(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

Fiscal Year Ended 6/30:	Governmental Activities		Total Primary Government	Ratio of Debt to Assessed Value (2)	Debt Per Student (3)
	General Obligation Bonds (1)	Leases Payable (1)			
2017	\$ 805,416,590	\$ 2,332,286	\$ 807,748,876	6.96%	\$ 25,098
2016	764,415,000	4,258,208	768,673,208	7.29%	23,884
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

- (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 plus 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**

Fiscal Year Ended 6/30:	General Obligation Bonds (1)	Less Amounts Available in Debt Service Fund (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (2)	Net Bonded Debt Per Student (3)
2017	\$ 805,416,590	\$ 27,198,818	\$ 778,217,771	7.38%	\$24,180
2016	764,415,000	25,268,777	739,146,223	7.19%	22,966
2015	788,320,000	9,806,721	778,513,279	8.58%	24,531
2014	740,529,963	7,534,195	732,995,768	8.30%	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

(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 JUNE 30, 2017

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to School District</u>
<u>Overlapping:</u>			
City of Arlington	\$ 416,890,000	13.71%	\$ 57,155,619
City of Fort Worth	720,525,000	0.00% (4)	-
City of Kennedale	12,405,000	4.76%	590,478
City of Mansfield	127,860,000	93.97%	120,150,042
City of Grand Prairie	237,175,000	10.43%	24,737,353
Johnson County	29,920,000	4.89%	1,463,088
Tarrant County (2)	365,020,000	7.06%	25,770,412
Total Overlapping Debt			<u>229,866,992</u>
<u>Direct:</u>			
Mansfield Independent School District (3)	807,748,876	100.0%	<u>807,748,876</u>
TOTAL OVERLAPPING AND DIRECT DEBT			\$ <u>1,037,615,868</u>

Ratio of Total Overlapping Debt and Direct Debt to Assessed Value for Fiscal Year Ended June 30, 2017 (2) **8.94%**

(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.

\$ 11,611,647,624

(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 the same as reported in the financial statements net of premiums, discounts, and adjustments.

(4) Less than 0.01%



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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 1,161,164,762	\$ 1,054,325,702	\$ 1,027,312,726	\$ 907,217,441
Total Net Debt Applicable to Limit	<u>778,217,771</u>	<u>739,146,223</u>	<u>778,513,279</u>	<u>732,995,768</u>
Legal Debt Margin	<u>\$ 382,946,991</u>	<u>\$ 315,179,479</u>	<u>\$ 248,799,447</u>	<u>\$ 174,221,673</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	67.02%	70.11%	75.78%	80.80%

Legal Debt Margin Calculation for Fiscal Year 2016:

Assessed Value (2)

Debt Limit Percentage of Assessed Value

Debt Limitation

Debt Applicable to Debt Limitation:

Total Bonded Debt

\$ 805,416,590

Less Restricted for Retirement of Bonded Debt (3)

27,198,818

Total Amount of Debt Applicable to Debt Limitation

(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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 882,874,903	\$ 935,412,406	\$ 857,429,029	\$ 832,152,606	\$ 801,263,838	\$ 783,192,998
<u>682,743,355</u>	<u>715,409,296</u>	<u>688,453,628</u>	<u>653,220,301</u>	<u>676,318,718</u>	<u>691,726,688</u>
\$ <u><u>200,131,548</u></u>	\$ <u><u>220,003,110</u></u>	\$ <u><u>168,975,401</u></u>	\$ <u><u>178,932,305</u></u>	\$ <u><u>124,945,120</u></u>	\$ <u><u>91,466,310</u></u>
77.33%	76.48%	80.29%	78.50%	84.41%	88.32%

\$ 11,611,647,624
10%
1,161,164,762

778,217,771
\$ 382,946,991

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

Table 13

Fiscal Year Ended 6/30: (6)	Residential Units (1)	Total Assessed Value of Residential Units (1)	Average Assessed Value per Residential Unit	Personal Income (amounts expressed in thousands) (4)	Per Capita Personal Income	Average Daily Attendance (2)	Unemployment Rate (3)
2017	49,576	\$ 8,217,852,270	\$ 165,763	\$ 2,354,173	\$ 34,811	32,632	4.0%
2016	49,576	8,217,628,222	165,758	2,354,173	31,917	32,184	4.0%
2015	46,858	7,398,513,630	157,892	1,920,771	31,917	31,736	4.1%
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%

(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.

(4) Source: Mansfield Economic Development Corporation

(5) Amount not currently available

(6) District changed the fiscal year end from August 31st to June 30th for fiscal year 2016.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
Table 14
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Mansfield Independent School District	4300	1	6.80%	3616	1	7.06%
Mouser Electronics	1300	2	2.05%	572	3	1.12%
Methodist Mansfield	1207	3	1.91%	-	-	-
City of Mansfield, Texas	533	4	0.84%	480	4	0.94%
SJ Louis Construction Company	450	5	0.71%	200	9	0.39%
Walmart	400	6	0.63%	600	2	1.17%
Klein Tools	395	7	0.62%	-	-	-
Kroger	320	8	0.51%	-	-	-
Pier 1 Distribution Center	300	9	0.47%	-	-	-
Hoffman Cabinets	260	10	0.41%	-	-	-
Target	-	-	-	250	5	0.49%
Trinity Forge	-	-	-	250	6	0.49%
Solvay Engineered Polymers	-	-	-	204	7	0.40%
Simeus Foods	-	-	-	203	8	0.40%
Best Buy	-	-	-	180	10	0.35%
	<u>9,465</u>		<u>14.95%</u>	<u>6,555</u>		<u>12.81%</u>

(1) Total Employment for 2017: 63,269

(2) Total Employment for 2008: 51,211

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

POSITION:	2017	2016	2015	2014
Administrator	57	57	53	49.3
Associate/Assistant Principal	80	77	75	74.0
Athletic Trainer	12	12	11	11.0
Auxiliary Staff	1475	1432	1479	1,426.2
Counselor	90	90	89	89.0
Educational Diagnostician	31	31	30	30.0
Librarian	40	40	40	40.0
Music Therapist	2	2	3	3.0
Nurse	50	50	44	44.0
Occupational Therapist	7	7	7	7.0
Other Campus Prof. Personel	-	-	-	-
Other Non-Campus Prof. Personel	86	86	72	64.0
Orientation/Mobility Instructor	2	2	2	2.0
Physical Therapist	2	2	2	2.0
Psychological Associate	0	0	0	-
Psychologist/LSSP	6	6	6	5.5
Principal	42	42	41	41.0
Social Worker	1	1	1	1.0
Speech Therapist/Speech Lang. Pathologist	31	31	31	30.5
Teacher	2197	2155	2103	2,138.0
Teacher Facilitator	-	-	-	-
Teacher - Special Duty	-	-	-	-
Educational Aide	381	381	376	382.5
Total Employees	4,592.0	4,504.0	4,465.0	4,440.0

Source: District records.

Table 15

2013	2012	2011	2010	2009	2008
46.0	33.2	32.6	34.8	33.8	31.7
74.0	72.0	70.0	64.1	66.0	60.0
11.5	3.0	3.8	6.0	7.9	6.2
1,437.6	1,233.8	1,128.8	1,131.2	1,122.5	1,052.6
83.0	78.8	77.0	74.9	75.0	71.0
29.0	26.9	26.1	25.0	22.8	22.1
40.0	29.2	38.3	37.4	36.3	33.2
2.0	1.0	1.0	1.0	1.0	1.0
41.0	43.3	43.0	41.0	42.0	38.0
7.0	5.9	4.0	5.0	6.0	5.0
-	5.8	2.2	3.4	2.7	2.1
66.0	28.8	27.0	27.0	25.0	24.0
2.0	3.0	3.0	2.0	1.0	1.0
3.0	2.0	2.0	2.0	2.0	1.0
-	-	-	-	-	-
6.5	4.5	4.5	4.5	4.5	4.5
41.0	38.2	41.0	40.0	39.0	36.0
1.0	1.0	1.0	1.0	1.0	1.0
30.5	27.5	25.5	24.5	26.0	24.5
2,116.7	1,992.1	1,946.0	1,980.7	1,928.2	1,855.2
-	15.0	15.0	14.9	12.1	13.0
-	-	-	-	-	35.7
354.5	320.8	302.8	309.8	304.1	284.2
4,392.3	3,965.8	3,794.6	3,830.2	3,758.9	3,603.0

MANSFIELD INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended 6/30: (3)</u>	<u>Average Daily Attendance</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>
2017	32,632	\$ 305,196,832	\$ 9,353	-2.52%
2016	32,184	264,514,284	9,594	3.70%
2015	31,736	293,627,711	9,252	4.05%
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%

(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

(3) District changed the fiscal year end from August 31st to June 30th for fiscal year 2016.

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

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>
\$ 380,033,993	\$ 11,646	8.31%	2,197	14.85	40.30%
328,432,757	11,808	8.31%	2,155	14.93	37.79%
359,596,283	11,331	8.31%	2,103	15.09	40.80%
341,314,445	10,921	8.31%	2,138	14.62	38.10%
314,649,023	10,083	3.20%	2,117	14.74	38.50%
302,234,138	9,770	-3.00%	1,992	15.53	37.20%
307,695,153	10,072	0.69%	1,946	15.70	37.00%
298,699,705	10,003	4.35%	1,981	15.07	36.20%
278,412,098	9,586	3.10%	1,928	15.06	32.70%
259,112,905	9,298	8.06%	1,855	15.02	30.30%

MANSFIELD INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Table 17

Fiscal Year Ended 6/30: (3)	District		Region Average Salary (2)	Statewide Average Salary (2)
	Minimum Salary (1)	Maximum Salary (1)		
2017	\$ 54,149	\$ 70,489	\$ 55,194	\$ 52,525
2016	53,000	69,340	51,287	46,450
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

(1) Source: District records.

(2) Source: Texas Education Agency website.

(3) District changed the fiscal year end from August 31st to June 30th for fiscal year 2016.



MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2017	2016	2015	2014
HIGH SCHOOLS				
ACE Campus (1952)				
Square Footage	64,021	64,021	64,021	64,021
Capacity	1,200	1,200	1,200	1,200
Enrollment	27	102	103	101
Summit High (1995)				
Square Footage	370,000	370,000	370,000	370,000
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,118	2,118	2,020	2,157
Mansfield High (2002)				
Square Footage	390,000	390,000	390,000	390,000
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,374	2,359	2,333	2,385
Timberview High (2004)				
Square Footage	416,000	416,000	416,000	416,000
Capacity	2,500	2,500	2,500	2,500
Enrollment	1,772	1,731	1,657	1,895
Ben Barber Career Tech Academy/Frontier High (2005)				
Square Footage	180,964	180,964	180,964	180,964
Capacity	1,200	1,200	1,200	1,200
Enrollment	229	248	237	225
Legacy High (2007)				
Square Footage	207,360	207,360	207,360	207,360
Capacity	2,500	2,500	2,500	2,500
Enrollment	1,943	2,018	1,945	1,916
Lake Ridge (2012)				
Square Footage	422,411	422,411	422,411	422,411
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,188	2,106	2,085	2,006
MIDDLE SCHOOLS				
Brooks Wester (1974)				
Square Footage	251,151	251,151	251,151	251,151
Capacity	1,000	1,000	1,000	1,000
Enrollment	932	901	872	866
Rogene Worley (1986)				
Square Footage	126,689	126,689	126,689	126,689
Capacity	1,000	1,000	1,000	1,000
Enrollment	904	920	929	925
T.A. Howard (1994)				
Square Footage	130,000	130,000	130,000	130,000
Capacity	1,000	1,000	1,000	1,000
Enrollment	909	874	855	855
Danny Jones (2004)				
Square Footage	160,000	160,000	160,000	160,000
Capacity	1,000	1,000	1,000	1,000
Enrollment	1,042	950	843	794

Source: District records and Population and Survey Analysts.

Table 18
1 of 4

2013	2012	2011	2010	2009	2008
64,021 1,200 98	64,021 1,200 92	64,021 1,200 90	64,021 1,200 85	64,021 1,200 79	64,021 1,200 59
370,000 2,500 2,087	370,000 2,500 2,228	370,000 2,500 2,013	370,000 2,500 2,024	370,000 2,500 1,997	370,000 2,500 2,137
390,000 2,500 2,315	390,000 2,500 2,325	390,000 2,500 2,416	390,000 2,500 2,367	390,000 2,500 2,226	390,000 2,500 2,164
416,000 2,500 1,665	416,000 2,500 1,641	416,000 2,500 2,401	416,000 2,500 2,297	416,000 2,500 2,171	416,000 2,500 2,054
180,964 1,200 222	180,964 1,200 207	180,964 1,200 199	180,964 1,200 -	180,964 1,200 -	180,964 1,200 -
207,360 2,500 1,937	426,650 2,500 1,856	426,650 2,500 2,251	426,650 2,500 2,313	426,650 2,500 2,213	426,650 2,500 2,039
422,411 2,500 2,005	422,411 1,257 1,888	422,411 1,257 -	- - -	- - -	- - -
251,151 1,000 847	251,151 1,000 840	251,151 1,000 874	251,151 1,000 939	251,151 1,000 999	251,151 1,000 964
126,689 1,000 949	126,689 1,000 909	126,689 1,000 874	126,689 1,000 721	126,689 1,000 945	126,689 1,000 942
130,000 1,000 924	130,000 1,000 953	130,000 1,000 973	130,000 1,000 1,031	130,000 1,000 1,031	130,000 1,000 991
160,000 1,000 976	160,000 1,000 960	160,000 1,000 822	160,000 1,000 818	160,000 1,000 704	160,000 1,000 590

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2017	2016	2015	2014
James Coble (2006)				
Square Footage	164,719	164,719	164,719	164,719
Capacity	1,000	1,000	1,000	1,000
Enrollment	908	858	884	934
Linda Jobe (2008)				
Square Footage	165,350	165,350	165,350	165,350
Capacity	1,000	1,000	1,000	1,000
Enrollment	889	803	809	813
INTERMEDIATE SCHOOLS				
Cross Timbers (1994)				
Square Footage	108,000	108,000	108,000	108,000
Capacity	1,000	1,000	1,000	1,000
Enrollment	856	835	842	855
Mary Orr (1998)				
Square Footage	110,229	110,229	110,229	110,229
Capacity	1,000	1,000	1,000	1,000
Enrollment	879	878	845	879
Donna Shepard (2001)				
Square Footage	116,794	116,794	116,794	116,794
Capacity	1,000	1,000	1,000	1,000
Enrollment	898	898	877	793
Della Icenhower (2004)				
Square Footage	116,794	116,794	116,794	116,794
Capacity	1,000	1,000	1,000	1,000
Enrollment	847	866	862	925
Mary Lillard (2006)				
Square Footage	128,340	128,340	128,340	128,340
Capacity	1,000	1,000	1,000	1,000
Enrollment	992	933	945	905
Asa Low (2008)				
Square Footage	133,385	133,385	133,385	133,385
Capacity	1,000	1,000	1,000	1,000
Enrollment	801	809	864	869
ELEMENTARY SCHOOLS				
Alice Ponder (1967)				
Square Footage	77,641	77,641	77,641	77,641
Capacity	800	800	800	800
Enrollment	652	545	494	470
Tarver Rendon (1969)				
Square Footage	71,047	71,047	71,047	71,047
Capacity	800	800	800	800
Enrollment	637	597	597	641
J.L. Boren (1979)				
Square Footage	57,241	57,241	57,241	57,241
Capacity	800	800	800	800
Enrollment	558	566	567	556

Source: District records and Population and Survey Analysts.

2013	2012	2011	2010	2009	2008
164,719	164,719	164,719	164,719	164,719	164,719
1,000	1,000	1,000	1,000	1,000	1,000
699	682	663	654	1,132	1,107
165,350	165,350	165,350	165,350	165,350	165,350
1,000	1,000	1,000	1,000	1,000	1,000
833	740	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
822	866	958	924	948	937
110,229	110,229	110,229	110,229	110,229	110,229
1,000	1,000	1,000	1,000	1,000	1,000
952	952	893	849	946	918
116,794	116,794	116,794	116,794	116,794	116,794
1,000	1,000	1,000	1,000	1,000	1,000
713	756	798	744	858	868
116,794	122,600	122,600	122,600	122,600	122,600
1,000	1,000	1,000	1,000	1,000	1,000
635	691	636	615	1,181	1,167
128,340	128,340	128,340	128,340	128,340	128,340
1,000	1,000	1,000	1,000	1,000	1,000
995	896	859	783	731	681
133,385	133,385	133,385	133,385	133,385	133,385
1,000	1,000	1,000	1,000	1,000	1,000
874	879	834	877	-	-
77,641	77,641	77,641	77,641	77,641	77,641
800	800	800	800	800	800
473	516	621	623	578	529
71,047	71,047	71,047	71,047	71,047	71,047
800	800	800	800	800	800
610	583	603	612	575	546
57,241	57,241	57,241	57,241	57,241	57,241
800	800	800	800	800	800
567	642	691	683	685	695

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2017	2016	2015	2014
Charlotte Anderson (1986)				
Square Footage	69,947	69,947	69,947	69,947
Capacity	800	800	800	800
Enrollment	385	490	497	498
ELEMENTARY SCHOOLS				
Glenn Harmon (1988)				
Square Footage	74,081	74,081	74,081	74,081
Capacity	800	800	800	800
Enrollment	612	516	541	593
Willie Brown (1998)				
Square Footage	65,885	65,885	65,885	65,885
Capacity	800	800	800	800
Enrollment	621	576	602	566
D.P. Morris (1998)				
Square Footage	65,885	65,885	65,885	65,885
Capacity	800	800	800	800
Enrollment	514	533	534	549
Kenneth Davis (2001)				
Square Footage	72,256	72,256	72,256	72,256
Capacity	800	800	800	800
Enrollment	568	580	616	587
Imogene Gideon (2001)				
Square Footage	72,256	72,256	72,256	72,256
Capacity	800	800	800	800
Enrollment	524	514	520	527
Thelma Jones (2003)				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	506	533	551	573
Roberta Tipples (2003)				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	657	660	666	663
Erma Nash (2003)				
Square Footage	84,631	84,631	84,631	84,631
Capacity	800	800	800	800
Enrollment	616	606	622	515
Elizabeth Smith (2004)				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	716	702	706	730
Martha Reid (2004)				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	647	636	667	653

Source: District records and Population and Survey Analysts.

2013	2012	2011	2010	2009	2008
69,947	69,947	69,947	69,947	69,947	69,947
800	800	800	800	800	800
491	550	594	605	599	567
74,081	74,081	74,081	74,081	74,081	74,081
800	800	800	800	800	800
627	676	650	661	604	611
65,885	65,885	65,885	65,885	65,885	65,885
800	800	800	800	800	800
552	540	608	628	827	764
65,885	65,885	65,885	65,885	65,885	65,885
800	800	800	800	800	800
533	610	745	732	725	778
72,256	72,256	72,256	72,256	72,256	72,256
800	800	800	800	800	800
607	654	706	722	692	696
72,256	72,256	72,256	72,256	72,256	72,256
800	800	800	800	800	800
525	555	555	531	541	530
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
568	558	510	513	478	761
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
699	737	771	810	834	778
84,631	84,631	84,631	84,631	84,631	84,631
800	800	800	800	800	800
495	508	619	637	717	742
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
717	653	588	553	535	543
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
686	687	691	667	737	749

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2017	2016	2015	2014
ELEMENTARY SCHOOLS				
Mary Jo Sheppard (2005)				
Square Footage	79,070	79,070	79,070	79,070
Capacity	800	800	800	800
Enrollment	535	548	543	519
Janet Brockett (2005)				
Square Footage	79,070	79,070	79,070	79,070
Capacity	800	800	800	800
Enrollment	583	614	649	661
Anna May Daulton (2006)				
Square Footage	79,274	79,274	79,274	79,274
Capacity	800	800	800	800
Enrollment	714	693	665	676
Cora Spencer (2006)				
Square Footage	79,274	79,274	79,274	79,274
Capacity	800	800	800	800
Enrollment	822	763	739	733
Carol Holt (2007)				
Square Footage	79,274	79,274	79,274	79,274
Capacity	800	800	800	800
Enrollment	453	471	476	454
Louise Cabaniss (2008)				
Square Footage	74,275	74,275	74,275	74,275
Capacity	800	800	800	800
Enrollment	557	574	588	627
Annette Perry (2010)				
Square Footage	79,679	79,679	79,679	79,679
Capacity	800	800	800	800
Enrollment	365	364	342	398
Nancy Neal (2011)				
Square Footage	80,584	80,584	80,584	80,584
Capacity	800	800	800	800
Enrollment	430	429	432	421
Judy K. Miller (2015)				
Square Footage	80,584	80,584	-	-
Capacity	800	800	-	-
Enrollment	205	88	-	-

Source: District records and Population and Survey Analysts.

2013	2012	2011	2010	2009	2008
79,070	79,070	79,070	108,293	108,293	108,293
800	800	800	800	800	800
559	537	751	712	681	589
79,070	79,070	79,070	79,079	79,070	79,070
800	800	800	800	800	800
649	657	662	682	669	765
79,274	79,274	79,274	79,274	79,274	79,274
800	800	800	800	800	800
680	770	716	672	602	471
79,274	79,274	79,274	79,274	79,274	79,274
800	800	800	800	800	800
607	532	461	404	343	292
79,274	79,274	79,274	79,274	79,274	79,274
800	800	800	800	800	800
509	517	625	635	621	586
74,275	74,275	74,275	74,275	74,275	74,275
800	800	800	800	800	800
650	532	508	518	493	-
79,679	79,679	79,679	79,679	-	-
800	800	800	800	-	-
392	411	339	275	-	-
80,584	80,584	80,584	-	-	-
800	800	800	-	-	-
410	424	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

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Government Auditing Standards Report 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 (the "District") as of and for the ten month period ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 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.

Dallas

Fort Worth

Houston



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
November 11, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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 (the "District") compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the ten month period ended June 30, 2016. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 ten month period ended June 30, 2016.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Whitley Penn LLP

Fort Worth, Texas
November 11, 2016

Federal Awards Section



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MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Ten Month Period Ended June 30, 2016

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 2 CFR 200.516(a)?	No

Identification of major programs:

Name of Federal Program or Cluster:	CFDA Numbers:
Special Education Cluster:	
IDEA-B Formula	84.027A
IDEA-B Preschool	84.173A
Carl D. Perkins Basic Grant	84.048A
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$750,000
Auditee qualified as low risk auditee?	Yes

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2017

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

The Summary Schedule of Prior Audit Findings for the year ended June 30, 2017 has been prepared to address these responsibilities.

I. Prior Audit Findings

None noted.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2017

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.”

The Corrective Action Plan for the year ended June 30, 2017 has been prepared to address these requirements.

I. Corrective Action Plan

Not Applicable

**Mansfield Independent School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017**

Exhibit K-1

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U.S. Department of Defense			
Direct Program:			
<i>Federal ROTC</i>	12.000		250,198
<i>Air Force Jr ROTC</i>	12.000	None	2,957
<i>Law Enforcement Officer Safety</i>	12.000	None	3,404
Total U.S. Department of Defense			256,559
U. S. Department of Education			
Passed Through State Department of Education:			
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	84.010A	16610101220908	87,387
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	84.010A	17610101220908	2,995,183
<i>ESEA, Title II, Part A, Teacher/Principal Training and Recruiting</i>	84.367A	16694501220908	1,866
<i>ESEA, Title II, Part A, Teacher/Principal Training and Recruiting</i>	84.367A	17694501220908	231,923
<i>ESEA, Title III, Part A Limited English Proficiency</i>	84.365A	16671001220908	14,896
<i>ESEA, Title III, Part A Limited English Proficiency</i>	84.365A	17671001220908	291,873
<i>IDEA-B Formula **</i>	84.027A	166600012209086600	170,091
<i>IDEA-B Formula **</i>	84.027A	176600012209086000	4,066,103
<i>IDEA-B Preschool **</i>	84.173A	166610012209086610	7,473
<i>IDEA-B Preschool **</i>	84.173A	176610012209086000	60,516
<i>Total Special Education Cluster**</i>			4,304,183
<i>Carl D. Perkins Basic Grant</i>	84.048A	17420006220908	274,984
<i>Title VI Part A Summer School LEP</i>	84.369A	S369A150045	809
<i>Title VI Part A Summer School LEP</i>	84.369A	S369A160045	15,000
Total Passed through State Department of Education			8,218,104
U. S. Department of Agriculture			
Passed Through the Texas Department of Agriculture (Non-Cash Assistance)			
<i>National School Lunch Program - USDA Commodities *</i>	10.555	220-908	1,084,647
Passed Through State Department of Education (Cash Assistance)			
<i>School Breakfast Program *</i>	10.553	71401701	1,583,679
<i>School Lunch Program *</i>	10.555	71301701	6,513,655
<i>Seamless Summer Option *</i>	10.555	71301701	74,907
Total Passed Through State Department of Education			8,172,241
<i>Total Child Nutrition Cluster *</i>			9,256,888
Total U.S. Department of Agriculture			9,256,888
U.S. Department of Health and Human Services			
Passed Through Texas Health and Human Services Commission			
<i>Medical Administrative Claiming (MAC)</i>	93.778	220-908	48,105
Total U.S. Department of Health and Human Services			48,105
Total Expenditures of Federal Awards			\$ 17,779,656
* Child Nutrition Cluster			

Notes to Schedule of Expenditures of Federal Awards

For the Twelve Months Ended June 30, 2017

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 Uniform Guidance, 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. The District has not elected to use the 10% *de minimis* indirect cost rate under the Uniform Guidance.

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 June 30, 2017. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance (2 CFR 200). 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	\$ 17,779,656
Federal Revenue Accounted for in the General Fund:	
Flood Control	19,485
eRate	503,929
Medicaid SHARS	2,672,580
Reconciled balance	<u><u>\$ 20,975,650</u></u>

Note 4 - General Fund Expenditures

Federal awards reported in the general fund are summarized as follows:

Flood Control	\$ 19,485
Federal ROTC	250,198
eRate	503,929
Medicaid SHARS	2,672,580
Indirect Costs -	
ESEA Title I Part A - Improving Basic Programs	53,024
Title II Part A, Tescher/Principal Training and Recruiting	4,391
Child Nutrition Cluster	1,812,827
	<u>\$ 5,316,434</u>

