



Mansfield Independent School District

Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 2018

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, 2018



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, Secretary
First elected 2015
Current Term Expires 2021



Ms. Desiree Thomas
Place 2, Trustee
First elected 2018
Current Term Expires 2021



Mr. Randall Canedy
Place 3, Trustee
First elected 2018
Current Term Expires 2019



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



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



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



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

Mansfield Independent School District Executive Council



Dr. Jim Vaszauskas
Superintendent of
Schools



Dr. Kimberley Cantu
Deputy Superintendent
Human Resources
Student Services
Campus Support



Dr. Karen Wiesman
Associate
Superintendent
Business and
Finance



Dr. Sean Scott
Assistant
Superintendent,
Curriculum &
Instruction



Jeff Brogden
Associate
Superintendent
Facilities and Bond
Programs



Donald Williams
Associate
Superintendent
Communications and
Marketing

Certificate of the Board

Mansfield Independent School District

Name of School District

Tarrant

County

220-908

Co-Dist. No.

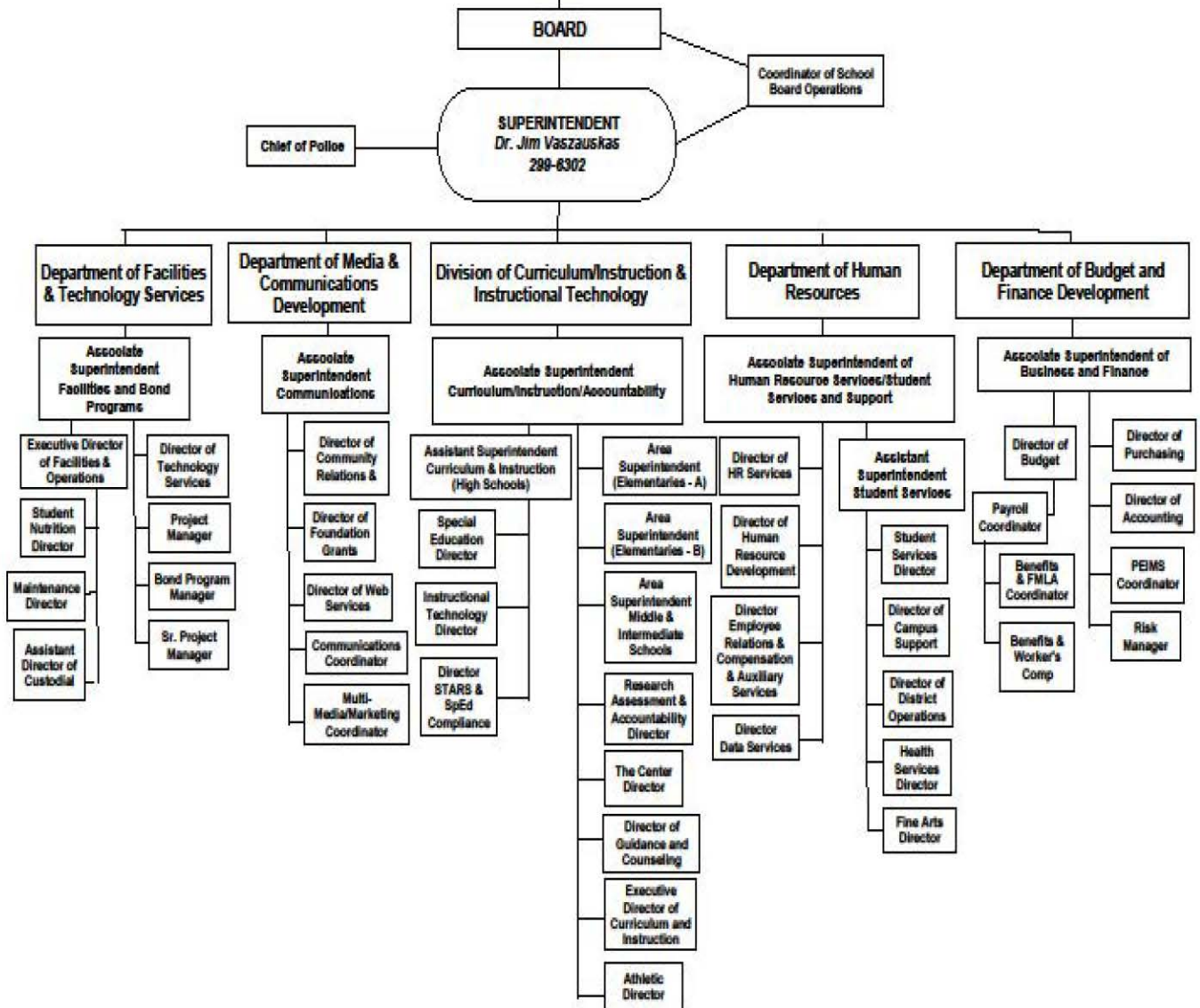
We, the undersigned, certify that the annual financial reports for the above named school district were reviewed and approved for the year ended June 30, 2018 at a meeting of the Board of Trustees of such school district on the 13th day of November, 2018.

/ Michelle Newsome /

Signature of Board Secretary

/ Karen Marcucci /

Signature of Board President





November 13, 2018

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 34,946 students (as of June 2018), 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. There are 23 elementary schools, six intermediate schools, six middle schools, five traditional high schools, one high school for only upperclassman and three academies. The district expects to enroll more than 35,800 students in the 2018-2019 school year and is growing faster than its neighboring districts.

In recent years, the District's tax base has continued to increase at a higher level than some adjoining areas which is a direct result of new housing construction, not being dependent upon any one major industry. The increased emphasis by the City of Mansfield to enhance their economic development efforts should also continue to help with this trend. Property values have increased an average of 7 percent over the last three years, and the tax base has been steadily increasing due to new residential construction accompanied by some growth in retail and commercial development.

Job availability and stability have affected both the national and local economies; however, the potential for jobs and affordability of the local area is creating an increase in transfers from out of state 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.

Mansfield ISD's student population has seen explosive growth over the last decade. Student enrollment slowed down in 2012, but the District experienced an increase in enrollment of more than 700 students in 2017-2018; and our demographers are predicting annual growth rates between 1.3 percent and 2.93 percent over the next ten years because 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. As our District continues to grow, 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.

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" which 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" because we want to always strive to be the best of the best and settle for nothing less in all areas of what we do. And finally, the values MISD upholds to achieve this are: students first, continuous improvement, integrity, communication, positive relationships and resiliency.



Mansfield ISD has a new strategic plan for 2016-2021. The plan, Vision 2020, defines the school district's mission, vision, and core values; and its guiding statements provide clear focus for improvement.

"This plan provides a clear sense of direction and purpose for our district," said Superintendent Dr. Jim Vaszauskas. "I am deeply grateful to the parents, taxpayers, business community, staff, and students who contributed to this wonderful plan. I am fully confident that these guiding statements and values will drive our district to greater heights."

Mission

- To inspire and educate students to be productive citizens.

Vision

- A destination district committed to excellence.

Values

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

Motto

- Mansfield ISD: a great place to live, learn and teach.

Guiding Statements

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



Student Achievement

Mansfield ISD's state ratings demonstrate that our district is among the best in the region and throughout the state of Texas. MISD has consistently earned the highest possible rating of Met Standard in the Texas Education Agency (TEA) accountability system. MISD also outperformed state averages in all areas of STAAR assessments. Statewide, about 77.6% of all students in Texas public schools passed all subjects of the Level II STAAR test in the spring of 2018. In comparison, Mansfield ISD students had an overall passing rate of 85.2%.



The District continues to prepare college and career ready graduates with 2018 exceeding state averages. During the 2017-2018 school year, high school juniors and seniors earned 15,391 college credit hours through dual credit partnerships with the Tarrant County College District, the University of Texas at Arlington, Prairie View A&M University and Texas Wesleyan University. Mansfield ISD offers 34 college level Advanced Placement (AP) courses for high school students. In 2018, MISD students passed a total of 2206 AP exams.

In addition to the opportunity to earn college credit hours, MISD students have an opportunity to graduate high school with industry standard certifications through career classes at Ben Barber Innovation Academy. During the 2017-2018 school year, students earned more than 2382 total certifications and 1187 industry certifications. Students have the ability to earn certification to become an emergency medical technician, certified pharmacy technician, automotive technician, Adobe software associate, and many other career options.

2017-2018 Points of Pride

The following summarizes various District achievements for the 2017-2018 school year:

- ❖ Mansfield ISD has earned an “A” in the Texas Education Agency’s new accountability rating system for 2018.
- ❖ Mansfield ISD’s Board of Trustees was chosen as one of the five school boards in Texas to receive the 2018 H-E-B Excellence in Education Leadership Award. This honor recognizes school boards that have demonstrated a true commitment to education.
- ❖ The 2017-2018 Senior class earned over \$32 million in scholarships.
- ❖ Mansfield ISD had six students named as a National Merit Scholarship Semifinalist, making them part of the less than 1 percent of high school students to be given this distinction based on their Preliminary SAT scores.
- ❖ More than 115 MISD Student Athletes participated in National Signing Day, earning millions of dollars in scholarships to further their academic and athletic careers.
- ❖ Eighteen Mansfield ISD fine arts students proved they are among the top in high school musicians in Texas by earning the All-State musician distinction from the Texas Music Educators Association. This is the highest honor a Texas music student can receive. given
- ❖ Lake Ridge High School’s Girls Track team won the Texas 5A State Championship, and Legacy High School’s Boys Track team brought home second place overall in the 5A State Championship.
- ❖ The entire Mansfield ISD community came out to show record-breaking support for the sixth annual MISD Toys for Tots event. With the amazing generosity of everyone involved, more than 30,000 toys and approximately \$7,300 were donated to the campaign.
- ❖ On the first Monday of each month in the 2017-18 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 opened 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, 2018 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, and 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.

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.

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, 2018. 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, 2017. 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, 2017 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.

/ Jim Vaszauskas /

Dr. Jim Vaszauskas
Superintendent

/ Karen Wiesman /

Dr. Karen Wiesman
*Associate Superintendent
Business and Finance*

/ Monica Irvin /

Monica Irvin
Director of Financial Services



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, 2017

Christopher P. Morrill

Executive Director/CEO



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, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

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

John D. Musso, CAE
Executive Director

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

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Financial Section



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REPORT OF INDEPENDENT AUDITORS

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 (the "District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Trustees
Mansfield Independent School District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 and Note 12 to the financial statements, the District adopted the provisions of Government Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of June 30, 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-19 and budgetary comparison information, pension information and OPEB information on pages 77-82 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 and 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.

To the Board of Trustees
Mansfield Independent School District

In our opinion, the combining and individual nonmajor fund financial statements, the Texas Education Agency required schedules, and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2018, 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 13, 2018

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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, 2018. 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, 2018, the District's combined assets and deferred outflows fell below its liabilities and deferred inflows by \$113,719,768, net position. The unrestricted portion of (\$106,312,063) is due to the retroactive recognition of GASB 75 which requires the recognition of Other Post Employment Benefits (OPEB) on the Government-wide financial statements. The District's total net position decreased by \$141,307,209.
- The District's total net position decreased by \$141,307,209. The primary reason for the decrease is due to GASB 75 and the retroactive recognition of (\$184,423,127) of OPEB.
- At the close of the fiscal year, the District's governmental funds reported \$177,583,733.
- The District had \$88,188,154 or 49.66% of total fund balance available for the District's ongoing obligations (unassigned fund balance).
- As of June 30, 2018, the General Fund's unassigned fund balance was \$88,188,154 (general fund unassigned fund balance) representing 31.07% 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.

In fiscal year 2018, the District adopted the Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – which superseded GASB Statement No. 45. Statement No. 75 establishes financial reporting standards and/or accounting standards for state and local government defined other postemployment benefit (OPEB) plans and defined contribution OPEB plans. Statement No. 75 requires that, at transition, a government recognizes a beginning deferred outflow of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. The effects of the adoption of this statement has no impact on the District's governmental fund financial statements. However, adoption has resulted in certain changes to the presentation of the District's government-wide financial statements. More information on the adoption of this statement and the District's OPEB plan is available in Note 1 and 12.

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 23 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 w 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	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$ 221,142,320	\$ 181,169,780	\$ 1,539,402	\$ 1,573,318	\$ 222,681,722	\$ 182,743,098
Capital assets	710,934,652	719,722,472			710,934,652	719,722,472
Total Assets	932,076,972	900,892,252	1,539,402	1,573,318	933,616,374	902,465,570
Deferred Outflows of Resources						
Deferred charge on refunding	28,895,284	31,921,824			28,895,284	31,921,824
Deferred outflows - pension	24,942,641	30,872,457			24,942,641	30,872,457
Deferred outflows - OPEB	1,548,440					
Total Deferred Outflows of Resources	55,386,365	62,794,281			53,837,925	62,794,281
Liabilities						
Other liabilities	239,463,938	142,456,199	32,314	58,730	239,496,252	142,514,929
Long term liabilities	799,282,039	783,031,334			799,282,039	783,031,334
Total Liabilities	1,038,745,977	925,487,533	32,314	58,730	1,038,778,291	925,546,263
Deferred Inflows of Resources						
Deferred inflows - pension	19,992,341	12,126,146			19,992,341	12,126,146
Deferred inflows - OPEB	43,951,874				43,951,874	
Total Deferred Outflows of Resources	63,944,215	12,126,146			63,944,215	12,126,146
Net Position						
Net investment in capital assets	(50,278,200)	(26,334,536)			(50,278,200)	(26,334,536)
Restricted	42,870,496	18,647,500			42,870,496	18,647,500
Unrestricted	(107,819,151)	33,759,890	1,507,088	1,514,588	(106,312,063)	35,274,478
Total Net Position	\$ (115,226,855)	\$ 26,072,854	\$ 1,507,088	\$ 1,514,588	\$ (113,719,767)	\$ 27,587,442

The District's net investment in capital assets of \$(50,278,200) 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 and any unspent bond proceeds. 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 \$42,870,496 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$107,819,151) is unrestricted.

At the end of the current fiscal year due to the recognition of GASB 75, the Mansfield Independent School District was not 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 activities. The business-type activities reported a positive net position of \$1,507,088. In prior years when recognition of GASB 75 was not required, MISD reported a positive net position and would this year without the OPEB recognition.

Changes in Net Position.

Total combined net position of the District decreased by \$141,307,210 during the year ended June 30, 2018 (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.

Unrestricted net position reflects a deficit created by a prior period adjustment resulting from the implementation of GASB 75 in the current fiscal year for OPEB. Although the District reports a deficit, the deficit is primarily due to reporting the District's proportionate share of the net OPEB liability. The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

Table II - Changes in Net Position

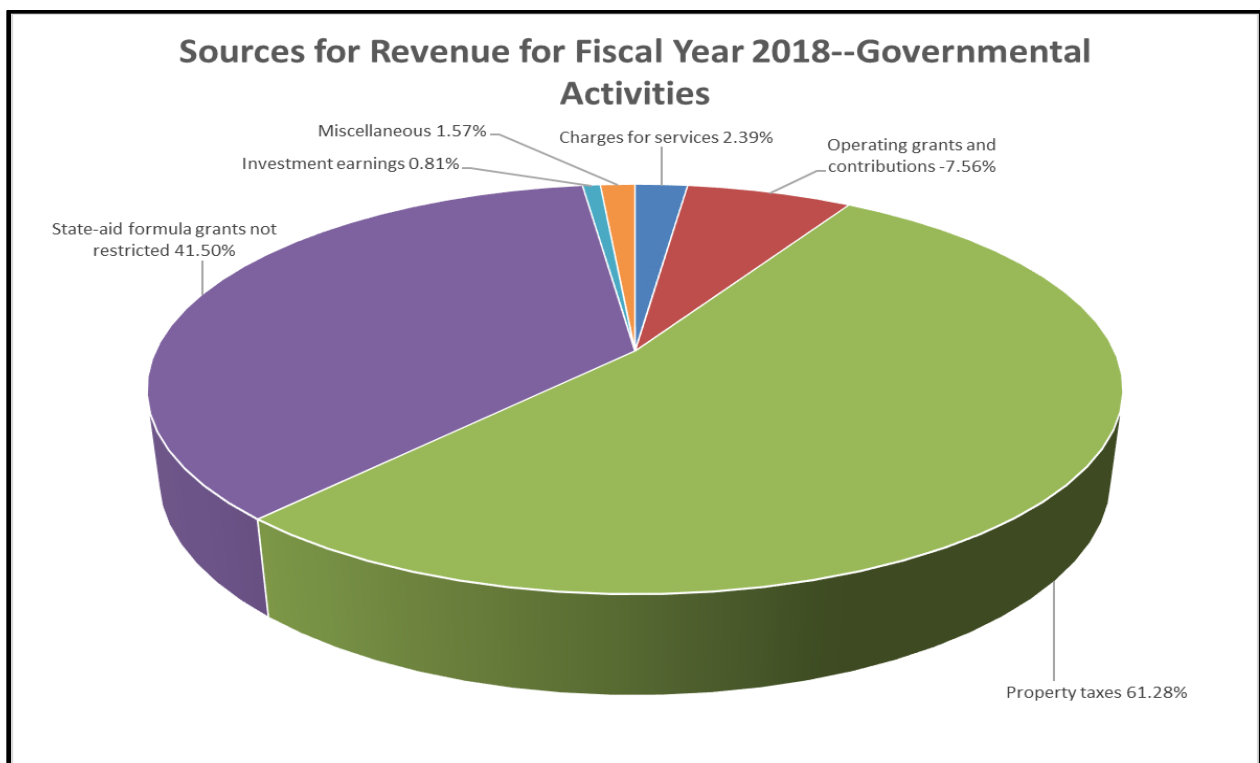
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program						
Charges for services	\$ 7,696,402	\$ 7,670,816	1,544,465	1,154,463	9,240,867	8,825,279
Operating grants and contributions	(24,338,284)	22,473,533			(24,338,284)	22,473,533
Capital Grants						
General						
Property taxes	197,329,977	173,251,565			197,329,977	173,251,565
State-aid formula grants not restricted	133,619,697	155,691,235			133,619,697	155,691,235
Grants and contributions not restricted						
Investment earnings	2,612,472	1,131,607			2,612,472	1,131,607
Miscellaneous	5,067,415	3,522,747			5,067,415	3,522,747
Total Revenues	321,987,679	363,741,503	1,544,465	1,154,463	323,532,144	364,895,966
Expenses						
11 Instruction	142,100,899	209,606,195			142,100,899	209,606,195
12 Instructional resources and media services	4,330,210	5,749,795			4,330,210	5,749,795
13 Curriculum and staff development	2,846,028	3,734,124			2,846,028	3,734,124
21 Instructional leadership	2,129,692	3,337,935			2,129,692	3,337,935
23 School leadership	13,465,260	17,723,656			13,465,260	17,723,656
31 Guidance, counseling, and evaluation services	8,191,521	13,883,147			8,191,521	13,883,147
32 Social work services	18,711	11,847			18,711	11,847
33 Health services	2,821,958	5,065,973			2,821,958	5,065,973
34 Student Transportation	8,933,927	9,877,060			8,933,927	9,877,060
35 Food Service	17,119,826	17,254,724			17,119,826	17,254,724
36 Extracurricular activities	10,758,511	12,098,882			10,758,511	12,098,882
41 General Administration	4,960,762	8,774,962			4,960,762	8,774,962
51 Facilities maintenance and operations	22,659,848	30,401,466			22,659,848	30,401,466
52 Security and monitoring services	2,994,200	4,702,763			2,994,200	4,702,763
53 Data processing services	3,454,415	5,337,701			3,454,415	5,337,701
61 Community services	394,124	858,142			394,124	858,142
72 Interest and fiscal charges	31,135,307	30,456,653			31,135,307	30,456,653
93 Payments related to shared services arrangements	127,656	177,654			127,656	177,654
95 Payments to Juvenile Justice Alt. Ed Programs		129				129
99 Other governmental charges	1,061,384	981,185			1,061,384	981,185
Day Care			298,685	357,426	298,685	357,426
After-school Care Program			218,057		218,057	
Natatorium			940,532	669,329	940,532	669,329
Adult Education			4,670	7,095	4,670	7,095
Catering			90,021	90,862	90,021	90,862
Total Expenses	279,504,239	380,033,993	1,551,965	1,124,712	281,056,204	381,158,705
Excess (deficiency) before special items and transfers	42,483,440	(16,292,490)	(7,500)	29,751	42,475,940	(16,262,739)
Special items	639,978	2,827,644			639,978	2,827,644
Transfers						
Increase (Decrease) in Net Position	43,123,418	(13,464,846)	(7,500)	29,751	43,115,918	(13,435,095)
Net Position - Beginning, restated	26,072,854	39,537,700	\$ 1,514,588	1,484,837	27,587,442	41,022,537
Prior Period Adjustments	(184,423,127)				(184,423,127)	
Net Position - Ending	\$ (115,226,855)	\$ 26,072,854	\$ 1,507,088	\$ 1,514,588	\$ (113,719,767)	\$ 27,587,442

The following is a summary of government-wide activities:

- The cost of all activities this year was \$281,056,204, a decrease of \$100,102,501 over the previous year. The decrease is due primarily to the recognition of GASB 75 which was a negative \$69,631,803.
- Some of these costs were funded by program revenues directly attributable to specific activities, but were negatively affected with the recognition of GASB 75.
- The remaining cost of government-wide activities was funded from general revenues, \$339,269,539, such as property taxes and unrestricted state and federal grants and contributions.

The District's revenues are derived primarily from property taxes and state aid (see Figure 1). Property taxes represents 61.28% of total revenues while state aid is 41.5%. The remaining - 2.78% of revenues is derived from operating grants and contributions, charges for services and miscellaneous revenues. This number is a negative number due to the recognition of GASB 75.

Figure 1



The primary functional expense (see Figure 2) of the District is instruction at \$149 million which represents 53.41% of total expenses. Student Support represents 17.12%, Non-student Support represents 10.41%, Interest on Debt represents 11.14%, and Instructional and School Leadership represents 5.58%. The remaining individual functional categories are each less than 3%. Total expenses in the current fiscal year were \$279.5 million, a \$100.5 million or 26.45% percent decrease from the prior year which is largely attributable to the recognition of GASB 75.

Figure 2

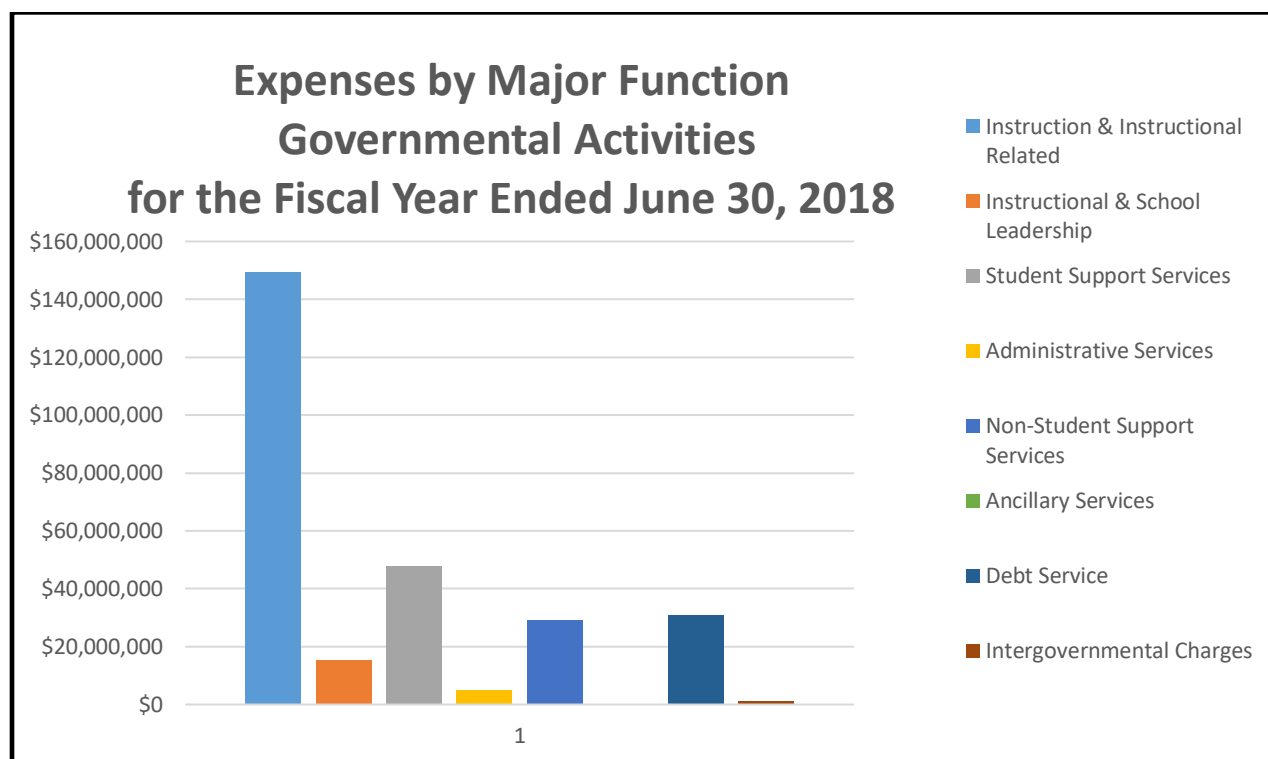


Table III shows the Districts largest governmental functions as well as their related net cost (total cost less fees and grants and contributions for the activities). The net cost reflects what was funded by property taxes, unrestricted state and federal grants and contributions and other miscellaneous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

Table III- Costs of Services for Major Functions

	Cost of Services		Net Cost of Services	
	2018	% of Total	2018	% of Total
Instruction	\$ 142,100,899	50.8%	\$ 168,576,338	56.9%
School Leadership	13,465,260	4.8%	17,277,881	5.8%
Facilities Maintenance and Operations	22,659,848	8.1%	26,283,487	8.9%
Interest and Fiscal Charges	31,135,307	11.1%	28,905,778	9.8%

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, 2018, the District's governmental funds reported combined fund balances of \$177,583,733 an increase of \$34.5 million from the prior year primarily comprised of unspent bond proceeds. The unassigned fund balance, \$88 million or 49.66% 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

	% of Total	
Non- Spendable		
Inventory	\$ 461,277	0.3%
Prepaid items	1,056,914	0.6%
Total Non-spendable	<u>1,518,191</u>	<u>0.9%</u>
Restricted		
Federal, State and Local Grants	1,489,714	0.8%
Capital Acquisitions	51,582,100	29.0%
Retirement of Long-Term Debt	33,244,467	18.7%
Total Restricted	<u>86,316,281</u>	<u>48.6%</u>
Committed		
Capital Acquisition Projects		
Campus activity funds	1,561,107	0.9%
Total Committed	<u>1,561,107</u>	<u>0.9%</u>
Assigned		
Unassigned	88,188,154	49.7%
Total Governmental Fund Balances	<u><u>\$ 177,583,733</u></u>	<u><u>100.0%</u></u>

The General Fund is the primary operating fund of the District. At June 30, 2018, unassigned fund balance of the General Fund was \$88,188,154 which is 99% percent of the total General Fund balance of \$89,055,063. 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 31% of the current year General Fund expenditures.

The fund balance of the District's General Fund increased \$6.4 million during the current fiscal year due to reductions in expenditures in various functions, vacancies, and actual expenditures being less than anticipated. The Debt Service Fund balance of \$33,244,467 is restricted for the payment of debt service. The fund balance increased \$6,045,649 from the prior year.

At year end, the Capital Projects Fund had a combined fund balance of \$51,582,100 which is an increase of \$21,812,055 from the prior year due to unspent bond proceeds. The fund balance is restricted for various construction projects and related encumbrances. The increase in fund balance resulted from the construction projects from the 2017 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 \$3,702,103. This represents an increase of \$318,530 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 After-school Care Program, the Natatorium, the Adult Education Program, and Catering. At year end, the Proprietary Funds had a net position of \$1,507,088 which is a decrease of \$7,500 from the prior year. This decrease is a result of user fees being lower than the operating costs incurred by the programs.

General Fund Budgetary Highlights

Over the course of the year, the District revised its General Fund budget. Actual expenditures were \$4 million less than final budgeted expenditures, and the actual reported revenues were approximately \$228 thousand less than the final total revenues budgeted. Variations between budgeted amounts and actual amounts were due to unfilled vacancies, reductions in staff, and expenditures were less than projected.

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, 2018, the District had invested approximately \$710.9 million in a broad range of capital assets, including land, equipment, and buildings, less depreciation (see Table V). Net capital assets decreased \$8.7 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)

Table V - Capital Asset Summary (Net of Depreciation)			
	Governmental Activities		
	2018	2017	% Change
Land	\$ 56,191,085	\$ 56,191,085	
Construction in progress	92,480,332	68,423,111	35.16%
Buildings and improvements	547,264,163	577,976,618	-5.31%
Furniture and equipment	14,999,072	17,131,657	-12.45%
Leased assets under capital lease			
Total	<u>\$ 710,934,652</u>	<u>\$ 719,722,471</u>	-1.22%

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 \$823.3 million in long-term debt at year end, an increase of \$15.6 million from the prior year (see Table VI). The District issued \$26.4 million in refunding bonds that resulted in net present value savings of \$2,214,534. In addition, the District made principal payments of \$27.9 million on the bonds during the fiscal year. More detailed information about the District's debt is presented in Note 7 to Basic Financial Statements.

Table VI - Long-Term Debt

	Balance		Retirements/ Refundings	Balance	
	July 1, 2017	Additions		June 30, 2018	Due Within One Year
Governmental Activities					
Bonds and leases payable:					
General obligation bonds	\$ 737,130,000	\$ 118,795,000	\$ (105,750,000)	\$ 750,175,000	\$ 23,745,000
Premium on bond issuance	68,286,590	12,417,031	(8,510,845)	72,192,776	
Capital lease payable	2,332,286	635,000	(1,982,460)	984,826	325,563
Total Bonds and Leases Payable	<u>\$ 807,748,876</u>	<u>\$ 131,847,031</u>	<u>\$ (116,243,305)</u>	<u>\$ 823,352,602</u>	<u>\$ 24,070,563</u>

The District continues to receive excellent bond ratings. The latest underlying review by the rating agencies was performed in July 2017. 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 2015-2017 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 projected throughout the district as well. All of these factors have resulted in a healthy fund balance for the district.

The District began the 2017-2018 fiscal year with a fund balance of \$82.7 million and ended the year with \$89 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 2018-2019 which included a 1% cost of living increase for all staff.

Property values for the 2018-2019 fiscal year increased 2 percent over the 2017-2018 year. The 2018-2019 total District tax rate per \$100 of property value remained at \$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 2018-2019 increased approximately 1 percent over the prior year.

Current 2018-2018 budgets for the Child Nutrition Fund and Debt Service Fund include estimated revenues and expenditures of approximately \$16.8 million and \$57.3 million, respectively.

Requests for Information

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



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Basic Financial Statements



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MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2018

Exhibit A-1

Data Control Codes	Governmental Activities	Business-type Activities	Total
Assets			
1110 Cash and cash equivalents	\$ 173,995,986	\$ 1,709,459	\$ 175,705,445
1220 Delinquent property taxes receivable	8,066,151		8,066,151
1230 Allowance for uncollectible taxes	(1,965,628)		(1,965,628)
1240 Due from other governments	38,905,016		38,905,016
1250 Accrued Interest	31,404		31,404
1260 Internal balances	170,057	(170,057)	
1267 Due from fiduciary funds	184,141		184,141
1290 Other receivables	237,002		237,002
1300 Inventories	461,277		461,277
1410 Prepaid items	1,056,914		1,056,914
1510 Land	56,191,085		56,191,085
1580 Construction in progress	92,480,332		92,480,332
Capital assets net of depreciation:			
1520 Buildings and improvements, net	547,264,163		547,264,163
1530 Furniture and equipment, net	14,999,072		14,999,072
1000 Total Assets	932,076,972	1,539,402	933,616,374
Deferred Outflows of Resources			
1700 Deferred charge on refunding	28,895,284		28,895,284
1701 Deferred outflows - pension	24,942,641		24,942,641
1706 Deferred outflows - OPEB	1,548,440		1,548,440
Total Deferred Outflows of Resources	55,386,365		55,386,365
Liabilities			
2110 Accounts payable	7,242,015	4,506	7,246,521
2140 Interest payable	12,496,911		12,496,911
2150 Payroll deductions and withholdings	454,661	1,041	455,702
2160 Accrued wages payable	28,337,864	26,767	28,364,631
2180 Due to other governments	63,583		63,583
2190 Due to student groups	25,784		25,784
2300 Unearned revenue	247,748		247,748
2400 Payable from restricted assets	1,084,410		1,084,410
Noncurrent Liabilities:			
2540 Net pension liability	60,368,262		60,368,262
2540 Net OPEB Liability	105,072,137		105,072,137
2501 Due within one year	24,070,563		24,070,563
2502 Due in more than one year	799,282,039		799,282,039
2000 Total Liabilities	1,038,745,977	32,314	1,038,778,291
Deferred Inflows of Resources			
2600 Deferred Inflows - Pension	19,992,341		19,992,341
2600 Deferred Inflows - OPEB	43,951,874		43,951,874
Total Deferred Inflows of Resources	63,944,215		63,944,215
Net Position			
3200 Net investment in capital assets	(50,278,200)		(50,278,200)
Restricted for:			
3820 Federal and state programs	896,325		896,325
3840 Food service	1,236,144		1,236,144
3850 Debt service	22,400,394		22,400,394
3860 Capital Projects	18,337,633		18,337,633
3900 Unrestricted	(107,819,151)	1,507,088	(106,312,063)
3000 Total net position	\$ (115,226,855)	\$ 1,507,088	\$ (113,719,767)

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

Data Control Codes	Functions/Programs	Program Revenue		
		Expenses	Charges for Services	Operating Grants and Contributions
	Governmental activities:			
11	Instruction	\$ 150,430,954	\$ 219,729	\$ (18,365,113)
12	Instruction resources and media services	4,501,210		(500,267)
13	Curriculum and staff development	2,942,028		471,268
21	Instructional leadership	2,283,692		(405,832)
23	School leadership	14,399,260		(2,878,621)
31	Guidance, counseling and evaluation services	8,660,521		1,588,312
32	Social work services	18,711		18,711
33	Health services	3,061,958		2,337,809
34	Student transportation	9,404,927		(1,411,720)
35	Food services	17,123,826	6,736,680	9,509,933
36	Extracurricular activities	10,837,511	739,993	(50,456)
41	General administration	5,219,762		(710,567)
51	Facilities maintenance and operations	23,591,848		(2,691,639)
52	Security and monitoring services	3,231,200		(735,522)
53	Data processing services	3,599,415		(454,877)
61	Community services	429,124		139,167
72	Interest and fiscal charges	31,135,307		2,229,529
93	Payments related to shared service arrangements	127,656		127,656
95	JJAEP			
99	Other governmental charges	1,061,384		
TG	Total governmental activities	<u>292,060,294</u>	<u>7,696,402</u>	<u>(11,782,229)</u>
	Business-type activities:			
01	Day Care	\$ 298,685	\$ 285,417	
02	After-School Care Program	218,057	303,752	
03	Natatorium	940,532	879,679	
04	Adult Education	4,670	2,539	
05	Catering	90,021	73,078	
TB	Total business-type activities	<u>1,551,965</u>	<u>1,544,465</u>	
TP	Total primary government	<u>\$ 293,612,259</u>	<u>\$ 9,240,867</u>	<u>\$ (11,782,229)</u>

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

Prior period adjustments

Net position - ending

MT
DT
SF
IE
MI

SI
SI
TR
CN
NB
PA
NE

See Notes to the Financial Statements.

Exhibit B-1

Net (Expense) Revenue and Changes in Net Position					
Primary Government					
Governmental Activities		Business-type Activities	Total		
\$	(168,576,338)		\$	(168,576,338)	
	(5,001,477)			(5,001,477)	
	(2,470,760)			(2,470,760)	
	(2,689,524)			(2,689,524)	
	(17,277,881)			(17,277,881)	
	(7,072,209)			(7,072,209)	
	(724,149)			(724,149)	
	(10,816,647)			(10,816,647)	
	(877,213)			(877,213)	
	(10,147,974)			(10,147,974)	
	(5,930,329)			(5,930,329)	
	(26,283,487)			(26,283,487)	
	(3,966,722)			(3,966,722)	
	(4,054,292)			(4,054,292)	
	(289,957)			(289,957)	
	(28,905,778)			(28,905,778)	
	(1,061,384)			(1,061,384)	
	(296,146,121)			(296,146,121)	
		\$ (13,268)	\$	(13,268)	
		85,695		85,695	
		(60,853)		(60,853)	
		(2,131)		(2,131)	
		(16,943)		(16,943)	
		(7,500)		(7,500)	
\$	(296,146,121)	\$ (7,500)	\$	(296,153,621)	
\$	133,332,004		\$	133,332,004	
	63,997,973			63,997,973	
	133,619,697			133,619,697	
	2,612,472			2,612,472	
	5,067,415			5,067,415	
	257,948			257,948	
	382,030			382,030	
	339,269,539			339,269,539	
	43,123,418	(7,500)		43,115,918	
	26,072,854	1,514,588		27,587,442	
	(184,423,127)			(184,423,127)	
\$	(115,226,855)	\$ 1,507,088	\$	(113,719,767)	

MANSFIELD INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

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	\$ 83,152,387	\$ 31,669,236	\$ 56,749,517	\$ 2,424,846	\$ 173,995,986
	Receivables:					
1220	Delinquent property taxes receivables	5,880,758	2,185,393			8,066,151
1230	Allowance for uncollectible taxes (credit)	(1,433,073)	(532,555)			(1,965,628)
1240	Receivables from other governments	35,814,154	358,481		2,732,381	38,905,016
1250	Accrued interest	7,507		23,897		31,404
1260	Due from other funds	1,966,440	1,216,750		1,191,421	4,374,611
1290	Other receivables	224,666			12,336	237,002
1300	Inventories, at cost	329,610			131,667	461,277
1410	Prepaid items	537,299			519,615	1,056,914
1000	Total Assets	<u>\$ 126,479,748</u>	<u>\$ 34,897,305</u>	<u>\$ 56,773,414</u>	<u>\$ 7,012,266</u>	<u>\$ 225,162,733</u>
Liabilities, Deferred Inflows, and Fund Balances						
Liabilities:						
2110	Accounts payable	\$ 1,860,764		\$ 5,190,596	\$ 190,655	\$ 7,242,015
2150	Payroll deduction and withholdings	384,552		718	69,391	454,661
2160	Accrued wages payable	27,248,046			1,089,817	28,337,863
2170	Due to other funds	2,305,890			1,714,523	4,020,413
2180	Payable to other governments	63,583				63,583
2190	Due to student groups	21,756			4,028	25,784
2300	Unearned revenue	6,000			241,749	247,749
2400	Due to Other	1,084,409				1,084,409
2000	Total Liabilities	<u>32,975,000</u>		<u>5,191,314</u>	<u>3,310,163</u>	<u>41,476,477</u>
Deferred Inflows of Resources:						
2600	Unavailable revenue - property taxes	4,449,685	1,652,838			6,102,523
	Total Deferred Inflows of Resources	<u>4,449,685</u>	<u>1,652,838</u>			<u>6,102,523</u>
Fund Balances:						
Non-Spendable:						
3410	Inventories	329,610			131,667	461,277
3430	Prepaid items	537,299			519,615	1,056,914
Restricted:						
3450	Grant funds				1,489,714	1,489,714
3470	Capital acquisitions and contractual oblig.			51,582,100		51,582,100
3480	Retirement of long-term debt		33,244,467			33,244,467
Committed:						
3545	Campus activity funds				1,561,107	1,561,107
3600	Unassigned	<u>88,188,154</u>				<u>88,188,154</u>
3000	Total fund balances	<u>89,055,063</u>	<u>33,244,467</u>	<u>51,582,100</u>	<u>3,702,103</u>	<u>177,583,733</u>
Total Liabilities, Deferred Inflows, and Fund Balances						
4000	Fund Balances	<u>\$ 126,479,748</u>	<u>\$ 34,897,305</u>	<u>\$ 56,773,414</u>	<u>\$ 7,012,266</u>	<u>\$ 225,162,733</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, 2018

Exhibit C-2

Data Control Codes	Total fund balance, governmental funds (from C-1)	\$ 177,583,733
	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.	710,934,652
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.	6,102,523
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.	28,895,284
4	Deferred outflows - pension liability	24,942,641
5	Deferred outflows - OPEB Activity	1,548,440
	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:	
6	General obligation bonds	(750,175,000)
7	Net pension Liability	(60,368,262)
8	Net OPEB Liability	(105,072,137)
9	Capital Lease Payable	(984,826)
10	Premiums on issuance	(72,192,776)
11	Deferred inflows related to pension liability	(19,992,341)
12	Deferred inflows related to OPEB liability	(43,951,874)
13	Accrued interest payable	<u>(12,496,911)</u>
	Total net position, governmental activities (from A-1)	<u><u>\$ (115,226,855)</u></u>

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

Data Control Codes		General Fund	Debt Service Fund
Revenues			
5700	Local and intermediate sources	\$ 136,876,895	\$ 64,328,114
5800	State program revenues	148,276,608	2,229,529
5900	Federal program revenues	3,916,730	
5020	Total revenues	<u>289,070,233</u>	<u>66,557,643</u>
Expenditures			
Current:			
0011	Instruction	173,241,131	
0012	Instruction resources and media services	3,591,588	
0013	Curriculum and staff development	2,909,400	
0021	Instructional leadership	3,544,972	
0023	School leadership	18,721,038	
0031	Guidance, counseling and evaluation services	9,382,190	
0032	Social work services		
0033	Health services	4,537,333	
0034	Student transportation	10,137,531	
0035	Food services	4,276	
0036	Extracurricular activities	9,676,715	
0041	General administration	6,733,201	
0051	Facilities maintenance and operations	29,220,135	
0052	Security and monitoring services	4,529,498	
0053	Data processing services	4,204,508	
0061	Community services	326,576	
Debt service:			
0071	Principal on long-term debt	1,982,460	27,980,000
0072	Interest on long-term debt	21,828	32,631,239
0073	Bond issuance costs and fees		588,317
Capital outlay:			
0081	Facilities acquisition and construction		
Intergovernmental:			
0093	Payments related to shared services arrangements		
0095	Payments to Juvenile Justice Alt. Ed. Prgm.		
0099	Other intergovernmental charges	1,061,384	
6030	Total Expenditures	<u>283,825,764</u>	<u>61,199,556</u>
1100	Excess (deficiency) of revenues over expenditures	5,244,469	5,358,087
Other Financing Sources (Uses)			
7911	Capital related debt issue (regular bonds)		
7911	Capital-related debt issued (refunding bonds)		74,810,000
7912	Sale of real or personal property	94,912	115,602
7913	Proceeds from capital leases	635,000	
7916	Premium or discount on issuance of bonds		5,988,735
8949	Other Uses/Payment to Bond Refunding Escrow Agent		(80,226,775)
Special Items			
7918	Special Items - Oil and gas royalties	382,030	
7080	Total other financing sources and uses	<u>1,111,942</u>	<u>687,562</u>
1200	Net change in fund balances	6,356,411	6,045,649
0100	Fund Balance - July 1 (Beginning)	<u>82,698,652</u>	<u>27,198,818</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 89,055,063</u>	<u>\$ 33,244,467</u>

See Notes to the Financial Statements.

Exhibit C-3

Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 849,315	\$ 10,093,322	\$ 212,147,646
53,681	1,834,601	152,394,419
	19,131,306	23,048,036
902,996	31,059,229	387,590,101
	9,599,665	182,840,796
	127,776	3,719,364
	804,161	3,713,561
	76,666	3,621,638
	92,020	18,813,058
	3,044,196	12,426,386
	18,711	18,711
	42,865	4,580,198
	59,445	10,196,976
	15,451,238	15,455,514
	762,125	10,438,840
	26,322	6,759,523
34,834	288,681	29,543,650
	4,063	4,533,561
		4,204,508
	262,543	589,119
		29,962,460
		32,653,067
407,100		995,417
29,062,303		29,062,303
	127,656	127,656
		1,061,384
29,504,237	30,788,133	405,317,690
(28,601,241)	271,096	(17,727,589)
43,985,000		43,985,000
		74,810,000
	47,434	257,948
		635,000
6,428,296		12,417,031
		(80,226,775)
		382,030
50,413,296	47,434	52,260,234
21,812,055	318,530	34,532,645
29,770,045	3,383,573	143,051,088
\$ 51,582,100	\$ 3,702,103	\$ 177,583,733

MANSFIELD INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES
For the Year Ended June 30, 2018

Exhibit C-4

Data
Control
Codes

Net change in fund balances - total governmental funds (from C-3) \$ 34,532,645

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	31,528,658
2	Governmental activities depreciation expense	(40,315,814)
3	Change in deferred inflows for property tax revenues.	559,247
4	Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	27,980,000
5	Proceeds from issuance of refunding bonds is reported as an other financing source	(118,795,000)
6	Repayment of capital lease is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,982,460
7	Proceeds from New Capital Lease Agreements	(635,000)
8	Payments to escrow agent for refunding bonds	80,226,775
9	Premiums received from issuance of long-term debt	(12,417,031)
10	Pension expense	(7,428,496)
11	OPEB Expense	35,224,221
12	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.	6,444,904
13	Decrease in interest payable not recognized in fund statements	(514,352)
14	Amortization of deferred charges on refunding as well as premiums and discounts on issuance of bonds	3,026,866

Change in net position of governmental activities (see B-1) \$ 43,123,418

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018

Exhibit D-1

	Business-type Activities - Enterprise Funds
Assets	
Current Assets:	
Cash and cash equivalents	\$ 1,709,459
Total current assets	<u>1,709,459</u>
Total Assets	<u>1,709,459</u>
Liabilities	
Current Liabilities:	
Accounts payable	4,506
Payroll deduction and withholdings payable	1,041
Accrued wages payable	26,767
Due to other funds	<u>170,057</u>
Total current liabilities	<u>202,371</u>
Total Liabilities	<u>202,371</u>
Net Position	
Unrestricted net position	<u>1,507,088</u>
Total Net Position	<u><u>\$ 1,507,088</u></u>

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT*Exhibit D-2***STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION****PROPRIETARY FUNDS***For the Year Ended June 30, 2018*

	Business-type Activities - Enterprise Funds
Operating Revenues	
Charges for services	\$ 1,544,465
Total Operating Revenues	<u>1,544,465</u>
Operating Expenses	
Payroll costs	897,916
Professional and contracted services	267,711
Supplies and materials	177,377
Other operating costs	199,965
Capital Outlay	8,996
Total Operating Expenses	<u>1,551,965</u>
Operating Income (Loss)	<u>(7,500)</u>
Net Position - July 1 (Beginning)	<u>1,514,588</u>
Net Position -June 30 (Ending)	<u><u>\$ 1,507,088</u></u>

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2018

Exhibit D-3

	Business-type Activities - Enterprise Funds
Cash Flows from Operating Activities:	
Cash received from user charges	\$ 1,544,465
Cash payments to employees for services	(894,988)
Cash payments for contracted services	(267,711)
Cash payments for supplies	(176,368)
Cash payments for other expenses	(111,348)
Cash payments for capital outlay	(8,996)
Net Cash Provided by (Used for) Operating Activities	<u>85,054</u>
Net Increase in Cash and Cash Equivalents	85,054
Cash and Cash Equivalents at Beginning of Year	<u>1,624,405</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,709,459</u></u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents Per Cash Flow	<u><u>\$ 1,709,459</u></u>
Cash and Cash Equivalents per Balance Sheet	<u><u>\$ 1,709,459</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (7,500)
Change in Assets and Liabilities:	
Increase (Decrease) in accounts payable	(12,513)
Increase (decrease) in payroll taxes payable	186
Increase (decrease) in accrued wages payable	(14,089)
Increase (decrease) in Interfund Payable	<u>118,970</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 85,054</u></u>

See Notes to the Financial Statements.

Mansfield Independent School District
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2018

Exhibit E-1

	Private Purpose Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 203,152	\$ 860,697
Receivables:		
Due from other government		37,474
Prepaid items		69,249
Other receivables		98,360
Total Assets	<u>203,152</u>	<u>1,065,780</u>
Liabilities		
Accounts payable	88,075	61,414
Due to other	44,953	12,252
Due to other funds	40,475	143,666
Due to student groups		848,448
Total Liabilities	<u>173,503</u>	<u>1,065,780</u>
Net Position		
Total Net Position	<u>\$ 29,649</u>	

See Notes to the Financial Statements.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2018

Exhibit E-2

	Private Purpose Trust Fund
Additions	
Investment income	\$ 1,079
Donations	114,803
Total additions	<u>115,882</u>
Deductions	
Non-operating expenses	24,475
Scholarships	114,803
Total deductions	<u>139,278</u>
Change in net position	(23,396)
Net Position, beginning of year	<u>53,045</u>
Net Position, end of year	<u><u>\$ 29,649</u></u>

See 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. 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.

In fiscal year 2018, the District implemented Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions which supersedes GASB Statement No. 45.

Note 1 - Summary of Significant Accounting Policies (continued)

The requirements of Statement No. 75 apply to the financial statements of all state and local government employers whose employees are provided postemployment benefits other than pensions (OPEB) that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governments in which the non-employer contributing entity (State) and District have a legal obligation to make contributions directly to such OPEB plan. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to the OPEB plan. Note disclosure and RSI requirements about the OPEB plan also are addressed. The implementation of Statement No. 75 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively. The calculation of OPEB contributions is unaffected by the change. However, the implementation has resulted in the restatement of the District's beginning net position for the fiscal year 2018 government-wide financial statements to reflect the reporting of net OPEB liability and deferred inflows of resources and deferred outflows of resources for its qualified OPEB plan and the recognition of OPEB expense in accordance with the provisions of the Statement. Net position as of July 1, 2017 was decreased by \$184,423,127 to reflect the cumulative effect of implementation. and reported as a prior period adjustment to the net position on July 1, 2017. Refer to Note 12 for more information regarding the District's OPEB plan. At transition, a government recognizes a beginning deferred outflows of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. Since the measurement date of the OPEB plan was different than the District's fiscal year-end, the District reported contributions to the plan subsequent to the respective measurement date as an increase in deferred outflows of resources and a decrease in net position.

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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as 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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

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

Enterprise Funds account for the activities of the District's employee day care, after-school care program, 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. The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District as Private Purpose Trust Funds. The District's Private Purpose Trust Funds are the G. Harmon Estate and the Scholarship Fund.

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

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

1. Cash and Cash Equivalents

The District 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, government agencies, 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*.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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.

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:

Assets	Years
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 \$1,561,107 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 2018 will ultimately change from the amount calculated as of June 30, 2018 because of the factors that TEA uses in its calculation.

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)

9. Deferred Outflows/Inflows of Resources (continued)

- Deferred outflows of resources for Other Post Employment Benefits (OPEB)— Reported in the government wide financial statement of net position, this deferred outflow results from OPEB contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on OPEB related investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of OPEB liabilities. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB related investments will be amortized over a closed five year period. The remaining OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the pension plan.

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.
- Deferred inflows of resources for OPEB – 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 OPEB related liabilities. These OPEB 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.

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. 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, other post-employment benefits (OPEB), deferred outflows of resources and deferred inflows of resources related to pensions, deferred outflows of resources and deferred inflows of resources related to OPEB, pension expense, OPEB related expenses, 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, 2018, the District's carrying amount of deposits was \$3,678,662 and the bank balance was \$5,233,168. The District's bank balance at June 30, 2018, 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;

MANSFIELD INDEPENDENT SCHOOL DISTRICT *Exhibit F-1*
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

B. Credit Risk (continued)

A summary of the District's cash and investments at June 30, 2018, is shown below:

Types of Investments	Fair Value	Weighted Average Maturity	Percentage of Investment Portfolio	Credit Quality Rating Standard & Poors	Funds WAM
Money Market Mutual Funds	\$ 9,287,286	2.00	5.25%	AAAm	38
Public Funds Investment Pools:					
LOGIC	\$ 101,120,210	16.02	57.20%	AAAm	28
TexSTAR	47,230,367	6.95	26.72%	AAAm	26
TexasCLASS	482,768	0.16	0.27%	AAAm	60
Governmental Activities	\$ 148,833,345		84.20%		
Fiduciary Funds (LOGIC)	70,125	0.01	0.04%	AAAm	28
	\$ 148,903,470		84.24%		
Government Agency Securities	\$ 14,899,878	41.00	8.43%		
Total Investments	<u>\$ 173,090,634</u>		<u>97.92%</u>		
Cash and Cash Equivalents					
Governmental Activities	\$ 975,479		0.55%		
Business-Type Activities	1,709,459		0.97%		
Fiduciary Activities	993,724		0.56%		
Total Cash and Cash Equivalents	<u>\$ 3,678,662</u>		<u>2.08%</u>		
	<u>\$ 176,769,296</u>		<u>100.00%</u>		
Portfolio Weighted Average Maturity		66.14			

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

A. 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, 2018,

- Fully collateralized or FDIC insured time and demand deposits represented 2.08% of the total portfolio,
- Money market mutual funds rated A or better represented 5.25% of the total portfolio, and
- Local government investment pools rated AAAM represented 84.24%
- The remainder of the portfolio, 8.43% was in U.S. Government Agency Securities.

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, 2018,

- Funds in one investment pool, LOGIC, represented 57.24% of the total portfolio,
- Funds in one investment pool, TexSTAR, represented 26.72% of the total portfolio,
- Funds in one investment pool, Texas Class, represented .27% of the total portfolio,
- Funds in money market funds rated A or better represented 5.25 % of the total portfolio,
- Funds in U.S. Government Agency Securities, represented 8.43% 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 two years 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, 2018, the portfolio contained:

- No holdings that had a stated maturity beyond 699 days
- The dollar weighted average maturity of the total portfolio was 66.14 days.

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

B. Credit Risk (continued)

Local Government Investment Pools

As of June 30, 2018, 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)

C. 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, 2018:

- 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.



MANSFIELD INDEPENDENT SCHOOL DISTRICT *Exhibit F-1*
NOTES TO THE FINANCIAL STATEMENTS (continued)

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, 2018, upon which the levy for the 2018 fiscal year was based, was \$12,781,961,648.

The tax rates assessed for the twelve months ended June 30, 2018 to finance general fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$.5000 per \$100 of valuation, respectively, for a total of \$1.5400 per \$100 of valuation. Current tax collections for the year ended June 30, 2018 were 98.35% 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, 2018, consisted of the following individual fund receivables and payables:

	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund	\$ 1,966,440	\$ 2,305,890
Debt Service Fund	1,216,750	
Non-major Governmental Funds	1,191,421	1,714,523
Proprietary Funds		
Enterprise Funds		170,057
Fiduciary Funds		
Fiduciary and Agency Funds		184,141
Total	\$ 4,374,611	\$ 4,374,611

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.

MANSFIELD INDEPENDENT SCHOOL DISTRICT *Exhibit F-1*
NOTES TO THE FINANCIAL STATEMENTS (continued)

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, 2018, are as follows:

	Balance			Balance
	July 1, 2017	Additions	Retirements and Transfers	June 30, 2018
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 56,191,085	\$	\$	\$ 56,191,085
Construction in progress	68,423,112	29,097,137	(5,039,917)	92,480,332
Total Capital assets, not being depreciated	<u>124,614,197</u>	<u>29,097,137</u>	<u>(5,039,917)</u>	<u>148,671,417</u>
Capital assets, being depreciated:				
Buildings and improvements	969,579,893	5,039,253	(248,535)	974,370,611
Furniture and equipment	13,870,126	2,129,421	(74,981)	15,924,566
Vehicles	29,117,382	302,100		29,419,482
Total Capital assets, being depreciated	<u>1,012,567,401</u>	<u>7,470,774</u>	<u>(323,516)</u>	<u>1,019,714,659</u>
Less accumulated depreciation for:				
Buildings and improvements	(391,603,275)	(35,751,708)	248,535	(427,106,448)
Furniture and Equipment	(9,648,077)	(2,868,554)	74,981	(12,441,650)
Vehicles	(16,207,774)	(1,695,552)		(17,903,326)
Total Accumulated depreciation	<u>(417,459,126)</u>	<u>(40,315,814)</u>	<u>323,516</u>	<u>(457,451,424)</u>
Total capital assets being depreciated, net	<u>595,108,275</u>	<u>(32,845,040)</u>		<u>562,263,235</u>
Governmental Capital Assets	<u>\$ 719,722,472</u>	<u>\$ (3,747,904)</u>	<u>\$ (5,039,917)</u>	<u>\$ 710,934,652</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT *Exhibit F-1*
 NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 6 - Capital Assets (continued)

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

Function	Depreciation Expense
Governmental Activities:	
Instruction	\$ 26,615,194
Instructional resources and media services	1,870,845
Instructional leadership	40,320
School leadership	2,108,733
Guidance, counseling and evaluation services	395,135
Health services	221,760
Student transportation	2,080,509
Food Services	3,595,627
Extracurricular activities	2,129,709
General administration	282,240
Facilities maintenance and operations	471,743
Security and monitoring services	100,800
Data processing services	403,199
Total Governmental Activities	\$ 40,315,814

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, 2018, \$33,244,467 was available in the Debt Service Fund to service these bonds.

The District issued \$26,445,000 of Unlimited Tax Refunding Bonds, Series 2017 dated December 11, 2017 and delivered December 28, 2017. Proceeds from the sales of the bonds were used to refund the District's Unlimited Tax School Building Bonds, Series 2012 and a portion of Series 2012-B 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 was less than the net carrying amount of the old debt resulting in a loss on the refundings of \$33,917. 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 \$2,772,605 and resulted in economic gains/present value of \$2,214,534. The premiums of \$4,060,423 are being amortized over the life of the bonds using the straight-line method.

MANSFIELD INDEPENDENT SCHOOL DISTRICT *Exhibit F-1*
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

In August 2017, the District remarketed the 2012A Variable Rate Series Unlimited Tax School Building Bonds. The remarketing generated proceeds of \$50,000,000 with \$1,635,000 being paid from the proceeds at the time of remarketing. The new debt was issued with an initial interest rate of 2.5% for an initial rate period of one year. The bonds convert to a stepped-up interest rate of 7% after the initial one-year period in the event the bonds are not remarketed. Interest on the bonds accrue from the closing date of August 1, 2017 and are payable on each February 1 and August 1 thereafter, with the initial interest payment on February 1, 2019.

As of June 30, 2018, the District had sold \$43.9 million of the \$275 million authorized general obligation bonds that were authorized in 2017.

At year end, \$57,385,000 of bonds outstanding are considered defeased and have not been included in the District's Statement of Net Position.

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2018:

	Balance			Balance	
	July 1, 2017	Additions	Retirements/ Refundings	June 30, 2018	Due Within One Year
Governmental Activities					
Bonds and leases payable:					
General obligation bonds	\$ 737,130,000	\$ 118,795,000	\$ (105,750,000)	\$ 750,175,000	\$ 23,745,000
Premium on bond issuance	68,286,590	12,417,031	(8,510,845)	72,192,776	
Capital lease payable	2,332,286	635,000	(1,982,460)	984,826	325,563
Total Bonds and Leases Payable	<u>\$ 807,748,876</u>	<u>\$ 131,847,031</u>	<u>\$ (116,243,305)</u>	<u>\$ 823,352,602</u>	<u>\$ 24,070,563</u>

Annual requirements to amortize all bonded debt outstanding as of June 30, 2018 follow:

Year Ending June 30,	Principal	Interest	Totals
2019	\$ 23,745,000	\$ 33,384,846	\$ 57,129,846
2020	25,940,000	32,330,808	58,270,808
2021	28,200,000	31,096,949	59,296,949
2022	31,635,000	30,856,861	62,491,861
2023	33,340,000	30,456,524	63,796,524
2024-2028	197,590,000	126,839,544	324,429,544
2029-2033	173,355,000	82,491,369	255,846,369
2034-2038	73,990,000	55,027,738	129,017,738
2039-2043	109,535,000	30,619,375	140,154,375
2044-2047	52,845,000	5,080,050	57,925,050
	<u>\$ 750,175,000</u>	<u>\$ 458,184,064</u>	<u>\$ 1,208,359,064</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT *Exhibit F-1*
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Bonds Payable

Bonds payable at June 30, 2018, are composed of the following individual issues:

Description	Maturity Range	Amount Original Issue	Interest Rate
Unlimited Tax School Building & Refunding Bonds, Series 2002	2002-2027	79,789,984	3.25%-5.5%
Unlimited Tax Refunding Bonds, Series 2009	2009-2023	44,600,000	3.0-5.0%
Unlimited Tax Refunding Bonds, Series 2010	2010-2027	85,465,000	4.0-5.0%
Unlimited Tax Refunding Bonds, Series 2011	2011-2026	9,500,000	2.0-4.0%
Unlimited Tax Refunding Bonds, Series 2012	2011-2027	16,915,000	3.0-5.0%
Unlimited Tax School Building Bonds, Series 2012	2012-2035	50,000,000	Variable
Unlimited Tax Refunding Bonds, Series 2012A	2012-2029	41,275,000	3.0-5.0%
Unlimited Tax Refunding Bonds, Series 2012B	2012-2028	30,460,000	3.0-5.0%
Unlimited Tax Refunding Bonds, Series 2013A	2013-2030	63,255,000	2.0-5.0%
Unlimited Tax Refunding Bonds, Series 2013B	2013-2031	86,170,000	2.0-5.0%
Unlimited Tax Refunding Bonds, Series 2013C	2013-2025	21,855,000	4.00%
Unlimited Tax Building Bonds, Series 2013	2013-2043	49,355,000	4.25-4.5%
Unlimited Tax School Building Bonds, Series 2014	2014-2044	47,145,000	3.375%-5.00%
Unlimited Tax Refunding Bonds, Series 2014	2014-2032	59,445,000	4.00%-5.00%
Unlimited Tax Refunding Bonds, Series 2015	2015-2033	78,355,000	2.00%-5.00%
Unlimited Tax School Building Bonds, Series 2015	2015-2045	43,290,000	5.00%
Unlimited Tax Refunding Bonds, Series 2015A	2015-2035	45,275,000	2.00%-4.00%
Unlimited Tax Refunding Bonds, Series 2016	2017-2026	32,760,000	1.00%-5.00%
Unlimited Tax School Building Bonds, Series 2017	2018-2028	43,985,000	2.00%-5.00%
Unlimited Tax Refunding Bonds Series 2017	2018-2047	26,445,000	3.00%-5.00%

The outstanding \$48,365,000 of Remarketed Series 2012 Bonds currently bear interest at an initial fixed rate of 2.5% from the date of the remarketing, which occurred on August 1, 2018 through July 31, 2019 (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 *Exhibit F-1*
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Bonds Payable (continued)

Description - Authorization (Dated)	Amount Outstanding July 1, 2017	Issued	Retired	Refunded	Amount Outstanding June 30, 2018	Due Within One Year
Unlimited Tax School Building & Refunding Bonds 2002 (9/3/2002)	\$ 535,000		\$ (40,000)		\$ 495,000	\$ 45,000
Unlimited Tax Refunding Bonds 2009 (11/20/2009)	22,105,000		(2,390,000)		19,715,000	2,515,000
Unlimited Tax Refunding Bonds 2010 (7/15/10)	72,710,000		(5,065,000)		67,645,000	10,340,000
Unlimited Tax Refunding Bonds 2011 (4/15/2011)	7,215,000		(395,000)		6,820,000	415,000
Unlimited Tax Refunding Variable Rate Bonds 2012* (2/15/2012)	50,000,000	48,365,000	(1,635,000)	(48,365,000)	48,365,000	
Unlimited Tax Refunding Bonds 2012 (12/15/2011)	16,915,000			(16,915,000)		
Unlimited Tax Refunding Bonds 2012A (7/1/2012)	40,690,000				40,690,000	
Unlimited Tax Refunding Bonds, Series 2012B	22,640,000			(10,855,000)	11,785,000	
Unlimited Tax Refunding Bonds, Series 2013A	57,400,000		(2,060,000)		55,340,000	1,805,000
Unlimited Tax Refunding Bonds, Series 2013B	81,595,000		(2,260,000)		79,335,000	2,375,000
Unlimited Tax Refunding Bonds, Series 2013C	13,755,000		(3,850,000)		9,905,000	1,375,000
Unlimited Tax School Building Bonds - 2013 (11/01/2013)	49,355,000				49,355,000	
Unlimited Tax School Building Bonds - 2014 (12/01/2014)	47,145,000				47,145,000	
Unlimited Tax Refunding Bonds, Series 2014	58,340,000		(1,455,000)		56,885,000	1,035,000
Unlimited Tax Refunding Bonds, Series 2015	76,890,000		(1,360,000)		75,530,000	1,205,000
Unlimited Tax School Building Bonds - 2015 08/20/2015)	43,290,000				43,290,000	
Unlimited Tax School Building Bonds, Series 2015A	44,580,000				44,580,000	
Unlimited Tax Refunding Bonds, Series 2016 (11/29/16)	31,970,000		(3,905,000)		28,065,000	2,635,000
Unlimited Tax School Building Bonds, Series 2017		43,985,000	(4,700,000)		39,285,000	
Unlimited Tax Refunding Bonds Series 2017		26,445,000	(500,000)		25,945,000	
	<u>\$737,130,000</u>	<u>\$118,795,000</u>	<u>(29,615,000)</u>	<u>(76,135,000)</u>	<u>\$750,175,000</u>	<u>\$23,745,000</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 non-cancelable lease terms in excess of one year as of June 30, 2018.

Rental expense for the year ended June 30, 2018 was \$915,209.

B. Commitments under Capital Leases

This year the District entered into a lease agreement as lessee for financing the upgrades to the audio/visual system and signage at the Center for Performing Arts in the amount of \$456,000 and for new defibrillators for the district in the amount of \$179,000. The equipment has a ten-year estimated useful life. Depreciation was not recorded in the current year since the equipment 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, 2018, were as follows:

Commitments under Capital Leases	
Fiscal Year	Amount
2019	\$ 340,607
2020	340,607
2021	340,608
Total minimum lease payments	\$ 1,021,822
Less: amount representing interest	36,996
Present Value of minimum lease payments	\$ 984,826



MANSFIELD INDEPENDENT SCHOOL DISTRICT *Exhibit F-1*
 NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 9 - Unearned Revenue/Deferred Inflows of Resources

Unavailable Revenue

Unavailable 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:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Unearned Revenue				
Miscellaneous Fees	\$ 6,000			\$ 6,000
Prepaid Lunch Cards			241,749	241,749
Deferred Inflows				
Property Taxes	4,449,685	1,652,838		6,102,523
Receivable				
Total	<u>\$ 4,455,685</u>	<u>\$ 1,652,838</u>	<u>\$ 241,749</u>	<u>\$ 6,350,272</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, 2018, is composed of the following:

	Total
Campus Activity Accounts	\$ 1,561,107
Total	\$ 1,561,107

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.

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

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.

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 2018. 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 2017 and 2018.

	Contribution Rates	
	2018	2017
Member (Employee)	7.7%	7.7%
Non-employer contributing agency (State)	6.8%	6.8%
District	6.8%	6.8%

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

D. Contributions (continued)

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 (2017) 9/1/16-8/31/17	Fiscal Year (2018) 7/1/17-6/30/18
	Contributions Required and Made	TRS Contributions
Member (Employee)	\$ 16,398,286	\$ 16,837,564
Non-employer contributing agency (State)	10,832,855	11,015,080
District	6,187,782	6,456,847

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.

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

E. Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017
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, 2018, are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return *
Global Equity			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Stable Value Hedge Funds	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	100%		8.7%
* The Expected Contributions 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 2017 Net Pension Liability.

	1% Decrease 7%	Current Discount Rate 8%	1% Increase 9%
District's proportional share of the net pension liability	\$101,768,962	\$60,368,263	\$25,895,460

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

At June 30, 2018, the District reported a liability of \$60,368,263 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	\$ 60,368,263
State's proportionate share that is associated with the District	105,907,984
Total	\$ 166,276,247

The net pension liability was measured as of August 31, 2017, 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, 2016 thru August 31, 2017.

At August 31, 2017, the employer's proportion of the collective net pension liability was 0.1888% which was an decrease of 0.0049% from its proportion measured as of August 31, 2016. The change in proportion was immaterial and therefore disregarded this year.

I. Changes Since the Prior Actuarial Valuation

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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

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 year ended June 30, 2018, the District recognized pension expense of \$7,428,496 and revenue of \$8,078,240 for support provided by the State. At June 30, 2018, 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	\$ 883,215	\$ (3,255,581)
Changes in actuarial assumptions	2,749,870	(1,574,236)
Differences between projected and actual investment earnings	9,283,938	(13,683,445)
Changes in proportion and differences between District contributions and proportionate share of contributions	6,578,402	(1,479,079)
Contributions paid to TRS subsequent to the measurement date	5,447,216	
Total	<u>\$ 24,942,641</u>	<u>\$ (19,992,341)</u>

The \$5,447,216 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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	\$ (594,585)
2019	3,258,878
2020	(890,640)
2021	(1,942,618)
2022	(79,437)
2023	(248,514)
	<u>\$ (496,916)</u>

Note 12 - Defined Other Post-Employment Benefit Plan

A. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS- Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

B. OPEB Plan Fiduciary Net Position

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

C. Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Plan Premium Rates			
	TRS-Care 1 Basic	TRS-Care 2 Optional	TRS-Care 3
	Plan	Plan	Optional Plan
Retiree*	\$-	\$70	\$100
Retiree and Spouse	20	175	255
Retiree* and Children	41	132	182
Retiree and Family	61	237	337
Surviving Children Only	28	62	82
*or surviving spouse			

Note 12 - Defined Other Post-Employment Benefit Plan (continued)

D. Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	Plan Year Ending August 31,	
	2017	2018
Active Employee	0.65%	0.65%
Non-employer Contributing Entity (State)	1.00%	1.25%
Employers	0.55%	0.75%
Federal/Private Funding Remitted by Employers	1.00%	1.25%

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to. When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

In addition, during the current fiscal year, \$212.0 million was transferred to TRS from the State to pay for Care during the 85th First Legislative Special Session House Bill 21, Section 10. The District reported on behalf revenues and expenditures of \$384,178 relating to these transfers.

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA). Contributions and pension expense for all contributors were as follows:

	Measurement Year (2017)		Fiscal Year (2018)
	9/1/16-8/31/17		7/1/17-6/30/18
	Contributions Required and Made	OPEB Expense	TRS Care Contributions
Member (Employee)	\$ 1,384,273	\$ -	\$ 1,421,352
Non-employer contributing	2,039,201	(57,075,748)	2,039,526
District	1,256,193	(35,224,221)	1,247,627

MANSFIELD INDEPENDENT SCHOOL DISTRICT *Exhibit F-1*
 NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 12 - Defined Other Post-Employment Benefit Plan (continued)

E. Actuarial Assumptions

The total OPEB liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.50%
Discount Rate*	3.42%*
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	2.50%
Projected Salary Increases**	3.50% to 9.50%**
Healthcare Trend Rates***	4.50% to 12.00%***
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

Source: Fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2017.

** Includes Inflation at 2.50%

*** Initial trend rates are 7.00% for non-Medicare retirees; 10.00% for Medicare retirees and 12.00% for prescription trend rate of 4.50% over a period of 10 years.

In this valuation the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Note 12 - Defined Other Post-Employment Benefit Plan (continued)

F. Discount Rate

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of .44 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active 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 OPEB plan’s fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

G. Sensitivity of the Net OPEB Liability:

Discount Rate – The following presents the District’s proportional share of the net OPEB liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one- percentage point lower (2.42%) or one-percentage point higher (4.42%) than the AA/Aa rate.

Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumptions		
1% Decrease in Discount Rate (2.42%)	Current Discount Rate (3.42%)	1% Increase in Discount Rate (4.42%)
\$124,011,206	\$105,072,137	\$89,849,395

Healthcare Cost Trend Rates – The following presents the District’s proportional share of the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate:

Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumptions		
1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$87,483,051	\$105,072,137	\$128,151,234

Note 12 - Defined Other Post-Employment Benefit Plan (continued)

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

At June 30, 2018, the District reported a liability of \$105,072,137 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective Net OPEB Liab	\$	105,072,137
State's proportionate share that is associated with employer		170,565,490
	\$	<u>275,637,627</u>

The Net OPEB Liability was measured as of August 31, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017 the employer's proportion of the collective Net OPEB Liability was 0.2416% which was the same proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

There was a significant plan change adopted in fiscal year ending August 31, 2017:

- Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates. This change in plan benefits significantly lowered the OPEB liability and had an immediate effect on the OPEB expenses recognized by participating entities.
- The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
- The discount rate changed from 2.98 percent as of August 31, 2016 to 3.42 percent as of August 31, 2017. This change lowered the total OPEB liability.

MANSFIELD INDEPENDENT SCHOOL DISTRICT *Exhibit F-1*
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 12 - Defined Other Post-Employment Benefit Plan (continued)

H. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Negative OPEB Expense

The significant changes to the plan benefits and assumptions noted above decreased the net OPEB liability related to TRS-Care as a whole by \$33.5 billion. As a result, the District's proportional share of the net OPEB liability decreased by \$80.4 million. Because the decrease in the liability was the result of changes to plan benefits, a majority of the decrease has been recognized immediately in the District's financial statements. As a result, the District recognized a total proportional share of negative OPEB expense of \$92.3 million, a portion of this negative expense (\$57.1 million) represents the State's on- behalf share of this activity offset by what the Governmental Accounting Standards Board refers to as a negative on-behalf revenue. The following table illustrates the magnitude of the negative on-behalf activity for the State's portion of the TRS-Care benefits by individual function for both operating grants and contributions revenues and expense:

	Current Year Prior to Negative On-behalf Activities		Negative On-behalf Activities	Current Year After Negative On-behalf Activities as presented in Exhibit B-1	
	Expenses	Operating Grants and Contributions		Expenses	Operating Grants and Contributions
Instruction	\$ 188,295,003	\$ 19,498,936	\$ (37,864,049)	\$ 150,430,954	\$ (18,365,113)
Instructional Resources and Media Services	5,277,440	275,963	(776,230)	4,501,210	(500,267)
Curriculum and Staff Development	3,375,804	905,044	(433,776)	2,942,028	471,268
Instructional Leadership	2,985,724	296,200	(702,032)	2,283,692	(405,832)
School Leadership	18,645,696	1,367,815	(4,246,436)	14,399,260	(2,878,621)
Guidance, Counseling, and Evaluation Services	10,795,154	3,722,945	(2,134,633)	8,660,521	1,588,312
Social Work Services	18,711	18,711	-	18,711	18,711
Health Services	4,152,105	3,427,956	(1,090,147)	3,061,958	2,337,809
Student Transportation	11,545,268	728,621	(2,140,341)	9,404,927	(1,411,720)
Food Service	17,140,949	9,527,056	(17,123)	17,123,826	9,509,933
Extracurricular Activities	11,197,088	309,121	(359,577)	10,837,511	(50,456)
General Administration	6,395,522	465,193	(1,175,760)	5,219,762	(710,567)
Plant, Maintenance and Operations	27,826,869	1,543,382	(4,235,021)	23,591,848	(2,691,639)
Security and Monitoring Services	4,309,932	343,210	(1,078,732)	3,231,200	(735,522)
Data Processing Services	4,261,494	207,202	(662,079)	3,599,415	(454,877)
Community Services	588,936	298,979	(159,812)	429,124	139,167
	-	-	-	-	-
Totals	\$ 316,811,695	\$ 42,936,334	\$ (57,075,748)	\$ 259,735,947	\$ (14,139,414)

Note 12 - Defined Other Post-Employment Benefit Plan (continued)

H. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Deferred Outflows and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (2,193,461)
Changes in actuarial assumptions	-	(41,758,413)
Difference between projected and actual investment earnings	15,961	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	486	-
Contributions paid to TRS subsequent to the measurement date	1,531,993	
Total	<u>\$ 1,548,440</u>	<u>\$ (43,951,874)</u>

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

Year ended June 30	OPEB Expense Amount
2019	\$ 5,797,330
2020	5,797,330
2021	5,797,330
2022	5,797,330
2023	5,801,320
Thereafter	14,944,787
	<u>\$ 43,935,427</u>

Note 12 - Defined Other Post-Employment Benefit Plan (continued)

I. Medicare Part D

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, 2018, 2017, and 2016 the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2018	\$853,594
2017	638,262
2016	791,860

Note 13 - Risk Management

During the year ended June 30, 2018, 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, 2017 through June 30, 2018. Premium payments are expensed as paid.

The District is exposed to various risks of loss related to torts, thief of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2018, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Note 14 - 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, 2018, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic statements for such contingencies.

MANSFIELD INDEPENDENT SCHOOL DISTRICT *Exhibit F-1*
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 15 - Litigation, Commitments and Contingencies (continued)

C. Construction

The District was obligated at June 30, 2018, 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	\$ 4,747,489	852,511
Early Literacy Center	14,989,000	11,310,918	3,678,082
Rendon Farms AG	92,593	93,412	(819)
Danny Griffin/6th Ave Fuel Stations	870,000	913,624	(43,624)
Ben Barber Career Tech	13,040,678	13,405,408	(364,730)
Charlotte Anderson	18,246,688	18,340,892	(94,204)
Judy K Miller FFE	329,390	247,289	82,101
Renovations Package 2	20,084,832	20,459,931	(375,099)
Renovations Package 2B	800,790	640,182	160,608
Renovations Package 3	10,097,746	10,520,191	(422,445)
Old Tarver Rendon Demolition	200,000	135,843	64,157
BBCTA Renovations	2,200,000	107,016	2,092,984
Elementary Playgrounds and Security	15,991,793	607,459	15,384,334
Intermediate Playgrounds & Security	8,874,820	188,547	8,686,273
Middle Renovation & Security	26,020,020	578,410	25,441,610
High, BBIA, & Phoniex	70,496,007	3,744,545	66,751,462
Newsome and Natatorium	2,770,906	99,828	2,671,078
Admin, Facilities	2,978,541	241,876	2,736,665
New Brenda Norwood EL	28,569,496	1,316,754	27,252,742
New Alma Martinez IS	49,597,757	2,242,264	47,355,493
New Charlene McKinzey MS	60,915,754	2,538,454	58,377,300
	<u>\$ 352,766,811</u>	<u>\$ 92,480,332</u>	<u>\$ 260,286,479</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT *Exhibit F-1*
 NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 16 - Shared Service Arrangement

The District participates in a Shared Service Arrangement (SSA) for students with auditory impairments attending the Regional Day School Program for the Deaf. The District does not account for revenues or expenditures of this program and does not disclose them in these financial statements. However, intergovernmental charges in a special revenue fund include payments to the fiscal agent for the District's share of project deficits. The District neither has a joint ownership interest in capital outlay purchased by the fiscal agent, Arlington ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Mansfield ISD. The fiscal agent manager is responsible for all financial activities of the SSA. Shared Service Arrangement expenditures of \$127,656 were attributable to Mansfield ISD participation.

Note 17 – 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 18 - Prior Period Adjustment – New Accounting Pronouncement

In the current fiscal year, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. As a result, the beginning net position of the District's governmental activities has been restated on the Statement of Activities to reflect the net OPEB liability and deferred outflow of resources relating to TRS-Care contributions made after the prior measurement date of the plan as follows:

Beginning Net Position - As Originally Stated		\$ 26,072,854
Restatement due to:		
TRIS-Care Contributions made after August 31, 2016	1,076,423	
Net OPEB liability	<u>(185,499,550)</u>	
Total adjustment due to change in accounting principle		<u>(184,423,127)</u>
Beginning Net Position - As Restated		<u><u>\$ (158,350,273)</u></u>

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Required Supplementary Information



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MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ORIGINAL BUDGET, AMENDED FINAL (GAAP BASIS) AND ACTUAL - GENERAL FUND

Exhibit G-1

Data Control Codes		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget - Positive (Negative)
		Original	Final		
	Revenues				
5700	Local revenues	\$138,137,940	\$ 136,868,963	\$ 136,876,895	\$ 7,932
5800	State program revenues	143,736,492	147,097,269	148,276,608	1,179,339
5900	Federal program revenues	4,377,000	5,332,300	3,916,730	(1,415,570)
5000	Total revenues	<u>286,251,432</u>	<u>289,298,532</u>	<u>289,070,233</u>	<u>(228,299)</u>
	Expenditures				
	Current:				
0011	Instruction	174,648,621	174,637,210	173,241,131	1,396,079
0012	Instructional resources and media services	3,626,793	3,687,623	3,591,588	96,035
0013	Curriculum and staff development	3,050,720	3,028,914	2,909,400	119,514
0021	Instructional leadership	3,258,201	3,712,138	3,544,972	167,166
0023	School leadership	19,054,605	18,875,236	18,721,038	154,198
0031	Guidance, counseling and evaluation services	9,483,545	9,518,553	9,382,190	136,363
0033	Health services	4,735,678	4,672,734	4,537,333	135,401
0034	Student transportation	10,637,611	10,756,141	10,137,531	618,610
0035	Food services		4,277	4,276	1
0036	Extracurricular activities	8,973,980	9,810,126	9,676,715	133,411
0041	General administration	7,054,636	7,131,557	6,733,201	398,356
0051	Facilities maintenance and operations	29,576,584	29,381,070	29,220,135	160,935
0052	Security and monitoring services	4,152,540	4,697,795	4,529,498	168,297
0053	Data processing services	4,549,894	4,450,042	4,204,508	245,534
0061	Community services	315,617	341,941	326,576	15,365
	Debt Service:				
0071	Principal on long-term debt	2,060,917	2,103,086	1,982,460	120,626
0072	Interest on long-term debt	140,999	21,830	21,828	2
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	25,000	25,000		25,000
0099	Other intergovernmental charges	1,033,165	1,061,991	1,061,384	607
6030	Total Expenditures	<u>286,379,106</u>	<u>287,917,264</u>	<u>283,825,764</u>	<u>4,091,500</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(127,674)</u>	<u>1,381,268</u>	<u>5,244,469</u>	<u>3,863,201</u>
	Other Financing Sources (Uses):				
7912	Sale of real or personal property			94,912	94,912
7913	Proceeds from capital leases			635,000	635,000
7918	Special item - oil and gas royalties	550,000	438,085	382,030	(56,055)
7080	Total other financing sources (uses)	<u>550,000</u>	<u>438,085</u>	<u>1,111,942</u>	<u>673,857</u>
1200	Net change in fund balances	422,326	1,819,353	6,356,411	4,537,058
0100	Fund balances - beginning	<u>101,488,630</u>	<u>82,929,355</u>	<u>82,698,652</u>	<u>(230,703)</u>
3000	Fund balances - ending	<u>101,910,956</u>	<u>84,748,708</u>	<u>89,055,063</u>	<u>4,306,355</u>

See Notes to the RSI

MANSFIELD INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Exhibit G-2

TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)

	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.1888%	0.1937%	0.1940%	0.1576%
District's Proportionate Share of the Net Pension Liability	\$ 60,368,262	\$ 73,180,681	\$ 68,589,992	\$ 42,065,247
State's Proportionate Share of the Net Pension Liability	105,907,984	123,386,140	119,628,598	95,803,997
Total	<u>\$ 166,276,246</u>	<u>\$ 196,566,821</u>	<u>\$ 188,218,590</u>	<u>\$ 137,869,244</u>
District's Covered Payroll (for measurement year)	\$ 212,964,732	\$ 205,501,392	\$ 196,390,208	\$ 190,412,115
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	28.35%	35.61%	34.93%	22.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability *	82.17%	78.00%	78.43%	83.25%
Plan Fiduciary Net Position as a Percentage of covered payroll *	75.93%	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 Four Fiscal Years

Exhibit G-3

	2018	2017	2016	2015
TRS				
Contractually Required Contributions	\$ 6,456,847	\$ 6,178,909	\$ 5,152,264	\$ 5,732,519
Contributions in Relation to the Contractually Required Contributions	\$ 6,456,847	\$ 6,178,909	\$ 5,152,264	\$ 5,732,519
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 218,669,663	\$ 212,075,812	\$ 171,834,329	\$ 196,397,727
Contributions as a Percentage of Covered - Employee Payroll	2.95%	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.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
Teacher Retirement System of Texas
Last Measurement Year Ended August 31

Exhibit G-4

	<u>2017</u>
District's proportion of the net OPEB liability	0.2416%
District's proportionate share of the net OPEB liability	\$ 105,072,137
State's proportionate share of the net OPEB liability associated with the District	<u>170,565,490</u>
Total	<u><u>\$ 275,637,627</u></u>
 District's covered payroll (for Measurement Year)	 \$ 212,964,732
 District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	 49.3%
 Plan's fiduciary net position as a percentage of the total OPEB liability	 0.91%
 Plan's net OPEB liability as a percentage of covered payroll	 132.55%

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2017.
Net OPEB liability and related ratios will be presented prospectively as data becomes available.

MANSFIELD INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS

Exhibit G-5

Teachers Retirement System of Texas
Last Four Fiscal Years Ended June 30

	2018	2017	2016	2015
Contractually required contributions	\$ 1,247,627	\$ 1,254,084	\$ 1,034,302	\$ 1,162,647
Contributions in relation to the contractual required contributions	<u>1,247,627</u>	<u>1,254,084</u>	<u>1,034,302</u>	<u>1,162,647</u>
Contribution Deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 218,669,663	\$ 212,075,812	\$ 171,834,329	\$ 196,397,727
Contributions as a percentage of covered payroll	0.57%	0.59%	0.60%	0.59%

MANSFIELD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Exhibit G-6

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.

Other Supplementary Information



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NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

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

- **ESEA, Title I, Part A – Basic:** supplemental service designed to accelerate the academic achievement of economically disadvantaged students, especially in the tested areas, to ensure that state standards are met on identified campuses.
- **IDEA, Part B – Formula:** salaries and supplies to aid children with disabilities with low reading achievement.
- **IDEA, Part B – Preschool:** aids preschool students with disabilities.
- **Child Nutrition Program:** federal reimbursement revenues originating from the United States Department of Agriculture and fees from child and adult meals.
- **Summer Feeding** – federal program for seamless school nutrition during the summer
- **Vocational Education – Basic:** funds are for the use of various vocationally-inclined students in regular, disadvantaged and disability classes.
- **ESEA, Title II, Part A – TPTR (Teacher and Principal Training and Recruiting):** supplements the professional development, retention and recruitment programs district-wide, specifically on high needs campuses.
- **ESEA, Title III, Part A – English Language Acquisition:** provides additional educational opportunities to supplemental programs for students of limited English proficiency and immigrant children by assisting the children to learn English and meet challenges.
- **Medicaid Administrative Claiming Program:** provides the district with the ability to receive reimbursement for outreach and case management.
- **Miscellaneous Federal Grants** – includes several federal grants designed to provide support for the development of the additional state assessments and standards and to support the administration of those assessments; grants included also provide funds for safety equipment.
- **Visually Impaired State Grant** – aids visually impaired students.
- **Advanced Placement Incentives** – enhancement of advanced placement programs on specific campuses based on student scores on advanced placement examinations.
- **Instructional Materials Allotment** – provides funds to purchase instructional materials technological equipment and technology-related services.
- **Read To Succeed** – provides funds generated through the sale of read to succeed license plates designed by a Texas student to purchase educational materials for public school libraries.
- **Campus Activity Funds** – proceeds from fundraising activities, vending sales, corporate and private donations benefiting students and staff of the campus.
- **Educational Foundation Awards** – provides innovative grant funds for district teachers.
- **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, 2018

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	1,018,544	1,281,224	12,882
1260	Due from other funds			
1290	Other receivables			
1300	Inventories			
1410	Prepaid items			
1000	Total Assets	<u>\$ 1,018,544</u>	<u>\$ 1,281,224</u>	<u>\$ 12,882</u>
	Liabilities and Fund Balances			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$ 540	\$ 67,301	\$
2150	Payroll deductions and withholdings	15,612	22,090	283
2160	Accrued wages payable	332,291	463,960	6,018
2170	Due to other funds	670,101	727,873	6,581
2190	Due to student groups			
2300	Unearned revenues			
2000	Total Liabilities	<u>1,018,544</u>	<u>1,281,224</u>	<u>12,882</u>
	Fund Balance:			
	Non-Spendable:			
3410	Inventories			
3430	Prepaid items			
	Restricted:			
3450	Grant funds			
	Committed:			
3545	Campus activity funds			
3000	Total Fund Balance			
4000	Total Liabilities and Fund Balances	<u>\$ 1,018,544</u>	<u>\$ 1,281,224</u>	<u>\$ 12,882</u>

Exhibit H-1
Page 1 of 3

Child Nutrition	Summer Feeding	Vocational Ed - Basic	ESEA Title II, Pt A - Improving Teacher Quality	ESEA, Title III, Pt A - BIL/ESL
\$ 478,233	\$	\$	\$	\$
	82,546	54,681	140,532	117,404
1,191,421				
131,667				
<u>\$ 1,801,321</u>	<u>\$ 82,546</u>	<u>\$ 54,681</u>	<u>\$ 140,532</u>	<u>\$ 117,404</u>
\$ 107,857	\$	\$ 7,008	\$	\$ 429
26,462	110		2,663	1,564
196,201			58,575	32,772
	75,344	47,673	79,294	82,639
241,749				
<u>572,269</u>	<u>75,454</u>	<u>54,681</u>	<u>140,532</u>	<u>117,404</u>
131,667				
1,097,385	7,092			
1,229,052	7,092			
<u>\$ 1,801,321</u>	<u>\$ 82,546</u>	<u>\$ 54,681</u>	<u>\$ 140,532</u>	<u>\$ 117,404</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

Data Control Codes		Medicaid Admin. Claiming Program	Misc. Federal Grants	Visually Impaired State Grant
	Assets			
1110	Cash and cash equivalents	\$	\$ 960	\$
1240	Receivables from other governments		24,568	
1260	Due from other funds			
1290	Other receivables			
1300	Inventories			
1410	Prepaid items			
1000	Total Assets	<u>\$</u>	<u>\$ 25,528</u>	<u>\$</u>
	Liabilities and Fund Balances			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$	\$	\$
2150	Payroll deductions and withholdings		309	
2160	Accrued wages payable			
2170	Due to other funds		25,018	
2190	Due to student groups			
2300	Unearned revenues			
2000	Total Liabilities	<u></u>	<u>25,327</u>	<u></u>
	Fund Balance:			
	Non-Spendable:			
3410	Inventories			
3430	Prepaid items			
	Restricted:			
3450	Grant funds		201	
	Committed:			
3545	Campus activity funds			
	Total Fund Balance	<u></u>	<u>201</u>	<u></u>
4000	Total Liabilities and Fund Balances	<u>\$</u>	<u>\$ 25,528</u>	<u>\$</u>

Advanced Placement Incentive	Instructional Materials Allotment	Read to Succeed	Campus Activity Funds	Education Foundation Awards
\$ 3,884	\$ 361,191	\$ 743	\$ 1,554,981	\$ 7,642
			12,336	
	511,088		8,527	
<u>\$ 3,884</u>	<u>\$ 872,279</u>	<u>\$ 743</u>	<u>\$ 1,575,844</u>	<u>\$ 7,642</u>
\$	\$ 1,221	\$	\$ 5,912 298	\$ 387
	1,221		6,210	387
	511,088		8,527	
3,884	359,970	743		7,255
3,884	871,058	743	1,561,107 1,569,634	7,255
<u>\$ 3,884</u>	<u>\$ 872,279</u>	<u>\$ 743</u>	<u>\$ 1,575,844</u>	<u>\$ 7,642</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

Data Control Codes		Misc. Grants	Misc. Donations	Lockheed Martin Grant
	Assets			
1110	Cash and cash equivalents	\$ 3,727	\$ 8,503	\$ 3,042
1240	Receivables from other governments			
1260	Due from other funds			
1290	Other receivables			
1300	Inventories			
1410	Prepaid items			
1000	Total Assets	<u>\$ 3,727</u>	<u>\$ 8,503</u>	<u>\$ 3,042</u>
	Liabilities and Fund Balances			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$	\$	\$
2150	Payroll deductions and withholdings			
2160	Accrued wages payable			
2170	Due to other funds			
2190	Due to student groups		2,088	
2300	Unearned revenues			
2000	Total Liabilities	<u></u>	<u>2,088</u>	<u></u>
	Fund Balance:			
	Non-Spendable:			
3410	Inventories			
3430	Prepaid items			
	Restricted:			
3450	Grant funds	3,727	6,415	3,042
	Committed:			
3545	Campus activity funds			
	Total Fund Balance	<u>3,727</u>	<u>6,415</u>	<u>3,042</u>
4000	Total Liabilities and Fund Balances	<u>\$ 3,727</u>	<u>\$ 8,503</u>	<u>\$ 3,042</u>

Exhibit H-1
Page 3 of 3

iPad Summit	Total Nonmajor Governmental Funds
\$ 1,940	\$ 2,424,846
	2,732,381
	1,191,421
	12,336
	131,667
	519,615
<u>\$ 1,940</u>	<u>\$ 7,012,266</u>

\$	\$ 190,655
	69,391
	1,089,817
	1,714,523
1,940	4,028
	241,749
<u>1,940</u>	<u>3,310,163</u>

	131,667
	519,615
	1,489,714
	1,561,107
	3,702,103
<u>\$ 1,940</u>	<u>\$ 7,012,266</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

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	3,412,718	4,737,612	44,281
5020	Total Revenues	<u>3,412,718</u>	<u>4,737,612</u>	<u>44,281</u>
	Expenditures			
	Current:			
0011	Instruction	2,847,527	1,509,828	43,898
0012	Instructional Resources and Media Services	33,450		
0013	Curriculum and Instructional Staff Development	187,570	24,814	
0021	Instructional Leadership	38,429	32,032	
0023	School Leadership	39,243		
0031	Guidance, Counseling and Evaluation Services	2,186	3,040,863	383
0032	Social work services	18,711		
0033	Health Services	8,898	2,419	
0034	Student Transportation	59,445		
0035	Food Services			
0036	Cocurricular/Extracurricular Activities			
0041	General Administration			
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services			
0061	Community Services	177,259		
	Debt service:			
0093	Payments related to shared services arrangements		127,656	
6030	Total Expenditures	<u>3,412,718</u>	<u>4,737,612</u>	<u>44,281</u>
1100	Excess (deficiency) of revenues over expenditures			
	Other Financing Sources (Uses)			
7912	Sale of real or personal property			
	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>

Exhibit H-2
Page 1 of 3

Child Nutrition	Summer Feeding	Vocational Ed - Basic	ESEA Title II, Pt A - Improving Teacher Quality	ESEA, Title III, Pt A - BIL/ESL
\$ 6,741,601 91,861 9,480,551 16,314,013	\$ 1,057 113,961 115,018	\$ 229,874 229,874	\$ 566,350 566,350	\$ 461,757 461,757
		229,874	306,642 193,390	167,104 282,269 6,205 136
15,351,543	99,695			
270,488			66,318	6,043
15,622,031 691,982	99,695 15,323	229,874	566,350	461,757
47,434 47,434				
739,416	15,323			
489,636	(8,231)			
\$ 1,229,052	\$ 7,092	\$	\$	\$

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

Data Control Codes		Medicaid Admin Claiming Program	Misc. Federal Grants	Visually Impaired State Grant
	Revenues			
5700	Local and Intermediate Sources	\$	\$	\$
5800	State Program Revenues			16,931
5900	Federal Program Revenues	31,211	52,991	
5020	Total Revenues	<u>31,211</u>	<u>52,991</u>	<u>16,931</u>
	Expenditures			
	Current:			
0011	Instruction		43,191	16,931
0012	Instructional Resources and Media Services			
0013	Curriculum and Instructional Staff Development		9,506	
0021	Instructional Leadership			
0023	School Leadership		114	
0031	Guidance, Counseling and Evaluation Services		180	
0032	Social work services			
0033	Health Services	31,211		
0034	Student Transportation			
0035	Food Services			
0036	Cocurricular/Extracurricular Activities			
0041	General Administration			
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services			
0061	Community Services			
	Debt service:			
0093	Payments related to shared services arrangements			
6030	Total Expenditures	<u>31,211</u>	<u>52,991</u>	<u>16,931</u>
1100	Excess (deficiency) of revenues over expenditures			
	Other Financing Sources (Uses)			
7912	Sale of real or personal property			
	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
\$ 23,940	\$ 1,650,975	\$ 174	\$ 3,132,495 1,175	\$ 204,983 33
<u>23,940</u>	<u>1,650,975</u>	<u>174</u>	<u>3,133,670</u>	<u>205,016</u>
	2,238,836		2,005,727	159,887
		174	93,920	232
23,665	6,477		71,442	
	315		52,212 584	
			337	
			712,125	50,000
			24,822	
			18,193	
			1,208	
			12,923	
<u>23,665</u>	<u>2,245,628</u>	<u>174</u>	<u>2,993,493</u>	<u>210,119</u>
<u>275</u>	<u>(594,653)</u>		<u>140,177</u>	<u>(5,103)</u>
275	(594,653)		140,177	(5,103)
<u>3,609</u>	<u>1,465,711</u>	<u>743</u>	<u>1,429,457</u>	<u>12,358</u>
<u>\$ 3,884</u>	<u>\$ 871,058</u>	<u>\$ 743</u>	<u>\$ 1,569,634</u>	<u>\$ 7,255</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

Data Control Codes		Misc. Grants	Misc. Donations	Lockheed Martin Grant
	Revenues			
5700	Local and Intermediate Sources	\$ 1,500	\$	\$ 11,686
5800	State Program Revenues	49,512		
5900	Federal Program Revenues			
5020	Total Revenues	<u>51,012</u>	<u></u>	<u>11,686</u>
	Expenditures			
	Current:			
0011	Instruction	18,576		11,644
0012	Instructional Resources and Media Services			
0013	Curriculum and Instructional Staff Development	5,028		
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	1,500		
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services	2,855		
0061	Community Services			
	Debt service:			
0093	Payments related to shared services arrangements			
6030	Total Expenditures	<u>27,959</u>	<u></u>	<u>11,644</u>
1100	Excess (deficiency) of revenues over expenditures	<u>23,053</u>	<u></u>	<u>42</u>
	Other Financing Sources (Uses)			
7912	Sale of real or personal property			
	Total Other Financing Sources (Uses)	<u></u>	<u></u>	<u></u>
1200	Net change in fund balances	23,053		42
0100	Fund Balance - July 1 (Beginning)	<u>(19,326)</u>	<u>6,415</u>	<u>3,000</u>
3000	Fund Balance -June 30 (Ending)	<u>\$ 3,727</u>	<u>\$ 6,415</u>	<u>\$ 3,042</u>

Exhibit H-2
Page 3 of 3

iPad Summit	Total Nonmajor Governmental Funds
\$	\$ 10,093,322
	1,834,601
	19,131,306
	31,059,229
	9,599,665
	127,776
	804,161
	76,666
	92,020
	3,044,196
	18,711
	42,865
	59,445
	15,451,238
	762,125
	26,322
	288,681
	4,063
	262,543
	127,656
	30,788,133
	271,096
	47,434
	47,434
	318,530
	3,383,573
\$	3,702,103

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - NONMAJOR ENTERPRISE FUNDS
June 30, 2018

Exhibit H-3

	Day Care Center	After School Care	Natatorium	Adult Education	Catering	Business- type Activities Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 147,526	\$ 87,936	\$ 1,470,666	\$ 3,331	\$	\$ 1,709,459
Total current assets	<u>147,526</u>	<u>87,936</u>	<u>1,470,666</u>	<u>3,331</u>		<u>1,709,459</u>
Total Assets	<u>147,526</u>	<u>87,936</u>	<u>1,470,666</u>	<u>3,331</u>		<u>1,709,459</u>
Liabilities						
Current Liabilities:						
Accounts payable	1,114		3,392			4,506
Payroll taxes payable	508		477		56	1,041
Accrued wages payable	26,767					26,767
Due to other funds			135,580		34,477	170,057
Total current liabilities	<u>28,389</u>		<u>139,449</u>		<u>34,533</u>	<u>202,371</u>
Net Position						
Unrestricted net position	119,137	87,936	1,331,217	3,331	(34,533)	1,507,088
Total Net Position	<u>\$ 119,137</u>	<u>\$ 87,936</u>	<u>\$ 1,331,217</u>	<u>\$ 3,331</u>	<u>\$ (34,533)</u>	<u>\$ 1,507,088</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2018

Exhibit H-4

	Day Care Center	After School Care Program	Natatorium	Adult Education	Catering	Business- type Activities Total
Operating Revenues						
Local and Intermediate Sources	\$ 285,417	\$ 303,752	\$ 879,679	\$ 2,539	\$ 73,078	\$ 1,544,465
Total Operating Revenues	<u>285,417</u>	<u>303,752</u>	<u>879,679</u>	<u>2,539</u>	<u>73,078</u>	<u>1,544,465</u>
Operating Expenses						
Payroll costs	224,794	172,055	455,195	4,241	41,631	897,916
Purchased and contracted services	2,625	6,779	258,307			267,711
Supplies and materials	31,524	22,307	84,043	429	48,070	186,373
Other operating costs	39,742	16,916	142,987		320	199,965
Total operating expenses	<u>298,685</u>	<u>218,057</u>	<u>940,532</u>	<u>4,670</u>	<u>90,021</u>	<u>1,551,965</u>
Operating income (loss)	<u>(13,268)</u>	<u>85,695</u>	<u>(60,853)</u>	<u>(2,131)</u>	<u>(16,943)</u>	<u>(7,500)</u>
Change in Net Position	<u>(13,268)</u>	<u>85,695</u>	<u>(60,853)</u>	<u>(2,131)</u>	<u>(16,943)</u>	<u>(7,500)</u>
Net position - July 1 (beginning)	<u>132,405</u>	<u>2,241</u>	<u>1,392,070</u>	<u>5,462</u>	<u>(17,590)</u>	<u>1,514,588</u>
Net position - June 30 (ending)	<u>\$ 119,137</u>	<u>\$ 87,936</u>	<u>\$ 1,331,217</u>	<u>\$ 3,331</u>	<u>\$ (34,533)</u>	<u>\$ 1,507,088</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2018

Exhibit H-5

	Day Care Center	After School Care Program	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	\$ 285,417	\$ 303,752	\$ 879,679	\$ 2,539	\$ 73,078	\$ 1,544,465
Cash payments to employees for services	(225,653)	(172,055)	(468,038)	(4,498)	(24,744)	(894,988)
Cash payments for contracted services	(2,625)	(6,779)	(258,307)			(267,711)
Cash payments for supplies	(21,414)	(22,307)	(84,146)	(487)	(48,014)	(176,368)
Cash payments for other expenses	(39,742)	(16,916)	(54,370)		(320)	(111,348)
Cash payments for capital outlay	(8,996)					(8,996)
Net Cash Provided by (Used for) Operating Activities	(13,013)	85,695	14,818	(2,446)		85,054
 Net Increase (Decrease) in Cash and Cash Equivalents	 (13,013)	 85,695	 14,818	 (2,446)		 85,054
Cash and Cash Equivalents at Beginning of Year	160,539	2,241	1,455,848	5,777		1,624,405
Cash and Cash Equivalents at End of Year	\$ 147,526	\$ 87,936	\$ 1,470,666	\$ 3,331	\$	\$ 1,709,459
 Reconciliation to Balance Sheet:						
Cash and Cash Equivalents Per Cash Flow	147,526	87,936	\$ 1,470,666	3,331		1,709,459
Cash and Cash Equivalents per Balance Sheet	\$ 147,526	\$ 87,936	\$ 1,470,666	\$ 3,331	\$	\$ 1,709,459
 Reconciliation of Operating Income (Loss) to						
Net Cash Provided by Operating Activities:						
Operating Income (Loss)	\$ (13,268)	\$ 85,695	\$ (60,853)	\$ (2,131)	\$ (16,943)	\$ (7,500)
Change in Assets and Liabilities:						
Increase (decrease) in accounts payable	1,114		(103)	(58)	(13,466)	(12,513)
Increase (decrease) in payroll taxes payable		219	(32)	(57)	56	186
Increase (decrease) in accrued wages payable	(859)	(219)	(12,811)	(200)		(14,089)
Increase (decrease) in due to other funds			88,617		30,353	118,970
Net Cash Provided by (Used for) Operating Activities	\$ (13,013)	\$ 85,695	\$ 14,818	\$ (2,446)	\$	\$ 85,054

MANSFIELD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2018

Exhibit H-6

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash and cash equivalents	\$ 740,258	\$ 6,032,903	\$ (5,912,464)	\$ 860,697
Due from Other Funds		32,834	(32,834)	
Due from Other Governments	38,949		(1,475)	37,474
Deferred Expenditures		72,749	(3,500)	69,249
Other receivables		2,410,129	(2,311,769)	98,360
Total Assets	\$ 779,207	\$ 8,548,615	\$ (8,262,042)	\$ 1,065,780
Liabilities				
Accounts Payable	\$ 1,587	\$ 2,567,099	\$ (2,507,272)	\$ 61,414
Due to other	13,058	19,029	(19,835)	12,252
Due to Other Funds		483,464	(339,798)	143,666
Due to student groups	764,562	3,285,681	(3,201,795)	848,448
Total liabilities	\$ 779,207	\$ 6,355,273	\$ (6,068,700)	\$ 1,065,780

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Required TEA Schedules



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MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2018

Last Ten Years		(1)	(2)	(3)
		Tax Rates		Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2009	and prior years	Various	Various	Various
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		1.040000	0.470000	11,444,353,095
2018	(School year under audit)	1.040000	0.500000	12,548,024,977
1000	TOTALS			

EXHIBIT J-1

(10) Beginning Balance 7/1/2017	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2018
\$ 1,901,431	\$ -	\$ 12,699	\$ 6,193	\$ -	\$ 1,882,539
271,424	-	6,025	2,642	-	262,757
196,537	-	6,559	2,876	-	187,102
253,187	-	50,396	24,229	24,463	203,025
334,682	-	140,658	65,879	128,046	256,191
466,981	-	151,758	71,064	216,404	460,563
225,831	-	238,560	107,811	283,999	163,459
901,048	-	335,633	151,680	294,009	707,744
2,775,589	-	1,301,686	588,262	(162,551)	723,090
-	188,386,145	129,916,390	62,459,803	7,209,730	3,219,682
<u>\$ 7,326,710</u>	<u>\$ 188,386,145</u>	<u>\$ 132,160,364</u>	<u>\$ 63,480,439</u>	<u>\$ 7,994,099</u>	<u>\$ 8,066,151</u>

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - CHILD NUTRITION FUND
For the Year Ended June 30, 2018

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	\$ 8,935,500	\$ 8,935,500	\$ 6,741,601	\$ (2,193,899)
5800	State program revenues	95,000	95,000	91,861	(3,139)
5900	Federal program revenues	9,813,567	9,813,567	9,480,551	(333,016)
5020	Total revenues	18,844,067	18,844,067	16,314,013	(2,530,054)
	Expenditures				
	Current:				
0035	Food services	17,850,529	17,850,528	15,351,543	2,498,985
0051	Facilities maintenance and operations	312,405	312,405	270,488	41,917
6030	Total Expenditures	18,162,934	18,162,933	15,622,031	2,540,902
1100	Excess (deficiency) of revenues over expenc	681,133	681,134	691,982	10,848
	Other Financing Sources (Uses)				
7912	Sale of real or personal property			47,434	47,434
7080	Total other financing sources and uses			47,434	47,434
1200	Net change in fund balances	681,133	681,134	739,416	58,282
0100	Fund Balance - July 1 (Beginning)	1,746,904	1,746,904	489,636	(1,257,268)
3000	Fund Balance - June 30 (Ending)	<u>\$ 2,428,037</u>	<u>\$ 2,428,038</u>	<u>\$ 1,229,052</u>	<u>\$ (1,198,986)</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 Year Ended June 30, 2018

Exhibit J-3

		Debt Service			
Data Control Codes		Original	Final	Actual Amounts, GAAP Basis	Variance with Final Budget - Positive (Negative)
Revenues					
5700	Local and intermediate sources	\$58,607,229	\$ 62,672,321	\$ 64,328,114	\$ 1,655,793
5800	State program revenues		2,229,529	2,229,529	
5020	Total revenues	58,607,229	64,901,850	66,557,643	1,655,793
Expenditures					
Current:					
Debt service:					
0071	Principal on long-term debt	22,780,000	27,980,000	27,980,000	
0072	Interest on long-term debt	33,102,772	32,631,239	32,631,239	
0073	Bond issuance costs and fees	30,000	702,499	588,317	114,182
6030	Total Expenditures	55,912,772	61,313,738	61,199,556	114,182
1100	Excess (deficiency) of revenues over expendit	2,694,457	3,588,112	5,358,087	1,769,975
Other Financing Sources (Uses)					
7911	Refunding bonds issued		50,000,000	74,810,000	(24,810,000)
7912	Sale of real or personal property			115,602	(115,602)
7916	Premium or discount on issuance of bonds		529,000	5,988,735	(5,459,735)
8949	Payment to Bond Refunding Escrow Agent		(50,000,000)	(80,226,775)	(30,226,775)
8949	Other uses				
7080	Total other financing sources and uses		529,000	687,562	(60,612,112)
1200	Net change in fund balances	2,694,457	4,117,112	6,045,649	1,928,537
0100	Fund Balance - July 1 (Beginning)	27,285,344	27,230,150	27,198,818	(31,332)
3000	Fund Balance - June 30 (Ending)	\$29,979,801	\$ 31,347,262	\$ 33,244,467	\$ 1,897,205

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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>2018(3)</u>	<u>2017</u>	<u>2016 (2)</u>	<u>2015</u>
Governmental Activities:				
Net Investment in				
Capital Assets	\$ (50,278,200)	\$ (26,334,536)	\$ (39,531,821)	\$ (43,045,743)
Restricted	42,870,496	17,514,139	17,165,462	14,740,490
Unrestricted	<u>(107,819,151)</u>	<u>34,893,251</u>	<u>61,904,059</u>	<u>41,629,583</u>
Total Governmental				
Activities Net Position	<u>(115,226,855)</u>	<u>26,072,854</u>	<u>39,537,700</u> (1)	<u>13,324,330</u>
Business-Type Activities:				
Unrestricted	<u>1,507,088</u>	<u>1,514,588</u>	<u>1,484,837</u>	<u>1,446,756</u>
Total Business-Type				
Activities Net Position	<u>1,507,088</u>	<u>1,514,588</u>	<u>1,484,837</u>	<u>1,446,756</u>
Primary Government:				
Net Investment in				
Capital Assets	(50,278,200)	(26,334,536)	(39,531,821)	(43,045,743)
Restricted	42,870,496	17,514,139	17,165,462	14,740,490
Unrestricted	<u>(106,312,063)</u>	<u>36,407,839</u>	<u>63,388,896</u>	<u>43,076,339</u>
Total Primary				
Government Activities				
Net Position	<u>\$ (113,719,767)</u>	<u>\$ 27,587,442</u>	<u>\$ 41,022,537</u>	<u>\$ 14,771,086</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.
- (3) Net position decreased after the effect of a prior period adjustment of OPEB costs with the implementation of GASB 75

Table 1

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ (24,672,550)	\$ (12,080,569)	\$ (6,755,499)	\$ (1,167,932)	\$ 2,753,827	\$ 9,753,562
35,442,189	20,208,753	18,765,336	13,249,799	17,244,725	14,369,220
<u>68,608,559</u>	<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>79,378,198</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>
 1,254,381	 1,068,149	 874,251	 768,686	 653,627	 512,418
<u>1,254,381</u>	<u>1,068,149</u>	<u>874,251</u>	<u>768,686</u>	<u>653,627</u>	<u>512,418</u>
 (24,672,550)	 (12,080,569)	 (6,755,499)	 (1,167,932)	 2,753,827	 9,753,562
35,442,189	20,208,753	18,765,336	13,249,799	17,244,725	14,369,220
<u>69,862,940</u>	<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>\$ 80,632,579</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>

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

	2018	2017	2016 (1)	2015
Expenses				
Governmental Activities:				
Instruction	\$ 142,100,899	\$ 209,606,195	\$ 189,208,988	\$ 196,877,689
Instructional Resources and Media Services	4,330,210	5,749,795	4,784,056	5,148,254
Curriculum and Instructional Staff Development	2,846,028	3,734,124	2,981,156	3,009,627
Instructional Leadership	2,129,692	3,337,935	2,824,063	3,218,190
School Leadership	13,465,260	17,723,656	17,080,137	18,597,772
Guidance, Counseling, and Evaluation Services	8,191,521	13,883,147	11,093,643	11,310,609
Social Work Services	18,711	11,847	176,479	8,984
Health Services	2,821,958	5,065,973	5,821,137	4,681,032
Student Transportation	8,933,927	9,877,060	11,154,026	11,497,836
Food Services	17,119,826	17,254,724	15,478,401	16,105,884
Extracurricular Activities	10,758,511	12,098,882	8,234,188	9,789,023
General Administration	4,960,762	8,774,962	6,069,681	6,577,006
Plant Maintenance and Operations	22,659,848	30,401,466	25,089,753	28,269,616
Security and Monitoring Services	2,994,200	4,702,763	3,448,765	3,880,820
Data Processing Services	3,454,415	5,337,701	3,749,626	3,623,084
Community Services	394,124	858,142	373,064	380,162
Interest on Long-term Debt	31,135,307	30,456,653	20,022,826	35,612,988
Bond Issuance Costs and Fees				
Facilities Acquisition and Construction				
Payments to Shared Services Arrangements	127,656	177,654	70,579	107,216
Payments to Juvenile Justice Alternative Ed. Program		129	10,707	
Other Intergovernmental Charges	1,061,384	981,185	761,482	900,491
Total Governmental Activities Expenses	<u>279,504,239</u>	<u>380,033,993</u>	<u>328,432,757</u>	<u>359,596,283</u>
Business-Type Activities:				
Day Care	298,685	357,426	219,591	200,221
After-School Care Program	218,057			
Natatorium	940,532	669,329	581,830	489,968
Adult Education	4,670	7,095	16,436	5,057
Catering	90,021	90,862		
Total Business-Type Expenses	<u>1,551,965</u>	<u>1,124,712</u>	<u>817,857</u>	<u>695,246</u>
Total Primary Government Expenses	<u>281,056,204</u>	<u>381,158,705</u>	<u>329,250,614</u>	<u>360,291,529</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	219,729	158,316	240,549	195,506
Food Services	6,736,680	6,681,100	6,371,846	6,458,270
Extracurricular Activities	739,993	831,400	973,848	870,908
Other Activities				
Operating Grants and Contributions	(24,338,284)	22,473,533	21,478,526	19,628,903
Total Governmental Activities Program Revenues	<u>(16,641,882)</u>	<u>30,144,349</u>	<u>29,064,769</u>	<u>27,153,587</u>
Business-Type Activities:				
Charges for Services:				
Day Care	285,417	303,576	241,270	228,899
Adult Education	303,752			
Natatorium	879,679	769,042	596,064	651,849
Adult Education	2,539	8,573	18,604	6,873
Catering	73,078	73,272		
Total Business-Type Activities Program Revenues	<u>1,544,465</u>	<u>1,154,463</u>	<u>855,938</u>	<u>887,621</u>
Total Primary Government Revenues	<u>(15,097,417)</u>	<u>31,298,812</u>	<u>29,920,707</u>	<u>28,041,208</u>
Net (Expense)/Revenue				
Governmental Activities	(296,146,121)	(349,889,644)	(299,367,988)	(332,442,696)
Business-Type Activities	(7,500)	29,751	38,081	192,375
Total Primary Government Net Expense	<u>\$ (296,153,621)</u>	<u>\$ (349,859,893)</u>	<u>\$ (299,329,907)</u>	<u>\$ (332,250,321)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 133,332,004	\$ 119,269,358	\$ 110,937,613	\$ 106,539,695
Property Taxes, Levied for Debt Service	63,997,973	53,982,207	49,528,953	49,592,042
State-aid Formula Grants Not Restricted	133,619,697	155,691,235	159,053,982	148,589,830
Investment Earnings	2,612,472	1,131,607		140,319
Grants and Contributions Not Restricted to Specific Programs			463,804	
Miscellaneous	5,067,415	3,522,747	4,839,409	
Gain on Sale of Capital Assets	257,948	2,431,288	185,346	8,978,765
Special Item - Oil and gas funds	382,030	396,356	572,251	208,276
Total Primary Government General Revenues	<u>339,269,539</u>	<u>336,424,798</u>	<u>325,581,358</u>	<u>314,048,927</u>
Change in Net Position - Total Primary Government	<u>\$ 43,115,918</u>	<u>\$ (13,435,095)</u>	<u>\$ 26,251,451</u>	<u>\$ (18,201,394)</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

2014	2013	2012	2011	2010	2009
\$ 184,350,106	\$ 168,551,277	\$ 170,101,863	\$ 163,272,516	\$ 150,057,613	\$ 135,516,619
5,006,141	4,909,866	4,487,952	4,418,426	4,031,093	3,702,772
3,018,380	2,730,568	2,537,353	2,934,834	2,387,118	2,418,015
4,775,035	2,654,455	2,514,569	2,403,080	2,002,363	1,827,040
16,402,242	17,405,398	15,834,356	15,646,416	14,382,678	16,176,022
10,648,255	10,150,159	9,581,037	9,237,209	8,946,235	7,833,097
6,680	70,136	65,867	64,763	62,476	59,722
4,398,982	4,103,746	3,700,939	3,642,173	3,241,021	3,052,568
10,858,804	10,704,464	9,720,955	9,101,290	7,983,672	7,235,427
16,202,321	16,038,738	13,888,854	13,613,046	12,449,256	11,387,701
9,647,359	9,428,187	8,250,483	8,284,147	7,980,978	7,505,036
6,334,806	5,494,170	4,818,303	4,407,044	4,316,196	4,363,211
29,335,643	24,887,716	23,972,101	23,350,908	21,646,664	23,661,508
3,481,481	3,238,120	2,555,072	2,564,195	2,334,253	2,124,971
4,375,949	3,598,745	2,983,474	3,877,101	2,165,964	1,751,777
304,351	228,789	155,257	233,572	197,786	196,613
31,118,938	29,316,634	31,399,229	30,614,760	33,053,653	29,991,212
		93,949	37,097	69,705	144,760
82,725	105,000	112,500			
19,173	35,625	21,000	127,884	171,933	164,834
947,074	997,230	900,040	869,244	931,441	
<u>341,314,445</u>	<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>
200,754	169,076	180,976	196,526	179,799	170,702
435,715	343,419	287,078	277,898	220,585	166,520
<u>636,469</u>	<u>512,495</u>	<u>468,054</u>	<u>474,424</u>	<u>400,384</u>	<u>337,222</u>
<u>341,950,914</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>
247,111	3,964,368	306,423	3,540,000	4,164,085	537,739
6,047,179	5,873,890	5,921,093	5,750,929	5,533,108	5,340,554
758,176	1,001,593	785,728	881,800	847,782	696,727
492,160	1,429,768	630,649	442,405	500,741	3,659,880
24,085,575	36,894,601	51,973,150	45,723,842	40,754,158	36,395,859
<u>31,630,201</u>	<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>
205,860	190,476	180,633	213,504	208,968	213,727
616,841	515,917	402,480	402,129	397,083	312,449
<u>822,701</u>	<u>706,393</u>	<u>583,113</u>	<u>615,633</u>	<u>606,051</u>	<u>526,176</u>
<u>32,452,902</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>
(309,684,244)	(265,484,803)	(248,078,110)	(242,360,729)	(226,612,224)	(212,482,146)
186,232	193,898	115,059	141,209	205,667	188,954
<u>\$ (309,498,012)</u>	<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>
\$ 102,097,705	97,232,201	97,735,195			
46,597,824	46,889,675	42,678,614			
134,382,711	107,413,121	105,197,068			
431,042	459,186	1,694,908			
	623,107				
2,966,262		23,179			
4,324,631	995,376	384,920			
145,734					
<u>290,945,909</u>	<u>253,612,666</u>	<u>247,713,884</u>			
<u>\$ (18,552,103)</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>

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

	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)(6)</u>	<u>2015 (1)</u>
General Fund (2)				
Non-Spendable	866,909 \$	1,286,060 \$	985,788	\$ 1,441,526
Restricted				2,256,713
Committed			(3)	2,752,666
Assigned				
Unassigned	88,188,154	81,412,592	106,142,308	78,726,760
Total General Fund	<u>89,055,063 \$</u>	<u>82,698,652 \$</u>	<u>107,128,096</u>	<u>\$ 85,177,665</u>
All Other Governmental Funds (2)				
Non-spendable	651,282 \$	1,192,561 \$	68,065	\$ 112,248
Restricted	86,316,281	57,760,295	62,734,926 (4)	86,752,970
Committed	1,561,107	1,427,137	1,481,507	1,704,735
Total All Other Governmental Funds	<u>88,528,670 \$</u>	<u>60,379,993 \$</u>	<u>64,284,498</u>	<u>\$ 88,569,953</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>2014 (1)</u>	<u>2013 (1)</u>	<u>2012 (1)</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
\$ 1,228,365	\$ 1,634,056	\$ 276,912	\$ 276,973	\$ 185,449	\$ 330,379
2,680,838					
14,492,082	9,015,355	9,015,355	8,684,545	13,738,295	7,997,256
		15,760,810	18,671,663		
70,952,391	85,164,360	75,273,604	69,089,777	73,477,462	79,219,128
<u>\$ 89,353,676</u>	<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>
\$ 30,633,371	\$ 133,276	\$ 153,184	\$	\$	\$
1,550,746	58,227,625	100,139,764	102,248,735	129,911,633	154,622,165
	1,547,303	1,557,317			
<u>\$ 32,184,117</u>	<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>

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

	2018	2017	2016 (6)	2015
REVENUES				
Local, Intermediate, and Out-of-State	\$ 212,147,646	\$ 186,866,381	\$ 172,121,573	\$ 168,197,410
State Programs	152,394,419	153,100,200	150,383,369	152,278,641 ⁽⁵⁾
Federal Programs	23,048,036	20,975,650	21,478,527	19,987,508
Total Revenues	<u>387,590,101</u>	<u>360,942,231</u>	<u>343,983,469</u>	<u>340,463,559</u>
EXPENDITURES				
Current:				
Instruction (1)	182,840,796	180,622,905	157,847,396	175,056,421
Instructional Resources and Media Services	3,719,364	3,907,855	3,252,398	3,435,626
Curriculum and Instructional Staff Development	3,713,561	3,666,124	2,916,156	2,988,473
Instructional Leadership	3,621,638	3,252,935	2,716,648	3,082,949
School Leadership	18,813,058	17,156,814	14,972,131	16,593,876
Guidance, Counseling, and Evaluation Services	12,426,386	11,531,030	10,443,775	10,943,605
Social Work Services	18,711	11,847	3,696	8,984
Health Services	4,580,198	4,553,125	4,116,121	4,451,099
Student Transportation	10,196,976	11,432,022	9,675,277	10,373,005
Food Services	15,455,514	15,182,981	13,942,822	14,429,272
Extracurricular Activities	10,438,840	8,649,462	8,639,426	7,867,327
General Administration	6,759,523	6,612,424	5,614,690	6,342,689
Plant Maintenance and Operations	29,543,650	30,718,077	24,910,792	29,102,852
Security and Monitoring Services	4,533,561	4,516,257	3,530,297	3,798,142
Data Processing Services	4,204,508	5,327,218	3,522,716	3,745,902
Community Services	589,119	475,726	369,064	399,782
Debt Service: (2)				
Principal on Long-term Debt	29,962,460	24,995,922	24,576,183	19,873,374
Interest on Long-term Debt	32,653,067	32,925,627	16,651,273	34,665,959
Bond Issuance Costs and Fees	995,417	370,107	505,364	2,304,717
Capital Outlay:				
Facilities Acquisition and Construction (3)	29,062,303	25,499,450	39,221,694	43,890,091
Intergovernmental:				
Payments to Shared Services Arrangements	127,656	177,654	70,579	107,216
Payments to Juvenile Justice Alternative Education P		129	10,707	-
Other Intergovernmental Charges (4)	1,061,384	981,185	761,482	900,491
Total Expenditures	<u>405,317,690</u>	<u>392,566,876</u>	<u>348,270,687</u>	<u>394,361,852</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,727,589)</u>	<u>(31,624,645)</u>	<u>(4,287,218)</u>	<u>(53,898,293)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Capital-Related Bonds	43,985,000	-	-	90,435,000
Issuance of Refunding Bonds	74,810,000	32,760,000	45,275,000	137,800,000
Premium/Discount from Issuance of Bonds	12,417,031	5,417,652	6,582,414	24,394,918
Sale of Real and Personal Property	257,948	2,523,883	640,094	257,120
Loan/Lease Proceeds	635,000		642,440	5,434,140
Insurance Proceeds	-			
Special Item - oil and gas royalties	382,030		185,346	928,327
Other Resources		-	-	-
Transfers In		20,607,564	(2,496)	53,150
Transfers Out		(20,607,564)	2,496	(53,150)
Payment to Refunded Bond Escrow Agent	(80,226,775)	(37,821,253)	(51,373,099)	(153,100,387)
Other Uses	-	-	-	(41,000)
Total Other Financing Sources (Uses)	<u>52,260,234</u>	<u>2,880,282</u>	<u>1,952,195</u>	<u>106,108,118</u>
EXTRAORDINARY ITEM				
Insurance Proceeds for Fire Damages	-	-	-	-
Net Change in Fund Balances	\$ 34,532,645	\$ (28,744,363)	\$ (2,335,023)	\$ 52,209,825

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

16.66% 15.95% 13.48% 15.76%

- (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

2014	2013	2012	2011	2010	2009
\$ 158,146,630	\$ 158,483,450	\$ 155,885,508	\$ 150,949,495	\$ 149,869,587	\$ 145,999,234
144,170,156	126,637,360	123,391,236	130,078,101	119,578,422	123,816,649
18,898,563	18,062,643	21,481,940	26,885,791	24,335,291	15,581,495
<u>321,215,349</u>	<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>
161,579,109	146,559,762	146,704,735	152,297,294	145,746,962	133,894,331
3,438,158	3,354,269	3,256,185	3,183,395	3,139,000	2,885,878
2,983,656	2,730,568	2,698,109	2,535,935	2,933,416	2,384,183
2,958,950	2,620,334	2,539,799	2,480,448	2,368,959	1,968,242
16,061,943	15,651,388	14,622,732	14,432,664	14,274,401	13,110,289
10,648,255	9,831,715	9,121,194	9,330,377	8,991,462	8,713,965
6,680	70,136	71,347	65,867	64,763	62,476
4,207,998	3,917,708	3,699,367	3,543,459	3,489,049	3,097,217
9,544,679	9,004,086	9,681,755	9,585,763	9,683,749	7,574,703
14,643,714	13,900,246	11,863,085	11,599,797	11,439,137	10,343,778
7,890,071	7,672,871	6,689,229	6,469,586	6,499,619	6,162,963
6,177,914	5,260,278	4,671,210	4,582,982	4,171,723	4,080,875
28,143,666	25,550,889	23,256,887	23,603,548	22,971,553	21,242,119
3,778,148	3,268,530	2,685,817	2,611,565	2,534,475	2,223,533
4,474,275	3,262,360	4,140,458	2,933,737	4,933,357	2,209,573
304,351	228,789	119,593	155,257	233,572	197,235
21,011,589	25,015,000	15,928,467	19,946,514	16,827,892	13,991,906
33,306,740	29,541,743	33,722,505	33,932,523	33,090,112	34,081,381
518,202	1,929,685	794,018	781,908		
74,478,173	41,268,635	53,921,623	74,446,945	25,645,000	53,283,148
82,725	105,000	127,500	112,500	127,884	171,933
19,173	35,625	53,500	21,000		
947,074	997,230	968,689	900,040	869,244	931,441
<u>407,205,243</u>	<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>
(85,989,894)	(48,593,394)	(50,579,120)	(71,639,717)	(26,252,029)	(37,213,791)
49,355,000	201,740,000				
1,157,050	31,429,056	11,134,466	4,327,968	16,084,926	
145,734	175,719	80,803	44,409	16,790	11,009
	-	50,000,000	58,725,000	-	-
	-	58,190,000	-	130,065,000	
1,143,109					
4,819	18,726		-		
		584,500	262,974	8,027,726	2,000,000
		(584,500)	(262,974)	(8,027,726)	(2,000,000)
	(231,225,078)	(67,479,593)	(9,783,003)	(144,770,776)	
-	-	-	(15,803)	-	-
<u>51,805,712</u>	<u>2,138,423</u>	<u>51,925,676</u>	<u>53,298,571</u>	<u>1,395,940</u>	<u>11,009</u>
-	-	-	-	-	252,062
<u>\$ (34,184,182)</u>	<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>
16.43%	17.70%	20.06%	19.00%	22.99%	19.79%

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

Table 5

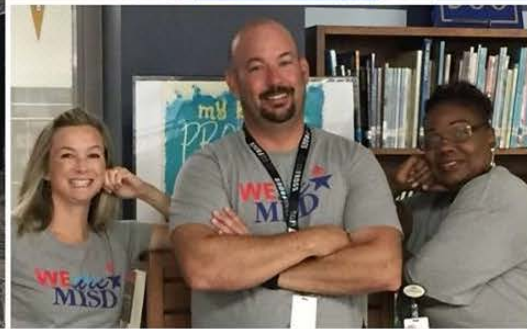
Fiscal Year Ended 6/30: (3)	Assessed and Actual Value			Total Assessed and Actual Value	Total Direct Rate (2)
	Real Property Value (1)	Personal Property Value (1)	Less: Exemptions		
2018	\$ 14,128,065,388	\$ 1,601,852,002	\$ (2,792,717,702)	\$ 12,937,199,688	\$ 1.5400
2017	12,767,556,171	1,324,854,487	(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

(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	2018	2017	2016	2015
<u>Overlapping Rates:</u>				
City of Arlington	\$ 0.6398	\$ 0.6448	\$ 0.6480	\$ 0.6480
City of Fort Worth	0.8050	0.8350	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)	0.6085	0.7414	0.7414	0.7414
Johnson County	0.5320	0.5197	0.4480	0.4450
Total Other Entities	<u>\$ 3.9653</u>	<u>\$ 4.1209</u>	<u>\$ 4.0724</u>	<u>\$ 4.0694</u>
<u>District Direct Rates (1):</u>				
Maintenance & Operations	\$ 1.0400	\$ 1.0400	1.0400	1.0400
Debt Service	0.5000	0.4700	0.4700	0.4871
Total District Direct Rates	<u>\$ 1.5400</u>	<u>\$ 1.5100</u>	<u>\$ 1.5100</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 \$ 150 per \$ 100 assessed valuation. Effective with the 2006-07 fiscal year, State legislation limits the rate to the lesser of \$ 150 or the sum of the product of the "state compression percentage" multiplied by \$ 150 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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</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	0.7100	0.7500	0.7500	0.7500	0.7500
0.7414	0.7249	0.7249	0.7135	0.7136	0.7139
0.4450	0.4202	0.3822	0.3795	0.3795	0.3534
<u>\$ 4.0694</u>	<u>\$ 4.0280</u>	<u>\$ 4.0301</u>	<u>\$ 4.0160</u>	<u>\$ 4.0161</u>	<u>\$ 3.9903</u>
\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
0.4871	0.5000	0.4560	0.4560	0.4100	0.4100
<u>\$ 1.5271</u>	<u>\$ 1.5400</u>	<u>\$ 1.4960</u>	<u>\$ 1.4960</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	2018			2009		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Mouser Electronics Inc.	540,387,922	1	5.96%	36,576,027	6	0.45%
Oncor Electric Delivery Company	87,498,984	2	0.96%	76,028,026	2	1.04%
Mid-America Apartments LP	67,100,000	3	0.74%			
Mansfield KDC II & III LP	58,109,337	4	0.64%	32,675,254	8	0.46%
Wal Mart Stores, Inc.	51,846,749	5	0.57%	52,264,165	5	0.68%
DFW Midstream Services LLC	47,713,514	6	0.53%			
WMCI Dallas II LLC	46,600,000	7	0.51%			
Advenir-Mansfield LLC	44,000,000	8	0.48%			
XTO Energy Inc.	43,496,553	9	0.48%	249,126,652	1	1.16%
CHP Watercrest at Mansfield TX	40,300,000	10	0.44%			
EOG Resources, Inc.				65,115,014	3	0.82%
Carrizo Oil & Gas				56,728,530	4	0.31%
Target Corp				33,314,630	7	0.46%
Chesapeake Land Dev Co LLC				31,782,090	9	0.33%
Heroux Corp / Progressive Inc				26,215,255	10	0.30%
TOTALS	\$ 1,027,053,059		7.94%	\$ 659,825,643		8.23%

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

(2) Total assessed value equals: \$ 12,937,199,688

(3) Total assessed value equals: \$ 8,012,638,378

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
2018	\$ 195,595,875	\$ 192,376,193	98.35%	\$	\$ 192,376,193	98.35%
2017	172,845,186	170,069,597	98.39%	2,707,251	172,776,848	99.96%
2016	159,203,181	156,063,483	98.03%	1,268,635	157,332,118	98.82%
2015	154,744,727	153,201,374	99.00%	1,246,794	154,448,168	99.81%
2014	145,270,362	143,801,664	98.99%	1,301,678	145,103,342	99.89%
2013	143,585,117	142,201,209	99.04%	1,390,066	143,591,275	100.00%
2012	139,937,696	138,328,256	98.85%	1,403,701	139,731,957	99.85%
2011	135,785,731	134,310,039	98.91%	1,153,615	135,463,654	99.76%
2010	135,013,066	132,807,047	98.37%	1,890,191	134,697,238	99.77%
2009	128,357,289	125,625,216	97.87%	2,470,995	128,096,211	99.80%

(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)			
2018	\$ 750,175,000	\$ 984,826	\$ 751,159,826	5.81%	\$ 22,681
2017	805,416,590	2,332,286	807,748,876	6.96%	24,753
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

- (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
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 10

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)
2018	\$ 750,175,000	\$ 33,244,467	\$ 716,930,533	5.54%	21,647
2017	805,416,590	27,198,818	778,217,772	6.70%	23,848
2016	764,415,000	25,268,777	739,146,223	7.01%	22,966
2015	788,320,000	9,806,721	778,513,279	7.58%	24,531
2014	740,529,963	7,534,195	732,995,768	8.08%	23,454
2013	691,174,962	8,431,807	682,743,155	7.73%	21,878
2012	724,279,962	8,870,666	715,409,296	7.65%	23,127
2011	696,013,429	7,559,801	688,453,628	8.03%	22,535
2010	666,804,943	13,584,642	653,220,301	7.85%	21,876
2009	687,857,835	11,539,117	676,318,718	8.44%	23,286

(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, 2018

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to School District</u>
<i>Overlapping:</i>			
City of Arlington	\$ 497,353,000	13.71%	\$ 68,187,096
City of Fort Worth	2,136,313,000	0.00% (4)	-
City of Kennedale	12,923,649	4.76%	615,166
City of Mansfield	203,145,526	93.97%	190,895,851
City of Grand Prairie	237,175,000	10.43%	24,737,353
Johnson County	37,491,344	4.89%	1,833,327
Tarrant County (2)	311,230,000	7.06%	21,972,838
Total Overlapping Debt			<u>308,241,630</u>
<i>Direct:</i>			
Mansfield Independent School District (3)	751,159,826	100.0%	<u>751,159,826</u>
TOTAL OVERLAPPING AND DIRECT DEBT			\$ <u><u>1,059,401,456</u></u>

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

8.19%

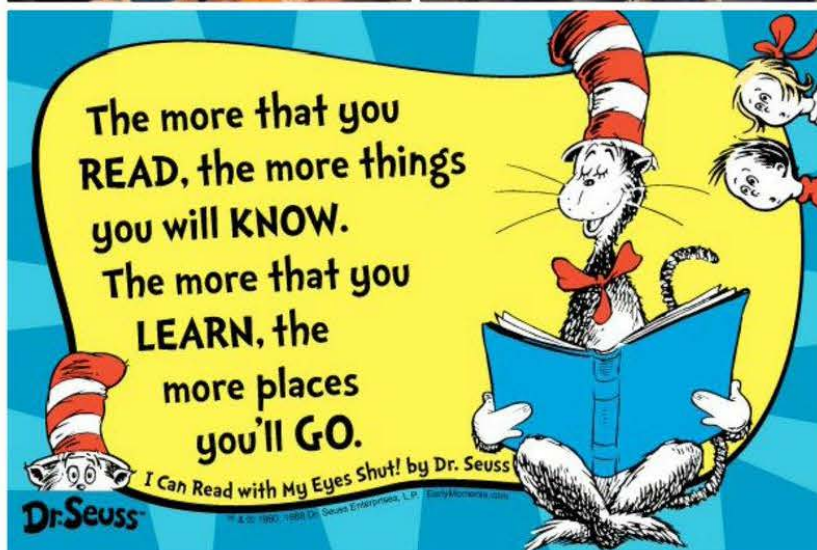
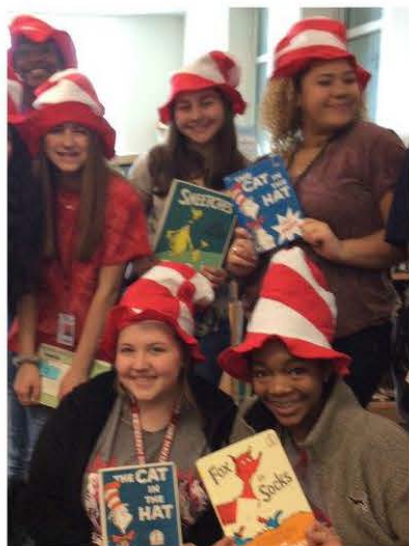
(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable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

\$ 12,937,199,688

(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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 1,293,719,969	\$ 1,161,164,762	\$ 1,054,325,702	\$ 1,027,312,726
Total Net Debt Applicable to Limit	<u>716,930,533</u>	<u>778,217,771</u>	<u>739,146,223</u>	<u>778,513,279</u>
Legal Debt Margin	<u>\$ 576,789,436</u>	<u>\$ 382,946,991</u>	<u>\$ 315,179,479</u>	<u>\$ 248,799,447</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	55.42%	67.02%	70.11%	75.78%

Legal Debt Margin Calculation for Fiscal Year 2018:

Assessed Value (2)
Debt Limit Percentage of Assessed Value
Debt Limitation

Debt Applicable to Debt Limitation:
Total Bonded Debt
Less Restricted for Retirement of Bonded Debt (3)

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 907,217,441	\$ 882,874,903	\$ 935,412,406	\$ 857,429,029	\$ 832,152,606	\$ 801,263,838
<u>732,995,768</u>	<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><u>174,221,673</u></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>
80.80%	77.33%	76.48%	80.29%	78.50%	84.41%

\$ 12,937,199,688
10%
1,293,719,969

\$ 750,175,000
33,244,467

716,930,533
\$ 576,789,436

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)
2018	50,594	\$ 10,706,619,793	\$ 211,618	\$ 2,456,809	\$ 35,718	33,119	3.8%
2017	49,576	8,217,852,270	165,763	2,456,809	35,718	32,632	3.9%
2016	49,576	8,217,628,222	165,758	2,158,489	31,917	32,184	4.3%
2015	46,858	7,398,513,630	157,892	2,064,653	31,917	31,736	4.4%
2014	46,641	7,562,334,234	162,139	1,990,893	31,917	31,252	5.4%
2013	46,243	6,532,102,347	141,256	1,784,305	29,554	31,206	4.9%
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%

(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
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Table 14

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Mansfield Independent School District	4590	1	6.13%	4000	1	7.52%
Mouser Electronics	1900	2	2.54%	432	4	0.81%
Methodist Mansfield	1223	3	1.63%			
City of Mansfield, Texas	544	4	0.73%	503	3	0.95%
Hoffman Cabinets	448	5	0.60%			
Klein Tools	431	6	0.58%			
Pier 1 Distribution Center	300	7	0.40%			
BCB Transport	268	8	0.36%			
SJ Louis Construction Company	265	9	0.35%	180	9	0.34%
Intermedix	183	10	0.24%			
Walmart				600	2	1.13%
Simeus Foods				265	5	0.50%
Solvay Engineered Polymers				204	6	0.38%
On the Border				180	7	0.34%
Best Buy				180	8	0.34%
Trinity Forge				165	10	0.31%
	<u>10,152</u>		<u>13.55%</u>	<u>6,709</u>		<u>12.62%</u>

(1) Total Employment for 2018: 74,850

(2) Total Employment for 2009: 53,191

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:	2018	2017	2016	2015
Administrator	57	57	57	53
Associate/Assistant Principal	77	77	77	75
Athletic Trainer	12	12	12	11
Auxiliary Staff	1446	1432	1432	1479
Counselor	90	90	90	89
Educational Diagnostician	31	31	31	30
Librarian	40	40	40	40
Music Therapist	2	2	2	3
Nurse	51	50	50	44
Occupational Therapist	7	7	7	7
Other Campus Prof. Personel	0	-	-	-
Other Non-Campus Prof. Personel	88	86	86	72
Orientation/Mobility Instructor	2	2	2	2
Physical Therapist	2	2	2	2
Psychological Associate	0	0	0	0
Psychologist/LSSP	6	6	6	6
Principal	42	41	41	41
Social Worker	2	1	1	1
Speech Therapist/Speech Lang. Pathologist	31	31	31	31
Teacher	2223	2200	2200	2171
Teacher Facilitator		-	-	-
Teacher - Special Duty		-	-	-
Educational Aide	381	381	381	376
Total Employees	4,590.0	4,548.0	4,548.0	4,533.0

Source: District records.

Table 15

2014	2013	2012	2011	2010	2009
49.3	46.0	33.2	32.6	34.8	33.8
74.0	74.0	72.0	70.0	64.1	66.0
11.0	11.5	3.0	3.8	6.0	7.9
1,426.2	1,437.6	1,233.8	1,128.8	1,131.2	1,122.5
89.0	83.0	78.8	77.0	74.9	75.0
30.0	29.0	26.9	26.1	25.0	22.8
40.0	40.0	29.2	38.3	37.4	36.3
3.0	2.0	1.0	1.0	1.0	1.0
44.0	41.0	43.3	43.0	41.0	42.0
7.0	7.0	5.9	4.0	5.0	6.0
-	-	5.8	2.2	3.4	2.7
64.0	66.0	28.8	27.0	27.0	25.0
2.0	2.0	3.0	3.0	2.0	1.0
2.0	3.0	2.0	2.0	2.0	2.0
-	-	-	-	-	-
5.5	6.5	4.5	4.5	4.5	4.5
41.0	41.0	38.2	41.0	40.0	39.0
1.0	1.0	1.0	1.0	1.0	1.0
30.5	30.5	27.5	25.5	24.5	26.0
2,138.0	2,116.7	1,992.1	1,946.0	1,980.7	1,928.2
-	-	15.0	15.0	14.9	12.1
-	-	-	-	-	-
382.5	354.5	320.8	302.8	309.8	304.1
4,440.0	4,392.3	3,965.8	3,794.6	3,830.2	3,758.9

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>
2018	33,119	\$ 363,118,380	\$ 10,964	17.23%
2017	32,632	305,196,831	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%

(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, PEIMS reports, and District records.

Table 16

<u>Government Wide Expenses</u>	<u>Cost Per Student (2)</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program</u>
\$ 279,504,239	\$ 8,439	-27.53%	2,256	14.68	42.51%
380,033,993	11,646	-1.37%	2,200	14.83	40.30%
328,432,757	11,808	4.21%	2,200	14.63	37.79%
359,596,283	11,331	3.75%	4,929	6.44	40.80%
341,314,445	10,921	8.32%	4,909	6.37	38.10%
314,649,023	10,083	3.20%	4,823	6.47	38.50%
302,234,138	9,770	-3.00%	4,747	6.52	37.20%
307,695,153	10,072	0.69%	4,287	7.13	37.00%
298,699,705	10,003	4.35%	4,097	7.29	36.20%
278,412,098	9,586	3.10%	4,140	7.02	32.70%

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)		
2018	\$ 54,149	\$ 70,489	\$ 52,781	\$ 47,883
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

(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:	2018	2017	2016	2015
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	90	27	102	103
Summit High (1995)				
Square Footage	370,000	370,000	370,000	370,000
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,121	2,118	2,118	2,020
Mansfield High (2002)				
Square Footage	390,000	390,000	390,000	390,000
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,448	2,374	2,359	2,333
Timberview High (2004)				
Square Footage	416,000	416,000	416,000	416,000
Capacity	2,500	2,500	2,500	2,500
Enrollment	1,864	1,772	1,731	1,657
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	165	229	248	237
Legacy High (2007)				
Square Footage	207,360	207,360	207,360	207,360
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,006	1,943	2,018	1,945
Lake Ridge (2012)				
Square Footage	422,411	422,411	422,411	422,411
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,383	2,188	2,106	2,085
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	920	932	901	872
Rogene Worley (1986)				
Square Footage	126,689	126,689	126,689	126,689
Capacity	1,000	1,000	1,000	1,000
Enrollment	925	904	920	929
T.A. Howard (1994)				
Square Footage	130,000	130,000	130,000	130,000
Capacity	1,000	1,000	1,000	1,000
Enrollment	902	909	874	855
Danny Jones (2004)				
Square Footage	160,000	160,000	160,000	160,000
Capacity	1,000	1,000	1,000	1,000
Enrollment	1,089	1,042	950	843

Source: District records and Population and Survey Analysts.

Table 18
1 of 4

2014	2013	2012	2011	2010	2009
64,021	64,021	64,021	64,021	64,021	64,021
1,200	1,200	1,200	1,200	1,200	1,200
101	98	92	90	85	79
370,000	370,000	370,000	370,000	370,000	370,000
2,500	2,500	2,500	2,500	2,500	2,500
2,157	2,087	2,228	2,013	2,024	1,997
390,000	390,000	390,000	390,000	390,000	390,000
2,500	2,500	2,500	2,500	2,500	2,500
2,385	2,315	2,325	2,416	2,367	2,226
416,000	416,000	416,000	416,000	416,000	416,000
2,500	2,500	2,500	2,500	2,500	2,500
1,895	1,665	1,641	2,401	2,297	2,171
180,964	180,964	180,964	180,964	180,964	180,964
1,200	1,200	1,200	1,200	1,200	1,200
225	222	207	199	-	-
207,360	207,360	426,650	426,650	426,650	426,650
2,500	2,500	2,500	2,500	2,500	2,500
1,916	1,937	1,856	2,251	2,313	2,213
422,411	422,411	422,411	422,411	-	-
2,500	2,500	1,257	1,257	-	-
2,006	2,005	1,888	-	-	-
251,151	251,151	251,151	251,151	251,151	251,151
1,000	1,000	1,000	1,000	1,000	1,000
866	847	840	874	939	999
126,689	126,689	126,689	126,689	126,689	126,689
1,000	1,000	1,000	1,000	1,000	1,000
925	949	909	874	721	945
130,000	130,000	130,000	130,000	130,000	130,000
1,000	1,000	1,000	1,000	1,000	1,000
855	924	953	973	1,031	1,031
160,000	160,000	160,000	160,000	160,000	160,000
1,000	1,000	1,000	1,000	1,000	1,000
794	976	960	822	818	704

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2018	2017	2016	2015
MIDDLE SCHOOLS (CONT.)				
James Coble (2006)				
Square Footage	164,719	164,719	164,719	164,719
Capacity	1,000	1,000	1,000	1,000
Enrollment	956	908	858	884
Linda Jobe (2008)				
Square Footage	165,350	165,350	165,350	165,350
Capacity	1,000	1,000	1,000	1,000
Enrollment	932	889	803	809
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	822	856	835	842
Mary Orr (1998)				
Square Footage	110,229	110,229	110,229	110,229
Capacity	1,000	1,000	1,000	1,000
Enrollment	851	879	878	845
Donna Shepard (2001)				
Square Footage	116,794	116,794	116,794	116,794
Capacity	1,000	1,000	1,000	1,000
Enrollment	855	898	898	877
Della Icenhower (2004)				
Square Footage	116,794	116,794	116,794	116,794
Capacity	1,000	1,000	1,000	1,000
Enrollment	915	847	866	862
Mary Lillard (2006)				
Square Footage	128,340	128,340	128,340	128,340
Capacity	1,000	1,000	1,000	1,000
Enrollment	1,035	992	933	945
Asa Low (2008)				
Square Footage	133,385	133,385	133,385	133,385
Capacity	1,000	1,000	1,000	1,000
Enrollment	784	801	809	864
ELEMENTARY SCHOOLS				
Alice Ponder (1967)				
Square Footage	77,641	77,641	77,641	77,641
Capacity	800	800	800	800
Enrollment	678	652	545	494
Tarver Rendon (1969)				
Square Footage	71,047	71,047	71,047	71,047
Capacity	800	800	800	800
Enrollment	677	637	597	597
J.L. Boren (1979)				
Square Footage	57,241	57,241	57,241	57,241
Capacity	800	800	800	800
Enrollment	565	558	566	567

Source: District records and Population and Survey Analysts.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
164,719	164,719	164,719	164,719	164,719	164,719
1,000	1,000	1,000	1,000	1,000	1,000
934	699	682	663	654	1,132
165,350	165,350	165,350	165,350	165,350	165,350
1,000	1,000	1,000	1,000	1,000	1,000
813	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
855	822	866	958	924	948
110,229	110,229	110,229	110,229	110,229	110,229
1,000	1,000	1,000	1,000	1,000	1,000
879	952	952	893	849	946
116,794	116,794	116,794	116,794	116,794	116,794
1,000	1,000	1,000	1,000	1,000	1,000
793	713	756	798	744	858
116,794	116,794	122,600	122,600	122,600	122,600
1,000	1,000	1,000	1,000	1,000	1,000
925	635	691	636	615	1,181
128,340	128,340	128,340	128,340	128,340	128,340
1,000	1,000	1,000	1,000	1,000	1,000
905	995	896	859	783	731
133,385	133,385	133,385	133,385	133,385	133,385
1,000	1,000	1,000	1,000	1,000	1,000
869	874	879	834	877	-
77,641	77,641	77,641	77,641	77,641	77,641
800	800	800	800	800	800
470	473	516	621	623	578
71,047	71,047	71,047	71,047	71,047	71,047
800	800	800	800	800	800
641	610	583	603	612	575
57,241	57,241	57,241	57,241	57,241	57,241
800	800	800	800	800	800
556	567	642	691	683	685

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2018	2017	2016	2015
ELEMENTARY SCHOOLS (CONT.)				
Charlotte Anderson (1986)				
Square Footage	69,947	69,947	69,947	69,947
Capacity	800	800	800	800
Enrollment	465	385	490	497
Glenn Harmon (1988)				
Square Footage	74,081	74,081	74,081	74,081
Capacity	800	800	800	800
Enrollment	594	612	516	541
Willie Brown (1998)				
Square Footage	65,885	65,885	65,885	65,885
Capacity	800	800	800	800
Enrollment	618	621	576	602
D.P. Morris (1998)				
Square Footage	65,885	65,885	65,885	65,885
Capacity	800	800	800	800
Enrollment	574	514	533	534
Kenneth Davis (2001)				
Square Footage	72,256	72,256	72,256	72,256
Capacity	800	800	800	800
Enrollment	489	568	580	616
Imogene Gideon (2001)				
Square Footage	72,256	72,256	72,256	72,256
Capacity	800	800	800	800
Enrollment	458	524	514	520
Thelma Jones (2003)				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	469	506	533	551
Roberta Tipps (2003)				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	619	657	660	666
Erma Nash (2003)				
Square Footage	84,631	84,631	84,631	84,631
Capacity	800	800	800	800
Enrollment	588	616	606	622
Elizabeth Smith (2004)				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	636	716	702	706
Martha Reid (2004)				
Square Footage	77,038	77,038	77,038	77,038
Capacity	800	800	800	800
Enrollment	635	647	636	667

Source: District records and Population and Survey Analysts.

2014	2013	2012	2011	2010	2009
69,947	69,947	69,947	69,947	69,947	69,947
800	800	800	800	800	800
498	491	550	594	605	599
74,081	74,081	74,081	74,081	74,081	74,081
800	800	800	800	800	800
593	627	676	650	661	604
65,885	65,885	65,885	65,885	65,885	65,885
800	800	800	800	800	800
566	552	540	608	628	827
65,885	65,885	65,885	65,885	65,885	65,885
800	800	800	800	800	800
549	533	610	745	732	725
72,256	72,256	72,256	72,256	72,256	72,256
800	800	800	800	800	800
587	607	654	706	722	692
72,256	72,256	72,256	72,256	72,256	72,256
800	800	800	800	800	800
527	525	555	555	531	541
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
573	568	558	510	513	478
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
663	699	737	771	810	834
84,631	84,631	84,631	84,631	84,631	84,631
800	800	800	800	800	800
515	495	508	619	637	717
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
730	717	653	588	553	535
77,038	77,038	77,038	77,038	77,038	77,038
800	800	800	800	800	800
653	686	687	691	667	737

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2018	2017	2016	2015
ELEMENTARY SCHOOLS (CONT.)				
Mary Jo Sheppard (2005)				
Square Footage	79,070	79,070	79,070	79,070
Capacity	800	800	800	800
Enrollment	485	535	548	543
Janet Brockett (2005)				
Square Footage	79,070	79,070	79,070	79,070
Capacity	800	800	800	800
Enrollment	591	583	614	649
Anna May Daulton (2006)				
Square Footage	79,274	79,274	79,274	79,274
Capacity	800	800	800	800
Enrollment	713	714	693	665
Cora Spencer (2006)				
Square Footage	79,274	79,274	79,274	79,274
Capacity	800	800	800	800
Enrollment	739	822	763	739
Carol Holt (2007)				
Square Footage	79,274	79,274	79,274	79,274
Capacity	800	800	800	800
Enrollment	441	453	471	476
Louise Cabaniss (2008)				
Square Footage	74,275	74,275	74,275	74,275
Capacity	800	800	800	800
Enrollment	590	557	574	588
Annette Perry (2010)				
Square Footage	79,679	79,679	79,679	79,679
Capacity	800	800	800	800
Enrollment	392	365	364	342
Nancy Neal (2011)				
Square Footage	80,584	80,584	80,584	80,584
Capacity	800	800	800	800
Enrollment	453	430	429	432
Judy K. Miller (2015)				
Square Footage	80,584	80,584	80,584	-
Capacity	800	800	800	-
Enrollment	474	205	88	-

Source: District records and Population and Survey Analysts.

2014	2013	2012	2011	2010	2009
79,070	79,070	79,070	79,070	108,293	108,293
800	800	800	800	800	800
519	559	537	751	712	681
79,070	79,070	79,070	79,070	79,079	79,070
800	800	800	800	800	800
661	649	657	662	682	669
79,274	79,274	79,274	79,274	79,274	79,274
800	800	800	800	800	800
676	680	770	716	672	602
79,274	79,274	79,274	79,274	79,274	79,274
800	800	800	800	800	800
733	607	532	461	404	343
79,274	79,274	79,274	79,274	79,274	79,274
800	800	800	800	800	800
454	509	517	625	635	621
74,275	74,275	74,275	74,275	74,275	74,275
800	800	800	800	800	800
627	650	532	508	518	493
79,679	79,679	79,679	79,679	79,679	-
800	800	800	800	800	-
398	392	411	339	275	-
80,584	80,584	80,584	80,584	-	-
800	800	800	800	-	-
421	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 year ended June 30, 2018, 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 13, 2018.

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.

To the 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 13, 2018

**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, 2018. 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.

To the Board of Trustees
Mansfield Independent School District

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

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.

Whitely Penn LLP

Fort Worth, Texas
November 13, 2018

Federal Awards Section



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MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

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
ESEA, Title III, Part A Limited English Proficiency	84.365A
ESEA, Title III, Part A Immigrant	84.365A
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$750,000
Auditee qualified as low risk auditee?	Yes

MANSFIELD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

II. Financial Statements Findings

There were no current year findings

III. Federal Awards Findings and Questioned Costs

There were no current year findings.

**Mansfield Independent School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018**

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:			
Federal ROTC	12.000		320,571
Air Force Jr ROTC	12.000	None	521
Law Enforcement Officer Safety	12.000	None	-
Total U.S. Department of Defense			321,092
U. S. Department of Education			
Passed Through State Department of Education:			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	17610101220908	178,733
ESEA, Title I, Part A - Improving Basic Programs	84.010A	18610101220908	3,167,859
ESEA, Title I, Part A - School Improvement	84.010A	18610123220908	125,638
ESEA, Title II, Part A, Teacher/Principal Training and Recruiting	84.367A	17694501220908	1,545
ESEA, Title II, Part A, Teacher/Principal Training and Recruiting	84.367A	18694501220908	574,756
ESEA, Title III, Part A Limited English Proficiency	84.365A	17671001220908	14,238
ESEA, Title III, Part A Limited English Proficiency	84.365A	18671001220908	388,527
ESEA, Title III, Part A Immigrant	84.365A	18671003220908	60,028
IDEA-B Formula **	84.027A	176600012209086000	144,268
IDEA-B Formula **	84.027A	186600012209086000	4,593,344
IDEA-B Preschool **	84.173A	176610012209086000	1,096
IDEA-B Preschool **	84.173A	186610012209086000	43,185
Total Special Education Cluster**			4,781,893
Carl D. Perkins Basic Grant	84.048A	17420006220908	229,874
Title VI Part A Summer School LEP	84.369A	S369A170045	3,994
Title VI Part A Summer School LEP	84.369A	S369A180045	15,396
Title IV Part A	84.424	18680101220908	33,661
Total Passed through State Department of Education			9,576,142
U. S. Department of Agriculture			
Passed Through the Texas Department of Agriculture (Non-Cash Assistance)			
National School Lunch Program - USDA Commodities *	10.555	220-908	1,109,725
Passed Through State Department of Education (Cash Assistance)			
School Breakfast Program *	10.553	71401701	1,765,974
School Lunch Program *	10.555	71301701	6,604,852
Seamless Summer Option *	10.555	71301701	113,961
Total Passed Through State Department of Education			8,484,787
Total Child Nutrition Cluster *			9,594,512
Total U.S. Department of Agriculture			9,594,512
U.S. Department of Health and Human Services			
Passed Through Texas Health and Human Services Commission			
Medical Administrative Claiming (MAC)	93.778	220-908	31,211
Total U.S. Department of Health and Human Services			31,211
Total Expenditures of Federal Awards			\$ 19,522,957
* Child Nutrition Cluster			
** IDEA-B (Special Education) Cluster			
Total shown on Schedule of Expenditures of Federal Awards			\$ 19,522,957
Federal Revenue Accounted for in the General Fund:			
Flood Control			23,475
eRate			458,186
Medicaid SHARS			3,043,418
Reconciled balance			\$ 23,048,036

Notes to Schedule of Expenditures of Federal Awards For the Twelve Months Ended June 30, 2018

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, 2018. 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	\$ 19,522,957
Federal Revenue Accounted for in the General Fund:	
Flood Control	23,475
eRate	458,186
Medicaid SHARS	3,043,418
Reconciled balance	<u><u>\$ 23,048,036</u></u>

Mansfield Independent School District
Notes to Schedule of Expenditures of Federal Awards (continued)
For the Twelve Months Ended June 30, 2018

Exhibit K-2

Note 4 - General Fund Expenditures

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

Flood Control	\$ 23,475
Federal ROTC	320,571
eRate	458,186
Medicaid SHARS	3,043,418
Indirect Costs -	
ESEA Title I Part A - Improving Basic Programs	59,512
Title II Part A, Teacher/Principal Training and Recruiting	9,951
ESEA, Title III, Part A Limited English Proficiency	1,036
Title IV Part A	581
	<hr/>
	\$ 3,916,730



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